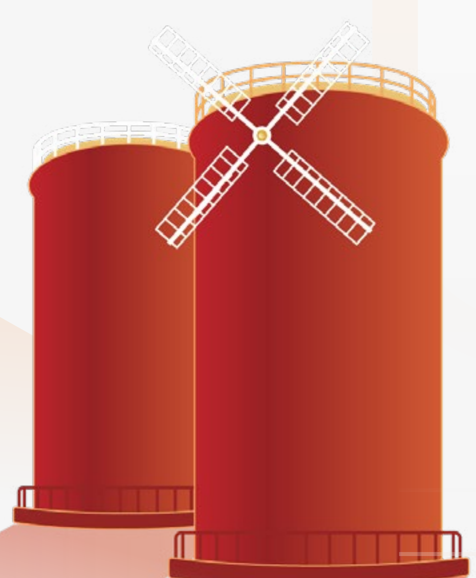
2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Foshan Haitian Flavouring and Food Company Ltd.

Contents



About This Report

Introduction to the Report

This report is the sixth Environmental, Social, and Governance Report ("ESG report" or the "report") issued by Foshan Haitian Flavouring and Food Company Ltd. and its subsidiaries (hereinafter referred to as "Haitian Flavouring", "Haitian", the "Company", "we"). This report shows the positive actions and achievements of Haitian in implementing the sustainable development concept, mainly including the progress of sustainable development management in corporate governance, climate change response, product health, nutrition and quality, environmental protection, social responsibility and other aspects, as well as the responsibility fulfillment practices for stakeholders including investors, government and relevant regulatory authorities, employees, customers, supply chains, and the industry.

Compliance Statement and Basis of Preparation

This report has been prepared in accordance with the requirements of the *Corporate Sustainability Disclosure Standards – Basic Standards (Trial)* and the *Corporate Sustainable Disclosure Standard No. 1 – Climate (Trial)* issued by the Ministry of Finance and eight other departments, as well as the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)* (the "*Guidelines*") issued by Shanghai Stock Exchange (SSE)., and the *Appendix C2 – Environmental, Social and Governance Reporting Code* under the Main Board Listing Rules of the Hong Kong Stock Exchange. Additionally, it references the following international standards and frameworks: *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) and *Climate-related Disclosures* (IFRS S2) issued by the International Sustainability Standards Board (ISSB), the *Sustainability Reporting Standards* issued by the Global Reporting Initiative ("GRI"), the *Guide for Business Action on the SDGs* issued by UN. This report strives to align with industry best practices in ESG disclosure.

Scope of the Report

This report is principally scoped to Foshan Haitian Flavouring and Food Company Ltd. and its subsidiaries, aligning with the scope covered by the Company's 2025 Annual Report. This report is an annual report, covering the period from 1 January 2025 to 31 December 2025 ("this year" or the "reporting period").To enhance the completeness and comparability of the report, it also includes some reports on the previous or recent related activities.

Data Sources

The content and data disclosed in this report are sourced from the Company's internal records and publicly available documents. The Company confirms that the report contains no false records or misleading statements. The data disclosed in this report may differ from that in the company's 2025 Annual Report; in case of discrepancy, the Annual Report shall prevail.

Access to the Report

Email: OBD@haday.cn

Haitian Official Website: www.haday.com

Website of the Shanghai Stock Exchange: www.sse.com.cn

Hong Kong Exchanges and Clearing Limited website: www.hkexnews.hk

This report is available in both Chinese and English. In the event of any discrepancies between the English and Chinese versions of the report, the Chinese version shall prevail.

Approval of the Report

This report was reviewed and confirmed by the Board of Directors and approved for publication on 26 March 2026.

About Haitian

Company Profile

With over a century of heritage, Haitian has grown into one of China's most recognized names in the condiment industry—driving innovation while maintaining a truly global vision. Headquartered in Foshan, Guangdong—the heartland of Chinese culinary culture—it has long been dedicated to the production and marketing of condiments. As one of the first enterprises listed by the Ministry of Commerce of the People's Republic of China under the "China Time-Honored Brand" initiative, Haitian remains a faithful guardian of traditional brewing techniques and a cultural ambassador of Eastern condiment wisdom.

Haitian has consistently prioritized technological innovation as a foundation for enterprise development, integrating traditional brewing techniques with cutting-edge digital and intelligent technologies. Through high-quality advancement in digitalization, the Haitian Gaoming Factory has become the world's first "Lighthouse Factory" in the soy sauce brewing industry. Haitian consistently upholds its business philosophy of "customer satisfaction above all", delivering outstanding quality and service to continually meet the diverse needs of consumers. The Company has built a multi-layered, pyramid-shaped product portfolio, with soy sauce, oyster sauce, and condiment pastes forming its foundation. It continues to cultivate emerging trend-based categories as a growth accelerator, thereby providing consumers with comprehensive "one-stop" condiment solutions for all cooking scenarios, with annual revenue exceeding RMB 20 billion. Haitian's condiment have maintained the top position in industry production and sales for 28 consecutive years, with products exported to more than 80 countries and regions worldwide. On February 11, 2014, Haitian was listed on the main board of the Shanghai Stock Exchange (stock name: Foshan Haitian Flavouring and Food Company Ltd., stock code: 603288); on June 19, 2025, Haitian was listed on the main board of the Hong Kong Stock Exchange (stock name: Foshan Haitian Flavouring and Food Company Ltd., stock code: 03288), becoming the first enterprise in China's condiment industry to achieve dual-listing on both A-shares and H-shares.

Haitian Culture

The Haitian culture, characterized by simplicity, pragmatism, openness, and shared values, is a key intangible strength driving the Company's sustained development. It represents the spiritual belief and value pursuit of generation after generation of Haitian employees, uniting all staff in a collective forward momentum. The core elements of Haitian's mission, vision, and values form the foundation of its corporate culture, guiding the Company to remain user-centric by continuously developing healthy, nutritious products that meet consumer preferences, preserving culinary delight, and advancing sustainable development.

Mission

Spreading the Joy of Flavour, Brewing Happiness for People's Lives

Building upon China's traditional culinary culture and craftsmanship, we continuously innovate to elevate the essence of "Chinese flavor", enabling our users to enjoy a rich and delicious range of condiments every day, and promoting Chinese culinary culture worldwide.

Vision

Haitian is Wherever Food Connects People

We are committed to continuously upgrading our high-quality product portfolio and building a channel network with both breadth and depth, enabling more consumers worldwide to enjoy Haitian products and sharing our story of flavor in every corner of the world.

Core Value

Customer First

We recognize that customer satisfaction remains the foundation for the Company's development. Through keen market insight, robust technological research and development capabilities, and agile flexible manufacturing capacity, we continuously strive to deliver improved products and services that promptly meet user demands.

Brand Promise

Everyday Life More Flavourful

As creators of healthy, delicious, and fulfilling lifestyles, we aim for our diverse, high-quality, innovative products—exceeding expectations—to consistently enable our users to discover, create, enjoy, share, and feel the delight of everyday meals, realizing "Life is More Delicious".

Core Competitiveness Focus

Quality as Our Foundation

Core competencies determine the quality of the Company's sustainable development. A product portfolio with enduring taste memory and continuous richness, a dual-driven model of integrated channels and national brand strength, a technology-led enterprise strategy supported by leading technical reserves, an optimized supply chain combined with scale advantages, and a strategic focus on sustainable development are all key competitive advantages of Haitian in the industry, which will be consistently maintained and further strengthened in the future. Among many advantages, the paramount one is quality. Haitian has achieved success through quality, and will continue to thrive as the strength of its quality advantage becomes increasingly evident.

Our 2025

Annual ESG Performance

Promoting Sustainable Brewing Practices to Contribute to the Preservation of Natural Ecosystems

In 2025, Haitian implemented **128** energy-saving and carbon-reduction measures, resulting in a total savings of **17.0877 million kWh** of electricity, **130,900** standard cubic meters of natural gas, and **63,533.19 tonnes** of steam, collectively reducing carbon emissions by **29,830.63 tonnes of CO_2 equivalent**

Achieved biogas power generation of **6.962 million kWh**, photovoltaic installed capacity of **28.99 MW**, and a green electricity usage share exceeding **28%**

All facilities actively expanded the reuse of reclaimed water, cooling water, condensate water, and other water sources. In 2025, the Company's total water reuse volume reached **1.88 million** cubic meters, with the cooling water recycling rate reaching **90%**

Completed the collection, compilation, and analysis of water withdrawal and water intensity data for approximately **150** core raw material suppliers covering the period 2023 to 2025

Over **8,700 tonnes** of packaging materials were reduced throughout the year

Comprehensive utilization rate of recycled production waste **99.12%**

Healthy and Delicious Meals, Brightening Dining Tables Across Households

R&D investment amounted to **RMB 915 million**, accounting for **3.17%** of the annual operation revenue

more than **300** science popularization content were released across various platforms, reaching over **32.27 million** impressions

100 new patents were granted this year, bringing the total number of active patents to over **800**, including **380** valid invention patents

Each production base has obtained at least one of the food safety system certifications such as ISO 22000/FSSC 22000/HACCP. Meanwhile, the wholly-owned production bases have **100%** obtained ISO 9001 quality management system certification

No food safety incidents occurred

Over **5,000** individuals participated in training sessions on responsible marketing topics

No data security incidents have occurred, and there were no incidents involving the leakage of customer privacy

Moving Forward Together, Shaping a Better Future Through Flavour

No instances of child labor or forced labor

The collective agreement covers **100%** of employees

Employee social insurance contribution rate is **100%**

100% of seafood raw materials (oysters) that are traceable to processing facilities

Raw material suppliers certified under British Retail Consortium Certification (BRC) **52** suppliers, certified under Food Safety System Certification 22000 (FSSC 22000) **125** suppliers, certified under ISO 22000 standards **214** suppliers, certified under ISO 9001 standards **856** suppliers, certified under ISO 14001 standards **570** suppliers, certified under ISO 45001 standards **485** suppliers

Caring for Society and Delivering Warmth and Care

In 2025, Haitian and Kangze Foundation invested over **RMB 7.2 million** in rural revitalisation initiatives, with the outcomes of these efforts benefiting more than **2.40 million people**

Haitian and Kangze Foundation have collectively donated over **RMB 22.59 million** to education initiatives

In 2025, the Haitian and Kangze Foundation made external donations exceeding **RMB 16.95 million**, benefiting over **4.35 million** individuals

Established the Haitian Volunteer Service Team, which delivered a total of **361** volunteer person-days and **1,150 hours** of service in 2025, providing support to over **112,000** individuals from vulnerable social groups and the general public

Robust Governance, Safeguarding a Century-long Legacy

Issued cash dividends of **RMB 8.046 billion** during the reporting period (including the 2024 annual dividend, the 2025 interim dividend and a special dividend[1] for shareholder returns)

Organized **219** on-site investor research[2]

Received an **A** rating in the SSE's information disclosure evaluation[3]

The proportion of suppliers and distributors subject to integrity and ethical collaboration requirements[4] reached **100%**

Carried out training programs on the risk control empowerment series, annual required knowledge and competencies, and special empowerment for the development of risk control systems at subsidiaries, with approximately **13,000** participants across all sessions

Business ethics training cover all directors (including independent directors), senior management, middle management, and frontline employees, with a cumulative total of **22,264** participants

[1] The special dividend was fully distributed on 6 February 2026.

[2] On-site research includes various activities such as performance roadshows and analyst open days. The data for the year also includes roadshow activities related to the H-share project.

[3] Refer to 2024-2025 Information Disclosure Evaluation Results for SSE Listed Companies at https://www.sse.com.cn/regulation/supervision/dynamic/c/c_20251024_10795890.shtml

[4] Depending on supplier and distributor type and actual circumstances, these requirements include but are not limited to signing *Integrity Agreement*, *Supplier/Distributor Code of Conduct*, oral or written integrity and self-discipline requirements, etc.

Annual Corporate Recognition

Brand Value

"2025 China Consumer Excellence List"
Ministry of Industry and Information Technology of the People's Republic of China

"IP Golden New Brand" by CCTV
China Media Group

The first batch of **"Guangdong Time-honored Brands"**
Guangdong Provincial Department of Commerce

In the Consumer Index of "Global Brand Footprint Report 2025", **Haitian ranked 4th among the Top Ten Preferred Brands by Chinese Consumers, having appeared on the list for 11 consecutive years and maintained a position within the top four for eight consecutive years**
Worldpanel Consumer Index (formerly Kantar Consumer Index)

In the 2025 C-BPI China Brand Power Index ranking, **Haitian was recognized as the top brand in four categories**: soy sauce (for 15 consecutive years), oyster sauce (for 6 consecutive years), condiments (for 6 consecutive years), and vinegar (for 2 consecutive years)
Chnbrand (Beijing) Brand Consulting Company

"2025 Favorite Chinese Brands Among Foreigners" list
Xinhua News Agency Brand Office, China Economic Information Service

Enterprise Strength

Haitian Gaoming Factory has been recognised as a **Lighthouse Factory**, becoming the first and only factory in the global soy sauce brewing industry to be selected to date
World Economic Forum

"National Key Leading Enterprise in Agricultural Industrialization"
Ministry of Agriculture and Rural Affairs of the People's Republic of China

"Top 500 Private Manufacturing Enterprises in China for 2025"
All-China Federation of Industry and Commerce

"Quality Integrity Initiative Enterprise for the National 'Quality Month' 2025" and "National Enterprise Committing to Quality in Products and Services"
China Quality Inspection Association

"China Light Industry Engineering Research Center for Intelligent Manufacturing of Condiment Products"
China Light Industry Association

First-Class Honor for "Corporate Culture Achievements"
China Enterprise Confederation, China Association of Entrepreneurs

Inaugural **"Top 500 Key Enterprises in China's Food Industry 2025"** Selection
China Food Industry Association

Fortune China 500 list
Fortune Magazine

ESG Practice

2025 China ESG Top 50 Companies
Forbes

[1]Nanning Haitian and Haitian Vinegar Group have both been selected for the **"Green Factory (2025)"** list
Ministry of Industry and Information Technology of the People's Republic of China

"List of Green Manufacturing Benchmark Enterprises in the Light Industry Sector for 2025"
China Light Industry Association

"Guangdong Green Supply Chain Management Enterprise 2025"
Guangdong Provincial Department of Industry and Information Technology

Gold Award under the Pilot Program for Sustainable-related Financial Disclosure
Hong Kong Quality Assurance Agency

Outstanding Example of Corporate ESG Practice in China
China Enterprise Reform and Development Society and Banyuetan Magazine

"Outstanding Case Award in ESG Social Responsibility" and was recognized as part of the Second Xinhua Credit Pearl Cup Climate-Friendly Enterprise Practice Initiative
Xinhua Finance Information Service

"Golden Key Carbon Neutrality Initiative"
The Journal of Sustainable Development Economics

The Fourth Xinhua Credit Jinlan Cup Award for Low-Carbon Practice Innovation
Xinhua Finance Information Service

2025 Green Development Case
Beijing ESG Research Institute

Top 10 ESG Best Practice Enterprises in the Consumer and Retail Industry
Frost & Sullivan

Green packaging initiative has been selected for inclusion in **the 2025 CGF Golden Design Rules Case Study Booklets**

Digital initiatives have been selected for inclusion in the **"2025 Casebook on Supply Chain Digitalisation and Sustainable Resilience"**

Selected as a practice case for **the Consumer Goods Forum (CGF) China Green Transformation Initiative (GTI)**

Consumer Goods Forum

[1] "Nanning Haitian" refers to "Foshan Haitian (Nanning) Flavouring and Food Co., Ltd."; "Haitian Vinegar Group" refers to "Haitian Vinegar Group Co., Ltd.", which has been renamed to "Haitian (Jiangsu) Flavouring and Food Co., Ltd."

Sustainable Development Governance

Haitian has continuously enhanced its overall competitiveness and social impact through a systematic sustainable development governance framework. We have integrated sustainability deeply into our corporate strategy and daily operations, enabling more effective management of associated risks and better identification of growth opportunities, while actively promoting long-term sustainable development for society and the environment.

The Concept of Sustainable Development

Haitian adheres to the core principles of sound business management and sustainable development, integrating social responsibility throughout all stages of its corporate growth. We are committed to co-creating value with all stakeholders and jointly advancing the balanced development of society, environment, and economy.We actively respond to the United Nations Sustainable Development Goals (SDGs), focusing on five key areas: sound corporate governance and sustainable operations, healthy nutrition and superior quality, green operations and environmental initiatives, employee development and industry-wide collaboration, and social responsibility and corporate accountability. We systematically advance sustainable practices and continuously enhance our corporate governance standards.

Area	Implementation
Standardized Governance and Steady Operations	• Haitian is committed to establishing a transparent and well-structured corporate governance framework, alongside a robust internal control system. By continuously strengthening risk management and internal oversight, upholding ethical business standards, ensuring comprehensive information security, promoting responsible marketing practices, and maintaining effective communication with all stakeholders, the Company systematically implements the principle of 'Standardized Governance and Steady Operations'.
Health, Nutrition and Quality Excellence	• As an industry leader, Haitian adheres to the value of 'Customer First', driving product innovation through technological advancement and continuously expanding its range of healthy, nutritious, and high-quality products. We promote knowledge of healthy eating through diverse channels and collaborate with consumers to build a healthier lifestyle. The Company has established a rigorous quality control system throughout the entire process and developed a user-centric service network, continuously striving to deliver an exceptional product and service experience for consumers.
Green Operations and Environmental Initiatives	• Haitian has deeply integrated green development into its long-term corporate strategy, viewing it as a solid foundation for high-quality growth. The Company is committed to establishing and improving an environmental protection management system, and continuously enhancing its green operational capabilities. We are committed to implementing energy-saving and emission-reduction measures, actively addressing climate change, and taking concrete actions to support the long-term vision of global sustainable development.
Employee Development and Industrial Win-Win collaboration	• Haitian views employees as the core driving force behind corporate development, and is committed to providing a comprehensive career development platform for all staff, supporting their personal growth and value enhancement. We have established comprehensive measures, including enhancing career development pathways, optimising welfare benefits, and strengthening occupational health and safety, to foster a safe, healthy, and dynamic working environment. At the same time, Haitian actively fulfils its industry leadership role by driving collaborative advancement across the supply chain, promoting overall industry upgrading, and enabling shared growth among employees, the enterprise, and the industry.
Social Responsibility and Corporate Accountability	• Haitian aims to achieve a harmonious balance between economic and social benefits, and actively explores diverse approaches to contribute to society. We deliver tangible care and warmth to those in need through various initiatives, including public welfare projects with partners such as the Foshan Kangze Foundation, support for rural revitalisation and social public welfare.

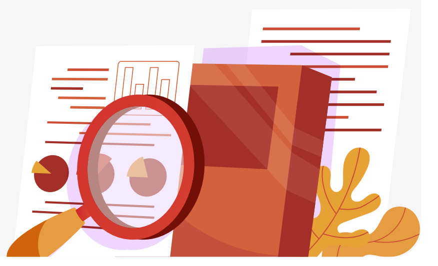
Sustainable Development Governance Framework

To continuously enhance the level of sustainable development governance, Haitian has developed and implemented the *Sustainability (ESG) Management System of Haitian Flavouring*, establishing a multi-tier ESG governance structure covering the board, management, and operational levels.The framework clearly defines the responsibilities across all levels: the governance layer is responsible for strategic decision-making and oversight, the management layer for overall planning and resource allocation, the steering group under it for advancing the detailed implementation of specific tasks, and the execution layer for carrying out specific actions and managing performance.Through this systematic framework, Haitian has established a closed-loop management mechanism encompassing decision-making, implementation, monitoring, and feedback, effectively driving the execution of its ESG strategy and providing strong support for achieving sustainable development goals.

Meanwhile, to ensure coordinated implementation across all levels on relevant issues, Haitian has established the following issue reporting mechanisms:

Regular and Ad Hoc Reporting Mechanism

Issue groups assessed as 'highly material' in financial terms are required to prepare progress reports, submitted biannually and annually (including plans for the following year) for review by the Sustainable Development Management Committee; the Sustainable Development Implementation Steering Group is responsible for consolidating work requirements from various issue groups and providing periodic updates to the Sustainable Development Management Committee; the Management Committee may convene special meetings as needed to review other matters within its scope of responsibility.

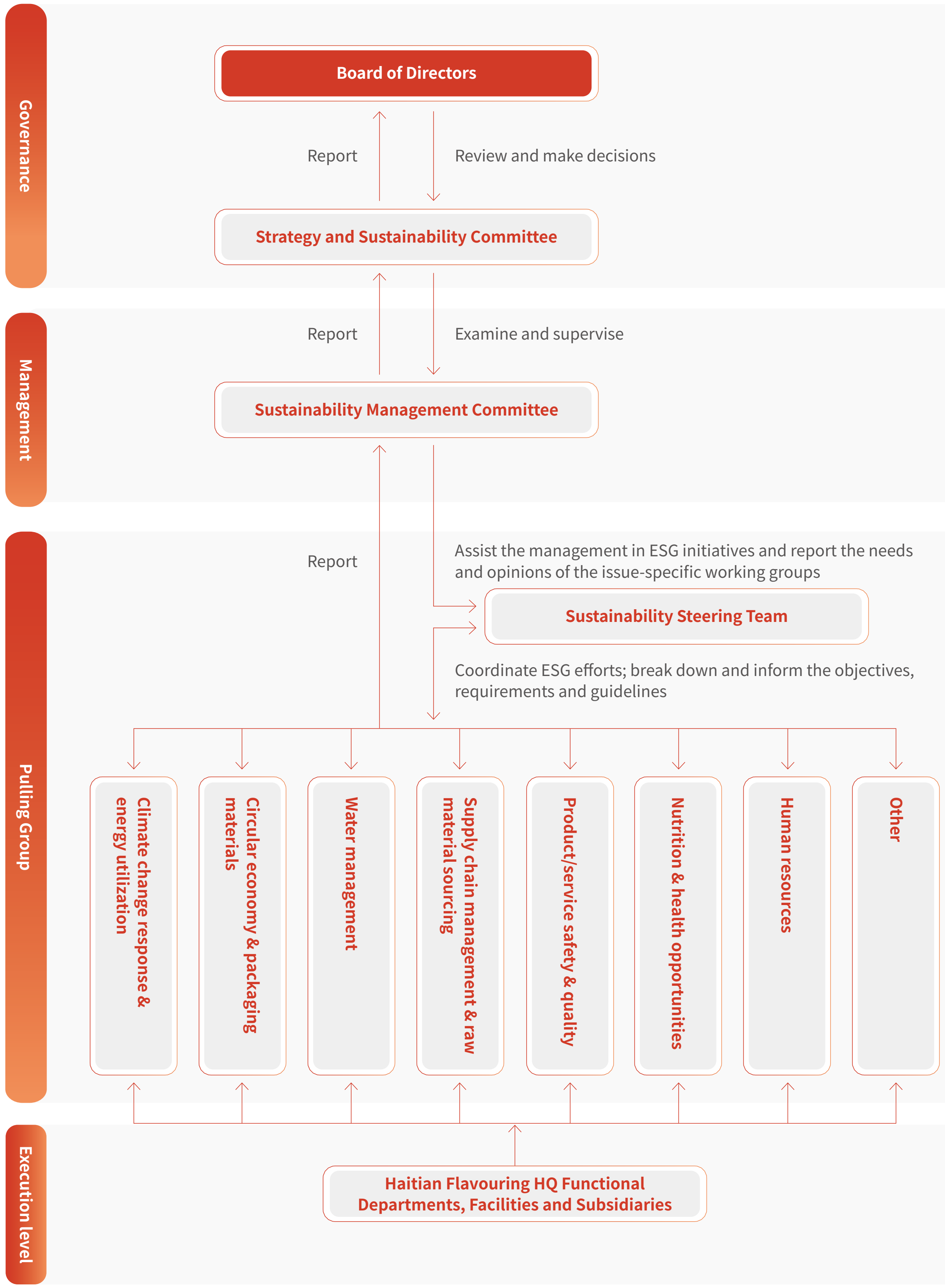


Real-time Reporting on Special Events

When risks or opportunities related to specific issues are identified, timely reporting and discussion with the relevant management level shall be conducted based on the significance of the matter, followed by the development of corresponding response strategies.

Risk Annual Assessment Mechanism

An annual assessment of sustainability-related risks and opportunities across all topics is conducted, with the assessment outcomes and mitigation measures reported to the topic working group's management team.



Haitian's ESG Governance Structure

Layer	Comprise	Key Work Activities
Governance	• Board of Directors + Strategy and Sustainability Committee	• Coordinate and lead the sustainable development efforts of the Company, make decisions on and review major matters related to the sustainable development of the Company within its scope of responsibility, and approve the issuance of the Company's Sustainability (ESG) Report • Examine the Company's sustainability strategy, objectives, and medium-to-long-term plans; supervise key ESG issues and guide the implementation of ESG objectives across the organization.
Management	• Sustainability Management Committee	• Formulate the Company's sustainability strategy, objectives, medium- to long-term plans, and annual work plans. Monitor the execution of annual plans and drive the implementation of specific sustainability initiatives • Lead the identification and assessment of sustainability-related risks and opportunities, and organize and conduct stakeholder communication • Report regularly to the governance layer on sustainability progress and emerging trends
Pulling Group	• Sustainability-related functional departments + Leaders in charge of individual issues (standing bodies under the Sustainability Management Committee)	• Provide research and strategic support to the operation layer in advancing ESG initiatives. Coordinate the delivery of ESG performance reports to the Sustainability Management Committee, covering progress, goal achievement, and next-step plannigo • Establish evaluation criteria for measuring ESG performance and outcomeso • Ensure regulatory-compliant disclosure of sustainability information and communicate the Company's ESG philosophy, objectives, and achievements to stakeholdersoo
Execution level	• ESG issue-specific working groups consist of HQ functional departments and facilities	• Execute ESG issue management activities, including implementing the annual sustainability work plan, developing and refining issue-specific management systems, and carrying out targeted ESG management measures

Haitian's Sustainable Development Governance Framework

Stakeholder Engagement

Haitian actively safeguards the legitimate rights and interests of all stakeholders, proactively listens to their concerns and expectations, and is committed to building a stable and harmonious stakeholder engagement network.We have established and adhere to relevant management and communication frameworks, including the *Haitian Investor Relations Management Measures, Haitian Investor Complaint Handling Procedures, Operation Mechanism and Implementation Guidelines on "Haiyue" Dialogue - Bimonthly Thematic Communication Meetings (Trial), Mentorship Operation Program, Rules on Market Complaint Handling, Consumer Mediation Standards, and Haitian Distributor Survey Management Rules*, and the *Supplier Code of Conduct*. These frameworks standardise the methods, frequency, and content of communication with various stakeholders, including investors, employees, users, and suppliers, and establish diversified communication channels.Through effective engagement with all parties, we actively listen to feedback and respond promptly, ensuring that the voices of all stakeholders are fully considered.

Stakeholders	Common Goals	Communication Methods and Channels	Communication Frequency	Content	Our Responses
Shareholders & Investors	• Prevent business risks • Main and boost asset value • Explore new markets and opportunities	• Shareholders' meeting • Earnings briefing • Daily communication • Email, phone, and online Q&A	• Regular/irregular • Regular • Irregular • Irregular	• Company operations • Industry developments • Core competitiveness • Suggestions for corporate development	• Ensure steady operations • Keep enhancing corporate competitiveness • Continuously sharing the outcomes of operational and developmental progress with shareholders • Establish diversified and accessible investor communication channels
Government & Regulatory agencies	• Compliant operations • Tax compliance • Promoting the sustainable development of regional economy and society	• Research, guidance and inspections • Meetings and workshops • Discussion on corporate needs	• Irregularly • Irregularly • Irregularly	• Company operational and developmental status • Company's compliance operating status • The government is seeking feedback on the development and revision of regulations • Dissemination of government policies and regulations	• Proactively subjecting ourselves to regulatory assessments and supervisory inspections • Proactively fulfilling tax obligations in accordance with the law • Compliant operations and timely disclosure of information • Proactively absorb, internalise, and implement government policies and regulations
Customers & Consumers	• High-quality products & services • Open and timely communication and feedback channels • Product diversification	• Customer satisfaction surveys • Routine communication and engagement	• Regular • Irregular	• Comments and feedback on product/service • Customer complaint & inquiry resolution	• Advance R&D capabilities • Set up a comprehensive product QC system • Conduct customer satisfaction surveys • Promptly resolve consumer issues • Keep enriching product lines • Commit to responsible marketing • Ensure privacy protection and information security
Upstream and Downstream Partners in the Industrial Chain	• Fair & transparent sourcing • Honest, trustworthy, upright and fair conduct • Information confidentiality • Mutual benefit & shared growth	• Routine communication and engagement • Notification and correspondence • Exchange meetings • On-site visits	• Regular • Regular/Irregular • Regular/Irregular • Regular/Irregular	• Opinion solicitation • Integrity cooperation requirements • Supplier ESG objectives & initiatives • Material Quality Control	• Foster a transparent and integrity-based cooperation environment • Conduct training on business ethics and operational standards • Establish diversified and accessible communication and whistleblowing mechanisms
Employees	• Health & safety • Employee rights protection • Clear career advancement paths • Work-life balance	• Staff representatives' meetings • Employee communication activities • GM's mailbox • Labor union routine communications	• Regular/Irregular • Irregular • Irregular • Irregular	• Employee opinions on policies or major matters • Work-life issue resolution • Key policy dissemination • Satisfaction surveys	• Develop a robust occupational health and safety assurance system • Conduct employee satisfaction surveys • Provide sound compensation and benefits • Design clear and reasonable career advancement paths • Formulate and implement compliant employment policies
Industry	• Industry advancement • Fair competition & healthy development	• Routine communication and engagement • Industry events	• Irregular • Irregular	• Policy requirements & notifications • Industry association engagements	• Engage in and contribute to industry associations • Promote industry standardization

Double Materiality Assessment

Haitian continues to enhance its mechanisms for identifying and managing ESG risks and opportunities. We have defined the short-term, medium-term, and long-term time horizons of its impacts, identifying, assessing, and analyzing the near-term and long-term effects of sustainability-related risks and opportunities on the company's business model and value chain. In alignment with our current operational status and strategic planning, we have proposed corresponding response strategies. Meanwhile, relevant risks have been integrated into the Company's risk control matrix, enabling unified management.

We place significant emphasis on the impact of ESG risks and opportunities on financial performance. This year, based on the concept of 'double materiality' as proposed in the *Sustainability Reporting Guidelines*, we conducted a double materiality analysis for each of the 21 topics[1] set forth in the Guidelines, systematically identifying and clarifying 17 ESG topics that are materially significant to our company. Based on this, we optimized ESG management decisions, conducted in-depth analysis of the medium-term and long-term impacts of various issues on our business strategy, provided a foundation for future business decisions, effectively responded to stakeholders' concerns regarding the Company's sustainable development, and enhanced ESG governance capabilities.

Issues of Double Materiality

Impact Materiality

Assesses whether the Company's performance on relevant ESG issues may result in actual or potential significant impacts on the economy, society, or the environment

Financial Materiality

Assesses whether the ESG issues are expected to significantly affect the Company's business model, operations, development strategy, financial condition, operating results, cash flows, or financing methods and costs over the short, medium, or long term

[1] The topic of "Equal Treatment of Small and Medium-sized Enterprises" (Article 46 of the *Sustainability Reporting Guidelines*) has not been included in the Company's list of material topics. In accordance with the relevant provisions of the *Sustainability Reporting Guidelines*, the Company does not fall under the circumstances described in Items 1 and 2 of Article 46 of the *Sustainability Reporting Guidelines*. This topic is not applicable to the Company's current business model and operational reality, and holds neither financial nor impact materiality for the Company. Therefore, it has not been separately disclosed in this report.

In 2025, Haitian's "double materiality" evaluation on ESG issues was conducted in four phases:

Identification & Confirmation

Understand the background: Involved a comprehensive review of the enterprise's business model and value chain, analyzing internal activities and business linkages, external environments and impacted stakeholders to integrate and align with stakeholder expectations.

Establish an issue repository: Build a comprehensive repository of ESG topics by considering four core dimensions: regulatory compliance, capital market rating criteria, customer expectations, and peer company performance. This process references both domestic and international frameworks, including the Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), and other relevant guidelines to identify ESG issues that carry both financial and impact materiality for Haitian.

Confirm the issue list: Considering industry-specific characteristics and the Company's operational context, Haitian evaluates each identified issue through the lenses of financial and impact materiality. Based on this evaluation, 17 ESG issues were confirmed as highly relevant to the Company's business.

Collection & Updating

Materiality assessment:

Systematically analyzing, identifying, and assessing the significance of relevant impacts, incorporating multidimensional criteria and quantitative evaluation methods, updated the importance ratings for each issue this year, and continuously improved the impact materiality assessment process.

Financial materiality research:

Analyze risks and opportunities: For the 17 identified ESG issues, Haitian analyzed related risks and opportunities, identified financial correlation indicators, and assessed key metrics such as risk-related expenditures, opportunity-driven revenues, and the magnitude of potential financial impacts. Financial thresholds were set to guide preliminary evaluations.

Conduct specialized workshops: Haitian invites external experts and internal departments to jointly conduct financial materiality workshops. Based on each issue's relationship to the Company's key resources and stakeholder relationships, the workshops assessed the short- and medium-term financial implications of each issue. These discussions led to the final determination of financial materiality for each ESG issue.

Analysis & Review

Double Materiality Analysis: A matrix analysis of issues was established based on the dual dimensions of "financial materiality" and "impact materiality," clarifying the materiality distribution of each issue.

Issues were prioritized through an integrated analysis of financial materiality and impact materiality. After adjustments, six key issues critical to Haitian's sustainable development were identified through the double materiality matrix.

Response & Disclosure

The finalized ESG issue matrix and materiality rankings were reported to and confirmed by the Sustainability Management Committee, the Strategy and Sustainability Committee of the Board, and the Board of Directors. For the identified material issues, action plans were developed and implemented. These issues are addressed through targeted responses and prominently disclosed in the Sustainability Report.

Issue Identification & Confirmation

In 2025, after comprehensively considering regulatory requirements and mainstream rating criteria, we have identified and finalized the following key issues:

Category	ESG Issue	Detail
Environmental	Water management	• Continuously enhance water resource efficiency and prevent water pollution through technological innovation and optimized water-saving management practices.
	Climate change response & energy utilization	• Address climate change by reducing greenhouse gas emissions, improving energy efficiency, and promoting clean energy adoption. Set science-based carbon reduction targets, optimize energy structures, implement energy-saving technologies, and establish climate risk management systems.
	Circular economy & packaging materials	• Incorporate full lifecycle management of product packaging into the circular economy system, covering all stages from demand analysis, planning, design, production, distribution, operation, and usage, to recycling and disposal.
	Supply chain management & raw material sourcing	• Integrate both environmental sustainability and economic considerations into supplier selection and evaluation. Strengthen supply chain management to build responsible supply chains that proactively address environmental and social risks—fostering long-term, mutually beneficial partnerships based on trust and shared responsibility.
	Ecological conservation & environmental compliance	• Promote sustainable resource use, ecological restoration, and environmental protection to reduce impacts on natural ecosystems, while ensuring strict compliance with environmental laws and regulations.
	Pollutant discharge & waste management	• Optimize production processes, adopt clean technologies, and promote resource recycling to minimize pollutant emissions and waste generation, thereby reducing environmental impact.
Social	Product/service safety & quality	• Apply rigorous quality control systems, compliant production processes and continuous innovation, to prevent product defects, safety hazards, and service-related issues. Ensure all offerings meet established safety and quality standards to protect consumer rights and health.
	Opportunities in nutrition & health	• Provide safe, nutritious, and health-promoting products by developing scientifically formulated offerings and advocating for balanced diets and healthy lifestyles. Address consumer health needs while contributing to broader public health awareness.
	Human resources	• Safeguard employees' legitimate rights by maintaining fair, transparent recruitment practices, comprehensive compensation and benefits, targeted training programs, and clear career advancement paths. Strictly prohibit child labor and forced labor, and organize lawful labor union activities. Promote equality, oppose discrimination in all forms, foster a diverse and inclusive workplace, and uphold occupational health and safety standards.
	STI & Ethics[1]	• Integrate technological innovation with sustainable development goals, ensuring that technology use aligns with ethical standards and upholds corporate social responsibility.
	Rural revitalization & social contribution	• Support rural revitalization and public welfare initiatives while advancing production and operational development to fulfill corporate social responsibilities.
	Data security & customer privacy protection	• Ensure the lawful collection, secure storage, and compliant use of customer data. Establish robust data security systems to prevent breaches, misuse, and cyber threats.
	Responsible investment	• Incorporate environmental, social, and governance (ESG) factors into investment decision-making to drive long-term financial performance while advancing sustainable development and creating social value.
Governance	Business ethics	• Formulate and implement corporate values, principles, standards and codes of conduct. Establish feedback and resolution mechanisms to address business ethics concerns effectively.
	Corporate sustainable governance & compliant operations	• Build a high-standard, efficient governance system to support sustainable development goals and ensure legal and regulatory compliance throughout operations.
	Due diligence	• Conduct systematic, comprehensive evaluations to assess performance, risks, and opportunities across environmental, social, and governance dimensions.
	Stakeholder communication	• Maintain diverse and effective communication channels to engage stakeholders, understand their needs, gather feedback, and respond in a timely manner, ensuring that all voices are acknowledged and respected.

[1] Haitian does not engage in scientific research, technological development, or other activities in ethically sensitive areas of technology.

Results of the Double Materiality Analysis

Double Materiality Analysis of Haitian's ESG Issues

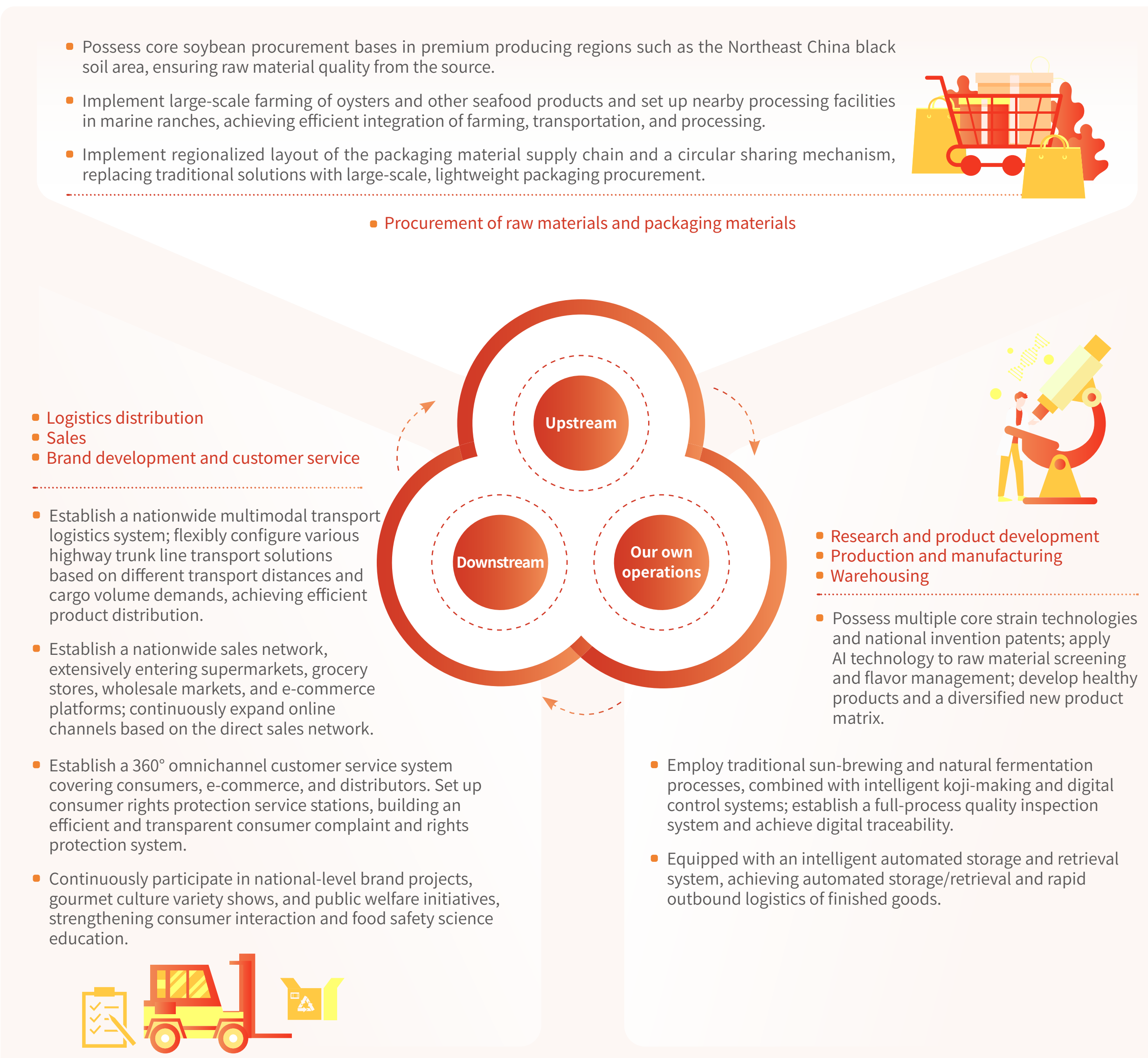
Category	ESG Issue	Double Materiality
Environmental	Climate change response & energy utilization	Highly material
Social	Product/service safety & quality	
Environmental	Supply chain management & raw material sourcing	
Social	Nutrition & health opportunities	
Environmental	Circular economy & packaging materials	
Environmental	Water management	
Environmental	Pollutant discharge & waste management	Moderately material
Governance	Business ethics	
Social	Data security & customer privacy protection	
Governance	Corporate sustainable governance & compliant operations	
Social	Human resources	
Social	STI & Ethics	
Environmental	Ecological conservation & environmental compliance	
Governance	Stakeholder communication	
Governance	Due diligence	Baseline material
Social	Responsible investment	
Social	Rural revitalization & social contribution	

Impact materiality \ Financial materiality	Baseline	Moderate	High
High	Business ethics; Data security & customer privacy protection; Corporate sustainable governance & compliant operations	Pollutant discharge & waste management	Climate change response & energy utilization; Product/service safety & quality; Supply chain management & raw material sourcing; Nutrition & health opportunities; Circular economy & packaging materials; Water management
Moderate	Ecological conservation & environmental compliance; Stakeholder communication	Human resources; STI & Ethics	
Baseline	Due diligence; Responsible investment; Rural revitalization & social contribution		

2025 Haitian ESG double materiality matrix

Haitian has established a highly integrated, quality-driven value chain system centered on the core processes of raw material procurement, large-scale brewing production, channel distribution, and terminal market coverage. Upstream, the Company uses soybeans, wheat, sugar, salt, and packaging materials as primary raw materials, establishing a full-process control mechanism covering supplier qualification review, batch-by-batch testing, quality traceability, and continuous evaluation. Through fixed-point procurement and strategic partnerships, the Company strengthens the stability of raw material quality and supply security. The midstream manufacturing process centers on brewed soy sauce, adhering to traditional brewing techniques and long-cycle fermentation. Leveraging proprietary core fermentation technology, a multi-strain synergistic system, and large-scale production base deployment, the Company achieves refined production scheduling across various product lines. Through digitalization and intelligent manufacturing systems, quality consistency and resource utilization efficiency are enhanced, establishing a capital- and process-intensive manufacturing advantage distinct from certain enterprises primarily engaged in contract manufacturing or simple blending. In downstream sales, the Company primarily relies on distribution channels with direct sales as a secondary approach, establishing a multi-tiered channel network comprising distributors, resellers, and end terminals. The Company deepens its presence across diverse scenarios such as food service, supermarkets, and new retail formats, achieving broad market penetration through digital channel management and extensive terminal coverage.

Haitian Value Chain



We conduct comprehensive impact analyses on issues with double materiality, covering both Haitian's impact on the external environment and the potential impact of these issues on Haitian's financial performance.

Full Value Chain Analysis of ESG Impact Materiality for Haitian

ESG Issue	Value Chain	Impact Segment	Affected Stakeholders	Impact Description	Positive / Negative	Impact Scale (Large / Medium / Small)	Scope (Large / Medium / Small)	Irreversibility (High / Medium / Low)	Response Measures
Climate change response & energy utilization	Upstream	Agricultural planting / Raw material processing / Packaging material production and logistics transportation	Environment	Carbon emissions are generated during the planting and production of raw materials and packaging materials procured by the Company.	Negative	Medium	Medium	Medium	See the section "Emission Reduction and Carbon Mitigation, Building Climate Resilience" for details
	Midstream	Production and Manufacturing	Environment	Carbon emissions are generated from energy consumption in the production and manufacturing process.	Negative	Medium	Small	Low	
		Production and Manufacturing	Environment	aThe use of renewable energy (biogas, photovoltaic power, green electricity) and effective implementation of energy-saving measures reduce carbon emissions and mitigate global warming.	Positive	Medium	Small	/	
		Product R&D / Production and Manufacturing	Environment	We develop low-carbon production processes and low-carbon products, while promoting our own low-carbon transformation, providing replicable carbon reduction experience for the industry, advocating green consumption, and contributing to overall environmental carbon reduction.	Positive	Medium	Medium	/	
	Downstream	Product Distribution / Sales	Environment	Carbon emissions are generated from warehousing and transportation in the product distribution process.	Negative	Medium	Medium	Low	
	Full Value Chain	Supply Chain Collaboration / Corporate Operations	Society / Environment	We carry out climate actions in conjunction with upstream and downstream supply chain partners to promote carbon reduction across the industrial chain, and reduce the impact of overall carbon emissions on the environment.	Positive	Medium	Medium	/	
Water management	Upstream	Agricultural planting, seafood farming, raw material processing, packaging material production	Environment	Crop irrigation and raw material processing consume water resources. Some suppliers are located in areas with high water stress, which may lead to the shortage of local surface water and aggravate regional water pressure.	Negative	Low	Small	Low	See the section "Smart Water Management, Protecting the Source of Life" for details
		Agricultural planting, seafood farming, raw material processing, packaging material production	Environment	We promote the water-saving transformation of agricultural and packaging material suppliers, effectively reduce the overall water consumption of the supply chain, and protect the local water environment.	Positive	Medium	Small	—	
	Midstream	Product R&D, Production and Manufacturing	Environment	The Company conducts centralized production at bases in Gaoming, Suqian, Nanning and other locations, with high water intake for process and cleaning water, which constitutes water resource pressure in the locations; improper discharge of production wastewater may pollute the receiving water bodies.	Negative	Small	Small	Low	
		Product R&D, Production and Manufacturing	Environment / Industry	We set a benchmark for water-saving technology in the food manufacturing industry, and our water resource development solutions have been adopted by peers, accelerating the improvement of water use efficiency across the industry; through the water footprint management system, we accurately identify risks, providing data support for the development of low water footprint products and the setting of water-saving targets.	Positive	Medium	Medium	—	
Circular economy & packaging materials	Upstream	Packaging Material Procurement	Environment	The production of packaging materials (PET bottles, glass bottles, cartons, etc.) requires the consumption of natural resources such as oil, ore, and forest resources. The lack of green procurement standards will continue to increase the pressure on ecological resource consumption.	Negative	Medium	Medium	Low	See the section "Circular Packaging, Achieving Sustainable Resources" for details

ESG Issue	Value Chain	Impact Segment	Affected Stakeholders	Impact Description	Positive / Negative	Impact Scale (Large / Medium / Small)	Scope (Large / Medium / Small)	Irreversibility (High / Medium / Low)	Response Measures
Circular economy & packaging materials	Midstream	Packaging Manufacturing	Environment	The lack of reduction measures and recycled material application in the packaging production process is likely to cause resource waste and increase the pressure on the natural environment.	Negative	Medium	Medium	Low	See the section "Circular Packaging, Achieving Sustainable Resources" for details
		Packaging Manufacturing	Environment	Through green design, recycled material application and digital management, we effectively reduce resource consumption and carbon emissions in the packaging production process, and set an industry benchmark for green packaging.	Positive	Medium	Large	/	
	Downstream	Packaging Waste	Environment	If packaging waste is not effectively recycled and reused, it will cause resource waste and environmental pollution.	Negative	Small	Small	Medium	
		Packaging Waste	Environment	Through the optimization of recyclable design, implementation of recycling projects and consumer guidance, we significantly improve the recycling and regeneration efficiency of packaging waste, and reduce resource consumption and carbon footprint across the industrial chain.	Positive	Medium	Large	/	
Supply chain management & raw material sourcing	Upstream	Agricultural planting, seafood farming, raw material processing, packaging material production	Environment	The use of chemical fertilizers and pesticides in agricultural planting is likely to cause soil degradation, water pollution, and biodiversity decline; energy consumption and wastewater and exhaust gas emissions in the raw material processing process increase the environmental burden, and some raw materials have the risk of deforestation or land conversion.	Negative	Small	Medium	Medium	See the section "Source Control, Consolidating the Foundation of Supply" for details
		Agricultural planting, seafood farming, raw material processing, packaging material production	Suppliers	Small and medium-sized farmers and processing plants face high compliance transformation costs and insufficient management capacity due to the need to meet ISO 14001/FSSC 22000 certification, carbon footprint verification, origin digital filing and other requirements, and are at risk of being squeezed out of the supply chain.	Negative	Small	Small	Low	
		Agricultural planting, seafood farming, raw material processing, packaging material production	External Workers	If suppliers have insufficient employment compliance and lack of labor rights protection, it may damage the well-being of supply chain employees; at the same time, the stable release of procurement demand has created a large number of employment opportunities for the supply chain.	Positive	Medium	Medium	—	
		Agricultural planting, seafood farming, raw material processing, packaging material production	Customers / Consumers	Through full traceability of raw materials and safety and compliant procurement, we provide consumers with healthier and safer products, and significantly improve customers' recognition of supply chain transparency and product safety.	Positive	Medium	Large	—	
		Agricultural planting, seafood farming, raw material processing, packaging material production	Suppliers	Through ESG audits, training and capacity building, and joint project cooperation, suppliers' capabilities in carbon reduction, environmental compliance, business ethics, product quality and other aspects have been significantly improved, and the overall sustainability and resilience of the supply chain have been optimized.	Positive	Small	Medium	—	
		Raw and Packaging Material Logistics and Transportation	Environment / Industry	The lack of low-carbon control and digital management in the logistics and transportation of raw and packaging materials is likely to generate high carbon emissions, and low logistics efficiency will aggravate resource consumption.	Negative	Small	Medium	Low	

ESG Issue	Value Chain	Impact Segment	Affected Stakeholders	Impact Description	Positive / Negative	Impact Scale (Large / Medium / Small)	Scope (Large / Medium / Small)	Irreversibility (High / Medium / Low)	Response Measures
Nutrition & health opportunities	Upstream	Agricultural Planting	Environment / Agriculture	We promote organic and nutrition-oriented raw material management, improve the availability and supply stability of high-quality raw materials such as organic products, and drive the upstream agriculture to transform into a more sustainable and higher-standard direction.	Positive	Medium	Medium	/	See the section "Nutrition Upgrade, Protecting Healthy Life" for details
	Midstream	Product R&D and Manufacturing	Society / Industry	We promote nutrition and health-oriented innovation in product formula and process R&D, improve the health attributes of products, strengthen the differentiated competitiveness of the brand, and drive the health-oriented transformation and upgrading of the industry.	Positive	Medium	Medium	/	
	Downstream	Sales	Customers / Consumers	We standardize the operation of nutrition and health products at the sales end, improve the efficiency of customers and consumers in identifying and selecting products, promote the market reach and penetration of health-oriented products, and enhance brand trust.	Positive	Medium	Medium	/	
Product/ service safety & quality	Upstream	Agricultural Planting / Production and Processing	Suppliers	Strict supplier audit and testing requirements have increased the compliance costs of some small and micro suppliers, putting them at risk of being squeezed out of the supply chain.	Negative	Small	Small	Low	See the section "Quality and Safety, Pursuing Excellent Quality" for details
		Agricultural Planting / Production and Processing	Society	We have improved supply chain transparency and responsibility traceability, forced suppliers to disclose planting, pesticide use and testing information, and enhanced the visibility of information across the entire chain.	Positive	Medium	Medium	/	
	Midstream	Product R&D / Production and Manufacturing / Product Warehousing	Customers / Consumers	If quality control fails, it may lead to food safety problems, causing direct or potential harm to consumers' health.	Negative	Small	Medium	Low	
		Product R&D / Production and Manufacturing / Product Warehousing	Customers / Consumers	Through strict quality inspection and full-chain traceability, we greatly reduce the probability of food safety accidents, and effectively protect consumers' food safety and health rights.	Positive	Large	Large	/	
	Downstream	Product Distribution	Customers / Consumers	Through an efficient traceability and recall mechanism, we significantly shorten the crisis response cycle, reduce the probability of public opinion fermentation, and rebuild consumers' confidence in food safety.	Positive	Medium	Large	/	
		Customer Service	Customers / Consumers	Through clear product information disclosure and professional customer service, we help customers accurately understand products, effectively handle quality feedback, and improve customer satisfaction and trust.	Positive	Medium	Large	/	

Full Value Chain Analysis of ESG Financial Materiality for Haitian

ESG Issue	Value Chain	Risk/ Opportunity	Impact Scenario	Impact Transmission Path	2025 Current Period Financial Impact		Material Impact on Next Year's Financial Performance (Yes/No)	Response Measures	Expected Change in Financial Impact Based on Response Measures (Increase/Flat/ Decrease)
					Impact Performance	Impact Level (High/ Medium/ Low)			
Climate change response & energy utilization	Upstream	Acute Physical Risks: Typhoons, floods, droughts, etc.; Chronic Physical Risks: High temperature, sea level rise, etc.; Transition Risks: Energy-related policy and regulatory risks, etc.	Agricultural planting / Production and processing; Seafood farming / Production and processing; Packaging material production	■ Extreme climate → reduced yield of agricultural products/ seafood → price fluctuation and unstable supply of raw materials → increased procurement costs and extended procurement cycle · Tightening climate policies → carbon constraints on upstream packaging material production/ processing plants → suppliers need to increase transformation investment → rising raw material prices	None	Low	No	■ Advance supply chain carbon reduction management: carry out capacity building on greenhouse gas emission knowledge, implement KPI assessment, link procurement volume with carbon emission level, help reduce carbon emissions across the supply chain, and improve the supply chain's resilience to climate change. Develop multiple suppliers and improve the supply network.	Short-term increase in management costs, no material impact; Medium and long-term costs remain flat
	Midstream	Acute Physical Risks: Typhoons, floods, etc.	Production and Manufacturing	■ Extreme weather → factory shutdown/ damage → extended delivery cycle → decreased revenue	The typhoon caused a 1-day shutdown of the Gaoming Park, and the emergency plan was activated with no material impact	Low	No	■ Improve factory-level emergency plans and conduct regular emergency drills to enhance resilience to extreme weather. Deploy factories in multiple locations.	Short-term increase in management costs, no material impact; Medium and long-term costs remain flat
	Midstream	Transition Risks: Policy risks and reputational risks	Production and Manufacturing	■ Tightening climate policies → rising energy prices/ increasing carbon emission costs → rising energy and carbon costs	None	Low	No	■ Systematically optimize the energy structure, gradually increase the proportion of green electricity, reduce dependence on fossil fuels, deepen product carbon reduction and process optimization, and comprehensively build a low-carbon and sustainable manufacturing system.	Short, medium and long-term increase in low-carbon assets, decreased energy costs and increased profits; If policies become stricter, medium and long-term energy costs may rise
	Midstream	Transition Opportunities: Green transformation	Production and Manufacturing	■ Implementation of energy-saving and carbon reduction measures/renewable energy utilization → investment in fixed assets for energy-saving and carbon reduction transformation → improved asset utilization rate → decreased energy costs	Decreased energy costs	Low	No	■ Continue to expand the utilization rate of renewable energy, and continue to tap energy-saving opportunities in each production link.	Short, medium and long-term increase in assets and increased profits
	Downstream	Transition Opportunities: Renewable energy utilization	Product Transportation	■ Tightening climate policies → rising energy prices → rising logistics and transportation costs → realization of green logistics transformation → decreased transportation costs	Decreased transportation costs	Low	No	■ Low-carbon logistics: promote low-carbon transportation methods, optimize transportation routes and realize multimodal transport, improve transportation timeliness and efficiency, and reduce transportation carbon emissions.	Short, medium and long-term decrease in logistics costs
	Downstream	Transition Opportunities: Low-carbon or zero-carbon products	Market	■ Growing demand for green consumption → reduced product carbon emissions → recognition from customers and consumers → increased revenue	None	Low	No	■ Expand the coverage of low-carbon product certification: focus on market demand, promote low-carbon certification for soy sauce and other products, and increase the coverage of carbon reduction products in various categories.	Short-term increase in management costs, no material impact; Medium and long-term increase in revenue
Water management	Upstream	Physical Risks: Drought, high temperature, etc.; Policy and Regulatory Risks	Agricultural planting / Raw material processing	■ Water shortage → increased water costs in planting/processing links → rising raw material procurement prices or even supply chain interruption · Tightening environmental regulations → suppliers need to invest in the construction or upgrade of wastewater treatment facilities → increased supplier costs → rising procurement costs	None	Low	No	■ Sign long-term agreements with core suppliers and lock in part of the prices, and develop alternative suppliers;2. Strengthen the management of suppliers in high water risk areas and set water management targets.	Short, medium and long-term costs remain flat
	Midstream	Transition Risks: Policy and Regulatory Risks, Reputational Risks	Production and Manufacturing	■ Tightening regulations/ community pressure → rising water intake fees and sewage treatment fees → need to invest in the construction of advanced water-saving facilities, reclaimed water reuse systems and wastewater treatment devices → increased operating costs · Failure to meet discharge standards → risk of environmental penalties → decreased revenue and profits, damaged reputation	Increased investment in sewage treatment facility assets	Low	No	■ Strengthen intelligent control and early warning of emission risks. · Deepen pollutant treatment and compliance guarantee: pay attention to the dynamics of regulatory requirements, focus on key indicators, upgrade treatment facilities, and improve treatment capacity.	Short and medium-term increase in assets, no material impact; Long-term costs remain flat
		Acute Physical Risks: Drought, floods	Production and Manufacturing	■ Extreme weather → water shortage/ deteriorated water quality → reduced production/ forced production interruption → delayed delivery/default → decreased revenue	None	Low	No	■ Improve the efficiency of water resource recycling: systematically promote projects such as condensed water recovery and reclaimed water reuse, build a closed-loop water resource system in the plant area, and reduce water intake and discharge.	Short-term increase in management costs, no material impact; Medium and long-term costs remain flat
	Downstream	Market Opportunities: Low water footprint products	Market	■ Improved performance of the Company's water resource management → recognition from commercial customers or consumers → increased revenue	None	Low	No	■ Build an international water management system: implement international standards and certifications such as AWS, and carry out water footprint measurement.	Short-term increase in management costs, no material impact; Medium and long-term increase in revenue

ESG Issue	Value Chain	Risk/ Opportunity	Impact Scenario	Impact Transmission Path	2025 Current Period Financial Impact		Material Impact on Next Year's Financial Performance (Yes/No)	Response Measures	Expected Change in Financial Impact Based on Response Measures (Increase/Flat/ Decrease)
					Impact Performance	Impact Level (High/ Medium/ Low)			
Circular economy & packaging materials	Upstream	Policy and Regulatory Risks	Packaging Material Procurement	■Tightening environmental regulations → requirement for degradable materials for packaging → rising raw material costs of packaging → increased procurement costs	None	Low	No	■R&D and reserve of environmentally friendly packaging materials, technologies and suppliers in line with policy trends in advance.	Short-term increase in costs, no material impact; Medium and long-term costs remain flat
		Market Risks: Unstable packaging material prices	Packaging Material Procurement	■Growing demand for green packaging → unstable supply of recycled materials (PCR, recycled paper) → the Company needs to expand supplier channels → increased procurement coordination costs	None	Low	No	■Cooperate with upstream suppliers to develop stably supplied materials such as recycled PET and recycled paper, and establish a green packaging material procurement system.	Short-term increase in costs, no material impact; Medium and long-term costs remain flat
	Midstream	Transition Technological Risks: Packaging lightweighting and recyclable design	Packaging Manufacturing	■Lightweight packaging design and technology R&D → production line upgrade and mold update → increased investmentRecyclable packaging design → production line upgrade → increased investment	Increased R&D expenses and fixed assets, increased profits	Low	No	■Build an intelligent auxiliary system for packaging design to promote the optimization of packaging lightweight design and reduce the transformation cost caused by lightweighting. Grasp the cutting-edge policy and regulatory requirements for recyclable packaging design, cutting-edge recyclable packaging materials and their production technologies, and make optimal technical reserves. And in accordance with the trend of policies and regulations, layout the production line upgrade and transformation in advance.	Short-term increase in asset investment, no material impact; Medium and long-term decrease in costs
	Downstream	Market and Reputational Risks: Green packaging	Sales and Customer Service	■Customer/consumer preference for green packaging → need to provide packaging carbon footprint/ recyclable design certification → increased compliance costs	None	Low	No	■Promote the verification of product packaging carbon footprint, relevant environmental protection certifications such as recyclability, to enhance brand image and market competitiveness.	Short-term increase in costs, no material impact; Medium and long-term costs remain flat, revenue increases
		Specific Market Opportunities	Product Sales	■Reserve PCR technologies such as rPET and mature supply chain in advance → improve adaptability and competitiveness in specific markets (requiring a certain proportion of PCR in product packaging) → increased orders and revenue	Increased technology R&D and supply chain development costs	Low	No	■Grasp the requirements of specific markets for PCR of packaging, develop PCR packaging technology and corresponding supply chain, compliance procedures, production equipment in advance. Do a good job in the publicity of products with PCR packaging.	Short-term increase in costs, no material impact; Medium and long-term costs remain flat, revenue increases
Supply chain management & raw material sourcing	Upstream	Market Risks, Policy Risks: Price increase	Procurement of soybeans, plastics and basic processed products	■Climate anomalies/ geopolitics → reduced production → decreased supply and rising prices → increased procurement costs and decreased profits	None	Low	No	■Build a diversified supply system;2. Sign long-term agreements with core suppliers and lock in part of the prices;3. Establish a raw material price early warning and hedging mechanism.	Short-term cost fluctuations; Medium and long-term costs remain stable

ESG Issue	Value Chain	Risk/ Opportunity	Impact Scenario	Impact Transmission Path	2025 Current Period Financial Impact		Material Impact on Next Year's Financial Performance (Yes/No)	Response Measures	Expected Change in Financial Impact Based on Response Measures (Increase/Flat/ Decrease)
					Impact Performance	Impact Level (High/ Medium/ Low)			
Supply chain management & raw material sourcing	Upstream	Policy and Regulatory Risks: Sustainable procurement of raw materials	Procurement of environmentally sensitive raw materials	■Regulatory requirements (such as EUDR) → implementation of sustainable certification (such as RTRS, FSC) → increased certification costs and premium of compliant raw materials → increased procurement costs	Minor impact	Low	No	■Launch sustainable certification projects for main raw materials (soybeans, seafood);2. Give priority to purchasing certified raw materials and gradually replace them.	Short-term increase in costs, no material impact; Medium and long-term costs remain flat
		Policy and Legal Risks: Supplier compliance	Supplier Management	■Supplier environmental/labor violations → non-compliance found in customer audits → forced to switch suppliers → emergency procurement premium and decreased supply stability	None	Low	No	■Incorporate key ESG indicators into supplier access and annual assessment;2. Conduct on-site audits and capacity building for high-risk suppliers.	Short-term increase in costs, no material impact; Long-term decrease in costs
	Midstream	Technological Risks: Raw material quality fluctuation	Raw Material Procurement	■Fluctuation of raw material quality → increased production line commissioning, rework and quality inspection costs → decreased production efficiency and increased production costs	None	Low	No	■Sign stricter quality standard agreements with suppliers;2. Establish a quality monitoring system covering from planting in the origin to the factory entry link, and add key monitoring indicators.	
		Acute Physical Risks (natural disasters), Policy Risks (geopolitics): Raw material supply interruption	Raw Material Procurement, Production and Manufacturing	■Interruption of key raw material supply → activation of safety stock or emergency air freight → increased warehousing capital occupation and emergency logistics costs	None	Low	No	■Establish strategic safety stock for sensitive raw materials;2. Develop alternative supply routes or alternative material solutions.	Short-term increase in costs, no material impact; Long-term costs remain flat
	Downstream	Policy and Compliance Risks: Supply chain compliance	Sales	■Non-compliance risks in the supply chain → failure to meet customer requirements → decreased sales volume	None	Low	No	■Conduct ESG audits on high-risk suppliers;2. Improve disclosure and increase supply chain transparency.	Short-term increase in costs, no material impact; Medium and long-term costs remain flat
		Market Opportunities: Sales growth opportunities	Commercial customers / International markets / Large supermarkets	■Excellent supply chain ESG performance → passed customer audit and obtained priority procurement right → increased orders	None	Low	No	■Collect and evaluate the carbon emission information of relevant suppliers in Scope 3;2. Set carbon reduction and water saving targets for core suppliers.	Short-term increase in costs, no material impact; Medium and long-term increase in revenue
Nutrition & health opportunities	Upstream	Market Risks: Risk of rising raw material prices	Raw Material Procurement	■Growing demand for high-quality agricultural raw materials such as organic products → rising raw material prices and declining procurement bargaining power → increased procurement costs	Minor impact	Low	No	■Sign long-term agreements with core suppliers and lock in part of the prices, carry out futures hedging on bulk commodities, and carry out order-based planting to minimize rising costs.	Short-term increase in costs, no material impact; Medium and long-term costs remain flat

ESG Issue	Value Chain	Risk/ Opportunity	Impact Scenario	Impact Transmission Path	2025 Current Period Financial Impact		Material Impact on Next Year's Financial Performance (Yes/No)	Response Measures	Expected Change in Financial Impact Based on Response Measures (Increase/Flat/ Decrease)
					Impact Performance	Impact Level (High/ Medium/ Low)			
Nutrition & health opportunities	Midstream Downstream	Transition Technological Risks: Risk of rising manufacturing costs	Product Manufacturing	▪ Increased demand for nutrition and health products leads to increased demand for production line transformation, equipment investment, formula iteration and process verification → increased equipment upgrade investment, R&D investment and pilot test costs	Minor impact	Low	No	▪ Establish a clear R&D investment budget guarantee mechanism, and set up a special fund to provide continuous support for R&D innovation and product upgrading.	Short-term increase in costs, no material impact; Medium and long-term costs remain flat
		Policy and Compliance Risks: Risk of rising compliance costs	Manufacturing Compliance	▪ Tightening food safety regulations → need to strengthen the whole chain management of raw material compliance and production process control → invest more resources to maintain compliant manufacturing	Minor impact	Low	No	▪ Establish a food safety system higher than regulatory standards in advance, introduce an AI-assisted food safety supervision system, optimize the construction and implementation efficiency of the internal supervision system, and reduce or avoid non-compliance.	Short-term increase in costs, no material impact; Medium and long-term costs remain flat
		Market Opportunities: Sales growth opportunities	Sales and Customer Service	▪ Growing market demand for nutrition and health products → the Company enriches the corresponding product matrix to meet market demand → increased sales of nutrition and health products	Revenue growth	Low	No	▪ Continue to improve the consumer demand insight and information platform, systematically analyze consumer demand and purchase motivation through integrating industry data, hot words on mainstream content platforms, consumer behavior analysis and Haitian's internal data, timely identify market demand trends, and clarify product development and iteration directions. Clearly take organic, salt reduction and other health-oriented directions as the core, and dynamically adjust the product structure and development focus according to the change of market trends and consumer demand insight results, and continuously improve and enrich the product matrix.	Short-term increase in costs, no material impact; Medium and long-term increase in revenue
Product/ service safety & quality	Upstream	Legal Risks, Technological Risks: Raw material quality	Agricultural/ Seafood Planting/ Processing	▪ Tightening food safety regulations → increased supplier testing/traceability investment → increased procurement costs and extended supply cycle	None	Low	No	▪ Promote supplier FSSC 22000 certification + launch raw material batch traceability system	Short-term increase in costs, no material impact; Medium and long-term costs remain flat
		Legal Risks and Technological Risks: Packaging materials	Packaging Materials	▪ New regulations on food contact packaging materials → change of some packaging materials → increased R&D expenses and procurement costs	None	Low	No	▪ Establish a packaging material regulation early warning mechanism + develop alternative suppliers of bio-based packaging materials	Short, medium and long-term costs remain flat

ESG Issue	Value Chain	Risk/ Opportunity	Impact Scenario	Impact Transmission Path	2025 Current Period Financial Impact		Material Impact on Next Year's Financial Performance (Yes/No)	Response Measures	Expected Change in Financial Impact Based on Response Measures (Increase/Flat/ Decrease)
					Impact Performance	Impact Level (High/ Medium/ Low)			
Product/ service safety & quality	Midstream	Technological Risks: R&D related risks	Product R&D	▪ New test items required by new regulations → extended R&D cycle and increased investment → increased R&D costs	Increased R&D investment	Low	No	▪ Set up a regulatory intelligence post + establish a rapid test and verification team	Short-term increase in R&D expenses, no material impact; Medium and long-term increase in revenue
		Technological Risks, Reputational Risks: Product sampling inspection	Production and Manufacturing	▪ Unqualified self-sampling → recall/ destruction/ replacement/ compensation → increased remedial expenses → increased sales costs	Minor impact	Low	No	▪ Promote AI visual quality inspection + real-time monitoring of key processes	Short-term increase in testing costs, no material impact; Medium and long-term costs remain flat
	Downstream	Market Opportunities: Growth brought by high quality	Commercial customers / international markets / Large supermarkets	▪ Full chain traceability + international certification + passed factory audit → obtained access to large supermarkets → increased new customers + increased number and proportion of high-profit channels → increased revenue and profits	Increased certification fees	Low	No	▪ Carry out food safety certification + launch "one item, one code" traceability system	Short-term increase in costs, no material impact; Medium and long-term increase in revenue
		Market Risks: Unstable market quality	Commercial Customers	▪ Non-compliant quality → termination of cooperation by major customers → loss of orders → decreased revenue	None	Low	No	▪ Launch joint quality audit for TOP 10 customers + set up customer quality response center	Short-term increase in costs, no material impact; Medium and long-term costs remain flat
		Reputational Risks: Market public opinion or complaints	Consumers	▪ Food safety public opinion → decreased repurchase rate → decreased customer unit price → increased marketing expenses	None	Low	No	▪ Establish a social media public opinion AI monitoring platform + release annual food safety transparency report	Short-term increase in costs, no material impact; Medium and long-term increase in revenue

01

Promoting Sustainable Brewing Practices to Contribute to the Preservation of Natural Ecosystems

Haitian is dedicated to fostering a harmonious coexistence between its operations and the natural environment. The Company has established a systematic framework centred on four strategic pillars: addressing climate change, water management, circular economy and packaging materials, and green management and operations. By persistently minimizing the ecological footprint of its business activities, Haitian remains firmly committed to advancing sustainable, high-quality development.

- Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
  ——Addressing Climate Change
- Smart Water Management, Safeguarding the Source of Life
  ——Water Management
- Reusable Packaging to Achieve Resource Sustainability
  ——Circular Economy and Packaging Materials
- Green operations, building a sustainable future
  ——Green Management and Operations

Reducing Emissions and Lowering Carbon, Building Climate Resilience Together

Addressing Climate Change

Faced with the profound impacts of climate change on global ecological environments, Haitian has actively responded to international climate consensus and the national strategies for peaking carbon emissions and achieving carbon neutrality, integrating the goal of "building a beautiful China" into its corporate development strategy and adhering to a green and low-carbon development philosophy. The Company has systematically established its climate change management system in accordance with the IFRS S1 and S2 frameworks, covering governance, strategy, risk management, metrics and targets, and is steadily advancing its climate response actions.

Governance

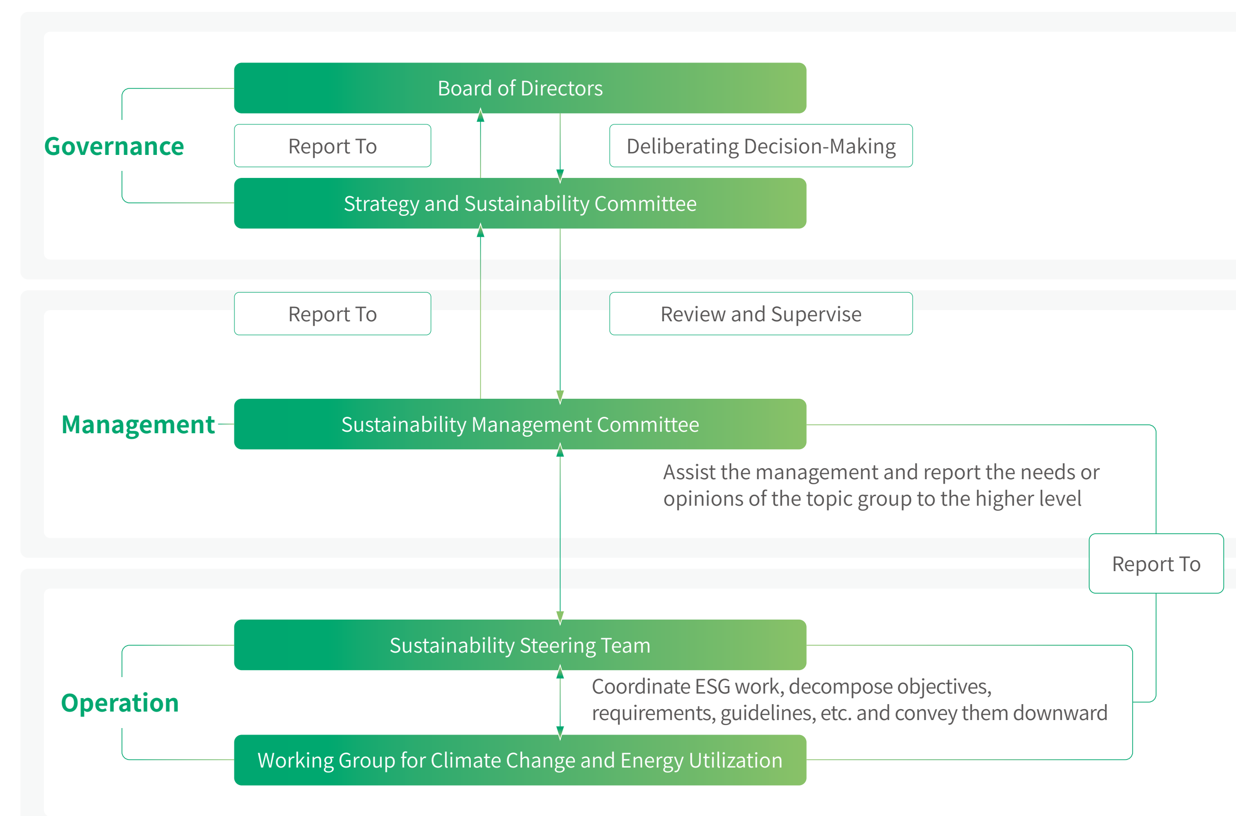
Governance Structure and Responsibilities

Governance Bodies, Responsibilities, and Capacity Building

Haitian has established a three-tier governance structure comprising the governing body, management level, and operational level. The Board of Directors serves as the highest decision-making and supervisory body, comprehensively advancing related initiatives and implementing oversight and accountability.

Haitian Climate Governance Oversight Bodies and Key Responsibilities

Hierarchy	Constitute	Scope of Work	Specific Responsibilities and Key Action Points for Climate Governance
Governance	Board of Directors	The highest decision-making body for climate strategy and disclosure	• Oversee the Company's climate-related activities, and bear ultimate responsibility for climate strategy and disclosure. • Decisions, deliberations, and approvals of the Company's climate management policy, medium- to long-term strategies, core objectives, and annual climate-related reports.
Governance	Strategy and Sustainability Committee	Professional oversight and guidance body for climate-related work	• Responsible for reviewing the Company's climate strategy, targets, and medium- to long-term planning. • Conduct research and provide recommendations on the integrated management of major investment decisions and climate-related issues. • Supervise all climate-related matters. • Review progress against established objectives and assess the effectiveness of climate risk management measures.
Management	Sustainability Management Committee (Chairperson: President; Deputy Chairpersons: Vice Presidents in charge and Secretary of the Board; Members: Heads of each departments)	The central hub for the Company's climate strategy coordination and execution, responsible for formulating and implementing the climate strategy, objectives, and plans.	• Organize the formulation and implementation of the Company's climate strategy, objectives, medium- to long-term planning, and annual work plans. • Promote the establishment of climate-related management systems and measures, and organize the identification, assessment, and response to climate-related risks and opportunities. • Organize the collection of organizational climate data, preparation of disclosure reports, and stakeholder communication. • Regularly report progress to the governance body and implement its decision-making outcomes.
Operation	Sustainability Steering Team (The Sustainability Steering Team, established as a standing body under the Sustainability Management Committee, appoints a dedicated sustainability officer to lead sustainability initiatives. Members include senior leaders responsible for various issues, the Sustainable Development Department, the Office of the Secretary to the Board, the Finance Centre, the Risk Control Department, the Brand Department, and others)	Permanent hub and enabling institution for climate-specific development	• Research and empower operational staff to carry out climate-specific construction initiatives. • Establish the Climate Four Pillars Framework at the organizational execution level. • Establish assessment criteria for the effectiveness of climate-specific initiatives. • Responsible for the compliant disclosure of climate information and the dissemination of related concepts. • The organizational execution level reports to the Sustainable Development Management Committee on the progress of implementation, achievement of objectives, and plans. • Disclose the Company's climate-related information in accordance with compliance requirements, and communicate the Company's climate philosophy, objectives, and achievements.
Operation	Working Group for Climate Change and Energy Utilization (Chaired by the Finance Centre, jointly with the Sustainable Development Department, Risk Control Department, Procurement Centre, and various facilityes/subsidiaries)	The frontline implementers and enforcers of climate action	• The Finance Centre coordinates carbon cost assessment and resource allocation. • The Sustainable Development Department provides technical coordination and professional support. • The Risk Management Department is responsible for identifying, assessing, and monitoring climate risks. • The Procurement Centre conducts low-carbon access and assessment of suppliers. • Each facility and subsidiary is responsible for implementing measures, tracking data, and managing emergency responses to climate change.



Organizational structure of the Climate Organization

Climate Governance Operating Framework

Haitian has established a climate governance operating system with clear objectives, sound mechanisms, and closed-loop execution, forming an integrated mechanism of "decision-making supervision — coordinated implementation — collaborative participation".

Reporting Mechanism and Frequency

The Company has established a sustainability reporting mechanism to centrally manage all sustainability issues, including climate-related matters, and has defined clear functional reporting lines based on a three-tier governance structure. At the operational level, the working group for climate change submits progress reports to the Sustainability Management Committee every six months and provides annual updates on climate risk and opportunity assessments along with corresponding mitigation measures; the Sustainability Steering Team periodically consolidates work requirements, significant climate risks, and reform initiatives for reporting to management. Regarding management, the Sustainability Department consolidates information every six months and provides a dedicated report to the Strategy and Sustainability Committee through the Sustainability Management Committee. In the event of a sudden climate-related incident, the emergency reporting mechanism shall be activated to disseminate internal special reports on climate risks and issue guidelines for issue management via targeted emails, announcements, and other designated channels. Significant climate-related reporting materials, after multi-departmental review and vice-president approval, were submitted to the president for final approval according to authority.

Significant Decision Trade-offs and Climate Considerations

Haitian has gradually incorporated climate impacts and its related risks and opportunities into its comprehensive considerations. At the strategic level, the Company has clearly defined phased climate-related targets; in major transaction decisions relating to new capacity development, significant equipment procurement, and supplier selection, carbon emissions impact and energy efficiency standards will be incorporated into the evaluation criteria.

The Company will systematically integrate climate risk and opportunity considerations into strategic planning, major transaction decision-making, and risk management platforms and risk control matrices, promoting the embedding of climate factors into key business decisions.

Setting and Implementation of Climate Targets

For details, please refer to "Climate-related Targets".

Oversight, Monitoring, and Verification

Haitian has deeply integrated climate risk oversight procedures into the daily operations of various functions, leveraging its internal control system to conduct routine supervision by frontline managers, risk management, audit, and inspection departments. The Company has implemented a dual-target responsibility system for energy consumption and carbon emissions, linking target achievement to performance evaluations, conducting internal rankings, and strengthening supervision and accountability.

The Company has deployed an Energy Management System (EMS) at its five major production facilities, enabling real-time monitoring of energy consumption and automatic data collection to support decision-making. The Company commissions a third party to conduct greenhouse gas inventories and verification annually, covering Scope 1, Scope 2, and Scope 3 (classified into 15 categories according to the GHG Protocol), and has established a multi-tiered verification mechanism involving the facility, headquarters, and third parties.

The Company has established a carbon footprint accounting system across the entire product lifecycle, conducting both internal and external carbon footprint assessments. As of 2025, carbon footprint verifications have been completed for 7 products across 5 major categories, with third-party certification obtained, and the scope of assessment is being progressively expanded.

Skills Training and Capacity Building

Haitian places great emphasis on enhancing the climate-related capabilities of its governance and management layers. The Company enhances the professional capabilities of the relevant personnel through regular training, conducting at least one climate change-focused session for the board annually and inviting external experts to interpret related trends on an ad hoc basis.

At the operational level, the Working Group leader has over 5 years of experience in energy and environmental management. Two Sustainability Steering Team leaders hold professional backgrounds in environmental science and financial investment, respectively, while the carbon engineers have more than 15 years of relevant experience in energy and carbon management.

In 2025, the Working Group prepared a total of 6 internal special briefing materials, which were specifically disseminated to the governance, management, and operational levels. Among them, 3 reports on greenhouse gas emissions, one report on green products, 1 report on green packaging materials, and 1 report on green finance opportunities.

Internal Carbon Pricing Management

The Company responds to the national climate strategy and sets its carbon targets and annual priorities based on its own circumstances. The Company has established an internal carbon pricing mechanism based on carbon inventory and data aggregation, and issued the *Haitian Implementation Rules for Internal Carbon Pricing* .Taking into account the domestic carbon market transaction carbon price average and potential volatility trends, the Company has set its internal carbon price at RMB 93 per tonne of carbon dioxide equivalent for 2025.

Application of internal carbon pricing in decision-making

- The Company applies internal carbon pricing in calculating the return on investment for construction projects, to assess climate-related risks associated with investment projects;
- The Company breaks down its carbon reduction targets to each production facility, and calculates the hidden climate-related costs and opportunities of each manufacturing facility using a shadow carbon price based on the achievement of individual facility's targets. The publication of result rankings is used to strengthen management, thereby incentivising carbon reduction actions;
- The Company will continue to assess and expand its application in investment decision-making and performance management, supporting green communication and green financing.

Implementation of Remuneration-Linkage Mechanism

The Company has initially incorporated certain climate-related performance indicators into its remuneration and performance management system, with tiered implementation according to management levels:

At the target management level

By breaking down emission reduction and energy targets, climate risk control capabilities are incorporated into managers' performance evaluations and linked to career development and promotion mechanisms.

At the process tracking level

Incorporate indicators such as the completion status of energy-saving technological renovation projects, progress in green electricity and photovoltaic power generation projects, etc., into the performance appraisal of relevant positions to strengthen process management.

At the organizational performance level

At the facility level, linking energy consumption and EHS (Environmental, Health and Safety) indicators to the performance of workshops and frontline employees, promoting the transmission of climate-related requirements down to the grassroots level.

Currently, the Company has initially incorporated climate factors into performance evaluations, and will further expand relevant assessment indicators, refining the specific weighting and incentive-penalty mechanisms for climate-related metrics in remuneration linkage.

Strategy

Association and Impact of the Value Chain with Climate Risks and Opportunities

Time Horizons Classification

Taking into account the Company's business plan, the national "dual carbon targets", and the climate policy requirements in the region where the Company's primary production facility are located, short-term, medium-term, and long-term time horizons have been established.

Definition of Time Horizons

Time Horizons	Year	Reason for Division
○	2026	Aligned with the Company's annual operational planning cycle.
◐	2030 2035	Aligned with key milestones of national and corporate medium-term climate targets.
●	2060	Aligned with the long-term strategic objectives of the nation and the Company.

○ Short-term ◐ Mid-term ● Long-term

Analysis of the Association Between Value Chain Stages and Climate-related Risks and Opportunities

The Company operates on a business model encompassing "raw material and auxiliary material procurement — production processing — sales and delivery". Based on this value chain structure, the Company conducts climate risk and opportunity assessments around key stages and major stakeholders across upstream, midstream, and downstream segments. The Company comprehensively evaluated the degree of dependency and susceptibility at each stage, identified the focal points of climate-related issues, and established a matrix linking climate risks/opportunities to specific value chain segments.

List of Identified Climate Risks and Opportunities and Their Timeframes and Geographic Scope

Types of Climate Risks and Opportunities	Risk Category	Risk	Risk Description	Time Horizons	Geographical Location
Physical Risk	Acute Physical Risk	Extreme Heat	A high-temperature event occurring over a shorter timescale.	○ ◐ ●	All of the Company's production facility were affected, with the Foshan Gaoming Facility, Nanning Facility, and Wuhan Facility experiencing a higher degree of impact.
		Typhoon/Tropical Cyclone	A strong convective cyclonic system occurring in tropical or subtropical seas.	○ ◐ ●	Mainly affecting coastal and nearshore facilities, including Foshan Gaoming Facility, Nanning Facility, and Jiaxing Facility; impacts on other facilities are limited.
		Extreme Precipitation	The short-term rainfall was exceptionally heavy, exceeding the normal statistical threshold.	○ ◐ ●	All of the Company's production facilities were affected, with the Foshan Gaoming Facility and Nanning Facility located in the Southern China heavy rainfall zone being significantly impacted.
		Flooding	Flooding or external flooding caused by heavy rainfall, upstream inflow, tidal backwater effects, or inadequate drainage capacity.	○ ◐ ●	The main impact is on the lower and middle reaches of rivers and low-lying plain areas. The Foshan, Nanning, Jiaxing, Suqian, Wuhan, and Indonesia facilities overseas may all be affected.
		Extreme Low Temperatures / Cold Wave	The temperature dropped significantly within a short period and remained below the long-term average for the same period in the local area.	○ ◐ ●	Mainly affecting the northern and central regions, with occasional impacts in the southern region. The factories in Suqian and Wuhan have been significantly affected.
		Blizzard / Freezing Conditions	Snowfall intensity or snow accumulation significantly exceeds normal levels, accompanied by icing and freezing rain.	○ ◐ ●	Primarily affecting the northern, central, and eastern regions, with main impact on the Suqian and Wuhan factories.
		Thunderstorm	A localised weather process formed by strong convection, accompanied by lightning activity.	◐ ●	Widespread across the country, frequent in summer, with factories in Foshan, Suqian, and Wuhan all affected.
	Chronic Physical Risks	Average Temperature Rise	A sustained and cumulative increase in the average surface temperature of the Earth over long timescales.	◐ ●	The main production facilities have all been significantly affected over the long term, with the Foshan Gaoming Facility, Nanning Facility, and Indonesia Facility being particularly impacted.
		Changes in Precipitation Patterns	Long-term changes in rainfall in terms of intensity, timing, or spatial distribution.	◐ ●	The main production facilities have all been significantly affected over the long term, with the Foshan Gaoming Facility, Nanning Facility, and Jiaxing Facility experiencing more pronounced impacts.
		Rising Sea Levels	The global or regional sea level continues to rise due to climate change.	●	Affects the eastern and southern coastal regions as well as nearshore areas, with no direct impact on inland regions.

○ Short-term ◐ Mid-term ● Long-term

Types of Climate Risks and Opportunities	Risk Category	Risk	Risk Description	Time Horizons	Geographical Location
Transition Risk	Policy and regulatory risks	Compliance Policies are Becoming Stricter	The relevant laws and regulations related to climate and environmental governance, emission standards, licensing requirements, and the intensity of regulatory enforcement have increased, with an expanded scope of application.	○ ◐ ●	Affects all operational areas of the Company.
		Energy Structure Transition	The structure of energy supply, end-use energy consumption patterns, and energy efficiency constraints are undergoing change.	○ ◐ ●	Affects all operational areas of the Company.
		Carbon Pricing Mechanism	Assigning a price signal to greenhouse gas emissions and establishing constraints.	◐ ●	Affects all operational areas of the Company.
	Market risk	Fluctuations in Raw Material Prices	Raw material prices exhibited significant fluctuations over a certain period.	○ ◐ ●	Affects all operational regions of the Company and its upstream supply chain.
	Technical risk	Low-carbon Technologies Underperformed Expectations	Low-carbon technology or process modification deviates from the established assumptions.	○ ◐	Affecting all operational areas of the Company.
	Reputational risk	High-carbon Assets and Greenwashing Allegations	External parties have questioned the authenticity of the Company's environmental performance and issued negative assessments.	◐ ●	Affects all operational areas of the Company.
Transition Opportunity		Use of Renewable Energy	By introducing renewable energy, procurement costs for conventional energy are reduced, carbon emissions are lowered, and the risk of future carbon pricing or price increases is mitigated.	○ ◐ ●	Affects all operational areas of the Company.
		Waste Recycling and Reuse	Recovery, reuse, or resource recovery treatment of waste, residual heat, wastewater, and other by-products generated during production and operations.	○ ◐	Affects all operational regions of the Company.
		Energy-saving Technologies and Equipment operation	By optimising energy efficiency and reducing energy consumption per unit.	○ ◐	Affects all operational areas of the Company.
		Green Logistics	Logistics system adopting low-carbon and efficiency optimisation measures.	○ ◐	Affects all operational regions of the Company and its downstream logistics network.

○ Short-term ◐ Mid-term ● Long-term

The Company has systematically reviewed and analysed climate-related risks and opportunities in relation to its business model, value chain segments, and key stakeholders. Based on the existing results, the Company has formed an initial understanding of the distribution, dependencies, and potential impacts of climate factors across different stages of the value chain and among relevant entities. Overall, climate factors may be transmitted through the value chain to the Company's operations, resource allocation, and external relationships, affecting relevant entities to varying degrees; meanwhile, under the context of green transition, potential opportunities associated with technological upgrading, operational optimization, and shifts in development approaches also exist. The above analysis provides a foundation for the Company to further deepen its assessment, refine its response measures, and continuously improve the quality of climate-related disclosures. For details, please refer to Appendix Table – "Analysis of the Association between Value Chain Stages and Climate Risks and Opportunities".

The Company has identified 8 acute physical risks, 3 chronic physical risks, 6 transition risks, and 4 transition opportunities, and has defined reasonable expected timeframes for their potential impacts. The analysis of climate impacts is primarily focused on the Group headquarters, key production facilities, and specific strategic facilities, with other sites incorporated into the overall assessment.

Climate Resilience

Climate Scenario Analysis

Based on the climate risks and opportunities identified, the Company has referenced the Shared Socioeconomic Pathways (SSPs) from the Intergovernmental Panel on Climate Change (IPCC) and the scenario framework of the Network for Green Financial Standards (NGFS), while also considering its own operational characteristics, to select four scenarios for analysis. These scenarios cover both high-intensity and relatively moderate pathways. Key parameters are primarily drawn from authoritative sources such as IPCC AR6 and NGFS, and have been adapted according to regional and industry-specific characteristics of the Company's main production facilities. In physical risk analysis, a differentiated assessment is conducted by integrating the geographical location of the site, climatic zone characteristics, and historical data; in transition risk analysis, carbon price assumptions are extrapolated based on the historical trends of China's carbon market, referencing the carbon price pathways under NGFS scenarios.

Scenario Selected for Climate Risks and Opportunities

Type of Risk	Scenario	Explanation of Scenario Selection
Physical Risk	IPCC SSP2-4.5 scenario	Represents the most likely future pathway under current global policy efforts.
	IPCC SSP5-8.5 scenario	Representing a high-emission "worst-case" scenario for stress testing, used to identify vulnerable areas within the Company under extreme climate pressures.
Transition Risk and Opportunity	Current Policy Scenario (CPS)	Assuming only currently enacted policies and regulations are implemented globally, without incorporating future additional commitments, used as the baseline for transition risk.
	Commitment targets / 3060 scenario (NDCs / 3060)	Aligned with China's '3060' strategy and NDC 3.0 targets, the Company's 2030, 2035, and 2060 goals are highly coordinated.

The Company has selected the SSP2-4.5 and SSP5-8.5 physical scenarios, as well as the CPS, NDCs/'3060' transition scenarios, to conduct a comparative assessment of the relative intensity of key risks and opportunities across short-, medium-, and long-term horizons, categorized as low, medium, or high, providing a basis for prioritization and financial evaluation.

Climate Risk and Opportunity Scenario Analysis

Type of Risk	Risk	Climate Scenario	Impact Severity by Time Horizons		
			Short	Medium	Long
Acute Physical Risk	Extreme Heat	SSP2-4.5	Low to Medium	Low to Medium	Medium
		SSP5-8.5			
	Typhoon/Tropical Cyclone	SSP2-4.5	Low	Low to Medium	Medium
		SSP5-8.5			
	Extreme Precipitation	SSP2-4.5	Low	Low	Low
		SSP5-8.5			
	Flooding	SSP2-4.5	Low	Low	Low
		SSP5-8.5			
	Extreme Low Temperatures / Cold Wave	SSP2-4.5	Low	Low	Low
		SSP5-8.5			

Type of Risk	Risk	Climate Scenario	Impact Severity by Time Horizons		
			Short	Medium	Long
Acute Physical Risk	Thunderstorm	SSP2-4.5	Extremely Low	Extremely Low	Extremely Low
		SSP5-8.5			
	Blizzard / Freezing Conditions	SSP2-4.5	Extremely Low	Extremely Low	Extremely Low
		SSP5-8.5			
Chronic Physical Risk	Average Temperature Rise	SSP2-4.5	Low	Low	Low
		SSP5-8.5			
	Changes in Precipitation Patterns	SSP2-4.5	Extremely Low	Extremely Low	Extremely Low
		SSP5-8.5			
	Rising Sea Levels	SSP2-4.5	Extremely Low	Extremely Low	Extremely Low
		SSP5-8.5			

Type of Risk	Risk	Climate Scenario	Impact Severity by Time Horizons		
			Short	Medium	Long
Transition Risk	Compliance Policies are Becoming Stricter	CPS	Low to Medium	Low to Medium	Low to Medium
		NDCs/'3060'			
	Energy Structure Transition	CPS	Medium	Low to Medium	Extremely Low
		NDCs / '3060'	Low to Medium	Low to Medium	Extremely Low
	Carbon Pricing Mechanism	CPS	Extremely Low	Extremely Low	Extremely Low
		NDCs/'3060'			
	Fluctuations in Raw Material Prices	CPS	Extremely Low	Low	Low to Medium
		NDCs/'3060'			
	Low-carbon Technologies Underperformed Expectations	CPS	Low to Medium	Low	Low
		NDCs/'3060'			
	High-Carbon Assets and Greenwashing Allegations	CPS	Low	Low	Low
		NDCs / '3060'			

Type of Risk	Risk	Climate Scenario	Impact Severity by Time Horizons		
			Short	Medium	Long
Transition Opportunity	Use of Renewable Energy	CPS	Low to Medium	Low to Medium	Low to Medium
		NDCs/'3060'			
	Waste Recycling and Reuse	CPS	Medium	Medium	Low
		NDCs / '3060'			
	Energy-saving Technologies and Equipment operation	CPS	Low to Medium	Low to Medium	Low
		NDCs / '3060'			
	Green Logistics	CPS	Low	Low	Low
		NDCs/'3060'			

Scenario analysis results indicate that physical risks intensify with longer time horizons and higher emission intensities, while transition risks increase with stronger policy constraints, and different risk factors exhibit varying sensitivities.

Furthermore, the Company has integrated scenario analysis into its routine management processes. Reviews are conducted promptly when key assumptions or external constraints undergo significant changes; in principle, updates are performed on a rolling five-year basis.

Expected Impacts of Climate Risks and Opportunities on Strategy, Operations, and Finance

The Company assesses the impact of significant climate risks and opportunities on its strategy, operations, and current/expected financial effects through scenario analysis. Given the initial disclosure, the nature, direction, and extent of the impact are currently described in qualitative or semi-quantitative terms; subsequent efforts will focus on further refining financial quantification methods and progressively enhancing quantitative disclosures.

The Company has analyzed the potential strategic, operational and financial impacts arising from identified climate-related risks and opportunities. The analysis indicates that climate-related factors have not currently had a material impact on the Company's financial position, financial performance, cash flows, or financing matters; meanwhile, the Company has identified potential future impacts of climate-related factors on these aspects. The Company will continue to monitor changes in the relevant impacts and conduct dynamic assessments in line with external environmental changes, regulatory requirements, and actual operating conditions, continuously improving the corresponding response measures. For details, please refer to Appendix Table – "Expected Impact of Climate Risks and Opportunities on Strategy, Operations, and Finance".

Transition Plan

Based on the scenario analysis, climate-related factors are expected to cause phased disruptions to certain segments of the Company's value chain under different scenarios; however, the ongoing implementation of the Company's established management measures ensure the overall resilience of its strategy and business model. During the reporting period, the Company did not receive any reports from its subsidiaries, departments or partners regarding direct or indirect financial losses caused by climate risks (including acute physical risks, chronic physical risks and transition risks).

Transition Targets and Pathways

The Company has established phased targets and tracks and discloses progress on an annual rolling basis to ensure alignment with operational plans. To achieve the above targets, the Company has identified three core transformation pathways: deep restructuring of the energy mix, operational efficiency and technological innovation, and green collaboration across the value chain. For details, please refer to "Measures Taken to Address Climate-related Risks and Opportunities"

Investment and Disposal Plan

The Company's transformation investment is primarily focused on the low-carbon upgrading of existing assets and optimization of energy use structure. At present, the Company has not established any asset divestment or closure plans requiring immediate implementation; such plans will be updated and disclosed in a timely manner based on actual circumstances.

Key Assumptions

The Company's transformation plan is based on the following key assumptions; should these assumptions undergo significant changes, the Company will adjust the plan and update its disclosures accordingly:

(1) Policy environment: The dual carbon policy continues to be advanced, the national carbon market is gradually expanding its scope, and carbon prices are expected to rise moderately in the medium to long term.

(2) Technological development: Natural gas supply remains stable, while technologies such as photovoltaics, biogas, and energy storage continue to mature and improve in cost competitiveness.

(3) Market conditions: Enhanced preference for green and low-carbon products has created opportunities for product innovation and brand communication.

(4) Capital availability: The Company maintains a sound financial position and capital expenditure capacity to support transformation investments.

Measures Taken to Address Climate-related Risks and Opportunities

To effectively manage identified climate-related risks and opportunities, the Company is progressively integrating them into its overall risk management framework and developing systematic mitigation measures covering upstream, midstream, and downstream value chain activities.

Measures Taken to Address Physical Risk

Mechanism Category	Mitigation Measures / Framework	Resource Allocation
Strengthening engineering and facility resilience management	Integrate climate disaster risk assessment and climate resilience design into the project initiation/feasibility study process for new and expanded projects, and incorporate them into design inputs and investment forecasting.	Systematic assessment during the project feasibility study or initiation phase.
	In response to extreme temperature risks, the Company has established temperature control thresholds and early warning triggers for temperature-sensitive processes and facilities, implementing routine monitoring with traceability and graded responses.	Included in the facility operation support, equipment maintenance, and management plans, with monitoring and control capabilities configured.
	In response to water-related risks, flood and drainage capacity will be incorporated as a design consideration in new and expanded projects, existing industrial facilities will be progressively upgraded with improved drainage, flooding prevention, and emergency response systems, and emergency drills will be conducted.	Included in infrastructure technology renovation and annual maintenance plans, with disaster prevention and relief facilities provisioned.
Establish an emergency management system	Continuously improve the Company's-level ERM framework and implement digital management.	Investment in risk control platform construction and operations; resources allocated for the implementation of risk control mechanisms and risk registers across business units.
	For acute physical risks, establish a four-tier early warning and graded response mechanism, leveraging the intelligence center to enable information reporting and dispatching.	Intelligence Centre Information System and Communication Support; Emergency Supplies and Emergency Duty
	Develop and regularly rehearse emergency response plans for meteorological disaster prevention, achieving closed-loop management through the platform.	Emergency drill plan and funding budget
Enhance supply chain resilience	Establish and implement a multi-location, multi-supplier procurement strategy with dynamic quota adjustments to mitigate the impact of extreme weather events in any single production region.	Embed requirements for supply stability into procurement strategies and contractual arrangements, with supporting emergency mechanisms.
	To mitigate the risk of transport disruption caused by extreme weather, establish a multimodal logistics system integrating road, rail, and maritime transport, alongside backup arrangements with multiple carriers.	Backup capacity arrangements and emergency coordination mechanisms.
	Integrate environmental protection and emission reduction requirements into the supplier onboarding, evaluation, and continuous improvement processes, and pay particular attention to supply continuity arrangements and risk transfer mechanisms for key suppliers.	Human resources and institutionalized process resources for supplier auditing, assessment, and coaching.
Establishing a risk buffer mechanism	Establish and implement a comprehensive property insurance policy, and incorporate it into the annual risk management and budgeting process.	Annual property insurance premium budget; mechanism for coverage assessment and renewal optimization

In response to transition risks and opportunities, the Company has established a corresponding framework centered on decarbonization across the value chain, providing resource allocation guidance and clearly defining the scope of coverage.

Measures to Managing Transition Risks and Opportunities / Emissions Reduction Practices

Value Chain Stage	Response Mechanisms and Measures/ Emission Reduction Practices	Resource Allocation and Achievement	Category of Measures
The Company's Own Manufacturing Stage: The Company conducted a company-wide carbon inventory and obtained third-party certification, with a total of 476,238.42 tonnes of CO_2e emissions from Scope 1 and Scope 2, accounting for 11.23% of the total carbon emissions in the entire value chain.	Set and decompose the Company's annual climate goals (carbon emission intensity goals and green electricity proportion goals) to each production and manufacturing facility, incorporate them into the facility's annual indicators and tracking evaluation, and form a "goal-plan-execution-supervision-review" closed-loop.	Provide funding, necessary resources, and technical support for renewable energy projects, green power procurement, etc. The carbon emission intensity has decreased by 4%, and the proportion of green electricity has exceeded 28%, achieving the Company's annual climate target. The Company set its internal carbon price at RMB 93 per ton of CO_2e in 2025, and used the internal carbon price in calculating the return on investment of construction projects to assess the climate related risks of investment projects; At the same time, shadow carbon prices are used to calculate and rank according to the completion status of each facility's goals, in order to incentivize carbon reduction actions.	Mechanism Improvement
	Internal carbon pricing mechanism	The Company set its internal carbon price at RMB 93 per ton of CO_2e in 2025, and used the internal carbon price in calculating the return on investment of construction projects to assess the climate related risks of investment projects; At the same time, shadow carbon prices are used to calculate and rank according to the completion status of each facility's goals, in order to incentivize carbon reduction actions.	Mechanism Improvement

Value Chain Stage	Response Mechanisms and Measures/ Emission Reduction Practices	Resource Allocation and Achievement	Category of Measures
The Company's Own Manufacturing Stage: The Company conducted a company-wide carbon inventory and obtained third-party certification, with a total of 476,238.42 tonnes of CO_2e emissions from Scope 1 and Scope 2, accounting for 11.23% of the total carbon emissions in the entire value chain.	Implement the ISO 50001 energy management system and set annual energy consumption reduction targets to form systematic energy efficiency management.	Conduct annual system internal and external audits, obtain third-party certification, allocate full-time and part-time system management human resources, and pay annual audit fees. The system operates efficiently, identifies high energy consuming processes through energy review, explores energy-saving opportunities, sets indicators and targets to track achievement, and promotes the PDCA cycle of "planning-implementation-inspection-improvement" for energy-saving measures.	Management System
	Establish and implement a Company greenhouse gas inventory mechanism (based on GB/T 32150 and ISO 14064-1 standards), which operates from 2023 and collect emission data on a quarterly basis starting from 2025. The Company has established a product carbon footprint verification and management procedure (in accordance with ISO 14067)	Allocate full-time and part-time carbon verification human resources, pay for carbon verification training fees and third-party verification fees. Support companies to follow up and analyze their carbon emissions in real-time, and strengthen carbon management. So far, we have completed the carbon footprint calculation and third-party certification of 7 core products covering the Company's five major product categories.	Management System
	Explore and independently develop carbon emission reduction methodologies to provide technical reserves for future participation in carbon trading/voluntary emission reduction projects.	Allocate full-time and part-time human resources for carbon reduction methodology research, pay for research and training fees, and third-party verification fees. Develop and publish the "Methodology for Carbon Reduction Accounting of Organic Wastewater Treatment and Biogas Recycling Projects Using Anaerobic Digestion Technology" (T/GDES 2071-2026).	Carbon Asset Management
	Build an energy management platform and integrate MES, EHS, and other digital platform systems to form energy consumption data collection, monitoring and warning, refined analysis, and decision-making traceability capabilities.	Investment in energy management platform and ESG digital platform construction, operation and maintenance costs, and operation and maintenance manpower. The energy measurement points are gradually improving, and the ESG digital platform is being established to enhance management precision and timeliness, traceability, and information collection efficiency.	Digitation
	Technical renovation project management mechanism: By utilizing the Company's "Haixin" platform, a comprehensive technical renovation project management process is formed. At the same time, an annual list of energy-saving and emission reduction technical renovation projects is constructed, and a "project initiation-implementation-acceptance-evaluation-review" mechanism is established to roll forward energy-saving and carbon reduction measures.	Invest in technical renovation funds and support for energy-saving and carbon reduction projects. The annual investment was about RMB 68 million, and a total of 128 energy-saving and carbon reduction measures were implemented. Among them: Gaoming and Nanning Facility exhaust steam recovery projects have saved 13,457 tonnes of steam and achieved a reduction of 4,093 tonnes of CO_2e in Scope 1 emission; Each facility implements projects such as condensate water recovery and process optimization to save 32,846 tonnes of steam, 3.67 million kWh of electricity, 54000 standard cubic meters of natural gas, and achieve 8,258 tonnes of CO_2e in Scope 1 emissions and 3961 tonnes of CO_2e emissions in Scope 2 emissions.	Process Equipment Retrofitting
	Perform algorithm optimization on the operation strategy of high-power equipment (such as large chillers and air compressors) to achieve energy efficiency improvement.	Invest necessary funds and corresponding technical personnel in optimizing the digital operation strategy algorithm of the system. Algorithm optimization achieves intelligent and efficient control of refrigeration and air compression systems, with a 7.5% increase in energy efficiency of the cold station. The Gaoming cold station project achieves a Scope 2 emission reduction of 613 tonnes of CO_2e; The air compression stations in Gaoming and Nanning facility have respectively achieved joint supply regulation, saving a total of 910,000 kWh of electricity and achieving a Scope 2 emission reduction of 555 tonnes of CO_2e.	Digitation
	Systematically promoting projects such as distributed photovoltaic and biogas power generation in the facility	Provide funding and technical support for renewable energy projects. The investment for the 2MW biogas generator unit in Gaoming Facility is about RMB 15 million, with an annual power generation of 16 million kWh and an annual net income of RMB 5.53 million. Reduced emissions by 42,44 tonnes of CO_2e in the Scope 2 of 2025. Multiple facilities are promoting the construction of distributed photovoltaics, with a cumulative installed capacity of 28.99 MW and a total power generation of 22.08 million kWh in 2025. The Scope 2 of emissions reduction is 10,985 tonnes of CO_2e.	Renewable Energy Utilization

Value Chain Stage	Response Mechanisms and Measures/ Emission Reduction Practices	Resource Allocation and Achievement	Category of Measures
The Company's Own Manufacturing Stage: The Company conducted a company-wide carbon inventory and obtained third-party certification, with a total of 476,238.42 tonnes of CO_2e emissions from Scope 1 and Scope 2, accounting for 11.23% of the total carbon emissions in the entire value chain.	Application of graphene energy-saving membrane technology to improve energy efficiency of refrigeration units	Scenario identification, experimentation, and engineering investment for the application of graphene energy-saving membrane technology. The first batch of projects for the application of graphene energy-saving membrane technology in Gaoming Facility has achieved a power saving of 423,000 kWh, an energy saving rate of over 4%, and a Scope 2 emission reduction of 258 tonnes of CO_2e. The new technology will continue to be promoted to all chillers in the future.	New Technologies and Materials
	The flue gas waste heat recovery and utilization project replaces steam heating in the wastewater treatment process with the waste heat recovery of boiler exhaust gas.	Necessary equipment technical renovation costs will be invested in the flue gas waste heat recovery and utilization project. The wastewater treatment in Gaoming Facility reduces steam usage by 4,113 tonnes per year, saves costs of RMB 1.13 million per year, and reduces CO_2e emissions by 1,240 tonnes per year.	Improvement Process
	Vigorously promote the application of heat pump technology in the waste heat recovery process	Provide funding and technical support for the project, and invest in equipment renovation costs. In response to the excess low-grade heat generated by the Company, Gaoming Facility and Nanning Facility are promoting the application of heat pump technology, using electric pumps to "transport" the heat from cooling water to nearby workshop heating processes, while reducing the operating electricity cost of cooling towers. By 2025, 6,397 tonnes of steam will be saved, with a reduction of 1,918 tonnes of CO_2e emissions; The annual reduction of cooling tower electricity consumption is about 40,000 kWh, with a reduction of 24 tonnes of CO_2e in the Scope 2.	Improvement Process
Procurement of Goods and Services Stage: From the Scope 3 carbon verification, it can be seen that the Company's procurement of goods and services accounts for the highest proportion of carbon emissions. The carbon emissions of category 1 (purchased goods and services) in Scope 3 ws 2,912,500 tonnes CO_2e, accounting for 77.39% of the total emissions in Scope 3.	Establish a green procurement policy and include ISO 14001 and other environmental management system certifications as supplier admission requirements.	Human resources and institutionalized process resources for supplier review and improvement. Establish an incentive mechanism for certification and admission, drive the standardization and standardization of overall environmental management in the packaging industry, and improve the level of supplier management; Promote the transformation of suppliers from "passive compliance" to "proactive green".	Supplier Management
	In 2025, carbon reduction targets for 2026 were set for some key raw material suppliers, incorporating carbon reduction requirements into core supplier KPIs, transmitting carbon reduction requirements and tracking performance. For suppliers with outstanding carbon reduction results, additional points will be given in supplier performance evaluations.	Provide necessary material audits and on-site audits for the performance of suppliers. When admitting suppliers, priority should be given to suppliers with excellent ESG performance while meeting business needs. During the supplier cooperation period, suppliers with excellent ESG performance can receive bonus points in various audit stages (performance evaluation, on-site audit), and suppliers with excellent scores will receive deeper cooperation opportunities (such as order tilt, project cooperation, etc.).	Supplier Management
	We have conducted product carbon footprint verification on over 150 core raw materials, currently covering 90% of the total amount of core raw materials (excluding agricultural products).	Investment in human resources and travel expenses for conducting carbon footprint verification on core suppliers. Establish a core raw material full chain emission database, quickly locate high carbon suppliers and high carbon processes, and predict the risks brought by policy, market, and technological changes; Calculate the carbon reduction potential of each supplier and provide support for the Company's subsequent development of supply chain carbon reduction goals.	Scope 3 Emission Management
	Organize internal experts of the Company to conduct research on carbon reduction status and carbon empowerment training at packaging material supplier factories.	Training costs and manpower investment. Align standards, promote carbon reduction concepts to suppliers, form a "core enterprise supplier" carbon reduction knowledge transmission chain, and enhance independent carbon reduction capabilities; Understand the current situation of suppliers, identify and focus on cultivating high-quality suppliers with strong carbon reduction willingness and sufficient capabilities, establish mutual trust and cooperation relationships, and enhance the long-term stability of supplier cooperation.	Supplier Empowerment
	Promote packaging material design optimization, reduce hidden emissions, and improve loading efficiency.	Investment in research and development and testing of packaging materials. Continuously promote the lightweight packaging material project, and by 2025, promote the reduction of 8,700 tonnes of packaging materials through lightweight packaging materials, achieving a reduction of over 13,600 tonnes of CO_2e in category 1 of Scope 3 emission.	Improvement Process

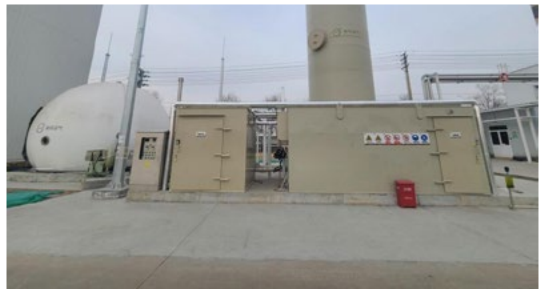
Value Chain Stage	Response Mechanisms and Measures/ Emission Reduction Practices	Resource Allocation and Achievement	Category of Measures
Procurement of Goods and Services Stage: From the Scope 3 carbon verification, it can be seen that the Company's procurement of goods and services accounts for the highest proportion of carbon emissions. The carbon emissions of category 1 (purchased goods and services) in Scope 3 ws 2,912,500 tonnes CO_2e, accounting for 77.39% of the total emissions in Scope 3.	Collaborate with adhesive suppliers to promote the use of greener low-temperature hot melt adhesives in the packaging process.	Investment in research and development and testing of low-temperature hot melt adhesive. The carbon footprint of suppliers in the manufacturing process has decreased by about 5%; The carbon footprint of the Haitian's production line has decreased by about 13% in the usage process; Reduced equipment congestion and maintenance resource investment; Reduce VOCs emissions.	Improvement Process
	Collaborate with glass suppliers and collaborate with research institutions to carry out practical projects on carbon capture and utilization.	Research investment, including equipment and facilities investment and research personnel investment. The coupling of CO_2 membrane capture equipment and biological carbon sequestration device has integrated a comprehensive industrial system for carbon capture with an annual output of 10,000 tonnes of flue gas treatment capacity, achieving carbon cycle utilization of "flue gas carbon capture → algae breeding → biodiesel extraction → kiln fuel". Currently, it has entered a stable operation stage, providing strong practical data for the optimization and iteration of kiln flue gas carbon capture technology in the industry.	Technology Development
Logistics Stage: The carbon emissions related to logistics of the Company are second only to Category 1 among the 15 categories in Scope 3. The sum of carbon emissions in Category 4 (upstream transportation and distribution) and Category 9 (downstream transportation and distribution) was 657,200 tonnes of CO_2e, accounting for 17.46% of the total emissions in Scope 3.	Promote the development of heavy truck oil to electricity projects in the facility to achieve logistics carbon reduction.	Logistics route integration manpower investment, new energy heavy truck investment, and driver training investment. Gaoming Factory actively invested and guided the cooperative fleet to replace 62 diesel heavy-duty trucks with new energy heavy-duty trucks, with a nearly 7-fold increase in the number of heavy-duty trucks compared to 2024. Throughout the year, it achieved a reduction of approximately 600 tonnes of CO_2e in Scope 3 emission Category 4.	Fuel Replacement
	By laying out "near field" factories, approaching the raw material production or market, flexibly adjusting the Company's order shipping locations, reducing transportation costs, and improving resource utilization efficiency.	Logistics route and order integration manpower investment. In 2024, Gaoming Fa Chuanyu Railway will be adjusted to Nanning Fa Chuanyu Railway. The average transportation distance of the railway will be shortened by 400KM, and the delivery volume will be 29,000 tonnes. Throughout the year, it will achieve a reduction of about 540 tonnes of CO_2e in Scope 3 emission Category 4.	Route Optimization
	Carry out railway box circulation project to create railway multi link channels and railway channels	Logistics route and order integration manpower investment. Through the construction of a railway cabinet circulation channel, the problem of railway returning empty containers has been avoided, and the utilization rate has been improved. A total of 2,279 empty returns have been reduced, achieving a reduction of approximately 239 tonnes of CO_2e in Scope 3 emission Category 4.	Multi-modal Transportation
	Implement paperless financial settlement, fully digitize invoicing, and automatically obtain invoice content, achieving process efficiency improvement.	Investment in internal financial system transformation and optimization of institutional processes. All registered electronic signature logistics providers have achieved electronic billing, and the expensed related party freight settlement has achieved electronic bill push and full electronic process. A total of 2,550 bills have been digitized, saving 17,850 sheets of paper (calculated as 7 pages per bill).	Management Optimization

Application of Renewable Energy Technologies and Carbon Reduction Outcomes

Biogas Energy Utilization

The Gaoming Facility has constructed a 2MW biogas cogeneration project, which recovers biogas generated during production processes and converts it into electricity and steam for on-site use. Since commissioning in August 2025, the project has generated 6.92 million kWh of electricity and recovered 22,484 GJ of thermal energy by the end of December, saving 1,623 tonnes of standard coal.

The Suqian facility has upgraded its biogas boilers and adopted biological desulfurisation to recover and reuse biogas energy, replacing part of the natural gas supply. This reduces the consumption of fossil fuels, lowers natural gas usage and carbon emissions. In 2025, the biogas boilers generated 11,886.64 tonnes of steam, achieving resource recovery from waste and emission reduction.



Decentralized Photovoltaic Power Generation

The Wuhan Facility, Suqian Facility, Nanning, Honghe Hongbin Facility, Zhenjiang Danhe Facility, and Guizhou Jiusheng Facility were actively advancing distributed photovoltaic power generation projects. In 2025, the newly installed photovoltaic capacity will increase by 14.49 MW, representing a year-on-year growth rate of 100%, bringing the total photovoltaic installed capacity to 28.99 MW. The total annual photovoltaic power generation in 2025 reached 22.08 million kWh.

Management of Climate Risks and Opportunities

To systematically address climate-related risks and opportunities, Haitian has established and implemented a structured management process, achieving organic integration and closed-loop management with its overall risk management framework.

Identification

Based on IPCC and NGFS climate scenarios as well as historical operational data, physical risks, transition risks, and transition opportunities are systematically identified along the lines of business operations and value chains. Conduct scenario analysis by integrating internal operations, supply chain, and external climate model data, based on key assumptions such as cumulative warming pathways and policy trends. For details, refer to "Table: Analysis of Climate Risks and Opportunities Across Value Chain Stages" and "Climate Scenario Analysis"

Assessment

The Company conducts a dedicated climate risk and opportunity assessment annually, conducting a comprehensive evaluation across three dimensions: the nature, likelihood, and scale of potential impacts, with risk levels classified as high, medium, or low in accordance with the Company's unified ERM framework.

Physical risks: Focus on assessing changes in exposure and hazard levels, vulnerability, financial transmission, and the extent and controllability of impacts;

Transition risks and opportunities: key assessment of their drivers, impacts on business models and value chains, financial implications, and likelihood of occurrence.

Sorting

Based on the assessment results, a materiality matrix for climate risks and opportunities is established, with management priorities dynamically adjusted in conjunction with annual risk control evaluation outcomes, forming the basis for decision-making on resource allocation and response strategies.

Monitoring

The Company has established a risk monitoring mechanism based on hierarchical levels, combining quantified constraints with verification, and integrated climate risk oversight into daily operations to conduct routine supervision.

- Routine monitoring and targeted tracking: each production base monitors in real time through the energy management system, and the Sustainability Department regularly issues special analysis reports.
- Management review: Management reviews the progress of risk management through regular meetings. For details, please refer to "Reporting Mechanism and Frequency".
- Quantitative constraints and verification: Implement a dual-target responsibility system for energy consumption and carbon emissions, use an internal carbon pricing mechanism for simulated settlement, and simultaneously conduct carbon accounting, product carbon footprint assessment, and third-party verification.
- Emergency alert: Establish an early warning mechanism in collaboration with local meteorological departments, and explore the development of automated climate alert rules within the risk control platform.

Metrics and Targets for Addressing Climate Change

Climate-related Targets

In 2025, the Company set its overarching goal of achieving peak carbon emissions before 2030 and carbon neutrality before 2060, and further clarified a phased target to reduce net greenhouse gas emissions across the entire value chain by 7%–10% compared to the peak level by 2035. In alignment with the above objectives, the Company aligns its annual key tasks and targets to ensure that critical actions remain on track.

Targets	Key Performance Metrics	2025 Target	Progress in 2025	Progress status	2030 Target	Medium- to long-term target by 2035	Long-term target by 2060
Target 1: Carbon emission intensity	[1]The reduction in carbon emission intensity per unit of product from the Company's own operations compared to the baseline year (2024) (Scope 2 greenhouse gas emissions based on market-based approach)	⩾ 3.9%	4%	Achieved	Achieve peak carbon emissions by 2030 and continue to reduce carbon emission intensity per unit of product	Net greenhouse gas emissions across the entire value chain decrease by 7% to 10% from their peak.	Achieve carbon neutrality by 2060
Target 2: Increase the use of green electricity	Ratio of Renewable Energy Consumed	⩾ 10%	> 28%	Achieved	⩾ 20%		
Target 3: Energy consumption intensity	Reduction of energy consumption intensity compared with 2024	All production facilities shall meet the dual energy consumption control targets in local policies	All production facilities shall comply with local policy	Achieved	/	/	/
Target 4: Energy Conservation	Cumulative Energy Savings from Energy-Saving Projects/Measures [2] (2026-2030)	/	/	/	10,000 tons of standard coal	/	/

Climate-related Metrics

To comprehensively assess climate performance and trends, the Company continuously monitors and discloses the total greenhouse gas emissions and emission intensity for Scope 1, Scope 2, and Scope 3, in order to track the evolution of carbon emissions and the effectiveness of emission control measures.

Greenhouse Gas Emissions Metrics

Metrics	Unit	2023	2024	2025
Total Greenhouse Gas Emissions (Scopes 1 and 2) (Market-based approach)	tCO_2e	/	466,618.43	476,238.42
Greenhouse Gas Emission Intensity (Scopes 1 and 2) (Market-based approach)	tCO_2e/t product	/	0.1052	0.1010
Total Renewable Energy Consumption	tce	10,292.31	10,995.82	26,921.30
Ratio of Renewable Energy Consumed	%	7.46	7.06	15.40
Green Electricity Consumption	GWh	1,070.53	1,491.14	10,080.59
Proportion of Green Electricity Usage	%	4.6	4.95	28.22

In 2025, the Company strengthen carbon management across its value chain (Scope3) and the construction of its ESG digitalisation system, to support target management and performance improvement. In terms of value chain decarbonization, the Company has initiated carbon footprint verification for suppliers, covering materials supplied by over 150 key raw material and packaging material suppliers from 2023 to 2025, and has set decarbonisation targets for certain key suppliers for 2026, which are incorporated into KPI assessments. Meanwhile, the Company has enhanced its ESG digital governance framework by establishing a digital performance management system, enabling source-level monitoring of energy consumption and emissions as well as regular analytical reporting. It has also integrated a digital legal standards library and risk management platform to improve compliance identification efficiency. Furthermore, leveraging third-party platforms, the Company conducts digital oversight of supply chain environmental performance, extending its management scope from "within the factory" to the "entire value chain".

[1] In our 2024 ESG report, as no green electricity or green certificates were procured, the description did not differentiate between "market-based" and "location-based" approach. Starting from 2025, with the procurement of green electricity/green certificates, it is necessary to distinguish and identify Scope 2 carbon emissions accordingly, and to further clarify the description of the targets.

[2] The energy saving statistics for each project or measure are calculated as the difference in energy consumption between the baseline period and the reporting period, normalized to equivalent conditions over a one-year cycle in accordance with GB/T28750.

During the reporting period, the Company implemented investment projects, including biogas power generation and photovoltaic facilities, involving an investment amount of over RMB 68 million to advance green transformation. The related expenditures have been institutionalized as a routine arrangement and have achieved phased progress, which assists the Company in strengthening climate resilience while capitalizing on low-carbon transition opportunities[1].

Climate-related Awards and Certifications

Haitian has obtained multiple awards and certifications related to climate change response, reflecting that the Company's practical actions and achievements in green and low-carbon transformation have received extensive recognition from government authorities, industry sectors, and professional institutions.

Climate-related Awards and Certifications

Nanning Haitian and Haitian Vinegar Group have been recognized as national-level "Green Factories".

National-level green factory

In 2025, Maolong Company, a subsidiary of the Group, achieved certification as a "Zero-Carbon Factory".

Net Zero Factory Certification

Issued by the Guangdong Provincial Department of Industry and Information Technology in 2025.

Green Supply Chain Management Enterprises in Guangdong Province

The organic soy sauce 500mL (glass bottle) product has obtained carbon reduction product certification.

Carbon reduction product certification

Annual Key Performance

In 2025

the Company implemented **128 energy-saving** and carbon-reduction measures, saving a total of **17.0877 million kilowatt-hours** of electricity, **130,900** standard cubic meters of natural gas and **63,533.19 tons** of steam, resulting in a total reduction of **29,830.63 tons of carbon dioxide equivalent**

During the reporting period,

the Company continued to enhance its use of renewable energy and green power. The biogas power generation reached **69.62 million kilowatt-hours** and the installed photovoltaic capacity amounted to **28.99 megawatts**

The annual proportion of green power usage exceeded **28%**, significantly surpassing the annual target.

[1] This section references the provision on "reasonable and supportable information that is available to it at the reporting date without undue cost or effort" in IFRS S2 and the reasonable information exemption clauses in the *HKEX ESG Reporting Code*.

Smart Water Management, Safeguarding the Source of Life

Water Resource Management

Haitian has established a water resource management framework encompassing governance structure, institutional design, strategic planning, risk management, and target indicators, systematically advancing water resource management efforts and continuously enhancing its capacity to address related risks. On the basis of ensuring stable production and operation, the Company leads with forward-looking management, collaborates with all relevant parties to advance implementation, and actively partners with upstream and downstream industry chain stakeholders to jointly promote the long-term sustainable use of water resources.

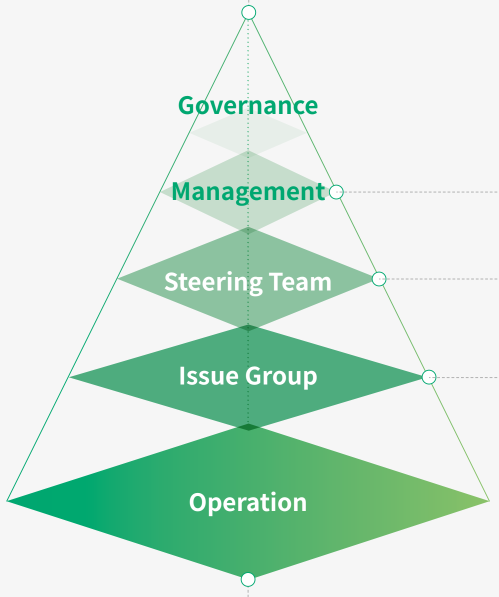
Governance

Governance Structure

The Company has established a water resource management organizational structure comprising governance, management, and operational levels, with clearly defined roles and coordinated actions across all levels.

Board of Directors, Strategy and Sustainability Committee

- The board of directors is the highest decision-making body, responsible for approving the strategy and performance target setting for water resource management.
- The Strategy and Sustainability Committee oversees major initiatives, with the Vice President leading the day-to-day management of strategy implementation, goal breakdown, and performance tracking.



Sustainability Management Committee

- Develop strategies, objectives, medium- to long-term plans, and performance metrics for water resource management; monitor the implementation of strategies and the completion of annual plans; and regularly report on progress and trends to the governance body.

Sustainability Steering Team

- Comprised of senior leaders responsible for water resource management, primarily tasked with policy research and framework development, issue management and optimization, risk assessment and response, organizational coordination and empowerment, evaluation and performance review, as well as brand building and communication.

Water Resources Management Team

- Assume responsibility for water resource management, oversee the development of water utilization strategies, target breakdown, and performance management, and guide operational departments including production, EHS, procurement, and R&D to implement specific actions, ensuring a robust institutional framework, accurate data, and policy compliance within the water resource management system.

Production Departments, EHS Departments, Procurement Centers, and Product Rrocess R&D Departments Across All Manufacturing Facilities

- Responsible for implementing water resource management requirements and driving the execution of related initiatives.
- The Procurement Department is responsible for enhancing and managing water efficiency performance within the supply chain;
- The R&D department is responsible for developing water-saving processes and low-water-footprint products;
- The Production Department and the EHS Department are responsible for implementing water resource management and water-saving measures in the manufacturing process.

Haitian has established a dedicated water resource management team responsible for strategic planning, performance target allocation, and execution monitoring. The working group, through a cross-departmental collaboration mechanism, oversees the implementation of specific measures by departments including production, EHS, procurement, and R&D, such as water-saving technology upgrades, supply chain water risk management, and product water efficiency optimization, ensuring that water management performance is measurable, traceable, and compliant with regulatory requirements.

For detailed information on the governance framework for water resource management, please refer to the 'Sustainable Development Governance Mechanism' section of this report.

Professional Competence

Haitian ensures the professional competence of its water resource management issue team, with the management team led by an issue lead who has over five years of experience in energy and environmental management, and supported by an issue facilitator holding a bachelor's degree in environmental engineering and more than five years of experience in water treatment management. Managers at all levels of the Company possess relevant professional backgrounds or extensive practical experience, ensuring the professionalism and effectiveness of water resource management.

Reporting mechanisms, management policies, and decision-making

The Company has established the *Haitian Sustainable Development (ESG) Management System* and implemented regular and special reporting mechanisms to ensure the effective implementation of water resource management practices at all levels. For detailed information, refer to the 'Sustainable Development Governance Mechanism' section of this report. Meanwhile, the Company conducts an annual water risk assessment and reporting exercise, using a composite index method to evaluate the overall water risk of its manufacturing campuses. The assessment results and corresponding mitigation measures will be reported to the management team of the issue working group.

In terms of management systems, the Company has established and implemented multiple management policies, including the *Haitian Water Supply and Usage Standards, Condensate Water Recovery System Management Standards, Energy Measurement Management Procedures, Clean Production Management System, Potable Water System Management Standards, Haitian Management Guidelines on Production Water Risk Assessment*, among others, to strictly standardize water intake, usage, conservation, and discharge practices. Each subsidiary has also established applicable water management policies tailored to its own circumstances, including the *Haitian Gaoming Water Quota Assessment Measures* and the *Gaoming Wastewater Treatment Emergency Plan* to achieve comprehensive control over water resource risks.

Strategy

Water is a foundational resource for sustaining economic prosperity, human health, and well-being, and a critical factor in ensuring food safety and quality. As a food manufacturing company, we recognize that our entire value chain—from raw material cultivation and production processing to cleaning and sanitation—relies heavily on water resources. Reliable access to clean water is critical for our long-term operations, and responsible water management is not only a core corporate mission but also a fundamental requirement for our sustainability.

We are committed to implementing a sustainable water strategy that meets production needs while avoiding negative impacts on natural water cycles and surrounding communities, and actively exploring pathways to create net-positive water benefits for the environment. We recognize that, against the backdrop of growing population, intensifying climate change, and increasingly severe freshwater stress, water risk has become a critical threat to physical operations, regulatory compliance, and brand reputation. Therefore, we have prioritized water risk management strategically. We have conducted source vulnerability assessments and implemented water management plans across all production facilities, systematically evaluating water risks at each manufacturing site—including financial risks, climate-related risks, and potential supply disruption risks—and have developed mitigation and response measures.

Meanwhile, we actively seize the opportunities presented by sustainable water management: by optimizing processes and promoting recycling to improve water efficiency and reduce environmental footprint; and by participating in watershed co-governance to contribute to ecological restoration and community well-being. We firmly believe that only by ensuring the sustainable use of water resources can food security be safeguarded in the long term, enabling the coexistence and mutual prosperity of enterprises, nature, and society

Risk and Mitigation

- We assessed water resource risks in the regions where our manufacturing campuses are located, based on the World Resources Institute's Aqueduct 4.0 Water Risk Atlas. Among them, 'water stress' is one of the key indicators we closely monitor, reflecting the competition for water resources in specific regions—specifically, the percentage of water demand by human society relative to available water. The assessment results indicate that the Company's overall water stress level is at a low risk level.
- Our three production facilities in Zhenjiang, Hefei and Indonesia are located in regions with high baseline water stress, accounting for approximately 2.0% of our total water withdrawal in 2025;
- The production facility in Suqian is located in an area with high baseline water stress, accounting for approximately 10.5% of our total water withdrawal;
- The production facilities in Nanning, Jiaxing, Jiangmen, Honghe, and Dali are located in regions with medium to high baseline water stress, accounting for approximately 12.3% of our total water intake;
- The production base in Qiandongnan is located in an area with moderate to low baseline water stress, accounting for approximately 0.1% of our total water intake;
- The production facilities in Foshan, Wuhan, Jiande, Jiaxin, and Pingxiang are located in areas with low baseline water stress, accounting for approximately 74.8% of our total water intake.

Risk and Opportunity Type	Risk and Opportunity Event	Risk and Opportunity Factors and Their Impacts
Physical Risk	Water scarcity	Water resources, as a critical production input for the Company, face supply constraints that directly threaten the stability of corporate production, potentially leading to reduced output and, consequently, lower revenue.Meanwhile, water scarcity also drives up water prices, increasing corporate operating costs.
Physical Risk	Supply chain disruption	When the food industry organizes production and operations in water-scarce regions, the risk of water supply disruption is particularly pronounced, significantly affecting normal production activities and leading to further increases in corporate costs.
Policy and compliance risk	Increasingly stringent water resource management policies	Water withdrawal permits, water use efficiency thresholds, and wastewater discharge standards are subject to increasingly stringent policies.Failure to timely complete compliance upgrades may result in direct penalties such as fines and production restrictions, and could also jeopardize the legal operating status of production facilities due to the inability to obtain or renew water withdrawal permits.
Operational Opportunities	Water-saving technology opportunity	In the context of the national push for more efficient and intensive water resource utilization, the Company can effectively reduce the overall cost of related technologies and equipment by increasing investment in recycling water facilities and unconventional water source utilization technologies.
Market Opportunities	Opportunity in water-saving product preference	As consumer awareness of environmental protection increases, the Company leverages this trend by launching water-saving products or enhancing the water-saving attributes of existing products. This supports a more diverse product portfolio, strengthens a green brand image, and contributes to expanding market share and increasing revenue.

Response Strategy

Based on the above assessment results, we have developed a water resource management strategy encompassing four key directions: reducing water footprint, developing Haitian Smart Water System, innovating water-saving technologies, and protecting water resources.

Haitian Water Resource Management Strategy

Promoting low-water-footprint operations

- Integrating water-saving targets throughout the entire process of production management optimization, process upgrading, and technological innovation, covering the full chain from factory premises and workshops to discharge points and reuse systems, continuously reducing the water footprint in manufacturing processes, and driving upstream supply chain collaboration to reduce water consumption.

Enhance the Haitian Smart Water System

- Actively develop and upgrade the "Haitian Smart Water System" by integrating information technology and artificial intelligence into traditional water conservation and emission reduction frameworks, establishing a smart water management platform to enable real-time monitoring and intelligent scheduling of water intake, discharge, and consumption. Through water balance analysis, the system effectively anticipates and manages risks such as pipeline leakage, abnormal water usage, and excessive water consumption.

Deepen water-saving technological innovation

- Closely monitor technological advancements in areas such as water conservation, water recycling, and treatment. Based on actual production needs, promote the implementation and benefit realization of water-saving technologies through various approaches including introduction, research and development, upgrading, and collaboration, continuously exploring water-saving potential within the Company and upstream supply chain.

Enhance water resource protection

- Based on our industry-specific characteristics, implement targeted watershed protection initiatives to effectively reduce operational and environmental risks associated with water.

Improvement Initiative Strategy

In alignment with our issue-specific strategy, we have developed a water conservation plan covering all business operations and are implementing measures across the following areas:

Water Footprint Measurement

- **Product Water Footprint Measurement Initiative:** In 2025, we established a water footprint management system and conduct third-party verification and certification of the organization-level water footprint for our largest production base—Gaoming Company—based on the ISO 14046 standard, *Environmental Management – Water Footprint – Principles, Requirements, and Guidelines*. Additionally, we will carry out third-party verification and certification of the product-level water footprint for our core product, light soy sauce.The project systematically identified the level of water consumption from raw material acquisition to end-of-life product disposal across the entire life cycle process, accurately pinpointing risk points and critical stages in water resource management, thereby supporting the development of low-water-footprint products and advancing water resource management practices and the establishment of water-saving targets.

Technological Innovation and Process Optimization

- **Technology-driven water resource efficiency:** With technological innovation as the core driver, we comprehensively promote the application and optimization of water-saving processes. By developing and implementing proprietary water purification technologies and water reuse solutions, water conservation principles are embedded at the design stage, enabling efficient water use across production operations. In 2025, the Gaoming facility saved over 86,000 cubic meters of water annually through optimized cleaning processes, achieved a reclaimed water reuse volume of 60,000 cubic meters, and reached a total water reuse volume of 1.55 million cubic meters.
- **Eco-water conservation design in new facility planning:** In the planning of the new production base, the Company integrates the concept of sponge cities, prioritizing water-saving factors and minimizing impact on the local water environment throughout site selection, design, and equipment selection.
- **Multi-channel development of alternative water sources:** Reducing fresh water withdrawal through methods such as reclaimed water reuse and biochemical effluent reuse from wastewater treatment plants. In 2025, all campuses actively expanded reuse scenarios for reclaimed water, cooling water, and condensate. The cooling water reuse rates at Gaoming facility exceeding 98%. The cooling water reuse rate at the Nanning facility remained above 93%, while the Wuhan facility achieved a 100% cooling water reuse rate. The Company's cooling water is primarily recycled for CIP cleaning and boiler reverse osmosis processes; condensate is recovered and reused for steam generation in boilers; reclaimed water is mainly used for exhaust gas scrubbing and filter cloth cleaning at the wastewater treatment station, replacing potable water in these applications.

Awareness Raising and Multi-Stakeholder Collaboration

- **Water conservation awareness cultivation:** Emphasize the development and formation of water-saving awareness both internally and externally, organizing specialized training sessions, experience sharing, and performance-oriented guidance in alignment with policy updates, continuously reinforcing water conservation mindset and practices across all employees.
- **Water Resource Protection Initiative:** Actively collaborate with local communities and relevant stakeholders to jointly participate in water resource protection efforts, fostering a societal awareness of sustainable water use.

Collaborative Water Resource Management in the Supply Chain

- **Promote collaborative water resource management across the supply chain:** Extend water conservation requirements to upstream segments of the value chain. Based on the *Haitian Supplier Code of Conduct*, assess water resource risks at suppliers' locations during the qualification review process, and continuously encourage suppliers to adopt water-saving technologies and closed-loop water reuse systems in ongoing collaboration, thereby driving collective improvements in water use efficiency throughout the entire industry value chain. As of 2025, data collection, statistics, and analysis on water withdrawal volume and water intensity for the period 2023–2025 have been completed for approximately 150 core raw material suppliers. High-water-use processes have been identified as priority areas for water conservation management within the supply chain.
- **Promoting water conservation cases in the supply chain:**

1、Glass Bottle Supplier Water Conservation Project: Through providing design services for wastewater treatment projects, the Company supported glass bottle suppliers in implementing water-saving measures by recycling treated wastewater for cleaning crushed glass raw materials, achieving zero wastewater discharge and reducing annual fresh water consumption by approximately 26,000 cubic meters.

2、Starch Supplier Water Conservation Initiative: A key starch supplier's core exhaust gas treatment process employs water spray washing, which previously required continuous replenishment of large volumes of fresh tap water during operation. We recycled the treated greywater within the Company and specifically supplied it to the starch supplier as process makeup water for the exhaust gas treatment water spray operation, fully replacing the previous use of tap water. The project has cumulatively achieved water savings of 45,000 cubic meters by 2025.

3、Advance closed-loop steam condensate recovery projects within the supply chain: During production, a key starch supplier generates a large volume of high-temperature, clean steam condensate. Previously, this condensate was discharged directly, leading to significant waste of high-quality water resources and residual heat, while also increasing the total volume of wastewater discharge and the operational load on the plant's water treatment system. We facilitated the supplier's upgrade of its steam condensate recovery system, enabling full recovery of previously discharged steam condensate and its reuse in production processes such as equipment cleaning and raw material pretreatment within the workshop, fully replacing fresh tap water. The project has cumulatively reused 17,000 cubic meters of steam condensate by 2025.

Intelligent Management and Efficiency Enhancement

- **Digital platforms support water efficiency optimization:** The Company has developed a water footprint management platform in-house, enabling systematic monitoring and intelligent scheduling of the entire process—from water intake and usage to discharge—based on water balance analysis, effectively identifying and managing risks such as pipeline leakage. The platform has been integrated with energy management systems in high-level facility such as Gaoming, enhancing the granularity of management.
- **Production process optimization continues to reduce water consumption:** through measures such as optimizing CIP processes, promoting alkali solution recycling, implementing centralized order production, and improving cleaning procedures, unit product water consumption has been significantly reduced. Meanwhile, optimization measures such as sequential washing and independent unit washing are implemented to further reduce water consumption.
- **Multi-tiered water quality monitoring system:** Building upon the monitoring conducted by the municipal water company, some facilities additionally conduct regular water quality surveillance through a combination of third-party and internal testing.
- **Establish a communication and feedback mechanism with water supply entities:** Maintain regular communication with water supply providers, establish an efficient feedback system, promptly notify them of potential impacts on water quality such as pipeline maintenance, precisely monitor data on water quality, pressure, and flow rate, and quickly identify anomalies.

Case: Digitalized Water Usage Statistics and Analysis System

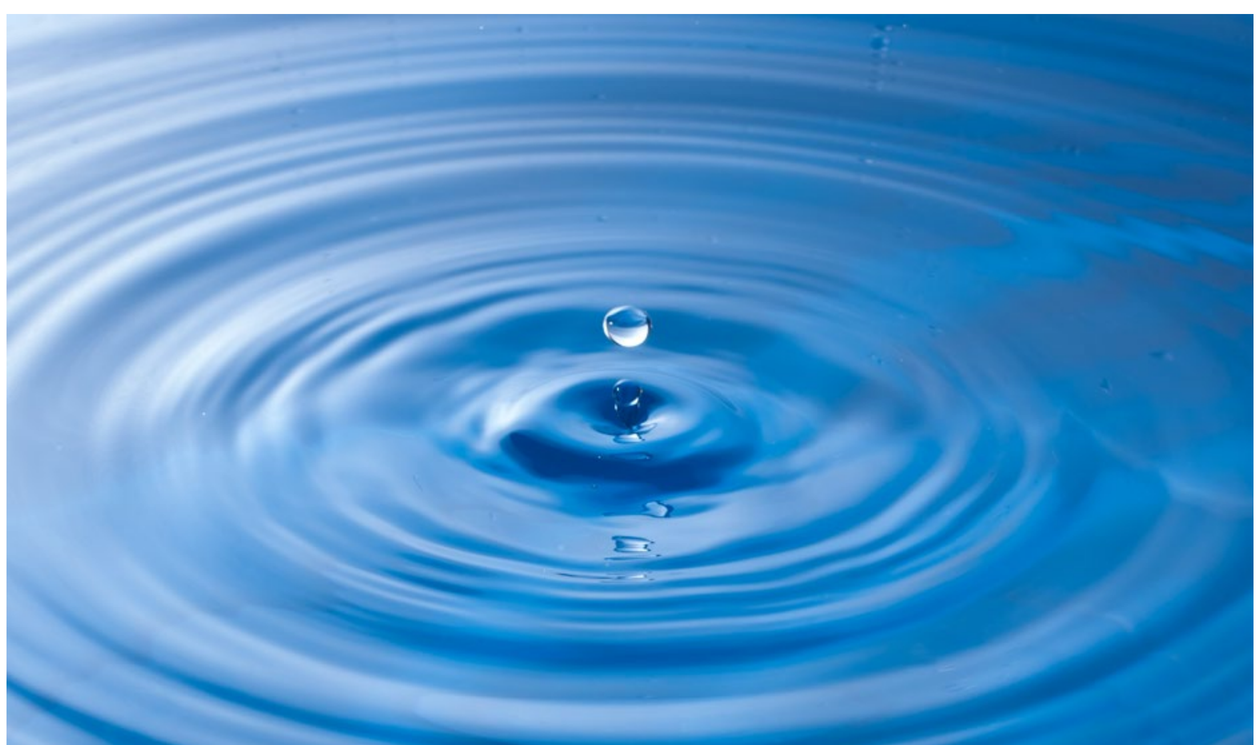
In 2025, Haitian deployed an energy management system and a business intelligence (BI) platform to enable automated data collection, multidimensional statistics, and intelligent analysis of water usage across multiple facilities, providing core support for efficient water resource utilization and refined management.

- **Data Collection Automation and Refinement:** The automated data collection system has been deployed across multiple facilities, including Gaoming, Nanning, Suqian, Wuhan, and Jiaxing. Key metrics such as municipal water consumption, steam condensate recovery volume, and cooling water reuse are calculated and stored at multiple time intervals—15 minutes, hourly, and daily—for each monitoring point.
- **Intelligent data analytics and performance management:** At the Gaoming and Suqian facilities, the system can aggregate and analyze water usage data according to the calculation logic of different operational units, supporting the monitoring and evaluation of water-saving initiatives. The Gaoming facility has established a DPM digital performance energy index platform, which automatically links production data to calculate key indicators such as water specific consumption and generates daily and monthly reports.

Risk Management

Approaches and Methods

For detailed information on methods and approaches to water resource management, please refer to the 'Risk Management' subsection under 'Robust Governance, Safeguarding a Century-Long Legacy' in this report.



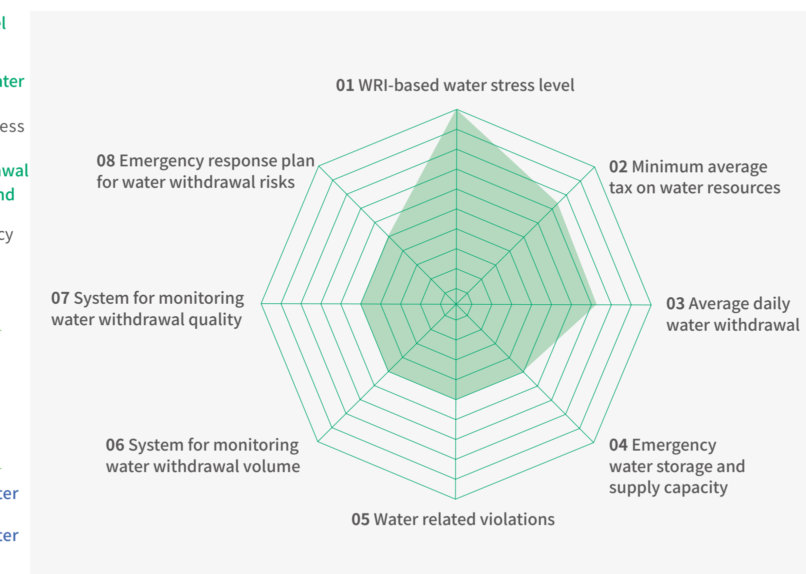
Management Process

Haitian has elevated water resource management to a strategic level, proactively identifying and addressing water risks through the establishment of systematic risk assessment mechanisms and specialized analytical tools, thereby ensuring production continuity and market competitiveness.

- **Establish a water risk assessment mechanism:** Haitian has referenced the World Wildlife Fund (WWF) Water Risk Assessment Tool and relevant domestic and international research findings to develop a production water risk assessment system covering physical, regulatory, and reputational dimensions. The risk level assessments for all operational manufacturing campuses have been completed, differentiated response strategies have been formulated, and the assessment results have been effectively communicated across all relevant levels. Based on long-term practical experience, the Company has developed and implemented the *Haitian Management Rules on Production Water Risk Assessment* to respond to external compliance requirements, fill internal institutional gaps, provide clear guidelines for daily operational activities, and achieve standardization and institutionalization of water resource risk management.

Level 1 indicator	Level 2 indicator
Physical risk	01 WRI-based water stress level Source: WRI database 02 Minimum average tax on water resources Supporting indicators to assess basin water stress 03 Average daily water withdrawal 04 Emergency water storage and supply capacity Number of hours that emergency water storage (continuously renewed and available for production use) is used under average water use conditions
Regulatory risk	05 Water related violations Number of penalties imposed or fines paid due to severe violation of water withdrawal/use/discharge regulations in recent 5 years
Reputational risk	06 System for monitoring water withdrawal volume 07 System for monitoring water withdrawal quality 08 Emergency response plan for water withdrawal risks

Indicator weight (%)



Production Water Resource Risk Assessment Indicator System

- **Development of water balance analysis tool:** In daily production management, leverage the water balance analysis tool to conduct monthly water deviation analyses, identify unreasonable water usage or drainage risks, and provide data support for optimizing water resource management in production processes.
- **Supply chain water risk management:** The Company refers to the WRI Aqueduct Database to conduct targeted assessments of water stress conditions in key agricultural sourcing regions for major raw materials such as soybeans, wheat, and sugar, and develops a supply chain water risk management plan based on these findings. In 2025, the Company conducted a targeted audit of water intensity among core suppliers of original packaging materials, covering 150 suppliers. Meanwhile, the Company tracked water stress levels at key raw material sourcing locations and assessed water stress risks at manufacturing facilities responsible for approximately 80% of raw material procurement, systematically enhancing supply chain water risk management capabilities.

Metrics and Targets

Targets

We have established short--term and medium-term targets related to water resource management, including reducing production water intensity, and have disclosed progress on these initiatives.

Targets	Key Performance Metrics	2025 Target	Progress in 2025	Progress Status	Mid-term Objective (2030)
Target 1: Reduce water withdrawal intensity in production	Total water withdrawal intensity (m^3/ton of products)	⩽ 2.6	2.46	Achieve	⩽ 2.5
Target 2: Implement water conservation plans for manufacturing facilities in regions with extremely high baseline water stress	Reduction of water withdrawal intensity compared with 2024	⩾ 0%	17.5%	Achieve	⩾ 10%
Target 3: Achieve water efficiency targets across the supply chain	Percentage of water-intensive key suppliers[1] with established quantitative water-saving targets	Complete a water conservation assessment among tier-1 suppliers providing core manufactured raw materials, and establish tailored water-saving targets based on operational realities	Approximately 150 suppliers' water intensity data for the period 2023–2025 has been collected.	Achieve	100%

Target Tracking, Evaluation, and Review

To ensure the effective achievement of water resource management objectives, the Company has established a comprehensive tracking system that spans data, processes, and outcomes. Through systematic data monitoring and performance evaluation mechanisms, we advance the practical implementation of water conservation initiatives. On the data monitoring level, the Company regularly calibrates billing water meters to ensure measurement accuracy and conducts monthly accounting and analysis of total water consumption and per-unit water usage based on water utility invoices. By comparing actual data with predefined targets, deviations are promptly identified, root causes are traced, and corresponding improvement plans are developed. In terms of process control, the Company leverages an information platform to conduct real-time monitoring of key indicators such as inlet meter readings, water consumption across various plants, and the recovery and utilization of steam condensate and cooling water, enabling dynamic tracking and continuous optimization of progress toward water resource targets. Meanwhile, the Company incorporates water-saving targets into the annual operational objectives of the production department, leveraging its performance management system to drive the implementation of relevant measures. A unified assessment and evaluation are conducted at year-end, establishing a closed-loop management process to ensure the effective achievement of water conservation goals.

Building on the full achievement of the 2025 annual targets, and considering factors such as production scheduling, flexible order response, and potential expansion of product categories, the medium-term targets will be maintained and serve as annual performance benchmarks for the next five years.

[1] Definition of water-intensive key suppliers: Manufacturers of materials that account for a significant proportion of raw material procurement by weight, have high water dependency (e.g., salt, white sugar, monosodium glutamate, syrup, oyster sauce), and are located in areas with high or extremely high water stress as classified by the World Resources Institute (WRI).

Metrics

We continuously monitor key performance indicators, optimize water resource management initiatives, ensure that water conservation actions align with corporate strategy, and steadily advance the achievement of objectives through established management and improvement mechanisms.For more related metrics, please refer to Appendix "Annual Key Performance Indicators".

Haitian Water Resources Related Metrics

Indicator Item	Unit	2025 Data
Total water withdrawal	m^3	11,582,002.60
Total water consumption	m^3	5,871,207.18
Water recycling rate	%	16.26
Water withdrawal intensity	m^3/ton (of products)	2.46
Water consumption intensity	m^3/ton (of products)	1.25

Annual Key Performance

In 2025, Haitian's total reclaimed water volume reached 1.88 million cubic meters, of which:

Cooling water reuse volume
1,160,000 m^3

Condensate recovery volume
300,000 m^3

Concentrated water recycling volume
320,000 m^3

Reclaimed water reuse volume
108,000 m^3

Water saved through the project
840,000 m^3

Honors and Awards for Water Management

Gaoming facility joined the **Guangdong-Hong Kong-Macao Greater Bay Area Water Conservation Industry Alliance** as **one of the inaugural members**

Nanning facility was recognized as a **2025 provincial-level water-saving benchmark enterprise**, the **only one selected in Nanning City**

The Company's three core manufacturing facilities (Gaoming, Suqian, and Nanning), which account for over **95%** of production output, have all received the provincial-level **'Water-Saving (Benchmark) Enterprise'** designation

Reusable Packaging to Achieve Resource Sustainability

Circular Economy and Packaging Materials

Haitian actively practices the concept of circular economy and systematically establishes a green, sustainable packaging management system. The Company drives the transformation of packaging toward recyclable, reusable, and low-carbon green models through innovative research and development, design, and systematic recycling. We are committed to achieving a harmonious balance between resource efficiency and environmental friendliness.

Governance

Governance structure

Haitian has established a governance framework for the issue of circular economy and packaging materials, with the Board of Directors and the Strategy and Sustainable Development Committee serving as the supreme governing bodies. Under this framework, Board members act as the issue-supervising directors, and vice presidents as the issue-managing presidents. The Sustainability Department, in coordination with the issue-lead executives, oversees the implementation. The execution is carried out by subordinate departments, including Product Packaging Design, Product Packaging Procurement, and various production parks/subsidiaries, ensuring that strategic planning is translated into concrete actions.

Governance Framework and Responsibilities for Circular Economy and Packaging Materials

Governance

Board of Directors, the Strategy and Sustainability Committee

- Lead the development of the Company's sustainable development roadmap, comprehensively coordinating strategic planning, target setting, and initiative reviews across the circular economy and packaging materials sectors.

Management

Sustainability Management Committee

- Monitor the implementation progress of the annual work plan related to circular economy and packaging materials, and conduct risk identification and opportunity assessment at the corporate level.

Steering Team

Sustainability Department and leaders for the issue of circular economy and packaging materials

- Support the establishment and ongoing refinement of evaluation frameworks in the fields of circular economy and packaging materials;
- Support the management team of the issue-specific working group in conducting daily operations and long-term strategic planning for targeted issues;
- Coordinate with relevant units to systematically conduct analyses on dependencies, impacts, risks, and opportunities related to circular economy and packaging materials, and develop a visualized risk matrix.

Operation

Product Packaging Design Department

- Establish and continuously improve the green packaging evaluation system and standards;
- Support the issue governance body in developing and reviewing the green development strategy;
- Monitor domestic and international policy regulations and industry-leading practices related to green packaging;
- Advance compliance of green design across all product packaging and organize the development of a strategic action implementation matrix for green packaging.

Packaging Sourcing Department

- Establish and continuously optimize key performance indicators and measurement systems in the fields of circular economy and packaging materials;
- Support the monitoring of domestic and international policy developments and benchmarking against industry practices related to circular economy and packaging materials;
- Responsible for advancing and managing the closed-loop process of the circular economy and packaging materials initiative, including the implementation of strategic actions, the alignment and achievement of objectives, and the collection and reporting of performance indicators.

Production facilities/subsidiaries

- Responsible for the systematic advancement and closed-loop management of circular economy and packaging materials initiatives, covering the implementation of strategic actions, the alignment and achievement of targets, as well as the collection and reporting of performance indicators;
- Establish and continuously improve the circular economy and packaging material metrics statistical and tracking system within the designated scope, including relevant policies, processes, tools, and management mechanisms.

Professional competences

To systematically advance the management of circular economy and packaging materials, Haitian has established a dedicated support team, with personnel at all levels possessing deep professional expertise and practical experience. The issue-specific working group leader is appointed from the product packaging design team, with core members all holding professional backgrounds in packaging design and an average of over 10 years of industry experience, providing solid technical support for issue management. Meanwhile, the steering coordinator has over 10 years of experience in waste resource management, with deep professional expertise and systematic management practice in circular economy and the life cycle of packaging materials, ensuring the strategic advancement and effective implementation of the issue through professional capability.

Reporting Mechanisms, Management Policies, and Decision Making

We have established the *Haitian Sustainable Development (ESG) Management System*, and implemented regular and special reporting mechanisms to ensure effective management of circular economy and packaging material practices at all levels. For detailed information, please refer to the "Working Mechanism for Sustainable Development" in this report.

The Company has developed and implemented a series of internal policies covering the entire value chain of product packaging design, material procurement, and production management for Haitian and its affiliated companies, including the *Haitian Circular Economy Management Rules, Haitian Sustainable Packaging Design Guidelines*, and *Implementation Rules on Packaging Material Recycling Management*. These policies clearly define the responsibilities and authorities of various functional departments and establish design principles such as green packaging and closed-loop recycling. We have integrated circular economy and packaging material management into the Company's routine governance processes, conducting annual reviews of the institutional framework and management structure. Environmental impacts, risks, and opportunities related to the circular economy and packaging materials are incorporated into decision-making considerations, ensuring that thematic strategies remain consistently aligned with the Company's sustainability goals.

Strategy

Risks and responses

To effectively manage potential challenges arising from the transition toward a circular economy and packaging materials, we systematically conducted risk identification and assessment activities across three dimensions: business model, operational execution, and strategic development, with a focus on analyzing the specific impacts of various risks on company operations, environmental performance, and long-term competitiveness.

Dimension	Type	Event	Details and Impact	Response
Green packaging	Policy and technical risk	Develop new packaging solutions, establish new packaging lines, or retrofit existing ones	• Stricter government regulations on packaging standards, requiring packaging R&D to meet new regulations. • Evolving consumer preferences favoring sustainable packaging. • Growing pressure from sustainability organizations and industry peers in the FMCG sector, necessitating industry/peer-aligned responses from the Company.	• Implement comprehensive packaging lifecycle management, from design inception to end-of-life recycling, fully advancing green, reduction, circular design, and recycling and regeneration. • Establish a dynamic monitoring and response mechanism to track domestic and international regulatory requirements, consumer demands, and industry developments, driving continuous optimization of packaging strategies.
	Policy and market risk	Sales decline	• Stricter packaging regulations in export markets may result in product bans, fines, or increased tariffs for non-compliant products. • Growing sustainability awareness and shifting consumer preferences toward products with verified sustainable packaging.	
Circular economy	Technical and market risk	Higher raw material costs per unit of product than peers	• Limited innovation in raw material utilization within the traditional condiment manufacturing industry, lagging behind advanced industry standards. • Volatile domestic and global environments driving up material prices. • Climate variability and freight disruptions affecting yields and pricing, increasing cost volatility and reducing competitiveness.	• Production intelligence and digitalization, achieved through technological innovation, process upgrading, and the introduction of smart equipment, optimize workflows and enable precise monitoring to reduce raw material waste and enhance yield efficiency. • Establish a resilient supply chain system, expand and diversify procurement channels, and develop multiple alternative supply bases to enhance the stability and resilience of the supply chain.
	Technological and market risk	Profit decline	• Outdated processing technologies and lack of innovation result in higher production costs compared to industry peers. • Inadequate market research and poor product positioning lead to undervalued pricing. • Lack of high-value-added products limits pricing potential and reduces sales performance.	• Through cost control and process innovation, we upgrade technologies and develop energy-saving processes to systematically optimize the cost structure. • Market strategy and value positioning leverage data analytics for precise targeting and implement differentiated pricing to redefine market value. • By develop high-value-added products, combined with advanced processes and solution sales, we build sustainable competitive advantages and pricing power.
	Policy and technical risk	Decrease or loss of resale value in waste/ by-products and change in cost of waste treatment and disposal	• Tighter waste control policies make certain wastes unsellable, requiring third-party disposal. • New byproduct recycling regulations restrict traditional resale practices. • Elevated customer standards for the physico-chemical properties of waste and byproducts lead to lower resale values, additional pretreatment requirements, or the need to rely on lower-value disposal channels. • Higher national waste disposal regulations increase operating costs for waste treatment providers, resulting in higher disposal fees. • Process or production changes may lead to greater volumes of waste, intensifying disposal needs and associated costs.	• Strengthen green production and internal resource circulation capabilities, drive process optimization for source reduction, and develop high-value utilization technologies such as by-product purification and modification to overcome application bottlenecks and reduce reliance on external disposal. • Enhance diversified external circulation and disposal capacity, establish a multi-path waste management network, extend downstream into the recycled resource industry, and proactively develop economically viable and stable end-of-life disposal channels. • Establish a collaborative and co-beneficial ecosystem across the industrial chain with shared cost responsibilities, engage in strategic partnerships with key clients, develop customized resource recovery solutions, and leverage scale advantages to address compliance cost pressures arising from increasingly stringent policies.

Opportunities and responses

We identify development opportunities in the circular economy and packaging materials sectors, and conduct in-depth assessments of how these opportunities may potentially enhance the Company's competitiveness and sustainable development capabilities.

Dimension	Type	Event	Details and Impact	Response
Green packaging	Policy and market opportunities	Sales increase	• Closely monitor domestic and interna-tional packaging regulations, proactively develop compliant packaging solutions to gain first-mover advantage in the market. Advance sustainable packaging initiatives, promote sustainability concepts, and implement green marketing to align with consumer and market demands, driving revenue and profit growth.	• Implement green management across the entire packaging lifecycle, optimize design to enhance recyclability and reduce resource intensity, and use labeling and awareness campaigns to encourage consumer participation in recycling, fostering a sustainable circular system. • Establish a robust regulatory response framework, closely monitor packaging regulatory developments both domestically and internationally, proactively develop and reserve compliant packaging solutions, and transform policy changes into opportunities for market entry and product updates.
Circular economy	Technical opportunities	Lower raw material costs per unit of product than peers.	• Breakthrough innovations in raw material utilization technologies strengthen Hai-tian's technological leadership, contributing to revenue and profit growth. • Lean, digitalized, and intelligent pro-duction management systems improve operational efficiency and help reduce operating costs.	• Focus on breakthrough research and development in raw material technologies, and their transformation into high-value-added products, while strengthening competitive advantages and expanding market share through technology dissemination and standard-setting.
	Technical and market opportunities	Profit growth	• Adoption of industry-leading processing technologies enables significant reductions in production costs. • Comprehensive market research and accurate product positioning aligned with consumer demand support premium pricing strategies, increasing revenue and profit margins.	• Leveraging core technological advantages as a pivot point, we have established industry benchmarks by scaling up production, and built a dual profit growth engine based on economies of scale and patent licensing.
	Technical and market opportunities	Increased resale value in waste/ by-products and lower cost of waste treatment and disposal	• Optimization of waste/byproduct phys-ico-chemical properties increases their resale value per unit, contributing to increased revenue and profit margins. • Process and production improvements reduce the intensity of waste generation, lowering overall disposal needs and as-sociated costs.	• Maximize the internal resource value within production processes, reduce waste emissions through process innovation, and simultaneously transform by-products into higher-value resources. • Establish a reinvestment mechanism for resource recovery benefits, explicitly allocating savings from disposal and sales profits to support production optimization and environmental innovation, thereby creating a value loop.

Strategic Formulation

We have developed a targeted strategy focusing on circular economy and packaging materials, advancing its implementation through the construction of an information platform and specific improvement initiatives. In product packaging design, we adhere to the 5R principles—Reduce, Reuse, Recycle, Regeneration, and Rejection—and promote an integrated approach with the "CGF Golden Design Rules" embedding circular economy principles throughout the full lifecycle management of product packaging materials.

Strategy for Circular Economy and Packaging Materials

Green Packaging Strategy

"Establishing recyclable and low-carbon packaging systems to promote the reuse of packaging materials." Integrating green and low-carbon principles throughout the entire lifecycle of packaging—from design and material selection to production and recycling—establishes a sustainable packaging system characterized by source reduction, process energy efficiency, and end-of-life circularity, achieving synergistic enhancement of environmental benefits and brand value.

Circular Economy Strateg

"Maximizing material utility and comprehensive utilization." Objectives include: reducing the generation of production waste; comprehensively utilizing production waste; and enhancing the value of by-products and production waste.

Initiatives Supporting the Strategy

The Company actively implements a green packaging and circular economy strategy. Through initiatives such as packaging lightweighting, the use of recycled and sustainable packaging materials, reduce packaging waste, recyclable and regenerative design, packaging recycling, consumer education, improved raw material utilization rates, enhanced comprehensive utilization value of by-products, and information technology support, we have effectively reduced resource consumption intensity and minimized the environmental impact of packaging waste, continuously advancing our transition toward a circular economy.

Key initiatives and achievements in green packaging and circular economy for the year 2025 are as follows:

Lightweight packaging

- In 2025, we continued advancing our packaging lightweighting initiatives, reducing total packaging material usage by over 8,700 tons throughout the year, including approximately 7,900 tons of glass, 620 tons of plastic, and 250 tons of paper.

Using recycled and sustainable packaging materials

- In 2025, we used over 387,000 metric tons of recycled packaging materials compliant with applicable standards in our product packaging (including recycled glass and recycled paper) , constitutes more than 50% of the total product packaging..
- In 2025, we applied labels with 30% recycled PET (rPET) content to product packaging shrink sleeves and gradually increasing the application share.
- In 2025, we procured FSC-certified paper to produce labels for organic soy sauce and select organic condiment gift boxes.

Reduce packaging waste

- In the supply chain, we have implemented the 'Box Sharing' initiative to enable closed-loop circulation of outer packaging boxes for certain procured materials between Haitian and suppliers, reducing the generation of packaging waste.

Recyclable and regenerative packaging design

- In 2025, multiple new product packages launched by our company comply with the *CGF Golden Design Rules*, with four of them selected for inclusion in the *CGF 2025 Golden Design Rules Casebook*. Meanwhile, we have joined the "CGF Golden Design Rules - Acceleration Area (GDR-AA)", supporting the industry-wide transition toward recyclable and reusable packaging design.
- In 2025, over 99% of the product packaging (primary packaging) we supplied to the market complied with relevant domestic standards for recyclability and regenerative design.

Packaging recycling, reuse, and consumer education

- We promote the recycling and reuse of packaging materials to consumers across the country and all operational regions through channels such as product detail pages on our self-operated e-commerce platform and product labels.
- In 2025, we launched the *PET Bottle Recycling and Reprocessing Project*, promoting and implementing the recycling and reprocessing of packaging waste. As of now, we have recycled over 100,000 plastic bottles and regenerated them into polo shirts, giving these bottles a new life. The project has reached over 10,000 people.
- We continue to promote awareness and consumer education regarding circular economy and sustainable packaging. A dedicated thematic section has been established at the Haitian Industrial Tourism Attraction "Yami Castle" for promotional purposes, reaching 298,000 visitors in 2025.
- We promoted our enterprise's low-carbon and environmental transformation through live broadcasts and video content on media platforms such as television stations, Lizhi Network, Douyin, and Xiaohongshu, reaching over one million consumers.

Information technology support

- In 2025, the Company completed the core functional upgrade and iteration of its packaging digital management platform. This achieved centralized, standardized, and intelligent management of packaging resources, enabling cross-referencing and visual presentation of packaging materials, product information, and associated components. The platform provides data and experiential support for recyclable and lightweight packaging design, significantly enhancing decision-making efficiency in the packaging R&D process.
- Online retail orders require packaging with different box sizes for shipping, and it is difficult for humans to match the most suitable box model. We implemented the "AI Smart Container Selection" project, utilizing intelligent recommendation algorithms to reduce empty container rates and lower packaging waste. Reduced courier box usage by approximately 10% and improved packaging efficiency.

Enhance raw material utilization

- Protein loss across the entire soy sauce brewing value chain decreased by more than 10% compared to 2024.
- Optimization of Huangjiu production processes has increased yield by 3%, achieving advanced industry standards.
- Optimization of the fermented bean curd production process and production management has led to an approximate 3% increase in finished product yield.
- For by-products from the processing of pickled small-leaf mustard greens, process optimization was implemented, and the by-products were innovatively applied to the production of condiment packets.
- For corn leaves generated as byproducts from ready-to-eat corn products, we established a collection and sales system, transforming these previously discarded corn leaves into raw materials for animal feed.

Key examples of achievements in circular economy and green packaging for 2025 are as follows:

Case: Protein Loss during Soy Sauce Brewing has Further Decreased

In 2025, the Gaoming Industrial Park achieved a further reduction of over 10% in protein loss across the entire soy sauce brewing process compared to 2024, through iterative upgrades to its big data and AI analytics platform, precise protein application, and enhanced steaming processes.

Case: Product Packaging Featured in the *CGF 2025 Golden Design Rules Case Collection*

In 2025, the packaging of four newly launched products—chicken rice dark soy sauce in PET, small cup beef sauce in carton, 1.75L cooking wine in PE, and 1.63L soy sauce in PE—was selected for inclusion in the *CGF 2025 Golden Design Rules Casebook*.

Case: Launching the PET Bottle Recycling and Regeneration Project

We collaborate with third parties to launch a PET bottle recycling and regeneration project at the Foshan facility, transforming recycled PET bottles into products such as regenerated workwear and regenerated aprons. By leading by example, we promote and implement the recycling and regeneration of packaging waste. By the end of 2025, we have cumulatively recycled over 100,000 PET bottles, with future plans to extend this initiative to other facilities, communities, and supply chain partners.

Risk Management

Methods and Approaches

For detailed information on the approaches and methods for managing risks related to circular economy and packaging materials, please refer to the "Risk Management" section under "Robust Governance, Safeguarding a Century-Long Legacy" in this report.

Management Process

We have established a comprehensive packaging risk control mechanism covering the stages of assessment, design, and warehousing, ensuring all stages comply with sustainability requirements through rigorous raw material and packaging quality inspection standards. Meanwhile, we have integrated risk factors related to circular economy and packaging materials into the stages of risk identification, control measures, and information communication, promoting a deep integration between issue-based risk management and the Company's sustainable development strategy.

Priority Setting and Integration into Internal Processes

For detailed information on risk management prioritization and integration into internal processes, please refer to the "Risk Management" section under "Robust Governance, Safeguarding a Century-Long Legacy" in this report.

Metrics and Targets

Haitian has established clear strategic objectives regarding circular economy and packaging materials, leveraging a digital management platform to achieve full lifecycle tracking and efficiency optimization of raw materials and packaging resources, systematically driving source reduction of waste and resource circulation, and continuously reducing the environmental impact of its operations.

Targets

Under the premise of ensuring packaging compliance, safety, and reliability, the Company has established short- and medium-term action targets related to circular economy and packaging materials, and regularly discloses progress on these initiatives.

Targets	Key Performance Metrics	2025 Target	Progress in 2025	Progress Status	Mid-term Objective (2030)
Target 1: Enhance the recyclability and recoverability of packaging	Percentage of packaging materials across all packaging that are recyclable or reusable	> 98%	Approximately 99%	Achieved	> 99%
	Percentage of primary packaging across all product categories designed for recyclability, reusability or material recovery	/	Approximately 99%	Achieved	⩾ 99%
Target 2: Increased use of recycled or renewable packaging materials	Percentage of recycled content (cullet) in glass packaging across all product categories	> 60%	Approximately 62%	Achieved	> 65%
	Percentage of recycled content (recycled paper) in paper packaging across all product categories	> 80%	Approximately 82%	Achieved	> 85%
Target 3: Comprehensive utilization of production waste	Comprehensive utilization rate of recycled production waste	> 99%	99.12%	Achieved	> 99.5%
Target 4: Promote and implement the recycling and regeneration of packaging waste	Collaborating with partners to maximize the recycling of plastic packaging and other packaging materials, safely processed through technical means to turn waste into valuable resources.				
Target 5: Use PCR plastic in secondary and tertiary packaging	Under the premise of ensuring packaging compliance, safety, and reliability, we strive to use recycled plastic in secondary[1] and tertiary[2] packaging.				

[1] Secondary packaging: packaging materials that combine multiple sales units together; for example, the connecting parts that link individual products.

[2] Tertiary packaging: packaging required during logistics and transportation, such as stretch film and plastic pallets.

Target Tracking, Evaluation, and Review

To ensure the achievement of circular economy and packaging materials strategic objectives, we have established a full-cycle management mechanism encompassing projects in three categories—optimization potential, technology, and digitalization—enabling continuous tracking of project progress, regular technical reviews, and performance validation. Meanwhile, we have integrated key objectives into the annual performance evaluations of each unit, with progress assessed on a quarterly basis. A consolidated evaluation will be conducted at year-end, and target progress along with assessment results will be regularly disclosed internally.

Potential-tapping project management

A weekly review mechanism has been established for potential optimization projects, with progress and interim outcomes reviewed each week to ensure traceability of execution and controllable pacing toward target achievement.

"Haixin" project management

We leverage the "Haixin" project platform to implement refined control over key milestone nodes of technical projects. For projects with significant impact, a cross-departmental joint review mechanism is established; for routine projects, a biweekly reporting system is implemented to ensure information alignment and progress transparency. All project outcomes must undergo a structured evaluation process to ensure objective and measurable validation.

"Agile" project management

For digital projects, we fully implement the "Nine-Step Method" management approach during the project initiation phase to ensure alignment with strategic and business requirements from the outset. After project initiation, we leverage DevOps agile management tools to enable real-time online collaboration and control between development and operations, ensuring the deep integration and efficient coordination of information technology with production business.

Metrics

We maintain ongoing monitoring of metrics regarding circular economy and green packaging to facilitate target achievement. For more metrics, please refer to the appendix titled "Annual Key Performance Indicators."

Key Packaging Material Metrics of Haitian

Metric	Unit	Statistics in 2025
Total weight of product packaging materials	Ton	774,148.92
Percentage of recyclable and renewable materials in total packaging(by mass)	%	Approximately 99
Proportion of primary packaging designed for recyclability and regeneration(by mass)	%	Approximately 99
Recycled packaging materials used in product packaging (including recycled paper and recycled glass)	Ton	387,880
Weight percentage of recovery packaging materials in all the product packaging(by mass)	%	50.10

Key Circular Economy Metrics of Haitian

Metric	Unit	Statistics in 2025
Total renewable resources	Ton	3,300,700.25
Proportion of renewable resources	%	93.46
Comprehensive utilization rate of recycled production waste	%	99.12

Green Operations, Building a Sustainable Future

Green Management and Operations

Haitian always places the fulfillment of its environmental responsibilities at the forefront and continuously reduces the potential impacts of its operations on the environment. During the reporting period, the Company did not experience any major environmental incidents, nor was it subject to administrative penalties from any ecological and environmental authorities.

Environmental Management

Haitian has established an environmental management framework composed of governance, management, and operational levels. The Board and the Strategy and Sustainable Development Committee, serving as the governance body, are responsible for top-level decision-making and strategic coordination. The Sustainable Development Management Committee and the Issue Leadership Group, as part of management, are responsible for establishing strategic objectives, planning, and conducting oversight and coordination. The Sustainable Development Department, Procurement Department, and Risk Control Department jointly established an Ecological Conservation and Environmental Compliance Task Group to advance environmental management initiatives, with EHS departments at each manufacturing park responsible for the execution and implementation of specific actions.

Environmental Risk Management

- Haitian has established a comprehensive management framework covering external regulatory identification and internal standard translation, and developed a series of management standards, including the Environmental Management Manual and the Haitian Holding Pollution Source Control Management Regulations.In 2025, the Company developed or revised regulations including the *Haitian Holdings Pollutant Permit Management Regulations, Haitian Holdings Water Pollution Prevention and Control Management Regulations, Haitian Holdings Air Pollution Prevention and Control Management Regulations, Haitian Holdings Radiation Safety Management Regulations*, and the *Haitian Holdings Guidelines for Legally Compliant Environmental Information Disclosure Reporting*. These actions supported manufacturing campuses in advancing systematic and standardized risk assessment, prevention, and control activities related to environmental and ecological matters.
- All Haitian manufacturing campuses consistently conduct emergency drills in strict compliance with the approved and filed emergency response plans for sudden environmental incidents, ensuring the effective operation of response mechanisms. The Company confirms that all operational sites are outside the ecological conservation red line areas.
- Meanwhile, Haitian clearly outlines relevant provisions in its *Supplier Code of Conduct*, extending ecological protection and environmental compliance requirements to the supply chain, effectively managing environmental risks across the entire value chain.

Digital Performance Management (DPM) system

- Haitian has developed the DPM Digital Performance Management System, which collects real-time data from energy system instruments and supplements offline data to generate daily and monthly analytical reports, supporting source-level control of energy consumption, resource conservation, and reduction of pollutant and greenhouse gas emissions. In 2025, the Company identified and updated relevant regulatory requirements in a timely manner by integrating a digital legal standards database with its risk management platform, providing standardized guidance for environmental and ecological compliance risk assessment and prevention across all campuses.
- In addition, the Company leverages a third-party professional ecosystem platform to efficiently obtain and monitor supply chain environmental performance and compliance rectification status, driving continuous improvement in supply chain environmental performance and transparency, and comprehensively enhancing environmental management across the value chain.

Environmental Management System Certification

- By 2025, eight operational entities under the Company—Gaoming Haitian, Suqian Haitian, Haitian Vinegar, Nanning Haitian, Wuhan Haitian, Hefei Yanzhuang, Zhejiang Jiusheng, and Guizhou Jiusheng—have all obtained third-party certification for ISO 14001 Environmental Management System and conduct regular surveillance audits and internal audits. The production output of these entities certified by third-party ISO 14001 Environmental Management System accounts for over 95% of the company's total production.

Green Operations

Haitian has deeply integrated green operations into its strategic development, driving continuous improvement in environmental performance through systematic management, ongoing technological innovation, and full-chain collaboration, achieving compliant operations while steadily advancing toward higher goals of resource-efficient circularity and ecological coexistence.

Pollutant Emissions and Waste Management

Haitian strictly complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*. The Company has established and continuously improved a series of internal management systems, including *the Water Pollution Prevention and Control Management Regulations*, *the Air Pollution Prevention and Control Management Regulations*, *the Noise and Solid Waste Management Regulations, the Environmental Monitoring Management Regulations, the Pollution Source Control Management Regulations*, and *the Wastewater Treatment Emergency Response Plan*, providing clear guidelines for compliant operations and risk prevention and control.

Haitian continuously upgrades pollution control facilities and optimizes processes, implementing targeted management measures for key areas such as exhaust gas and wastewater treatment to ensure long-term, stable compliance with all emission standards. Through institutional standardization and engineering improvements, Haitian has fulfilled its environmental responsibilities while actively advancing toward green operations and sustainable development. In 2025, Gaoming facility actively responded to *the Guidance on Management of General Industrial Solid Waste of Sludge Type* issued by the Gaoming Branch of Foshan Municipal Ecological Environment Bureau, implementing full-process online and offline closed-loop management of food sludge from generation to disposal, maintaining high-level green operations.

Meanwhile, Haitian strengthened its supervision through a regulatory penalty monitoring model and public reporting channels. During the reporting period, the company remained free from any significant administrative penalties or criminal liabilities due to pollutant emissions. We also did not receive any major complaints from local community residents regarding environmental issues, and our pollutant discharges had no significant impact on employees or the local community.

All subsidiaries have established environmental monitoring programs tailored to their specific conditions. Through the deployment of online monitoring systems, implementation of regular manual inspections, and a combination of self-testing and third-party testing, they conduct routine monitoring of emissions such as waste gas, wastewater, and solid waste to ensure data authenticity, accuracy, and traceability. Additionally, the Company organized internal environmental compliance experts to conduct environmental compliance risk reviews across its manufacturing parks, systematically identifying 53 potential risk hazards. Through a full-cycle management mechanism, the Company promoted rectification efforts, achieving a completion rate of 88.7%. An evaluation confirmed that the Company's environmental monitoring programs and risk management measures contain no significant flaws.

Waste Classification and Disposal Measures

Hazardous Waste

Upgraded hazardous waste storage facilities in accordance with regulatory requirements to ensure compliance with environmental standards. All hazardous waste is entrusted to qualified third-party partners for disposal, with priority given to resource recovery. Non-recoverable portions are treated through environmentally sound methods, systematically reducing environmental risks.

General Waste

Leveraging internal collaboration and external technological partnerships, we continuously enhance the level of comprehensive utilization. Including promoting the recycling and regeneration of packaging waste, and converting by-products such as soybean pulp into resources or disposing of them in compliance with regulations, to achieve value recovery from waste and reduce environmental burden.

Case: Application Project of New Cold Cleaning and Disinfection Process

In 2025, the Gaoming facility innovatively adopted cold disinfection processes such as soaking/flushing to replace traditional CIP circulation cleaning. This successfully reduced the use of cleaning chemicals such as acid and alkali, and decreased wastewater generated from hot water cleaning stages. After project implementation, total wastewater discharge was reduced by 33,639 cubic meters annually, while 3,293 tons of heating steam were also conserved. Water pollution risks were effectively controlled, demonstrating the direct contribution of the green transformation of the cleaning process to pollution prevention.

Case: Turning Waste into Wealth – New Breakthroughs in Solid Waste Resource Utilization

To address the challenges in disposing of a certain type of industrial solid waste, the Gaoming facility introduced a new process to reduce and recycle this waste. This initiative transforms waste into valuable materials, not only recovering useful components but also reducing the final waste volume, drying it for easier transportation, and selling it to third parties for resource-oriented use in fertilizer production. In 2025, a total of 2,818 tons of such solid waste was treated, resulting in a 90.6% reduction in waste transported off-site and achieving a 100% resource utilization rate. Throughout the year, the project generated comprehensive economic benefits exceeding RMB 3.96 million, achieving a dual breakthrough in both environmental and economic benefits.

Case: Gaoming Facility Wastewater Resource Integration and Collaborative Governance Project

The Gaoming facility integrates decentralized industrial wastewater resources from within the Cangjiang Industrial Park and establishes a tripartite collaborative governance mechanism among government, enterprises, and municipal wastewater treatment plants. Through systematic advancement of feasibility analysis and implementation for centralized wastewater treatment and standard enhancement, the facility has achieved highly efficient recycling of wastewater resources, reducing overall wastewater treatment costs while significantly improving environmental governance effectiveness.

Case: Nitrogen Source Synergy Project for Supplier Wastewater Treatment

The core supplier near the Suqian facility produces wastewater with a single component profile, resulting in an imbalanced carbon-to-nitrogen ratio that directly limits the treatment efficiency and operational stability of its biological wastewater treatment system. Continuous external procurement of urea and other nitrogen sources is required, leading to high operating costs and elevated environmental burden. We have established a supply chain resource recovery channel, directing surplus nitrogen from our wastewater treatment process to suppliers as supplemental nitrogen for their biological wastewater treatment systems, replacing externally purchased commercial nitrogen sources. This project addresses the core challenge of carbon-to-nitrogen imbalance in the supplier's biological treatment system, significantly reducing their nitrogen source procurement costs, while also alleviating the denitrification burden on our company's wastewater treatment process and lowering wastewater treatment expenses.

Case: Digital Scheduling System Drives Water Conservation and Emission Reduction Initiatives in Production

The Company introduced a digital production scheduling and intelligent dispatching system, enabling smart identification of products with consistent quality and continuous batch production. This resulted in over 550 fewer changeover cleanings throughout the year and a reduction of 2,800 tons of wastewater discharge, effectively lowering water resource consumption and environmental burden while improving production efficiency.

Honours: All of the Company's Core Manufacturing Facilities have Received the 'Green Factory' designation

- In 2025, Nanning Haitian and Haitian Vinegar Group were both selected for the Ministry of Industry and Information Technology's 'Green Factory (2025)' list.
- Wuhan Haitian was selected for the list of 'Green Factories' by the Hubei Provincial Department of Economic and Information Technology in 2025.
- In 2017, Gaoming Haitian was included in the list of 'Green Factories' by the Ministry of Industry and Information Technology, and remains valid.

Targets

We establish short- and medium-term targets related to pollutant emissions and disclose progress on these targets.

Targets	Key Performance Metrics	2025 Target	Progress in 2025	Progress Status	Mid-term Goal (2030)
Maintain treatment compliance for all pollutants	100% compliance with discharge standards	100%	100%	Achieve	100%

Green Office Practices

Promoting Paperless Office Operations

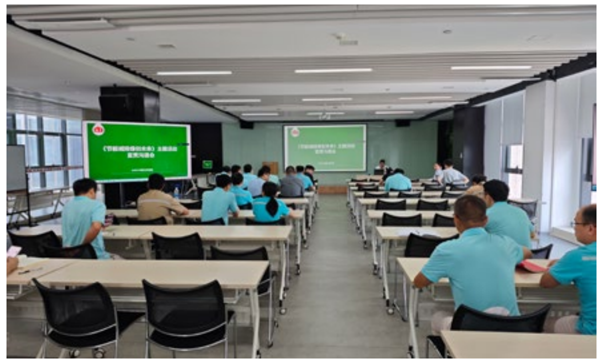
The Company continues to advance paperless operations by replacing traditional paper-based processes with electronic systems. Employees can directly input production data into the system using tablet computers, enabling paperless management in production processes, improving work efficiency, and reducing paper usage; paperless record-keeping is fully implemented in workshops, minimizing the circulation of paper documents. Meanwhile, electronic workflows are being implemented to replace paper-based approval and transmission processes, thereby increasing the coverage of paperless office operations. In daily office management, the Company promotes double-sided printing and fully implements electronic documents in functions such as finance, further reducing paper consumption. In 2025, the Company achieved 100% fully electronic invoicing for sales and over 80% fully electronic documentation for financial settlements. This initiative resulted in an annual reduction of approximately 240,000 sheets of paper.

Optimizing Building Daylighting Design

Natural daylight is prioritized in factory buildings and office areas across Haitian's facilities, with artificial lighting used as supplementary, reducing energy consumption from artificial lighting. Lighting in office and workshop areas across company facilities is managed through zone-based control. Energy-efficient lighting fixtures are actively promoted, and natural daylight is maximized via windows and skylight daylighting strips. Artificial lighting is turned off when sufficient natural light is available, reducing daytime electricity consumption and significantly lowering the frequency of lamp usage and overall power demand.

Promote the Concept of Energy Conservation and Environmental Protection

The Company continues to conduct sustainability-themed training programs, offering courses such as Low-Carbon Living: A Shared Responsibility and Pollution Reduction and Carbon Mitigation Strategies, aimed at continuously enhancing employees' environmental awareness and energy-saving concepts. Each facilities has advanced diversified awareness campaigns based on its own circumstances. Gaoming facility developed the training module titled Energy and Emission Reduction · Green Creation for the Future and conducted specialized training sessions. Nanning facility organized a flash mob event on waste sorting during the 'June 5 Environment Day' period. Wuhan Campus implemented the 'Turn Off When Leaving' policy, guiding employees to develop good habits such as turning off lights and air conditioning when leaving their workspaces, thereby embedding green principles into daily operations. In addition, Haitian actively practices "green manufacturing and natural organic" by enhancing the green attributes of its products through low-carbon initiatives such as eco-friendly packaging and sustainable transportation. As one of the first brands to join Tmall Forest Market, it integrates the concept of green consumption into user engagement experiences.



Gaoming facility's thematic training event titled 'Energy Conservation and Emissions Reduction – Green Innovation for the Future'

Nanning facility launched a flash mob event on waste sorting during the '6.5 Environment Day'

Biodiversity Conservation

Risk and Opportunity Analysis on Dependency and Impact

Haitian regards biodiversity conservation as an integral component of achieving sustainable development and continues to advance the deep integration of biodiversity conservation efforts with its business operations and multidimensional brand. In 2025, we utilized the ENCORE database recommended by TNFD to assess the extent of our business activities' impacts on and dependencies on nature, and applied the materiality analysis criteria from the *Multi-capital Alliance's Natural Capital Protocol* to evaluate the materiality of identified nature-related impacts and dependencies, providing a basis for the company to develop targeted natural risk management measures.

Through a comprehensive analysis of our value chain's dependence on ecosystem services and the resulting environmental impacts, we have identified the upstream farming segment as highly dependent on maintaining water security, soil health, and climate regulation, while also being a significant source of environmental impact. As such, it has been designated as a key priority area for our company's efforts in biodiversity conservation and sustainable management.

Strategies and Actions

Based on an analysis of bio-dependency and impacts across the entire value chain, and in reference to relevant guidance from the *Kunming-Montreal Global Biodiversity Framework and the China's National Biodiversity Conservation Strategy and Action Plan (2023-30)*, Haitian has established a biodiversity conservation strategy centered on "maintaining ecological baselines, pursuing eco-symbiosis, and giving back to nature," clearly defining the company's key directions and implementation pathways for this issue moving forward, with the aim of systematically advancing corporate practices that align ecological protection with sustainable development.

Strategy	Focus	Initiatives in 2025
Maintain ecological baselines: We strictly comply with national environmental laws, regulations and standards	• Zero violation discharges • Redline avoidance	• Conduct an ecological compliance risk assessment once annually, covering all facilities, to ensure that operational facilities do not fall within ecological redline areas. • Progressively decreasing pollutant discharges
Pursue eco-symbiosis: We integrate ecological conservation principles and technologies into sustainable industrial development	• Guide eco-friendly agriculture and f isheries • Promote carbon neutrality • Develop circular economy • Lower water footprint	• Establishment of the China Oyster Industry Leading Freshness Ecosystem Alliance, with initial members covering the entire industrial chain from research and development to farming, processing, and recycling • Officially inaugurated the first specialized 'industrial base' in the condiment industry, covering key stages including upstream research, ecological breeding, and advanced processing • Initiating organic certification for certain raw materials • Enforcing the Haitian Supplier Code of Conduct to promote biodiversity protection among suppliers • Continuously focus on dimensions including zero deforestation and zero land conversion (DFC), soybean procurement (adhering to no conversion, no deforestation, reduced farming impact, traceability, etc.), and seafood procurement (driving supplier certification under MSC/ASC/BAP standards, traceability, etc.) • Progressing energy-saving and emission-reduction projects • Continuing green packaging efforts • Enhancing water efficiency measures
Giving back to nature: Support industry-related ecological conservation initiatives for public welfare	• Water conservation • Ecosystem restoration and conservation	• Participating in the Suqian City 2025–2026 'Protect Water Resources, Safeguard Biodiversity' initiative • Participated in the Foshan Shaomushan 'Haitian Forest' afforestation public welfare activity

02

Healthy and Delicious, Brightening Dining Tables Across Households

Haitian consistently adheres to the guidance of the *Outline of the Healthy China 2030 Plan*, focusing on consumers' diverse and customized demands for health, taste, and quality, and continuously advancing product innovation and research and development with a nutrition and health orientation. The Company consistently delivered healthier and more reliable product choices for family dining tables through optimization and iterative upgrades of product formulations, strengthen product safety and quality control, refine service and communication mechanisms.

- Nutritional Enhancement to Safeguard Healthy Living
  ——Nutrition and Health
- Quality and Safety, Striving for Excellence in Quality
  ——Product Safety and Quality
- Warm Service, Building Lasting Trust
  ——Customer Service
- Intellectual Property Protection Drives Innovation Momentum
  ——Innovation-Driven Development and Intellectual Property

Nutritional Enhancement to Safeguard Healthy Living

Nutrition and Health

As consumers' preferences and demands for "better nutrition, greater health bene fits, and lower burden" continue to grow, condiments are increasingly expected to deliver enhanced health value. In response to consumers' diverse needs, Haitian continues to refine its nutrition and health product management system, steadily expanding its portfolio of nutrition and health products, and enriching product offerings that cater to different demographics and usage scenarios. The Company is committed to delivering high-quality products that better align with consumers' health requirements, ensuring Haitian's delicious flavors accompany daily meals and become part of lasting memories of a fulfilling life.

Governance

Governance Structure

The Company has established a three-tier governance structure comprising the Board of Directors and its Strategy and Sustainable Development Committee, the Sustainability Management Committee and its Steering Team, and a dedicated working group focused on nutrition and health opportunities, which collaboratively advance innovation and development in the field of nutrition and health-focused food products, ensuring the standardized operation of research, development, and production management for nutrition and health products. For detailed information on the governance structure regarding nutrition and health-related issues, please refer to the "Sustainable Development Governance Framework" section of this report.

Professional Competencies

The Company's Board of Directors emphasizes professional diversity and complementary capabilities in its composition, with at least two directors possessing extensive industry and management experience in areas such as biotechnology, food manufacturing, and R&D of nutritional health products; one of these directors concurrently serves as the Secretary-General of the Soy Sauce Professional Committee of China Condiment Association, providing strong support for the Company to seize opportunities related to nutrition and health, and enhancing the professionalism and forward-looking nature of decision-making.

Reporting Mechanisms, Management Policies, and Decision-making

The Company has established a systematic information reporting and communication mechanism, integrating issue progress and key information into decision-making considerations, thereby enhancing coordination efficiency and implementation effectiveness across all levels in nutrition and health product initiatives. During product development, we strictly adhere to external standards and regulatory requirements, including national and industry quality standards, food safety standards, and other relevant regulations. We have established internal management systems such as the *Management Regulations on Technology R&D Project of Haitian Corporation*, and the *Regulation on Management of External Technology Cooperation Projects of Haitian Corporation* to clearly define processes and management requirements for product and technology R&D, ensuring the compliance and standardization of our R&D activities. For detailed information regarding reporting mechanisms, management policies, and decision-making processes on nutrition and health-related issues, please refer to the "Sustainable Development Governance Framework" section of this report.

Strategy

Risk Identification and Response

Haitian conducts risk identification, assessment, and impact analysis regarding nutrition and health opportunities, and develops corresponding mitigation measures; specific details are provided in the table below:

Types of Risks	Description of Risks	Response Measures
Technical risk	As consumer mindsets and purchasing behaviors continue to evolve, public awareness of the nutritional and health attributes of food is steadily increasing. To better align with market demand and accelerate the optimization and upgrading of formulations and processes as well as product iteration, the Company may need to address more complex challenges in technological R&D, and the difficulty of achieving technological breakthroughs may increase accordingly.	The Company continues to strengthen the foundation of product and technological innovation by improving mechanisms for talent development and succession planning in R&D, thereby enhancing overall R&D capabilities; meanwhile, it advances the management of key scientific and technological initiatives and strengthens collaborative efforts with research institutions and universities, continuously refining a multi-tiered innovation system.
Policy risk	As food safety regulatory requirements continue to tighten, enterprises must strengthen end-to-end management of raw material compliance and production process control to ensure that products and processes align with applicable regulations and standards. In the event of a food safety violation, the Company may face legal risks such as administrative penalties and litigation, resulting in additional costs related to remediation, product recalls, and compliance measures. Meanwhile, associated public sentiment and negative media coverage may erode consumer trust in the brand and its products, potentially adversely affecting market performance, revenue, and capital market valuation.	The Company closely monitors changes in policy, regulations, and standards within the food industry. On the basis of strictly implementing national and industry requirements on quality and food safety, it continues to strengthen internal management systems related to product R&D and quality management, ensuring compliance throughout all stages of R&D activities and product management.
Reputational risk	During the development of raw materials, technological iteration, and product manufacturing, enterprises must ensure that ingredient selection, production control, and testing validation comply with applicable standards, regulations, and relevant requirements before using functional or attribute claims such as "organic", " sodium reduction" or "gluten-free" on packaging and in promotional materials. Inaccurate labels or claims may constitute misleading advertising and trigger reputational risks, leading to consumer complaints and litigation, regulatory penalties, and other consequences. Concurrently, negative public sentiment may escalate, adversely affecting sales performance and brand value, while also increasing operational costs related to compliance resolution and corrective measures.	The Company strictly implements the certification requirements applicable to nutrition and health products, ensuring that relevant products obtain certifications in accordance with the law, and standardizes the management of product packaging and labels in accordance with relevant regulations and standards to eliminate false or misleading publicity and effectively safeguard consumers' right to know and the credibility of the brand.
Market risk	Industry participants are accelerating their deployment in the health-focused segment, with product supply becoming increasingly concentrated and formulation and value proposition homogenization rising, which may lead to intensified competition and downward pressure on profitability for health-oriented products.	The Company centers on technological R&D and process innovation, leveraging authoritative certification and standardized management to establish differentiated barriers; continuously enhancing its diversified portfolio of nutrition and health products and scenario-based supply offerings to mitigate the impact of homogenized competition.

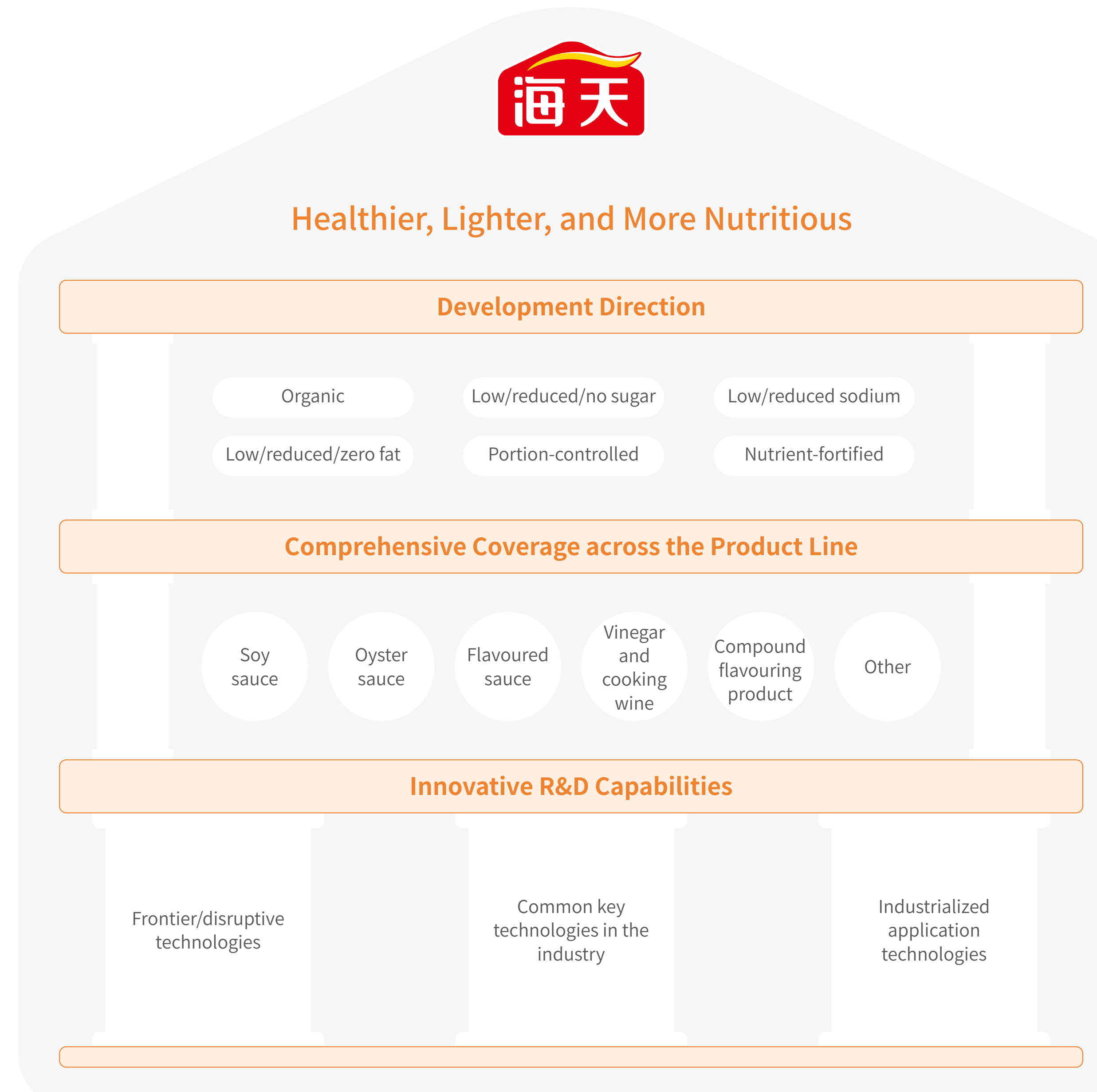
Opportunity Identification and Response

Haitian has conducted opportunity identification, assessment, and impact analysis regarding nutrition and health opportunities, detailed content is provided in the table below:

Type of Opportunities		Description of Opportunities
Market opportunities	Health product innovation	Under the guidance of national initiatives such as the "Three Reductions and Three Health Promotions" and relevant policies, the food industry's transition toward health-oriented products continues to accelerate. Enterprises can develop and upgrade low-sodium, low-sugar, low-fat, and organic condiments to better meet market demand, thereby enhancing product value-added and competitiveness.
	Expand into emerging markets	The health needs of specific consumer groups are growing rapidly. As a high-frequency vehicle in daily diets, condiments offer significant potential for health-oriented upgrades and product innovation. Enterprises can conduct differentiated promotion and product positioning based on specific market needs, expanding the niche market space for healthy condiments. For example, the Company launched a gluten-free soy sauce product to meet the dietary needs of specific consumer groups.
Reputational opportunities and market opportunities	Enhance brand image	The Company continues to integrate ESG principles into its management practices, actively seizing development opportunities in the nutrition and health sector by delivering products and services that better meet consumer needs, thereby strengthening brand trust and market recognition, and further enhancing its corporate image and social reputation.
	Enhance consumer education and communication	We continuously conduct nutrition and health education through diverse channels, delivering science-based and easily understandable dietary information to consumers, enhancing public awareness of balanced nutrition and nutritional management, and supporting consumers in developing healthier eating habits and product choices.
Policy opportunities	Policy support and incentives	As the government continues to introduce policies supporting the development of the nutritious and healthy food industry, the Company can actively monitor and access applicable policy tools such as financial subsidies and special support programs, thereby driving cost reductions in R&D and production processes.
	Compliance and risk management	By establishing a comprehensive food safety management system and quality control framework, we ensure products comply with relevant standards and regulatory requirements. Meanwhile, we maintain the standardization and transparency of labeling information, creating favorable conditions for optimizing the product portfolio, consistently communicating product health attributes, and ensuring consumers fully understand product information.

Strategic Planning

The Company aligns with the policy orientation of the *Outline of the Healthy China 2030 Plan*, systematically formulating and advancing the Haitian product nutrition and health strategy to continuously enhance product health attributes and quality, aiming to provide consumers with nutritionally healthy and more demand-aligned product options. We uphold the strategic mission of delivering products that are "healthier, lighter, and more nutritious" to the public, focusing on directions such as "organic, low/reduced/no sugar, low/reduced sodium, low/reduced/zero fat, portion-controlled, nutrient-fortified and reducing artificial ingredients/clean formulation". By leveraging our R&D innovation capabilities, we drive the transformation of technological achievements into practical applications, continuously expanding our portfolio of nutrition and health-oriented products to serve diverse consumer groups and usage scenarios. This supports the ongoing implementation and comprehensive deepening of our nutrition and health strategy across product lines, contributing to the industry-wide advancement toward greater nutritional and health consciousness.



Improvement Initiative Strategy

The Company continues to strengthen its technological R&D and innovation capabilities, driving product iteration and health-oriented upgrades, steadily advancing the shift toward healthier products, and expanding the supply of nutritionally sound products that better meet consumer needs. At the same time, aligned with the principles of scientific nutrition and healthy living, we conduct public awareness and education campaigns on nutritional health through multiple channels, co-creating and sharing healthy lifestyles with our users.

Safeguarding Food Safety

Our products currently do not use genetically modified organisms as raw or auxiliary materials. We have also implemented robust measures—including monitoring of agricultural and veterinary drug residues in raw materials, non-GMO testing and traceability for soybeans, joint review and on-site audits of raw material supplier qualifications, and the establishment of internal control standards for raw materials and products that exceed national standards—to safeguard food safety for consumers. This year, no litigation events were triggered by product nutrition and health issues. (Additional information regarding safeguarding food safety is available in the Product Safety and Quality section)

Strengthening the Foundation of Innovation

We are committed to addressing consumer concerns regarding nutritional and healthy diets, continuously to improve our technology R&D system and carry out technical breakthroughs in areas such as core raw materials, high-quality strain selection, intelligent equipment and facilities, and key processes, thereby strengthening the foundational capabilities for developing nutritionally enhanced products. Meanwhile, we continue to deepen research on core fermentation technologies and cutting-edge innovations, collaboratively advancing product health upgrades, flavor and taste enhancements, and the development of functional products tailored to specific consumer segments, thereby strengthening our technological innovation support capabilities and improving the efficiency of technology commercialization.

R&D System Development

We have established a three-tier R&D system covering frontier technologies, common key technologies in the industry, and industrialized application technologies, with dedicated research teams assigned at each level. The teams focus on specialized studies in the field of nutritional health, promoting the coordinated advancement of technological accumulation and product development. Meanwhile, we have established a new Non-standard Business Division to flexibly connect with both the market and the R&D system, enabling us to deliver customized products and services that better meet customer needs.

Talent Pipeline Development

We uphold the principles of openness, innovation, respect for talent, and empowering talent, continuously improving the end-to-end management mechanism for employees' recruitment, training, deployment, and retention. We strengthen our technology talent pool through multi-channel, integrated talent acquisition mechanisms to address critical staffing needs, empower professionals via tiered, categorized, and internally-externally coordinated development programs, and enhance innovation capacity by fostering a technology-driven cultural environment. This enables us to continuously align talent size and capability structure with R&D demands, providing robust support for sustained innovation in the field of nutritional health.

Innovation-Driven Special Project Management

We continuously strengthen our strategic positioning in cutting-edge technology research and explore and refine the management model for major technological innovation projects. Since 2024, the Company established the Haitian Lingyun Science Development Fund, focusing on fundamental and applied basic research in areas such as dietary health, life sciences, intelligent manufacturing, and green production, and launched 10 fund projects themed around "Scientific Salt Reduction". In 2025, we will continue advancing research on relevant projects and organize mid-term progress reports. To date, five publications have been released, further deepening our understanding of the underlying mechanisms of health-oriented food technologies. Breakthroughs in foundational research are driving application-oriented innovation, providing robust scientific support for industrial advancement.

Deepening innovation collaboration

The Company adheres to an open and collaborative industrial-academia-research cooperation approach, continuously advancing the "going global and bringing in" innovation model, and establishing long-term partnerships with high-level research institutions and universities. In 2025, the Company will conduct joint research with South China University of Technology, Guangdong Academy of Agricultural Sciences, Jiangnan University, Tianjin University of Science and Technology, and external experts, focusing on the goal of 'healthier and more natural' products. The research will center on mechanism studies of nutritional health products, enhancement of flavor technologies, and development of analytical testing capabilities, providing technical support for product innovation and iterative upgrades.

Partial Annual Innovative Technological Achievements Related to Nutrition and Health

Technology Name: Research and Application of Steaming Technology

Technology Overview and Application Outcomes

A systematic study was conducted on the current quality status of koji in fermented soy sauce production. A special koji process suitable for industrial application was established, enhancing raw material utilization efficiency and the yield of amino nitrogen. Meanwhile, the technology has achieved breakthroughs in koji production and pre-emptive monitoring of soy sauce quality control, for the first time establishing a systematic framework for critical control dimensions in koji production, enabling rapid and accurate assessment of koji outcomes; the technology has been successfully applied in soy sauce manufacturing, significantly improving raw material utilization rates, and providing an replicable and scalable technical model for the industry.

This project has been certified by the Guangdong Light Industrial Council as "Internationally Advanced-Level".

Technology Name: Low-sodium Fermentation Technology

Technology Overview and Application Outcomes

Innovatively developed an organic low-salt fermentation process, effectively supporting the goal of reducing salt in organic products.

Technology Name: Clean Formula Vinegar Starter Fermentation Technology

Technology Overview and Application Outcomes

By advancing strain selection applications and overcoming technical challenges in vinegar starter fermentation, we continue to promote the health-oriented upgrading of vinegar products, completing the clean formula upgrades for Golden Label Rice Vinegar, Pure Rice Vinegar, and Glutinous Rice Vinegar (containing only water and rice/glutinous rice).

Technology Name: Healthy oil Production Technology

Technology Overview and Application Outcomes

By optimizing lipid structure modulation technology, stable production of the new food ingredient diacylglycerol oil has been achieved, enabling the launch of health-oriented lipid products with diacylglycerol content ranging from 40% to 80%.

Technology Name: Clean Formula Kimchi Technology

Technology Overview and Application Outcomes

Employing targeted microbial regulation technology in fermented vegetables, we developed preservative-free pickled chili and pickled ginger products, which have been launched to the market. The related technology "Lactobacillus plantarum LP.1 and Its Applications" has been granted a national invention patent.

Developing Nutritious and Health-focused Products

Leading with technological innovation, Haitian continues to refine its nutritional and health-focused product portfolio, building a diverse and differentiated product matrix covering organic, low/reduced/no sugar, low/reduced sodium, low/reduced/zero fat, portion-controlled, nutrient-fortified products, and reduced artificial ingredients/clean formulation.

Health Product Matrix

Over 1,000 organic and reduced artificial ingredient products

The organic product line has established a closed-loop organic safety assurance system from origin to finished product, strictly adhering to organic certification standards. All organic products have obtained China Organic Certification, and each bottle is equipped with a unique "identity card", enabling full-process traceability. Utilizing high-quality raw materials that are more natural, nutritionally superior, and sourced from greener cultivation practices to support organic product development, while effectively reducing reliance on chemical fertilizers in agricultural production, contributing to sustainable agriculture.

Organic Glutinous White Vinegar

The product ingredients consist solely of water and glutinous rice, with fully traceable organic production throughout the entire process.

Organic First Extracted Lightly-Salt Soy Sauce

A low-sodium option in the organic series, with a 25% reduction in salt content.

Over 860 low/reduced/no sugar products

The *Healthy China Initiative (2019-2030)* and the *Chinese Dietary Guidelines (2022)* advocate for reasonable sugar intake among the public, promoting a more scientifically sound dietary structure and lifestyle. Haitian closely follows evolving consumer demand for low-sugar and healthier food products, focusing on key technologies such as sugar-free sweetness retention to drive research and innovation. This has expanded the range of low-sugar, reduced-sugar, and sugar-free food options, supporting consumers in managing their sugar intake effectively.

Sugar-free Apple Vinegar

Made from only two ingredients, fermented 100% from apple juice, delivering a pleasant fruity aroma without sourness.

Sugar-free Premium Soy Sauce (Specially Mixed with Love)

Focused on sugar-free diets, with rich soy aroma and ester fragrance.

Over 610 low/reduced sodium products

To better balance consumers' dual demands for "reduced-salt health benefits" and "flavor experience", Haitian has focused on key technological advancements, including the application of low-sodium, high-umami strain selection, optimization of fermentation processes, and industrial-scale implementation, to enhance the levels of critical umami compounds in soy sauce fermentation, achieving salt reduction while maintaining flavor quality. In 2025, we innovatively developed and launched new reduced-sodium, health-focused products, including Light-sodium Huadiao Cooking Wine, Selenium-enriched Reduced-sodium Soy Sauce, and Light-sodium Seafood Soy Sauce, achieving "Reduced Sodium, Full Flavor" and "Naturally Delicious".

Light-sodium Seafood Soy Sauce

25% sodium reduction, preserving the classic flavor of seafood sauce with a savory sweetness—reduced salt, no compromise on taste.

Light-sodium Fish Sashimi Soy Sauce

25% sodium reduction, an excellent choice for fish sashimi and other seafood dishes, offering a light, refreshing taste with a savory aftertaste.

Over 1,500 low/reduced/zero fat products

To meet consumers' growing demand for diets that combine health and flavor, Haitian has steadily advanced the development and market launch of its "Light on Fat, Light on Calories, Light on Burden" product line through formulation optimization and process innovation, offering health-conscious individuals more low-fat and low-calorie options while maintaining desirable taste.

In 2025, we successfully launched healthy new products such as zero-fat dressing, better meeting consumers' demand for light, low-fat, and healthy diets.

Meanwhile, the Company advances product innovation in response to the trend toward healthy oil usage by launching a Diacylglycerol oil product[1] portfolio and upgrading multiple oil products to "zero trans" quality, helping consumers achieve "less oil, better oil" and diversified oil use, thereby promoting more balanced nutritional intake.

Zero-fat Dressing Sauce

Zero fat, helps reduce fat and control calories without "oil" concerns, fresh and tangy with a refreshing taste.

Camellia Diacylglycerol Oil

Diacylglycerol content ≥ 50%; zero trans fats.

[1] Diacylglycerol oil is a novel food ingredient approved by the National Health Commission of the People's Republic of China. Compared with triglycerides, diacylglycerols are less likely to be re-synthesized into fat (triglycerides) in the human body.

Over 580 portion-controlled products

Haitian is actively advancing the development of convenient and youth-oriented products, expanding the supply of smaller portion options to better adapt to diverse consumption scenarios, enhance user convenience, and reduce food waste, offering consumers more flexible choices. We launched small-portion products such as soybean paste and seafood sauce, which are lightweight, portable, and easy to store, thereby effectively reducing food waste caused by prolonged exposure after opening or expiration.

Scallion Oil Noodle Sauce

200g small portion, featuring premium tender scallions, with chicken content ⩾ 7%.

The Catering Industry's Preferred Choice - Haitian Yipinxian Soy Sauce

150mL small size, with prominent soy aroma, rich flavor, and excellent umami enhancement.

6 nutrient-fortified products

In 2002, Haitian passed the expert panel review of the China Food Fortification Committee and became a pilot enterprise for iron-fortified soy sauce. We continue to deepen our expertise in the field of nutrient-fortified foods, driving research and development innovation as well as product iteration centered on nutritional fortification, steadily introducing functional products that meet consumers' health needs.

Iron-fortified Gold Label Soy Sauce (Specially Mixed with Love)

Enhances iron absorption, certified by the Chinese Center for Disease Control and Prevention, with an iron content of 3.6 mg per 15 mL.

Selenium-enriched and low-sodium soy sauce (Specially Mixed with Love)

Rich in selenium with a selenium content of ⩾ 9 micrograms per 100 mL, while reducing sodium by 25%.

Definitions of Health-Oriented Products

- **Organic products:** Statistical standard are products certified under China's organic product standards, which also qualify as reduced-fertilizer products.
- **Reduced artificial ingredient products:** Statistical standard are products with reduced or no artificial food additives.
- **Low/reduced/no sugar, low/reduced sodium and low/reduced/zero fat products:** Statistical standard are products that meet the requirements of the *National Food Safety Standard: General Rules for Nutrition Labeling of Prepackaged Foods* (GB 28050-2011).
- **Nutrient-fortified products:** Statistical standard are products whose labeling complies with the *National Food Safety Standard for the Use of Nutritional Fortification Substances in Foods* (GB 14880-2012).
- **Portion-controlled products:** Statistical standard are products with net content ⩽ 250g/250ml.

In addition, Haitian continues to drive technological innovation, optimize production processes and formulation systems, and expand the supply of healthier products with reduced artificial ingredients, better meeting consumers' diverse demands for improved quality and health-conscious choices. We continue to expand our portfolio of health-oriented products tailored for specific demographics and diverse consumption scenarios, leveraging certifications such as gluten-free and halal to enhance product accessibility and choice across different consumer groups, thereby addressing varied dietary habits and health needs. To date, the Company achieved gluten-free certification for 11 products (including variants), and halal certification for 215 products (including variants).

Product Awards (Partial)

Haitian Measured-spray Bottle Soy Sauce

Won the Annual Innovative Technology Award under the Global Food Innovation Awards of the "iSEE Global Taste Awards"

Haitian Light-sodium Soy Sauce

Won the Three-Star Award at the "iSEE Global Taste Awards"

Haitian Light-sodium Fish Sashimi Soy Sauce and Light- sodium Soybean Paste

Won the International Taste Two-Star Award of the "Superior Taste Award"

Haitian 7g light-sodium premium matsutake soy sauce

Won the Gold Award at the 2025 Fourth "Zhongshi Cup" Fermented Food Innovation Competition

Haitian Gluten-Free Premium Soy Sauce

Won the Best Creative Award at the 2025 Fourth "Zhongshi Cup" Fermented Food Innovation Competition

Key Technologies and Industrial Applications of Nutritional Functional Marine Food Biomanufacturing

Awarded First Prize of the Science and Technology Progress Award of China National Light Industry Council

Empowering Industry Transformation

Drawing on years of experience and ongoing research into market trends and consumer demand, the Company actively collaborates with authoritative experts and professional organizations to jointly advance the development of nutrition and health standard systems, enhance industry technical and quality requirements, and provide standardized support for improving food nutritional quality and product upgrading.

In 2025, Haitian participated in the development or revision of nearly 30 standards across various categories. Among them, the following national standards have been officially released:

Standard Name	Standard Code	Issuing by	Standard Types
General rule for the quality of soy sauce	GB/T 18186-2025	State Administration for Market Regulation Standardization Administration of China	National Standard
General technical requirements for food digital factory	GB/T 46511-2025	State Administration for Market Regulation Standardization Administration of China	National Standard
General technical specifications for food production traceability system	GB/T 45547-2025	State Administration for Market Regulation Standardization Administration of China	National Standard
General principles for evaluation of food traceability system	GB/T 46453-2025	State Administration for Market Regulation Standardization Administration of China	National Standard

We actively participate in industry co-creation, sharing insights and experiences on Haitian's nutritional and health-oriented product transformation during an industry salon organized by the Consumer Goods Forum (CGF) - Healthy Living (HL) Alliance.

To better promote the rapid development of organic condiments, we uphold the philosophy of "From farm to table, boldly speaking the truth about organic", and have specifically established the specialized organic food brand "Siji Ting". Siji Ting advocates consumers to pursue health and great taste while also practicing sustainable development, and adheres to providing high-quality, healthy organic dining experiences as well as a natural and wholesome organic lifestyle.

Promoting Nutritional Literacy Among the Entire Population

Haitian leverages its brand influence through diverse channels, including product packaging, advertising, promotional activities, and media platforms, adopting an integrated online-offline approach to continuously conduct health education and nutrition awareness campaigns. This supports consumers in better understanding the importance of ingredient quality in seasonings during selection and usage, and helps guide the public toward forming science-based, balanced dietary habits.

In 2025, we collaborated with multiple mainstream media outlets and urban lifestyle content creators, together with the Haitian official e-commerce store and official flagship stores on Tmall and JD.com, to conduct joint outreach campaigns. The initiatives focused on online science communication around topics such as proper storage of condiments, nutritional fortification, and scientific interpretation of ingredient labels. A total of over 300 pieces of content were published, reaching over 32.27 million impressions.

Case: Continuously Conducting the "Fact-Check for Science Popularization" Campaign, Promoting Nutrition and Health Education Through Multi-scenario Collaboration

In 2025, Haitian will conduct science communication initiatives on topics such as product nutritional content interpretation, healthy eating practices, and scientific storage methods across communities, supermarkets, hospitals, schools, sunny factories, e-commerce platforms, and authoritative media outlets, achieving a total reach of over 9.55 million impressions throughout the year.

During National Science Popularization Month, the Company collaborated with authoritative organizations such as the China Inspection and Testing Association and Foshan Association for Science and Technology to conduct nutrition education initiatives. It invited academicians from the Chinese Academy of Sciences and over a hundred experts and educators to visit the Haitian Sunshine Factory, where they delivered tours and presentations to promote public awareness of nutrition and health. Haitian has been recognized as a "Testing and Inspection Science Popularization Base", further enhancing the credibility and influence of its health science popularization initiatives.

Case: The "Little Pink Lid" Public Nutrition Awareness Initiative, Promoting Iron Supplementation and Scientific Dietary Knowledge Among Adolescents

In 2025, Haitian integrate product donations with campus science popularization initiatives, leveraging school settings and community channels in Gansu, Guangdong, and Guizhou provinces. Through health lectures, nutrition education courses, and themed awareness campaigns, the initiative will promote awareness of iron deficiency anemia and iron supplementation knowledge, scientific dietary practices, and the concept of reducing salt and oil intake. It will also guide students to pay attention to key information such as ingredient lists and expiration dates, as well as food safety essentials, aiming to enhance nutritional health literacy among the public—particularly youth—and continuously expand the reach of nutrition and health knowledge to broader audiences. Nutritional education materials, including graphics and videos featuring "Little Pink Lid", are disseminated through Haitian's official website, partner media, and self-media platforms to raise public awareness of special nutritional needs, such as iron deficiency and gluten sensitivity.

Case: Partnering With the Phenomenon-level Variety Show "Chef of China", Promoting the Selection of Condiment with Enhanced Health Attributes

In 2025, Haitian partnered with the phenomenon-level culinary competition show "Chef of China", igniting public enthusiasm for cooking. The program achieved over 1.06 billion total views, with net-wide topic reads exceeding 3.8 billion. Promoting organic and low-sodium seasonings with enhanced health attributes to consumers, supporting the nutrition and health transformation of industry products.

Risk Management

Approaches and Methods

For detailed information on the approaches and methods for managing nutritional and health-related issues, please refer to the "Risk Management" section in this report's "Robust Governance, safeguarding a Century-Long Legacy".

Management Process

The Company aligns with the industry's trend toward healthy transformation by identifying and managing nutrition and health-related products and ingredients through standardized processes, systematically addressing risks and opportunities, and promoting the synergistic integration of health strategies with business development.

Nutritional and Health Needs Management

The Company has established a full-process mechanism of 'industry analysis - demand research - product testing' to build a closed-loop management system covering product planning, development, and testing, enabling precise insight into nutritional health needs and strengthening product management.

During the product planning phase, the Company conducted analyses based on trends toward healthier seasonings, consumer health preferences, and nutritional needs of specific demographic groups, integrating policy directions, market data, industry developments, and patent information to proactively identify market risks and opportunities, thereby providing decision-making support for the strategic deployment of healthier products.

During the product development phase, we conducted tests on concept feasibility, nutritional content, flavor profile, and packaging preferences, focusing on key directions such as sugar-free, advanced salt reduction, organic, gluten-free, and nutrient fortification, using methods including questionnaires, focus group interviews, and end-consumer feedback, to ensure products comprehensively meet consumer health needs and reduce innovation risks.

Nutrition Label Compliance Management

In 2025, we will conduct systematic training and advance label redesign efforts in alignment with nutrition labeling regulations and standards, including the *National Food Safety Standard: General Rules for Nutrition Labeling of Prepackaged Foods* to ensure that nutrition information is accurate, compliant, and clearly presented, thereby continuously enhancing the transparency of product labeling.

Prioritization and Integration into Internal Processes

For detailed information on risk management prioritization and integration into internal processes, please refer to the "Risk Management" subsection under "Robust Governance, safeguarding a Century-Long Legacy" in this report.

Metrics and Targets

To meet consumers' increasingly diverse demand for nutrition and health products, the Company has established a system of key performance indicators for regular monitoring and tracking, steadily achieving its targets for growing revenue and market share of nutrition and health products, enabling more high-quality nutrition and health foods to reach households across the country.

Targets

We establish short- and medium-term goals related to nutrition and health opportunities and disclose progress on these goals.

Targets	Key Performance Metrics	2025 Target	Progress in 2025	Progress Status	Midum-term Objective (2030)
Target 1: Promote sodium reduction initiatives by offering reduced-sodium options across all product categories for consumer choice	Coverage of reduced-sodium product categories (excluding non-applicable products)	⩾ 64%	64%	Achieve	100%
Target 2: Expand the range of natural and organic healthy products to provide consumers with more alternatives	Coverage of organic product categories (excluding non-applicable products)	⩾ 68%	68%	Achieve	⩾ 80%

Target Tracking, Evaluation, and Review

We continuously track and manage the progress of nutrition and health-related objectives, integrating them into the annual performance evaluation systems of all member units and conducting unified year-end assessments; meanwhile, we will conduct quarterly reviews and verifications of objective achievement, generate phased feedback, and disseminate it internally to promote accountability and continuous improvement.

Metrics

We continuously monitor performance indicators related to nutrition and health opportunities, driving progress toward associated goals. For more related metrics, please refer to Appendix "Annual Key Performance Table".

Nutritional and Health Product Metrics Performance

Indicator	unit	2025 data
Revenue share of low/reduced/no sugar products	%	＞15
Revenue share of low/reduced/zero fat products	%	＞85
Revenue share of organic, reduced artificial ingredients, nutrient-fortified, and portion-controlled products	%	＞45
Revenue share of low/reduced sodium products	%	＞7

Annual Key Performance

- In 2025, Haitian had over **733** product R&D personnel, accounting for **8%** of its total workforce.
- In 2025, Haitian's R&D investment amounted to **RMB 915 million**, accounting for **3.17%** of the annual operation revenue.
- In 2025, more than **300** science popularization content were released across various platforms, reaching over **32.27 million** impressions.
- In 2025, the total media exposure of Haitian's "Fact-Check for Science Popularization" campaign exceeded **9.55 million**
- In 2025, Haitian promoted organic and light-sodium nutritious seasonings to the public through the program "Chef of China", which achieved over **1.06 billion** total views and more than **3.8 billion** total topic reads across all online platforms.

Quality and Safety, Striving for Excellence in Quality

Product Safety and Quality

Haitian has systematically enhanced product quality and safety standards by leveraging a robust quality management system and risk prevention mechanism, continuously optimizing its governance structure, clarifying strategic direction, strengthening risk control, and establishing clear, measurable objectives.

Governance

Haitian strictly complies with domestic regulations such as the *Food Safety Law of the People's Republic of China*, the *Product Quality Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and establishes a systematic framework of policies and standards covering quality and food safety, occupational health, energy and environmental protection, environment and measurement management, based on international standards including ISO 9001 Quality Management Systems and ISO/FSSC 22000 Food Safety Systems. The system encompasses over 1,200 management regulations, more than 12,000 technical standards, and over 500 operational guidelines, providing a robust systemic foundation for the standardization of company operations and the sustained stability of product quality.

Governance Structure

Haitian has established a systematic quality management system, positioning the assurance of product safety and quality as a core element of its operations, and continuously improving related management practices. The Company has established a three-tier governance structure: the Board of Directors and its Strategy & Sustainability Committee serve as the governing body, the Sustainability Management Committee functions as the management layer, and the Steering Team along with the working group for the issue of product safety & quality centered on the Quality Center act as the operational level, with the Chief Quality Officer serving as the management representative for product and service safety and quality matters. For detailed information regarding the governance framework for product and service safety and quality issues, please refer to the "Sustainable Development Governance Framework" section of this report.

The Company fully implements its primary responsibility for product safety by progressively assigning quality and safety responsibilities to specific positions and individuals, and has established a quality accountability mechanism. The food safety director at each manufacturing base is "veto power" over all matters related to quality and food safety, ensuring that products with potential quality risks are strictly prevented from entering the market. Meanwhile, the Company has established a product safety and quality management network covering the entire value chain at the operational level. Vertically, it has formed a three-tier structure of "Company–Business Department–Factory"; horizontally, through six functional divisions, it is advancing quality control toward systematic and refined development.

Six Functional Divisions of Quality Management

Functional Division	Responsibilities
Design Quality (Product Division)	Quality control during the product development and design phase
Procurement Quality (Procurement Center)	Raw Material and Supplier Quality Management
Production Quality (Manufacturing Base)	Quality control in the manufacturing process
Service Quality (Customer Center)	Quality management of customer service and experience
Quality Inspection and Rating (Quality Center)	Product inspection, testing, and quality rating
Market Regulation Oversight (Market Supervision Center)	Supervision and management of market circulation processes

Professional Competence

Haitian has appointed managers with solid professional expertise and practical experience at all levels of product safety and quality management. The Company's Chief Quality Officer holds a background in analytical chemistry and has over ten years of experience in rapid detection technology development and quality system management, responsible for overseeing the Company's comprehensive quality management efforts; the group leader also possesses more than ten years of experience in product quality testing and management, serving as the primary responsible party for the Company's product quality inspection activities; each core group member comes from relevant professional fields such as food production, quality testing, quality management, food safety regulations, or system certification, and collectively brings extensive industry practice and management experience, forming a professional and stable quality management team.

Reporting Mechanisms, Management Policies, and Decision-Making

Haitian systematically manages product safety and quality-related management systems and technical documents through its risk control platform, structuring them into categories such as external regulatory compliance, internal risk control, process and technical standards, and internal management systems, and maintains and updates them dynamically. The Company has established a routine tracking mechanism, through dedicated personnel collecting and monitoring changes in laws, regulations, and various standards, ensuring that the latest requirements are promptly communicated to relevant departments and effectively implemented, thereby supporting the efficient operation and continuous improvement of the quality management system.

Leveraging a digital and information-based management foundation, Haitian has established a systematic sampling inspection mechanism. Key triggering events include updates to regulatory standards, equipment or process changes, introduction of new materials or products, and abnormal quality fluctuations. Monitoring items and inspection frequencies are determined in close alignment with production line workflows and risk assessment outcomes. Through continuous data analysis, equipment validation, and iterative solution refinement, a closed-loop operational model of "Plan-Monitor-Evaluate-Improve" has been established, effectively enhancing the accuracy of quality control and compliance standards, continuously strengthening risk prevention and control capabilities, and providing a solid foundation for product safety and reliability.

For detailed information regarding reporting mechanisms, management policies, and decision-making related to product and service safety and quality issues, please refer to the "Sustainable Development Governance Framework" section of this report.

Strategy

Risk and Opportunity Identification and Response

Haitian conducts systematic risk identification, assessment, and impact analysis regarding safety and quality issues related to its products and services, and based on these findings, develops corresponding mitigation measures. Detailed content is as follows:

Risk/ Opportunity	Specific Risk/ Opportunity	Impact description	Responses
Risk	R&D uncertainty risk	In the process and product development phases, failure to strictly adhere to research and development management procedures and evaluation approval processes may lead to issues such as non-compliant raw materials and microbial contamination, resulting in quality inspection failures during the R&D stage. This necessitates additional investment in improvements and retesting, not only increasing R&D costs but also potentially triggering compliance regulatory risks and consumer litigation. These outcomes may damage brand reputation, cause product stagnation, and ultimately affect revenue generation. Moreover, if the new process or formulation lacks sufficient stability, it may result in the product failing to meet expected performance during pilot testing or trial production, potentially leading to project failure and the irreversible loss of initial investment.	• Establish and strictly enforce review and change approval processes during the research and development phase; • Continuously improve the R&D process, strictly establish validation process parameters, and conduct multiple rounds of formula testing; • Promote training for the R&D team to enhance professional capabilities; • Establish a feedback mechanism to promptly optimize process technology formulations.
	Raw and auxiliary material quality risk	During raw material and auxiliary material procurement, failure to establish robust quality control procedures, inadequate scrutiny in supplier onboarding, selection, and evaluation, or improper inspection and storage practices may result in substandard or deteriorated raw materials, thereby affecting product quality, leading to rework losses, and potentially exposing the Company to compliance and regulatory risks, which could impact its reputation.	• Establish acceptance criteria stricter than national standards and conduct regular third-party testing for food safety; • Implement tiered management for raw materials from suppliers, with increased inspection frequency for high-risk materials; • Monitor and alert on domestic and international security incidents, and dynamically update acceptance control indicators; • Strengthen core raw material inspection and traceability, and upgrade inspection technologies for specific raw materials.
	Market demand mismatch risk	Shifts in market dynamics, consumer preferences, and societal behaviors may lead to changes in product demand, resulting in newly developed products failing to meet market or consumer expectations, potentially causing product overstock.	• Conduct customer research and voice-of-customer insights by broadly collecting customers' suggestions and feedback through multiple channels; • Identify customer needs and provide feedback to relevant departments to drive continuous product improvement.
	Processing quality risk	During production, failure to promptly identify operations and food safety regulations and standards, recognize critical process control points and hazards regarding food safety, establish corresponding management systems, operational procedures, and technical guidelines, or properly manage equipment and personnel may lead to product quality deterioration, rework, contamination, or even non-compliant products reaching the market. This could result in customer complaints, returns, or recalls, potentially triggering regulatory compliance risks, damaging corporate reputation, and reducing revenue.	• Regularly identify and control critical food safety control points and hazards; • Establish a dedicated team to dynamically track, analyze, and translate applicable regulations and standards into internal control processes; • Implement comprehensive equipment management systems, processing procedures, and control processes while enhancing personnel training to improve quality awareness; • Identify risks during project development and upgrade automated control to eliminate safety and quality issues at the source; • Innovate and optimize processes by researching new production and quality control technologies to improve the production environment.

Risk/ Opportunity	Specific Risk/ Opportunity	Impact description	Responses
Risk	Warehousing and transportation risks	In the warehousing and transportation stages, the absence of appropriate management systems and control measures may lead to contamination, spoilage, deterioration, or damage of products in storage and in transit, potentially triggering customer complaints, rework, and related financial losses. This could further result in food safety incidents and regulatory risks, ultimately harming the Company's reputation and affecting revenue.	• Upgrade warehouse facilities with appropriate equipment and conduct regular maintenance; • Enhance warehouse management through robust systems, periodic stock audits, and staff training programs; • Rigorously evaluate and monitor third-party logistics providers' capabilities.
	Product inspection risk	During product quality testing, if laboratory management is unstandardized, personnel capabilities are insufficient, equipment is outdated, testing methods are not updated in a timely manner, or there is a lack of rigorous testing procedures and metrological traceability, it may lead to lax factory inspection or missed inspections, resulting in inaccurate test results. This can cause production rework, defective products entering the market, customer complaints, product recalls, regulatory penalties, reputational damage, and ultimately reduced company revenue.	• Establish and strictly enforce laboratory regulations and procedures; • Enhance operation and technical training management for lab technicians; • Maintain testing equipment and optimize laboratory environments; • Timely identify and update testing standards and methodologies; • Promote laboratory equipment upgrades to enhance testing efficiency and accuracy; • Strengthen documentation control and traceability management.
	Product recall risk	Product recalls involve costs related to returns, logistics, destruction, and re-manufacturing, leading to increased operating expenses; failure to timely initiate recalls or conducting recalls that do not meet regulatory requirements may result in administrative penalties; product recalls due to safety and quality violations could trigger collective litigation from customers, exposing the Company to substantial compensation liabilities.	• Strengthen end-to-end inspection prior to shipment to ensure product safety, quality, and compliance; • Establish a product traceability platform and deploy an automated data collection and traceability system; • Conduct recall drills on a regular basis and optimize the recall process.
	Customer Service Quality and After-Sales Risk	Issues such as product taste and spoilage, logistics damage, slow response to customer feedback, or delayed handling of customer complaints may lead to customer dissatisfaction, reduce customer satisfaction and trust, and result in customer churn and increased return rates.	• Deploying an intelligent customer service system ensures immediate response and enhances the online service experience; • For e-commerce stores, the RPA robot has been launched to automatically identify, assess, and process refunds. By leveraging robotic process automation, full-time automated coverage is achieved, ensuring customer needs are promptly met; • Establish a dedicated tracking and proactive outreach mechanism to promptly respond to consumer feedback and address inquiries.
Opportunity	Market Opportunities	By continuously conducting market research and consumer insights, increasing investment in product development, and precisely aligning with market demand for high-quality, nutritionally healthy products, we enhance market competitiveness, expand market share, and ultimately achieve sustainable revenue growth.	• Conduct market research and consumer insights to identify customer needs, and relay findings to relevant departments to drive continuous product improvement.

Strategic Planning

Haitian has consistently prioritized quality, treating the assurance of product safety and health as a core responsibility, and continuously developing high-quality products with a commitment to excellence. Building upon strict compliance with national standards, the Company has further referenced advanced requirements from markets such as the European Union to establish internal quality control indicators that exceed national standards and cover all production bases. Through continuous improvement and implementation of quality and food safety management system certifications, the Company systematically advances ongoing enhancements in product quality.

Improvement Initiative Strategy

Haitian adheres to the core management principle of "Two Highs, One Strict" principle (high standards, high digital intelligence, and rigorous quality control), with product lifecycle management as the main thread. From product design, raw material selection, manufacturing, to market distribution, a comprehensive quality control system covering all personnel, all processes, and the entire supply chain is fully implemented. The Company rigorously manages quality throughout the entire process, employing standardized, modular, and professional management approaches to systematically strengthen food safety and quality risk control, and strictly manage product safety hazards and recall risks.

Product Design

Optimized R&D processes: Establish rigorous validation standards for process parameters, conduct multiple rounds of formula testing and performance evaluation, and implement a feedback and iteration mechanism throughout the entire development lifecycle to achieve continuous improvement and rapid optimization of process formulations.

Enhanced R&D capabilities: Continuously expand and optimize the size and structure of the product development team, increase investment in research on market trends and consumer needs, and establish a proprietary database for the condiment industry tailored to Haitian.

Raw materials

Optimize management mechanisms: Establish and enforce rigorous supplier onboarding reviews, collaboration process evaluations, and delivery acceptance procedures; implement a supplier performance management system; continuously improve end-to-end management processes through dynamic monitoring and closed-loop improvements.

Supplier Base Management: Implement a registration and audit mechanism for production bases of organic raw material suppliers, strengthening control over the stability and consistency of raw material quality from the source to ensure reliable quality throughout the entire process.

Supplier Quality Verification: The system implements a supplier audit plan, conducting verification through a combination of on-site evaluations, document reviews, and sample testing. Third-party organizations are engaged annually to perform comprehensive audits on critical raw materials and primary packaging materials, ensuring material compliance and reliability.

Raw material quality inspection: Clear acceptance technical standards are established for various raw and auxiliary materials, and the incoming inspection procedures are strictly carried out according to these standards. All materials must pass inspection before being used in production, ensuring product quality stability from the source.

Production process

Standardize operational procedures: Develop detailed operation guidelines for each production step, establish clear tiered quality control standards for products during the process, and organize systematic quality training for employees to continuously enhance overall quality awareness. In 2025, quality-focused training sessions were conducted for employees a total of 536 times, with cumulative training hours reaching 25,766. Quality training has been fully covered across all employees.

Strengthen food safety protection: Develop the *Food Defense and Public Safety Management Protocol* to systematically establish a food safety defense network across nine dimensions—external protection, internal protection, processing, storage, supply chain, water, personnel, information, and laboratories.

Data-driven management: Through automated, information-enabled, and digital smart manufacturing approaches, the entire production process is monitored and optimized using data. The production line has deployed an online quality monitoring system, enabling real-time metric feedback and rapid quality assessment.

Precision Management: Systematic monitoring, analysis, and preventive control are implemented across critical food safety and quality nodes from raw material intake to product delivery. Each monitoring point conducts quality inspections according to delivery standards, ensuring all products pass internal company quality checks and preventing non-conforming products from entering the market. Each bottle of soy sauce undergoes 119 production steps, 494 quality inspection checkpoints, and more than 2,000 individual parameter tests to meet shipping requirements, ensuring consistent product quality and reliability. This year, we established a proactive inspection program in the market circulation stage, led by the Company's Market Supervision Center, to enable early identification and proactive handling of potential risks.

Quality Enhancement Initiative: Haitian continues to deepen its quality enhancement initiative by systematically advancing product safety and quality management optimization. A series of quality improvement projects have been implemented, focusing on quality upgrading, efficiency enhancement, and improved consumer experience, achieving positive results. The relevant achievements were awarded the Gold Prize at the 2025 Guangdong Light Industry Excellent Quality Management Achievement Exchange Conference, retained the national honor of "Excellent Quality Management Team in National Light Industry", and were invited to present the results at the 2025 China Quality Association Annual Conference and the Third Pursuit of Excellence Congress.

Product distribution

Management of reserved samples: Establish a batch-specific product sampling mechanism to support quality tracking and issue traceability.

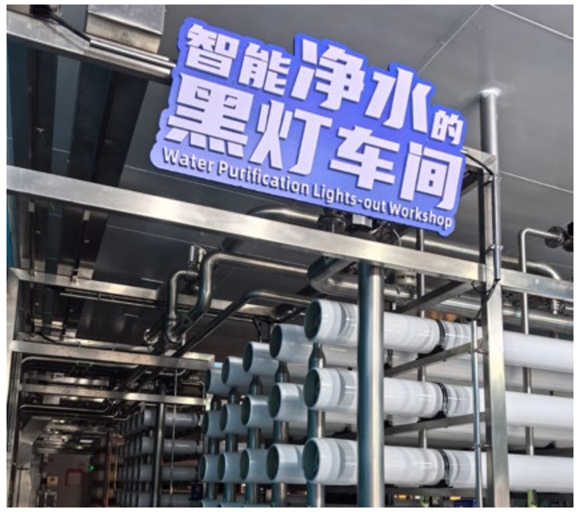
Efficient Traceability: Supported by information technology, we have established a two-way, end-to-end precise traceability platform covering the entire process from raw materials to the sales terminal, enabling one-click traceability in both forward (from raw materials to products) and reverse (from products to raw materials) directions through batch or order. Reverse tracing enables rapid identification of raw materials, their suppliers, and quality information; forward tracing allows precise tracking to shipping customers and pallet-level details. In 2025, the platform was upgraded, integrating MES work orders with production data and highlighting key process information such as soy sauce koji fermentation and brewing, enabling end-to-end visibility and control over the supply chain and production processes. Meanwhile, by collaborating with professional third-party traceability system providers, we have deployed automated data collection and traceability systems across multiple production bases, including Gaoming, Suqian, Nanning, and Wuhan, integrating key information such as raw material intake, finished product dispatch, logistics distribution, and channel flow, thereby establishing a standardized and systematic food safety traceability management network.

Product Recall: Established a series of internal regulations, including the *Product Recall and Withdrawal Management Rules, Identification and Traceability Management Procedures*, and detailed traceability operating guidelines for specific product categories such as soy sauce and condiments. These measures systematically standardize the monitoring, early warning, emergency response, and product recall processes for food safety incidents, continuously enhancing the food safety traceability system. We regularly conduct emergency drills focused on product quality recalls, performing at least two simulated traceability exercises annually. During the 2025 exercise, all production bases were able to quickly and accurately trace relevant raw material information, production data, warehousing records, and logistics information of first-tier distributors within the designated timeframe, effectively testing and strengthening the Company's ability to respond rapidly and conduct traceability management in the event of a food safety incident.

Case

Strictly Control the Quality of Water Used in Soy Sauce Brewing to Achieve Packaging Water Quality Standards

To ensure the purity, safety, and microbiologically favorable conditions of water during soy sauce fermentation, the Company established the *Enterprise Standard for Food Safety: High-Quality Water for Soy Sauce Fermentation* and constructed a high-standard water treatment facility. Storage tanks and pipelines are made of 304 stainless steel, filtration membranes use food-grade materials, and a fully enclosed pipeline system is implemented from inlet to outlet, eliminating human contact throughout the process. The system can treat municipal raw water to meet the standard levels specified in the *National Food Safety Standard for Packaged Drinking Water* (GB19298), ensuring the quality and safety of brewing water from the source.



Haitian water treatment workshop

Risk Management

Haitian employs systematic methods and tools to establish standardized management processes, systematically mitigating product safety and quality risks. The Company has established a risk identification, assessment, and response mechanism across the entire value chain to proactively mitigate various potential risks that could impact product quality and food safety, ensuring the safety and quality level of its products remain stable and under control.

Methods & Approaches

For detailed information on the methodologies and approaches for managing risks related to product and service safety and quality, please refer to the "Risk Management" section within the report "Robust Governance, Safeguarding a Century of Legacy".

Management Process

Haitian continuously monitors policy developments and internal management trends, systematically conducting risk identification, assessment, and response activities. The Company identifies, prioritizes, and manages product and service safety and quality risks that may impact assets and operations, and promptly communicates the resulting risk assessment conclusions to management and relevant business units to support the enterprise's sustained and stable operations.

Internal Quality Risk Prevention and Control

Haitian has established a specialized food safety management organization in the field of risk monitoring, systematically conducting multi-dimensional risk identification and assessment on raw material characteristics, production processes, and other factors, and based on these assessments, formulating targeted material risk monitoring plans, implementing specialized analyses, and precise control measures. The Company continues to improve its internal management system and steadily strengthens foundational capabilities in standardization, measurement management, certification and accreditation, as well as inspection and testing, systematically enhancing its ability to prevent and control food safety and quality risks.

We have established a quality monitoring system covering the entire product lifecycle, strictly adhering to production processes and implementing systematic control from raw material incoming inspection, through process monitoring, to final product testing. At the implementation level, the Company not only meets the national regulatory testing requirements but also regularly monitors updates to relevant domestic and international regulations and standards, promptly incorporating more stringent control criteria into internal technical specifications. By deploying online and near-line rapid detection equipment, the Company has achieved real-time and efficient screening of quality metrics, establishing a precision quality control mechanism characterized by "comprehensive, precise, and fast", thereby ensuring the safety and quality of products upon shipment.

In addition, Haitian has established a systematic supply chain quality risk prevention and control mechanism. By deploying dual or multiple suppliers and setting up backup manufacturing sites to ensure core resilience, and by integrating supporting measures such as product priority management, supply risk evaluation, mitigation options development, and response plan implementation, it has created a closed-loop management process covering early warning, response, and recovery.

"Comprehensive, accurate, and fast" precision control system

Compre-hensive

"Comprehensive" lifecycle control

Covers the entire process from product design and R&D, raw material selection, to manufacturing. A total of 494 quality inspection checkpoints are established, with a qualified flow mechanism implemented to ensure that each process step meets standards before proceeding to the next stage.

Precise

"Precise" control of quality attributes

Establish a finished product quality characteristic control system across four dimensions—safety characteristics, fundamental quality characteristics, taste characteristics, and user experience characteristics—leveraging testing conducted at CNAS-accredited laboratories to ensure the authenticity and reliability of all quality data.

Fast

"Fast" testing

Application of in-house developed physicochemical high-throughput testing technology enables simultaneous identification and result determination of 13 physicochemical parameters within 2 minutes, significantly enhancing the timeliness of quality monitoring.

To systematically manage quality risks in the production process, Haitian strictly adheres to the *Equipment Operation Procedures* based on the technical characteristics and operating conditions of its production equipment, and has established systematic and standardized standards for equipment usage, maintenance, and servicing. This ensures continuous and stable production operations, effectively preventing quality and safety risks that may arise from equipment anomalies.

To continuously enhance the effectiveness of its quality and food safety management systems, Haitian systematically develops an annual internal audit plan each year, covering key operational and support departments such as production, process technology, R&D, quality inspection, sales, procurement, warehousing and transportation, and logistics. The plan is implemented by a professional internal audit team that has undergone specialized training and assessment, conducting no fewer than four internal audits annually to ensure comprehensive audit coverage and efficient execution.

The internal audit criteria are based on the Company's certified quality and food safety system requirements as well as internal management standards, with reviews primarily focusing on core areas such as production site management, personnel hygiene practices, HACCP hazard analysis, food fraud prevention, and food defense. For non-conformities identified during the audit, the responsible departments must immediately implement corrective actions, conduct a thorough analysis of the root causes, and develop and execute long-term improvement measures to prevent recurrence and drive continuous advancement in management standards.

In addition, the Company regularly engages external professional organizations to conduct specialized audits, enabling early identification and correction of potential shortcomings in the system's operation. Through a dual mechanism combining internal audits and external audits, Haitian continues to enhance its risk monitoring and quality control capabilities, ensuring that the product quality and safety management system remains in a consistently efficient and reliable operational state, fulfilling the Company's high-standard commitment to product safety and quality.

Supplier Quality Risk Management

Haitian established a dual-review team comprising multiple departments including quality and procurement to implement a systematic review process for suppliers, covering qualification assessment, onboarding evaluation, and annual re-evaluation. This strengthens quality control at the source of the supply chain and effectively reduces front-end food safety risks by enhancing overall supplier quality levels and supply stability, ensuring the reliability of raw materials and materials. In addition, the Company conveys quality and safety requirements to all contractors, sub-contractors, and suppliers through written training materials, quality agreements, safety commitment letters, specialized online and offline quality training, on-site inspection and coaching, along with regular audits and on-site coaching to continuously enhance suppliers' overall capabilities in quality assurance and safety awareness.

Prioritization and Integration into Internal Processes

For detailed information on risk management prioritization and integration into internal processes, please refer to the "Risk Management" subsection under the section "Robust Governance, Safeguarding a Century of Legacy" in this report.

Metrics and Targets

Targets

Haitian has established clear short-term and medium-term management objectives regarding product and service safety and quality, and regularly discloses progress on the implementation of these initiatives.

Targets	Key Performance Metircs	2025 Target	Progress in 2025	Achievement Status	Mid-term Targets
Target 1: Zero food safety incidents	Number of product incidents breaching minimum safety requirements	0	0	Achieved	0
Target 2: Zero product recalls	Percentage of sold products recalled for safety and health reasons	0	0	Achieved	0

Target Tracking, Evaluation, and Review

Haitian has established corresponding management targets regarding product and service safety and quality, and through leadership engagement, ensured the alignment and refinement of these targets across departments. Specific tasks, monitoring mechanisms, and evaluation methods have been clearly defined, and quality performance has been incorporated into departmental performance appraisal systems. The Company conducts regular reviews and dynamic optimization of target progress through annual unified assessments, quarterly tracking evaluations, and annual systematic retrospectives, thereby ensuring the continuous implementation and iterative improvement of quality management practices.

Metric

Percentage of sold products recalled due to safety and health reasons
0%

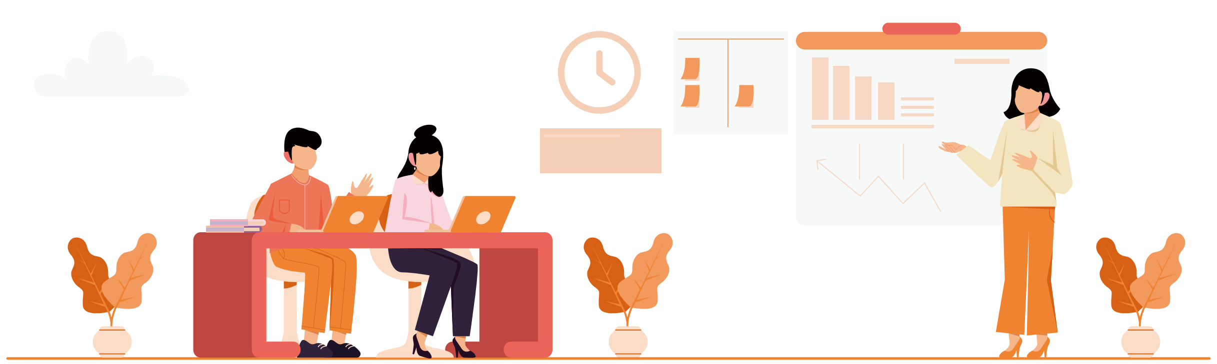
Number of food quality and safety incidents
0

Compliance rate in Global Food Safety Initiative (GFSI) audits[1]
100%

Number of product recalls
0 Incident

Annual Key Performance

- Haitian has published a total of **253** quality related professional papers and obtained a total of **60** testing patents
- This year, **no** food safety incidents occurred
- The Company proactively undergoes external quality audits, having been subject to **over 150 reviews** this year from government regulators, third parties, distributors, and social organizations, with a **100%** pass rate
- The Company conducts regular audits of product raw material quality and annually sends key indicators to third-party institutions for testing, achieving **100%** coverage of raw materials and primary packaging materials
- Each production base under Haitian has obtained at least one of the food safety system certifications such as ISO 22000/FSSC 22000/HACCP. Meanwhile, the wholly-owned production bases under Haitian have **100%** obtained ISO 9001 quality management system certification



[1] GFSI-recognized standards include FSSC 22000/HACCP/BRCGS/IFS, in 2025, a total of 12 production bases under the Company have been audited by third-party for certification standards under the framework of the Global Food Safety Initiative.

Warm Service, Building Lasting Trust

Customer Service

Haitian consistently places customer experience and consumer rights at the heart of its service operations, responding to market demands through a professional, transparent, and efficient service system. We continue to enhance our communication channels and service processes, striving to build trustworthy consumer relationships and infusing the brand with enduring warmth and value.

Service Value System

Haitian always puts consumers at the core of its business operations and services. While continuously providing a wide range of products with reliable quality, it adheres to laws and regulations such as the *Law of the People's Republic of China on Protecting Consumers' Rights and Interests*, and regards protecting the legitimate rights and interests of consumers as an important manifestation of the Company's social responsibility. The Company is committed to building a diversified feedback and support system by expanding communication channels, optimising complaint and inquiry handling processes, continuously enhancing the professional competence of service teams, and actively promoting consumer education, thereby systematically upholding and protecting consumers' rights and interests.

Governance

Haitian has established a customer service framework centered on consumer experience, consistently delivering timely and professional customer support to enhance consumer satisfaction levels. The Company has developed and implemented a series of standard operating procedures, including the *Management Rules on Market Complaint Handling* and the *E-Commerce Customer Service Reception Process*, covering service standards, e-commerce customer service, and consumer complaint handling. These documents clearly define key aspects such as service standards, inquiry and complaint resolution processes, and customer evaluation feedback mechanisms, systematically standardizing service practices across all stages to deliver a more stable and high-quality service experience for consumers.

Department/Position	Responsibility
General Manager of Customer Service Platform	• Responsible for formulating the overall development strategy of the customer center, optimizing the customer service system, ensuring rational resource allocation, managing risks, and enhancing team capability building; fully accountable for the operational objectives and performance outcomes of the centre, and providing regular work reports to the Company's designated senior management.
Reputation Management	• Responsible for customer insight and feedback management, systematically collecting and analyzing multi-source customer information to identify key requirements and relay them to relevant departments, thereby driving the optimization of products and services and continuously enhancing the customer experience.
Customer Service Training & Quality Control	• Responsible for the design and iterative improvement of product knowledge and application training programmes, enhancing the professional competence and operational proficiency of the customer service team through structured teaching plans and practical scenario-based exercises. • Responsible for quality control of customer service reception processes, ensuring customers receive a high-standard service experience through real-time intervention and calibration.
Customer Service Manager	• Coordinates service strategy planning across all customer service channels and optimizes resource allocation to ensure the achievement of service objectives.
Product/Service Consultants	• Serve as support specialist for the professional line, providing timely responses to frontline service demands and delivering technical expertise and solutions for complex inquiries.
Frontline Agents	• Handle frontline customer inquiries and complaints, and promptly identify and report anomalies and complex cases encountered during service delivery.

Strategy

Guided by the "customer satisfaction" philosophy, Haitian continues to refine its service model to meet the evolving expectations of diverse consumer groups. This year, the Company has carried out a series of targeted initiatives focusing on expanding the reach of digital services, establishing proactive service intervention mechanisms, and strengthening standardized service support, in order to continuously enhance service experience and satisfaction.

Extending service hours

- Piloting intelligent customer service across service channels including JD.com, Douyin stores, and WeChat official accounts to enhance coverage during non-human-agent hours, enabling 7×24-hour rapid response and improving the efficiency of resolving customer inquiries.

Proactive early warning

- To address customer complaints arising from logistics delays or lost parcels, we have implemented a "proactive monitoring and intervention mechanism for abnormal logistics". In collaboration with warehouses, we have established predefined alert timeframes for transportation nodes, enabling the system to automatically trigger customer service follow-up and complete replacement shipments. Following implementation, related customer complaints decreased by over 50%, with cumulative support provided to more than 20,000 customers in timely resolution of order anomalies, achieving a service enhancement from "post-event remediation" to "pre-emptive prevention".

Enhancing response quality

- Achieving end-to-end digital management and sharing of professional response content, supporting fuzzy search, bookmarking, and rapid retrieval to provide consistent and efficient service responses for customer service and external departments, thereby improving response efficiency and service quality.

Risk Management

Haitian has established a risk monitoring mechanism covering the entire service process, systematically identifying and assessing various potential risks within service workflows, and promptly developing and implementing corresponding improvement measures to continuously enhance the operational resilience and quality reliability of its customer service system. For detailed information on the approaches and methodologies for managing risks related to product and service safety and quality, please refer to the "Risk Management" section within the report titled "Robust Governance, Safeguarding a Century of Enterprise".

- To address potential customer complaints and purchase inquiries at the Haitian online store during non-human service hours, the Company has deployed a 24-hour intelligent customer service system, enabling round-the-clock support for the official store. This ensures timely responses to consumer issues, thereby enhancing the online service experience and improving customer satisfaction.

- To address refund requests and associated operational risks for online stores during non-human-operated hours, the Company has introduced an automated refund processing feature, leveraging robotic process automation to ensure round-the-clock coverage. This enables timely fulfilment of customer demands and effectively maintains store service ratings and operational stability.

- To address potential after-sales concerns and risks of customer churn identified in online order reviews, the Company has established a dedicated tracking and proactive outreach mechanism to promptly respond to consumer feedback, clarify queries, and sustain product reputation and brand image.

Metrics and Targets

Haitian has established clear, quantifiable evaluation criteria and specific assessment objectives regarding the measurability of customer service quality, and through regular reviews and effectiveness verification, provides a basis for the continuous improvement of service processes. Looking ahead, we will focus on dynamic insights into consumer needs, the deepening application of digital service tools, and the ongoing refinement of customer feedback response mechanisms, thereby continuously enhancing service efficiency and consumer satisfaction.

Core Customer Service Objectives

- Consistently expand service accessibility to ensure broader consumer consultation coverage.
- Elevate customer satisfaction and service competitiveness through digital solutions and capability upgrades.
- Implement a customer satisfaction framework to standardize internal metrics and strengthen brand reputation.

Performance Metrics for Customer Service

Customer Satisfaction

- Haitian has established a routine customer satisfaction tracking mechanism, conducting systematic customer satisfaction surveys every six months across all direct clients nationwide. The Company also employs methods such as telephone interviews and on-site visits to comprehensively gather feedback and requirements from key clients. The research comprehensively covers key business areas, including brand management, product development, sales and service, order management, channel operations, and logistics and warehousing. The 2025 customer satisfaction survey results indicate that customer overall satisfaction reached 92%, reflecting ongoing market recognition of Haitian's brand value and service capabilities.

Issue Resolution Rate

- Haitian continuously enhances its customer feedback and issue resolution mechanisms to ensure timely responses and effective handling of all customer concerns. In 2025, the Company handled over 10,000 customer feedback items related to products, achieving a 100% closure rate, with customer satisfaction in complaint resolution reaching 97.5%.

Annual Key Performance

In 2025

Customer overall satisfaction reached **92%**

Customer feedback received over **10,000 pieces**

Completion rate for feedback handling **100%**

Responsible Marketing

Haitian complies with relevant laws and regulations, including the *Anti-Unfair Competition Law of the People's Republic of China*, *Law of the People's Republic of China on Protecting Consumers' Rights and Interests*, *E-Commerce Law of the People's Republic of China*, and *Interim Measures for the Administration of Internet Advertising*, and has established a series of internal policies based on these, such as the *Brand Risk Case Handbook, Brand Visual Usage Guidelines Handbook*, *Management Rules on External Communication Content*, *Corporate Social Media Operation Standards*, and *Haitian Reputation Risk Management Guidelines*. These measures systematically standardise brand promotion and communication activities, ensuring that brand-building initiatives are conducted in a lawful, compliant, and professionally organised manner.

We consistently regard safeguarding consumers' right to information as a key responsibility, striving to ensure the authenticity, accuracy, and transparency of product label information. This enables consumers to fully understand product characteristics, ingredient composition, and intended applications, thereby making informed and rational purchasing decisions. Meanwhile, through ongoing systematic training, we continue to enhance the professional competence and compliance awareness of our marketing personnel, ensuring that sales activities are conducted in a compliant and efficient manner. In 2025, Haitian did not experience any incidents involving non-compliance with industry or regulatory standards regarding labelling or marketing practices.

Marketing case empowerment

- Haitian has continued to systematically refine and deeply explore marketing cases throughout the year, making them more focused on specific themes and closely aligned with business practices. In response to current market trends and core business priorities, the Company has organised the compilation of four thematic series, including the "Chill Sauce Case Study", "Outstanding Examples of Key Trending Products", and "Marketing Case Studies on Labour Efficiency Improvement", collectively distilling 43 representative best practices. In parallel with these cases, the Company conducted 15 targeted learning and exchange sessions, with approximately 4,200 participants in total, effectively facilitating the internal circulation and empowerment of experience.

Systematic marketing training

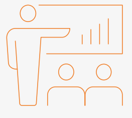
- Haitian continues to advance tiered development and practical empowerment based on its previous round-based training framework. Systematic planning and implementation have been carried out for a series of targeted development programmes, tailored to different groups including new employees, key business personnel, and management teams. These include the "Haitian Artisans" programme, the "National Feilong Class", the "HRBP Vision Programme", and cross-regional training rotations. A total of over 21 key training sessions were conducted throughout the year, with cumulative teaching hours exceeding 200 and reaching more than 1,100 core personnel within the marketing system.

Annual Key Performance

In 2025

Individuals participated in training sessions on responsible marketing topics over

5,000



Information Security and Privacy Protection

Enhanced Management System

Haitian has actively carried out the planning, implementation, monitoring, and continuous improvement of its data security framework. Building on the establishment of a dedicated data security management department, the Company has developed a comprehensive information security governance system, including the *Information Security Audit Management Rules*, *Security Management Rules on Internet Application Systems*, *Data Security Management Systems*, *Data Classification and Grading Guidelines*, and *Personal Information Protection Policy*. In 2025, the Company revised regulations including the *Application System Information Security Management Standard* and the *Haitian Holdings Network Access Information Security Management Standard*, and introduced new standards such as the *Marketing-Sensitive Data Management Standard*, *Incident Management and IT Change Control Regulations*, and the *Haitian MES Terminal Device Management Standard*. These updates clearly defined procedures for accessing and using business data, responding to security incidents, and managing online mobile devices, further strengthening the organisation's data and privacy management framework. In managing external partners, the Company requires public cloud providers to sign confidentiality agreements and provide documentation including data security assessments, penetration testing reports, incident response procedures, and protective measures. This ensures that necessary technical and organisational safeguards—such as encryption and data masking—are implemented, further reinforcing the Company's data security and privacy protection management requirements.

Advanced Protection Capabilities

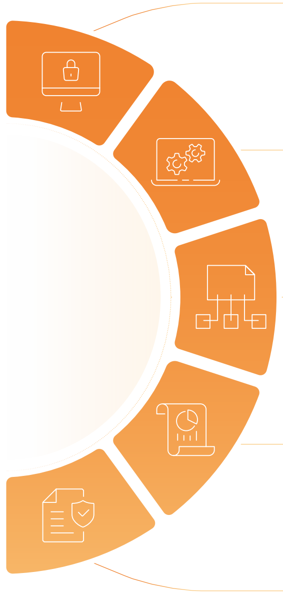
Haitian has established the achievement of "zero loss, zero leakage" as its core security objective, implementing encrypted storage for sensitive data involving customer privacy to prevent data breach risks at the source. Currently, the Company's external application systems have obtained Level 3 Information Security Protection Certificate issued by the Ministry of Public Security .

In the areas of security management and technical protection, the Company has standardised identity authentication and access control across all business systems, established a unified enterprise-wide cybersecurity situational awareness platform, implemented 7×24-hour monitoring and closed-loop response for network threats, and introduced AI models to enhance the accuracy and efficiency of security incident analysis and response. Meanwhile, the Company has strengthened terminal and production network security management by implementing centralised control over key mobile terminals, including those in manufacturing workshops. The deployment of endpoint detection and response systems and core firewalls within industrial control networks has enabled continuous enhancement of capabilities in advanced threat identification, attack attribution, and risk visualisation.

In support of business continuity and awareness enhancement, Haitian conducts a series of emergency drills and specialised training programmes annually, continuously strengthening the organisation-wide information security awareness and defensive capabilities. In 2025, the Company conducted 35 key business continuity emergency drills, effectively reducing recovery time and ensuring the sustained and stable operation of its business. In addition, the Company conducted two company-wide online information security training sessions and carried out phishing email simulation exercises targeting key business roles, reaching over 1,000 participants. These initiatives effectively enhanced employees' ability to identify and respond to common cyber threats, strengthening the organisation's internal information security defences across multiple dimensions.

User Privacy Safeguards

Haitian always regards protecting consumer privacy and security as its basic commitment, strictly following relevant laws and regulations to regulate the collection, processing, and use of personal information. Prior to data collection, the Company clearly communicates the content, purpose, and relevant usage rules of information gathering to users through documents such as the *Privacy Policy* and *Terms of Service*, and ensures users retain the right to access, amend, and delete their personal information. The Company adopts a zero-tolerance approach to any unauthorised data sharing or disclosure, and continuously safeguards user privacy rights through robust technical and managerial measures. Building on this foundation, the Company has established a multi-layered security framework to comprehensively safeguard user data security.



Data encryption
- Sensitive data, including user information, transaction records, and operation logs, are encrypted during storage to ensure confidentiality and integrity at the technical level.

Access control
- A permission management mechanism has been established to ensure that only users who have successfully authenticated and received authorisation can access relevant system data, with fine-grained permission allocation implemented according to role-based differences.

Data backup and recovery
- Implement standardised, regular data backups and store backup data off-site to effectively mitigate the risk of business disruption caused by data loss or catastrophic incidents.

Monitoring and log records
- Real-time monitoring of access and operational activities on system data enables timely identification of anomalies and initiation of response measures, while comprehensive logging of operations ensures full traceability and auditability across the entire process.

Security audits
- Regular security vulnerability scans, configuration compliance assessments, and validation of patching activities are conducted to continuously improve system security posture and ensure alignment with predefined security benchmarks.

Annual Key Performance

During the reporting period, **no** data security incidents occurred at Haitian or any of its subsidiaries, and there were **no** incidents involving the leakage of customer privacy

Foshan Haitian Flavoring & Food Co., Ltd. has achieved international certification under the **ISO 27001 Information Security Management System**

Intellectual Property Protection Drives Innovation Momentum

Innovation-Driven Development and Intellectual Property

Innovation-driven development is a key prerequisite for the Company's high-quality growth. Haitian has deepened its research and development talent pipeline and innovation platform construction, continuously leveraging technological innovation to drive manufacturing upgrades. Meanwhile, the Company further optimize its intellectual property management system, strengthen awareness of intellectual property protection of all employees through multiple dimensions, and implement specific protective measures in detail, providing strong support for innovation activities and consolidating and enhancing the Company's core competitive advantage.

Building Innovation Platforms

The Company places emphasis on the development of its R&D talent pool, maintaining a strong team of highly skilled R&D personnel. By establishing innovation platforms, integrating internal and external technological resources, optimizing R&D processes, and fostering a culture that encourages experimentation, the Company is actively driving innovation momentum, facilitating the translation of R&D outcomes into practical applications, and unleashing the full potential of its talent. The Company has established a relevant expense for research and development personnel training and platform innovation initiatives, ensuring the orderly conduct of R&D activities and the stable operation of innovation platforms. To unlock the innovative potential of R&D talents, we have established an innovation incentive mechanism, including a dedicated R&D innovation award. Innovation outcomes are integrated into performance evaluations and career development pathways, and a revenue-sharing mechanism for technology transfer results has been implemented, effectively motivating R&D personnel to proactively explore and deeply engage in innovation.

Innovation Incentives and Achievements

- Based on the annual bonus allocation framework aligned with organizational value positioning and value creation sharing, research and development personnel may receive rewards exceeding expectations based on their performance output. In 2025, the Company conducted two rounds of research and development project incentive programmes, awarding a total of 178 projects with cumulative incentives amounting to RMB 7.41 million.

- In 2025, we completed the development and revision of the reward evaluation system. By refining the reward evaluation framework for different types of R&D projects and aligning evaluation dimensions with the core value creation drivers, we established a deep linkage between the reward mechanism and R&D value creation, thereby enhancing innovation motivation among R&D personnel.

- Establishing a technology accelerator platform to expedite the transition of research outcomes from laboratories to industrial applications, thereby supporting the steady realization of innovative value. In 2025, we established a dedicated budget of RMB 16.5 million to support the ongoing research of 5 major technological initiatives.

- Establishing a full-cycle management mechanism covering demand alignment, project initiation, and outcome delivery to enhance the control efficiency and quality of outcomes for external technology collaboration projects. Driven by the upgrade of management mechanisms, in 2025 we successfully completed 12 technology collaboration projects, such as the analysis of soy sauce characteristic aroma, which holds significant importance for advancing the strategy of building the enterprise through science and technology.

Innovation-Driven Intelligent Manufacturing

Haitian actively embraces digital technological innovation, applying intelligent tools across all production stages and establishing a benchmark for smart manufacturing within China's condiment sector. In 2025, we continued to strengthen innovation in manufacturing processes through collaboration with subsidiaries and production sites, earning recognition including the Third Prize of the China Food Industry Association Science and Technology Award, the First Prize of the Scientific and Technological Progress Awards of Guangdong Light Industry Council, and the First Prize of the China Light Industry Association Science and Technology Progress Award. As of 2025, Haitian has 10[1] subsidiaries certified as High-Tech Enterprises, and has won 2 National Science and Technology Awards.

Innovation Highlights for Intelligent Manufacturing

- The Company has introduced adaptive intelligent robotic packing technology, utilizing 3D vision cameras to capture the positioning information of mixed bottles, enabling real-time monitoring and adjustment of contact force. Combined with AI algorithms, this system allows a single fixture to accommodate multiple SKUs, achieving intelligent multi-specification packing.
- The Company has introduced color sorting machines equipped with intelligent AI capabilities, achieving notable improvements in air-jet technology, imaging systems, and AI-powered recognition algorithms.
- The Company has introduced an intelligent AGV distribution system to reduce manual handling during processes, enhancing the accuracy and efficiency of production line distribution, and fundamentally improve overall logistics performance, achieving automated handling for inbound and outbound operations and material loading from the elevator to the warehouse.

Multi-configuration Intelligent Flexible Packer

Dry Material Visual Inspection Machine

Autonomous Intelligent AGV Delivery System

- The Jiaxing facility has established an intelligent Qu room, enabling automatic control and monitoring of process parameters during Qu production, reducing the need for personnel entry. By integrating dedicated humidity regulation equipment, real-time adjustments are made according to the specific humidity requirements across different areas of the Qu room, contributing to energy savings.
- Haitian Cloud Warehousing has introduced and deeply integrated an automated sorting wall system, achieving a high level of automation and intelligence in warehouse sorting operations.

[1] The recognition of high-tech enterprises that are still within the validity period shall be taken as the statistical standard.

Intellectual Property Management

Haitian strictly complies with relevant laws, regulations, and standards, including the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Enterprise Intellectual Property Management*. The Company has developed a series of institutional documents, such as the *Work Manual on Intellectual Property Management* and the *Regulations on Patent Management*, to systematically standardize the operational guidelines and procedures related to intellectual property protection and the prevention of infringement of others' intellectual property rights. To standardize intellectual property management, we have established an Intellectual Property Department, with dedicated personnel responsible for the acquisition, maintenance, utilization, and protection of the Company's intellectual property.

In 2025, we introduced new supporting intellectual property management frameworks aligned with the stage and characteristics of the Company's international development, including the *Haitian Trademark Licensing Management Measures (Overseas Regions)*, to systematically standardise the criteria and procedures for licensing the core trademarks 'Haitian' and 'Haday'. This supports the advancement of international business activities while strengthening intellectual property risk management. We have been awarded the title of "Top 100 Enterprises for Overseas Trademark Applications in China" by the China Trademark Association, in recognition of our efforts in global trademark protection.

Intellectual Property Protection

To proactively and efficiently safeguard technological research and development and product innovation outcomes, the Company has established and improved the intellectual property portfolio review mechanism, fully integrated compliance review requirements into business processes, and systematically implemented various intellectual property protection measures. We have implemented a comprehensive management system to address infringement incidents and safeguard the Company's intellectual property from unauthorized use. Frontline sales staff are equipped with the awareness and basic capability to proactively identify potential infringement incidents, and to promptly report relevant clues regarding suspected infringement to the Intellectual Property Department through the well-established feedback mechanism; the Intellectual Property Department, supported by IP experts or legal counsel, conducts targeted and efficient enforcement strategies based on the specific context of each suspected infringement case to protect our intellectual property rights.

While strengthening its own intellectual property protection, the Company undertakes various initiatives to ensure that it does not infringe upon the intellectual property rights of others. The Company has established and is continuously refining the infringement risk review mechanism, integrating intellectual property risk assessments into product launch processes and other key business workflows to ensure, at the source, that relevant operations do not infringe upon third-party intellectual property rights.

- In December 2024, a rights protection case of the Company regarding well-known trademark protection was selected for inclusion in the "Decade's Hundred Cases" (2014-2024) by the Guangzhou Intellectual Property Court.

By 2025

- New patents were granted this year: **100**
- Number of valid patents: **800**
- Valid invention patents: **380**

Intellectual Property Cultural Development

We have established an intellectual property education system accessible to all employees and integrated throughout the entire business cycle, ensuring employees' develop a systematic understanding of intellectual property from foundational awareness to professional practice, continuously strengthening their awareness of intellectual property protection and fostering a positive culture of intellectual property protection. We have integrated intellectual property protection into the mandatory onboarding training for newly joined employees, who are required to complete the course and pass the associated assessment.

In 2025, we published the promotional article titled "World Intellectual Property Day: Learning New Knowledge" and hosted a prize-based quiz event on intellectual property for all employees, enhancing employees' awareness and professional competence in intellectual property through various forms of educational initiatives. We launched the inaugural "Star Patent Award" selection initiative to recognize colleagues who have contributed their intellect and effort to technological advancement within the Company and across the industry, fostering a growing culture of innovation throughout the organization.

03

Moving Forward Together, Shaping a Better Future Through Flavour

Haitian adheres to a people-centric approach, continuously offering employees diverse career development pathways and comprehensive occupational health and safety protection. At the same time, it deepens collaboration with upstream and downstream partners by strengthening traceability management at the raw material source, driving sustainable transformation of the supply chain and achieving value co-creation and coordinated development.

- Promoting Rights Development and Fostering Inclusive Care for Diversity
  ——Employee Rights and Development
- Promoting Health and Safety to Ensure Production Security
  ——Occupational Health and Safety
- Strengthening Supply Foundations through Source Control
  ——Supply Chain Management and Raw Material Procurement

Promoting Rights Development and Fostering Inclusive Care for Diversity

Employee Rights and Development

Haitian places high importance on safeguarding employee rights by establishing a robust training system and career development pathways, offering market-competitive compensation and benefits alongside growth support, continuously enhancing employee care and communication mechanisms, fostering a stable and positive working environment, and strengthening employees' sense of achievement and belonging.

Diverse and Inclusive Workplace

Haitian regards the establishment of an open, diverse, and equitable workplace environment as the foundation for talent development within the enterprise. Through a robust system of institutional frameworks and compliant management practices, the Company ensures the protection of employees' legitimate rights and interests, fostering a safe and respectful working atmosphere.

Employee Rights

Haitian upholds lawful employment and equal respect, complying with relevant laws and regulations including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*. Through the establishment of a series of human resources management systems, such as the *Recruitment Management Policy*, *Code of Conduct for Employees*, *Employee Compensation and Reward System, Employee Welfare and Protection Policy*, and the *Attendance and Leave Management System*, the Company systematically standardises key processes related to employee recruitment and termination, compensation and benefits, career development, working hours, and leave arrangements, thereby effectively safeguarding the legitimate rights and interests of all employees. In 2025, Haitian Gaoming Company obtained BSCI (Business Social Compliance Initiative) certification, reflecting the Company's commitment to corporate social responsibility and its focus on safeguarding labour rights and human rights.

Measures to Safeguard Employee Rights

Eliminating Illegal Labor

- Haitian strictly complies with labor laws and regulations in all operational locations, explicitly incorporating the prohibition of child labor and the elimination of any form of forced labor into its recruitment, attendance, and leave management systems. During the recruitment process, the Company rigorously verifies applicants' identity information to ensure that individuals below the legal working age are not hired. We consistently oppose forced labour and promote the efficient completion of employees' duties within appropriately scheduled working hours. If the Company discovers the employment of child labor or forced labour, we will immediately terminate the employment relationship with the relevant individuals and take prompt management measures to hold them accountable
- In 2025, the Company reported no instances of child labour or forced labour.

Equal Opportunities and Rights Protection

- Haitian upholds the principle of equal employment practices, ensuring that objective, fair, and transparent principles are followed across all stages—including recruitment, employee development, and compensation incentives—to foster a just and transparent working environment.
- The Company has entered into collective agreements, including the *Collective Contract*, *Special Contract on Collective Wage Negotiation*, *Special Collective Contract on Labor Safety and Health*, and the *Special Contract on Protection of Female Employees' Rights*, through consultation with the labour union. These agreements clarify the rights and responsibilities of both parties and ensure that employees can legally participate in enterprise democratic management and decision-making via the trade union organization and collective consultation mechanisms.
- During the reporting period, collective agreements covered 100% of employees.

Anti-Discrimination and Anti-Harassment

- Haitian has explicitly stipulated in its *Recruitment Management Policy* that all forms of employment discrimination are prohibited, covering factors such as age, gender, religion, nationality, and marital status. During the reporting period, the Company had over 800 employees from ethnic minority groups. No incidents of discrimination were reported during the year.
- The Company strictly prohibits any form of workplace sexual harassment in the workplace and related environments. In 2025, the Company conducted targeted training programmes on anti-discrimination and workplace harassment, guiding employees to identify and respond to such behaviours, enhancing awareness of employee rights protection, and laying a solid foundation for fostering a respectful, equitable, and healthy working environment.

Protection of Women's Rights

- Haitian has established internal management systems, including the *Employee Compensation and Reward System, Employee Welfare and Protection Policy*, to implement equal pay for work of equal value between men and women, ensuring that female employees have equitable access to compensation, benefits, and career development opportunities. The Company provides female employees with various types of leave, including antenatal check-up leave, maternity rest leave, maternity leave, childcare leave, and nursing leave, in accordance with legal requirements, and has established facilities such as mother-and-baby rooms to support them in better balancing work and personal life.
- The Company's labour union committee has a dedicated function for the protection of women's rights and interests. Female employees may raise issues related to unequal treatment through feedback or complaint channels. The Company will conduct standardised investigations and take appropriate actions in response, ensuring the effective safeguarding of female employees' legal rights and interests.

Working Time Management

- Haitian strictly complies with national and local labour regulations, updating its *Attendance and Leave Management System* annually in line with the latest policy requirements to ensure lawful and compliant work arrangements. Standard working hours of eight hours per day and five days per week are generally implemented across all subsidiaries, with some positions in the individual manufacturing sites that include production operating under a comprehensive working hours system. All attendance types are duly filed with the labour and management department as required. Overtime work requires prior approval, and the Company legally pays overtime compensation or arranges compensatory time off.
- All employees are entitled to paid annual leave, sick leave, maternity leave, and over ten other types of leave in accordance with local laws and regulations, with the specific number of days determined by local policies, ensuring the protection of employees' right to rest.

Respecting Employee Diversity

- Haitian has established the *Board and Employee Diversity Policy*, committed to creating an inclusive and supportive working environment for all employees, and respecting individual diversity. When considering candidates for the board of directors and employees, the benefits of diversity—including but not limited to gender, age, cultural and educational background, and professional experience—are taken into account.

Talent Attraction

Haitian has continuously optimised its talent management practices through systematic talent strategy planning and job framework design, providing human resource support for the Company's overall development. In talent acquisition, the Company conducts campus and social recruitment through a combination of online and offline channels, based on job competency standards and a talent evaluation system, to attract high-calibre professionals.

In 2025, the Company further strengthened the collaboration with academic institutions through various initiatives, including co-developed order classes, joint establishment of internship bases, and campus recruitment presentations, to support the holistic development of students and sustainably attract and cultivate young talent.

Expanding the reach of campus recruitment

- Over 100 campus recruitment events were organised and participated in throughout the year, covering numerous domestic and international universities, and engagement in regional talent attraction initiatives such as "Million Talents Converge in Nanyue", actively contributing to social employment.

Deepening collaboration between enterprises and educational institutions

- Establishing internship and employment bases with universities, delivering external mentorship programmes, corporate visits, and career planning courses, joining the Foshan Vocational Education Industry-Education Integration Promotion Association, facilitating alignment between industry and educational resources, and advancing the development of skilled and applied talent through models such as order-based training and work-study alternation.

Awards & Honors

Employer of Choice 2025	Forbes China
Employer Brand Excellence Award 2025	China Human Resources Venus Award
2025 Global HR Management Leadership Award	China Human Resources Venus Award
2025 Most Beloved Employer Award	Shixiseng
2025 Extraordinary Employer	Liepin
Employer Brand for Best Employee Experience in 2025	CIWEI
2025 Star Employer Award	OfferShow
2025 Employer of the Year – Gender-Friendly Leaderboard	OfferShow

Talent Development and Capacity Building

Haitian regards employee development as central to corporate growth, providing continuous opportunities for advancement through systematic training programmes and multi-pathway support, fostering shared progress between individuals and the organisation.

Talent Development

Haitian has established a dual-track career development pathway for both management and technical professionals based on internal policies such as the *Administrative Measures for Qualifications*. It has developed corresponding competency frameworks tailored to different job categories and levels, and through multi-dimensional comprehensive assessment and selection processes, helps employees clarify their career directions and continuously enhance their professional capabilities and long-term work performance.

In 2025, the Company systematically restructured and optimised its job and position framework, focusing on enhancing organisational operational efficiency and supporting employee career development, to ensure effective alignment between job value, work objectives, and qualification requirements. Through streamlining and integration, the Company has further enhanced organisational clarity and operational efficiency, providing employees with clearer and more sustainable career development pathways, and strengthening the fairness and transparency of internal mobility and promotion mechanisms.

Building on this foundation, the Company continues to enhance its employee development and performance management framework by strengthening job qualification standards and skills certification systems, supporting employees' capability enhancement and career progression. This year, the Company continued to optimize the personal performance management process, strengthen multidimensional evaluation and result application, and enhance the orientation and fairness of performance management. At the same time, we promoted the upgrading of the blue collar skills development system in some production workshops. By constructing a skills system and supporting information management tools, we promoted the dynamic matching of skills and job requirements, providing a clear channel for frontline employees to develop into composite skilled talents. At the same time, we have achieved full coverage of employee degree courses and certification support.

Haitian Employees' Promotion System

Management Promotion System

- The Company has established a clear career progression pathway for management personnel, spanning from entry-level to group-level executive positions.

Professional & Technical Promotion System

- TPS Tracks (Technical, Professional, Sales): Establish a unified, qualification-based system outlines the promotion path from Specialist to Scientist.
- O Track (Operational): The skill certification and grading appointment mechanism has been implemented, with evaluations conducted based on the O track job skill standards. Grade adjustments are made dynamically in consideration of multiple dimensions of performance, including accumulated experience and performance outcomes.

Talent Training

Adhering to the core principle that "talent is the source power of development", Haitian has established the *Training Management System* and continues to enhance its employee development framework. The Company has systematically established a support framework for employee career development and skills enhancement from the perspectives of "mechanism", "organisation", and "content", providing comprehensive safeguards for employee growth and promoting the coordinated development of the enterprise and talent.

"Three Pillars" to Support Employees

Mechanism Level

- A "Structured Qualification System" has been established to help employees define and pursue clear career development goals.
- Utilize the "Job Learning Map" to systematically plan the development pathways and learning plan for employees.
- Training outcomes and career progress are assessed through regular evaluations and staged competency certifications.

Organization Level

- The Human Resources Centre oversees holistic talent strategies, aligning efforts across departments for consistency and effectiveness.
- A structured talent development system and curriculum framework have been put in place, supported by optimized internal resources and a dedicated instructor pool.
- Each business unit assigns training coordinators responsible for delivering programs that reflect real-world job scenarios and practical needs.

Content Level

- Based on business needs and employee development perspectives, construct four major curriculum systems focusing on General Competencies, Professional Skills, Technical Expertise, and Strategic Thinking, and implement hierarchical and classified training.
- Relying on internal experience extraction and external resource introduction, dynamically updating and improving course resources, continuously improving the efficiency and pertinence of talent cultivation.
- Build a learning platform that integrates online and offline learning, providing employees with high-quality learning resources and convenient conditions that can be accessed anytime and anywhere. In 2025, we conducted 1,800 online training sessions and 236 offline training sessions, with over 230,000 participants.
- We continue to carry out professional sector training, and in 2025, we conducted more than 20 key marketing training sessions, with a total of 214.5 hours of teaching, covering 1,137 core marketing personnel.

We build upon the "Three Pillars" to Support Employees as a key foundation, continuously integrating cutting-edge theories and methodologies to drive innovation and enhancement in training initiatives. In 2025, the Company actively integrated AI technologies across the entire training process to enhance efficiency and quality. At the same time, adhering to the principle of "combining training with practice, learning through real-world application", multiple action learning initiatives were implemented to further support employee capability development and organisational performance improvement.

Employee Training Cases for 2025

AI Technology Empowering Talent Development

- The Company continues to explore the application of AI technology in human resources and talent development, and improves training efficiency and employee capacity building by introducing intelligent learning tools. Relying on tools such as AI intelligent courses and AI competency coaches, the Company has upgraded the traditional course development and learning mode to an intelligent mode of "human-machine collaboration", significantly improving the efficiency of course development and learning transformation. At present, relevant applications have covered multiple business fields such as marketing, supply chain, and production management, gradually accumulating and forming reusable knowledge assets, supporting employees to quickly fill positions and promoting the stable development of core talents.

Action Learning and the Development of Key Talent

- In 2025, the Company implemented targeted development programmes in areas such as manufacturing and product management. Through intensive training, on-the-job coaching, and knowledge extraction, these initiatives supported employees in enhancing their managerial and technical competencies within real business contexts, and contribute to the establishment of replicable talent development models. The relevant initiatives have effectively promoted improvements in team performance and talent development, providing strong support for the Company's ongoing efforts to cultivate management and professional talent with practical capabilities.

Succession Excellence Programme

- In 2025, focusing on the backup management team of the manufacturing department, through the "training and evaluation" four stage closed-loop mode, achieving a "win-win" situation of employee growth and company performance improvement. Student satisfaction reached 97%, cultivating a group of "commanders" who understand goals, lead teams well, and win battles, provided a replicable training mode reference for the subsequent training of the manufacturing department's management team.

Product Manager "Go-to-Market" Accelerator Programme

- In 2025, we implemented a closed-loop development model comprising intensive training, practical coaching, and knowledge synthesis to systematically enhance the capabilities of product managers. The initiative supported product projects in enhancing their practical market promotion capabilities. The project coordination system has reviewed and issued *Product Manager Handbook 1.0*, which includes standard operating procedures and representative practical case studies, thereby comprehensively enhancing the professional competence of product managers.

Based on the actual needs of our business and employees, we combine on-site research with online learning platforms to continuously accumulate practical experience and customize personalized training programs for employees, covering the integration and ability improvement of new employees. For detailed information on employee training performance data, please refer to the "Annual Key Performance Metrics" section of this report.

Annual Key Performance

- In 2025, the Company's total annual employee training external expenditure reached **RMB 2.6351 million**.
- In 2025, we delivered **37** training programmes for newly joined "Haitian Artisans" staff, with a total of **3,367 participants** and **over 8,100 training hours** completed.
- In 2025, we conducted **nine** in-person training sessions for newly recruited employees.
- In 2025, we delivered **1,800** online training sessions and **236** in-person sessions, with over **230,000** participants engaging in the programmes.

Employee Compensation and Benefits

Haitian has effectively attracted and retained top talent by offering a remuneration and benefits package competitive within the industry. The Company has established frameworks such as the *Employee Remuneration and Reward System* and the *Employee Welfare and Protection Policy* to provide employees with diverse welfare support and care initiatives, continuously improving these systems to ensure adequate protection and growth support for employees in achieving work-life balance.

Compensation Incentives

Adhering to the compensation philosophy of "high renumeration, high efficiency, high responsibility", Haitian allocates its compensation resources primarily towards strategic talent and key contributors. The Company offers employees a comprehensive compensation package that includes competitive salaries, performance-based bonuses, long-term incentives, and extensive benefits, which is dynamically adjusted by taking into account factors such as regional differences, talent market conditions, and industry environment, ensuring the continued market competitiveness of its remuneration levels.

We are committed to establishing an incentive system that fosters organisational and employee engagement. The performance targets set for the 2024 employee share ownership plan have been achieved. Related share benefits were fully vested during 2025, covering 613 participants with a total of 4,220,100 shares vested, further strengthening the long-term shared development between key core personnel and the Company.

In addition, as part of the multi-phase shareholding programme spanning 2024 to 2028, the Company officially launched the "2025 A-share Employee Share Ownership Plan" in 2025. This phase covers 5,000,000 shares and includes a performance evaluation period across the years 2025 and 2026, aiming to establish a more long-term performance incentive mechanism and sustainably promote shared growth between the enterprise and its employees.

Employee Welfare

Aligned with employee needs and value orientation, Haitian has established a diversified welfare system covering mandated, universal, and unique benefits, and continues to maintain high-standard benefits levels, achieving 100% coverage of benefits. During the reporting period, social insurance contributions for all Company employees reached 100%.

Diversified Welfare

Mandated Benefits	• Full coverage of pension, medical, unemployment, work-related injury, maternity insurance, and housing provident fund contributions • Comprehensive leave policies including annual leave, marriage leave, antenatal check-up leave, maternity rest leave, maternity leave, breastfeeding leave, paternity leave, childcare leave, caregiver leave, family planning leave, work-related injury leave, sick leave, bereavement leave, personal leave, and regional public holidays such as Guangxi's San Yue San Festival holiday (a local cultural holiday)
Universal Benefits	• Meal subsidies, free health screenings, supplementary commercial insurance, festival welfare packages, travel subsidies, and financial assistance for employees facing unexpected hardships
Unique Benefits	• Personal value-added allowance, professional skills learning allowance

Case

Join the Global Employee Nutrition Alliance WNA to Enhance the Nutritional and Health Well-being of Employees

In 2025, Haitian Foshan and Gaoming bases joined the Global Employee Nutrition Alliance WNA (jointly established by the Global Consumer Goods Forum CGF and the Global Alliance for Improved Nutrition GAIN). With the help of WNA experts and guidance manuals, we have further improved the well-being of our employees from four dimensions: nutrition education, workplace diet, breastfeeding support, and nutrition related physical examinations. According to WNA's evaluation tool, the nutritional and health well-being levels of employees in Foshan and Gaoming Parks have been raised from copper level to gold level (the highest level). In the future, we will strive for excellence and continue to improve the nutritional and health well-being of our employees, and promote it to other industrial parks and subsidiaries.

Name of the Organisation	Foshan Haitian Flavouring and Food Company Ltd.
Workplace type	Manufacturing/ factory
Region	CHINA
Year of Assessment	2025

Performance summary

Congratulations on reaching *Gold* status on your WFN programme!

85 Points out of 100

Programme name	Programme wise performance
Nutrition education	18 / 20
Healthy food at work	24 / 30
Breastfeeding support	25 / 30
Nutrition related health checks	18 / 20

WNA assessment tool evaluates the nutritional and health well-being levels of employees after improvement

Employee Care and Communication

Haitian adheres to a people-oriented approach, striving to foster a warm and harmonious working environment. We have established diverse communication mechanisms and organised a wide range of cultural activities to provide comprehensive life support and humanistic care for our employees.

Two-Way Communication

In order to promote harmonious labour relations and safeguard the legitimate rights and interests of employees, we have formulated the *Anti-Fraud Management Policy of Haitian Flavoring* and established a diversified communication and appeal mechanism. Employees can report real name or anonymous through various channels such as WeChat official account, reporting phone number, dedicated email, physical email, and reporting desk. They can also report through various channels such as "Trusted Mentor" program, "Haiyue Talk" forums, the General Manager's Mailbox, Q&A sessions, and Employee Service Hotlines on various problems, difficulties, or unfair treatment encountered at work. We regularly process and provide feedback on the questions raised by each employee, initiate a one-on-one communication mechanism in a timely manner, and strive to efficiently solve problems and respond in a timely manner. In addition, the Company relies on labour unions, employee representative conferences, and internal mediation organizations to promote effective communication and resolution of labour disputes internally. In 2025, the Company established a public intelligence feedback centre to establish smooth communication channels for employees, enabling timely identification and intervention in resolving labour disputes, thus effectively resolving conflicts at the initial stage.

In 2025, Haitian integrated harmonious labour relations into the core of the ESG strategic system, guided by the value of "symbiosis and mutual prosperity". By building an equal communication platform, improving employee growth channels, and strengthening the rights and interests protection system, the Company continuously improves organizational resilience, stimulates innovation vitality, and promotes social value growth, ultimately achieving a two-way drive between employee development and sustainable progress of the Company.

Haitian conducts annual employee satisfaction surveys with the aim of gaining a deeper understanding of employees' actual experiences and voices in the workplace through this mechanism, and systematically developing and implementing corresponding improvement measures based on the common concerns reflected in the surveys. In 2025, we conducted the "2025 Union Employee Service/Activity Satisfaction Survey" and collected 1935 valid questionnaires, with a satisfaction score of 91.25.

Case: Establishing a Communication Platform to Respond to Employee Feedback

In 2025, Haitian Nanning Park launched a series of "Haiyue Talk" themed monthly meetings addressing employee concerns in sequence: "Clothing, Food, Housing, and Transportation", "Workstation Cooling and Comfort Enhancement", and "Uniting for Safety – Ensuring Production Peak Season Safety". These sessions attracted active employee participation, resulting in multiple staff proposals that have been progressively implemented, with a completion rate of 90%. The remaining initiatives are currently under ongoing follow-up and improvement.

During the reporting period, two sessions of the "Haiyue Talk" themed monthly meetings were organised at Gaoming Park, attracting over 100 employee and supervisor representatives. Discussions were held on practical issues, and improvement proposals were collected. Over the course of this year, more than twenty employee suggestions have been collected, contributing to management optimisation and timely responses to issues at the frontline.

"Haiyue Talk" employee-themed monthly meeting at Nanning Park

"Haiyue Talk" monthly meeting for employee services at Gaoming Park

Employee Well-Being

Haitian prioritises the creation of a positive, collaborative, and inclusive team environment. A diverse range of employee care initiatives and cultural and recreational activities are regularly organised. Facilities including a fully equipped gym, basketball court, table tennis court, and badminton court are provided free of charge to enrich employees' personal lives. Organised outings and engaging activities during major festivals foster a warm and harmonious festive atmosphere. Medical teams are also invited into the Company for on-site health check-ups, supporting the physical and mental well-being of employees. The Haitian Sunshine Fund, established within the Company, continues to support employees facing financial hardship, alleviating personal and family economic pressures. The Company's labour union has revised the *Regulations on Trade Union Fund Management* to further enhance the standards for employee care and consolence. In 2025, the number of employees and their family members benefiting from these initiatives were increased by over 100% compared to the previous year.

Case: Organising a Staff Sports Carnival to Promote the Concept of Healthy Collaboration

To foster a positive and uplifting organisational culture, Nanning Park hosted the staff sports carnival this year with the theme "Fun, Full of Energy, Competing with Passion – Moving Forward with Joy and New Achievements". The event features two main components: recreational sports and ball game leagues, including basketball, badminton, table tennis, and air volleyball, aiming to promote a healthy lifestyle and enhance team collaboration. The event attracted over 150 employees, demonstrating strong team vitality and cohesion.

Haitian Nanning Park sports tournament

Case: Organising a Spring Outing to Foster a Warm and Supportive Team Atmosphere

During the 2025 International Women's Day period, Haitian Labour Union organised an outdoor spring outing activity to support and care for female employees. The event enabled staff and their family members to immerse themselves in nature and enjoy the spring season, with inclusive elements such as a group birthday celebration along the way, fostering enhanced communication and camaraderie among colleagues. The event created relaxed and enjoyable outdoor energy stations, effectively helping employees relieve stress and demonstrating the Company's ongoing commitment to employee physical and mental well-being, further strengthening team cohesion and sense of belonging.

Spring outing event for International Women's Day

Case: Organising Health Check-up Services within the Park to Deliver Care and Support for Well-being

To enhance employee well-being, a themed medical outreach event titled "Caring for Workers' Health to Support the Hundred, Thousand, Ten Thousand Project" was held in September 2025 at the Haitian Gaoming Park, with the support and coordination of provincial, municipal, and district-level labour unions. A professional medical team provided on-site health consultations and services. Experts from multiple hospitals across the province provided face-to-face free medical consultations and health advice to nearly a hundred employees. This initiative brought professional medical services to the production frontlines, effectively helping employees understand their health status and strengthening the Company's culture of health care. It represents a significant practical effort in advancing employee well-being and fostering a harmonious workplace.

Free medical consultation event

Promoting Health and Safety to Ensure Production Security

Occupational Health and Safety

Haitian has established a systematic occupational health and safety management system, placing the protection of employee health and safety at the forefront of its business operations. Through ongoing safety training, the Company ensures that employees acquire the necessary knowledge and operational skills to maintain a safe working environment. The Company is committed to creating a safe and healthy working environment, systematically managing various risks associated with operational processes to effectively safeguard the physical and mental well-being and occupational safety of its employees.

Management System

Haitian strictly complies with national regulations including *Law of the People's Republic of China on Work Safety*, the *Fire Protection Law of the People's Republic of China*, and the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*. On this basis, the Company has systematically established a three-tier occupational health and safety management system, creating a clear hierarchical framework for management systems. This ensures that all health and safety activities are conducted in accordance with established rules and procedures, providing a robust institutional foundation for the systematic identification of risks, the assignment of responsibilities, and the ongoing protection of employee occupational health and safety. In 2025, in response to updates in the certification framework and the need for internal management enhancement, we revised the organisational structure and departmental responsibilities outlined in the *Occupational Health and Safety Management Manual*, and simultaneously updated the supporting procedural guidelines for occupational health management.

Three-tier occupational health and safety management system framework

Tier 1 Document	It mainly includes guidelines and comprehensive document systems, including the *Occupational Health and Safety Management Manual*, *Management Policy for Occupational Health*, *Responsibility and Management Policy for Safety*, *Contingency Plan for Work Safety Accidents*, etc.
Tier 2 Document	Mainly program documents, including *Regulations on the Management of Hazard Identification and Evaluation*, *Regulations on Safety Inspection and Hidden Danger Management*, etc.
Tier 3 Document	Mainly operating standards and rules, including the *Rules for the Use of Safety Warning Signs*, *Implementation Rules for Holiday Safety Management*, etc.

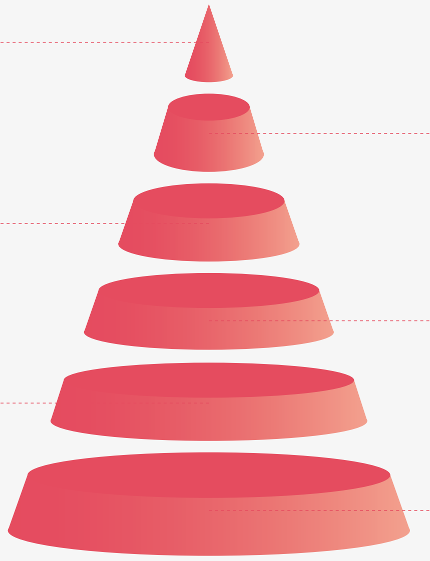
Haitian has established a Safety Production Committee composed of the Company's senior executives and heads of various business departments, serving as the leading and decision-making body for the Company's safety production activities. The main person in charge of the Company bears full responsibility for safety production, while the heads of each department are responsible for specific safety work within their jurisdiction. In accordance with the *Responsibility and Management Policy for Safety in Production*, the Company has further clarified the hierarchical safety responsibilities spanning from the production safety committee, key executives of the Company, leaders of each department, safety management department to all employees, ensuring that responsibilities are systematically broken down and assigned to specific roles. Departments appoint dedicated or part-time safety officers according to business scale and risk level, responsible for daily safety supervision and management, thereby establishing a safety management system characterised by full staff participation and collective responsibility. The production safety committee holds a special meeting once every quarter to review progress on annual safety objectives, assess the implementation of safety measures, and plan key priorities for the next phase, ensuring the continuous effective operation of the safety production management system.

Safety Management Structure

Production Safety Committee
As the leading organization of the Company's production safety

Safety Management Department
Manages day-to-day work safety operations, including oversight, monitoring, and support

Subordinate Department Heads
Oversee work safety implementation within their designated areas of jurisdiction



Key Executives of the Company
Fully responsible for the work of production safety

Leaders of Each Department
Responsible for the work of safe production within its jurisdiction

Employees
Fulfill job-specific safety responsibilities as defined by their roles.

As of the reporting period end, nine member enterprises of the Company have achieved ISO 45001 certification for occupational health and safety management systems.

Risk Prevention and Control

Haitian has integrated occupational health and safety risk management into every aspect of its daily operations, establishing a solid foundation for the Company's sustainable development through systematic risk control and ongoing safety culture enhancement.

Risk Management

Haitian conducts regular safety risk identification and hazard inspection and remediation activities based on actual business scenarios, systematically assessing both existing and emerging risks, and establishing corresponding control measures according to risk levels. The Company has established a comprehensive hazard identification and remediation mechanism, developing a multi-tiered inspection system that includes daily self-checks by employees, routine patrols by branch plants, joint inspections by manufacturing departments, and special supervisory reviews conducted by the Company. In 2025, the Company has conducted a total of 321 dedicated safety inspections.

The Company continues to promote the application of an information management system for safety hazards, leveraging a systematic platform to enable employees to report hazards conveniently and track rectification progress. This enhances overall engagement, improves the timeliness and transparency of hazard resolution, and provides effective support for the routine and standardised operation of occupational health and safety management.

We provide appropriate personal protective equipment based on the risk characteristics of each role and conduct specialised training to ensure employees understand how to correctly wear and use the equipment, thereby safeguarding operational safety. The Company continuously monitors occupational health hazards in the workplace and consistently improves working conditions through measures such as process optimisation and equipment upgrades. Meanwhile, the Company strictly conducts pre-employment, in-service, and post-employment occupational health examinations. Employees identified with abnormalities are promptly reassigned to different positions to mitigate health risks. In 2025, Haitian conducted occupational health examinations for a total of 1,171 personnel.

Haitian provides additional occupational safety liability insurance for employees working in high-risk roles such as production operations and equipment maintenance. In 2025, the Company achieved 100% insurance coverage for 775 employees in this category, with related investment amounting to approximately RMB 222,900, and no workplace safety incidents were reported throughout the year.

Cultural Development

Haitian regards safety culture development as a key component in enhancing overall safety awareness and strengthening the foundation of safety management. The Company has actively fostered a proactive safety culture through initiatives including first aid training, hands-on operation of safety systems, skills competitions, and the selection of grassroots safety excellence individuals, continuously guiding employees toward a profound shift from "safety enforced by regulations" to "safety I actively pursue".

Haitian strictly enforces the three-level safety education and training system for new employees prior to their onboarding and regularly organises specialised safety training programmes for existing staff. The Company has enhanced employees' initiative in safety learning and the effectiveness of training through various approaches, including examination-driven learning, competition-based learning, and presentation-led learning. In 2025, the Company conducted a total of 356 specialised safety training sessions, reaching 28,814 participants. Meanwhile, the Company strictly complies with national regulations to ensure that 100% of key personnel, safety managers, special operations staff, and operators of special equipment are certified and on duty.

Haitian has systematically developed a total of 15 emergency response plans, covering comprehensive, special, and on-site disposal scenarios, based on the *Guidelines for Enterprises to Develop Emergency Response Plan for Work Place Accidents* and the Company's operational realities. The Company conducts multi-format emergency drills annually to continuously test and refine the practicality and operability of its response plans, effectively enhancing its capabilities in coordination, on-site response, and resource allocation during emergencies, helps to inspect the reserve status of emergency supplies, equipment, and technology, enhances employees' risk prevention awareness and self rescue and mutual assistance skills. In 2025, Haitian has conducted a total of 158 emergency drills, with 3,852 participations, strengthening practical preparedness for workplace safety.

Haitian has established the "EHS Star" selection and incentive mechanism in alignment with safety production requirements, conducting quantitative assessments and incentives for employees' proactive contributions in areas such as knowledge acquisition, behavioural compliance, experience sharing, and hazard identification. By combining material rewards with recognition awards, the initiative encourages employees to proactively identify and promptly report safety hazards from their respective positions, transforming institutional requirements into tangible outcomes of widespread participation and routine management.

In 2025

Haitian has conducted a total of

158 emergency drills

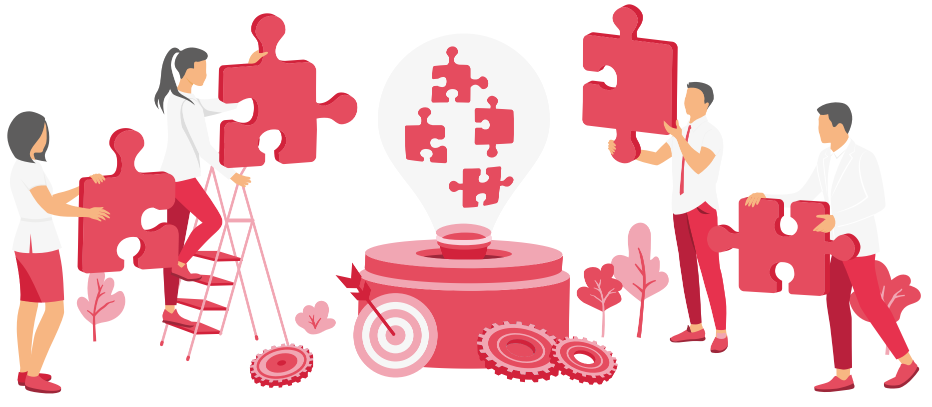
With

3,852 participations

In 2025

The Company has cumulatively recognised over

400 individuals as EHS Stars



Case: Promoting First Aid Knowledge and Skills to Strengthen Workplace Safety

To strengthen the Company's emergency response system and enhance employees' ability to self-rescue and assist others in the event of accidental injuries, Haitian regularly invites professional organisations to conduct specialised first aid training sessions on-site. The training programme covers theoretical knowledge on trauma care and emergency response, with a focus on practical exercises in cardiopulmonary resuscitation (CPR), automated external defibrillator (AED) use, and the Heimlich manoeuvre. In 2025, the Company has 106 employees who successfully passed the assessment and obtained the Red Cross First Aid Certificate, effectively strengthening internal emergency response capabilities and providing more professional support for workplace safety.

Red cross first aid training

Case: Focusing on Automated Alarm Systems to Enhance Safety Management

To continuously strengthen fire safety management, Haitian conducted specialised operational training on the automatic fire alarm system for employees in relevant positions. Through a combination of theoretical instruction and hands-on practice, employees were equipped with the correct operating procedures and emergency response protocols. This enhanced their practical skills in handling fire protection equipment and strengthened their emergency awareness, thereby contributing sustainable momentum to the Company's safety culture.

Fire automatic alarm system operation training

Case: Enhancing Emergency Response Capabilities through Competitive Training to Improve Skills

In 2025, Haitian hosted a fire emergency skills competition to continuously enhance employees' awareness of fire safety and their emergency response capabilities. Through dynamic formats that promote learning through competition and training for readiness, employees' proficiency in operating fire-fighting equipment and team collaboration capabilities have been effectively assessed and strengthened, providing a solid skill foundation for reinforcing the Company's fire safety defence.

Fire emergency skills competition

Strengthening Supply Foundations through Source Control

Supply Chain Management and Raw Material Procurement

Haitian places great emphasis on supply chain management and raw material procurement. We adhere to the 5F-friendly procurement principles—health-friendly, nature-friendly, climate-friendly, society-friendly, and ethics-friendly—committed to ensuring the quality of our raw materials and supply chain security, while minimising environmental impacts across the product lifecycle, and advancing harmonious coexistence between the enterprise, nature, and society. We aim to continuously advance our sustainable procurement initiatives, steadily expanding our supplier base in alignment with our own sustainability values, and enhancing the overall level of our enterprise's sustainability.

Governance

Governance Structure

To systematically advance ESG initiatives including supply chain management and raw material procurement, Haitian has established a four-tier organisational support framework comprising the decision-making level, management level, steering group, and operational level. For detailed information on the governance framework related to supply chain management and raw material procurement, please refer to the "Sustainable Development Working Mechanism" section of this report.

Level	Department	Responsibility
Decision-making Level	Board of Directors	Serves as the highest decision-making body for supply chain management, raw material procurement, and related ESG matters. Holds ultimate responsibility for setting strategies related to supply chain governance, sourcing, and overall ESG priorities.
Management Level	Sustainability Management Committee	Acts as the executive arm under the Strategy and Sustainable Development Committee. Formulates the vision, strategic direction, frameworks, guiding principles, and policies for supply chain and raw material management, as well as broader ESG topics. Ensures that supply chain and ESG risk management strategies are embedded in corporate decisions, investments, and daily operations.
Steering Group	Sustainability Department + Issue-Specific Leaders	Leads research and policy development, supporting the creation of evaluation frameworks for supply chain and procurement. Assists in ESG governance and strategy development. Coordinates DIR&O (Dependency, Impact, Risk, and Opportunity) assessments across departments to build a comprehensive risk management matrix.
Operational Level	Procurement Department	Responsible for the comprehensive coordination and management of key issues, including the implementation of strategies and policies, tracking of targets, advancement of innovative initiatives, supplier management, procurement execution, and related oversight.
	R&D Department	Conducts R&D activities based on market feedback and corporate planning, proposing corresponding procurement requirements.
	Quality Control Department	Monitors raw and auxiliary materials to ensure they meet internal quality standards and food safety regulations.
	Supply Chain Food Safety Management Department	Identifies potential food safety risks by referencing both domestic and international standards and regulations. Implements preventive measures to mitigate those risks. Leads third-party supplier audits to ensure objectivity and fairness in compliance evaluations.

Professional Competence

The Company's management team includes at least one member with a professional background in supply chain management, who has extensive experience in areas such as food production, procurement, and warehousing, ensuring the professionalism and operational feasibility of related decisions. The Issue Group Leader has over 15 years of practical experience in supply chain management, with deep insights into sustainable supply chain operations and safety governance, effectively driving the implementation of key issues and the continuous improvement of management effectiveness.

Reporting Mechanisms, Management Policies, and Decision-Making

The Company has developed and publicly released the *Supplier Code of Conduct*[1], which sets out standards for business conduct between the Company and its suppliers. It clearly defines principles for zero deforestation, sustainable agriculture, and sustainable procurement of key products such as soy, seafood, and palm oil, promoting more responsible sourcing and contributing to the establishment of a sustainable supply chain.

We continue to refine a series of frameworks, including the *Sustainable Procurement Management Guidelines*, *Supplier On-site Audit Process*, *Supplier Onboarding Process*, *Supplier Performance Management Process*, and *Haitian Holdings Supplier Quality Risk Management Guidelines*, actively implementing environmental, social, and ethical governance requirements for suppliers of different types. This has effectively reduced supplier-related risks and ensured the ongoing optimization and long-term stability of the supply chain system.

To ensure the supply chain system aligns with the sustainable development strategy, the Company has established a regular mechanism for issue reporting and review. The thematic group provides regular specialty reports to the designated supervisor of the Sustainable Development Management Committee on supply chain management and raw material procurement, ensuring supply chain stability and resilience through systematic oversight and guidance. For more detailed information on reporting frameworks, policies, and governance procedures, please refer to the "Sustainable Development Working Mechanism" section of this report.

Strategy

Risk and Mitigation

The Company's system identified potential risks within the supply chain and developed systematic risk mitigation plans accordingly. Through forward-looking planning and dynamic management, the supply chain is safeguarded for long-term stable and healthy operation.

Supply Chain-Related Risks and Mitigation Measures

Risk	Risk Description	Countermeasures
New Supplier Risk	New suppliers may lack proper qualifications, have weak internal management, or provide inconsistent material quality, potentially disrupting production and damaging the Company's reputation, resulting in revenue loss.	■ Establish a stringent supplier onboarding and evaluation framework, conducting multi-dimensional assessments of suppliers across qualifications, management practices, and material quality, while strengthening sample verification and trial evaluation mechanisms to ensure quality compliance and supply security for new suppliers.
Supplier Structure Risk	Over-reliance on single-source suppliers or unbalanced supplier distribution can lead to quality issues, supply disruptions, cost inflation, or pricing volatility, impacting procurement efficiency and production stability.	■ Establish a comprehensive end-to-end risk monitoring mechanism, conduct regular assessments of supply network health, and continuously implement network optimization, supplier categorisation, and dynamic quota management to build a long-term, sustainable supply assurance framework across quality, cost, and risk dimensions.

[1] *Supplier Code of Conduct of Foshan Haitian Flavouring and Food Company Ltd.* https://static.haday.com/zh-cn/img/pdf/supplier-ode-of-onduct.pdf

Risk	Risk Description	Countermeasures
Material Safety Risk	Inconsistent testing methods, sampling errors, supplier misconduct, or unfair industry practices may lead to product quality disputes, food fraud, or the use of illegal additives, causing reputational damage and financial loss.	• Establish a tiered risk monitoring and inspection assurance framework: based on annual risk assessments, materials are subject to graded management, with a combination of measures including surprise inspections, third-party testing, and ongoing monitoring. Simultaneously developing internal-specific testing methods and implementing raw material batch inspection plans, we strengthen the quality assurance framework from both standard consistency and process compliance perspectives.
Supply Disruption / Shortage Risk	Supplier capacity limitations, poor safety stock management, inaccurate demand planning, or quality issues upon receipt can lead to increased material costs, production stoppages, or delayed deliveries, impacting revenue.	• By implementing a combination of strategies including cross-regional inventory reallocation, development of backup suppliers, and dynamic inventory optimisation, we have enhanced the supply chain's responsiveness and resilience, systematically reducing the risk of supply disruption and ensuring continuous and stable production.
Delivery Delay Risk	Supplier delays, further impacted by logistics or weather conditions, can disrupt production schedules, increase costs, and reduce delivery reliability.	• Establish an emergency coordination mechanism with suppliers to address transportation risks such as extreme weather, proactively develop and test alternative solutions including land transport and optimised scheduling plans, and minimise impacts on supply chain stability through close communication and rapid decision-making.
Material Quality Risk	Weak supplier inspections or inadequate transport protection can result in substandard materials upon arrival, affecting production and delivery timelines, resulting in revenue loss.	• Establish a three-tier quality inspection system covering the entire process from delivery to warehousing and in-storage management. For non-conforming products identified, a tiered response mechanism is strictly initiated based on their food safety risk level; materials posing food safety hazards are firmly rejected. For non-food safety issues, a joint review is initiated by the quality control, process engineering, and production departments, conducting a comprehensive assessment of usage risks and mitigation strategies to achieve closed-loop management of quality risks. • Conducted on-site training initiatives targeting source quality improvement for outsourced materials, covering core or high-risk outsourced material suppliers. Issues identified on-site, including inadequate implementation of quality management processes and incomplete record-keeping, were addressed through formal documentation requiring suppliers to implement corrective actions.
Raw Material Price Volatility	Rising raw material prices drive up production costs for enterprises; fluctuations in raw material prices amplify the challenges of inventory management, and inaccurate forecasts of price trends may further escalate inventory-related expenses.	• Based on a comprehensive assessment of market trends and policy directions, the Company has strengthened feedforward control across dimensions including supply chain, inventory, cost, and price risk management, aiming to systematically enhance its resilience against raw material price volatility and ensure long-term stability and robustness in operations.
Raw Material Sustainability Risk	As capital markets intensify their scrutiny of nature-linked raw materials such as seafood and soybeans, enterprises face heightened requirements to implement traceability and certification management for these resources, necessitating additional investments that drive up operational costs.	• Leveraging a digital networking platform, we have established a traceability system covering the entire lifecycle of raw materials to enhance efficiency and control costs. A rigorous material onboarding standard is established and implemented in parallel, supported by a multi-dimensional quality verification mechanism. Preliminary sample testing and real-world scenario assessments are conducted to ensure the suitability and safety reliability of each batch of materials.
Local Market-specific Requirements	As we expand internationally, we are increasingly entering markets with specific requirements, such as halal certification. To meet these requirements, there will be a short-term increase in costs associated with supplier development and management. Potential regulatory fines may arise due to inadequate management, resulting in the release of affected products into the market.	• Accelerate the establishment of a supply chain system tailored to specific market requirements to ensure timely material delivery; enhance the quality risk management system for these specific requirements to guarantee material compliance; strengthen internal staff training to ensure that new requirements are effectively implemented at all operational levels.

Strategy Formulation

Haitian's Sustainable Procurement Strategy

Vision

To become a global leader in sustainable sourcing for the food and beverage industry, driving supply chain resilience, environmental friendliness, and social value through sustainable procurement to achieve multi-stakeholder benefits.

Strategic Pillar

Risk Governance and Supply Chain Resilience	Resource Sustainability and Nature Positive	Climate Action and Scope 3 Carbon Emission Reduction
Supplier Management, Raw Material Quality Management, Supply Chain Risk Management, Socially Responsible Procurement, Business Ethics Oversight	Deforestation-Free Procurement, Sustainable Agriculture, Sustainable Seafood, Green Packaging, Water Resource Protection	Scope 3 Carbon Management, Supplier Decarbonization, Green Logistics, Ocean Carbon Sinks, Agricultural Decarbonization

5F Principle

Health-friendly | Nature-friendly | Climate-friendly | Socially-friendly | Ethically-friendly

Haitian 5F Friendly Procurement Principles (The 5F Principles)

Centered on the five key Friendly dimensions, we integrate the concept of sustainable development comprehensively into our procurement decisions, working together with our suppliers to co-create a responsible and sustainable supply chain future.

01 Health-friendly

Safeguarding consumer health and well-being from the source, ensuring every delivery is worthy of trust.

02 Nature-friendly

Respecting natural boundaries, acting as a steadfast guardian of ecological protection and resource conservation throughout the supply chain.

03 Climate-friendly

Actively responding to climate change and promoting carbon reduction within the supply chain, collaborating with suppliers to move towards a low-carbon future.

04 Socially-friendly

Respecting and protecting the legitimate rights and interests of every worker in the supply chain, jointly fostering community prosperity.

05 Ethically-friendly

Upholding high standards of business ethics, working with partners to build a cornerstone of integrity in business operations.

Improvement Initiative Strategies

To advance its sustainable procurement strategy, Haitian has closely aligned its procurement processes with three strategic pillars, systematically implementing a series of targeted improvement initiatives to ensure the successful delivery of key actions. Includes supplier management, traceability management, and supply chain risk management under the 'Risk Governance and Supply Chain Resilience' strategy, and zero deforestation procurement, sustainable agriculture, and sustainable seafood under the 'Resource Sustainability and Nature Positive' strategy.

Supplier Management

The Company establishes stringent institutional controls to reinforce supplier onboarding standards, leverages data-driven management to enable full-chain quality traceability, and employs dynamic performance evaluations to drive corrective actions or exit decisions for suppliers. Through in-depth engagement with partners, the Company continuously strengthens industrial collaboration.

Supplier Onboarding

- We conduct comprehensive assessments of potential suppliers across multiple dimensions, including product quality and safety, sustainable procurement, business ethics, environmental and social responsibility. Through background checks, capability reviews, on-site inspections, and sample testing, we place particular emphasis on their performance in labour compliance, health and safety, environmental protection, ethical business practices, and anti-corruption, ensuring they possess the qualifications and commitment to jointly achieve sustainable development with Haitian.

Supplier Management - Institutional Controls

- We have developed the *Supplier Code of Conduct* and prominently promoted it on the Company's official website and in annual contracts, clearly outlining suppliers' professional management and qualification requirements across food quality and safety, sustainable products, health and safety certifications, product carbon footprint, and environmental compliance. This initiative enhances suppliers' understanding of ESG requirements, laying a solid foundation for the Company's implementation of ESG principles.
- At the same time, the Company has incorporated key requirements relating to integrity risk prevention, joint development of integrity systems, production process management, and supply security assurance into the standard terms of the *Annual General Procurement Contract*.
- Haitian requires its key suppliers to obtain ESG management system certifications, including ISO 14001, Food Safety System Certification (FSSC 22000), ISO 50001 Energy Management System certification, and Forest Stewardship Council (FSC) certification, among others.

Supplier Management - Data-driven Management

- We have established a centralised supplier and material resource data centre based on the SRM system, upgrading order forecasting, inventory management, model-based pricing, and automated quota allocation. This enables real-time monitoring across the entire supplier lifecycle—from onboarding to offboarding—ensuring compliance and reliability in supply chain operations. By 2025, the Company completed the upgrade of its TMS system architecture, significantly enhancing the digital management level of logistics systems across the supply chain.

Supplier Assessment

- The Company has established a regular supplier performance evaluation mechanism, using comprehensive assessments on a quarterly and annual basis, integrating operational performance and quality outcomes to consistently guide suppliers in improving their management practices. At the same time, we have explicitly incorporated sustainability requirements into our evaluation framework, providing additional incentives and bonus points to suppliers that hold ESG certification or demonstrate outstanding performance in ESG management.
- Prioritise suppliers with superior environmental performance, such as those holding ESG certifications or demonstrating significant achievements in sustainability initiatives related to climate change mitigation, water resource management, and biodiversity conservation, which may directly result in additional points in performance evaluations.

Supplier Remediation and Exit

- The decision to exit suppliers is made in response to evolving business needs and risk assessments. The Company reduces procurement volumes or suspends supply from suppliers that underperform in collaboration, and requires them to implement corrective actions. Suppliers found to have integrity issues, involved in safety incidents, or engaged in illegal and non-compliant operations will be subject to a permanent exit mechanism.

Supplier Collaboration and Engagement

- We place great importance on communication and engagement with suppliers, conveying ESG management requirements and principles to upstream suppliers through multiple channels.
- We provide supplier support through technical assistance and other measures, helping suppliers enhance their competitiveness in low-carbon development and promoting collaborative and sustainable growth across the upstream and downstream supply chain.
- The Company identifies ESG improvement opportunities at the source and collaborates through internal and external joint initiatives to jointly build a green and low-carbon supply chain, such as GAP certification for chili cultivation, standardisation of oyster meat processing facilities (contributing to enhanced employee satisfaction and improved product quality consistency), and sustainable agriculture certification for soybeans.

Case: Establishment of the 'Carbon Pathfinders Green Chain Alliance'

To jointly advance the sustainability performance of the entire supply chain, the 'Carbon Pathfinders Green Chain Alliance', initiated by Haitian, was officially established on July 18, 2025, at Haitian's Gaoming production base in Foshan City. It has become the first green alliance organization covering the full value chain of the condiment industry. On its establishment day, 25 upstream and downstream industry partners—including 15 original packaging material suppliers with relatively strong green performance, Jimei University, the Guangzhou Institute of Energy Research of the Chinese Academy of Sciences, and other third-party research institutions—actively responded to the 'Dual Carbon' initiative and joined the alliance. On the day of its establishment, the logistics company operated under Haitian had already deployed a total of 45 new-energy heavy-duty trucks to support a greener supply chain and logistics system for Haitian The alliance will continue to mobilise industry-wide collaboration, jointly building an open and mutually beneficial green ecosystem, and advancing the sustainable development of the condiment industry to a higher level.

Launch of the 'Carbon Pathfinders Green Chain Alliance'

The Company places great importance on communication with supplier partners regarding sustainable development, having conducted multiple targeted training sessions on sustainability-related themes, covering carbon management, water resource management, environmental compliance, product safety and quality, sustainable agriculture, labour rights, and business ethics, with the aim of extending Haitian's sustainability principles across the entire supply chain.

Key Focus Areas for Supplier Training in 2025

- In advancing supplier decarbonisation, the Company actively encourages suppliers to continuously reduce product carbon footprints, promoting climate action across the Haitian supply chain. In October 2025, to advance the first round of carbon footprint verification for Haikuan raw material products among suppliers, we conducted a specialised training session on 'Carbon Reduction Awareness and Product Carbon Footprint Accounting'. The session covered guidance on completing the 'Haikuan Supplier Product Carbon Footprint Verification Form' and the communication of Haikuan's carbon management policy. The number of participating suppliers covers approximately 70% of the core suppliers involved in Scope 3 carbon management. We conducted on-site carbon reduction empowerment training at five packaging material supplier factories.
- The Company has organised multiple training sessions to enhance product quality. In September 2025, the Company conducted training for its original packaging material suppliers on producer management requirements, covering aspects such as product quality and environmental compliance, achieving 100% coverage among key suppliers. At the same time, the Company conducted training for four chili pepper suppliers on management requirements and operational standards across the entire supply chain, from cultivation through harvesting to logistics and warehousing, in order to enhance the quality and consistency of agricultural raw materials.
- In environmental compliance management, in November 2025, to promote suppliers' awareness and capability in environmental compliance, the Company collaborated with the Institute of Public and Environmental Affairs (IPE) to invite core suppliers to participate in a specialised training programme on environmental compliance. More than 110 suppliers participated in online training.
- In the context of sustainable agriculture, the Company focuses on collaborating with suppliers to promote climate, environment and nature-friendly agricultural practices within the upstream supply chain of Haitian. In November 2025, to advance the first sustainable soybean farming certification initiative by Haitian, we conducted FSA system training for soybean cultivation suppliers, promoting sustainable farming practices including reduced use of fertilisers and pesticides, as well as water conservation.
- In the area of business ethics governance, in September 2025, the Company issued the *2025 Credit Survey* to core suppliers. Over 130 suppliers responded with evaluations of Haitian and suggestions for collaboration. The Company has further refined its business ethics governance framework based on the survey findings.

Zero Deforestation Procurement

Deforestation-Free and Zero Land Conversion Sourcing

The Company upholds sustainable principles in its procurement processes, and for key raw materials such as soybeans, beef, and paper—where there is a risk of deforestation or land conversion—strictly complies with forest protection laws and regulations applicable in the relevant business locations. The Company has conducted risk identification, assessment, and mitigation in accordance with the requirements of the *EU Deforestation Regulation*, tailored to its business operations, to ensure supply chain compliance and sustainability. At the same time, we are actively promoting the procurement of sustainably certified raw materials, prioritising suppliers with FSC[1] forest certification, advancing the use of recycled wood products, and systematically enhancing the recycling and reuse rates of paper-based packaging.

Soy Sourcing

The Company conducts systematic risk identification in soy-producing regions and prioritises collaboration with suppliers that commit to no deforestation, no peatland conversion, the protection of labour rights, and the fulfilment of carbon reduction responsibilities.

Palm Oil Sourcing

During the reporting period, the Company did not procure or use raw materials related to palm oil. Should palm oil be procured in the future, the Company will adhere to the 'no deforestation' principle for sustainable palm oil sourcing. In addition, we will continue to monitor potential risks related to palm oil introduction in suppliers' production processes and conduct regular reviews.

Traceability Management

This year, the Company has continued to strengthen raw material traceability management. Through the SRM system, a geographical origin registration platform has been established, requiring suppliers and manufacturers to record processing locations and raw material origins. By leveraging COA (Certificate of Analysis) reports, the origin of each batch of raw materials can be traced to the district or county level, covering core raw materials. Meanwhile, the Company drives the establishment of certification systems including organic certification, FSA certification, and GAP certification, enhancing traceability of key raw materials to specific cultivation plots, thereby improving supply chain transparency and controllability.

Case Oyster Origin Traceability Initiative

To enhance transparency across the Company's supply chain, in October 2025, a 'Quality Traceability Group' composed of media representatives and consumer advocates from multiple mainstream outlets nationwide visited the fresh oyster farming and primary processing sites in Fujian Haisheng. The Company has collaborated with suppliers to establish tens of thousands of acres of high-standard marine ranches, adopting a 'cooperative demonstration and chain-cluster driving' model, along with favorable aquaculture environments, pristine natural waters, and scientifically managed practices, enabling end-to-end quality control of oysters sourced from the very beginning. This event enabled the public to gain a clear, firsthand understanding of the Company's end-to-end quality control system, spanning from ocean to table.

[1] FSC (Forest Stewardship Council) is an international organization dedicated to promoting sustainable forest management. Through its certification of forest management practices and timber products, FSC encourages businesses to adopt sustainable forestry models that protect biodiversity and safeguard the rights and interests of forest-dependent communities.

Sustainable Agriculture

In 2025, we advanced multiple sustainable agriculture initiatives in collaboration with our suppliers, including launching the first soybean FSA certification project, promoting water-saving drip irrigation technologies in chili cultivation, partnering on chili desert farming to enhance land utilisation and ecological restoration, and continuously expanding the procurement scale of sustainably certified raw materials, including organic and GAP-certified ingredients.

Sustainable Seafood

With regard to seafood procurement, we consistently uphold our commitment not to source any threatened or protected marine species, and strictly comply with statutory requirements set by government authorities, including catch size limits. In our supplier onboarding framework, sustainable seafood certification has been established as a key criterion, with priority given to raw materials sourced from suppliers certified by authoritative bodies such as the Marine Stewardship Council and the Aquaculture Stewardship Council. At the same time, we are actively collaborating with third-party professional organisations to advance product certification initiatives, continuously increasing the procurement volume of certified organic seafood, and systematically enhancing its proportion within our raw material mix. In 2025, the Company advanced the procurement of sustainably certified oysters, supporting marine ecosystem conservation in oyster-producing regions.

Risk Management

Methods and Approaches

For detailed information on Haitian's methods and approaches to managing supply chain and raw material sourcing risks, please refer to the "Risk Management" section within the report "Robust Governance, Safeguarding a Century-Long Legacy".

Management Processes

Haitian adopts a preventive risk control and full-cycle management approach, proactively identifying and continuously monitoring potential supply chain risks through early warning systems and systematic interventions, promptly developing and implementing mitigation measures to ensure the stability and reliability of supply chain operations, and continuously enhancing its resilience to risks. Meanwhile, the Company collaborates with third-party platforms to monitor in real time any breaches of business ethics—such as integrity in operations and legal disputes—by suppliers. Where violations are identified, corrective actions are promptly urged, or measures such as restrictions or removal are implemented.

The Company has established and refined a supplier risk categorization system, classifying suppliers into low, medium, and high risk categories, and implementing differentiated dynamic management. For suppliers classified as high-risk, the Company increases the frequency and depth of on-site audits to strengthen risk management. In 2025, the Company completed on-site comprehensive assessments of 89 suppliers, covering areas such as business ethics, food safety quality, environmental responsibility, and social accountability. Suppliers failing to pass the assessments were required to implement corrective actions; those not completing the necessary improvements may face exclusion or restrictions on supply.

The Company has initiated a dedicated supplier audit program, within which ESG evaluation criteria are explicitly integrated. Suppliers demonstrating strong performance will receive favorable scores, enhancing their prospects for approval and opportunities for deeper collaboration.

Prioritization and Integration into Internal Processes

For further information on how supply chain risk management is prioritized and embedded into internal workflows, please refer to the "Risk Management" section within the report "Robust Governance, Safeguarding a Century-Long Legacy".

Metrics and Targets

To build a stable and sustainable supply chain ecosystem, Haitian actively promotes and supports key suppliers in achieving third-party certification, and enhances the overall capability of the supply chain through regular communication and collaborative mechanisms. Meanwhile, the Company has established a transparent traceability mechanism from source to finished product, promoting deep collaboration among all supply chain partners in the areas of compliance, quality, and responsibility.

Target Tracking, Evaluation, and Review

The Company establishes clear and measurable performance indicators for key stages within the supply chain, and cascades annual targets to relevant departments, specifying work responsibilities, monitoring frequency, and evaluation methods. This mechanism directly links supply chain performance with departmental evaluations, establishing a closed-loop management system through quarterly reviews, annual assessments, and continuous optimization, driving dynamic improvement and sustained enhancement of the supply chain management system.

Objective

Targets	Key Performance Metrics	2025 Target	Progress in 2025	Progress Status	Medium-term (2030)
Goal 1: Sustainable Soybean Sourcing	Proportion of sustainably sourced soybeans	We are advancing the sustainable agriculture certification of soy raw materials through the first phase.	We have facilitated the completion of the FSA certification program for the first batch of soybean farming operations.	Achieved	Advance regenerative agriculture for sustainable soybean sourcing
Goal 2: Sustainable Seafood Sourcing	Percentage of seafood traceable to district/county-level marine areas	>92%	99.7%.	Achieved	100%
Goal 3: Sustainable Palm Oil Sourcing	Proportion of non-sustainably certified palm oil used	Maintain zero use of non-sustainably certified palm oil	0 (No palm oil was procured in 2025)	Achieved	Maintain zero use of non-sustainably certified palm oil

Metrics

We continuously track performance indicators related to supply chain management and raw material procurement to drive progress toward our goals. For additional indicators, please refer to the appendix titled "Annual Key Performance Table."

Indicators	Unit	Statistics in 2025
Percentage of suppliers with integrity cooperation requirements imposed	%	100
Corrective action implementation rate for non-compliant suppliers	%	100

Indicators	Unit	Statistics in 2025
Percentage of seafood traceable to the farm level	%	64.78
The proportion of seafood raw materials (oysters) that are traceable to processing facilities	%	100

Annual Key Performance

- Supplier Certifications: In 2025, among Haitian's raw material suppliers, certified under British Retail Consortium Certification (BRC) 52 suppliers, certified under Food Safety System Certification 22000 (FSSC 22000) 125 suppliers, certified under ISO 22000 standards 214 suppliers, certified under ISO 9001 standards 856 suppliers, certified under ISO 14001 standards 570 suppliers, certified under ISO 45001 standards 485 suppliers.
- Supplier Audits: In 2025, a total of 165 key suppliers were audited. Among them, 159 passed the audit directly, 6 passed after implementing corrective actions, and zero suppliers failed the audit resulting in suspension of cooperation.
- Supplier Training: In 2025, over eight supplier training sessions were conducted, covering topics including carbon management, water resource management, environmental compliance, product safety and quality, sustainable agriculture, labour rights, and business ethics. The training coverage for core raw material suppliers reached 100%.

In 2025

Supplier training sessions were conducted

8

The training coverage for core raw material suppliers reached

100%

04

Caring for Society and Delivering Warmth and Care

Haitian has consistently upheld the "Three Hearts" philosophy of conscience, compassion, and responsibility, integrating social responsibility into the daily operations of its enterprise development. We contribute to rural revitalization, extend warmth to vulnerable groups, and support educational initiatives through concrete actions, demonstrating our commitment to corporate social responsibility, mission-driven leadership, and societal value.

- Revitalizing Fertile Fields and Building Harmonious, Beautiful Rural Communities
  ——Rural Revitalization
- Acts of Kindness Come Together, Spreading Warmth and Care
  ——Social Responsibility

Revitalizing Fertile Fields and Building Harmonious, Beautiful Rural Communities

Rural Revitalization

The key raw materials for Haitian's major products come from the fields, and the Company consistently strives to give back to rural communities through its actions. Haitian actively responds to China's rural revitalization strategy by launching diverse public welfare initiatives, including village partnership assistance program, educational support, and industrial and employment development programs, comprehensively advancing the implementation of rural revitalization efforts. We are committed to building on the foundation of rural industrial development, comprehensively enhancing the quality of rural revitalization projects, and ensuring that the outcomes of rural development are shared inclusively and sustainably.

Annual Key Performance

Haitian and Kangze Foundation (Kangze Foundation, short for "Foshan Kangze Charity Foundation", was established in December 2020 by Mr. Pang Kang and Haitian Group as a national non-public foundation).

In 2025

Haitian and Kangze Foundation invested over

RMB **7.2** million

in rural revitalization initiatives

As of 2025

The initiatives undertaken by Haitian and Kangze Foundation in rural revitalization have benefited over

2.40 million people

Village Partnership Assistance Program

As a "responsibility bridge" connecting enterprises and rural communities, the village partnership assistance program represents Haitian's key practice in operationalizing social responsibility and providing fresh momentum into rural revitalization. For many years, Haitian has consistently pursued targeted village partnership pairing, establishing long-term cooperation mechanisms around core areas such as rural road infrastructure, industrial development, and livelihood improvement. By channeling resources downward, co-building of capabilities, and joint promotion of projects, Haitian has activated the internal development momentum of partnered villages, crafting a new vision of "enterprise-village collaboration, jointly advancing revitalization". This practical action contributes to the realization of common prosperity and sustainable development goals.

Case: Deepening Partnership Assistance Initiatives to Support Rural Revitalization

We are committed to fulfilling our social responsibility through the in-depth implementation of village partnership assistance program initiatives. In 2025, the Haitian·Kangze Foundation continued to advance multiple village partnership: the partnership project we have been implementing in Jie Ni Village, a former deeply impoverished village in Qiandongnan Prefecture, enters its fifth year, having helped construct 2 additional farm access roads (bringing the total to 7), significantly improving local residents' farming conditions, benefiting approximately 1,500 people; we assisted Bayhe Village in Yunfu City with the hard-surfacing of rural road sections, enhancing daily travel and agricultural product transportation for about 500 nearby residents; we supported the upgrading of the "Red Street Zone" in Xiaodong Village, Foshan City, helping establish a red-themed area integrating study tours, commerce, and recreation, further strengthening the local collective economy, benefiting around 2,800 people.

Rural road hardening project in Bahu Village, Yunfu City

Renovation and Upgrade of Xiaodong Village's Red Cultural District

Education Support Initiatives

Education is a spark that illuminates the future of rural areas and a pivotal lever for activating their internal driving forces. Haitian has deepened its commitment to education support, focusing on key areas such as "assistance for disadvantaged students" and "enhancement of educational facilities", implementing tailored initiatives across multiple regions: launching the "Caring Scholarship Program" in Shibing County, Qiandongnan Prefecture, Guizhou Province, to improve living and learning environment of underprivileged students and support local educational advancement; advancing a grain and oil support project in Gaoming District, Foshan City, Guangdong Province, to help improve dietary conditions for rural students and effectively safeguard the food health of both teachers and students. We support the dreams of rural students through diverse initiatives, providing sustainable momentum into equitable education development.

Annual Key Performance

As of 2025

As of 2025, Haitian and Kangze Foundation have cumulatively invested over

RMB **22.59** million

in educational causes

Case **Supporting Student Development and Safeguarding a Better Future**

We continue to monitor and are committed to improving the learning and living conditions of students facing difficulties. In August 2025, Haitian and Kangze Foundation jointly organized the "Supporting Dreams, Seeing the Future" public welfare study tour for students from Shibing County, Qiannan Prefecture, Guizhou Province, enabling 35 local students to visit prestigious universities, experience the low-altitude economy, and engage with intelligent technologies and big data—providing them with valuable opportunities to broaden their horizons and cultivate ambitious aspirations.

"Supporting Dreams, Seeing the Future" Public Welfare Study Tour Program for Students from Shiping County, Qiandongnan Prefecture, Guizhou Province

Industrial and Employment Support

Haitian adopts a targeted procurement model for agricultural products, actively coordinating and optimizing related transportation resources to help establish stable sales channels for upstream agricultural producers. This approach aims to increase per capita income for farmers and breeders while providing stable employment opportunities in rural areas, contributing to the shared prosperity and sustainable development goals.

Case **Targeted Procurement Drives Increased Production and Income for Farmers**

In 2025, Daidaitian Company signed production and sales cooperation agreements with farmers located near its manufacturing facilities, contributing to total income increases of RMB 9.57 million for over 3,200 local farming households. Jiaxing facility has signed purchase orders with local agricultural professional cooperatives in Shandong, driving a combined income increase of over RMB 1.8 million for approximately 600 farming households.

Case **Engaging in the Procurement of Rural Revitalization Agricultural Products to Promote Local Economic Development**

In 2025, the Company actively fulfills its social responsibilities by sourcing agricultural products from remote regions, supporting local economic development. In specialty shiitake mushroom production areas such as Xixia and Shiyan, we have carried out dried shiitake storage and collection operations, cumulatively driving employment for over 2,000 people throughout the year; in Northeast China, we have adopted multiple acquisition models for soybeans, effectively promoting income growth among local farmers. In 2025, the Company supported local rural revitalization efforts by sourcing raw materials such as soybeans, chili peppers, and mushrooms from remote impoverished areas, directly benefiting over 30,000 individuals.

Case **Implement Employment Support to Promote Stable Job Placement and Income Growth for Individuals Lifted Out of Poverty**

Haitian actively implements various policy measures, providing comprehensive employment support and assistance to disadvantaged groups, and supports rural revitalization through concrete actions. In 2025, Gaoming facility continued to actively recruit individuals who have been lifted out of poverty, providing them with skills training, competitive compensation, and diverse benefits to help achieve stable employment, contributing to social harmony and stability.

Acts of Kindness Come Together, Spreading Warmth and Care

Social Responsibility

While dedicated to delivering nutritious products and ensuring the quality of daily meals, Haitian consistently regards social responsibility as an inherent part of its corporate development. Through various initiatives such as volunteer services, material donations, public welfare education support, and disaster relief, the Company extends warmth and care to those in need, using philanthropic actions to help them move toward a better life. The donation activities of Haitian and Kangze Foundation strictly comply with relevant laws, regulations, and internal management systems such as the *Haitian Donation Management Regulations*, ensuring the standardization and transparency of funding use in public welfare projects and volunteer activities, so that every act of kindness can reach its intended destination and every gesture of care can be effectively realized.

Annual Key Performance

In 2025

The Haitian · Kangze Foundation made external donations[1]
RMB **16.95** million

Benefiting over
4.35 million individuals

Volunteer Service

Haitian · Kangze Foundation established the Haitian Volunteer Service Team, whose activities cover public education on food safety and health, eldercare support, ecological conservation, and assistance to vulnerable groups, aiming to promote the spirit of volunteerism and spread social warmth. In 2025, the Haitian Volunteer Service Team conducted volunteer activities involving 361 person-times, with a total service duration of 1,150 hours, providing cumulative support to over 112,000 individuals from vulnerable social groups and the general public.

Case **Actively Participate in Blood Donation, a Simple Act That Saves Lives**

Haitian has consistently encouraged health-eligible employees to actively participate in voluntary blood donation initiatives. In 2025, over 80 Haitian employees contributed a total of more than 25,000 milliliters of blood through voluntary donations. This life-saving effort, which leverages renewable blood resources to preserve irreplaceable lives, exemplifies the employees' enthusiasm for public welfare and dedication to societal service, thereby spreading positive social energy. In recognition of its contributions to unpaid blood donation, Haitian has been awarded the "Blood Donation Promotion Award" for multiple consecutive years by the Foshan Municipal Health Bureau and the Foshan Red Cross.

[1] For donations made in currencies other than RMB, the amount shall be converted into RMB at the exchange rate applicable at the time of donation.

Case: "Love in Step: Passing on the Spark of Strength" Micro-Wishes Donation Initiative

In March 2025, the Haitian Trade Union, in collaboration with the Kangze Foundation, launched the Love in Step: Passing on the Spark of Strength public welfare campaign to fulfill "Micro-Wishes" through donations. The initiative partnered with social work agencies in Gaoming District and Chancheng District of Foshan City to precisely collect "Micro-Wishes" from women and children in vulnerable circumstances. Haitian employees responded enthusiastically, successfully fulfilling 60 "Micro-Wishes" by donating school supplies, daily necessities, and sports and cultural materials, thereby delivering tangible care and warming the lives of disadvantaged groups through concrete actions. For years, Haitian employees have remained steadfast in their commitment to public welfare. Beyond supporting women and children in need, they have actively participated in initiatives to assist people with disabilities by purchasing handcrafted products, helping improve their incomes and enhance social recognition. Through sustained acts of kindness, Haitian continues to extend compassion and ensure the enduring transmission of warmth.

Community Care

Haitian has delivered care and warmth to community residents through diverse public welfare initiatives, spreading positive energy through consistent efforts and contributing to harmonious community development.

Case: "Haitian · Love in Step" — Heavenly Conducts Double Ninth Festival Elderly Care Activities in Six Cities

On the occasion of the 2025 Double Ninth Festival, Haitian organized elderly care initiatives across multiple cities, including Weihai City in Shandong Province, Nanning City in Guangxi Zhuang Autonomous Region, Guiyang City in Guizhou Province, Kunming City in Yunnan Province, Wuhan City in Hubei Province, and Foshan City in Guangdong Province. These activities, conducted in collaboration with local nursing homes and communities, focused on creating a warm and joyful festive atmosphere for senior citizens. Haitian volunteers prepared nutritious meals, dined and engaged in conversations with the elderly, and assisted with household cleaning tasks. Additionally, they inspected kitchen seasonings and food supplies for improper storage, expiration, or spoilage, while educating seniors on food safety practices. The initiatives also included health-conscious dietary guidance sessions, aiming to promote wellness awareness and improve quality of life for older adults. Through these community service activities, Haitian reaffirmed its ongoing commitment to social responsibility, demonstrating care for the aging population and fostering a culture of respect and support for senior citizens.

Double Ninth Festival Elderly Care Activities

Case: School-Enterprise Collaboration, Charitable Sale to Support Vulnerable Community Members

In April 2025, the Haitian and Kangze Charity Foundation jointly organized a charity bazaar event with the Party Committee of Foshan No.1 High School and the Party Committee of Wenbei Community, Zucheng Subdistrict. This marks the third consecutive year we have hosted this series of activities, attracting over 2,000 students and teachers. The charity sale event provides adolescents with an engaging moral education practice session, and the proceeds are expected to benefit approximately 100 individuals from disadvantaged groups within the community.

Youth Support

Haitian is committed to the healthy growth of young people, leveraging its expertise in food nutrition and health to support the rural compulsory education student nutrition improvement public welfare program and launch the "Little Pink Cap" series of public welfare products, contributing to addressing childhood iron-deficiency anemia.

Case: Little Pink Cap, Specially Formulated for Love; Haitian Supports Improving Children's Iron Deficiency Anemia

Since 2023, Haitian has partnered with Kangze Foundation to launch the "Adding Iron to Nutrition" initiative, donating supplies to over 1,000 schools nationwide to support the healthy development of students in economically underdeveloped regions. Building upon the success of this program, in 2025, Haitian introduced the "'Little Pink Cap - Specially Formulated for Love Charity Program". The program continued to raise awareness among residents regarding iron deficiency anemia and aims to improve childhood iron deficiency anemia. As of 2025, the program has benefited over 760,000 individuals across 1,555 schools in 16 provinces and 28 counties. Through sustained efforts, Haitian continues to demonstrate its commitment to public welfare, leveraging targeted interventions to improve health outcomes and empower vulnerable populations.

Little Pink Lid · Specially Formulated for Love Charity Initiative

Little Pink Cap Collaborates with CCTV News to Promote Nutrition and Health Awareness

Haitian launched the "Little Pink Cap Donation Initiative", committing to donate RMB 1 for every bottle sold of this product line. As of 2025, Haitian has mobilized a total of 3.04 million consumers to transform their purchasing behaviors into donation actions, enabling lightweight participation in public welfare and transforming everyday consumption into a sustainable force for public good.

To further expand the reach of nutrition and health education, Haitian's "Little Pink Cap" product was featured on CCTV News' live broadcast program. On the day of the broadcast, the program achieved over 10.52 million views across platforms. The campaign hashtag #EverySmallNeedForDeliciousnessDeservesAttention# garnered over 100 million views, effectively embedding key nutritional topics—such as iron supplementation, salt reduction, gluten-free diets, and sugar control—into public consciousness through an engaging and relatable approach. This remarkable achievement underscores Haitian's commitment to leveraging innovative strategies to address societal challenges while fostering widespread awareness and actionable change.

Case: Supporting the Renewal of Educational Equipment and Caring for Youth Development

In June 2025, the Haitian·Kangze Foundation launched a volunteer initiative to upgrade teaching equipment. The Haitian·Kangze Foundation volunteers collaborated with school faculty and students to install new desks, chairs, and all-in-one touchscreens in bright, well-organized classrooms. This initiative addressed safety hazards caused by aging teaching equipment that disrupted educational activities, directly benefiting approximately 550 teachers and students. By modernizing infrastructure, the project contributed to an improved learning environment and enhanced the quality of education.

"Renewing Desks, Building Futures" Desk and Chair Donation and Volunteer Activity

Ecological Conservation

Ecological conservation is the green foundation for safeguarding Earth's life network and sustaining human long-term development. Haitian fulfills its ecological conservation responsibility through public welfare initiatives, supporting natural restoration via a series of afforestation activities that enhance carbon sequestration and greening, as well as targeted river cleanup efforts to rehabilitate aquatic ecosystems, thereby encouraging public participation in ecological protection.

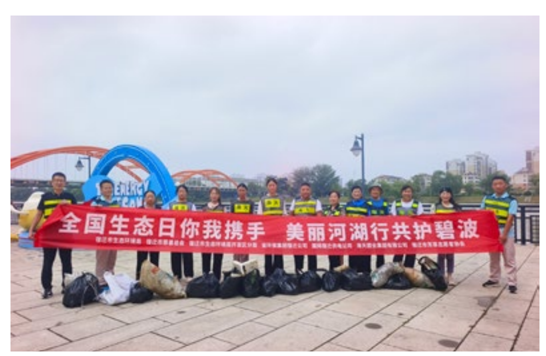
Case: Planting Green, Cultivating the Future

In March 2025, on the occasion of the 47th National Tree Planting Day, the Haitian·Kangze Foundation in collaboration with the Yanghe Forestry Development Center of Foshan City and other organizations, launched the "Planting Green, Cultivating the Future" afforestation initiative at the "Haitian Forest" in Zhaomu Mountain. Over 60 Haitian volunteers jointly planted 100 persimmon saplings, demonstrating their commitment to the concept that "green waters and lush mountains are invaluable assets." This initiative actively contributes to enhancing regional carbon sequestration capacity and injecting sustainable green momentum into rural revitalization.

Located near the Zhaomu Mountain scenic area, the "Haitian Forest" is a 60-mu corporate demonstration forest established in 2024 through donations by the Haitian·Kangze Foundation. Centered on the strategy of "replacing eucalyptus with persimmon trees," the project promotes a distinctive forest-based industry integrating ecology, scenic value, and economic benefits. This forest not only embodies Haitian Flavoring's vision for a sustainable future but also holds potential to generate income for local farmers through downstream activities such as persimmon processing and eco-tourism, effectively transforming "ecological greenery" into "economic prosperity."

Case: Conducting Ecological Awareness and Cleanup Initiatives Along the Canal to Support Environmental Improvement

On August 14, 2025, Jiangsu Haitian[1] participated in the environmental public awareness activity organized by Suqian City for National Ecological Day. In collaboration with the city's Bureau of Ecology and Environment and other stakeholders, the Company distributed nearly 1,000 promotional brochures along the scenic walkway of the Beijing-Hangzhou Grand Canal. Together with more than 40 volunteers, Haitian Vinegar staff actively collected litter and cleaned the riverbank, taking concrete actions to enhance the ecological health of the canal. The initiative not only enhances Suqian's ecological profile but also drives the transformation of 'environmental protection' from a slogan into daily practice, sowing seeds for widespread community stewardship of rivers, lakes, and green spaces, and helping every river sustainably regain vitality.



Themed event on "Protecting Water Resources, Safeguarding Biodiversity"

[1] During the reporting period, *Haitian Vinegar Industry Group Co., Ltd. was renamed to Haitian (Jiangsu) Flavoring Food Co., Ltd.*

Disaster Relief

Disasters are merciless, but humanity has compassion. In response to disasters, Haitian promptly activated its emergency response, delivering critical supplies and assistance to affected areas, helping communities overcome challenges and rebuild their homes.

Case: Coordinating Donations from Charitable Organizations to Support Disaster-Affected Communities in Rebuilding Their Homes

In 2025, he Haitian·Kangze Foundation promptly extended assistance to multiple major disaster-stricken regions, allocating over RMB 9.2 million in relief supplies and funds. This initiative ensured access to essential daily necessities for approximately 80,000 individuals affected by disasters, supporting them through challenging times. Demonstrating its commitment to social responsibility, Haitian continues to prioritize emergency response and community resilience-building efforts.

2025 Honorary Awards List

Recipient	Award	Awarding Body
Foshan Haitian Flavouring and Food Company Ltd.	Guangdong Province Brightness Initiative Contribution Award	The Communist Party of China Guangdong Provincial Committee and the Guangdong Provincial People's Government
Foshan Haitian Flavouring and Food Company Ltd.	Silver Cup of the Guangdong Red Cotton Cup for Poverty Alleviation and Relief, 2024	The Rural Work Leading Group of the Communist Party of China Guangdong Provincial Committee
Haitian · Kangze Foundation	Green and Beautiful Village Co-construction Unit	Guangdong Province Rural Revitalization Foundation
Haitian · Kangze Foundation	Outstanding Contribution Award for the 2024 '6.30' Initiative to Support Rural Revitalization	Foshan Municipal Party Committee Rural Work Leading Group
Haitian · Kangze Foundation	Illuminating the light of hope with love and warming the world with kindness	Hecheng Subdistrict Social Work Service Station, Gaoming District, Foshan City
Foshan Haitian Flavouring and Food Company Ltd.	Philanthropic Enterprise	Doxin Experimental School, Hecheng Subdistrict, Gaoming District, Foshan City

05

Robust Governance, Safeguarding a Century-long Legacy

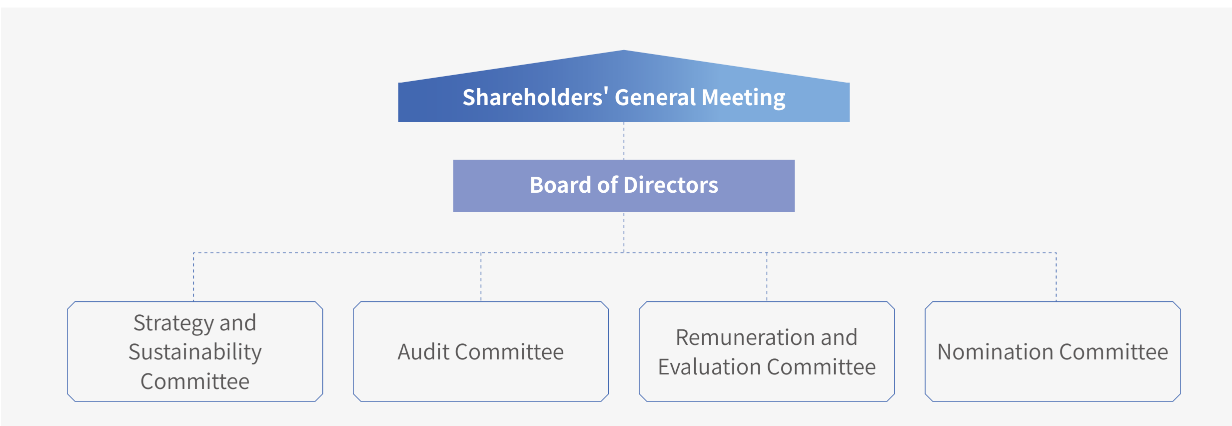
Haitian fully recognizes that sound and robust corporate governance is fundamental to the Company's long-term sustainable development. We are guided by high standards in governance, continuously enhancing our governance structure and institutional framework, strengthening capabilities in risk identification, management, and internal control, strictly adhering to business ethics and compliance principles, steadily reinforcing the foundation of governance, ensuring sound and orderly operation of management and operations, and consistently creating long-term value for shareholders, investors, and all stakeholders.

- Strengthen Governance and Reinforce the Governance System
  ——Corporate Governance
- Promoting Value Sharing to Strengthen Investment Trust
  ——Investor Communication and Returns
- Risk Control as the Priority, Strengthening Internal Control Safeguards
  ——Risk Management and Internal Control
- Conduct Business with Integrity and Uphold Ethical Standards
  ——Business Ethics

Strengthen Governance and Reinforce the Governance System

Corporate Governance[1]

The Company regards the strengthening of its governance framework as a key enabler for advancing its sustainability strategy and enhancing ESG management performance. In strict compliance with laws and regulations such as the *Company Law*, the *Securities Law*, we continuously align with the governance requirements set forth by the regulatory authorities in the jurisdiction where our shares are listed. We are further enhancing our governance framework and operational mechanisms, refining the structure and delineation of responsibilities within the Shareholders' General Meeting, Board of Directors, and specialized committees of the Board, strengthening oversight, checks and balances, and compliance management. This ensures the protection of the legitimate rights and interests of the Company, shareholders, creditors, and other stakeholders, laying a solid foundation for sound operations and long-term value creation.



Corporate governance structure

Shareholders and the General Meetings

In strict accordance with the *Company Law*, the *Articles of Incorporation*, and the *Rules of Procedure for General Meetings of Shareholders of Haitian Flavouring* and other relevant requirements, the Company standardizes the convening and holding of Shareholders' General Meetings, fully deliberates on matters within the authority of the Shareholders' General Meeting, and makes decisions in accordance with the law. Voting at the Shareholders' General Meeting is conducted through a combination of on-site voting and online voting to ensure the participation of all shareholders, with particular emphasis on fully safeguarding the rights of public shareholders and minority shareholders to know, participate and vote. The controlling shareholder and actual controller of the Company have consistently fulfilled their legal obligations and relevant commitments, exercised their shareholder rights in a standardized manner, and there has been no instance of harm to the Company or the interests of minority shareholders. During the reporting period, the Company has completed improvements to its shareholder meeting voting and counting procedures, as well as disclosure content and processes, enabling a swift response to the challenges posed by regulatory differences between the A-share and H-share listings.

[1] In accordance with the relevant regulatory requirements, the Company abolished the Board of Supervisors during the reporting period.

Directors and the Board of Directors

In accordance with the *Articles of Incorporation* and relevant laws and regulations, the Board of Directors of Haitian consists of nine directors, including three independent directors and one female director, who serves as the chairman of the Board. The Company has established four specialized committees under the Board of Directors—Audit, Nomination, Remuneration and Evaluation, and Strategy and Sustainability—based on strategic development needs, legal and regulatory requirements, and corporate governance practices. All committees are composed of company directors. The Board of Directors and each committee have developed corresponding procedural rules, which are periodically reviewed and updated as necessary.

The Company places great importance on the role of independent directors in decision-making, oversight, and professional support. This year, we revised the *Working System for Independent Directors of Haitian Flavouring* and the *Specialized Meeting System for Independent Directors of Haitian Flavouring*. We established institutionalized standards regarding independent directors' eligibility and appointment/termination procedures, scope of responsibilities, and modes of performance, while enhancing the convening and meeting procedures, scope of agenda items, and deliberation processes for independent director special meetings, to ensure the fairness, reasonableness, and transparency of corporate decision-making.

The Company places great importance on leveraging the unique role of its board's specialized committees. In the Nomination, Remuneration and Evaluation Committee, independent directors constitute a majority and serve as conveners. During the reporting period, the Audit Committee was adjusted so that all its members are independent directors, with the convener being a professional with an accounting background. This enhancement further promotes the standardized and efficient operation of the Board and its specialized committees, thereby effectively safeguarding the Company's overall interests and the legitimate rights and interests of minority shareholders.

Meanwhile, the Company continues to advance board diversity. In 2025, we formulated the *Board and Employee Diversity Policy*, aiming to foster an inclusive and supportive working environment for all employees. In the selection process for board members and employee appointment candidates, diverse attributes, including gender, age, cultural and educational background, and professional experience, will be comprehensively considered to promote a more balanced team structure and enhance decision-making breadth and resilience.

The Company has fully integrated internal and external training resources to continuously enhance the professional competence, compliance awareness, and risk sensitivity of its directors and senior management. In 2025, we continuously advanced the Capital Market Biweekly Updates learning program for directors and senior executives, delivering a total of 17 sessions throughout the year. The content covers key areas including financial market trends, updates on regulatory rules, analysis of typical regulatory cases, anti-corruption and anti-bribery practices, and ESG-related topics. Meanwhile, directors actively participate in professional training organized by the Shanghai Stock Exchange, the Association of Listed Companies, and external legal advisors, systematically enhancing their understanding and application of applicable laws, regulations, and regulatory requirements, thereby promoting more prudent, evidence-based, and effective deliberation and decision-making on significant matters.

This year, the Company has maintained alignment with recent revisions to regulatory requirements set by the China Securities Regulatory Commission (CSRC) and stock exchanges, and continues to advance the development and revision of internal policies. The Company has established the *Remuneration Management System for Directors and Senior Management of Haitian Flavouring*[1], setting clear provisions regarding the composition and disbursement of remuneration, mechanisms for remuneration adjustments, and procedures for suspension, clawback and malus, and recoupment of remuneration for directors (including independent directors) and senior management. ESG performance indicators have been integrated into the performance evaluation framework, with performance assessments serving as a key basis for determining and disbursing incentive pay. This further strengthens the Company's long-term and effective incentive and accountability mechanisms, enhances the remuneration assessment and governance framework, and encourages directors and senior management to fulfill their duties responsibly, thereby safeguarding the long-term interests of the Company and all shareholders. In addition, we have revised key governance documents, including the *Articles of Incorporation*, the *Subsidiary Management System of Haitian Flavouring*, the *ESG Management System of Haitian Flavouring*, the *Management System for the Shares Held by Shareholders, Directors and Senior Management of Haitian Flavouring*, the *Working System for Independent Directors of Haitian Flavouring*, and the *Specialized Meeting System for Independent Directors of Haitian Flavouring*[2]. These revisions aim to continuously strengthen the Company's institutional framework, reinforce management foundations, and ensure stable and orderly business operations.

[1] Took effect upon approval at the Company's first extraordinary Shareholders' General Meeting of 2026 on January 9, 2026.
[2] For newly established or revised corporate governance systems in 2025, please refer to relevant documents disclosed on the Shanghai Stock Exchange website (http://www.sse.com.cn).

Promoting Value Sharing to Strengthen Investment Trust

Investor Communication and Returns

The Company has established a routine, standardized and diversified communication mechanism to ensure investors, particularly minor shareholders, are informed and can engage effectively, promptly address market concerns, and safeguard the legitimate rights and interests of investors. The Company has established regulatory documents including the *Investor Relations Management Measures of Haitian Flavouring*, the *Haitian Investor Complaint Handling Work System of Haitian Flavouring* and the *Market Value Management System of Haitian Flavouring*, clearly defining communication mechanisms, procedures for receiving and responding to investor inquiries, and providing standardized guidance for investor relations management.

The Company has established multiple channels to promptly collect and respond to investor concerns, including holding general meetings of shareholders, organizing performance briefings and special shareholder events, arranging on-site and online investor visits, launching a dedicated hotline and email address, and conducting interactive Q&A sessions via the SSE e-Interaction platform. Within the framework of compliance with relevant laws, regulations, and disclosure requirements, the Company promptly communicates operational updates, interim performance outcomes, and strategic direction to enhance understanding and alignment, thereby fostering constructive engagement between the Company and capital markets.

The Company adheres to the principle of sharing operational and developmental outcomes with all investors, and is committed to delivering stable and sustainable returns. During the reporting period, in addition to completing the annual dividend distribution for 2024, we implemented an interim dividend and a special dividend for shareholder returns (the special dividend was fully distributed on 6 February 2026) for the first time. The total cash dividends amounted to approximately RMB 8.046 billion.

Annual Key Performance

In 2025

conducted performance briefings through the SSE Roadshow Center

3

organized on-site investor research[1]

219

Issued cash dividends of

RMB 8.046 billion

during the reporting period (including the 2024 annual dividend, the 2025 interim dividend and a special dividend[2] for shareholder returns)

Received an

A rating

in the SSE's information disclosure evaluation[3]

[1] On-site research includes various activities such as performance roadshows and analyst open days. The data for the year also includes roadshow activities related to the H-share project.

[2] The special dividend was fully distributed on 6 February 2026.

[3] Refer to *2024-2025 Information Disclosure Evaluation Results for SSE Listed Companies* at https://www.sse.com.cn/regulation/supervision/dynamic/c/c_20251024_10795890.shtml

Risk Control as the Priority, Strengthening Internal Control Safeguards

Risk Management and Internal Control

On the premise of strictly complying with national laws and regulations as well as regulatory requirements of the China Securities Regulatory Commission (CSRC) and other authorities, the Company continues to strengthen its internal control and risk management systems, establishing an integrated governance framework that covers the entire business process and spans all organizational levels. We have integrated risk management into key stages of business decision-making and daily operations, promoting proactive risk management to achieve early prevention, ongoing monitoring, and timely response to potential risks, thereby strengthening the foundation of risk control and ensuring stable business operations.

Risk Management

The Company adheres to a forward-looking risk management philosophy, continuously improving its systematic framework for risk identification, assessment, and control, and extending risk prevention and mitigation efforts across all business areas and critical stages. The Company strengthens risk due diligence and assessment in business collaborations and investment decisions, promptly identifies potential risks, implements control measures, and continuously standardizes its operational practices. Meanwhile, we enhance employees' risk awareness and prevention capabilities through training and outreach initiatives, supporting the Company's long-term, stable, and healthy development.

Management Mechanism

We have systematically established a risk management system encompassing five guiding principles, four strategic pillars, three lines of defense, and six key implementation steps, promoting tiered implementation of risk management responsibilities and full-process coverage of control measures, thereby achieving proactive risk prevention and closed-loop management. In 2025, we revised the *Risk Control Evaluation and Management System of Haitian Corporation*, further clarifying requirements regarding risk control evaluation principles and procedures, templates for risk control evaluations and self-assessment reports, and risk control maturity scoring criteria. Guided by performance appraisal, we promote standardized and orderly risk control evaluations across the Company and its subsidiaries, enhancing capabilities in risk identification, disclosure, and prevention.

"Three Lines of Defense" Risk Management Mechanism

First Line of Defense:
Frontline Management Personnel of Subsidiaries/Business Units

The first line of defense designates frontline operational managers as the primary risk management responsible parties, who are accountable for risk identification, control, and implementation of response measures in daily operations, conduct self-assessments of risk control effectiveness, and continuously iterate risk control matrices and management practices. For key business risks identified by the risk control platform's risk matrix, the first line of defense has defined critical control points, conducts at least one risk self-assessment annually, and produces a report to promptly identify issues and improve the closed-loop rectification process.

Second Line of Defense:
Functional Departments/Risk Control Departments

The second line of defense is responsible for supervising and supporting the risk management framework, guiding and assisting the first line of defense in risk prevention efforts and following up on implementation. The second line of defense continuously optimizes internal control and risk management processes, dynamically identifies risks, and conducts regular assessments, ranking identified risks based on their likelihood of occurrence and impact level. Meanwhile, leveraging historical risk information from the risk control platform and conducting comprehensive assessments by integrating internal and external information sources, the risk control matrices is applied to assign index numbers to risk points and link them to relevant business entities, generating targeted risk alerts.

Third Line of Defense:
Audit Committee under the Board of Directors/Audit and Inspection Center

The third line of defense upholds independent and objective working principles, primarily supervising and reviewing the implementation of risk control measures by the first and second lines of defense through audit projects, and assessing the effectiveness of the internal control system, continuously enhancing the Company's risk management capabilities and ensuring the standardized operation of risk control mechanisms and governance processes.

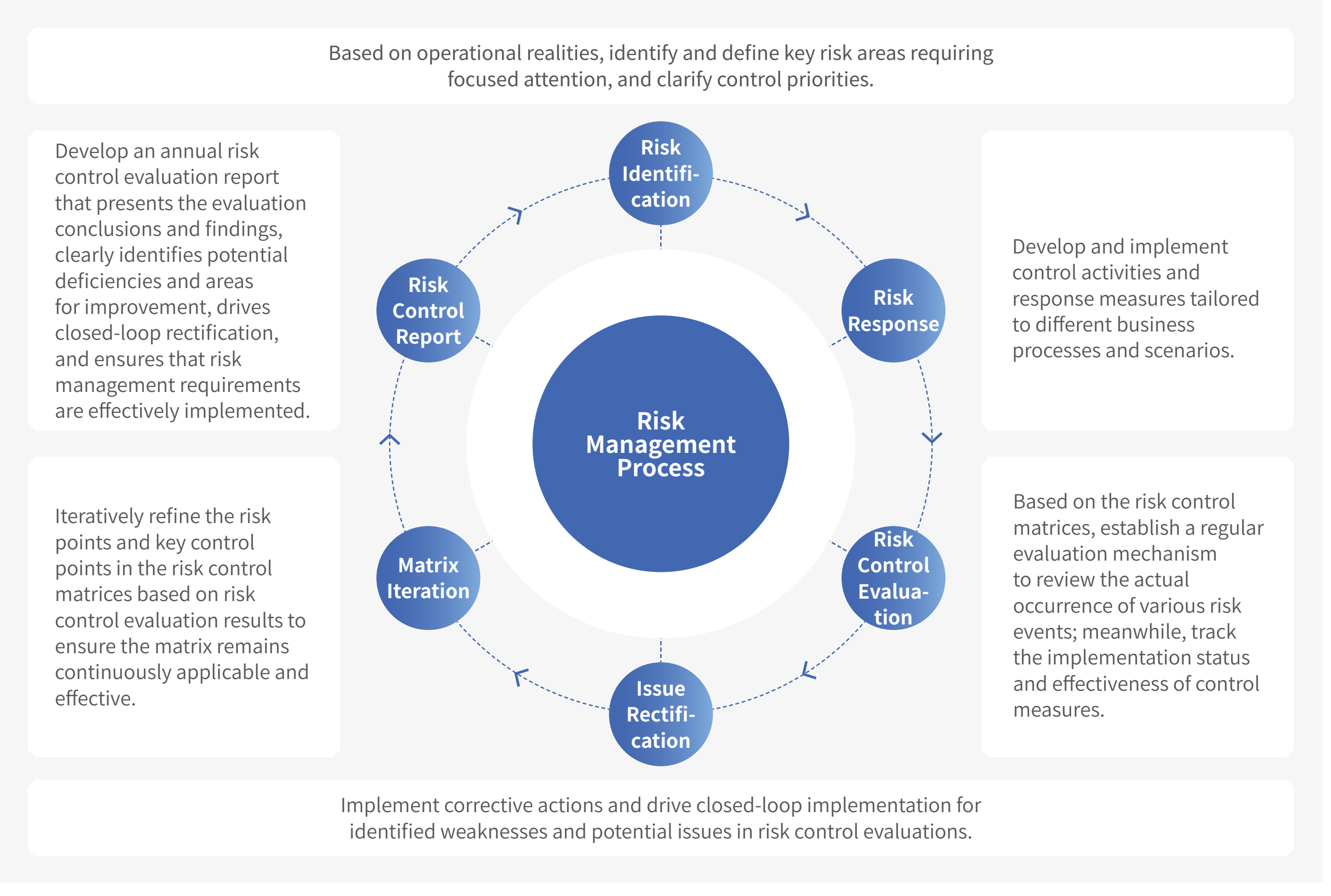
Management Process

The Company has established a closed-loop management mechanism and process encompassing six steps: risk identification, risk response, risk control evaluation, issue rectification, matrix iteration, and risk control reporting. Adhering to the principle of integrating audit supervision with risk prevention, it continuously verifies and optimizes the completeness, compliance, and effectiveness of its risk management system through the implementation and public disclosure of compliance audits, thereby steadily enhancing management efficiency.

In 2025, the Company has further optimized its risk management process by introducing a top-down thematic communication mechanism in the stages of risk identification, risk control evaluation, and matrix iteration, guiding all operating entities to focus on emerging risk points and dynamically assess the necessity of including them in the list of key risks. In risk control reporting, we have established a closed-loop mechanism of "bottom-up reporting and top-down decision-making", enhanced information sharing and collaborative coordination across all lines of defense, and improved the timeliness, specificity, and overall effectiveness of risk response.

During the third and fourth quarters each year, the Company's Risk Control Department organizes risk self-assessments across business units and subsidiaries. Based on the assessment results and internal and external risk analyses, the risk management work plan for the following year is developed. Meanwhile, the Risk Control Department consolidates self-assessments and risk information, identifies common risks at the corporate level, and reports them to the decision-making layer. It also synchronizes the current status of risk management and improvement recommendations with management teams across all business units. The risk control report is issued in the first quarter of the following year, guiding each business unit and subsidiary to clarify corrective directions and strengthen their risk control systems. This year, the Risk Control Department consolidated and organized risk information from each subsidiary, distilling it into 109 key risks across four major categories, providing effective data support for risk management planning.

Risk Management Process



Risk Prevention and Control Measures

Company-wide Risk Prevention and Control

The Company has established a risk control platform and developed a risk control matrix, integrating identified potential risks and hidden hazards from daily operations, dynamically tracking risk developments, clearly defining corrective actions, advancing closed-loop management, and strengthening risk prevention and proactive control. This year, we enhanced the scientific rigor, efficiency, and accuracy of risk management by continuously optimizing the risk control platform and adjusting the risk early-warning model for external partners.

At the same time, we have incorporated accident liability indicators into the performance evaluation plans for all operating entities and included risk control maturity assessment indicators in the year-end performance evaluations of 15 major subsidiaries, thereby strengthening incentive and constraint mechanisms, promoting the implementation of risk management responsibilities, and advancing the effective execution of risk control initiatives.

Risk Control Platform Optimization

Corporate Control Activities Repository: Introduce a corporate control activities repository to establish a standardized, reusable pool of control activities, institutionalize effective control practices, and provide reference and templates for risk control matrix development across each operating entity.

Risk Control Matrix Iteration: Enhance version management mechanisms to support traceability of historical matrix versions, integrate with the Company's control activities repository, introduce a benchmark control activity search function, and improve the efficiency of matching high-quality control measures.

Issue Closed-loop Management: After the rectification and acceptance of an issue ticket, the "matrix closed-loop" task is automatically triggered to prompt each operating entities to promptly embed the optimized control measures into the risk control matrices, enhancing the targeting and effectiveness of risk management closure.

Risk Control Maturity Assessment: The real-time monitoring feature has been added, enabling dynamic updates to assess results based on the risk control maturity evaluation model. This allows each operating entity to query risk control performance at any time, accurately identify weak links, and provide data-driven support for subsequent risk control optimization strategies.

In 2025, the Company's risk database added one new business module, iteratively updated 12 existing business modules, introduced 68 new risk control points, and optimized 82 existing risk control points; four subsidiaries implemented the risk control system for the first time and launched their risk control matrices; 14 subsidiaries customized and enhanced their risk control matrices based on their unique business characteristics and the Company's risk database, achieving continuous optimization and practical implementation of risk management.

Iteration of the External Partner Risk Early-Warning Model

We iteratively refined the external vendor risk early warning model, increasing the proportion of effective intelligence by 17%. A total of 10 valid risk alerts were issued throughout the year, assisting subsidiaries in timely identification and response to risks such as delayed information disclosure and system false alarms. This helped mitigate potential reputational risks and enabled business units to detect vendor anomalies, adjust collaboration arrangements promptly, reduce potential operational losses, and achieve proactive risk control.

Full-employees Risk Prevention and Control

The Company conducts regular compliance and internal control training for all employees, promoting the dissemination of risk management knowledge and enhancing capability, thereby strengthening the foundation of the Company's overall risk management. In 2025, the Company conducted training programs including risk management empowerment series, annual knowledge and skills requirements, and specialized risk management system construction initiatives for subsidiaries. The training covers foundational risk management principles, methodological approaches to building risk management systems, compliance topics across business modules, integrity and self-discipline guidelines, and employee conduct standards, with approximately 13,000 participants in total.

Due Diligence

This year, we continued to refine the onboarding review and management mechanisms for partners such as suppliers, distributors/retail outlets, and construction contractors, strengthened compliance reviews and process supervision, and promoted standardized and institutionalized operations in partner management.

Suppliers: The Company collaborates with third-party platforms to conduct real-time monitoring of supplier operational risks, focusing on key indicators such as revocation or deregistration, changes in business scope, equity changes, serious violations, and inclusion in the list of dishonest entities. At the same time, comprehensive or targeted assessments are carried out across dimensions including business ethics, food quality and safety, environmental and social responsibility, through on-site audits and questionnaire surveys, enabling effective identification and follow-up on potential risks for remediation. In addition, the Company conducts on-site audits targeting core or high-risk outsourced material suppliers to enhance source quality control for preventing material mix-ups. The audits focus on critical aspects such as the implementation of quality management processes and record-keeping practices, enabling timely identification of issues and requiring suppliers to implement corrective actions, thereby further strengthening supply chain risk management.

Distributors/Retail Outlets: The Company leverages system tools and on-site verification mechanisms to conduct due diligence on key aspects—including business registration information, related-party relationships, and operational risks—during the onboarding phase. Distributors identified with risks are suspended from registration and required to implement corrective actions. During ongoing collaboration, monthly qualification reviews are conducted to continuously monitor distributors' operational status and compliance performance. At the annual contract renewal stage, a stringent qualification control mechanism is enforced, allowing only distributors that have passed business registration compliance checks to sign new annual agreements, thereby preventing non-compliant partnerships at the source.

Construction Contractors: During the development phase, rigorously verify supplier qualifications and capabilities by comprehensively reviewing qualification documents, business licenses, and performance capacity; conduct on-site inspections or qualification re-evaluations as needed, based on past collaboration cases and performance records. During collaboration, the Company conducts routine integrity risk assessments on core suppliers involved in high-frequency, high-value transactions, using targeted survey questionnaires to dynamically identify potential risks; meanwhile, it has established an intelligent external risk monitoring system for suppliers, leveraging information systems to monitor key risk indicators—such as legal entity changes, equity structure adjustments, and judicial litigation—on a monthly basis, ensuring timely alerts and rapid responses to any risk anomalies.

In addition, we leverage our risk monitoring and early-warning product to conduct regular assessments of operational changes, business risks, and legal risks for partners including raw packaging material suppliers, contractors, engineering suppliers, logistics transporters, self-operated logistics clients, and contract manufacturers, effectively mitigating potential losses arising from abnormal operations or legal risks associated with these partners.

ESG Risk Management

The Company places high importance on the identification, assessment, and management of ESG risks, and has systematically integrated a risk management methodology—covering risk identification, risk assessment, risk response, and risk evaluation—into its ESG risk management practices. Currently, all ESG issues are integrated into the existing risk management framework for assessment and management, with a comprehensive evaluation primarily conducted based on two dimensions: frequency of occurrence and impact severity. This approach promotes early identification and control of ESG risks, enhancing the timeliness and effectiveness of risk response.

Going forward, we will further advance the application of our online risk control platform in the ongoing management of ESG issues, integrating ESG risks into the Company's routine risk management processes, institutionalizing management approaches, and enhancing process support capabilities to provide robust backing for the Company's stable operations and sustainable development.

Internal Control

The Company strictly adheres to management requirements such as the *Basic Standard for Enterprise Internal Control* and the *Guidelines for Auditing Enterprise Internal Control*, continuously improving its internal control system based on actual business operations. It has developed institutional documents including the *Internal Control Evaluation Workbook*, the *Management Policy for Insider Information and Informants*, and revised the *Internal Audit System of Haitian Flavouring*, the *Internal Control System*, further standardizing enterprise operational processes and management practices to ensure the compliance and reliability of the Company's business activities.

Meanwhile, the Company continues to strengthen its internal audit system construction, improve the audit supervision mechanism, and consistently integrate risk management process audits into all internal audit projects. In 2025, we updated the *Internal Audit System of Haitian Flavouring*, incorporating money laundering risk as a key focus area for audit. We conducted identification and assessment of potential money laundering risks within operational processes, evaluated the compliance and implementation effectiveness of anti-money laundering management in business departments, reported suspicious transactions in accordance with regulations, and proposed targeted risk control measures and improvement recommendations. This year, during the implementation phase of both internal audit initiatives and collaborative projects with external third-party auditing firms, we conducted reviews and control testing on the reasonableness and effectiveness of risk management procedures to ensure risks remained under control; we also performed spot checks on risk self-assessment content across operating entities, with particular focus on verifying the authenticity of risk event disclosures and the effectiveness of risk controls, and issued audit reports for review by the Audit Committee. In response to potential single-point design vulnerabilities identified during the audit, we have urged the responsible department to initiate corrective action requests via the risk control platform, driving systemic optimization and concurrent updates to the risk control matrices, thereby establishing a closed-loop remediation process that strengthens oversight, checks and balances, and ensures effective implementation of issue resolution.

Conduct Business with Integrity and Uphold Ethical Standards

Business Ethics

The Company upholds the values of compliant operations and integrity, firmly opposing corrupt practices, fraud, commercial bribery, and other violations, adhering to a "zero-tolerance" principle. We continuously improve its anti-fraud and anti-corruption management systems, strengthen institutional constraints and oversight mechanisms, ensure transparent internal and external whistleblowing channels, and drive the effective implementation of our integrity system. At the same time, we continue to strengthen our internal culture of integrity, advocate joint compliance with partners, foster a fair, equitable, and transparent business environment, and consistently create long-term value for consumers, investors, and society.

Anti-Fraud and Anti-Corruption

The Company strictly complies with laws and regulations such as the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. We have established internal guidelines including the *Code of Conduct for Employees of Haitian Corporation*, the *Self-Discipline Code for Employees of Haitian Corporation*, clearly defining the behavioral boundaries and ethical standards for employees in business activities, and guiding all personnel to act in accordance with the law, comply with regulations, and fulfill their duties with integrity. In 2025, the Company revised the *Anti-Fraud Management Policy of Haitian Flavouring*, further clarifying the assignment of anti-money laundering responsibilities, and established provisions regarding the prevention and control of money laundering risks, reporting and investigation of whistleblowing, remedial measures, and disciplinary actions; simultaneously, the *Internal Audit System of Haitian Flavouring* was revised to emphasize audit requirements related to money laundering risks, further strengthening institutional constraints and enforcement rigor, thereby solidifying the institutional foundation for the Company's ethical business operations.

Anti-fraud and Anti-corruption Mechanisms

The Company has established an anti-fraud and anti-corruption governance system led by the Board of Directors, featuring independent oversight, clear delineation of responsibilities, and closed-loop operations. We explicitly integrate fraud risk management into the Company's top-level governance framework, with the Board of Directors bearing ultimate supervisory responsibility. The Company has established an Audit Committee under the Board of Directors, serving as the core oversight institution for anti-fraud and anti-corruption matters, responsible for monitoring implementation effectiveness and reporting directly to the Board of Directors. An internal Audit and Supervision Center has been established within the Company, serving as a dedicated institution for anti-fraud and anti-corruption oversight, to ensure the authority and independence of supervision. The Audit and Supervision Center is structured with specialized governance through the Audit Department, Supervision Department, Risk Control Department, and Master Data Department.

The departments within the Audit and Supervision Center have clearly defined responsibilities, collaborate effectively, and serve as mutual checks and balances, establishing a comprehensive fraud risk management mechanism covering the entire chain from "identification - rectification – re-verification – closure". Audit and supervision activities are advanced in a project-based and routine manner, with special reports directly submitted to the responsible director; risk control maturity assessments and fraud risk remediation status are incorporated into the annual formal reporting mechanism to ensure the continuous and effective operation of the anti-fraud and anti-corruption governance system.

Business Ethics Audit

The Company has integrated business ethics compliance into its routine monitoring and audit system, continuously enhancing governance transparency and operational effectiveness. The Company publicly released the *Anti-Fraud Management Policy of Haitian Flavouring*[1] on its official website, and ensures regular review, inspection, and dynamic updates of the compliance, adequacy, and effectiveness of its business ethics policies to maintain alignment with internal and external oversight requirements and business development.

The Company maintains a routine, comprehensive, and penetrating audit of business ethics, treating compliance with business ethics as a key focus area for internal auditing. We implement a rolling audit mechanism that covers all operating entities, business segments, and subsidiaries every three years. This establishes a dual oversight system combining internal and external independent audits: the Audit Department and the Supervision Department conduct special and periodic internal audits, while an independent third-party accounting firm carries out external audit verification, forming a multi-tiered audit supervision framework covering quarterly, semi-annual, annual, and special task-based assessments.

In 2025, the Company conducted a total of 9 specialized audits on business ethics, achieving in-depth oversight of key business areas and high-risk domains. In response to audit findings, the Company has established a closed-loop accountability and improvement mechanism involving identification, rectification, verification, and closure, handled violations in accordance with laws and regulations. Guided by identified issues, the Company continuously optimizes its anomaly risk early-warning model, strengthens risk prevention and control capabilities at the pre- and mid-stage levels, and consistently enhances the effectiveness and forward-looking nature of our business ethics and anti-corruption governance.

At the same time, the Company has established a multidimensional, comprehensive, and digitalized business ethics risk prevention and control system. By keeping whistleblowing and oversight channels accessible, establishing risk early warning models, strengthening routine self-inspection and self-correction, and conducting annual risk control assessments, the Company continuously reinforces accountability and business ethics risk management, ensuring the effective implementation of the business ethics governance framework.

Risk identification and early warning: the Company leverages big data and digital tools to develop an early warning model, enabling real-time monitoring, rapid identification, and timely response to abnormal business behaviors, thereby enhancing the ability to anticipate and proactively manage commercial ethics risks.

Integrity risk assessment: in 2025, in accordance with the BSCI Code of Conduct certification system, the Company conducted systematic corruption risk assessments across seven high-risk areas, including procurement, marketing and finance, identified key risk points, and formulated targeted prevention and control measures to strengthen integrity risk management in critical areas.

Collaborating with Partners on Integrity

The Company places great importance on integrity management for partners, integrating integrity requirements throughout the entire process of partner onboarding, collaboration execution, and ongoing management, and continuously strengthening risk prevention and control of business ethics within the supply chain. Taking into account the types of suppliers and distributors as well as the actuality of their business, the Company has achieved 100% coverage of integrity cooperation requirements through signing the *Integrity Agreements*, the *Supplier/Distributor Code of Conduct*, and issuing oral or written integrity self-discipline requirements. It clearly prohibits unethical practices such as commercial bribery and fraud, along with the corresponding accountability measures, thereby establishing a solid foundation for fair and impartial collaboration. This year, we updated the *Integrity Agreements* for both suppliers and distributors. Building on a clear integrity visit mechanism and strict protection of whistleblower information, we required all suppliers to establish anti-corruption and anti-bribery policies and conduct annual company-wide training. Additionally, we conducted audit supervision on the development and implementation of suppliers' anti-corruption policies, and reaffirmed the prohibition against offering or promising any improper benefits in any form, further enhancing the requirements for integrity-based collaboration.

We encourage suppliers to obtain standards or certifications such as SA 8000, SMETA, BSCI, and EcoVadis in business ethics and compliance management, and require suppliers to regularly update relevant certificate and certification information in the SRM system to continuously improve the integrity and compliance level of the supply chain.

[1] The *Anti-Fraud Management Policy of Haitian Flavouring* https://static.haday.com/zh-cn/img/pdf/anti-fraud-management-system.pdf

In addition, the Company joined the Enterprise Internal Control Association and its affiliated Anti-Fraud Alliance, actively participating in alliance forums and activities. It introduced a blacklisting information-sharing mechanism to share data on individuals and suppliers or distributors with a history of misconduct, strengthening due diligence on business partners and reducing commercial ethics risks. This year, the Company further refined the *Integrity Agreements* for distributors by incorporating new requirements for blacklist sanctions from the Anti-Fraud Alliance, and established a blacklist-based disciplinary management mechanism for business partners under the integrity cooperation agreement, thereby enhancing constraints on and deterrence against misconduct.

Construction of Integrity Culture

The Company has established a regular business ethics training program for all employees (including employees in all forms of employment), to ensure 100% coverage of business ethics training among employees. We integrate anti-corruption, anti-bribery, anti-fraud, and integrity standards into new employee onboarding training, and require passing the onboarding assessment as one of the essential criteria for successful probationary period completion. In addition, we conduct regular and annual business ethics training for existing employees to reinforce compliance awareness and provide case-based warnings, continuously enhancing employees' professional conduct and compliance consciousness. During the reporting period, the Company's business ethics training cumulatively covered over 22,000 people, integrated business ethics and sustainable development into the required knowledge and skills training program for all employees. Meanwhile, the Company conducted integrity promotion campaigns through various formats such as specialized integrity lectures and public notifications of disciplinary cases, continuously strengthening all employees' legal awareness and their commitment to ethical conduct; it also provides integrity training for third-party partners, focusing on the relevant requirements of the Company's *Integrity Agreements*, to promote the internalization of integrity principles and their practical implementation.

In addition, we have strengthened the management of anti-corruption training for supply chain personnel and explicitly incorporated provisions on integrity and other business ethics into contractor contracts, requiring contractors to complete integrity training prior to on-site entry. We also conduct regular training sessions for frontline contractor managers on themes of integrity, fairness, and integrity, with targeted communications during major holidays to reinforce self-discipline in integrity, jointly fostering a clear and transparent business collaboration environment. In 2025, 100% of contractors received anti-corruption training or relevant information.

The Company upholds a zero-tolerance principle toward employees who violate ethical standards or engage in illegal and disciplinary misconduct; upon confirmation, strict disciplinary actions will be taken in accordance with regulations. Any individual suspected of criminal offenses will be referred to judicial authorities for criminal prosecution. In 2025, the Company identified five cases of business ethics violations, the involved personnel were associated with relatively small amounts, all of which have been fully repaid to the Company, and none of the cases proceeded to litigation.

Case | Specialized Training on Business Ethics and Integrity Compliance

In 2025, the Company has conducted business ethics training programs including "Integrity Builds Authority, Greed Courts Disaster, Embody Uprightness as Haitian", "Upholding the Bottom Line, Business Ethics and Sustainable Development" and "Integration of Knowledge and Action, Behavioral Guidelines for Haitian". These trainings focus on interpreting laws, regulations, and regulatory requirements related to anti-corruption and anti-bribery, and incorporate case studies of typical violations to deliver educational warnings. These initiatives aim to continuously enhance employees' compliance awareness and strengthen the foundation for ethical conduct and standardized operations. This year, the Company's business ethics training covered all directors (including independent directors), senior management, middle management, and frontline employees, with a total of 22,264 participants.

Against the backdrop of the Company's listing in Hong Kong and its ongoing internationalization efforts, this year we organized directors and other key personnel to study the Anti-Corruption Programme – A Guide for Listed Companies issued by the Independent Commission Against Corruption of Hong Kong. We also arranged training for critical staff responsible for overseas operations on the relevant anti-corruption and anti-bribery regulations of the host country, further enhancing the Company's capability to develop in compliance with international standards.

Specialized training on integrity and self-discipline

Anti-Unfair Competition

To effectively safeguard market order and corporate legal rights and interests, and to foster a fair and transparent business competition environment, the Company strictly complies with national laws and regulations and firmly opposes unfair competitive practices such as false advertising, monopolistic behavior, and infringement of trade secrets. We have established management systems including the *Regulations on Intellectual Property Risk Management*, the *External Information Release Review Management System*, and the *External Publicity Content Management Regulations*, clearly defining management requirements and procedures related to anti-unfair competition, strengthening compliance reviews and process control, and continuously enhancing our capability to prevent risks associated with unfair competition. In 2025, the Company did not incur any litigation[1] or major administrative penalties[2] due to unfair competition.

Contract Management Optimization

- The Company continues to enhance its contract management system. In the latest revised version of the *Distribution Agreement* template, anti-unfair competition clauses have been strengthened, imposing higher compliance requirements on distributors and advocating for both parties to jointly uphold a fair and transparent market environment. Meanwhile, in most contract templates, the *Integrity Agreements* has been embedded or specific anti-corruption provisions have been directly included, clearly prohibiting any form of corrupt practices, thereby promoting the establishment of ethical and standardized partnerships with business collaborators.

Business Process Enhancement

- The Company has integrated anti-unfair competition compliance reviews into key business processes, such as product launches, conducted professional risk assessments to ensure that relevant operations respect the legitimate competitive rights of all market participants, proceed in accordance with laws and regulations, and mitigate risks associated with unfair competition.

Compliance Review and Audit

- Regular compliance reviews and audits are conducted by functional departments including legal, intellectual property, and audit on relevant business segments to ensure compliance of business operations.

In 2025, the Company has conducted two company-wide educational initiatives on anti-unfair competition, enhancing employees' awareness and capabilities through case studies and integration into the intellectual property training system, thereby proactively mitigating risks related to unfair competition.

Whistleblowing Management

The Company continues to improve its open, transparent, and efficient whistleblowing and oversight system, providing diversified complaint and reporting channels for all employees and external stakeholders. These include WeChat official accounts, hotline numbers, email addresses, online platforms, and physical suggestion boxes, supporting both named and anonymous reports. This enhances the accessibility and credibility of report handling, ensuring that reporting channels remain accessible, secure, and effective. In 2025, we launched the "Sunlight Supervision" section[3] on our corporate website, consolidating various whistleblowing channels to provide transparent and accessible avenues for public oversight and feedback, proactively welcoming scrutiny from all stakeholders.

Haitian Business Ethics Whistleblowing Channel

Internal Whistleblowing Platform	Haitian Yummy information platform homepage - reporting desk
External Whistleblowing Platform	WeChat: Haitian-Contact us-Integrity Report (Website https://jubao.haday.cn)
Dedicated Whistleblowing Line	0757-83273129、0757-82831099、0757-82832370
Dedicated Whistleblowing Mailbox	Haitian Audit and Supervision Center, No. 16, Wensha Road, Chancheng District, Foshan City, Guangdong Province 528000
Dedicated Whistleblowing E-mail	audit@haday.cn, dwbgs@haday.cn, htzjb@haday.cn

[1] Litigation arising from unfair competition refers to cases where the court issued a final judgment during the reporting period finding the company guilty of unfair competition.

[2] Major administrative penalties arising from unfair competition refer to significant administrative sanctions imposed on the company by competent authorities during the reporting period for unfair competition.

[3] https://www.haday.com/sunshine-oversight/

The Company has established robust whistleblower protection and complaint handling mechanisms to ensure the fairness and security of reporting activities. We have established and implemented the *Whistleblower Confidentiality and Reward Regulations*, clearly designating dedicated personnel to handle and manage complaint and reporting information, strictly safeguarding the confidentiality of report contents and whistleblower identities, and prohibiting any form of retaliation; violations of confidentiality will be dealt with in accordance with laws and regulations, and verified genuine reports will receive appropriate rewards, thereby maintaining the authority and effectiveness of the whistleblowing mechanism.

Meanwhile, to ensure timely and impartial handling of reports, the Company has established a systematic reporting process covering report reception, investigation and verification, outcome feedback, and corrective action implementation. In 2025, the Company assigned two full-time compliance officers to investigate and verify whistleblower leads, further enhancing the professionalism of case handling.

Reception, Registration, and Assignment

- Upon receiving a complaint or report, dedicated compliance officers will uniformly collect, conduct an initial review, and categorize the information. For cases meeting the acceptance criteria, the system will register and assign them to the appropriate investigators to initiate the investigation process.

Preliminary Investigation and Verification

- Investigators collect evidence and relevant materials based on the reported content, conduct preliminary verification and analysis, form initial investigation opinions, and propose handling recommendations for approval; for matters identified during the preliminary investigation that may involve violations of laws and regulations or require further verification, the case is transferred to formal investigation procedures after approval.

Case Initiation and Reporting

- During the investigation and verification process, the Company obtained and secured evidence through methods such as reviewing financial documents, retrieving surveillance materials, conducting on-site verification, and interviewing relevant personnel. After the investigation is completed, an investigation report and recommendations for handling will be prepared, submitted to the relevant departments according to procedure, and reported to the Audit and Supervision Center and the responsible director.

Review, Disposition, and Handover

- After the investigation findings are submitted for approval by the responsible director, compliance officers shall organize and drive the implementation of rectification and disposition requirements based on the review opinions, and transfer relevant matters to the accountable departments for follow-up execution; in cases involving serious circumstances or suspected criminal offenses, the matter shall be legally referred to the national judicial authorities for handling.

Notification and Post-Incident Review

- After approval, the investigation findings are communicated within an appropriate scope based on the actual circumstances of the incident. Meanwhile, based on the findings, relevant policies and procedures are promptly updated, control measures are optimized, and targeted training and education programs are conducted to strengthen risk prevention and avoid recurrence of similar issues.

Appendix

List of Main External Laws and Regulations and Internal Policies

Scope	Internal Policies of the Company	Laws and regulations complied with
Environment	Sustainable Development (ESG) Management System Environmental Management Manual Pollution Source Control Management Regulation of Haitian Water Pollution Prevention and Control Management Regulation of Haitian Air Pollution Prevention and Control Management Regulation of Haitian Radiation Safety Management Regulation of Haitian Guide for Filing and Disclosure of Environmental Information in Accordance with the Law of Haitian Water Pollution Prevention and Control Management Regulation Air Pollution Prevention and Control Management Regulation Noise and Solid Waste Management Regulation Environmental Monitoring Management Regulation Pollution Source Control Management Regulation Wastewater Treatment Emergency Response Plan Water Supply and Consumption Management Regulation of Haitian Condensate Water Recovery System Management Regulation of Haitian Energy Metering Management Procedure Cleaner Production Management System Drinking Water System Management Regulation Production Water Resource Risk Assessment Management Regulation of Haitian	Environmental Protection Law of the People's Republic of China Water Pollution Prevention and Control Law of the People's Republic of China Solid Waste Pollution Prevention and Control Law of the People's Republic of China
Employment	Recruitment Management Regulation Board of Directors and Employee Diversity Policy Post Qualification Management Measures Employee Compensation and Incentive System Employee Benefits and Security Policy Attendance and Leave Management Regulation	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Provisions on the Prohibition of Child Labor Law of the People's Republic of China on the Protection of Minors Trade Union Law of the People's Republic of China
Health and safety	Management Policy for Occupational Health Management Policy for the Work Safety Target Responsibility and Management Policy for Safety in Production Regulations on Safety Training Management Management Regulations on Hazard Source Identification and Evaluation Regulations on Safety Inspection and Hidden Danger Management Regulations on Safety Accident Reporting and Handling Contingency Plan for Work Safety Accidents Regulations on Safety Management of Interested Parties Fire Protection Safety Management Regulations	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Work Safety Law of the People's Republic of China Fire Protection Law of the People's Republic of China Law of the People's Republic of China on Prevention and Control of Occupational Diseases Provisions on the Administration of Occupational Health at Workplaces Provisions on the Safety Training of Production and Operation Entities Standards for Determining the Potential Risks of Major Accidents of Industry and Trade Enterprises
Anti-corruption	Training Management Policy Instructor Management Standard	Universal Declaration of Human Rights
Labor standards	Detailed Rules for Handling Work-related Injury Business Regulations on Management of Employee Transfer Guidelines for Ideological Communication Incentive Measures for Rationalisation Proposals Recruitment Management Policy	International Convention on Human Rights Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Constitution of the All-China Federation of Trade Unions Trade Union Law of the People's Republic of China
Supply chain management	Supplier Integrity Agreement Haitian Supplier Code of Conduct Supplier Reserve and Development Plan Process Supplier Qualification Review Process Supplier Admittance Process Supplier Performance Management Process Supplier Withdrawal and Blacklist Management Process	The Bidding Law of the People's Republic of China
Product liability	General Principles of Information Management Information Security Evaluation Management Policy Employee Information Security Behaviour Inspection Regulations Good Manufacturing Practice for Food Sanitation Standard Operation Procedure Process Operating Procedures Regulations on Management of Market Complaint Handling Finished Product Quality Control Standard Raw Material Inspection and Verification Standard Standard for Inspection and Verification of Packages Hazard Analysis and Control Measure Selection Procedure Food Defence Plan Food Fraud Prevention and Control Procedure Allergen Control Procedure Marking and Traceability Management Procedures Food Safety Emergency Preparedness and Response Procedures Regulations on Product Recall Management Nonconforming Product Control Procedure Control Procedure for Correction and Corrective Measures Regulations on Inventory Quality Management Packaging Material Warehousing Management Regulation Overdue Inventory Management Specification Regulations on Management of Formulation and Revision of External Standards Regulations on Management of Change of Packaging Detailed Rules for the Management of Labeling Information of Domestic Food Regulations on Patent Management Work Manual on Intellectual Property Management Management Method for Internal Audit of Intellectual Property Regulations on Intellectual Property Risk Management	Food Safety Law of the People's Republic of China Measures for the Administration of Food Production Licensing Law of the People's Republic of China on the Protection of Consumer Rights and Interests Regulations on the Management of Hazard Analysis and Critical Control Point Management System Certification for Food Production Enterprises HACCP Implementation Guide for Food Enterprises Regulations on the Administration of Food Labeling Administrative Measures on Food Recall Outline of the Healthy China 2030 Plan National Food Safety Standard: General Rules for Labeling of Prepackaged Foods (GB7718-2025) National Food Safety Standard: General Rules for Nutrition Labeling of Prepackaged Foods (GB28050-2025) Measures for the Promotion of Enterprise Standardization Advertisement Law of the People's Republic of China Copyright Law of the People's Republic of China Trademark Law of the People's Republic of China Enterprise Intellectual Property Management

Scope	Internal Policies of the Company	Laws and regulations complied with
Anti-corruption	Anti-Fraud Management Policy of Haitian Flavouring Integrity Agreement General Rules for Code of Conduct for Employees of Haitian Corporation Code of Conduct for Employees of Haitian Corporation Self-Discipline Code for Employees of Haitian Corporation Supervision and Reporting Announcement Letter Letter of Commitment for Integrity and Selfdiscipline of Employees	Civil Code of the People's Republic of China Oversight Law of the People's Republic of China Criminal Law of the People's Republic of China Anti-Monopoly Law of the People's Republic of China Anti-Money Laundering Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China
Community investment	Articles of Association of Kangze Foundation Management Policy of Legal Representative of Kangze Foundation Working Policy of the Council of Kangze Foundation Supervisor Management Policy of Kangze Foundation Performance Appraisal Policy for Secretary General of Kangze Foundation Financial Management Policy of Kangze Foundation Kangze Foundation Archives Management Policy Kangze Foundation Project Management Policy Kangze Foundation Information Disclosure Policy Reporting Policy for Major Matters of Kangze Foundation	Civil Code of the People's Republic of China Charity Law of the People's Republic of China Law of the People's Republic of China on Donations for Public Welfare Regulations on the Administration of Foundations Measures for Information Disclosure of Charitable Organizations Provisions on Regulating the Conduct of Foundations (Trial) Matters concerning Pre-Tax Deduction of Public Welfare Donations Notice of the Ministry of Finance and State Taxation Administration on Issues concerning the Determination of the Eligibility of Non-profit Organizations for Tax Exemption Regulations on Annual Expenditure and Management Expenses of Charitable Organizations for Charitable Activities

Annual Key Performance Table

Category	ESG Indicators	Unit	2025	2024	2023
Greenhouse Gas Emissions and Intensity[3]	Greenhouse Gas Emissions				
	Greenhouse Gas Emissions (Scopes 1)[1]	tCO_2e	259,964.15	248,248.44	245,133.97
	Greenhouse Gas Emissions (Scopes 2)[2] (Location-based approach)	tCO_2e	236,258.28	206,089.84	157,865.21
	Greenhouse Gas Emissions (Scopes 2) (Market-based approach)	tCO_2e	216,274.27	218,369.99	/
	Greenhouse Gas Emissions (Scopes 3)	tCO_2e	3,763,451.93	3,663,924.00	/
	Total Greenhouse Gas Emissions (Scopes 1 and 2) (Location-based approach)	tCO_2e	496,222.43	454,338.28	402,999.18
	Total Greenhouse Gas Emissions (Scopes 1 and 2) (Market-based approach)	tCO_2e	476,238.42	466,618.43	/
	Total Greenhouse Gas Emissions (Scopes 1, 2and 3)(Market-based approach)	tCO_2e	4,239,690	4,130,542	/
	Greenhouse Gas Emission Intensity				
	Greenhouse Gas Emission Intensity (Scope 1)	tCO_2e/t product	0.0552	0.0560	0.0606
	Greenhouse Gas Emission Intensity (Scope 2) (Market-based approach)	tCO_2e/t product	0.0459	0.0493	/
	Greenhouse Gas Emission Intensity (Scopes 1 and 2) (Market-based approach)	tCO_2e/t product	0.1010	0.1052	/
Energy Consumption	Total Energy Consumption	tce	174,847.37	155,764.01	137,503.00
	Energy Use Intensity	tce/t product	0.0371	0.0351	0.0340
	Direct Energy				
	Direct Energy	tce	102,458.19	97,581.37	94,508.88
	Raw Coal	tonnes	116,392.44	110,913.87	108,339.44
	Natural Gas	10,000 standard cubic meters (scm)	756.94	709.37	625.29
	Biomass	tonnes	9,131.81	7,252.37	7,815.54
	Other	tce	403.18	410.19	300.39
	Indirect Energy				
	Indirect Energy	tce	72,389.18	58,182.64	42,994.12
	Purchased Electricity	GWh	33,517.50	28,657.20	23,290.75
	On-site Consumption of Photovoltaic Power Generation	GWh	1,802.03	1,491.14	1,070.53
	Purchased Steam	GJ	640,730.71	475,593.82	256,202.75
	Renewable Energy				
	Biogas Recycled Volume	10,000 scm (10,000 standard cubic meters)	838.07	523.63	464.20
	Total Renewable Energy Consumption	tce	26,921.30	10,995.82	10,292.31
	Ratio of Renewable Energy Consumed	%	15.40	7.06	7.49
	Total Clean Energy Consumption	tce	38,826.14	19,434.68	17,744.52
	Ratio of Clean Energy Consumed	%	22.21	12.48	12.90

[1] The emission factors for Scope 1 greenhouse gas emissions are adopted from the *General Principles for Calculation of Total Production Energy* Consumption (GB/T 2589-2020) and the *IPCC Guidelines for National Greenhouse Gas Inventories* (AR6).

[2] The emission factors for Scope 2 greenhouse gas emissions are determined based on the following sources: the *2023 Carbon Dioxide Emission Factor for Electric Power* issued by China's Ministry of Ecology and Environment and the National Bureau of Statistics, the *Announcement on Publishing the Calculation Results of the 2023 Emission Factor for Vietnam's Power Grid* issued by the Department of Climate Change under Vietnam's Ministry of Natural Resources and Environment, and the *Specification for the accounting and reporting of greenhouse gas emissions—Part 25: Food, tobacco, wines, beverages and refined tea production enterprises* (GB/T 32151.25-2024).

[3] Greenhouse Gas Emission Calculation Standards and Methods:
(i) Applicable Standards for Carbon Emission Calculation: The following standards are adopted for carbon emission quantification and reporting: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, The Greenhouse Gas Protocol Scope 2 Guidance, The Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals (ISO 14064-1)
(ii) Haitian consolidates its emission data based on the operational control method.

Category	ESG Indicators	Unit	2025	2024	2023
Pollutant Emissions and Waste Management[2]	Total Non-hazardous Waste Generated[1]	tonnes	335,509.75	328,487.50	264,420.77
	Non-hazardous Waste Generation Intensity	tonnes per 10,000 tonnes of product	711.89	740.89	/
	Total Hazardous Waste Generated	tonnes	44.01	23.25	22.18
	Non-hazardous Waste Generation Intensity	tonnes per 10,000 tonnes of product	0.0934	0.0524	/
	Total Waste Generation	tonnes	335,553.76	328,510.76	/
	Waste Generation Intensity	tonnes per 10,000 tonnes of product	711.98	740.94	/
	Waste Recycled Volume	tonnes	332,600.89	327,170.20	/
	Comprehensive Waste Recycling Rate	%	99.12	99.59	/
Environment Protection Investment	Total Environment Protection Investment	RMB 10,000	7,054.99	8,949.38	7,038.17
Water Resource Management	Water Withdrawal				
	Total Water Withdrawal	Cubic Meter	11,582,002.60	10,599,973.05	8,864,705.60
	Water Withdrawal (Surface Water)	Cubic Meter	240,178.00	193,597.00	/
	Water Withdrawal (Ground Water)	Cubic Meter	66,213.40	87,299.00	/
	Water Withdrawal (Seawater)	Cubic Meter	0.00	0.00	/
	Water Withdrawal (Third-party Water)	Cubic Meter	11,275,611.20	10,319,077.05	/
	Water Withdrawal in High or Extremely High Water Stress Areas[3]	Cubic Meter	1,449,991.00	1,550,262.00	/
	Water Withdrawal in High/Extremely High Water Stress Areas as % of Total Withdrawal	%	12.54	14.63	/
	Water Discharge				
	Total Water Discharge	Cubic Meter	5,710,795.42	4,812,560.20	3,351,698.11
	Water Discharge (Surface Water)	Cubic Meter	70,911.30	95,157.70	/
	Water Discharge (Seawater)	Cubic Meter	0.00	0.00	/
	Water Discharge (Third-party Water)	Cubic Meter	5,639,884.12	4,717,402.50	/
	Water Consumption				
	Total Water Consumption	Cubic Meter	5,871,207.18	5,787,412.86	/
	Water Discharge in High or Extremely High Water Stress Areas	Cubic Meter	464,081.74	896,820.78	/

[1] The term "general solid waste" disclosed in 2023 was revised to "non-hazardous waste" in compliance with the disclosure guidelines issued by the Shanghai Stock Exchange (SSE).
[2] For detailed information on the Company's 2025 waste management-related emissions, please refer to the table titled "Waste Management".
[3] With reference to the Aqueduct database of the World Resources Institute (WRI), regions with high or extremely high water stress are identified.

Category	ESG Indicators	Unit	2025	2024	2023
Water Resource Management	Water Discharge in High or Extremely High Water Stress Areas as % of Total Discharge	%	8.30	15.50	/
	Water Reuse				
	Total Water Reuse	Cubic Meter	1,883,656.36	1,497,044.89	/
	Concentrate Water Reuse	Cubic Meter	317,500.96	229,182.00	/
	Condensate Water Reuse	Cubic Meter	296,355.00	342,719.39	275,000.00
	Cooling Water Reuse	Cubic Meter	1,162,171.4	907,439.00	860,000.00
	Reclaimed Water[1] Reuse	Cubic Meter	107,629.00	17,704.50	/
	Water Recycling rate	%	16.26	12.38	/
	Water Intensity				
	Water Withdrawal Intensity	tonnes/tonne of product	2.46	2.39	2.18
	Water Consumption Intensity	tonnes/tonne of product	1.25	1.30	/
Circular Economy and Packaging Material Management	Product Packaging Performance Indicators				
	Primary Packaging (Sales Packaging)				
	Primary PET (recyclable)	tonnes	116,628.17	102,555.28	/
	PE/HDPE/LDPE(recyclable)	tonnes	51,459.91	45,831.03	/
	PP(recyclable)	tonnes	5,863.08	5,751.65	/
	Glass (recyclable / renewable)	tonnes	406,935.87	435,650.93	/
	Metal (recyclable)	tonnes	5,198.98	5,003.40	/
	Composite bags/films	tonnes	5,238.39	3,155.49	/
	Paper/Aseptic paper packaging (recyclable/ renewable)	tonnes	183.61	59.83	/
	Paper Labels (recyclable/renewable)	tonnes	5,027.42	/	/
	Plastic Label(recyclable)	tonnes	4,760.51	6,957.14	/
	PVC	tonnes	2,265.48	/	/
	Primary Packaging – Total Mass	tonnes	603,561.41	604,964.75	/
	Secondary Packaging (Grouped Packaging)				
	Carton / Cardboard (recyclable/renewable)	tonnes	165,526.39	149,151.55	/
	PET/PE/PP (recyclable)	tonnes	3,758.60	2,096.60	/

[1] Reclaimed water refers to water resources that have been utilized in preceding production processes and subsequently treated to meet reuse water quality standards.

Category	ESG Indicators	Unit	2025	2024	2023
Circular Economy and Packaging Material Management	PVC	tonnes	64.02	111.48	/
	Secondary Packaging – Total Mass	tonnes	169,349.01	151,359.63	/
	Tertiary Packaging (Transport Packaging)				
	PE stretch film(recyclable)	tonnes	902.16	521.35	/
	One-time Use Tray / Pallet(recyclable)	tonnes	336.34	192.43	/
	Tertiary Packaging – Total Mass	tonnes	1,238.50	713.78	/
	Total Product Packaging Material	tonnes	774,148.92	757,045.62	/
	Proportion of Recyclable/Renewable Materials in Total Packaging	%	Approximately 99	98.50	/
	Recycled Packaging Used in Product Packaging (including recycled paper and glass)[1]	tonnes	387,880	378,337	/
	Recycled Packaging as % of Total Product Packaging	%	50.10	49.98	/
	Proportion of primary packaging designed for recyclability and regeneration	%	Approximately 99	/	/
	Circular Economy Performance Indicators				
	Total Renewable Resources Used	tonnes	3,300,700.25	2,653,561.00	/
	Proportion of Renewable Resources Used in Total Resources	%	93.46	81.77	/
	Comprehensive Utilization Volume of Production Waste	tonnes	332,613.35	327,170.20	/
	Comprehensive Utilization Rate of Recycled Production Waste	%	99.12	99.59	/
Employee Employment	Total Number of Employees[2]	people	9,160	9,010	7,863
	Regular Employees by Gender				
	Male	people	7,021	7,044	/
	Female	people	2,139	1,966	/
	Regular Employees by Hierarchy				
	Senior Management	people	19	21	21
	Middle Management	people	374	297	236
	Grassroots Level	people	8,767	8,692	7,606
	Regular Employees by Age				
	≤ 30 years old	people	2,305	3,109	/
	31-50 years old	people	6,561	5,751	/
	>50 years old	people	294	150	/
	Regular Employees by Region				
	Mainland	people	9,110	/	/

[1] Regulations in the Chinese mainland currently do not permit the use of PCR plastics in primary food packaging.
[2] The data statistics for employees are consistent with the financial report. All employees are full-time regular employees.

Category	ESG Indicators	Unit	2025	2024	2023
Employee Employment	Hong Kong, Macao and Taiwan	people	3	/	/
	Overseas	people	47	/	/
	Regular Employees by Educational Background				
	Master's Degree or Above	people	519	/	/
	Bachelor's Degree	people	4,049	/	/
	Associate Degree or Below	people	4,592	/	/
	Newly Hired Regular Employees (current year)	people	1,075	2,170	/
	Employee Turnover Rate	%	12.93	14.26	/
	Employee Turnover Rate by Age				
	≤ 30 years old	%	20.93	/	/
	31-50 years old	%	9.89	/	/
	>50 years old	%	9.26	/	/
	Employee Turnover Rate by Gender				
	Male	%	13.35	/	/
	Female	%	11.50	/	/
	Employee Turnover Rate by Region				
	Mainland	%	12.96	/	/
	Hong Kong, Macao and Taiwan	%	25.00	/	/
	Overseas	%	7.84	/	/
	Female Management Ratio	%	22.4	19.8	19.8
	Collective Contract Coverage	%	100	100	/
	Labor Disputes	incidents	9	6	/
	Total Wages Paid	RMB 10,000	176,874.21	156,668.18	/
	Social Insurance Coverage Rate	%	100	100	100
	Labor Contract Signing Rate	%	100	100	100
Health & Safety	Annual Work Injury Insurance Investment	RMB 10,000	258.76	249.21	/
	Work Injury Insurance Coverage Rate	%	100	100	/
	Work Safety Liability Insurance Investment	RMB 10,000	22.29	10.88	/

Category	ESG Indicators	Unit	2025	2024	2023
Health & Safety	Work Safety Liability Insurance Coverage Rate of High-risk Personnel	%	100	100	/
	Production Safety Investment	RMB 10,000	2,655	2,882.2	2,659
	Number of Safety Checks	times	321	241	199
	Work-related Injury Incidents (employees)	incidents	64	49	15
	Work-related Injury Incidents (contractors)	incidents	6	/	/
	Work-related Deaths during the Fiscal Year	people	0	0	0
	Work-related Deaths Ratio during the Fiscal Year	%	0	0	0
	Lost Hours Due to Work-related Injury	hours	22,279	/	/
	Lost Days Due to Work-related Injury	days	2,849	/	/
	Lost Hours of Work-related Injuries in Millions of Working Hours (employees)	hours	3.69	/	/
	Health & Safety Training Coverage Rate (regular employees)	%	100	100	/
	Total Participants in Health & Safety Training	person-times	28,814	18,179	12,503
Employee Training	Annual Training Expenditure	RMB 10,000	263.51	444.11	/
	Annual Training Sessions Organized	times	1,394	1,469	/
	Annual Types of Training Organized	types	62	33	/
	Number of Employees Trained	people	9,160	9,010	7,863
	Percentage of Employees Trained	%	100	100	100
	Percentage of Employees Trained by Gender				
	Male	%	100	100	100
	Female	%	100	100	100
	Percentage of Employees Trained by Hierarchy				
	Senior Management	%	100	100	100
	Middle Management	%	100	100	100
	Grassroots Level	%	100	100	100
	Average Training Hours per Employee by Hierarchy				
	Senior Management	hours	11.68	/	/
	Middle Management	hours	8.23	/	/
	Grassroots Level	hours	7.23	/	/
	Average Training Hours per Employee by Gender				
	Male	hours	7.42	/	/
	Female	hours	6.80	/	/

Category	ESG Indicators	Unit	2025	2024	2023
Sci-tech Innovation and Ethics	Total Granted Patents	number of patents	802	/	/
	Newly Granted Patents	number of patents	100	124	122
	Valid Invention Patents	number of patents	380	315	/
Sustainable Supply Chain	Total Suppliers	number	2,349	1,980	1,125
	Number of Suppliers in the Chinese Mainland	number	2,326	1,970	/
	Number of Suppliers in Hong Kong, Macao and Taiwan Regions	number	2	5	/
	Number of Overseas Suppliers	number	21	5	/
	Total suppliers screened using Supplier Code of Conduct	number	2,349	1,980	/
	Suppliers Required to Meet Anti-Corruption Standards	%	100	100	100
	The Number of Signed Integrity Agreements with Suppliers	number	2,349	1,980	/
Raw Material Traceability	Percentage of seafood traceable to the farm level	%	64.78	/	/
	The proportion of seafood raw materials (oysters) that are traceable to processing facilities	%	100	100	/
Product Safety & Quality	Percentage of Sold Products Recalled for Safety/Health Reasons	%	0	0	/
	Number of Food Safety/Quality Incidents	cases	0	0	/
	Global Food Safety Initiative (GFSI) Audit Compliance Rate	%	100	100	/
	Product Recall Frequency	frequency	0	0	/
Customer Service	Customer Satisfaction Rate	%	92.00	94.10	92.00
	Valid Consumer Complaint Resolution Rate	%	100	100	100
Data Security & Privacy	Data Security Incidents	cases	0	0	0
	Customer Privacy Breach Incidents	cases	0	0	/
Nutrition and Health Opportunities	Number of Product R&D Personnel	people	733	704	620
	Product R&D Personnel as % of Total Employees	%	8	7.81	/
	Product R&D Investment Amount	RMB 10,000	91,498.63	84,681.58	71,541.76
	Product R&D Investment as % of Annual Revenue	%	3.17	3.15	/

Category	ESG Indicators	Unit	2025	2024	2023
Business Ethics	Adjudicated Cases of Corruption, Bribery, Extortion, Fraud, or Money Laundering Against the Company or Employees (reporting period)	cases	0	1	0
	Number of Board Members Trained in Anti-Corruption or Received Relevant Information	people	9	9	/
	Percentage of Board Members Trained in Anti-Corruption or Received Relevant Information among the total members of Board of Directors	%	100	100	100
	Number of Management Personnel[1] Trained in Anti-Corruption or Received Relevant Information	people	393	318	/
	Percentage of Management Personnel Trained in Anti-Corruption or Received Relevant Information among the total management personnel	%	100	100	/
	Number of Employees Trained in Anti-Corruption or Received Relevant Information	people	9,160	9,010	/
	Percentage of Employees Trained in Anti-Corruption or Received Relevant Information among all employees	%	100	100	100
	Percentage of Suppliers (Refers to Raw Materials and Packaging Materials suppliers for the Company's main business) Trained in Anti-Corruption or Received Relevant Information	%	100	100	/
Rural Revitalization and Social Contribution	Total Charitable and Public Welfare Investment	RMB 10,000	1,695.04	1,294.26	2,055.10
	Rural Revitalization Investment	RMB 10,000	720.94	1,076.49	/
	Rural Revitalization Beneficiaries	10,000 people	212.66	16.8	/
	Factory Tours Open to Public	10,000 people	29.8	28.30	37.50
	Total Volunteers for Charitable Services	people	361	395	/
	Total Hours of Charitable Volunteer Services	hours	1,150	1,735	/
Economic Performance[2]	Operating Revenue	RMB	28,873,380,466.76	26,904,508,894.01	24,559,312,356.59
	Net Profit	RMB	7,045,452,349.14	6,355,361,477.12	5,642,186,761.43
	Net Cash Flow from Operating Activities	RMB	7,745,950,953.79	6,840,201,569.11	7,355,650,997.74
	Taxes Paid	RMB	2,927,679,453.47	2,624,602,241.04	2,315,592,003.73
	Weighted Average Return on Equity (ROE)	%	19.59	21.77	20.72
	Asset-Liability Ratio	%	19.82	23.19	24.44

[1] During the reporting period (December 2025), the Company completed the acquisition of Guangdong Haitian Innovation Technology Co., Ltd. through a business combination under common control. In accordance with relevant accounting regulations, the related data for 2024 has been restated.

Scope 3 Greenhouse Gas Emissions Reporting Boundary

Scope 3 Activity Category	Coverage	Rationale
S3-1 Purchased goods and services	Yes	The goods and services procured by the Company in 2025 cover over 97% of the total weight of purchased goods.
S3-2 Capital goods	Yes	Fixed assets and equipment acquired by the Company in 2025.
S3-3 Fuel- and energy related activities	Yes	Extraction, production, and transportation (not included in Scope 1 and Scope 2) of purchased fuels and energy for the year 2025, including: a. Upstream emissions of purchased fuels (extraction, production, and transportation of fuels consumed) b. Upstream emissions of purchased electricity and heating (extraction, production, and transportation of fuels consumed for the required electricity, steam, and heat supply) c. Upstream emissions from transmission and distribution losses.
S3-4 Upstream transportation and distribution	Yes	Transportation and distribution of products purchased by the Company in 2025 between tier-1 suppliers and the Company's own operations (using vehicles and facilities not owned or controlled by the Company) Transportation and distribution services purchased by the Company in 2025, including inbound and outbound logistics (e.g., for sold products), and transportation and distribution between the Company's own facilities (using vehicles and facilities not owned or controlled by the Company).
S3-5 Waste generated in operations	Yes	Treatment or disposal of waste generated from the Company's operations in 2025 (at facilities not owned or controlled by the Company), including hazardous waste, non-hazardous waste, and wastewater.
S3-6 Business travel	Yes	Employee business travel data for 2025 was compiled from the Company's travel system, including modes of transport, distances traveled, and hotel accommodations.
S3-7 Employee commuting	Yes	A company-wide employee survey was conducted to collect data on the modes of transport and distances traveled between residences and workplaces in 2025.
S3-8 Upstream leased assets	No	N/A
S3-9 Downstream transportation and distribution	Yes	Transportation and distribution of products sold by the Company in 2025 between the Company and end customers (where the associated costs are not borne by the Company).

Scope 3 Activity Category	Coverage	Rationale
S3-10 Processing of sold products	Yes	Scope 1 and Scope 2 activities from the further processing of intermediate products sold by the Company in 2025 at downstream enterprises.
S3-11 Use of sold products	No	N/A
S3-12 End-of-life treatment of sold products	Yes	Waste treatment/disposal of products sold by the Company in 2025 at their end-of-life, including recycling, landfilling, and incineration.
S3-13 Downstream leased assets	Yes	Operation in 2025 of all assets owned (but not included in Scope 1 or Scope 2) and leased to other entities by the Company, including the lessee's Scope 1 and Scope 2 activities from operating the leased assets.
S3-14 Franchises	No	N/A
S3-15 Investments	No	N/A

2025 Emission Status of Environmental Key Regulatory Units

Gaoming Haitian	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
Major Pollutants	COD	148.88	tonne	157.07	tonne	No	Constructed	Normal Operation
	NH3-N	29.78	tonne	31.41	tonne	No	Constructed	Normal Operation
	SO_2	7.58	tonne	81.21	tonne	No	Constructed	Normal Operation
	NO_x	69.27	tonne	215.74	tonne	No	Constructed	Normal Operation
	PM	5.03	tonne	N/A[1]	tonne	No	Constructed	Normal Operation
	VOC_s	0.02	tonne	N/A	tonne	No	Constructed	Normal Operation
Characteristic Pollutants	No						Constructed	Normal Operation

Nanning Haitian	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
Major Pollutants	COD	66.39	tonne	401.46	tonne	No	Constructed	Normal Operation
	NH3-N	0.75	tonne	31.18	tonne	No	Constructed	Normal Operation
	SO_2	0.00	tonne	N/A	tonne	No	Constructed	Normal Operation
	NO_x	0.23	tonne	N/A	tonne	No	Constructed	Normal Operation
	PM	0.19	tonne	N/A	tonne	No	Constructed	Normal Operation
	VOCs	0.02	tonne	N/A	tonne	No	Constructed	Normal Operation
Characteristic Pollutants	No						Constructed	Normal Operation

Wuhan Haitian	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
Major Pollutants	COD	5.57	tonne	18.40	tonne	No	Constructed	Normal Operation
	NH3-N	0.56	tonne	1.84	tonne	No	Constructed	Normal Operation
	PM	0.00	tonne	0.13	tonne	No	Constructed	Normal Operation
	VOC_s	0.04	tonne	N/A	tonne	No	Constructed	Normal Operation
Characteristic Pollutants	No						Constructed	Normal Operation

[1] "N/A" indicates that for the specific pollutant indicator, there is no total volume verification requirement in the region where the company is located, or according to the local pollutant total volume verification guidelines, the corresponding discharge outlet of the company or its subsidiary is not subject to total pollutant volume verification. Therefore, no verified annual total discharge volume is available for certain pollutants.

Zhejiang Haitian	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
Major Pollutants	COD	0.79	tonne	94.17	tonne	No	Constructed	Normal Operation
	NH3-N	0.06	tonne	6.59	tonne	No	Constructed	Normal Operation
	Total Nitrogen	0.08	tonne	13.18	tonne	No	Constructed	Normal Operation
	Total Phosphorus	0.01	tonne	1.51	tonne	No	Constructed	Normal Operation
	SO_2	0.01	tonne	N/A	tonne	No	Constructed	Normal Operation
	NO_x	0.06	tonne	0.87	tonne	No	Constructed	Normal Operation
	PM	0.01	tonne	N/A	tonne	No	Constructed	Normal Operation
	VOC_s	0.01	tonne	N/A	tonne	No	Constructed	Normal Operation
Characteristic Pollutants	No						Constructed	Normal Operation

Zhenjiang Danhe	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
Major Pollutants	COD	0.68	tonne	1.63	tonne	No	Constructed	Normal Operation
	NH3-N	0.01	tonne	0.33	tonne	No	Constructed	Normal Operation
	SO_2	0.00	tonne	N/A	tonne	No	Constructed	Normal Operation
	NO_x	0.24	tonne	N/A	tonne	No	Constructed	Normal Operation
	PM	0.00	tonne	N/A	tonne	No	Constructed	Normal Operation
Characteristic Pollutants	No						Constructed	Normal Operation

Jiangsu Haitian	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
Major Pollutants	COD	57.99	tonne	486.58	tonne	No	Constructed	Normal Operation
	NH3-N	0.44	tonne	37.23	tonne	No	Constructed	Normal Operation
	Total Nitrogen	14.89	tonne	44.12	tonne	No	Constructed	Normal Operation
	Total Phosphorus	1.40	tonne	4.03	tonne	No	Constructed	Normal Operation
	SO_2	0.00	tonne	N/A	tonne	No	Constructed	Normal Operation
	NO_x	0.34	tonne	1.46	tonne	No	Constructed	Normal Operation
	PM	0.04	tonne	N/A	tonne	No	Constructed	Normal Operation
	VOC_s	0.04	tonne	N/A	tonne	No	Constructed	Normal Operation
Characteristic Pollutants	No						Constructed	Normal Operation

Hefei Yanzhuang	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
Major Pollutants	COD	0.93	tonne	N/A	tonne	No	Constructed	Normal Operation
	NH3-N	0.15	tonne	N/A	tonne	No	Constructed	Normal Operation
	SO_2	0.14	tonne	N/A	tonne	No	Constructed	Normal Operation
	NO_x	1.11	tonne	N/A	tonne	No	Constructed	Normal Operation
	PM	5.58	tonne	N/A	tonne	No	Constructed	Normal Operation
Characteristic Pollutants	No						Constructed	Normal Operation

Waste Management

Indicator	Unit	Waste Generated	Waste Recycled	Recycling Method	Waste Disposed	Generation Intensity ton/ten thousand tons of product (production output)
Non-Hazardous Waste - Total	Tonnes	335,509.75	332,583.88	Third-party recycling	2,925.87	711.89
Non-Hazardous Waste - Plastic	Tonnes	3,478.83	3,472.01	Third-party recycling	6.82	
Non-Hazardous Waste - Paper	Tonnes	5,417.62	5,417.36	Third-party recycling	0.26	
Non-Hazardous Waste - Wood	Tonnes	523.77	523.37	Third-party recycling	0.4	
Non-Hazardous Waste - Metal	Tonnes	2,075.71	2,075.71	Third-party recycling	0	
Non-Hazardous Waste - Glass	Tonnes	429.59	428.89	Third-party recycling	0.7	
Non-Hazardous Waste -Food Waste	Tonnes	252,844.51	252,697.31	Third-party recycling	147.20	
Non-Hazardous Waste - Wastewater Sludge	Tonnes	35,914.71	33,478.18	Third-party recycling	2,436.53	
Non-Hazardous Waste - Boiler Ash/Slag	Tonnes	31,544.00	31,544.00	Third-party recycling	0	
Non-Hazardous Waste - Material Residue (spent diatomite, etc.)	Tonnes	333.96	0	Third-party recycling	333.96	
Non-Hazardous Waste - Other	Tonnes	2,947.05	2,947.05	Third-party recycling	0	
Hazardous Waste - Total	Tonnes	44.01	29.47	Third-party recycling	14.54	0.09
Total Waste	Tonnes	335,553.76		/		711.98
Comprehensive Waste Recycling Rate	Tonnes	99.12		/	/	/

Analysis of the Association between Value Chain Stages and Climate Risks and Opportunities

Value Chain Stage		Stakeholders	Operational Dependency	Description of Dependency	Risk Category	Climate Sensitivity[1]	Sensitivity Impact Description	Scope of Impact
Upstream	Raw material	Agricultural raw material suppliers	High	Core raw material supply Raw material stability Seasonality of origin aligns with storage and retrieval rhythm	Acute physical risk Chronic physical risk Transition risk Transition opportunity	Medium	Supply contraction and delivery instability due to production cuts or disaster-related losses Increased inspection failure rates and process compatibility pressures due to quality fluctuations Low-carbon inputs increase raw material costs and transmit these upward to upstream suppliers Green planting and diversified regional deployment enhance supply resilience and brand credibility	Key production areas
Upstream	Procurement	Agricultural product supplier	High	Procurement performance capability Quality inspection and grading Multi-region / multi-source organisational capability Price volatility management capability	Acute physical risk Chronic physical risk Transition risk Transition opportunity	Low	Supply fluctuations pose a risk of material shortages and necessitate production scheduling adjustments Quality deviations have led to increased costs associated with returns and exchanges, re-inspection, and wastage. Fluctuations in raw material prices amplify the sensitivity of procurement costs and gross margins Multi-site deployment and green procurement enhance supply chain resilience	Key production areas
Upstream	Procurement	Packaging material supplier	High	Key packaging materials can be continuously supplied Price volatility management capability	Transition risk Transition opportunity	Low	Energy and carbon costs transmission have driven up packaging material costs Increased supply screening pressure due to enhanced green certification and compliance requirements Packaging material carbon reduction and lightweighting offer opportunities for emissions reduction and cost optimisation	Region where key suppliers are located
Upstream	Procurement transportation	Cargo carrier	Medium	Delivery time assurance In-transit integrity rate control Capacity for logistics scheduling transport carbon intensity	Acute physical risk Transition risk Transition opportunity	Low	Extreme weather has caused line disruptions, delays, and fluctuations in delivery schedules. In-transit loss of raw materials has increased, affecting availability and quality stability Rising fuel and carbon costs have driven up freight rates and inventory holding costs Green logistics and route optimisation reduce emissions and the risk of non-performance	Key transport corridors and critical node areas
Upstream	Procurement transportation	Warehousing service provider	Medium	Safety stock carrying capacity Temperature and humidity control and mould resistance Disaster prevention and emergency allocation capability	Acute physical risk chronic physical risk Transition opportunity	Low	Extreme weather has led to an increase in mould damage losses and write-off rates Increased energy consumption for temperature control and disaster prevention raises warehousing costs Supply shortages and production disruptions caused by area flooding/operational shutdowns	Areas surrounding core production facilities and key warehousing nodes

[1] Climate Sensitivity refers to the degree to which a specific value chain segment responds to climate-related changes. The classification is defined as follows: Low: Indicates that, during the reporting period and within the foreseeable future (short-to-medium term), the likelihood of the climate factor materially impacting the business model, strategy, financial position (assets and liabilities), operating performance (revenue and costs), or cash flows of the specific value chain segment is low. Alternatively, even if such an impact occurs, its financial magnitude remains immaterial. Medium: Indicates that there is a reasonable likelihood of the climate factor having a substantive effect on the management, operations, or financial performance of the specific value chain segment over the medium-to-long term. While this impact may necessitate proactive management measures from executive and middle management, it does not pose a fundamental challenge to the Company' s core strategy or long-term value creation. High: Indicates that the climate factor is highly likely to have a significant impact on the overall business model, strategic direction, and financial resilience of the specific value chain segment in the short, medium, or long term. Such impacts are potentially disruptive, requiring profound strategic adjustments at the executive level, significant reallocation of assets, or large-scale capital expenditures.

Value Chain Stage		Stakeholders	Operational Dependency	Description of Dependency	Risk Category	Climate Sensitivity[1]	Sensitivity Impact Description	Scope of Impact
Midstream	Production and operations	Employees	Medium	Operational continuity Work efficiency Occupational health and safety	Acute physical risk Chronic physical risk	Low	Extreme weather has led to work stoppages, reduced efficiency, or increased absenteeism Rising risks of health and safety incidents are affecting continuous production Personnel turnover has triggered pressure on yield and product consistency Green technology upgrades and capacity building enhance resilience	Core production base / facility
Midstream	Production and operations	Power supply sector	High	Continuous power supply reliability Electricity prices and peak-valley fluctuations are exposed Power rationing / demand response mechanism impact Availability of green electricity	Acute physical risk Chronic physical risk Transition risk Transition opportunity	Medium	Production stoppages or reduced load due to power outages or scheduled power restrictions Rising electricity prices have increased manufacturing costs and impacted gross margins. The carbon cost pass-through has increased the embedded costs associated with electricity usage Green power procurement and distributed photovoltaic substitution reduce carbon intensity	Core production base / facility
Midstream	Production and operations	Water resources supply sector	High	Rigorous assurance of process water Water quality stability and food safety requirements Water abstraction and discharge permits and compliance requirements	Acute physical risk Chronic physical risk Transition risk Transition opportunity	Medium	Water price increases and water abstraction restrictions have heightened operational uncertainty Fluctuations in water quality increase the burden on treatment processes and pose quality risks Increasing costs associated with wastewater treatment and discharge compliance Water recycling and water-saving upgrades reduce water intensity and alleviate constraints	Core production base / facility
Midstream	Production and operations	The community where the factory is located	Low	Availability of infrastructure such as roads and drainage Local compliance and emission regulation scrutiny Public sentiment sensitivity and communication channels Emergency coordination and support resources	Acute physical risk Transition risk Transition opportunity	Low	Extreme weather disrupts transportation and logistics Emissions incidents amplify reputational and compliance risks Increased regulatory scrutiny has led to higher remediation and communication costs Co-construction of green communities enhances collaborative synergy	Location of the core production base/ industrial facility
Downstream	Sales logistics	Product carrier	Medium	Delivery time assurance In-transit integrity rate control Capacity for logistics scheduling Transport carbon intensity	Acute physical risk Transition risk Transition opportunity	Low	Delivery delays/deliveries disrupted and stockouts due to extreme weather Risk of returns and exchanges due to product damage Rising fuel and carbon costs have driven up distribution expenses Green logistics reduce carbon emissions	Key sales regions, critical logistics corridors
Downstream	Sales logistics	Warehousing service provider	Medium	Safety stock carrying capacity Temperature and humidity control, and mould resistance Disaster prevention and emergency allocation capability	Acute physical risk Chronic physical risk Transition opportunity	Low	Extreme weather has led to increased mould damage losses and write-offs Increased energy consumption for temperature control and disaster prevention raises warehousing costs Supply shortages due to area flooding/operation suspension	Areas surrounding core production facilities and key warehousing nodes

Value Chain Stage		Stakeholders	Operational Dependency	Description of Dependency	Risk Category	Climate Sensitivity[1]	Sensitivity Impact Description	Scope of Impact
Downstream	Marketing and Sales	Brand/Sales/ Customer Service Department	Medium	Brand reputation Green image	Transition risk Transition opportunity	Low	Fluctuations in brand reputation Premium margin for green products	Domestic and overseas markets
Downstream	Marketing and Sales	Distributors / Agents / Retailers	Low	Channel stability Offline sales network	Acute physical risk Transition risk	Low	Business operations were disrupted by extreme weather Fluctuations in brand reputation	Domestic and overseas markets
Downstream	Marketing and Sales	E-commerce platform	Low	Online sales network	Transition risk	Low	Fluctuations in brand reputation	Domestic and overseas markets
Downstream	Marketing and Sales	C-end consumers	High	Consumer demand, sustainable preferences	Transition risk Transition opportunities	Low	Changes in low-carbon product preferences Increased price sensitivity Expansion of the green product market Fluctuations in brand reputation	Domestic and overseas markets
Downstream	Marketing and Sales	B2B customers	High	Large-scale procurement ESG Qualification Requirements	Transition risk Transition opportunities	Low	Climate disclosure requirements are being strengthened Order structure adjustment Deepening of low-carbon cooperation	Domestic and overseas markets
Downstream	Marketing and Sales	The general public	Medium	Social oversight Public opinion	Transition risk Transition opportunities	Low	Fluctuations in environmental public opinion Changes in public trust Enhancement of green brand recognition	Domestic and overseas markets
Downstream	Product usage	C-end consumers	High	Product quality and safety Product user experience Packaging sustainability	Transition risk Transition opportunities	Low	Demand for green products has increased Requirements for eco-friendly packaging materials have been enhanced	Domestic and overseas markets
Downstream	Product usage	Consumer protection groups	High	Product compliance monitoring	Transition risk Transition opportunities	Low	Enhanced compliance review Climate disclosure requirements are being strengthened Fluctuations in environmental public opinion Changes in public trust Enhancement of green brand recognition	Domestic and overseas markets
Downstream	Waste disposal and recycling	Waste disposal Company	Low	Compliant disposal of waste Resource recovery and utilisation	Transition risk Transition opportunities	Low	Rising disposal costs have increased operational expenses. Extreme weather disruptions have heightened the risks of waste accumulation and deterioration.	Core production base / industrial facility

Value Chain Stage		Stakeholders	Operational Dependency	Description of Dependency	Risk Category	Climate Sensitivity[1]	Sensitivity Impact Description	Scope of Impact
Full-process supervision	Management and supervision	Functional management department	Low	Effectiveness of climate governance policies implementation and internal control Consistency of caliber, data quality, and evidence chain management Cross-departmental collaboration and resource allocation capability Risk identification, reporting, and closed-loop tracking capability	Acute physical risk Chronic physical risk Transition risk Transition opportunity	Low	Rising management costs and increased process complexity Climate strategy adjustments enhance the robustness of operational and investment decision-making	Core production base / facility
Full-process supervision	Management and supervision	Government and regulatory authorities	High	Compliance and emission standards Energy and Carbon Policy	Transition risk Transition opportunities	Medium	Emission standards have been tightened Compliance costs increase Increase in energy and carbon costs Policy incentives and subsidy support	Nationwide
Full-process supervision	Management and supervision	Investors	High	Requirements for climate governance and disclosure quality Assessment of the credibility and execution capability of transition pathways Access to sustainable finance instruments	Transition risk Transition opportunities	Medium	Valuation adjustments reflect risk premiums and changes in expectations Insufficient disclosure leads to rating and communication pressures Expansion of green financing channels	Capital markets both domestically and overseas

Expected Impacts of Climate Risks and Opportunities on Strategy, Operations, and Finance

Value Chain Stage		Type of Risk	Strategic and Operational Impact[1]	Current Financial Effect	Anticipated Financial Effect
Upstream	Raw Material Production	Acute Physical Risk	Strategy: Multiple production sites and backup sources; Operation: Emergency procurement and temporary substitution, with safety stock increased as necessary.	Asset side: [Physical risk] [Low] No significant impact has been observed at present. Liability side: No significant impact has been observed at present. Equity side: No significant impact has been observed at present. Profit and cost side: No significant impact has been observed at present. Cash flow: [Transition risk] [Low] Increased expenditure due to enhanced audit and traceability management. Cost of financing and sources of financing: No significant impact has been observed at present.	Asset side: [Physical risk] The normalization of safety stock requirements has elevated the baseline level of capital occupation. [Physical risk] Compliance and certification become routine, with prepaid and contract assets arrangements extended to longer terms. [Transition opportunity] After multiple production sites achieve stability, resource allocation becomes more controllable. Liability side: [Physical risk] Settlement terms are more prone to change, and payables turnover is less stable. [Transition risk] Compliance clauses are institutionalised, with stronger performance obligations, leading to ongoing scrutiny of provisions/contingent liabilities. Equity side: The shifting cost centre continues to impact retained earnings. Profit and cost side: [Physical risk] Cost volatility increases as extreme events become more frequent. [Transition risk] Carbon costs are persistently transmitted, leading to a structural increase in procurement costs. [Transition opportunity] More stable supply and improved gross margin resilience. Cash flow: [Physical risk] Fluctuations in procurement expenditures and inventory occupancy impact operating cash flow. [Transition risk] The long-term pass-through of carbon costs is leading to a structural increase in procurement costs. [Transition opportunity] Price spikes reduced, resulting in smoother cash flow. Cost of financing and sources of financing When capital expenditure and compliance constraints rise, credit utilisation and funding costs may increase.
		Chronic Physical Risk	Strategy: Restructure the geographical distribution of raw materials to enhance regional diversification; Operation: Dynamic quotas and product mix optimization, with enhanced qualification criteria.		
		Transition Risk	Strategy: Low-carbon agriculture and compliance integration into entry/exit Mechanism; Operation: Collection and grading of supplier carbon-related information, with focus on verification and support for key suppliers.		
		Transition Opportunity	Strategy: Green raw material sourcing and development; Operation: Establish low-carbon standards and improve the carbon footprint data chain.		

Value Chain Stage		Type of Risk	Strategic and Operational Impact[1]	Current Financial Effect	Anticipated Financial Effect
Upstream	Procurement	Acute Physical Risk	Strategy: Expand the radius of emergency procurement and the backup pool; Operation: Switching to alternative materials to ensure supply continuity.	Asset side: No significant impact has been observed at present. Liability side: No significant impact has been observed at present. Equity side: No significant impact has been observed at present. Profit and cost side: [Transition risk] [Low] Carbon footprint and reduced plastic requirements increase packaging unit costs or switching costs. [Transition opportunity] [Low] Lightweight and low-carbon packaging materials reduce overall costs or improve efficiency. Cash flow: No significant impact has been observed at present. Cost of financing and sources of financing No significant impact has been observed at present.	Asset side: [Physical risk] Safety stock and backup procurement become more routine, leading to an elevated centralisation of working capital utilisation. [Transition risk] Green compliance has become a standard threshold, with prepayments and contractual arrangements extending to longer terms. [Transition opportunity] After the maturity of alternative materials and green procurement, their usage will be more controllable. Liability side: [Physical risk] Settlement terms are more prone to change, leading to greater instability in accounts payable turnover. [Transition risk] Contractual obligations are entrenched, with ongoing scrutiny on provisions for contingent liabilities / contingent matters. Equity side: The shift in the cost centre continues to impact retained earnings. Profit and cost side: [Physical risk] Price volatility occurs more frequently, and quality-related costs are rigidly increasing. [Transition risk] Structural increase in packaging material costs. [Transition opportunity] After large-scale implementation of low-carbon packaging materials, cost and efficiency improvements become more stable. Cash flow: [Physical risk] Operating cash flow volatility becomes more frequent. [Transition risk] Certification and verification have become routine expenses. [Transition opportunity] More stable supply and smoother operating cash flows. Cost of financing and sources of financing The cost of capital may rise if compliance requirements and transition investments increase.
		Chronic Physical Risk	Strategy: Optimise the supply mix in line with long-term climate trends; Operation: Shorten contract periods for high-risk production areas and introduce price adjustment and delivery terms.		
		Transition Risk	Strategy: Develop exit pathways for high-carbon locations; Operation: Implement low-carbon procurement scoring and verification.		
		Transition Opportunity	Strategy: Prioritise procurement of green raw materials; Operation: Sign long-term carbon reduction and green electricity co-operation agreements.		

[1] The Company has incorporated emission reduction and energy efficiency improvements into its capital expenditure planning, and has undertaken a series of low-carbon retrofits and new energy substitution initiatives. These primarily include: boiler fuel and system upgrades (e.g., gas boiler retrofits), key process and technology enhancements (e.g., updates to low-carbon fermentation technology, process optimization), resource recovery and self-generation projects (e.g., installation of new biogas-powered generators), renewable energy adoption and energy structure optimization (e.g., increased photovoltaic capacity, procurement of green certificates/electricity), and logistics decarbonization (e.g., procurement of new energy electric heavy-duty trucks). Currently, the Company has no definitive plan requiring the immediate "decommissioning/shutdown" of assets.

Value Chain Stage		Type of Risk	Strategic and Operational Impact[1]	Current Financial Effect	Anticipated Financial Effect
Upstream	Procurement Transportation	Acute Physical Risk	Strategy: Optimise logistics footprint to enhance redundancy and decentralisation. Operation: Activate emergency distribution and temporary warehousing.	Asset side: [Physical risk] [Low] In-transit occupancy rising, days in inventory increasing. [Transition opportunity] [Low] Route optimization reduces delays and decreases in-transit occupancy. Liability side: No significant impact has been observed at present. Equity side: No significant impact has been observed at present. Profit and cost side: [Physical risk] [Low] Increased rerouting and losses, leading to higher fulfillment costs. [Transition opportunity] [Low] Efficiency improvements reduce unit fulfillment cost. Cash flow: [Transition opportunity] [Low] Cash flow usage reduced in transportation. Cost of financing and sources of financing No significant impact has been observed at present.	Asset side: [Physical risk] When delays occur more frequently, in-transit occupancy and inventory turnover pressure remain persistently elevated. [Transition risk] Freight rates and settlement terms are adjusted more routinely, with prepayments and settlements becoming more rigid. [Transition opportunity] After green logistics scale-up, delays and in-transit occupancy decrease more stably. Liability side: [Physical risk] Freight settlement becomes more unstable, and payable turnover volatility persists. Equity side: The ongoing changes in the cost of performance continue to affect retained earnings. Profit and cost side: [Physical risk] More frequent emergency dispatch costs, raising the upper limit of performance costs. [Transition risk] Long-term transmission of fuel and carbon costs, leading to a structural increase in freight rates. [Transition opportunity] Efficiency improvements offer ongoing cost reduction potential. Cash flow: [Physical risk] Operating cash flow is more sensitive to freight rates and scheduling. [Transition opportunity] Enhanced compliance stability and smoother operating cash flow. Cost of Financing and Channels of Financing If investment in logistics and low-carbon transformation increases, funding costs may rise.
		Chronic Physical Risk	Strategy: Adjust the location of transport corridors and warehousing nodes; Operation: Develop contingency plans for high-risk routes.		
		Transition Risk	Strategy: Carbon intensity to be incorporated into supplier selection and assessment; Operation: Pilot new energy vehicles/multi-modal transport.		
		Transition Opportunity	Strategy: Building green transportation capacity; Operation: Promote intermodal transport and return journey optimisation, and collaborate with low-carbon freight capacity.		

Value Chain Stage		Type of Risk	Strategic and Operational Impact[1]	Current Financial Effect	Anticipated Financial Effect
Midstream	Production Operation	Acute Physical Risk	Strategy: Enhance disaster preparedness standards for critical capacity; Operation: Execute emergency production scheduling and flexible staffing, strengthen equipment protection and safety management.	Asset side: [Physical risk] [Low] Repair costs arising from shutdowns or damage, and reduced capacity utilisation. [Transition risk] [Low] Energy-saving and carbon-reduction upgrades increase fixed assets/in-progress investments. [Transition opportunity] [Medium] Energy efficiency improvements enhance asset utilisation. Liability side: [Physical risk] [Low] Increased scrutiny on remediation obligations and claims settlement matters. [Transition risk] [Low] The remediation requirements give rise to contingent liabilities / contingent items for consideration. Equity side: No significant impact has been observed at present. Profit and cost side: [Physical risk] [Low] Production shutdowns for emergency repairs increase manufacturing costs and expenses. [Transition risk] [Low] Governance and verification increase manufacturing/administrative costs. [Transition opportunity] [Medium] Energy conservation and consumption reduction to lower unit costs. Cash flow: [Physical risk] [Low] Maintenance and production fluctuations affect operating cash flow. [Transition risk] [Low] Retrofitting costs affect investment cash flow. [Transition opportunity] [Medium] Efficiency improvements enhance medium- to long-term operating cash flow. Cost of financing and sources of financing No significant impact has been observed at present.	Asset side: [Physical risk] Repair and protection investments are becoming more routine, while impairment/price decline risks require greater attention. [Transition risk] The long-term nature of low-carbon transformation leads to higher fixed assets and ongoing construction volumes. [Transition opportunity] Continuous efficiency gains from energy efficiency and optimisation of energy mix. Liability side: [Physical risk] Obligations and claims related to major events attract more sustained attention. [Transition risk] Compliance requirements are becoming stricter, and related obligations are receiving ongoing attention. Equity side: Profit volatility and the pace of CAPEX continue to impact retained earnings. Profit and cost side: [Physical risk] Shutdowns and write-down costs are more prone to recurring. [Transition risk] Energy consumption and emissions management costs are more rigid. [Transition opportunity] Energy-saving benefits are more stable, and reductions in unit costs are more sustainable. Cash flow: [Physical risk] Operating cash flow more sensitive to shutdowns and maintenance. [Transition risk] More sustained outflows of investment cash flow. [Transition opportunity] Cash flow stability improves after the renovation. Cost of Financing and Sources of Financing In a high capital expenditure scenario, credit utilisation and funding costs may rise.
		Chronic Physical Risk	Strategy: Optimisation of capacity layout and relocation planning; Operation: Continuous energy-saving technological upgrades to enhance operational stability.		
		Transition Risk	Strategy: Establish carbon pricing expectations and energy efficiency targets, and phase out outdated equipment; Operation: Promote fuel substitution/green electricity substitution and technological renovation.		
		Transition Opportunity	Strategy: Enhance customer access and brand premium; Operation: Continuously drive down energy consumption and costs per unit.		

Value Chain Stage		Type of Risk	Strategic and Operational Impact[1]	Current Financial Effect	Anticipated Financial Effect
Downstream	Sales Logistics	Acute Physical Risk	Strategy: Optimise warehouse allocation and inventory pre-positioning strategy; Operation: Switch to alternative delivery routes and carriers to ensure delivery.	Asset side: [Physical risk] [Low] Routine investment in repair and protection increases, with heightened attention to impairment/decline in value risks. [Transition opportunity] [Low] Continuous improvement in efficiency and optimisation of energy structure. Liability side: No significant impact has been observed at present. Equity side: No significant impact has been observed at present. Profit and cost side: [Transition opportunity] [Low] Logistics costs reduced Cash flow: No significant impact has been observed at present. Cost of Financing and Channels of Financing No significant impact has been observed at present.	Asset side: [Physical risk] More frequent disruptions, with inventory pre-positioning becoming more routine and central holding costs rising. [Transition opportunity] Improved warehouse and distribution efficiency drive sustained working capital improvement. Liability side: [Physical risk] Claims and return risks are more persistent when extreme events occur frequently. Equity side: The ongoing changes in the cost of performance continue to affect retained earnings. Profit and cost side: [Physical risk] The upper limit for contract performance cost volatility has been increased. [Transition risk] Structural increase in warehousing and distribution costs. [Transition opportunity] Green logistics and warehousing deliver stable cost reductions. Cash flow: [Physical risk] More sustained fluctuations in operating cash flow. [Transition opportunity] Improved turnover has led to smoother cash flow. Cost of financing and sources of financing If warehousing and distribution capital expenditure increases, the cost of funds may rise.
		Chronic Physical Risk	Strategy: Restructure the warehousing and distribution network, and exit high-risk nodes; Operation: Enhance the durability of high-risk exposure equipment.		
		Transition Risk	Strategy: Assess carbon intensity and enhance low-carbon delivery capabilities; Operation: Pilot new energy delivery and route optimisation.		
		Transition Opportunity	Strategy: Develop green delivery capabilities to enhance market competitiveness; Operation: Promote intermodal transport and optimise return journey loading to reduce unit transportation costs and emissions.		
	Marketing and Sales	Acute Physical Risk	Strategy: Enhance regional resilience of market and channel strategies; Operation: Dynamically adjust promotion and supply rhythms in affected areas, combining online and offline channels.	Asset side: No significant impact has been observed at present. Liability side: No significant impact has been observed at present. Equity side: No significant impact has been observed at present.	Asset side: [Physical risk] When regional disasters recur, repayment becomes unstable, and credit exposure becomes more sensitive. [Transition risk] Customer onboarding thresholds are becoming stricter, and adjustments to contract and settlement terms are becoming more routine. [Transition opportunity] After consolidating low-carbon capabilities, the customer portfolio has improved, and receivables risk is more controllable. Liability side: [Transition risk] As long-term intensification of external commitments and disclosure requirements occurs, attention to contentious issues remains sustained. Equity side: The shift in sales mix and changes in expenditure allocation have a sustained impact, thereby affecting retained earnings.
		Transition risk	Strategy: Aligning with consumers' and clients' low-carbon preferences; Operations: Promote pilot initiatives for product carbon labelling and disclosure.		

Value Chain Stage		Type of Risk	Strategic and Operational Impact[1]	Current Financial Effect	Anticipated Financial Effect
Downstream	Marketing and Sales	Transition Opportunity	Strategy: Transform low-carbon and resilience capabilities into differentiators for brand differentiation and premium positioning; Operation: Conduct verifiable communications around low-carbon factories, green logistics, and other initiatives to enhance user engagement.	Profit and cost side: [Transition opportunity] [Low] Green premium and structural upgrading improve profitability. Cash flow: No significant impact has been observed at present. Cost of financing and sources of financing No significant impact has been observed at present.	Profitability and cost side: [Physical risk] Lead to more frequent fluctuations in sales volume and structure, increasing uncertainty in revenue recognition. [Transition risk] Disclosures, assurance, and communication efforts related to transition risks are becoming more routine, with costs becoming more rigid. [Transition opportunity] Green premium and structural upgrading deliver more stable profit improvement. Cash flow: [Physical risk] Operating cash flow more sensitive to fluctuations in receivables. [Transition opportunity] Enhanced customer loyalty leads to improved payment stability. Cost of financing and sources of financing There may be an impact, with the effects of disclosure quality and reputation changes on financing accessibility and risk premiums being more long-term.
	Product Usage	Transition Risk	Strategy: Adjust packaging and product portfolio to reduce compliance and reputational risks; Operation: Gradually phase out hard-to-recycle materials and advance packaging lightweighting and monomaterial design.	Asset side: No significant impact has been observed at present. Liabilities side: No significant impact has been observed at present. Equity side: No significant impact has been observed at present. Profit and cost side: No significant impact has been observed at present. Cash flow: No significant impact has been observed at present. Cost of Financing and Channels of Financing No significant impact has been observed at present.	Asset side: [Transition risk] Packaging upgrades are standardized, with long-term adjustments to inventory structure and turnover strategies. [Transition opportunity] The application of sustainable packaging enhances compliance alignment and reduces inventory disposal pressure. Liability side: [Transition risk] When compliance requirements become stricter, the expected liabilities / contingent liabilities will attract more sustained attention. Equity side: The ongoing changes in product structure and cost centre continue to affect retained earnings. Profit and cost side: [Transition risk] The central tendency of material and manufacturing costs is changing over a longer term. [Transition opportunity] Structural upgrades have led to more stable revenue and improved gross profit margins. Cash flow: [Transition risk] Post-sales and compliance disposal costs are becoming more long-term, putting pressure on operating cash flow. Cost of financing and sources of financing No significant impact is anticipated.
		Transition Opportunity	Strategy: Integrating low-carbon lifestyles and health attributes into product value; Operation: Launch low-carbon scenario new products and optimise formulations.		
	Waste Disposal and Recycling	Transition Risk	Strategy: Establish an ecological design and recycling responsibility mechanism; Operation: Promote packaging reduction and recyclable solutions.	Asset side: [Transition opportunity] [Medium] The establishment of resource recovery facilities has created new assets, enhancing recycling capacity. Liability side: No significant impact has been observed at present.	Asset side: [Transition risk] Disposal and compliance-related retrofits are becoming more routine, leading to a sustained increase in the scale of fixed assets/construction in progress. [Transition opportunity] After the maturation of resource recovery capabilities, new assets will deliver sustained recycling capacity.

Value Chain Stage		Type of Risk	Strategic and Operational Impact[1]	Current Financial Effect	Anticipated Financial Effect
Downstream	Waste Disposal and Recycling	Transition Opportunity	Strategy: To embed recycled materials and recycling systems as sustainable brand assets and supply chain capabilities; Operation: Enhancing the availability and quality consistency of recycled materials.	Liability side: No significant impact has been observed at present. Equity side: No significant impact has been observed at present. Profit and cost side: [Transition opportunity] [Medium] Resource recovery and by-product utilisation generate revenue or reduce costs. Cash flow: [Transition opportunity] [Low] Improved recycling revenue enhances operating cash flow. Cost of financing and sources of financing: No significant impact has been observed at present.	Liabilities side: [Transition risk] Long-term performance obligations, with ongoing monitoring required for provisions/contingent liabilities. Equity side: The structural changes in disposal costs and recycling revenues continue to affect retained earnings. Profit and cost side: [Transition risk] Disposal and compliance costs have become more rigid. [Transition opportunity] Resource recovery contributions are more stable. Cash flow: [Transition risk] Mitigation and restructuring expenditures are becoming more long-term, with investment cash outflows remaining sustained. [Transition opportunity] Recycled revenue is more stable, and operating cash flow improvement is more sustainable. Cost of financing and sources of financing There may be an impact, as project financing/green financing arrangements affect the availability and pricing of funding.
Full-process supervision	Management and Supervision	Acute Physical Risk	Strategy: Strengthen cross-departmental emergency governance and business continuity management; Operation: Initiate extreme weather alerts, daily reporting mechanisms, and temporary scheduling to dynamically adjust resource allocation.	Asset side: [Transition risk] [Low] Increased investment in information systems, monitoring and verification capabilities, leading to higher long-term assets/intangible assets. Liability side: No significant impact has been observed at present. Equity side: No significant impact has been observed at present. Profit and cost side: [Transition risk] [Low] Increased costs associated with the establishment, monitoring, verification, certification, and disclosure of systems. Cash flow: No significant impact has been observed at present. Cost of Financing and Channels of Financing No significant impact has been observed at present.	Asset side: [Transition risk] Systematically integrated and verified on a regular basis, leading to an increased proportion of long-term assets/intangible assets. [Transition opportunity] Enhanced governance capabilities strengthen risk control and management efficiency. Liability side: [Transition risk] Obligations for rectification and risks of penalties are receiving more sustained attention. Equity side: The changes in compliance costs and incident losses continue to affect retained earnings. Profit and cost side: [Transition risk] Disclosure, assurance, and monitoring costs for transition risks are more rigid. [Transition opportunity] Governance enhancement leads to more stable compliance cost reduction. Cash flow: [Transition risk] lead to more long-term compliance investments, exerting sustained pressure on operating cash flow. [Transition opportunity] Reduction in risk events leads to improved stability of operating cash flow. Cost of financing and sources of financing There may be potential impacts, with the effects of disclosure quality and reputation changes on financing conditions and risk premiums being more long-term.

Respond to UN Sustainable Development Goals (SDGs)

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Index of Shanghai Stock Exchange Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies

Disclosure Requirements	Location
Climate Change Response	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
Emissions	Green Operations, Building a Sustainable Future
Waste Management	Green Operations, Building a Sustainable Future
Ecosystem and Biodiversity Conservation	Green Operations, Building a Sustainable Future
Environmental Compliance Management	Green Operations, Building a Sustainable Future
Energy Use	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
Water Resources	Smart Water Management, Safeguarding the Source of Life
Circular Economy	Reusable Packaging to Achieve Resource Sustainability
Rural Revitalization	Revitalizing Fertile Fields and Building Harmonious, Beautiful Rural Communities
Social Contribution	Acts of Kindness Come Together, Spreading Warmth and Care
Innovation-Driven Development	Intellectual Property Protection Drives Innovation Momentum
Technology Ethics	N/A
Supply Chain Security	Strengthening Supply Foundations through Source Control
Fair Treatment of SMEs	N/A; no relevant incidents occurred.
Product and Service Safety & Quality	Quality and Safety, Striving for Excellence in Quality
Data Security and Customer Privacy Protection	Warm Service, Building Lasting Trust
Employees	Promoting Rights Development and Fostering Inclusive Care for Diversity Promoting Health and Safety to Ensure Production Security
Due Diligence	Warm Service, Building Lasting Trust Strengthening Supply Foundations through Source Control Conduct Business with Integrity and Uphold Ethical Standards
Stakeholder Engagement	Stakeholder Engagement
Anti-Bribery and Anti-Corruption	Conduct Business with Integrity and Uphold Ethical Standards
Anti-Unfair Competition	Conduct Business with Integrity and Uphold Ethical Standards

ESG Index of HKEx

Subject Areas, Aspects, General Disclosures and KPIs			Location
A: Environmental			
A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Green Operations, Building a Sustainable Future
	KPI A1.1	The types of emissions and respective emissions data.	Annual Key Performance Table Waste Management
	KPI A1.2	Repealed on 1 January 2025.	
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Operations, Building a Sustainable Future
	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.	Green Operations, Building a Sustainable Future
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials		Smart Water Management, Safeguarding the Source of Life Reusable Packaging to Achieve Resource Sustainability
	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).	Annual Key Performance Table
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Smart Water Management, Safeguarding the Source of Life
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
	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.	Smart Water Management, Safeguarding the Source of Life
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Annual Key Performance Table
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		Promoting Sustainable Brewing Practices to Contribute to the Preservation of Natural Ecosystems
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Promoting Sustainable Brewing Practices to Contribute to the Preservation of Natural Ecosystems
A4 Climate Change	Repealed on 1 January 2025.		/
	KPI A4.1	Repealed on 1 January 2025.	/

Subject Areas, Aspects, General Disclosures and KPIs			Location
B. Social			
Employment and Labour Practices			
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Promoting Rights Development and Fostering Inclusive Care for Diversity
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Annual Key Performance Table
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Annual Key Performance Table
B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Promoting Health and Safety to Ensure Production Security
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Annual Key Performance Table
	KPI B2.2	Lost days due to work injury.	Annual Key Performance Table
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Promoting Health and Safety to Ensure Production Security
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Promoting Rights Development and Fostering Inclusive Care for Diversity
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Annual Key Performance Table
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Annual Key Performance Table
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.		Promoting Rights Development and Fostering Inclusive Care for Diversity
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Promoting Rights Development and Fostering Inclusive Care for Diversity
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Promoting Rights Development and Fostering Inclusive Care for Diversity

Subject Areas, Aspects, General Disclosures and KPIs			Location
Operating Practices			
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		Strengthening Supply Foundations through Source Control
	KPI B5.1	Number of suppliers by geographical region.	Annual Key Performance Table
B5 Supply Chain Management	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.	Strengthening Supply Foundations through Source Control
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Strengthening Supply Foundations through Source Control
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Strengthening Supply Foundations through Source Control
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.		Healthy and Delicious, Brightening Dining Tables Across Households
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Annual Key Performance Table
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Annual Key Performance Table
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection Drives Innovation Momentum
	KPI B6.4	Description of quality assurance process and recall procedures.	Quality and Safety, Striving for Excellence in Quality
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Warm Service, Building Lasting Trust
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Conduct Business with Integrity and Uphold Ethical Standards
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or employees during the reporting period and the outcomes of the cases.	Conduct Business with Integrity and Uphold Ethical Standards Annual Key Performance Table
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Conduct Business with Integrity and Uphold Ethical Standards
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Conduct Business with Integrity and Uphold Ethical Standards
Community			
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.		Acts of Kindness Come Together, Spreading Warmth and Care
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Acts of Kindness Come Together, Spreading Warmth and Care
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Acts of Kindness Come Together, Spreading Warmth and Care Annual Key Performance Table

Climate-related disclosures		Location
(I) Governance		
19.(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(i)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(ii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(iii)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(iv)	How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
19.(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(II) Strategy		
Climate-related risks and opportunities		
20.(a) Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
20.(b) Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
20.(c) Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
20.(d) Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
Business model and value chain		
21.(a) A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
21.(b) A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
Strategy and decision-making		
22.(a) Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(i)	Current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(ii)	Current and anticipated adaptation and mitigation efforts (whether direct or indirect).	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together

Climate-related disclosures			Location
(iii)		Any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(iv)		How the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
22.(b) Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph above.			Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).			Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
Financial position, financial performance and cash flows			
Current financial effect			
24.(a) How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.			Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
24.(b) The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.			Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
Anticipated financial effect			
25.(a) How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration			Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(i)	Its investment and disposal plans.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(ii)	Its planned sources of funding to implement its strategy.		
25.(b) How the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.			Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
Climate resilience			
26.(a) The issuer shall disclose the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:			
(i)	The implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(ii)	The significant areas of uncertainty considered in the issuer's assessment of its climate resilience.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(iii)	the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
26.(b) How and when the climate-related scenario analysis was carried out, including:			
(i)	Information about the inputs used, including:		
	(1)	Which climate-related scenarios the issuer used for the analysis and the sources of such scenarios.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
	(2)	Whether the analysis included a diverse range of climate-related scenarios.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
	(3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
	(4)	Whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
	(5)	Why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together

Climate-related disclosures		Location
(6)	Time horizons the issuer used in the analysis.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(7)	What scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis).	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(ii)	The key assumptions the issuer made in the analysis.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(iii)	The reporting period in which the climate-related scenario analysis was carried out.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(III) Risk management		
27.(a) An issuer shall disclose information about the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(i)	The inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes).	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(ii)	Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(iii)	How the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria).	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(iv)	Whether and how the issuer prioritises climate-related risks relative to other types of risks.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(v)	How the issuer monitors climate-related risks.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(vi)	Whether and how the issuer has changed the processes it uses compared with the previous reporting period.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
27.(b) The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
27.(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(IV) Metrics and Targets		
Greenhouse gas emissions		
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:		
(i)	Scope 1 greenhouse gas emissions.	Annual Key Performance Table
(ii)	Scope 2 greenhouse gas emissions.	Annual Key Performance Table
(iii)	Scope 3 greenhouse gas emissions.	Annual Key Performance Table
29.(a) An issuer shall measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions.		
29.(b) Disclose the approach it uses to measure its greenhouse gas emissions including:		
(i)	The measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions.	Annual Key Performance Table
(ii)	The reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions.	Annual Key Performance Table
(iii)	Any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.	Annual Key Performance Table
29.(c) For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions.		Annual Key Performance Table

Climate-related disclosures		Location
29.(d) For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).		Scope 3 Greenhouse Gas Emissions Reporting Boundary
Climate-related transition risks		
	30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
Climate-related physical risks		
	31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
Climate-related opportunities		
	32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
Capital deployment		
	33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
Internal carbon prices		
	34.(a) An explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis).	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
	34.(b) The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
	Or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
Remuneration		
	35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
Industry-based metrics		
	36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	
Climate-related targets		
37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(a)	The metric used to set the target.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(c)	The part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region).	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(d)	The period over which the target applies.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together

Climate-related disclosures		Location
(e)	The base period from which progress is measured.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(f)	Milestones or interim targets (if any).	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(g)	If the target is quantitative, whether the target is an absolute target or an intensity target.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:		
(a)	Whether the target and the methodology for setting the target has been validated by a third party.	
(b)	The issuer's processes for reviewing the target.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(c)	The metrics used to monitor progress towards reaching the target.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(d)	Any revisions to the target and an explanation for those revisions.	
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.		Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
40. For each greenhouse gas emission targets disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:		
(a)	Which greenhouse gases are covered by the target.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(c)	Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target.	Reducing Emissions and Lowering Carbon, Building Climate Resilience Together
(d)	Whether the target was derived using a sectoral decarbonisation approach.	
(e)	The issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
(i)	The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits.	
(ii)	Which third-party scheme(s) will verify or certify the carbon credits.	
(iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal.	
(iv)	Any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
Applicability of cross-industry metrics and industry-based metrics		
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).		

Reader Feedback

Dear reader:

Thanks for reading the *Foshan Haitian Flavouring and Food Company Ltd. (Haitian) Environmental, Social and Governance (ESG) Report 2025*. To provide you and other stakeholders with more professional and valuable information on sustainable development and improve our ESG report quality, please kindly answer the questions in the form.

Topic: *Haitian Group 2025 ESG Report Feedbacks*

Name : ____________ Company : ____________

Position : ____________ Tel.: ____________

Email : ____________

Please score the following questions from one to five. (one is the lowest score, and five is the highest score; please tick (✓) in corresponding blanks)

	1	2	3	4	5
Are you pleased with this report?					
What do you think of the clearness, accuracy and completeness of the indicators and disclosure in this report?					
Do you think the structure of this report is easy to read?					

Which part of the report are you most interested in?

What other information do you think is important to know but not reflected in this report?

Do you have any suggestions for us to publish ESG reports in the future?

Feedback channels

If you have any comments or suggestions on this report or our ESG matters, you are welcomed to give us feedback via the following channels.

For internal control, audit, anti-corruption and anti-bribery, please contact the Audit Department: 0757- 83273129;

For sales, product quality and service quality, please contact: 400-8899813;

For investor relations, please contact the Board Secretary of Haitian: Tel 0757-82832022/Fax 0757-82873730;

Securities affairs representative: Tel. 0757-82836083/Fax 0757-82873730;

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Official Site: https://www.haitian-food.com/

Wechat official account: " 海天 " (haitian-food)