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Xiabuxiabu Catering Management (China) Holdings Co., Ltd.

呷哺呷哺餐飲管理（中國）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 520



2025 Environmental, Social and Governance Report

ABOUT THIS REPORT

REPORTING PERIOD This report covers the period from 1 January 2025 to 31 December 2025, with some information and figures tracing back to earlier years beyond the stated reporting period.

PUBLICATION CYCLE This report is an annual report.

ORGANIZATIONAL SCOPE Xiabuxiabu Catering Management (China) Holdings Co., Ltd. and its subsidiaries, including Xiabuxiabu Catering Management Co., Ltd. (呷哺呷哺餐飲管理有限公司), Xiabuxiabu Catering Management (Shanghai) Co., Ltd. (呷哺呷哺餐飲管理(上海)有限公司), Xiabuxiabu Catering Management (Shenzhen) Co., Ltd. (呷哺呷哺餐飲管理(深圳)有限公司), Coucou Catering Management Co., Ltd. (湊湊餐飲管理有限公司), Coucou (Tianjin) Catering Management Co., Ltd. (湊湊(天津)餐飲管理有限公司), Xiabuxiabu (Shanghai) Food Co., Ltd. (呷哺呷哺(上海)食品有限公司), Xiabu (Shanghai) Design Engineering Co., Ltd. (呷哺(上海)設計工程有限公司), and Xilin Gol League Yishun Halal Meat Co., Ltd. (錫林郭勒盟伊順清真肉類有限責任公司), etc.

COMPILATION GUIDELINES This report has been prepared with reference to the *Environmental, Social and Governance Reporting Code* (the "ESG Reporting Code") set out in Appendix C2 to the *Listing Rules on The Stock Exchange of Hong Kong Limited* (the "Stock Exchange"), and also refers to the *GRI Sustainability Reporting* Standards issued by the Global Sustainability Standards Board (GSSB) and the *Guidelines for the Implementation of Social Responsibility by Physical Chain Enterprises/Internet Consumer Platforms (2021 Edition)* issued by the China Chain Store & Franchise Association (CCFA).

ESG REPORTING PRINCIPLES

- **Materiality:** This report adheres to the materiality principle of the Stock Exchange by disclosing the Board and ESG Working Group's review of ESG matters, stakeholder communication, the identification process of material issues, and the materiality matrix. Specific compliance details are elaborated in the corresponding sections below.
- **Quantitative:** The statistical standards, methodologies, assumptions, and/or calculation tools used for the quantitative key performance indicators (KPIs) in this report, along with the sources of conversion factors, are detailed in the definition section of the report.
- **Consistency:** The statistical methodologies applied to the data disclosed in this report remain consistent.

DATA SOURCES All data herein is derived from the official documents and statistical reports of Xiabuxiabu Catering Management (China) Holdings Co., Ltd.

Reference Explanation For ease of presentation and readability, "Xiabuxiabu Catering Management (China) Holdings Co., Ltd." and its subsidiaries are referred to as the "Company" or "we" in this report. Unless otherwise specified, the monetary unit "yuan" used herein refers to "RMB".

ACCESS TO THE REPORT The electronic version of this report is available on the Company's website (http://www.xiabu.com/) and the Hong Kong Stock Exchange website (http://www.hkexnews.hk).

This report is published in both Chinese and English. In the event of any discrepancy or inconsistency between the two versions, the Chinese version shall prevail.

STATEMENT FROM THE BOARD

We undertake that the Company strictly complies with the disclosure requirements set out in the *Environmental, Social and Governance Reporting Code* (the "ESG Reporting Code") under Appendix C2 to the *Listing Rules on The Stock Exchange of Hong Kong Limited* in the preparation of this report. Authorized by the Board of Directors (the "Board"), the Company has carried out the collection and disclosure of ESG information for the year 2025, and this report is published upon review and approval by the Board. Looking ahead to the financial year 2026, the Board will further improve the ESG governance system to continuously elevate the Company's ESG performance.

CONTENTS

ABOUT THIS REPORT 1

STATEMENT FROM THE BOARD 1

CHAIRMAN'S MESSAGE 3

ABOUT US 5

COMPANY PROFILE 6

1. 2025 IN REVIEW 8

1.1 ANNUAL HIGHLIGHTS 9

1.2 ESG AWARDS AND HONORS 10

THEME: SUPPLY CHAIN TRACEABILITY AND DEFORESTATION AND CONVERSION FREE 12

2. ESG MANAGEMENT SYSTEM 15

2.1 ESG MANAGEMENT PHILOSOPHY 16

2.2 ESG MANAGEMENT STRUCTURE 17

2.3 ESG INCENTIVES AND ASSESSMENT 18

2.4 STAKEHOLDER COMMUNICATION 18

2.5 MATERIALITY ISSUES ANALYSIS 22

3. GOVERNANCE AS THE FOUNDATION, PRUDENCE AS THE RUDDER 24

3.1 CORPORATE GOVERNANCE 25

3.2 RISK MANAGEMENT 27

3.3 BUSINESS ETHICS AND COMPLIANT OPERATION 29

4. QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS 33

4.1 SAFEGUARDING FOOD QUALITY 34

4.2 INNOVATING DIVERSIFIED MENU ITEMS 40

4.3 OPTIMIZING AND UPGRADING THE SUPPLY CHAINS 44

4.4 UPHOLDING CUSTOMER FIRST 52

4.5 LEADING THE INDUSTRY BENCHMARK 56

5. ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION 58

5.1 TACKLING CLIMATE CHANGE 60

5.2 OPTIMIZING RESOURCE UTILIZATION 68

5.3 STRENGTHENING EMISSIONS CONTROL 70

5.4 IMPLEMENTING ENVIRONMENTAL PROTECTION ACTIONS 74

6. PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT 78

6.1 PROTECTING EMPLOYEES' RIGHTS AND INTERESTS 79

6.2 DEEPENING EMPLOYEE CARE 84

6.3 EMPOWERING EMPLOYEE DEVELOPMENT 88

6.4 FULFILLING SOCIAL RESPONSIBILITY 95

ESG INDICATOR INDEX 97

GRI STANDARDS INDICATOR INDEX 104

READER FEEDBACK FORM 108





Mr. Ho Kuang-Chi

Chairman of the Board

CHAIRMAN'S MESSAGE

The year 2025 was a critical year for the Chinese catering industry, marked by reshaping amidst transformations and breakthroughs amidst challenges. We are well aware that short-term market fluctuations will not alter long-term value trends. Therefore, instead of merely pursuing superficial scale expansion, we have shifted our focus deeper–solidifying the foundation for steady and long-term development with "Governance as the Foundation", safeguarding consumers' unwavering trust with "Quality as the Foundation", fulfilling our long-term commitment to our planet with "Environmental Protection as Responsibility", and consolidating the endogenous strength to navigate through economic cycles with a "People-oriented" approach. Adhering to the strategic focus of long-termism, we have deeply embedded the concept of sustainable development into every strategic decision and daily operation, achieving a leap from "steady growth" to "resilient growth", and exploring new possibilities for the harmonious coexistence of the Company, society, and the environment.

Governance as the Foundation, Prudence as the Rudder, Building a Trusted Future. Robust governance is the "cornerstone" of our sustainable development. During the Reporting Period, we further refined our ESG governance framework, with the Board at its core. By directly linking ESG performance to executive compensation, we ensure that accountability for sustainability permeates from the boardroom to the front lines. In response to a more complex external landscape, we proactively upgraded our risk management protocols, integrating climate-related risks into our comprehensive enterprise risk assessment. Through ongoing audits and intelligent contract governance, we have established a forward-looking and resilient risk control system. In business ethics, we remain unwavering in our commitment to integrity, fostering a culture of transparency and accountability. Furthermore, we continue to strengthen intellectual property protection, embedding the rule of law into the fabric of our brand value.



CHAIRMAN'S MESSAGE

Quality as the Foundation, Innovation as the Wings, Driving Value Growth. Quality is the lifeline of an enterprise, while innovation is the source of developmental momentum. In terms of food safety, relying on a stringent quality inspection system and full-lifecycle management of suppliers, we ensured a 100% pass rate in both the batch inspections of central kitchen products and government sampling inspections. In response to the diversified changes in consumer demand, we accurately captured the market pulse, leading the healthy dining trend with over 90 innovative products, such as the nine-grid platter, single-person twin-flavor hot pot, and fresh-cut beef. The order volume of our delivery business increased by over 75% year-over-year, fully demonstrating the robust momentum of our business model innovation. Adopting a customer-centric approach, we guided consumers to order reasonably by optimizing portion sizes, promoting "small-portion dishes", and accurately forecasting demand. Meanwhile, we upgraded the service experience through digital means, safeguarding consumers' trust with high-quality services.

Environmental Protection as Responsibility, Sustainability as Aspiration, Protecting Our Shared Home. In combating climate change, we are not merely bearers of responsibility, but pioneers of action. During the Reporting Period, we comprehensively introduced climate risk management to systematically identify transition risks and opportunities. The majority of our Beijing headquarters' facilities have fully transitioned to green electricity, resulting in a significant 48.13% year-on-year decrease in Scope 1 greenhouse gas emissions, and an average oil fume removal rate of 97.8% across all our restaurants. We actively participated in the upgrading pilot of supply chain monitoring tools for zero-deforestation and zero-conversion, extending the concept of sustainability to the protection of grassland ecosystems and achieving fully transparent traceability from pasture to table. Concurrently, we comprehensively promoted the use of PLA biodegradable materials and the recycling of turnover baskets, turning every delivery package into a carrier of environmental protection concepts.

People-Oriented, Mutual Development, Uniting for Progress. Employees and the enterprise form a community with a shared future. We are dedicated to creating a diverse, inclusive, and warm workplace. Through comprehensive remuneration incentives, internal partnership planning, and special equity incentive schemes, we realize shared value between employees and the Company. Regarding talent cultivation, relying on the "Xiabuxiabu Academy" and a hierarchical curriculum system, we have laid out clear career progression paths for our employees. Furthermore, remembering our roots, we continued to operate 13 "Heartwarming Stations" and focused on women, children, and vulnerable groups. By conducting public welfare activities such as caring for children with autism and expressing gratitude to sanitation workers, we ensure that the fruits of our corporate development benefit a broader spectrum of society.

After 27 years of forging ahead, we remain steadfast in our original aspiration and mission to enable more people to enjoy healthy, nutritious, delicious, and modern dining experiences. Moving forward, we will continue to join hands with all stakeholders to seize new opportunities amidst changes, forge resilience amidst challenges, and collaboratively stride into a new era of greater vitality, warmth, and greenness.





ABOUT US

ABOUT US

COMPANY PROFILE

As the "first hot pot stock" in the industry, Xiabuxiabu Group was established in Beijing in November 1998. After nearly 30 years of development, the Group has evolved into a catering enterprise featuring multi-brand operations and a full-industry-chain layout. Its business scope encompasses the entire catering industry chain, including brand catering operations, meat processing, supply chain circulation, channel sales, engineering design, and commercial real estate. The Group operates a diverse portfolio of brands, including Xiabuxiabu, Coucou, Xia Niu Pai(呷牛排), Xiabu Pasture(呷哺牧場), and Xiabu Food(呷哺食品). The footprint of our restaurants spans over 20 provinces and regions in China–including Hong Kong and Taiwan–and has successfully expanded into international markets such as Singapore. Currently, the Xiabu Group operates over 900 restaurants, generating an annual revenue exceeding RMB3.7 billion, and employs nearly 17,000 staff members.

The Company has consistently embraced the mission of "letting more people enjoy healthy, nutritious, delicious, and fashionable food". Upholding the corporate spirit of the "endless pursuit of excellence", we take solid steps forward in our journey. We remain committed to our core values of "unity, pragmatism, integrity, dedication, and innovation" and strive towards our ultimate goal: "Where there are Chinese, there is Xiabuxiabu". We are ready to embrace unknown challenges, forge ahead with courage, and promote Chinese culinary culture to the world.

DEVELOPMENT HISTORY

1998	• Launched the Taiwanese-style small hot pot brand "Xiabuxiabu", pioneering the "one pot per person" fast-food small hot pot business model.
1999	• The Company's first restaurant, Beijing Xidan Mingzhu Restaurant, officially opened.
2003	• The Company gained immense popularity in Beijing with its unique "one pot per person" business model.
2008	• Introduced institutional capital to accelerate expansion, securing financial support for the first time from Actis, a global emerging market private equity firm.
2009	• The Company entered a phase of rapid growth and became one of China's top 100 catering enterprises.
2013	• The number of restaurants exceeded 400, establishing the Company as one of the large-scale national catering chain enterprises.
2014	• Successfully listed on the Main Board of the Stock Exchange, becoming the first listed Chinese chain hot pot enterprise on the HKEX.
2016	• Created "Coucou", a light luxury Taiwanese-style hot pot brand, officially entering the mid-to-high-end catering track and launching a multi-brand strategy.
2017	• Expanded into the new retail track, successively launching brands such as "Xiabu Food" and "Yixinchu".
2019	• Expanded into the upstream supply chain industry by fully acquiring a national-level agricultural industrialization enterprise, Xilin Gol League Yishun Halal Meat Co., Ltd.

ABOUT US



2021	• Initiated the "Eastward Expansion and Southward Advancement" strategy, accelerating internationalization and digital transformation. • Established Xiabu (Shanghai) Design Engineering Co., Ltd., officially entering the billion-dollar catering decoration track.
2022	• Launched the brand-new joyful Yakiniku brand "Chenshao", entering the mid-to-high-end barbecue track. • Launched a multi-brand membership system, leveraging digitalization to lead the development of the entire catering industry chain. • Adopted the "Beijing-Shanghai Dual Headquarters" management model to facilitate southward and overseas expansion.
2023	• Planned to expand 230 restaurants throughout the year. • Established the Hong Kong, Macao, Taiwan and International Business Department, initiating global expansion. • Officially debuted the Company's first store in Singapore and first store in Taiwan, China. • Pioneered the implementation of a cross-brand paid membership model, focusing on digital membership marketing.
2024	• Continued to develop the paid membership system – the "All-You-Can-Eat Card" (Changchi Card). • Collaborated with numerous well-known brands to boost brand momentum. • Enriched the product line across multiple dimensions to build a comprehensive product matrix.
2025	• Promoted the upgrade of the business model from scale-driven to efficiency-driven, optimizing the store structure and brand business models. • Deepened membership operations and multi-scenario consumption layouts to construct a long-term growth system centered on user value.



1 2025 IN REVIEW

2025 IN REVIEW

1.1 ANNUAL HIGHLIGHTS

• Business Performance

- Revenue reached RMB3,788.70 million during the Reporting Period.
- As of the end of the Reporting Period, the Company operated a total of 905 restaurants, including 755 Xiabuxiabu restaurants covering 81 cities across 16 provinces; 131 Coucou restaurants covering 32 cities across 13 provinces; and 19 overseas restaurants covering 3 cities across 2 countries.
- During the Reporting Period, 54 new Xiabuxiabu restaurants and 3 new Coucou restaurants were opened.

• ESG Highlights

- Developed and applied the “Forest-Friendly DCF (Deforestation and Conversion Free) Food Ingredients Supply Chain Tool V2.0” to conduct systematic testing on the traceability system of the food ingredients supply chain.
- Scope 1 greenhouse gas emissions decreased by 48.13% compared to 2024.
- Gasoline and natural gas consumption decreased by 7.12% and 49.16%, respectively, compared to 2024.
- Collaborated with a total of 980 suppliers.
- Achieved a 100% customer complaint resolution rate.
- Maintained a record of zero work-related employee fatalities for three consecutive years, and was awarded the title of “Level III Enterprise of Work Safety Standardization”.
- Established 13 “Heartwarming Stations” in Beijing.

1.2 ESG AWARDS AND HONORS

"Quality stems from persistence" is the Company's formula for success and our consistent attitude towards work. Leveraging our outstanding performance in brand building, supply chain innovation, and sustainable development, the Company has been ranked among the "Top 100 Catering Enterprises in China" and received numerous other honors for over ten consecutive years. Since 2010, the Company and its major brands have successively won numerous awards and titles, including the "Top 10 Hot Pot Brands in China", "Top 50 Catering Enterprises (Groups) in Beijing", and "Top 100 Catering Stores in Beijing". These honors not only demonstrate the Company's industry influence but also attest to our solid steps and continuous cultivation on the path of high-quality development.

Award/Title	Issuing Authority
Letter of Appreciation for Policy and Regulatory Research and Industry Information Investigation – Xiabu Group	China Cuisine Association
2025 Top 10 Hot Pot Brands – Xiabuxiabu	canyin88.com
2025 Top 10 Hot Pot Brands – Coucou Hot Pot	canyin88.com
Golden Mango Award Leading Brand – Xiabuxiabu	Canyin168.com
2025 Top 40 Chinese Catering/New Tea Beverage Brands Going Global – Coucou	China Chain Store & Franchise Association (CCFA)
2025 CCFA Chain Catering Innovation Case Collection: Supply Chain Transformation for Raw Material Traceability – Xiabu Group	China Chain Store & Franchise Association (CCFA)
2025 CCFA Chain Catering Innovation Case Collection: Smart Warehousing Facilitating Supply Chain Upgrade – Xiabu Group	China Chain Store & Franchise Association (CCFA)
2024-2025 Top 50 Catering Enterprises in Beijing – Xiabuxiabu	Beijing Cuisine Association, Beijing Business Today
2024-2025 Top 50 Catering Enterprises in Beijing – Coucou	Beijing Cuisine Association, Beijing Business Today
2024-2025 Top 100 Catering Stores in Beijing – Xiabuxiabu	Beijing Cuisine Association, Beijing Business Today
2024-2025 Top 100 Catering Stores in Beijing – Coucou	Beijing Cuisine Association, Beijing Business Today

2025 IN REVIEW

Award/Title	Issuing Authority
2024-2025 Beijing Excellent Catering Brand Case Series: Digital and Intelligent Innovation Brand Case – Xiabu Group	Beijing Cuisine Association, Beijing Business Today
Executive Director Certificate of China Chain Store & Franchise Association – Xiabu Group	China Chain Store & Franchise Association (CCFA)
2024 Top 100 Hot Pot Brands in China – Xiabuxiabu	China Cuisine Association
2024 Top 100 Hot Pot Brands in China – Coucou	China Cuisine Association
2024 Good Innovation Case for Hot Pot Enterprises – Xiabu Group	China Cuisine Association
2025 "Taste of Southern Beijing • Rendezvous in Daxing" Food Competition – Xiabuxiabu	Tourism Industry Association of Daxing District, Beijing
Outstanding ESG Disclosure List in the Greater Bay Area	Benze Consulting (Shenzhen) Co., Ltd.
Golden Steed Award for ESG Sustainable Development Pioneer Enterprise – Xiabuxiabu Group	Securities Daily
The 3rd China Catering Industry Social Responsibility Conference – 2025 Excellent ESG Case in China's Catering Industry – Xiabuxiabu Catering Management Co., Ltd.	World Federation of Chinese Catering Industry
2025 Excellent Taiwanese-Invested Enterprise by Shanghai Association of Taiwan Compatriots – Xiabuxiabu Investment Group Co., Ltd.	Shanghai Association of Taiwan Compatriots Investment Enterprises

THEME: SUPPLY CHAIN TRACEABILITY AND DEFORESTATION AND CONVERSION FREE

As the largest direct-sale chain small hot pot enterprise in China, the Company continues to deepen its work with partners in the "Forest-Friendly Supply Chain Transition Initiative and Pilot", dedicating itself to building a responsible supply chain that covers both forest and grassland ecosystems. We integrate the concept of Deforestation and Conversion Free (DCF) throughout the entire process of supplier management, traceability tool upgrades, and ecological protection practices, continuously enhancing supply chain transparency and traceability. The Company firmly adheres to its steadfast commitment to eliminating deforestation in the supply chain and fully realizing forest-friendly procurement by 2030. While ensuring the safety and quality of food ingredients, we safeguard the natural ecology and contribute practical efforts to biodiversity conservation and climate change mitigation.

- ## SUPPLIER MANAGEMENT AND CAPACITY BUILDING

  The Company continuously builds and refines its green supply chain management system. We sign sustainable procurement agreements with all partners, explicitly requiring the provision of detailed information on the sources of food ingredients to ensure from the origin that raw materials are not linked to illegal deforestation. Through regular on-site inspections, we comprehensively evaluate the environmental friendliness of suppliers' production methods, the effectiveness of their measures, and the level of animal welfare protection. For suppliers failing to meet the requirements, we promptly propose rectifications and track their implementation, driving their transition towards sustainable production methods with stringent standards.

  Furthermore, the Company routinely hosts special seminars on forest-friendly supply chains, inviting industry experts to interpret the latest standards and requirements and share practical experiences in green and sustainable development. Through mechanisms such as regular video conferences and on-site visits, we timely understand the problems and difficulties suppliers face during production, and collaborate with all parties to explore solutions, fostering a consensus on sustainable development across the upstream and downstream of the supply chain.

- ## SUPPLY CHAIN TRACEABILITY TOOL UPGRADE

  In 2025, the Company actively participated in the pilot evaluation of the upgraded Version 2.0 of the Deforestation and Conversion Free (DCF) supply chain monitoring tool. This tool represents a significant upgrade from the original version. Centered on the PDCA (Plan-Do-Check-Act) management system framework, it deeply integrates green trade specifications for meat and fully aligns with the Accountability Framework initiative (AFi) and the World Wide Fund for Nature's (WWF) latest "Minimum monitoring criteria for deforestation". It aims to provide enterprises with more systematic and precise supply chain environmental risk management capabilities. Through the application of this tool, the Company can scientifically evaluate the forest-friendliness and traceability of suppliers, thereby continuously increasing the procurement proportion of DCF products.

  Tool 2.0 has achieved notable optimizations in its indicator system and management requirements. In terms of goal setting, the tool requires enterprises to establish clear zero-deforestation targets and supplier traceability capacity targets. The zero-deforestation targets can be dynamically monitored based on two dimensions: the zero-deforestation rate and the product traceability rate of existing suppliers' products. Regarding deforestation risk grading, the tool categorizes suppliers into four stages: "verifiable zero-deforestation products," "products undergoing forest-friendly actions," "products pending verification," and "deforestation products," providing a clear basis for enterprises to formulate differentiated supplier management strategies. In evaluating traceability capacity, the tool sets three levels: "traceable to farm," "traceable to the first processing point," and "untraceable," helping enterprises accurately identify weak links in their supply chain traceability systems. The upgraded version places greater emphasis on the intuitive presentation of the achievement rate of zero-deforestation targets and the improvement rate of supplier traceability capabilities. Through quantitative indicators, it guides enterprises to continuously optimize management practices, propelling the supply chain towards a more transparent and sustainable direction.

THEME: SUPPLY CHAIN TRACEABILITY AND DEFORESTATION AND CONVERSION FREE

- ## APPLICATION OF GRASSLAND ECOLOGICAL PROTECTION

In building the organic mutton supply chain, the Company extends the DCF concept to the protection of grassland ecosystems. Through systematic traceability management and ecological breeding practices, we drive the supply chain's transition towards a green and sustainable direction. Relying on organic certification and blockchain traceability technology, we achieve fully transparent traceability from pasture to table. Consumers can scan QR codes to access information such as sheep breeds, breeding locations, slaughtering processes, lactation periods, pasture water quality reports, and vaccination records, ensuring that every piece of mutton has a clear origin and is produced in compliance with regulations.

In terms of grassland ecological protection, organic breeding strictly follows a rotational grazing system to avoid overgrazing, maintain pasture biodiversity, and promote carbon sink accumulation. We have introduced the Smart Rotational Grazing 2.0 system, which utilizes GIS remote sensing to monitor pasture biomass and dynamically plan rotational grazing routes, preventing localized pasture degradation. Each sheep is equipped with a GPS collar to track foraging behavior in real-time and optimize flock distribution density. Simultaneously, we artificially reseed native forage such as Leymus chinensis (sheep grass) and Artemisia frigida (fringed sagebrush) to restore grassland vegetation diversity and enhance the ecosystem's resilience and carbon sink functions. Organic sheep are grazed on unpolluted natural grasslands, with water sources derived from glacial meltwater or natural springs, far from industrial pollution. This not only guarantees the purity of the mutton but also safeguards the ecological security of the grassland's water sources and soil. By expanding the zero-deforestation concept from forests to grasslands, the Company is committed to building a responsible supply chain covering broader natural ecosystems, contributing practical efforts to biodiversity conservation and climate change mitigation.



THEME: SUPPLY CHAIN TRACEABILITY AND DEFORESTATION AND CONVERSION FREE



Exchange Meeting on the Forest-Friendly Food Ingredients Supply Chain Transition Pilot



2 ESG MANAGEMENT SYSTEM

ESG MANAGEMENT SYSTEM

2.1 ESG MANAGEMENT PHILOSOPHY

The Company consistently adheres to the business philosophy of "prioritizing the core interests of customers in all aspects," continuously pursuing excellence in food ingredient quality, service standards, management efficiency, operational quality, and talent cultivation. Aspiring to expand across China and step onto the global stage, we are committed to becoming a leader in the national catering industry. We strive not only to be a source of pride for the Chinese people but also to serve as an industry benchmark for management, the first-choice brand for consumers, the best employer for our staff, a high-performing investment trusted by investors, a reliable associate for our partners, and an outstanding corporate citizen recognized by society.

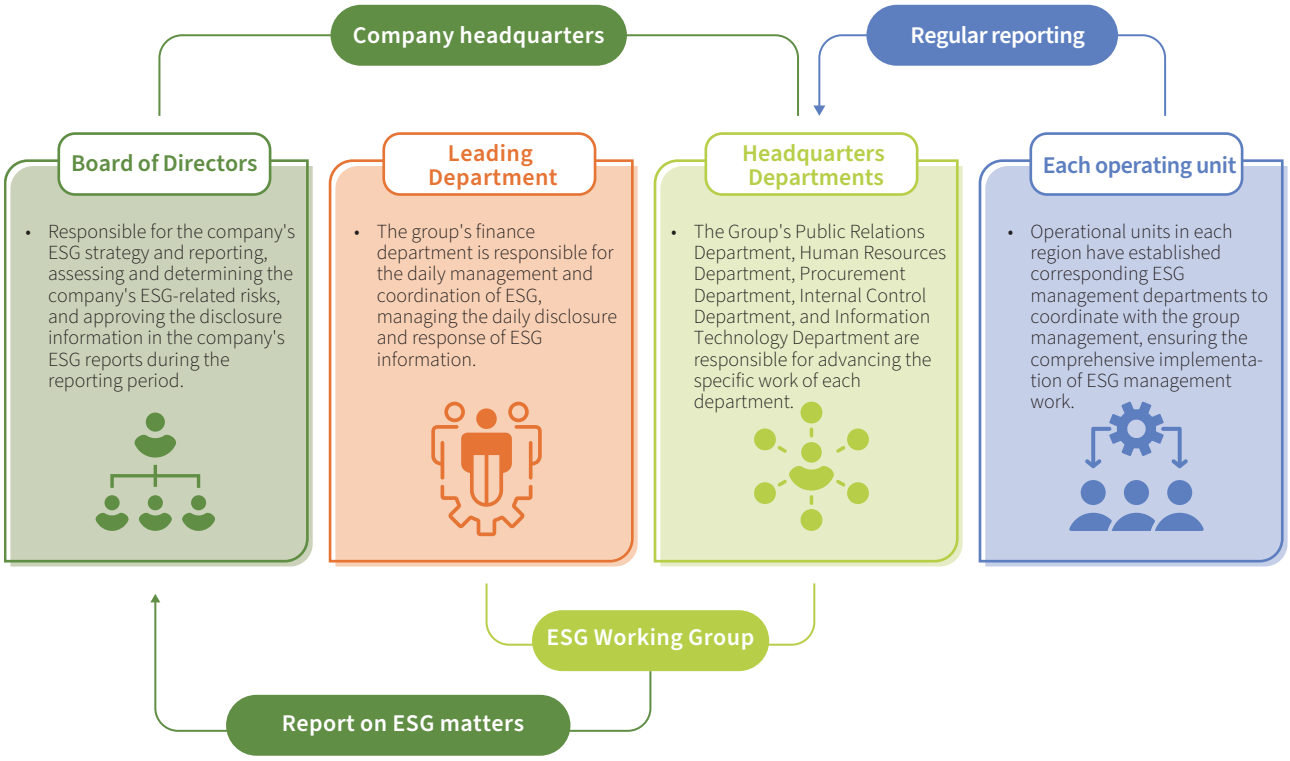
The Company's ESG management philosophy is deeply aligned with the 17 United Nations Sustainable Development Goals (SDGs). On key issues such as No Poverty, Zero Hunger, and Good Health and Well-being, we proactively take action and assume our responsibilities. Through concrete actions, we demonstrate the social value of a responsible enterprise and join hands with all sectors of society to collaboratively create a better future.



2.2 ESG MANAGEMENT STRUCTURE

The Company has established an ESG working mechanism characterized by clear rights and responsibilities and vertical coordination, providing a solid guarantee for the systematic and normalized implementation of ESG initiatives. The Board is responsible for the Company's ESG strategies and reporting, as well as reviewing and making decisions on major ESG matters. The ESG Working Group is responsible for reporting ESG matters to the Board, and it comprises departments involved in key ESG issues such as employee affairs, food safety, environmental protection, and public welfare.

The Group Finance Department serves as the leading department of the ESG Working Group, taking charge of the coordination and overall planning of ESG work. Other headquarters departments are responsible for advancing specific tasks, maintaining and submitting annual ESG information for the issues under their respective purview, and coordinating the regional operating units in their task execution and information reporting. Furthermore, these departments appoint ESG liaison officers to coordinate and manage ESG issues within their domains. Relevant departments of the regional operating units carry out specific implementations in accordance with the headquarters' requirements and regularly report ESG information. This establishes a closed-loop ESG management system featuring top-down synergy, transparent information sharing, and robust execution.



ESG MANAGEMENT SYSTEM

2.3 ESG INCENTIVES AND ASSESSMENT

To strengthen the effective implementation of ESG initiatives and ensure the realization of sustainable development goals, the Company has incorporated ESG-related indicators into the variable compensation assessment system for senior management, deeply linking sustainability responsibilities with high-level incentive mechanisms. Meanwhile, to ensure that ESG management requirements are effectively transmitted to the frontline business operations, the Company cascades the assessment indicators for key issues–such as food safety, product and service quality, environmental compliance, and employee development–down to various functional departments level by level. We are continuously refining the assessment criteria by combining quantitative and qualitative measures, thereby driving the integration of ESG concepts into the entire process of daily operations and performance management.

2.4 STAKEHOLDER COMMUNICATION

The trust and support of our stakeholders serve as the fundamental driving force for the Company to advance ESG management and achieve sustainable development. We highly value the establishment of a candid and efficient communication mechanism with all parties. Through diversified channels, we maintain regular interactions with stakeholders, including governments and regulatory authorities, investors, and consumers, proactively listening to and accurately responding to their concerns. On the basis of legal and compliant operations, we strive to win trust through transparency and build consensus through responsibility, joining hands with all stakeholders to co-create sustainable value.

Stakeholders	Communication method	Expectations and demands	Our response
Government and regulatory authorities	• Daily communication • Submission of information • Meeting discussion	• Compliance operation • Stringent internal control and risk management • Healthy Development of the Industry	• Enhancing compliance operation • Fulfilling tax obligations • Strengthening internal control and risk management • Providing relevant supporting materials
Investors	• Regular information disclosure • General meetings • Daily communication • Official website • Dedicated contact information for investor relations	• Satisfactory operating results • Sustained and steady growth • Operation with integrity and transparency	• Constantly improving our ability to create value • Enhancing corporate risk management • Promoting transparent and open information disclosure • Enhancing investor management

ESG MANAGEMENT SYSTEM

Stakeholders	Communication method	Expectations and demands	Our response
Media and non-governmental organizations	• Social media • Press conference • Seminars • Official websites	• Propagating corporate strategic plan to external parties • Obtaining public awareness of the Company and its brand • Establishing a convenient, smooth and reasonable communication mechanism with the public	• Establishing a domestic and foreign media matrix • Holding press conferences regularly • Releasing corporate strategic information regularly • Regularly participating in seminars and other activities for further engagement with the public
Consumers	• Customer service hotline • Official Weibo and WeChat account message interaction • Customer satisfaction survey • Communication in restaurants	• Food safety • Efficient and quality service • Nutritious, healthy and diversified product mix • New brand building	• Directly-operated chain restaurants • Implementing strict control over food procurement • Adopting centralized distribution approach • Elaborately preparing ingredients • Researching and developing new products • Developing new brands which adapt to the market • Optimizing dining environment • Safeguarding consumers' rights and interests

ESG MANAGEMENT SYSTEM

Stakeholders	Communication method	Expectations and demands	Our response
Environmental group	• Advocating the concept of environmental protection • Adhering to the strategy of sustainable development • Disclosure of environmental information	• Supporting energy conservation and emission reduction, and promoting low-carbon lifestyle • Emission of greenhouse gas (GHG) • Kitchen wastes generated • Energy consumption • Resource conservation • Sticking to the strategy of green sustainable development	• Promoting environmentally friendly and low-carbon restaurant operation • Strictly managing treatment of kitchen wastes • Garbage sort-out • Reducing use of plastic products and generation of wastes • Actively advocating the concept of green office
Employees	• Training exchange • OA platform announcement and feedback • Team-building activities • Regular communication meeting with new employees • Performance management mechanism	• Protecting the legitimate rights and interests of the employees • Remuneration and benefits • Providing fair and equal employment opportunities • Providing diversified development and promotion opportunities	• Implementing fair recruitment practice • Providing diversified training and study programs • Providing smooth career development path • Organizing staff activities to promote a healthy work-life balance

ESG MANAGEMENT SYSTEM

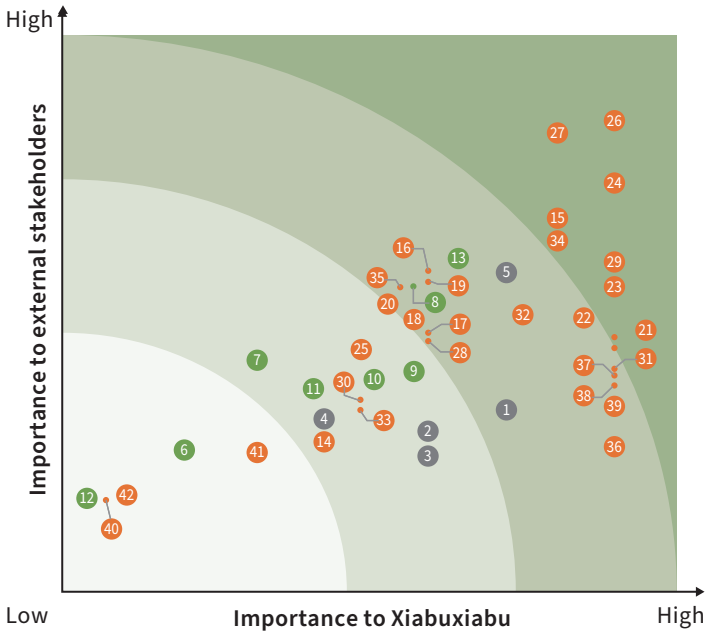
Stakeholders	Communication method	Expectations and demands	Our response
Suppliers and business partners	• Supplier assessment • Cooperation agreements • Regular visits	• Fair procurement policy and fulfillment of promises • Ensuring food quality and safety • Local procurement	• Enhancing procurement management • Implementing farm-to-table project • Implementing global procurement • Implementing fair and open procurement
Community	• Community activities • Community services	• Promoting safety compliance operation • Organizing activities for community charity to promote harmony • Implementing green operation	• Opening restaurants in communities • Enhancing restaurant safety management • Organizing public welfare activities

2.5 MATERIALITY ISSUES ANALYSIS

With the reference to the ***Environmental, Social and Governance Reporting Code*** set out In Appendix C2 to the ***Listing Rules*** of The Stock Exchange of Hong Kong Ltd. and relevant international standards, the Company systematically conducted an ESG materiality assessment from two dimensions: "Significance to Stakeholders" and "Importance to the Company's Development". Led by the ESG Working Group, we organized various forms of engagement, such as questionnaire surveys and interviews, to extensively collect the opinions and expectations of internal and external stakeholders, screen and prioritize the issues, and ultimately formulate an ESG materiality matrix.

During the Reporting Period, on one hand, the Company reviewed the key areas of stakeholder concern as perceived by various departments in their daily operations. On the other hand, we distributed questionnaires to internal and external stakeholders, including governments and regulatory authorities, investors/shareholders, Board members, senior management, employees, consumers, suppliers/contractors, partners, the community and the public, media, non-governmental organizations, and experts. Based on the communication feedback, the Company comprehensively evaluated and prioritized the importance of the issues to formulate the 2025 ESG Materiality Matrix. This year, a total of 42 material issues were identified, and 239 valid questionnaires were collected. The relevant analysis results are illustrated in the figure below.

ESG MANAGEMENT SYSTEM



1 ESG concept and strategy
2 ESG governance structure
3 The board of directors participates in ESG management
4 Stakeholder engagement
5 Business ethics
6 Control of GHG emission
7 Emissions management
8 Compliance of environmental protection
9 Establishment and achievement of environmental protection objectives
10 Energy and resources management
11 Protection of environment and natural resources
12 Climate change risk mitigation
13 Packaging materials and waste
14 Diversified employment
15 Employees health and safety
16 Protection of employees' rights and interests
17 Employee welfare and care
18 Staff development and training
19 Eliminate the use of child labor
20 Eliminate forced labor
21 Fair and open procurement
22 Supplier screening
23 Supply chain risk management
24 Responsible food procurement
25 Green procurement
26 Food safety
27 Quality of products and services
28 Comfortable dining environment
29 Consumer satisfaction
30 Reasonable publicity
31 Product development and innovation
32 Data security and privacy
33 Protection of intellectual property
34 Food nutrition and health
35 Food waste
36 Digital transformation
37 Anti-corruption supervision and management
38 Anti-corruption report
39 Anti-corruption training
40 Rural revitalization
41 welfare activities
42 Voluntary activities



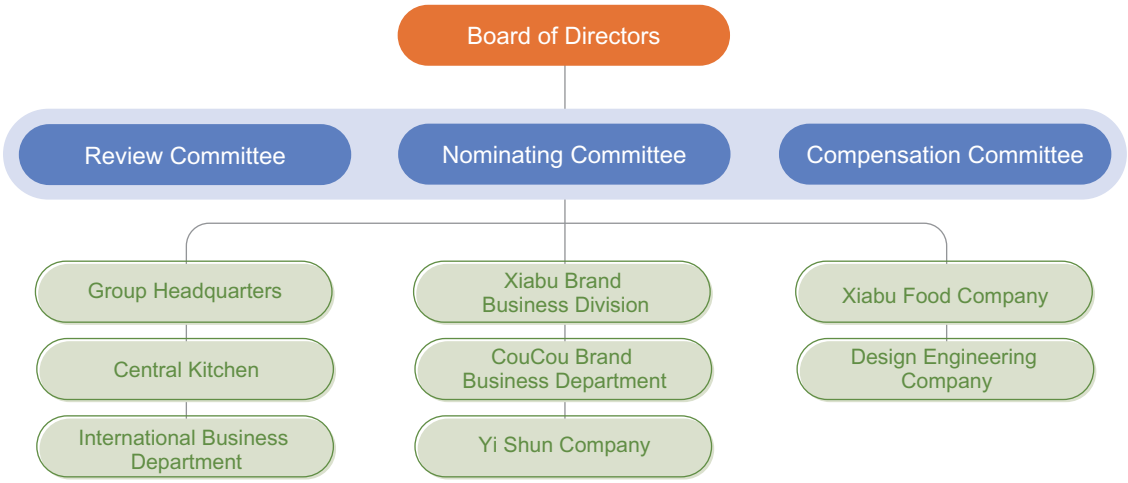
3 Governance As The Foundation, Prudence As The Rudder

GOVERNANCE AS THE FOUNDATION, PRUDENCE AS THE RUDDER



3.1 CORPORATE GOVERNANCE

To effectively support the Company's strategic development while meeting compliance requirements, the Company has established a comprehensive and highly adaptable organizational structure. As the highest guiding and supervisory body for the Company's business development, the Board of Directors (the "Board") has established the Audit Committee, Nomination Committee, and Remuneration Committee to perfect the governance system. At the management level, in addition to establishing various functional departments at the headquarters to coordinate Group resources, the Company has also set up the Xiabuxiabu Business Division and the Coucou Business Division, which are specifically responsible for the operation and management of their respective brands, ensuring that the organizational structure can be optimized and adjusted in a timely manner according to business development needs.



GOVERNANCE AS THE FOUNDATION, PRUDENCE AS THE RUDDER

• Board Independence and Effectiveness

The Company's Board consists of 2 Executive Directors, 1 Non-executive Director, and 4 Independent Non-executive Directors, comprising 2 females and 5 males. All Independent Non-executive Directors of the Company possess rich professional experience and have no business or other relationships with the Company that could materially affect their independent judgment. They are able to provide opinions based on an independent and objective stance, offering a strong guarantee for safeguarding the overall interests of the Company and all of its shareholders.

Board Diversity

We are well aware that Board diversity is the cornerstone of maintaining a competitive advantage and achieving sustainable development. We have formulated and adopted a Board diversity policy, fully complying with the relevant requirements of the *Listing Rules* and the *Corporate Governance Code*. Adhering to the principle of meritocracy, the Board comprehensively considers multiple dimensions such as gender, age, cultural and educational background, industry experience, and professional skills during its formation, making decisions based on the Company's business model and actual needs. During the Reporting Period, the Board comprised 2 female directors and 5 male directors, with female representation reaching 28%, continuously maintaining gender diversity. Furthermore, the Board members are aged between 54 and 66, possessing diverse educational backgrounds in economics, business administration, and law, and covering multiple industry sectors such as catering, accounting, and financial management. Looking ahead, the Company will continue to focus on gender diversity in middle and senior management recruitment and cultivate excellent successors for the Board through systematic training and career development, thereby continuously enhancing Board effectiveness and maintaining a high level of corporate governance.

3.2 RISK MANAGEMENT

The Company deeply integrates risk management into strategic decision-making and daily operations. By systematically identifying and assessing material risks, dynamically optimizing control measures, and continuously refining systems and processes, the Company has achieved full-coverage supervision and forward-looking responses in key business areas. By consolidating supervisory responsibilities with a normalized audit mechanism and enhancing technical defense capabilities through intelligent contract management, we have built a forward-looking and resilient risk management system, laying a solid foundation for sustainable and steady operations.

• Management System Construction

The Company has established a risk-oriented, independent internal control system characterized by the segregation of duties among decision-making, execution, and supervision. Starting from key links and critical business areas, we continuously monitor high-risk zones in the production, operation, and management processes, and regularly analyze and assess material risks to strictly prevent the occurrence of material risks and substantive deficiencies. In response to occurred incidents or potential material and significant risks, the Company conducts in-depth analysis and formulates response, resolution, or improvement measures, gradually promoting the organic integration of internal control management and risk management, and further enhancing the enterprise's risk prevention and resilience capabilities.

Taking into account factors such as development strategies, risk appetite, business segments, organizational structure, and financial materiality levels, the Company has systematically constructed a risk management framework to comprehensively carry out inherent risk identification and assessment, control measure effectiveness assessment, residual risk assessment, and continuous supervision. The scope of work covers multiple core modules, including the corporate level, supply chain management, R&D management, quality management, store development, and market operations. Concurrently, the Company closely participates in the processes of key business areas such as asset requisition, procurement, engineering management, contract and intellectual property management, new site leasing/renewal/closure, marketing activity management, R&D management, system formulation, and special approvals to supervise the effectiveness of control measures. Particularly for processes involving operational risks, we conduct timely early warnings, interventions, and optimizations of control measures.

Regarding internal audit, the Company explicitly requires a comprehensive audit of all businesses at least once every three years. Audit results are regularly reported to the Chairman and the Board, ensuring that risk control is implemented at all levels and supervision is thoroughly executed. Through the above mechanisms, the Company has achieved dynamic monitoring and effective responses to material risks, providing a solid guarantee for steady operations.

GOVERNANCE AS THE FOUNDATION, PRUDENCE AS THE RUDDER

• Effectiveness of Management Measures

Improving System Construction

In accordance with the basic framework and overall requirements of the internal control system, and in light of actual production and operation conditions, the Company continues to advance the improvement and optimization of its institutional system, making it more feasible and operable. In 2025, the Company promoted the formulation and revision of 10 policies, further consolidating the foundation of internal management.

Streamlining Business Processes

The Company conducts compliance checks and whole-process tracking of business processes, optimizes and simplifies identified issues, rationalizes business relationships, and standardizes work procedures, effectively improving work efficiency. In 2025, the Company carried out the streamlining of 5 OA system processes, involving key links such as integration with the new EHR system, adjustment of ultimate approval authority, use of company seals for listed company affairs, and adjustment of the reporting line of the development department. Additionally, 129 process optimizations were implemented.

Internal Control and Internal Audit Work

Internal control and internal audit run through the entire business process. Internal control personnel participate in advance in meetings organized by various departments, such as procurement compliance guidance and bidding negotiations, exercising internal control supervision to prevent risks from the source. During the audit process, the Company focuses on the in-depth analysis of issues, puts forward practical and effective audit recommendations, and regularly reviews the implementation of these recommendations and the progress of rectification to consolidate audit results. In 2025, 17 internal control projects were carried out, identifying 38 issues, all of which have been completely rectified and addressed. Meanwhile, by comprehensively utilizing various means such as settlement audits, reviews, and special streamlining, the Company carried out relevant work in engineering audits to continuously elevate its management and control level.

Legal Risk Prevention and Control

The Legal Department updates and refines the Group's contract management system based on business risk points. Through the new management system, intelligent control over contract signing and process risks is achieved, further enhancing technical risk prevention capabilities. Concurrently, the Legal Department will continue to strengthen rights protection and risk control, strive to increase the loss mitigation rate in the Group's litigation and dispute cases, and provide timely and effective legal support to various business departments in response to business development needs and changes, thereby forestalling potential risks.

3.3 BUSINESS ETHICS AND COMPLIANT OPERATION

The Company strictly adheres to the bottom line of integrity in operations, maintains a zero-tolerance attitude towards corruption, commercial bribery, and money laundering, and continuously improves business ethics governance in areas such as institutional constraints, cultural immersion, closed-loop supervision, and supplier synergy. By keeping whistleblowing channels unimpeded and implementing stringent whistleblower protection mechanisms, we strengthen internal supervision and external joint prevention to foster a clean and upright business environment. In the realm of intellectual property, the Company attaches equal importance to independent innovation and legal rights protection, continuously refining the protection system for trademarks, patents, and copyrights, and safeguarding brand value and sustainable development with a rule-of-law mindset.

• Anti-corruption and Integrity

The Company always adopts a "zero-tolerance" attitude towards corruption, bribery, and money laundering. Strictly complying with the laws and regulations of the jurisdictions where we operate, we have established a business ethics governance system covering all employees and all processes. We fortify the compliance bottom line through comprehensive institutional constraints, cultivate a culture of integrity through company-wide communication and training, strengthen internal supervision relying on unimpeded whistleblowing mechanisms and strict whistleblower protection policies, and implement closed-loop lifecycle management for suppliers, thereby strongly maintaining an honest, transparent, and responsible business environment.

Institutional Safeguards

In terms of anti-corruption, the Company strictly complies with national laws and regulations in the operating locations, such as the *Company Law of the People's Republic of China* and the *Criminal Law of the People's Republic of China*, and has built a sound internal institutional system. Among them, the *Employee Handbook* and the *Code of Business Conduct and Ethics* establish basic behavioral norms and ethical bottom lines for all employees. Meanwhile, through the *Anti-corruption and Integrity Self-discipline Statement* and the *Administrative Measures for Whistleblowing Rewards of Xiabu on Integrity*, the rights, responsibilities, and reward and punishment mechanisms for internal employees are further clarified. In addition, the Chairman of the Board personally issued the *Open Letter from the Chairman* to convey the firm determination of the Group's top leadership on integrity and honesty to all employees and partners.

In terms of anti-money laundering, in accordance with the international standards of the Financial Action Task Force (FATF) and domestic regulatory requirements such as the *Anti-Money Laundering Law of the People's Republic of China*, the Company has established an anti-money laundering management philosophy of "risk-based, all-employee participation, technology-driven, and continuous iteration". We have constructed a closed-loop management system covering all businesses, processes, and entities, and formulated an anti-money laundering strategy that meets the compliance bottom line. This strategy has become an important support for enhancing risk management capabilities, maintaining brand reputation, and achieving sustainable development.

GOVERNANCE AS THE FOUNDATION, PRUDENCE AS THE RUDDER

Supplier Anti-corruption

The Company regards supplier anti-corruption management as a crucial link in building a business ethics system, adhering to the management philosophy and policy of "forging the soul with integrity, building the foundation with compliance, empowering with transparency, and creating a zero-tolerance ecosystem". Through a combination of institutional constraints, process supervision, and special audits, we prevent commercial bribery risks from the source.

At the institutional level, the Company requires all suppliers to sign the *Confidentiality and Anti-Commercial Bribery Agreement*, the *Supplier Integrity Commitment Letter*, and the *Anti-Commercial Bribery and Business Conduct Norms Commitment Letter* prior to cooperation, serving as prerequisites for business collaboration.

In terms of process supervision, the Company has established a management mechanism covering the entire lifecycle of suppliers. In the admission phase, strict qualification reviews are conducted for all new suppliers to ensure their commercial credibility and compliance foundation. In the price negotiation phase, whole-process meeting recording is implemented for key procurement processes to ensure traceability, openness, and transparency. In the settlement phase, a strict three-document matching verification of "contract, delivery note, and invoice" is enforced to ensure the authenticity and compliance of transactions. Furthermore, a price anomaly early warning mechanism is set up within the department to issue risk alerts based on market conditions, promptly identifying potential issues.

In terms of special audits, when a supplier is reported, a major ethical violation breaks out in the industry, or there is a significant adjustment in national policies, the Company will immediately initiate a special audit to conduct a comprehensive risk assessment of the relevant suppliers. Concurrently, the Company actively joins enterprise anti-corruption organizations such as the "Trust and Integrity Enterprise Alliance", blacklisting suppliers on the platform who are verified to have violated integrity principles. This achieves inter-industry anti-corruption information sharing and joint prevention and control, effectively deterring potential fraudulent behaviors.

Whistleblower Protection and Supervision Mechanism

Unimpeded whistleblowing channels and rigorous whistleblower protection mechanisms are vital safeguards for the Company to discover and correct issues and maintain the bottom line of business ethics. To broadly listen to voices from all parties, the Company has specially set up the "President's Mailbox" and the "President's Hotline", encouraging employees, partners, and customers to actively offer suggestions and report issues. Meanwhile, through various channels such as the Company's website and internal training, we continuously promote the whistleblowing reward policies and channels, ensuring information transparency and universal awareness.

Regarding whistleblower protection, the Company has formulated strict policies. The Group Internal Control Department is the sole department that accepts and handles the investigation of reported matters. All whistleblower information is kept strictly confidential within the department and among the members of the Board. The Company commits to fully protecting whistleblowers from any form of retaliation and providing timely assistance when they encounter related difficulties. Moreover, the Company innovatively introduced the "tainted witness" system. If partners or employees discover that their own behaviors are suspected of violating laws and regulations and voluntarily become tainted witnesses, the Company may exempt them from relevant liabilities at its discretion and apply the whistleblowing reward policy equally, thereby encouraging voluntary confessions and internal exposure.

At the investigation and supervision level, the Internal Control Department, as the core of the independent monitoring system, is responsible for identifying fraud risks and conducting independent investigations into all reported matters. For corruption and fraud cases, the Company adheres to the principle of "prevention first, crackdown supplementary". Through focused special investigations, disciplinary actions are strictly imposed on violators, ensuring that anti-fraud work is effectively implemented.

Effectiveness of Measures

During the Reporting Period, the Company successfully integrated anti-corruption and business ethics requirements into daily operations through a series of solid and effective measures, achieving remarkable results. In terms of institutional construction and cultural communication, 100% of new employees complete the study and sign-off of the *Employee Handbook* and the *Code of Business Conduct and Ethics* upon onboarding. They also all pass the "Group Integrity Training" course and examination on the "Xiabuxiabu Academy" platform, securing the first checkpoint for ethical employment. All active full-time employees also regularly complete integrity courses through the "Xiabuxiabu Academy" to continuously consolidate their ethical awareness. During the Reporting Period, the Company conducted 6 training sessions on anti-corruption, anti-bribery, and business ethics and codes of conduct for directors and employees, with a total of 5,807 attendees. In addition, during major traditional festivals such as the Spring Festival, Mid-Autumn Festival, and Dragon Boat Festival, the Company produced and distributed integrity-themed posters, widely promoting them through internal communication software, emails, and bulletin boards in office areas to guide employees to proactively refuse gifts or cash gifts from suppliers. During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Company or its employees.





Integrity-themed posters

GOVERNANCE AS THE FOUNDATION, PRUDENCE AS THE RUDDER

In terms of whistleblowing investigation and case handling, the Company's whistleblower protection and supervision mechanism has operated effectively. During the Reporting Period, the Company conducted 17 internal audits on anti-corruption, anti-bribery, and ethical standards, with 38 issues identified. The Company received a total of 84 complaints and reports, all of which (100%) were accepted and investigated, achieving an investigation closure rate of 96%. Based on the investigation results, a total of 61 employees were penalized throughout the year, of which 31 had their employment contracts terminated due to severe disciplinary violations, with the relevant investigated amount totaling RMB171,826. These actions have effectively deterred compliance violations and safeguarded the Company's compliant operational environment.

Intellectual Property Protection

The Company strictly abides by laws and regulations such as the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Regulation on the Implementation of the Trademark Law of the People's Republic of China*, and the *Rules for the Implementation of the Patent Law of the People's Republic of China.* Attaching great importance to intellectual property protection, we adhere to the management philosophy of healthily developing our proprietary brands and strictly cracking down on infringement cases. We continuously strengthen the registration and management of the Group's brand trademarks, expand the scope of use and influence of our trademarks, and intensify the protection of intellectual property rights (IPR) such as trademarks and copyrights.

The Company proactively takes measures to protect its rights against all kinds of IPR infringement. We combat infringement through various means, including filing trademark oppositions, submitting applications for declarations of trademark invalidity, and conducting joint online and offline anti-counterfeiting campaigns. When necessary, we resort to litigation to protect our IPR and safeguard the Company's legitimate rights and interests. Concurrently, we place greater emphasis on copyright protection and have formulated constructive plans for cultivating our own IP.

During the Reporting Period, the Company continued to elevate its management level of trademark registration. We successfully applied for and registered multiple trademarks for our proprietary brands, thereby expanding the Group's trademark reserves.



4 QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS



Quality is the cornerstone of an enterprise, and innovation is the wing for its sustainable development. We consistently adhere to food safety as our bottom line and consumer demand as our orientation, integrating quality control throughout the entire chain of ingredient procurement, production and processing, logistics and distribution, and frontline services. We drive product iteration and business model upgrades through diversified innovations, build a solid operational foundation with a highly efficient supply chain, safeguard customer trust with ultimate services, and lead the standardized development of the industry with a profound sense of responsibility.

4.1 SAFEGUARDING FOOD QUALITY

• Sustainable Product Management

The Company has consistently regarded the sustainable management of food ingredients as a core pillar of our corporate social responsibility. Adhering to safety as the bottom line, quality as the core, and sustainability as the orientation, we have constructed a comprehensive management system covering the entire chain of ingredient procurement, inspection and acceptance, and traceability. We proactively adopt authoritative domestic and international certification standards, strictly screen our cooperative suppliers, and refine the full-process traceability mechanism. While providing consumers with safe and healthy food ingredients, we concurrently contribute to ecological environmental protection and the sustainable development of the industry.

In alignment with our actual business development, the Company has optimized the sustainable management standards for food ingredients:

	Domestic Ingredients	International Ingredients
Product Certification	Must be legitimate factories with complete production qualification certificates; enterprises that have passed food safety system certifications are prioritized; a "international and domestic standards" dual-track certification system is adopted for certain product categories.	Must be admitted factories legally registered and filed in China; enterprises that have passed food safety system certifications are prioritized; certain categories additionally require international certifications such as BRC, BAP, ASC, and MSC.
Origin Traceability	Traceable to the place of origin and breeding information; relying on the daily distribution of state-regulated compliant regional markets to ensure the traceability of fresh and live seafood.	Traceable to the country of origin and factory registration number; all products are required to possess the capability to be traced back to the source manufacturer.
Supplier Requirements	Must be sourced from factories that have passed second-party audits. Through communication and alignment on internal product standard requirements, we request necessary certificates and invoices upon supply, obtaining a full set of compliance documents for raw materials. Enterprises with leading quality and sustainable management concepts are prioritized.	Must be admitted factories legally registered and filed in China. Through communication and alignment on internal product standard requirements, we request necessary certificates and invoices upon supply, obtaining a full set of compliance documents for raw materials. Products must be imported through formal customs clearance channels, and enterprises with relevant international certifications are prioritized.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

Seafood

Seafood forms a crucial component of the Xiabuxiabu menu, covering categories such as shrimp and crabs, shellfish, fish, squid, octopus, cod, kelp, snails, and mollusks. Adhering to the management philosophy of "Freshness as the Priority, Safety as the Guiding Principle," we place food safety and traceability at the forefront, ensuring that every serving of seafood is under strict monitoring from the source to the table.

To guarantee the quality and safety of seafood and promote marine ecological protection, the Company has formulated differentiated certification standards for various seafood categories, encompassing a domestic and international dual-track certification system as well as multiple authoritative international certifications. Among them, basic certifications include HACCP (Hazard Analysis Critical Control Point) and ISO 22000 (Food Safety Management System), which cover most seafood categories. By analyzing and controlling hazards during the production process, we build a solid defense line for food safety. International certifications include BRC (Global Standard for Food Safety), BAP (Best Aquaculture Practices), ASC (Aquaculture Stewardship Council), and MSC (Marine Stewardship Council). Specifically, BRC ensures products meet international quality and safety standards through rigorous assessment of suppliers' production, storage, and distribution processes; BAP covers the entire chain of feed production, aquaculture, processing, and distribution, with a strong emphasis on environmental protection, food safety, and employee and animal welfare; ASC drives aquaculture towards environmental sustainability and social responsibility; and MSC safeguards the long-term health of fish stocks and ecosystems by assessing the sustainability and environmental impact of fishing activities. Following the principle of "selecting internationally sustainable certified suppliers wherever possible", we prioritize enterprises with ASC, MSC, and BAP certifications during new product development and supplier selection. If relevant certifications are not yet popularized in the exporting country for specific products, we use "compliant formal customs clearance" as the core constraint and foundation for cooperation, while encouraging and supporting suppliers to gradually align with international standards.

In terms of traceability, we require all seafood products to possess the capability to be traced back to the source manufacturer, forming a closed-loop management from the table to the place of origin. Relying on the daily distribution of state-regulated compliant markets, we ensure the freshness and transparent sourcing of our seafood. Domestic raw materials can be traced back to specific origins and breeding information, while imported raw materials can be traced back to the country of origin and factory registration number, providing solid support for quality control and risk mitigation.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

Beef and Dairy Products

Beef and dairy products are core categories on our menu. The Company offers a rich variety of beef and dairy products tailored to meet diverse consumer needs. The beef category includes both domestic and imported beef, focusing on providing high-quality whole-muscle cuts, including the M4 to M7 Wagyu series, premium Angus series, and various cuts of grass-fed series. Dairy products primarily consist of ambient milk, sourced from top-tier domestic dairy brands to mitigate quality risks from the source.

The Company has established stringent certification standards for beef and dairy products, covering all production stages to ensure controllable quality. Beef certification primarily focuses on frozen portioned beef. Domestic beef must be sourced from regular slaughterhouses with complete qualification certificates, with priority given to enterprises that have passed quality and safety system certifications. Imported beef must be sourced from admitted factories legally registered and filed in China, while adopting the Australian MSA system, the US PCSS certification, and HACCP food safety certification. The MSA system covers maturity, fat color, and meat marbling grading, whereas the US PCSS certification covers Prime, Choice, Select, and Standard grades. Air, water, and soil at the breeding farms must meet strict certification standards, and the production process is subject to continuous supervision and audits by certification bodies. Dairy product certification focuses on ambient milk, adopting three major standards: HACCP (Hazard Analysis Critical Control Point), ISO 22000 (Food Safety Management System), and FSSC 22000 (Food Safety System Certification), comprehensively guaranteeing product safety.

Regarding traceability, the Company has established a traceability mechanism running through the entire chain of beef and dairy products. Beef can be traced back to the country of origin and factory number. Through an exclusive traceability system, we can conduct bottom-up tracking of every batch of products along the complete chain–from source breeders, producers, slaughterhouses, logistics transporters, and exporters, all the way to distributors–ensuring transparent information and precise traceability back to the source manufacturer. For dairy products, suppliers are required to have their own pastures, and all raw materials must originate from these proprietary pastures, thereby ensuring product traceability from the source and fortifying the quality and safety defense line.

The Company implements systematic and refined sustainable management for beef and dairy suppliers to promote synergistic development. Regarding baseline compliance requirements, suppliers must provide complete and legal traceability documents for goods to ensure that the products and production processes comply with the claimed certification standards. Domestic suppliers must pass second-party audits, while overseas suppliers must be legally registered and filed in China. All suppliers are required to complete communication and alignment on internal product standards, and must provide necessary certificates, invoices, and a full set of compliance documents for raw materials upon delivery. Under equal conditions, the Company gives priority to suppliers holding relevant authoritative certification certificates. We have also established an end-consumer recognition evaluation mechanism, preferring suppliers whose certifications and brands enjoy high awareness and excellent reputation in the target market, thus balancing quality with market word-of-mouth. In terms of synergy and control, the Company has established a regular quality review mechanism with core beef suppliers to share market feedback and tasting data, jointly driving product optimization and innovation. For dairy suppliers, we continuously track the quality upon arrival and during restaurant usage; upon detecting any abnormalities, we promptly communicate with the factories for investigation and resolution, ensuring that the products remain controllable throughout the entire process.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

• Food Quality Inspection System

"Quality stems from persistence". Food safety and quality control have always been the fundamental cornerstone of Xiabuxiabu's survival and development. Strictly complying with national laws and regulations such as the *Food Safety Law of the People's Republic of China* and the *Standard Operating Procedures for Food Safety in Catering Services*, the Company focuses on full-chain quality management of the supply chain. From arrival inspection, sampling testing, and laboratory testing to personnel qualification management, we have built a comprehensive and multi-level food quality inspection system to effectively guarantee consumers' dining safety and the continuous stability of product quality.

To systematically elevate the quality management level, the Company utilizes HACCP (Hazard Analysis and Critical Control Point), ISO 22000 (Food Safety Management System), and FSSC 22000 (Food Safety System Certification). Through standardized processes, we identify, assess, and control various risks in food production and circulation, ensuring the professionalism, scientificity, and compliance of quality inspection work.

In terms of the execution of quality inspection policies, the Company adheres to batch-by-batch testing strictly implements a full-batch testing system for arriving products. All incoming raw materials are tested according to the items and standards listed in the *Product Specification Manual* to ensure quality is controllable and risks are preventable. For products from the same manufacturer and the same batch, if a Regional Distribution Center (RDC) has tested and deemed them qualified, other warehouses will not repeat destructive testing, achieving efficient resource utilization. Once an RDC detects an unqualified product, other warehouses will synchronously execute rejection, eliminating the flow of any unqualified products into restaurants or processing stages, truly realizing "one-vote veto and regional linkage".

The Company has made clear provisions on the sampling testing ratio, balancing representativeness and operability to ensure that test results truly reflect the quality of the entire batch of products:

- **Sensory testing:** The sampling ratio for each batch (based on the production date) is not less than 3%, covering key sensory indicators such as appearance, color, odor, and texture.

- **Destructive testing:** A random sampling mechanism is implemented, with the sampling volume flexibly determined based on product characteristics, risk levels, and testing needs. The focus is on conducting in-depth physical, chemical, and microbiological analyses to accurately identify potential quality issues.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

Laboratory testing capabilities cover multiple categories and dimensions, achieving comprehensive monitoring from raw materials to packaging:

- **Food ingredients:** Testing sensory as well as physical and chemical indicators, including moisture, clenbuterol, sulfur dioxide, pH value, and viscosity, while verifying net content.
- **Fruits and vegetables:** Focusing on pesticide residue testing to prevent the risk of exceeding pesticide limits.
- **Non-food items (food-contact materials):** Such as packaging materials and tools, testing their sensory state, sulfur dioxide migration, specification compliance, and net content to ensure indirect food safety.

Regarding personnel management, the Company highly values the professional capacity building of the inspection team, explicitly requiring relevant laboratory personnel to hold a laboratory technician certificate, ensuring that personnel in these positions possess basic professional literacy. Although the state no longer mandatorily requires this qualification, the Company still regards it as an important reference for internal capacity assessment and will continue to strengthen the training and assessment mechanisms to ensure the standardization and accuracy of testing work.

In 2025, the Company launched several specific initiatives in central kitchen management to strengthen the whole-process control of production, forming synergistic efforts with the food quality inspection system: Firstly, the production of finished soup bases was transferred to a new plant, canceling the boiling process and adopting additives, with raw materials directly packaged, balancing production efficiency and the umami of sauces. Secondly, process management requirements are strictly implemented, complying with process regulations, and organizing production according to standards and processes to ensure that process parameters and technical requirements are strictly executed, with full records kept. Key processes such as the use of additives, environmental protection, and disinfection are also standardized. Thirdly, focusing on guarding sauce quality, process details are optimized during production to ensure a stable, umami taste of the sauces.

Through the comprehensive control of the food quality inspection system and the refined operation of the central kitchen, remarkable results have been achieved in various tasks: a 100% pass rate in the batch testing of central kitchen products, and a 100% pass rate in government sampling inspections. During the Reporting Period, there were no customer complaints regarding products and no food safety incidents occurred.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

• Quality and Safety Culture

Food safety is our operational bottom line and the core orientation and pursuit of the Company's quality and safety culture. We are committed to providing consumers with healthy, nutritious, delicious, and trustworthy dining experiences, deeply integrating the concept of food safety into the core of our corporate culture. Through normalized full-staff training and a sound supervision and assessment mechanism, we continuously strengthen the food safety awareness of all employees and standardize operational procedures. In the supply chain control process, the Company promotes a strict supplier tiered evaluation system and implements a self-operated base control strategy, building a solid defense line for ingredient quality from the source and providing firm support for the implementation of the quality and safety culture.

Using the quality and safety culture as a bond, the Company builds a consensus on values and standardizes behavioral norms for all employees. Internally, we deepen the sense of responsibility among all employees through diverse training formats; externally, we strengthen communication and promotion with suppliers, striving to create a quality and safety atmosphere characterized by full participation, recognition, and practice. In 2025, the Company conducted product safety and quality training for employees with over 5,000 attendances and strictly implemented the mandatory pre-job training system for new hires, ensuring that new employees fully master food safety knowledge and operational standards before taking up their posts. In 2025, we organized multiple special training sessions focusing on production quality control, emphasizing the assessment of learning outcomes. We also conducted skill drills focused on safety practices, effectively enhancing the risk prevention and response capabilities of frontline personnel. Through these training sessions, employees not only improved their professional quality control skills but also effectively optimized on-site quality inspection processes. Meanwhile, to ensure that learning outcomes are translated into practical actions, we have established corresponding follow-up and assessment mechanisms, linking training execution effectiveness with personal performance to form an effective closed loop of incentives and supervision, ensuring that the quality and safety culture truly takes root and is effectively implemented.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

4.2 INNOVATING DIVERSIFIED MENU ITEMS

• Diverse Ingredients

Based on consumers' diversified dietary needs and healthy consumption trends, the Company adopts diversity, premium quality, and health as its ingredient selection philosophy. We carefully select various high-quality ingredients to continuously enrich our ingredient supply system, balancing taste experiences with nutritional balance, and fully providing consumers with healthy dining solutions with more choices.

In the seafood category, we select premium seafood from global high-quality producing areas, covering shrimp and crabs, shellfish, fish, squid, octopus, cod, kelp, snails, and mollusks, including specialty varieties such as imported Basa fish, snakehead fish, Ecuadorian white shrimp, six-second sliced conch, Indian crayfish, and squid ears.

Regarding the selection of meat and poultry ingredients, we also adhere to extremely rigorous standards. Mutton is stably supplied by the Company's subsidiary, Xilin Gol League Yishun Halal Meat Co., Ltd., prioritizing Ujumqin lamb from the Xilin Gol League. The beef category includes both domestic and imported segments, focusing on providing high-quality whole-muscle products, including the M4 to M7 Wagyu series, premium Angus series, and various cuts of grass-fed series. For poultry, we favor natural free-range Hainan Wenchang chicken, which has an adequate growth cycle, firm meat, and evenly distributed fat. Through appropriate cooking techniques, it can maximize the retention of nutrients and juices, presenting a smooth and delicate texture.

In addition to common vegetables, meat, poultry, and seafood, the Company integrates the concept of healthy eating by actively introducing specialty ingredients such as organic vegetables, various mushrooms, and algae. This continuously enriches consumers' dish choices and helps achieve a balanced and healthy dietary structure. The Company also considers the regional and seasonal characteristics of ingredients, actively exploring high-quality ingredient resources from various regions and incorporating seasonal flavors from different areas into our menu system. This allows consumers to experience the charm of diverse regional culinary cultures while enjoying delicious food.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

• Diverse, Nutritious, and Healthy Products

Driven by consumer demand, the Company takes “fresh, delicious, healthy, and safe” as its product innovation philosophy. Relying on a diversified business model and an innovative R&D system, we anchor market needs, adhere to health trends, align with brand tonality, and adapt to diverse scenarios. We boldly break through traditional business boundaries, continuously optimizing menu structures, exploring high-quality products, and upgrading service experiences. We are dedicated to presenting consumers with fresh, delicious, healthy, safe, and highly cost-effective hot pot products, leading the new consumption trend in the hot pot industry.

In 2025, the Company continued to deepen its efforts in dish R&D and product innovation. Focusing on consumers’ diversified needs and healthy eating trends, we advanced core projects such as Xiabuxiabu semi-buffet, Xiabu Pasture, nine-grid platters, twin-flavor hot pots, and fresh meat. We cumulatively launched over 90 new products, each featuring unique memory points and scenario adaptability. Concurrently, the Company continuously optimizes its existing product system, upgrading core products such as specialty soup bases, meat, and seafood, exploring seasonal and regional specialty ingredients, and focusing on high-quality positioning to create a premium product matrix that is “premium yet affordable”.

In response to the consumption scenario changes brought about by the rise of the “single economy” and “stay-at-home economy”, as well as consumers’ demands for dietary balance, convenience, hygiene, and reduced waste, the Company accurately captured market pain points and launched multiple scenario-based specialty products. While ensuring the experience for gathering scenarios, the Coucou brand introduced a unique individual hot pot, providing a convenient choice for office workers and balancing deliciousness with ingredient conservation. The Xiabuxiabu brand innovatively launched a single-person twin-flavor hot pot, accommodating two flavors and partitioned boiling to meet consumers’ multi-flavor needs.

With “dietary balance” at its core, the Company has built a nutritional system of “soup base + ingredients + pairing,” promoting the transformation of hot pot from an “occasional indulgent craving” to a “healthy choice for daily diet”, and conveying the lifestyle philosophy of “nourishing the body and mind through food.” Specific initiatives include: developing the “low-salt, low-fat, high-fiber” Refreshing Yuzu Salt Pot; launching highly nutritious and light dishes such as king oyster mushrooms and alpine slender bamboo shoots; and creating nine-grid platter set meals that scientifically combine high-protein meats, high-fiber vegetables, low-GI staple foods, and healthy soy products. We also provide a “scientific boiling guide” and nutritional pairing suggestions, making healthy eating easier to achieve. Furthermore, by optimizing dish portion sizes, promoting small-portion dishes, and standardizing measurement units, we guide consumers toward balanced diets and reduce food waste and overeating.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

Case Study Single-Person Twin-Flavor Hot Pot

On 26 May 2025, Xiabuxiabu launched a promotion for the single-person twin-flavor hot pot across 9 restaurants. Featuring a dual-flavor compatible design, this product caters to diverse taste preferences. The partitioned boiling design effectively prevents flavor mixing and ensures a pure taste, while offering flexibility in nutritional pairings to satisfy consumers' multi-flavor demands when dining alone. Through the combination of classic and innovative flavors, practical cookware design, and precise scenario marketing, the product's competitiveness has been further strengthened, making it a blockbuster item that drives foot traffic to our restaurants. Moving forward, we plan to roll it out extensively across all Xiabuxiabu restaurants nationwide.



Case Study Nine-Grid Platter

Presented in a brand-new format, the nine-grid platter provides consumers with a rich assortment of dishes and more suitable pairings, satisfying their dining demand for diverse ingredients in a single meal. By breaking the traditional presentation model, it delivers a brand-new dining experience. This product was initially launched in 21 restaurants across Beijing and will be gradually rolled out subsequently. Concurrently, the Company has crafted the nine-grid platter set meal, featuring a scientific combination of high-protein meats, high-fiber vegetables, low-GI staple foods, and healthy soy products. This initiative conveys the philosophy of healthy eating and has become a vital representative of the Company's differentiated product offerings.



QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

Case Study Refreshing Yuzu Salt Pot

On 28 March 2025, the Refreshing Yuzu Salt Pot was launched nationwide. As Xiabuxiabu's first fruit-flavored hot pot soup base, it features a fresh and crisp taste as its core characteristic, carefully selecting "Jinpen Yuzu" to create a rich yuzu aroma. Paired with a broth base made of kelp, bonito, and chicken soup, the soup base inherently functions as a dipping sauce. Healthy, low in oil, delicious, and not greasy, it perfectly aligns with consumers' demands for healthy diets and differentiated flavors, becoming a representative product of the Company's healthy soup bases.



Case Study Fresh-Cut Beef

Fresh-cut beef establishes "fresh and additive-free" as its core competitive moat, combining the advantages of "excellent taste, strong dining experience, and high premium". It not only satisfies consumers' dietary demands for healthy and original flavors but also creates differentiated blockbuster products and optimizes the profit structure, catering to the broad consumption needs of the catering industry. In 2025, the Company launched 4 fresh-cut meat products: Premium Fresh-Cut Beef Silverside, Classic Fresh-Cut Beef Striploin, Selected Fresh-Cut Beef Chuck Tender, and Exquisite Fresh-Cut Beef Chuck Eye Roll. All products utilize beef cuts that are most suitable for hot pot boiling, thereby further enriching the Company's product matrix and strengthening the brand's image in the realm of high-quality ingredients.



- **Diversified Business Models**

In 2025, the Chinese consumer market was characterized by being "generally under pressure yet highly resilient, structurally differentiated, and diversely prosperous". New demands were constantly awakened, and new scenarios were continuously created, propelling the consumer market steadily from a phase of scale expansion to a new stage of quality enhancement. Accurately grasping market changes and consumers' needs for convenient dining, the Company adhered to the overall development strategy of "valuing quality over quantity". Focusing on the management philosophy of "enhancing internal efficiency and winning through experience", we actively promoted business model innovation and layout optimization to construct a diversified and high-quality development model.

In 2025, the Company positioned the delivery business as the core growth engine for the Group's strategic transformation. We simultaneously innovated our models and optimized restaurant operations to form a diversified development pattern, and launched three targeted measures to ensure implementation: First, deepening cost reduction and efficiency enhancement in the supply chain. By cooperating deeply with key suppliers and locking in prices for bulk ingredients in advance, and relying on a digital procurement platform to enhance efficiency and transparency, we consolidated the cost and supply foundation for the delivery business. Second, optimizing the store network. We closed underperforming stores, accurately expanded stores in first-tier and high-potential cities, and balanced dine-in efficiency with the "satellite kitchen" layout for delivery to enhance fulfillment capabilities. Third, introducing the " Phoenix Return" partnership program. By aligning the interests of employees with those of the stores, we stimulated operational vitality and provided a new paradigm for the refined operation of the delivery business. After a year of intensive cultivation, the Company's diversified model layout has achieved remarkable results, with core businesses showing strong growth momentum. In 2025, the order volume of the Company's delivery business surged by over 75% year-on-year.

4.3 OPTIMIZING AND UPGRADING THE SUPPLY CHAINS

To guarantee the quality at the source of the supply chain and build a solid defense line for food safety, the Company has established a closed-loop control system for suppliers from admission to post-evaluation. Centered on the core link of "Screening and Admission – Process Supervision – Comprehensive Evaluation", we strictly adhere to established principles and compliance requirements. This achieves standardized, normalized, and refined full-lifecycle management of suppliers, laying a solid foundation for long-term and stable cooperation between the Company and its suppliers.

- **Supplier Screening and Admission**

In the supplier screening and admission phase, the Company adheres to the principles of being "fair, just, and open, as well as legal, compliant, reasonable, and sensible". We are committed to establishing a supplier system characterized by reliable quality, stable supply, and excellent service. Strictly complying with relevant national laws, regulations, and industry norms, we have formulated the Company's *Supplier Quality Admission Management Guidelines* to ensure every partner meets our high-standard requirements.

In 2025, the Company focused on advancing a triple optimization of sourcing channels, screening tools, and evaluation systems to elevate the quality and efficiency of admission. First, implementing an online and offline integrated sourcing strategy. We broke the limitations of single sourcing to ensure the breadth and transparency of sourcing channels, thereby widening the selection scope of high-quality suppliers. Second, actively introducing digital tools such as AI. This realizes the automatic search and identification of leading and potential suppliers in the industry, effectively enhancing sourcing efficiency and precision while reducing manual screening errors. Third, establishing a systematic supplier evaluation model and constructing six core evaluation dimensions. We conduct comprehensive and meticulous screenings of suppliers to fundamentally ensure that the admitted suppliers possess excellent qualifications and controllable risks. Among them, the admission of logistics providers involves an additional focus on auditing core qualifications such as warehouse conditions and operational standards to ensure they have the capability to meet the Company's distribution needs.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

The six core evaluation dimensions comprehensively cover the comprehensive strength and risk level of suppliers:

Basic Qualifications and Compliance	Focuses on verifying the completeness and validity of qualification documents such as the supplier's business license and industry permits. Priority is given to enterprises that have obtained international or industry system certifications such as ISO 9001, ISO 22000, and HACCP, ensuring that suppliers possess a legal operational foundation.
Quality and Production/ Service Capabilities	For general suppliers, strictly evaluates whether product quality meets national and industry standards as well as the Company's internal requirements. For food suppliers, a mandatory "pre-admission factory inspection" system is implemented. For logistics providers, the focus is on evaluating distribution service quality, timeliness guarantee capabilities, and warehouse management levels to ensure their services meet the Company's supply chain distribution standards.
Operational and Financial Status	Analyzes key financial indicators such as the supplier's solvency and profitability to evaluate its operational health and stability, effectively preventing the risk of supply chain disruptions.
Comprehensive Strength and Development Potential	Focuses on evaluating the supplier's enterprise scale, production capacity/transportation capacity, technical strength, and future development potential. Priority is given to suppliers with successful cooperation experience with large-scale chain enterprises to ensure the sustainability of the partnership.
Risk and Compliance Background	Comprehensively investigates whether the supplier has any pending material legal litigation or records of administrative penalties, thereby forestalling joint and several risks at the legal level in advance.
Emergency Response Capabilities	Focuses on evaluating the supplier's rapid response and collaborative processing capabilities in the face of temporary or sudden major demands or market changes, thereby safeguarding the stability of the supply chain.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

Building upon the clearly defined evaluation criteria, the Company has established a standardized and streamlined process for procurement execution and supplier admission. This ensures that all stages are regulated, controllable, and fully traceable throughout the entire process. The specific procedures are as follows:



QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

As of the end of the Reporting Period, the Company had a total of 980 cooperative suppliers, distributed as follows:



Northeast China	6.12%	Central China	5.41%	Northwest China	2.76%
East China	31.53%	South China	8.67%	Hong Kong, Macao and Taiwan Regions	2.24%
North China	26.33%	Southwest China	4.08%	Overseas	12.86%

• Supplier Management and Supervision

To ensure that admitted suppliers continuously meet the Company's standards and to prevent supply chain quality and compliance risks, the Company adopts a dynamic control approach of "primarily on-site inspections, combined with online and offline methods" for suppliers, safeguarding the stability of supplied products and services. For low-risk suppliers, we implement online audits focusing on confirming their basic management capabilities to enhance audit efficiency. For high-risk suppliers, we implement 100% on-site audits, identifying risks through field visits to comprehensively grasp their actual operational status and ensure they meet the Company's cooperation requirements in all aspects.

In terms of production supervision, for general suppliers, the Company and OEM factories jointly sort out and confirm in writing the full-chain Standard Operating Procedures (SOP) from raw material acceptance and production processing to finished product delivery, establishing a joint supervision mechanism. For logistics providers, we focus on supervising core service indicators such as delivery timeliness, warehouse management, and cargo integrity rate. Through regular verifications and data reviews, we ensure their services meet the Company's standards. Concurrently, we have established a multi-departmental joint supervision mechanism. Through regular and unannounced inspections, critical control point monitoring, and relevant data review, we ensure that suppliers strictly provide products or services according to standards.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

In terms of normalized risk supervision, the Company focuses on the arrival quality of suppliers, restaurant quality feedback, and the delivery service feedback of logistics providers. We promptly track supplier improvements for any quality or service abnormalities and incorporate them into the suppliers' food safety performance evaluations. We conduct testing on potential food risk indicators 1 to 2 times a year to strictly manage suppliers' food safety control, sampling and testing potential food risk indicators to screen the actual risks of suppliers' food materials. We implement unannounced inspections for suppliers with unstable quality (including logistics providers with substandard services) to confirm their daily management status, promptly eliminate risks, and prevent hidden dangers of food safety and supply chain disruptions. Among these, the Company has established an exclusive post-evaluation system for logistics providers–the Xiabuxiabu National Logistics Center "Langya List" (Ranking Board)–to further standardize logistics provider management and enhance delivery service quality.

• Supplier Evaluation and Training

The Company has established a comprehensive supplier evaluation system covering multiple dimensions such as quality, cost, delivery, and service. On a quarterly and annual basis, we conduct comprehensive and objective evaluations of suppliers' cooperative performance. Based on the evaluation results, suppliers are classified into different tiers to implement differentiated management and clarify corresponding incentive and constraint measures. In quarterly evaluations, suppliers with excellent performance will enjoy incentives such as priority payment of accounts and increased supply/service proportions. Suppliers with qualified performance will maintain their current cooperation scale and are encouraged to continuously optimize. For suppliers with unqualified performance, constraint measures such as reducing the procurement quota, requiring rectification within a time limit, or revoking cooperation qualifications will be taken. Severe cases will be blacklisted. The annual evaluation forms a complete closed loop of incentives and constraints: suppliers with excellent annual performance are awarded "Excellent Supplier" and enjoy rights such as priority contract renewal, increased procurement/service quotas, and participation in the annual supplier conference. The Company establishes long-term strategic cooperative relationships with them. Suppliers with qualified annual performance enjoy the right of priority contract renewal and serve as priority choices for deep cooperation. For suppliers with unqualified annual performance, cooperation is terminated, and they are blacklisted, restricting their renewal for the following year.

In 2025, through a sound supplier management system, the Company achieved the goals of quality assurance and stable supply. Procurement costs decreased significantly, and the order fulfillment rate steadily improved. There were no notifications of unqualified products in market and government sampling inspections. Throughout the year, 4 suppliers were suspended and 2 products were discontinued due to quality risks, and 1 food safety internal control sampling risk was fully rectified. The compliance rate of logistics delivery services remained at a high level, demonstrating remarkable effectiveness in supply chain management.

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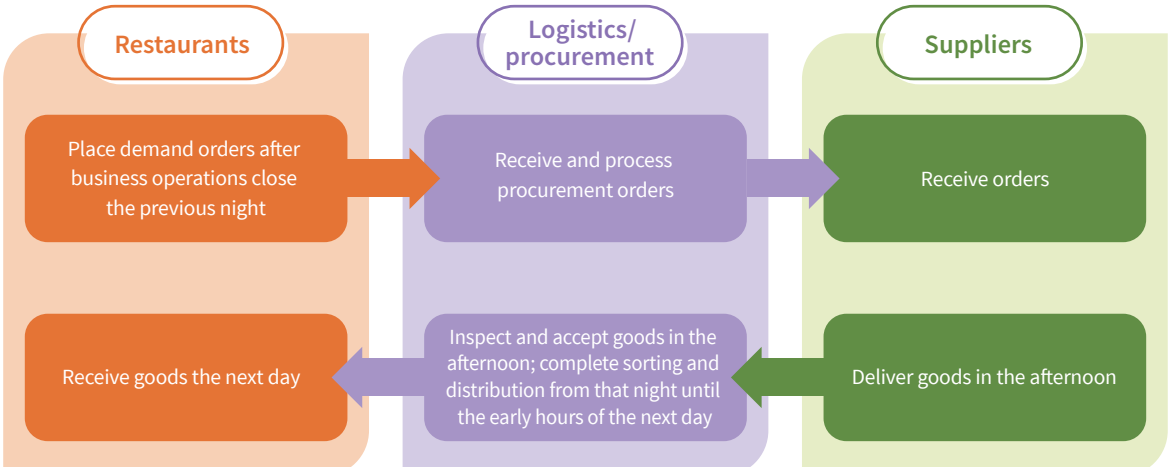
To continuously enhance suppliers' quality awareness and management level, the Company sustains its systematic training system and regularly conducts specialized training. The training content covers core aspects such as quality monitoring, risk assessment, and performance management. Simultaneously, we have established a regular assessment and feedback mechanism to evaluate training effectiveness and provide one-on-one coaching, assisting suppliers in implementing the Company's standards and driving the high-quality development of the supply chain.

• Adhering to Direct-Operated Distribution

The Company adheres to a direct-operated distribution model, taking rapid response to consumer needs as the core starting point to guarantee the freshness of ingredients from the source to the table. Relying on standardized management and digital upgrades, we have built an efficient and safe logistics and distribution system to ensure that fresh ingredients are delivered to all restaurants in a timely manner, safeguarding product quality and the consumer experience.

For fruit and vegetable ingredients, the Company continues to employ a zero-inventory transportation model, ensuring that customers can enjoy fresh fruits and vegetables in a timely manner. Every day after the restaurants close, based on the day's sales and the estimated demand for the next day, each restaurant estimates the types and quantities of fruits and vegetables needed and submits an order to the Logistics and Procurement Department. Upon receiving the orders, the Logistics and Procurement Department processes them promptly on the same day and issues procurement instructions to suppliers. Upon receiving the procurement orders, suppliers complete the procurement and delivery work on the same day. After receiving the goods, the logistics department conducts strict acceptance inspections, and subsequently completes sorting and distribution from that night to the early hours of the next morning, ensuring that fruits and vegetables are delivered to all restaurants on time and fresh.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS



For frozen foods, the Company is equipped with professional frozen warehouses and refrigerated trucks, and collaborates with logistics providers for the storage and transportation of seafood, meat, and other foods requiring frozen preservation. Whether using self-owned or leased cold storage, all facilities strictly comply with industry standards to ensure food quality remains unaffected. The frozen warehouses are equipped with advanced temperature control equipment to ensure the storage environment temperature is consistently maintained at –18°C or below. During inbound and outbound operations, the temperature inside the warehouse is strictly controlled at –16°C or below, maximizing food freshness. During cold chain transportation, the compressors of the refrigerated trucks provided by logistics partners operate normally throughout the entire journey. Before loading, the temperature inside the compartment must be lowered to below 0°C. During transportation, the temperature of the frozen compartment must not exceed –18°C, the temperature of frozen products must not exceed –12°C, and the temperature of chilled products is controlled between 0°C and 8°C. All cold chain distribution vehicles are equipped with thermal insulation boards and door curtains to minimize the impact of external temperatures on the compartment's internal temperature. Each vehicle is equipped with fixed dual-probe temperature control equipment, authorized and integrated with the system, ensuring that the Transportation Management System (TMS) can monitor vehicle location and temperature changes in real-time during transportation, thereby guaranteeing the reliability and safety of cold chain transportation.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

Relying on the direct-operated distribution system, the Company continues to deepen the refined operation and digital transformation of its supply chain. By building a standardized three-tier distribution network consisting of central warehouses, regional sub-warehouses, and transfer centers, we have achieved efficient and agile nationwide distribution, effectively reducing overall logistics and procurement costs. In terms of digital capacity building, the Company has comprehensively deployed the Transportation Management System (TMS), Warehouse Management System (WMS), and vehicle location monitoring systems. This achieves full-chain data connectivity and visual management from procurement orders and warehousing operations to trunk transportation and terminal distribution. The consolidation of this digital foundation has significantly enhanced the precision and efficiency of logistics operations, providing a solid guarantee for the consistent quality of ingredients during circulation.

Furthermore, through the implementation of a centralized procurement strategy and continuous optimization of supplier management, the Company has made positive progress in cost control. Regarding supply chain infrastructure, the new logistics center located in Daxing, Beijing, covering an area of 12,000 square meters, has been put into operation. This has greatly enhanced the Company's warehousing throughput and regional allocation capabilities, providing robust supply chain support for nationwide business expansion. In 2025, the Company continued to advance the efficiency enhancement and collaborative optimization of the supply chain. Driven by data and oriented by results, we focused our precise efforts on three major directions: First, deepening the construction of the supply chain middle office to coordinate national distribution resources and logistics service providers. We flexibly adopted a multi-mode supply combining "centralized storage + decentralized distribution" with "periodic scheduled replenishment of daily necessities". We also collaborated with the supplier ecosystem to explore the Vendor Managed Inventory (VMI) model, enhancing collaborative efficiency through standardized operations and visual tools. Second, upgrading the SCM (Supply Chain Management) system to build agile delivery capabilities. This realized online and digital management of store replenishment, procurement orders, and global inventory, accelerating inventory turnover and improving warehouse space utilization and storage accuracy. Third, optimizing supply chain and procurement strategies to accurately forecast demand and share supplier information. Relying on its wholly-owned subsidiary, Yishun Company, a leading meat processing enterprise, the Company deepened its integrated layout of production, supply, and marketing. This provides a stable and high-quality meat supply for new business formats and various brands, strengthening the independent and controllable capability of the supply chain.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

4.4 UPHOLDING CUSTOMER FIRST

In an increasingly competitive catering market, customer experience is a vital component of an enterprise's core competitiveness. Adhering to the philosophy of "considering the core interests of customers in everything we do", we attach great importance to customer satisfaction. Through the construction of systematic mechanisms and digital service upgrades, we continuously optimize the customer journey, comprehensively protect customer rights and interests, and maintain a trustworthy brand image.

• Safeguarding Customer Rights and Interests

Strictly complying with relevant laws and regulations, we regard safeguarding the legitimate rights and interests of customers as a crucial operational principle of the enterprise. From multiple dimensions, including advertising compliance and customer privacy protection, we have built a sound customer rights protection system to effectively safeguard customers' legitimate rights and interests, fortifying the bridge of trust between the brand and our customers.

In the realm of advertising and promotion, we consistently adhere to the bottom line of compliance. Strictly following the *Advertising Law of the People's Republic of China* and other relevant laws and regulations, we conduct external promotional work through various self-media platforms and brand co-media. We resolutely eliminate the dissemination of false advertising and inaccurate information, ensuring that every piece of information conveyed to consumers is authentic, accurate, and compliant. To control the quality of promotions from the source, the Company has established a rigorous and meticulous internal approval mechanism. After a promotional application is initiated by the submitter, relevant departments will conduct a comprehensive pre-review of the visuals and text of the promotional content from a professional perspective. Once the pre-review is passed, the revised content will be circulated through the Company's OA system to complete subsequent audits. Only content that has passed the full-process audit can be released to the public.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

We focus heavily on customer privacy protection. By perfecting our institutional system, strengthening technical safeguards, and refining implementation measures, we have built a solid, multi-dimensional defense line for customer privacy security. The Company has formulated the *Membership Agreement* and *Privacy Policy Terms*, among which the Coucou brand has synchronously formulated the *Membership Privacy Terms*. These explicitly refer to common industry standards and adopt multiple protection measures–administrative, technical, and physical–to strictly prevent personal information from unauthorized access, use, or leakage. Simultaneously, the Company actively responds to various requirements from regulatory authorities, fully cooperating with relevant investigations and data provision work to effectively ensure the security and legality of user information. In 2025, we continued to deepen our measures in customer privacy protection:

- During the use of mini-programs, the *Membership Agreement* and *Privacy Policy Terms* are prominently displayed in the form of a half-screen pop-up, providing options to decline or agree. Regardless of the user's choice, the use of core scenarios such as dining and ordering is not affected. If a user declines authorization, they will use the mini-program as a guest, and no personal information will be collected.

- We strictly limit the scope of sensitive information collection. We only collect sensitive member information related to catering services under scenarios required by laws and regulations or when necessary for users to participate in activities.

- User ordering is not restricted by operations such as enabling location services, authorizing mobile phone numbers, or following official accounts. Users can use the mini-program as a guest throughout the entire process, and the mini-program will not frequently push authorization prompts. Additionally, we support members' relevant requests to deregister their information and data.

- The inquiry page of the membership system has fully implemented the masked display (desensitization) of mobile phone numbers, further preventing the risk of personal information leakage.

- The APP provides two optional verification methods: SMS verification and account/password verification, fully respecting users' privacy protection habits and strengthening personal information security guarantees.

In 2025, the Company did not experience any customer information leakage incidents or related complaints.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

• Enhancing Customer Experience

To ensure that customers' voices can be promptly captured and effectively responded to, we have built a comprehensive, multi-channel customer feedback system. We have opened diversified channels including email, customer service email, media email, Weibo, Xiaohongshu, Dianping, Black Cat, Douyin, and public sentiment review systems. This ensures that customer suggestions and complaints receive immediate feedback and are 100% implemented and properly resolved. The restaurants and operation management departments under the Company conduct in-depth analysis and reviews of customer satisfaction-related data from the aforementioned platforms to accurately track the service status in various markets, providing directions for service quality optimization.

Regarding customer reviews and complaints, we have established a standardized handling mechanism. Restaurants promptly understand and reply to negative customer reviews, deeply investigate service deficiencies and omissions within the store, and make timely summaries, rectifications, and optimization adjustments. We conduct quantitative management of positive review rates and star ratings on platforms such as Dianping and Meituan, incorporating customer satisfaction into performance evaluation indicators. Through institutional means, we strengthen stores' emphasis on customer experience, driving the improvement of service quality. Simultaneously, we intuitively grasp customers' real needs through mystery shopper surveys, which accurately reflect existing problems in restaurant services. By deeply analyzing the survey data, we uncover opportunities for improvement in each process, forming a closed-loop management of "research – analysis – rectification – optimization" to continuously guarantee customer satisfaction. During operations, we constantly monitor customer feedback to accurately identify service training needs, providing a scientific reference basis for the verification and continuous improvement of service quality. In 2025, the Company's customer complaint resolution rate reached 100%.

Coucou optimizes its service processes and enhances in-store service capabilities
In 2025, the Coucou brand launched a series of service optimization initiatives:
• Launched a program to improve the table visit capabilities of store duty managers, fully understand customers' dining experience, and assess their practical performance. 100% of store duty managers completed the table visit assessment and appraisal.
• Conducted store service audits through O2O methods. Offline: Regional training instructors evaluated, assessed, and coached staff across various positions on operational standards, covering over 20% of stores monthly and achieving full coverage of stores in the jurisdiction every quarter. Online: Through cross-scoring, evaluations were conducted via telephone communication under the guise of customers to assess the professionalism and friendliness of the answering staff, covering over 50% of stores monthly.
• Advanced the Dianping management project by strictly tracking the store review reply rate, requiring stores to personalize all review replies and establish positive communication channels with customers. Concurrently, through tracking, reviewing, and making improvements based on review content and replies, regional training arranged monthly service enhancement theme training to continuously optimize the customer dining experience.
• Promoted the launch of the "Premium A La Carte + Joyful All-You-Can-Eat" dual-ordering model. Completed pre-launch store operational training and provided full-process follow-up support and coaching, successfully completing the rollout in 125 stores. We also continuously optimized the standard operating procedures for front-of-house services under the dual-ordering model to align with actual operational needs on-site.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

• Optimizing Digital Services

To further enhance customer dining convenience and optimize the service experience, in 2025, we focused on digital empowerment. Centered around the entire customer dining process, we launched multiple electronic upgrade initiatives covering over 1,000 Xiabuxiabu and Coucou restaurants nationwide. Through digital means, we aim to provide customers with a more efficient, convenient, and diverse service experience.

In optimizing core service scenarios, we focused on advancing the digitalization of ordering, coupon redemption, and supporting services. The WeChat Mini Program completed functional optimizations such as the display of set meal discounts, the redemption of Meituan group-buying coupons, and an independent ordering entrance for Tea Me Tea. Tablet ordering realized functional upgrades including new member acquisition and dish description displays. Concurrently, we completed the integration of JD Miaosong billing and the development of the Douyin coupon verification function, comprehensively simplifying the customer dining operation process. Simultaneously, we rolled out diverse digital services such as electronic invoices (e-invoices), WeChat official account operations, and electronic gift cards (e-gift cards). Among these, e-invoices achieved a seamless connection between “consumption and invoicing”, the WeChat official account established a platform for transparent communication and information disclosure, and e-gift cards realized full consumption scenario coverage in a digital format, enriching customer consumption choices.

Regarding the digital upgrade of membership services, we continuously optimized the membership management system, conducting functional R&D centered on the convenience of membership services and the richness of rights and interests. We optimized the third-party platform group coupon redemption function for the Xiabuxiabu brand, bridging the gap between third-party platform (such as Meituan) group coupons and the membership system coupon function. Customers can log into the mini-program with the same account to directly view and redeem group coupons, replacing the manual coupon verification process and saving time costs for both customers and restaurants. We launched a “buy gift card, get cash” function for the Coucou brand, where customers purchasing cards receive a certain proportion of bonus funds to offset dining fees, enriching membership benefits. At the same time, through the AI outbound calling project, we accurately reached members based on member stratification and tag analysis, re-engaging dormant members and enhancing the stickiness of active members. Combined with digital marketing methods such as targeted media advertising and international IP co-branding, we broke through customer group boundaries and further strengthened the connection between the brand and our customers.

In 2025, the labor cost for redeeming Meituan coupons in Xiabuxiabu restaurants was reduced by 60%, and the redemption accuracy rate reached 100%, with over 500,000 cumulative redemptions. The customer waiting time for redemption was shortened from 1 minute per order to 10 seconds per order, securing an industry-leading position. The user operation time for tablet ordering in Coucou restaurants was shortened by 15 seconds per order, significantly improving ordering efficiency. Over 1.65 million e-gift cards were sold throughout the year, with a sales amount exceeding RMB670 million. Through forms such as granting benefits upon card purchase, customer value was further enriched. Throughout the year, approximately 590,000 members were successfully reached via AI outbound calling, achieving a conversion amount of RMB1.5 million, thereby further strengthening member stickiness and brand identity.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

4.5 LEADING THE INDUSTRY BENCHMARK

• Participating in Associations and Organizations

As one of the benchmark enterprises in the domestic catering industry, while steadily advancing its own operational development, the Company has consistently and actively integrated into the industry ecosystem. We proactively participate in the activities of various industry associations and organizations, earnestly fulfill our membership obligations, and exert our industry influence, taking practical actions to support the high-quality development of the industry.

During the Reporting Period, the Company participated in a total of 9 key industry organizations, covering fields such as catering, chain operations, and regional foreign investment, continuously playing a bridging and leading role in industry governance. Serving in capacities such as vice president, executive director, and council member, we actively participated in the affairs of associations including the China Cuisine Association, the China Chain Store & Franchise Association, the Beijing Cuisine Association, and the Beijing Catering Industry Association. We proactively engaged in the discussion of major association matters, policy research, and industry exchanges, sharing our practical corporate experience and providing policy references. Concurrently, we absorbed advanced industry concepts to achieve the synergistic development of the enterprise and the industry, contributing our efforts to the construction of a healthy and orderly market environment.

Name of Association	Position
Association of Taiwan Investment Enterprises on the Mainland	Vice President
China Chain Store & Franchise Association	Executive Director
China Cuisine Association	Executive Director
Beijing Association of Taiwan-Invested Enterprises	Vice President
Beijing Cuisine Association	Vice President
Beijing Catering Industry Association	Executive Director
Tianjin Association of Taiwan-Invested Enterprises	Executive Director
Shanghai Association of Taiwan-Invested Enterprises	Council Member
Shanghai Minhang Association of Foreign Investment	Council Member

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

• Promoting Industry Development

Relying on its practical experience in fields such as chain catering, supply chain management, and digital and intelligent operations, the Company actively participates in improving industry standards, sharing innovative case studies, and promoting ESG practices. Through practical actions, we drive the standardized, high-quality, and sustainable development of the catering industry.

In terms of improving industry standards and guidelines, leveraging our industry accumulation, the Company actively cooperates with industry associations to conduct research on policies and regulations, as well as industry information surveys. We received a "Letter of Appreciation for Policy and Regulation Research and Industry Information Survey Work" issued by the China Cuisine Association, providing support for industry policy formulation through practical actions. Meanwhile, as an executive director unit of the China Chain Store & Franchise Association (CCFA), the Company actively participates in sharing industry innovative practices. Two practical cases, namely "Traceability of Raw Material Origins Achieved through Supply Chain Transformation" and "Smart Warehousing Boosts Supply Chain Upgrading", were successfully selected into the *2025 CCFA Collection of Innovative Cases in Chain Catering*, providing referenceable practical experience for the upgrading of the industry's supply chain.

Regarding supply chain optimization and loss and consumption reduction, the Company continuously deepens its digital transformation. By optimizing procurement, logistics, and warehousing processes, we reduce ingredient loss and enhance supply chain efficiency. Relevant practices not only assist the Company in reducing costs and increasing efficiency but also provide a reference for the digital upgrading of the industry's supply chain. Among them, the innovative practices of smart warehousing and raw material origin traceability have been shared with peers through the industry case collection, driving the overall improvement of supply chain management levels across the industry.

At the same time, to practice the concept of anti-food waste and guide healthy consumption, the Company launched two specific initiatives in 2025: First, establishing a "small-portion dish" series for à la carte items to meet consumers' diversified dining needs for smaller quantities, thereby reducing food waste from the consumer end. Second, optimizing the measurement method for all-you-can-eat products by revising the original "portion-based" measurement to clear and quantifiable units for customers, such as "item", "piece", or "slice". This enhances consumption transparency and further guides ordering in appropriate quantities. Through practical actions, we practice the concept of green catering and provide referenceable implementation experience for anti-waste practices in the industry.

Furthermore, the Company actively participates in local catering industry exchange and promotional activities, such as participating in the 2025 "Tasting Southern Beijing, 'Fragrant' Date in Daxing" culinary competition selection activity. This assists in the dissemination of local catering culture and industry exchanges, further promoting the prosperous development of the regional catering industry.



5 ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION



Taking sustainable development as its core philosophy, the Company comprehensively promotes the green transition of the catering industry chain, covering key links such as production, processing, logistics, and terminal sales. We strictly comply with relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, and the *Anti-Food Waste Law of the People's Republic of China*. We actively respond to national policy orientations such as the "Carbon Peaking and Carbon Neutrality Goals," the "plastic restriction order," and anti-food waste initiatives, continuously deepening our low-carbon and green operational management philosophy. During the Reporting Period, the Company comprehensively advanced energy conservation and emission reduction measures across areas including manufacturing, daily office operations, logistics and distribution, and store operations. Adhering to a low-carbon operational model, we continuously optimized resource utilization efficiency, effectively reduced waste generation, and strictly implemented waste sorting management. Simultaneously, the Company widely disseminated the concept of anti-food waste through diversified channels, actively guiding consumers to practice environmental protection actions. Through multi-dimensional and continuous efforts, we have contributed positive strength to addressing climate change, dedicating ourselves to realizing the harmonious coexistence of the enterprise and the environment, and continuously contributing to the construction of a green ecological system.

The Company continuously strengthens energy management and carbon emission reduction work. During the Reporting Period, key indicators showed significant improvement compared to the 2020 baseline year. In terms of optimizing the energy structure, gasoline consumption decreased by 59.41%, and natural gas consumption decreased by 72.50%, indicating a significant reduction in reliance on fossil fuels. Regarding greenhouse gas (GHG) emission reduction, total GHG emissions decreased by 12.90% compared to the baseline year. Among them, Scope 1 (direct emissions) decreased by 72.08%; and Scope 2 (indirect emissions) decreased by 11.75%. Looking ahead, on the basis of consolidating existing achievements, we will further deepen the energy revolution, accelerate the large-scale application of green electricity, and gradually initiate Scope 3 value chain carbon emission management. We will join hands with upstream and downstream partners to jointly build a green and low-carbon industrial ecosystem. With more proactive and pragmatic actions, we will continuously reduce our operational carbon intensity and become a pioneer in the industry's green transition.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

5.1 TACKLING CLIMATE CHANGE

The Company adheres to the core management tenet of "climate resilience driving sustainable growth," taking addressing climate change as an important strategic cornerstone for ensuring business continuity, driving operational innovation, and fulfilling social responsibilities. We deeply recognize that forward-looking climate risk management is not a passive cost burden, but a key opportunity to create long-term value and shape core competitive advantages. In our management practice, we follow the principle of "combining short-term and long-term perspectives and proactively adapting," systematically integrating climate factors into the entire process of business decision-making to ensure the Company maintains strategic focus and operational resilience in a complex and ever-changing climate environment.

• Climate Governance Strategy

The Company continuously monitors the dynamic evolution of climate issues, advances climate change response work with pragmatic actions, and steadily moves towards a low-carbon economic transition. In response to the *United Nations 2030 Agenda for Sustainable Development* and in strict compliance with *China's National Climate Change Programme*, the Company systematically identifies climate change risks that may have or have already had a material impact, comprehensively strengthens climate risk management, orderly advances energy conservation and emission reduction measures across all operating locations, and continuously reduces greenhouse gas (GHG) emission intensity. Meanwhile, we continuously improve the carbon emission information disclosure mechanism, deeply integrate climate change factors into the Company's future strategy, and contribute to global climate governance through practical actions.

Relying on the existing ESG governance structure, the Company integrates climate governance responsibilities into the responsibility systems of all departments, building a systematic and normalized climate risk management mechanism to continuously advance the Company's green and low-carbon transition. The Board of Directors bears the ultimate responsibility for climate strategy and reporting. It is responsible for reviewing and making decisions on major climate-related matters, conducting thematic reviews of core climate issues through annual meetings, and overseeing target setting and implementation by reviewing climate-related reports. The ESG Working Group reports to the Board of Directors, covering core departments involved in climate issues such as operations, supply chain, and environmental management. The Group Finance Department acts as the leading department, responsible for the overall coordination of climate work. Various functional departments at the headquarters are responsible for specific implementation and the maintenance and submission of climate information. Operating units in various regions execute the requirements on the ground and regularly feedback information, forming a fully linked and cohesive climate governance system.

To enhance the professional capabilities of the governance bodies, the Company organizes relevant personnel, including the Board of Directors and the ESG Working Group, to participate in external climate-related training and seminars. This continuously strengthens their fulfillment competencies in climate strategy, risk identification, and sustainable development, ensuring the scientific nature and effectiveness of the climate governance system.

• Risk and Opportunity Identification

The Company utilizes the high-emission SSP5-8.5 scenario for risk analysis. This scenario assumes that future global economic growth will remain highly dependent on fossil fuels, with carbon emissions continuing to climb and doubling by 2050, and the global average temperature expected to rise by approximately 4.4°C by the end of this century. During the Reporting Period, the Company conducted a systematic assessment of climate-related risks and opportunities. The Company's assets and business activities are subject to the impacts of climate transition risks and physical risks; however, the identified physical risks have not yet caused significant financial losses to the Company's production and operations.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

- **Time Horizon**

The Company's consideration of relevant risks and opportunities is based on a clear division of time dimensions, ensuring that strategy formulation and action planning can align with the climate impacts across different time horizons.

Short-term	Medium-term	Long-term
1-3 years	3-5 years	5 years and above

- **Analysis Results**

Physical Risks	Risk Factor	Risk Description	Time Horizon	Financial Impact	Response Measures
Acute Physical Risks	Typhoons, floods, rainstorms, extreme cold, extreme heat, and other extreme weather events	• Extreme weather causes store damage, temporary closures, and disruptions to delivery networks, resulting in a decline in foot traffic and revenue, and threatening employees' commuting safety. • Disaster-stricken raw material origins lead to supply chain interruptions, logistics delays, decreased ingredient quality, and reduced supply chain stability, incurring additional logistics costs. • Central kitchens, warehousing facilities, and store equipment suffer physical damage (e.g., water immersion, power outages), requiring replacement and repair.	Short, Medium, Long-term	Decrease in operating revenue, increase in operating costs	• Track weather warnings for stores, warehouses, and main ingredient origins in real-time; formulate and drill extreme weather emergency plans to comprehensively enhance emergency response capabilities. • Implement a multi-origin, multi-supplier strategy for key ingredients to avoid reliance on a single source; establish basic safety and climate buffer inventories to cope with short-term supply interruptions. • Conduct risk assessments for new projects; retrofit existing facilities for flood and wind resistance (e.g., elevating warehouse floors, reinforcing doors/windows), and equip backup power to ensure the operation of critical equipment (e.g., cold chains).
Chronic Physical Risks	Rising average temperatures, water shortages, and rising sea levels	• Yield reduction or quality degradation in main ingredient origins due to changing climate conditions, leading to a structural increase in procurement costs. • Sustained high temperatures cause a surge in cooling energy consumption in stores, cold chain warehouses, and offices, increasing electricity costs. • Rising sea levels pose a long-term asset depreciation risk to coastal warehousing and production bases. • Water shortages may affect upstream ingredient processing and certain production stages, such as the water supply for breeding bases.	Short, Medium, Long-term	Increase in operating costs	• Establish long-term strategic procurement relationships; develop more climate-resilient alternative ingredients or sourcing regions. Lock in costs and supply of key materials through advance stockpiling and forward contracts. • Promote high-efficiency cooling equipment and smart control systems in kitchens, stores, and warehouses to store food under optimal conditions and reduce energy consumption. Align equipment upgrade plans with energy-saving and carbon-reduction goals to hedge against long-term energy price hikes. • Incorporate climate resilience (e.g., flood risk, heat island effect) into assessment criteria when leasing long-term or investing in new properties. Adopt heat-insulating materials and install distributed photovoltaics during the architectural design phase to lower long-term operating costs and climate exposure.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

Transition Risks	Risk Factor	Risk Description	Time Horizon	Financial Impact	Response Measures
Policy and Legal Risks	Stricter carbon emission regulation	• With the advancement of China's "Carbon Peaking and Carbon Neutrality" goals and the gradual expansion of the national carbon market's industry coverage (especially in Beijing-Tianjin-Hebei, Yangtze River Delta, and Greater Bay Area), the Company faces increasingly stringent carbon accounting, reporting, and compliance requirements. Failure to meet these promptly may result in penalty risks.	Short, Medium, Long-term	Increase in operating costs	• Establish a dedicated working group to continuously track domestic and international climate regulations and carbon market dynamics, reporting regularly to management to ensure timely strategic adjustments and avoid compliance risks. • Incorporate environmental governance and compliance cost assessments into the Company's long-term strategic planning; proactively develop carbon asset management capabilities.
	Upgraded disclosure requirements	• Regulators, the Stock Exchange, and investors are imposing stricter requirements for ESG and climate-related information disclosure. Untimely, incomplete, or low-quality disclosures may impact compliance ratings and investor confidence.	Short, Medium, Long-term	Increase in operating costs	• Engage professional ESG service agencies to ensure the quality and accuracy of report content, meeting compliance disclosure requirements. • Meet regularly with ESG professionals and stakeholders to understand the latest disclosure trends and promptly optimize disclosure content.
	Green packaging and plastic governance	• National and local market regulators continue to strengthen guidelines for catering delivery packaging, with regulations expected to tighten during the "15th Five-Year Plan" period. Mainstream platforms and consumer preferences have shifted towards eco-friendly packaging; failure to replace packaging materials in time will lead to dual compliance and market pressures.	Short, Medium, Long-term	Increase in operating costs	• Actively respond to the "plastic restriction order" by promoting the R&D and application of fully biodegradable packaging. • Co-explore meal box recycling and circular systems with partners to reduce plastic pollution at the source and mitigate long-term compliance risks.
Market Risks	Shift in consumer preferences	• Customers' focus on sustainable development continues to rise, potentially favoring enterprises providing low-carbon, eco-friendly services. Failure to adjust corporate strategy in time may lead to a decline in market share.	Short, Medium, Long-term	Decrease in operating revenue	• Formulate a sustainable development strategy, strengthen internal environmental management capacity building, and increase environmental investments to meet customer expectations. • Actively communicate the Company's green and low-carbon concepts and action results through various channels to enhance the brand's eco-friendly image.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

Transition Risks	Risk Factor	Risk Description	Time Horizon	Financial Impact	Response Measures
	Fluctuation in raw material prices	• Climate change causes increases in raw material, warehousing, and logistics expenses, bringing the risk of rising corporate costs.	Short, Medium, Long-term	Increase in operating costs, decrease in operating revenue	• Explore diversified sources of raw materials and establish long-term, stable cooperation with suppliers to hedge against price fluctuation risks through origin substitution and alternative ingredients.
Technology Risks	Low-carbon technology transition	• Failure to promptly identify and adopt energy-saving and digital technologies will lead to increased energy consumption and rising costs in operations, warehousing, and logistics. • The Company needs continuous investment in low-carbon kitchens, energy-saving equipment, and digital management systems. Improper technology selection or lagging upgrades may lead to investment failures or sustained increases in energy costs.	Medium-term	Increase in operating costs	• Actively adopt low-carbon technologies, phase out high-emission equipment, and proactively advance the construction of the Company's digital systems. • Establish stable cooperation with green technology suppliers to reduce investment costs through joint R&D and technology sharing.
Reputation Risks	Elevated stakeholder expectations	• Investors and stakeholders are demanding higher transparency and disclosure of climate risks. Failure to provide timely and comprehensive climate-related information may lead to a loss of investor confidence, reduced financing opportunities, and damage to corporate reputation.	Medium-term	Decrease in operating revenue	• Utilize normalized communication channels to understand various parties' requirements and views on the Group's ESG performance, actively responding to stakeholder demands in strategy formulation. • Refer to international frameworks to strengthen climate-related disclosures and enhance corporate information transparency.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

Opportunity Category	Opportunity Factor	Opportunity Description	Time Horizon	Financial Impact	Response Measures
Products and Services	Digital carbon reduction solutions	• Digital development may bring new energy-saving and carbon-reduction opportunities to the Company.	Short, Medium-term	Decrease in operating costs	• Continuously optimize smart logistics solutions; use algorithms to optimize delivery routes, improve transportation efficiency, and reduce empty driving rates and carbon emissions.
Energy Efficiency	Application of energy-saving initiatives	• Identifying and adopting energy-saving measures (e.g., high-efficiency equipment, smart control systems) can significantly reduce energy consumption in stores, central kitchens, and warehousing, thereby lowering long-term operating expenses and reducing carbon emissions.	Short, Medium, Long-term	Decrease in operating costs	• Actively adopt low-carbon, energy-saving technologies; phase out old, high-energy-consuming equipment; and promote the upgrading of kitchen equipment and refrigeration systems.
Markets	Attracting market investment	• Enterprises that actively address climate change and improve climate governance and disclosure maintain a good reputation in capital markets, helping to attract ESG investments and lower financing costs.	Medium, Long-term	Decrease in operating costs	• Continuously improve climate management strategies and initiatives; take proactive actions and strengthen climate-related disclosures to become a leader in climate response.
Resource Efficiency	Promotion of prefabricated decoration technology	• Standardized construction can significantly reduce building material waste, lower decoration costs, and shorten the store opening cycle.	Short-term	Decrease in operating costs	• The Company promotes prefabricated decoration technology and cooperates with suppliers to establish a large-scale production system for prefabricated materials.
Resilience	Building a climate-resilient supply chain	• Long-term investments in vertical farming, distributed warehousing, and climate-smart agriculture can not only systematically hedge against long-term physical risks but also secure a more stable and cost-effective supply system in a future where climate volatility becomes the norm.	Long-term	Decrease in operating costs	• Align with national backbone cold chain logistics base planning to deploy or upgrade regional central kitchens and distributed warehousing at key nodes, reducing logistics carbon footprints and disruption risks. • Explore cooperation with new agricultural models such as climate-smart agriculture and vertical farming; invest in developing more climate-resilient ingredient supply channels.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

• Climate Risk Management

The Company has established a systematic climate risk management process, integrating the identification, assessment, control, and supervision of climate-related risks and opportunities into its comprehensive risk management system. This ensures that climate factors receive continuous attention in strategic decision-making and business operations.

Identification	The Company continuously tracks the dynamics of national "Carbon Peaking and Carbon Neutrality" policies and industry development trends, collecting and analyzing climate-related policies and regulations, research reports, and excellent practical cases. Based on their actual conditions, each business unit identifies physical risks, transition risks, and climate opportunities, focusing on key climate factors that have a significant impact on the Company's strategy and operations.
Analysis and Assessment	Through methods such as on-site interviews, expert judgment, and scenario analysis, the Company evaluates and ranks the identified climate risks and opportunities from two dimensions: probability of occurrence and degree of impact. We determine the materiality and concentration of the impacts, as well as the probability and impact levels of the risks occurring over short-term, medium-term, and long-term time horizons.
Response	The Company formulates strategies to address climate change, identifies key climate metrics, sets targets and action plans, and breaks down these metrics and targets layer by layer to the execution level.
Supervision and Control	The Company regularly tracks, supervises, and evaluates the implementation of measures by its subsidiaries and branches to ensure that response measures are effectively executed. The Board of Directors and the ESG Working Group regularly monitor key metrics and progress reports. Relying on the annual information disclosure mechanism, they supervise and communicate management effectiveness, continuously enhancing the systematic nature and transparency of climate risk management, and driving the transition of climate risk prevention and low-carbon development opportunity identification from specialized management to strategic integration.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

- **Materiality Assessment Methods for Impacts**

  To effectively manage climate-related risks and opportunities, the Company has established clear criteria for judging "materiality," guiding resource allocation and decision-making priorities from three dimensions. In terms of financial impact, the Company assesses whether potential revenue losses, cost increases, or capital expenditures caused by climate factors may have a substantive impact exceeding a predetermined threshold on annual profits or cash flow. We also conduct quantitative financial analysis based on historical data and climate scenarios. In terms of operational impact, the Company judges whether climate events will lead to the interruption of key business activities, focusing on business continuity and the difficulty of recovery. Special attention is paid to vulnerable links, such as ingredients highly dependent on a single origin. In terms of strategic and reputational impact, the Company assesses whether climate risks will affect the achievement of long-term ESG commitments, or trigger regulatory penalties, customer loss, and brand value depreciation, fully considering the strategic positioning of sustainable development as a core brand asset.

- **Concentration Assessment Methods for Impacts**

  The Company adopts the classic "exposure-vulnerability-adaptability" risk analysis model and refers to industry-leading asset-level assessment frameworks to conduct a systematic assessment of the impact concentration of climate-related risks. In terms of specific judgment criteria, we conduct comprehensive considerations from three dimensions: first, the geographic density of assets and businesses, focusing on the concentration of stores, warehouses, and suppliers located in specific high-risk areas; second, sensitivity to specific climate factors, assessing the inherent sensitivity of core assets and business processes to extreme weather such as high temperatures and rainstorms; and third, the difficulty of substitution and recovery, examining whether there are backup plans and rapid recovery capabilities after the interruption of key business processes.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

• Metrics and Targets

To actively respond to the national "Carbon Peaking and Carbon Neutrality" strategy, the Company continuously promotes the application of green energy. In 2025, most of the factory areas at the Beijing headquarters fully utilized green electricity, marking a solid step forward in promoting the low-carbon transition in our operations. During the Reporting Period, the Company invested substantial capital, manpower, and technology in environmental protection and addressing climate change, comprehensively promoting energy conservation, emission reduction, and green transition in its operations. In the future, we will continuously increase resource investment, deepen the R&D and application of low-carbon technologies, and deeply integrate climate resilience construction into corporate strategy and daily operations.

The Company has disclosed Scope 1 and Scope 2 carbon emission data for consecutive years and is gradually improving the collection and accounting of Scope 3 carbon emission data. We plan to conduct comprehensive accounting and disclosure of Scope 3 carbon emissions in the future to achieve comprehensive management of carbon emissions across the Company's value chain. In terms of carbon management mechanisms, the Company has not yet implemented internal carbon pricing. It will consider advancing this initiative in due course based on actual circumstances. During the Reporting Period, Scope 1 greenhouse gas emissions decreased significantly compared to 2024, demonstrating remarkable emission reduction results. Looking ahead, the Company will further deepen energy conservation and emission reduction measures, continuously reducing greenhouse gas emissions and emission intensity, and assisting in the realization of the national "Carbon Peaking and Carbon Neutrality" goals.

Indicator	Unit	2025
Scope 1 GHG emissions	tCO_2e	594.14
Scope 2 (Location-based) GHG emissions	tCO_2e	96,642.51
Total Scope 1 and Scope 2 (Location-based) GHG emissions	tCO_2e	97,236.65
GHG emissions per million RMB of revenue	tCO_2e/ RMB million	25.66

Note: Greenhouse gas emissions are calculated primarily in accordance with the Greenhouse Gas Protocol (GHG Protocol), jointly issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), as well as the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by the Intergovernmental Panel on Climate Change (IPCC). For Scope 2 electricity emissions, the emission factors are derived from the Announcement on the Release of 2023 Power Carbon Dioxide Emission Factors issued by the Ministry of Ecology and Environment, and are calculated using the location-based method.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

5.2 OPTIMIZING RESOURCE UTILIZATION

Adhering to the sustainable development philosophy of "finite resources, infinite conservation", the Company takes energy and water resource management as the core driver for optimizing resource utilization. Driven by both technological innovation and management optimization, we continuously advance the reduction of resource consumption and the enhancement of utilization efficiency. In terms of environmental management, the Company continuously improves its management system, clarifies the environmental responsibilities of all departments, and designates a company-level environmental protection officer to ensure the effective implementation of various measures. By combining the promotion of energy-saving technologies with the cultivation of all-staff conservation awareness, the Company continuously optimizes energy use efficiency and effectively lowers energy consumption levels.

Indicator	Unit	2025
Total electricity consumption	kWh	182,138,163.30
Electricity consumption per million RMB of revenue	kWh/RMB million	48,073.99
Gasoline consumption	Liters	12,705.29
Gasoline consumption per million RMB of revenue	Liters/RMB million	3.35
Natural gas consumption	Cubic meters	258,779.36
Natural gas consumption per million RMB of revenue	Cubic meters/ RMB million	68.30
Comprehensive energy consumption	tce	22,742.60
Comprehensive energy consumption per million RMB of revenue	tce/RMB million	6.00
Municipal water consumption	Cubic meters	2,324,599.28
Municipal water consumption per million RMB of revenue	Cubic meters/ RMB million	613.56

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

• Energy Utilization

Adhering to the energy management philosophy of "finite resources, infinite conservation", the Company takes reducing total energy consumption and energy consumption per unit of output as its core objectives. We are committed to achieving a synergistic enhancement of carbon emission reduction, sustainable development, and economic efficiency through the application of energy-saving technologies and refined management. To strengthen organizational guarantees, the Company formulated the *Energy Conservation Management System* and established an energy conservation management group headed by the Vice President of the Company. The group members cover multiple relevant departments and are responsible for transmitting energy conservation and environmental protection policies, organizing relevant training, and compiling the annual energy utilization status report. By clarifying responsibilities and targets, we have laid a solid foundation for the systematic advancement of energy conservation work.

• Electrical Energy Control System

Based on replacing traditional gas stoves with electric stoves, the Company innovatively introduced the "Color Dot Management Method" to build a precise electrical energy control system. This system establishes a four-color graded control standard: Red labels correspond to scenarios that must be on all day, such as emergency lights and refrigeration equipment; Blue corresponds to cleaning lights and food preparation area equipment turned on during employees' shifts; Green corresponds to lobby lighting and guest area air conditioning exclusive to business hours; Yellow corresponds to equipment turned on as needed, such as outdoor signboards. Through intuitive identification, we eliminate "ever-burning lights" and "idling equipment", achieving precise matching of electricity usage scenarios. Building on this, the Company dynamically adjusts electricity usage strategies based on store peak and off-peak business hours to avoid ineffective energy consumption of equipment, driving a 25% improvement in electricity utilization efficiency across the entire system compared to traditional management models. In terms of quantitative carbon reduction results, the entire system achieved significant electricity savings through color dot management in 2025. Calculated based on the coal consumption standard for thermal power, this is equivalent to a reduction in carbon dioxide emissions, effectively lowering Scope 2 indirect carbon emissions and providing a replicable refined management sample for the implementation of the "Carbon Peaking and Carbon Neutrality" goals.

• Equipment Upgrades

The Company widely uses LED lighting to replace traditional lighting decorations, reducing lighting energy consumption. We introduced variable-frequency air conditioning systems, achieving energy-saving effects of over 30%. Simultaneously, the Company deployed energy-saving freezers equipped with drive controllers, frost detection sensors, and electronic expansion valves to further reduce equipment operating energy consumption. In hardware management, the Company prioritizes purchasing and using energy-saving products and replaces existing low-value, high-energy-consuming equipment, such as energy-saving lamps and motors, to continuously reduce energy consumption.

• Energy Conservation at the Production End

The old central kitchen factory fully ceased production in July 2025. Since then, the central kitchen no longer uses gas, reducing fossil fuel consumption from the source. Meanwhile, by optimizing product scheduling and reasonably adjusting the production capacity of production lines, the Company avoids energy waste from idle equipment while significantly improving labor efficiency in the central kitchen.

- **Daily Operations and Maintenance**

  The Company has established a regular equipment inspection and maintenance mechanism to promptly detect and handle signs of energy waste, completely turning off the power to unused machinery and equipment to avoid standby power consumption. The Company introduced a smart power monitoring system to monitor the energy consumption of electrical equipment in real-time and optimize usage plans. In inventory management, the Company optimizes ordering, inventory management, and loss control through digital systems, enhancing operational efficiency and reducing resource waste. In logistics management, the Company enhances overall operational efficiency and reduces energy consumption in transportation through smart scheduling and route optimization. Restaurants reasonably adjust the switching time of lighting equipment based on business hours and weather conditions, and promote the use of energy-saving appliances.

- **Water Resource Utilization**

  The Company is committed to achieving the sustainable utilization of water resources through full-process control and synergistically reducing energy consumption. In daily operations, the Company has established a normalized inspection mechanism to regularly check water pipes, faucets, and other water supply facilities, promptly discovering and repairing various water leakage issues to minimize water waste and unnecessary loss of water resources. Through regular equipment inspection and maintenance, the Company can detect signs of abnormal water usage immediately and take remedial measures, effectively controlling water resource consumption while lowering production costs. In the production process, the Company strictly implements process water standards for products, ensuring that production water meets process requirements, and achieves precise allocation and efficient utilization of water through reasonable control. The above initiatives jointly constitute the Company's water resource management system covering daily operations and manufacturing, laying a solid foundation for continuously promoting water conservation, consumption reduction, and enhancing resource utilization efficiency.

5.3 STRENGTHENING EMISSIONS CONTROL

Adhering to the concept of lifecycle environmental responsibility, the Company implements systematic and refined control over various emissions generated during its operations. For cooking fume emissions, we have built a full-process governance system combining equipment upgrades and smart operations and maintenance. For hazardous and non-hazardous waste, we attach equal importance to source reduction and resource utilization, promoting the transition of packaging materials to eco-friendly materials and the innovation of circular turnover models. For kitchen waste, we achieve resource conversion and compliant disposal through classified recycling and oil-water separation. During the Reporting Period, the Company had no material fines, non-economic penalties, or related litigation disputes resulting from violations of environmental laws and regulations.

Indicator	Unit	2025
Catering wastewater discharge	Cubic meters	1,367,203.00
Catering wastewater discharge per million RMB of revenue	Cubic meters/ RMB million	360.86
Domestic waste and kitchen waste	Tons	22,006.60
Packaging material consumption	Tons	5,596.09

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

Indicator	Unit	2025
Packaging material consumption per million RMB of revenue	Tons/RMB million	1.48
Weight of renewable materials	Tons	3,051.67
Weight of non-renewable materials	Tons	2,544.42
Proportion of renewable materials used	%	54.53

• Cooking Fume Emission Control

Cooking fumes generated from kitchen cooking contain pollutants such as particulate matter and non-methane total hydrocarbons. If handled improperly, they directly affect the regional atmospheric environmental quality and may trigger complaints from surrounding communities, causing a dual impact on the enterprise's ESG compliance and brand image. Focusing on cooking fume emissions as a core environmental impact point, and aiming for "compliant emission reduction, efficient purification, and intelligent control", the Company strengthens the standardized management and technological upgrades of cooking fume purifiers across all stores. We are comprehensively building a full-process response system of "equipment upgrade – refined operation and maintenance – digital supervision – resource synergy".

In terms of equipment configuration, the Company uniformly equips stores with high-efficiency industrial-grade cooking fume purifiers, enhancing purification capacity from the source and driving the technological iteration of environmental protection equipment through synergy with the industrial chain. In terms of operations and maintenance (O&M) management, the Company has established a standardized mechanism, clarifying the frequency requirements at the store level: "professional cleaning once a month, performance testing once a quarter, and comprehensive maintenance once a year". All stores retain complete cleaning records and test reports to ensure the continuous and stable operating efficiency of the equipment.

During the Reporting Period, the average removal rate of cooking fumes across all stores reached 97.8%, and the average emission concentration of cooking fumes was controlled within 0.3 mg/m^3, far below the 1.0 mg/m^3 limit stipulated by relevant national standards. In terms of compliance, all stores passed third-party environmental testing with a 100% pass rate. There were no records of administrative penalties related to cooking fume emissions throughout the year, and the number of cooking fume complaints from surrounding communities dropped to zero, achieving fully controllable compliance risks.

• Non-hazardous Waste Management

Adhering to the concept of full-lifecycle product responsibility, the Company is accountable for the environmental impacts generated at every stage, from raw material acquisition, production, transportation, and use, to final disposal. Optimizing the selection of eco-friendly materials is the most direct and powerful action to practice the sustainable development strategy. The Company will continuously promote the transition of disposable packaging materials to eco-friendly materials.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

Regarding the eco-friendly replacement of disposable packaging materials, the Company has formulated a clear annual action plan to systematically reduce the environmental impact of packaging. During the Reporting Period, the Company purchased approximately 8,000 boxes of PLA biodegradable straws, 800 boxes of cornstarch meal boxes, and 600 boxes of paper straws, comprehensively replacing traditional plastic packaging materials. These initiatives strongly supported the Company's active response to and implementation of the Hong Kong government's environmental protection policies, realizing the comprehensive eco-friendly replacement of designated disposable packaging materials and demonstrating outstanding corporate citizenship responsibility. At the same time, the use of eco-friendly packaging materials in takeout and delivery scenarios has significantly enhanced the perceived value of the products. Customers generally feedback that they feel more premium and offer better health guarantees. This positive experience prompts them to willingly and spontaneously share on social media, turning every delivery package into a "walking advertisement" for the brand and effectively enhancing brand reputation.

In terms of waste sorting and resource utilization, the Company strictly implements waste sorting management, setting up dedicated containers for recyclables, hazardous waste, and kitchen waste to improve recycling efficiency. By promoting paperless methods such as electronic office systems, we reduce the amount of waste generated at the source. For recyclables, the Company entrusts professional agencies to conduct recycling and processing, extending the service life of materials and promoting the circular utilization of resources. During the Reporting Period, the old central kitchen factory disposed of 294 idle assets, maximizing the resource utilization of waste materials.

Regarding packaging recycling, the Company actively adopts a unitized packaging model, using reusable crates boxes to replace disposable cardboard and foam boxes. This model achieves a full-chain circular turnover among suppliers, the supply chain, and stores. A single reusable crates can be reused over 100 times, effectively reducing the cost and environmental impact of a single packaging instance. Currently, the Beijing warehouse has fully adopted reusable baskets to replace disposable consumables for fruits and vegetables entering the warehouse in summer (excluding winter insulation products), and will continuously expand the application scope of circular packaging in the future.



Reusable Plastic Crate

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

• Hazardous Waste Management

Adhering to the hazardous waste management goal of "reduction at the source, resource utilization, and harmless treatment", the Company minimizes the impact of hazardous waste on the environment and personnel through process improvement, standardized operations, and strict disposal. Regarding reduction at the source, the Company actively implements measures such as restricting excessive packaging and promoting reusable products to reduce the generation of hazardous waste. Meanwhile, by continuously improving production processes, we increase the product yield rate, lowering the waste generation ratio from the production end. During the Reporting Period, the Company generated a total of 2,088 pieces of electronic waste, achieving 100% compliant recycling and disposal.

In the waste disposal process, the Company implements a trade-in management mechanism for consumables such as light tubes and batteries. After unified collection, they are regularly sent to dedicated hazardous waste bins for standardized disposal, ensuring hazardous waste is not mixed with general waste. In terms of operational control, the Company strictly standardizes operating procedures to effectively prevent running, emitting, dripping, and leaking, reducing environmental pollution caused by hazardous gas volatilization. At the same time, we strengthen the maintenance and upkeep of equipment and facilities to ensure they are always in normal working condition, controlling abnormal waste emissions from the source. Through the above initiatives, the Company's production management has become stricter, equipment operations more standardized, and product yield rates continue to rise, achieving positive results in hazardous waste management.

• Kitchen Waste Treatment

The Company regards kitchen waste treatment as a key link in the daily operations of its stores. By combining classified recycling, resource conversion, and equipment control, we maximize the reduction of the environmental impact of kitchen waste. Regarding waste sorting, each restaurant classifies waste into four categories based on its nature: kitchen waste, other waste, recyclable waste, and hazardous waste, achieving classified disposal and efficient processing. Among them, kitchen waste is mainly converted into organic fertilizer or biogas through biological treatment technology, promoting resource utilization; recyclable waste, such as paper products, plastics, and glass, is regularly collected by professional recycling agencies for classified recycling, further promoting the circular economy. Restaurants also encourage customers to place recyclable items such as beverage bottles and food packaging into designated recycling bins to facilitate subsequent centralized processing. For other waste, the Company entrusts qualified third-party agencies for unified collection and transportation to waste treatment plants for incineration. The heat generated during incineration can be used for power generation or heating, achieving energy recovery.

Regarding the control of oily wastewater, Coucou stores are all equipped with energy-saving oil-water separators that meet national and local standards to pretreat oily wastewater from the back kitchen. This equipment reduces energy consumption by 5% compared to traditional models. While effectively preventing oil from clogging the municipal pipeline network and polluting the water environment, it also reduces secondary pollution during equipment operation. The Company has established an equipment operation and maintenance system of "daily cleaning, monthly overhaul, and annual replacement" to ensure stable separation efficiency. During the Reporting Period, the compliance test pass rate of the equipment reached 99.8%, and the oil content in the treated wastewater was consistently below the legal limit.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

5.4 IMPLEMENTING ENVIRONMENTAL PROTECTION ACTIONS

The Company always adheres to the philosophy that "everyone participates in protecting the ecological environment to enjoy clear waters and blue skies", integrating environmental protection actions into the entire value chain, including product R&D, supply chain management, store operations, and office practices. From source control in combating food waste to the circular utilization in green decoration; from the cultural immersion of environmental protection advocacy to the model innovation of green operational practices, the Company is committed to driving the implementation of environmental responsibilities through systematic initiatives.

• Combating Food Waste

The Company regards combating food waste as a crucial focal point for implementing environmental protection actions. We continuously leverage the advantages of the "one pot per person" model, closely integrating product R&D with menu design to control ingredient usage from the source and reduce food waste.

At the product end, the Company actively promotes the "farm-to-restaurant" direct connection model, establishing direct cooperation with agricultural cooperatives. Through order-based planting and the procurement of ready-to-cook vegetables, we reduce ingredient waste from the source and lower operating costs. Concurrently, relying on data analysis to gain precise insights into consumer preferences, the Company combines the most popular ingredients into platters, launching single-person set meals with rich ingredients and balanced nutrition. Based on personalized needs, we have developed diversified options such as "mix-and-match" and "dual-combo" dishes, meeting customers' diverse needs while guiding them to order in appropriate quantities. In addition, we launched a "small-portion" series for a-la-carte items and revised the measurement units for all-you-can-eat products from general "portions" to clearly quantifiable units for customers, such as "item", "piece", or "slice". Backend data indicates that customers' click-through rates for food categories have shifted from a heavy focus on "meat and seafood" to a more balanced distribution, and occurrences of food waste and overeating have correspondingly improved.



Single-Person Hot Pot Set Meal



Single-Person Tomato Seafood Noodle Set Meal

At the supply chain end, the Company continuously optimizes its procurement and logistics systems to reduce ingredient loss. On the one hand, we promote the direct procurement of local fruits and vegetables, increase the proportion of local ingredient procurement, and expand the categories under the "harvested and transported on the same day" short-chain supply model. This ensures ingredient freshness while reducing transportation carbon emissions. On the other hand, through cold chain transportation, smart routing systems, and digital management, we ensure that fresh ingredients are efficiently delivered to restaurants. By optimizing logistics and distribution routes, we reduce the number of transportation trips and carbon emissions.

At the processing end, the Company strengthens the monitoring of cold chain warehousing under extreme weather conditions to prevent ingredient spoilage. Simultaneously, we advance energy-saving transformations in central kitchens and explore resource utilization paths for kitchen waste, further reducing our operational carbon footprint.

At the store end, the Company fully utilizes data analysis to accurately forecast demand and automatically generate material purchase requisitions, effectively reducing ingredient waste caused by shelf-life management. "Clear Your Plate" campaign theme posters are widely displayed in all restaurants, and employees proactively guide customers to order in appropriate quantities and pack up leftovers. Relevant prompts are also set up on online platforms and the WeChat Mini Program, ensuring that the anti-waste philosophy permeates the entire consumption process. Meanwhile, staff canteens further reduce food waste and lower kitchen waste emissions by adjusting meal supply methods and establishing disciplinary mechanisms. The Company will also actively convey the green living concept of "eliminating waste, cherishing food, and protecting the environment" to customers, leading a healthy and eco-friendly consumption trend.

• Environmental Protection and Green Activities

Adhering to the management philosophy of "finite resources, infinite conservation", the Company has clarified environmental protection officers for all departments and continuously improved the environmental protection responsibility system, management documents, and environmental emergency response plans. We regularly conduct internal environmental training and emergency drills to ensure that environmental protection work is implemented at every level, integrating the environmental protection philosophy into all aspects of the Company's operations. During the Reporting Period, the Company was recognized as a "Four-Star Environmental Protection and Green Credit Enterprise in Daxing District".

• Internal Environmental Advocacy

The Company continuously guides waste sorting effectively, posting waste sorting promotional posters in office and operational areas, and regularly inspecting waste disposal points to ensure classification requirements are strictly executed. In conjunction with key dates such as Earth Day (April 22) and World Environment Day (June 5), the Company organizes environmental-themed promotional activities and posts environmental slogans, fostering a positive atmosphere for full participation. Simultaneously, the Company places water and electricity conservation signs at switches, advocates for employees to turn off and unplug idle electrical appliances after work, and promotes a paperless office and double-sided printing, integrating energy saving and consumption reduction into daily work habits. In addition, the Company regularly conducts internal environmental training covering all levels from management to frontline employees, comprehensively enhancing employees' environmental awareness and conscious actions.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

- **Green Decoration Practices**

During the decoration and renovation processes, the Company follows the 2R (Reduce, Reuse) principle to minimize environmental burdens from the source. In the design phase, the Company adopts detachable and reconfigurable standard modular furniture to adapt to different store layout adjustment needs. This extends the service life of the furniture and reduces energy consumption and pollution during production. Concurrently, by minimizing the area of suspended ceilings and exposing the original building structure as much as possible, we lower the resource consumption and construction waste generated by ceiling projects. In terms of material selection, the Company prioritizes natural or renewable materials such as recycled wood and stone, reducing the use of plastics and synthetic materials. We select formaldehyde-free coatings, water-based paints, and eco-friendly adhesives, effectively reducing indoor air pollution and safeguarding the health of consumers and employees. For lighting, we comprehensively adopt LED light sources and reasonably utilize floor-to-ceiling windows to introduce natural daylight, reducing daytime lighting energy consumption.

In terms of construction techniques, the Company adjusted the conventional adhesive method for decorative panels to a dry-hanging construction technique. This reduces the use of adhesives, mitigates atmospheric pollution, and safeguards user health. Furthermore, the Company adheres to the principle of regional reuse, prioritizing the allocation and transportation of furniture and equipment among stores within a 500-kilometer radius of the project location. This significantly reduces carbon emissions during material transportation while supporting local economic and industrial growth. The aforementioned green decoration practices have effectively reduced the use of decorative materials and new furniture, indirectly lowered carbon emissions generated from production and processing, and achieved cost savings.





Photos of partially completed stores

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

Case Study

"New Life for Good Cups" Environmental Action, Promoting Multi-Party Participation in the Green Transition

On Earth Day, April 22, 2025, the Company, together with its two major brands "Xiabuxiabu" and "Coucou", joined the "New Life for Good Cups" environmental action as a founding member. This initiative was jointly launched by institutions such as the China General Chamber of Commerce, the China Environmental Protection Foundation, and the Meituan Qingshan Project. The action focuses on the environmental issues of single-use plastic packaging in the freshly made beverage industry. Emphasizing source reduction, eco-design, classified recycling, and high-value utilization, it explores technically and economically feasible solutions for plastic pollution governance.

A "good cup" advocates for good design and materials to achieve better reduction, recycling, and regeneration. This includes reusable bring-your-own (BYO) cups and in-store cups, as well as single-use beverage cups that comply with the principles of being "easy to recycle and easy to regenerate". Through various online and offline channels, the action encourages consumers to choose eco-friendly beverage cups and participate in classified recycling, jointly promoting the green transition across the entire lifecycle of beverage cups.

Certain stores under the Company actively advance green operations, integrating ESG concepts throughout all links, from source procurement to terminal consumption. Starting from consumption scenarios, we are building a "merchant-consumer" sustainable ecosystem. By embedding environmental protection concepts into product design and the consumer experience, and establishing green operation and consumption incentive mechanisms, we subtly make eco-friendly behaviors a natural choice for consumers.





Pictures of the "New Life for Good Cups" Activity



6 PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT



Employees are the foundation of Xiabuxiabu's long-term success. Adhering to the core management philosophy of being "people-oriented", we are committed to building a workplace ecosystem that respects individuals, safeguards rights and interests, stimulates potential, and shares achievements. In 2025, we further consolidated our employee rights and interests protection system. Through innovative talent mechanisms and comprehensive employee care, we strengthened organizational cohesion, continuously empowered employee growth, and actively fulfilled our social responsibilities, driving the construction of a harmonious and mutually beneficial organizational ecosystem and social relationships.

6.1 PROTECTING EMPLOYEES' RIGHTS AND INTERESTS

The Company strictly complies with national laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China, and the Provisions on the Prohibition of Using Child Labor*. We resolutely eliminate all forms of discrimination, strictly prohibit illegal situations such as child labor and forced labor, and comprehensively safeguard the legitimate rights and interests of employees. Through the E-HR system, the Company compulsorily restricts the system entry of employees who do not meet the national statutory working age, cutting off the possibility of employing child labor from the source. Meanwhile, we conduct irregular personnel audits in restaurants, placing special emphasis and strict control on employment risk monitoring, which is linked to performance evaluations. Any discovered violations will be rectified immediately, and violators involved in illegal recruitment will be disciplined in accordance with the Employee Handbook. During the Reporting Period, the Company had no litigation cases related to the employment of child labor or forced labor.

• Fair and Compliant Recruitment

We strictly abide by the employment principles of "fairness, openness, and equality" and adhere to the employment philosophy of "appointing people on their merit and selecting the best". We have implemented a series of highly effective recruitment strategies, committing to shaping a trustworthy employer brand, achieving diverse, equal, and legally compliant employment, and injecting vitality into the Company's sustainable development.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

In 2025, the Company focused on advancing three major recruitment initiatives:

Recruitment Initiative	Content	Effectiveness
Leverage the effectiveness of the re-employment recruitment channel	Intensifying the implementation of the "Phoenix Returning to the Nest" (Boomerang Employee) project to actively attract previously high-performing former employees to return. Meanwhile, encouraging current employees to actively promote the project to former employees they know, expanding talent reach, attracting more high-performing talent to return, and filling the gap for mature talent at the operational end.	The "Phoenix Returning to the Nest" project has formed a strong reputation in the catering industry, generating a "spillover" effect. It successfully attracted nearly 20 high-performing former talents to return, effectively supplementing mature talent at the operational end.
Strengthen internal referral and internal competition channels	By increasing the internal referral reward amount at the operational end, the Company fully mobilized the enthusiasm of internal employees to refer talent. Combined with the effective reach of internal job promotions, this significantly increased the internal referral ratio. Simultaneously, we strictly implement the internal promotion system, conducting quarterly internal promotion debriefing meetings for operational talent and annual promotion debriefings for functional talent, ensuring unimpeded internal talent promotion channels and stimulating internal talent vitality.	The internal referral incentive achieved outstanding results. By increasing the reward amount, the Company substantially reduced its reliance on external headhunting recruitment channels, resulting in an overall reduction of headhunting costs by 48%.
Actively expand overseas recruitment channels	Aligning with the Group's International Business Division's overseas market expansion and excellent talent introduction needs, the Company uses stores in regions such as Taiwan and Hong Kong as talent training bases. While attracting excellent talent to join, we help them quickly adapt to the Group's operating model and corporate culture, subsequently transferring them to the Group's stores across various regions (including mainland China) through internal rotation. At the same time, we actively connect and cooperate with talent service companies in Taiwan, Hong Kong, Singapore, and other regions, signing talent service contracts to systematically advance the implementation of overseas recruitment work.	Overseas recruitment channels continue to expand. Throughout the year, we communicated and connected with 10 headhunting companies in Taiwan, reaching cooperation and signing agreements with 5 of them. We also added 3 and 2 local talent service cooperation companies in Hong Kong and Singapore, respectively, building a solid platform for the introduction of overseas talent.

We always adhere to the principle of equal employment, continuously optimizing the workforce structure and improving the employment system. As of the end of the Reporting Period, the Company had a total of 16,781 employees, including 50 employees with disabilities, earnestly practicing the philosophy of equal employment and promoting the diversified development of the workforce structure.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

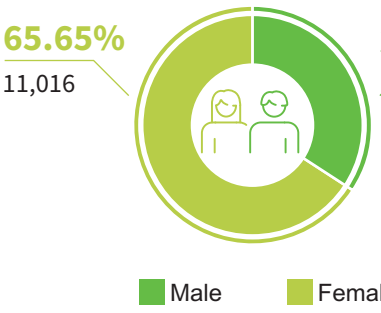
The employee distribution structure is as follows:

We adhere to equal employment and continuously optimize the personnel structure. As of the end of the reporting period,

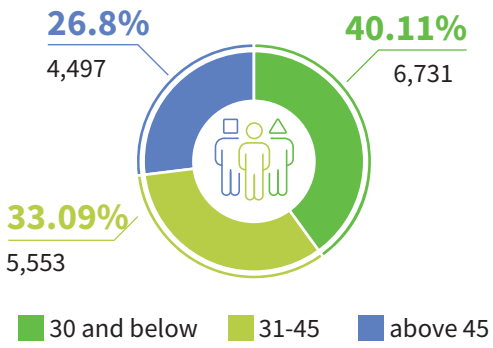
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including **50** persons with disabilities

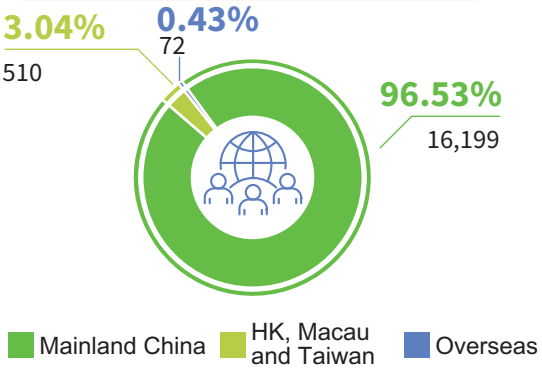
Number of employee by Gender



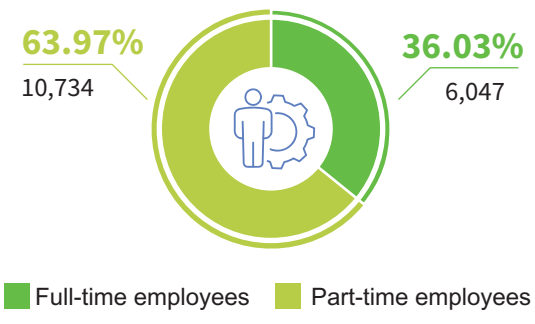
Number of employee by Age Group



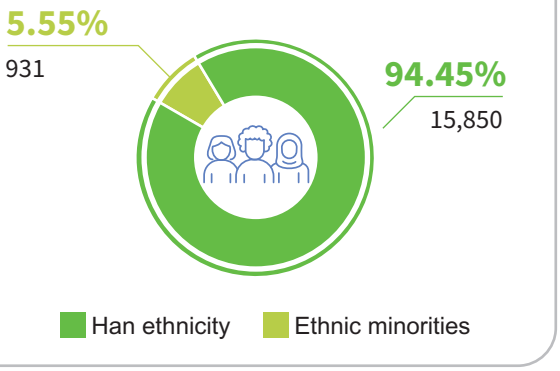
Number of employee by Geographical Region



Number of employee by Employment Type



Number of employee by Ethnicity



PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Indicator	Unit	2025
Employee Turnover		
Total employee turnover rate	%	122.37
Turnover rate of male employees	%	151.44
Turnover rate of female employees	%	106.68
Turnover rate of employees aged 30 and below	%	204.18
Turnover rate of employees aged 31-45	%	62.84
Turnover rate of employees aged above 45	%	63.63
Turnover rate of employees in Mainland China	%	122.53
Turnover rate of employees in Hong Kong, Macau, and Taiwan regions of China	%	137.40
Turnover rate of employees in overseas regions	%	47.50

• Collective Agreements

The Company strictly complies with relevant laws, regulations, and rules, such as the *Trade Union Law of the People's Republic of China, the Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Provisions on Collective Contracts*. By signing collective contracts, we institutionalize and standardize the protection of employees' legitimate rights and interests, continuously enhancing their satisfaction and sense of belonging. The content of the collective contracts comprehensively covers key dimensions such as labor contract management, labor remuneration and welfare guarantees, working hours and rest/vacation, social insurance contributions, occupational safety and health guarantees, and the special protection of rights and interests for female and underage workers. This builds a solid legal foundation for employees' legitimate rights and interests at the institutional level. Building on this, the Company and the trade union have jointly signed multiple special collective contracts regarding catering industry wages, the protection of female workers' rights, and occupational safety and health, further refining specific standards for rights protection to ensure that employees' legal rights in obtaining remuneration, rest and vacation, health and safety, and social insurance are equally and fully guaranteed.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

In terms of trade union construction, the Company has established a total of 8 trade union organizations in Beijing, Tianjin, Shanghai, and Xilingol League, with a union membership of nearly 20,000, achieving extensive coverage of employees in core operational areas. Among them, the trade unions in the Beijing and Tianjin regions take the lead in completing the renewal of collective contracts every year, taking full responsibility for the entire process of contract signing, fulfillment, and supervision. As the core representative of employee rights, the trade union regularly collects employees' opinions and reasonable demands, organizes them into special negotiation topics for the collective contracts, conducts equal communication with the Company to jointly discuss contract terms, and officially signs the collective contract after both parties reach a consensus. To ensure the effective implementation of contract terms, the Company and the trade union have jointly established a collective contract supervision and inspection group. This group holds full authority over the daily supervision and special verification of contract fulfillment, establishes a rectification ledger for issues discovered during implementation, clarifies rectification deadlines, and drives immediate execution.

• Compensation and Benefits

Following the principle of being "profit-oriented", and based on full consideration of position value and employee performance, the Company legally determines its internal wage distribution system and forms. We reasonably widen the income gap and achieve an organic combination of short-term and long-term incentives, driving mutual development and shared value between employees and the enterprise.

Integrating the actual achievement of corporate economic benefits, the Company steadily raises the compensation level of active employees. Based on differences in employee position positioning and job sequences, we implement diversified incentive methods such as profit sharing, sales commissions, monthly bonuses, quarterly bonuses, annual bonuses, and loss-reduction rewards, fully reflecting the three core compensation elements of position, performance, and ability. Simultaneously, we implement labor budget management, conducting comprehensive analyses of employee income status annually to link the total wage bill with corporate performance. We proactively and steadily promote salary increase initiatives, formulate annual salary increase plans, and adjust salary policies to continuously optimize employee compensation and benefits.

In 2025, the Company further optimized its compensation and incentive system by launching an internal partnership plan that deeply binds employees to individual stores, fully mobilizing their subjective initiative. We optimized the operational incentive mechanism by adding auxiliary measures, such as performance improvement incentives, alongside profit sharing and sales commissions to enhance the targeted nature of the incentives. We optimized the professional function bonus mechanism, deepening development and asset incentive plans. Meanwhile, we launched a special equity incentive plan for key Group positions to strengthen the retention of executives and core talent, refined the incentive rules for business units, and tilted resources towards key roles such as BU COOs to highlight a performance-contribution orientation. Based on the *Restricted Stock Incentive Plan*, the Company explicitly requires employees to achieve performance targets before obtaining corresponding equity, truly realizing the sharing of interests and mutual development between the enterprise and its employees.

Working Hours and Leave	• The Company strictly complies with the working hour requirements stipulated in the *Labor Law of the People's Republic of China*, ensuring employees' right to rest on national statutory holidays. Meanwhile, we provide employees with paid leave such as marriage leave, bereavement leave, family visitation leave, maternity leave, and family planning leave, earnestly safeguarding employees' rights to rest and vacation.
Five Social Insurances and Housing Provident Fund	• The Company contributes to the five major social insurances (endowment, work-related injury, maternity, unemployment, and medical) and the housing provident fund for all employees. Simultaneously, we uniformly purchase employer liability insurance for restaurant staff, achieving full coverage across all restaurants nationwide and comprehensively building a solid defense line for employee welfare guarantees.
Employee Care	• The Company continuously deepens employee care initiatives, providing free working lunches or meal allowances for all employees, and issuing special subsidies for transportation, telecommunications, and business trips to employees in specific positions. Concurrently, we organize travel activities for high-performing employees to fully stimulate the striving motivation of the entire workforce.
Compensation Fairness	• For fresh graduate positions in 2025, a unified standard based on position and qualitative assessment was adopted to continuously narrow the gender pay gap and promote the fairness of the internal compensation system.
	• In overseas regions, local compliant service providers are entrusted with salary calculations and statutory benefit declarations, ensuring that basic rights and interests such as salary distribution and social security contributions are implemented compliantly and on time.

6.2 DEEPENING EMPLOYEE CARE

We are committed to providing employees with a safe, healthy, and dignified working environment, attaching great importance to their physical and mental well-being and occupational experience. Adhering to the management philosophy of being "people-oriented, honest, and pragmatic," we transmit the warmth of our corporate culture, enhance corporate cohesion and centripetal force, and elevate employees' sense of belonging and happiness by building unimpeded communication channels, carrying out diversified care activities, and perfecting support measures.

• Employee Health and Safety

As a responsible employer, we strictly abide by relevant laws and regulations, including the *Fire Control Law of the People's Republic of China*, the *Work Safety Law of the People's Republic of China*, the *Measures for the Administration of Emergency Response Plans for Work Safety Accidents*, and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. We uphold the safety management philosophies of "combating violations, plugging loopholes, inspecting hidden dangers, and ensuring safety" and "conducting proper safety education, promoting safety knowledge, raising safety awareness, and advancing work safety". Through multiple measures, we build a safe and healthy working environment for all employees. During the Reporting Period, the Company had no major work safety liability accidents or safety issues caused by negligence in safety inspections. We have achieved zero work-related employee fatalities for three consecutive years and were awarded the title of "Level III Enterprise for Work Safety Standardization".

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

In 2025, centering on the implementation of our safety management philosophy, the Company systematically advanced multi-dimensional safety guarantee measures, comprehensively covering areas such as hidden danger prevention and control, education and training, food safety, and employees' physical and mental health:

Strengthening Risk Prevention and Control

- Perfect the safety inspection system and operating procedures, and conduct promotion and implementation to ensure all employees master them;
- Establish a work safety hidden danger investigation network, clarifying full-time and part-time safety inspection personnel;
- Conduct quarterly inspections by principal persons in charge, monthly inspections by safety management personnel, and daily inspections by post safety officers; conduct seasonal, professional, and holiday inspections, etc.;
- Strictly implement the "Five-Fix Principle" for identified hidden danger issues to ensure timely elimination;
- Arrange dedicated personnel to regularly inspect fire extinguishers and fire hydrants within the Company's premises and fill out inspection record forms; sign maintenance agreements with qualified fire protection units to regularly maintain the fire alarm and extinguishing systems and various fire-fighting equipment, ensuring that fire protection facilities and equipment remain intact and effective;
- Strengthen the supervision and monitoring of key areas and critical parts, including the registration and annual inspection of special equipment, and daily patrols of power distribution rooms and charging rooms.

Safety Emergency Drills

- Carry out the construction of the emergency rescue system and update emergency rescue plans in a timely manner;
- Regularly conduct emergency rescue drills according to the plans, including firefighting, evacuation, and first aid.

Safety Training and Promotion

- Strictly conduct the "Three-Level Safety Education" for new employees, ensuring a 100% coverage rate of the "three-level education" for new hires;
- Formulate safety education and training plans and conduct teaching and training activities accordingly;
- Conduct professional certification training for special operation personnel and special equipment operators;
- Fully utilize flexible and diverse formats such as bulletin boards, banners, social software, and pre-shift/post-shift meetings to actively conduct safety knowledge promotion and education activities during spare time.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Employee Food Safety

- The canteen strictly controls the quality of raw materials, as well as the quality, hygiene, and production processes in reference to the Food Safety Law. The pass rate for random inspections of tableware cleaning and disinfection is 100%. Meanwhile, monthly swab tests are conducted on shared employee tableware and utensils in the food preparation area, fully ensuring the food hygiene and safety of dining employees;
- Require the person in charge of the canteen to conduct swab tests on the gas valves and main connection parts during the morning shift every day to check for gas leaks and fill out inspection records; administrative personnel strictly manage bottled water and freshly boiled water, ensuring that all staff have access to safe and healthy drinking water. In addition, descale all water boilers and inspect/replace water purifier filters quarterly.

Ensuring Physical and Mental Health

- Regularly conduct employee health examinations;
- Administrative logistics and maintenance departments carried out a series of upgrades, repairs, and renovations on air conditioning equipment, domestic hot water equipment, and dormitory facilities to improve employees' working comfort;
- Company shuttle buses arrive at designated locations on time daily, effectively guaranteeing employees' normal commutes;
- Manage and maintain the coffee machines and vending machines within the Company to maximally meet employees' needs;
- Irregularly replace green plants in office areas and add festive decorations during various holidays, allowing employees to maintain physical and mental comfort amid an intense and busy working atmosphere;
- Strictly manage employee dormitories in the factory area to meet employees' accommodation needs, keeping the dormitories tidy and free of fire safety hazards.

In 2025, the Company conducted 15 safety and health training sessions. The participants covered full-time employees, part-time employees, and contractors, totaling 366 attendances.

Indicator	Unit	2025
Occupational Injury Data		
Number of work-related fatalities in FY2023	Persons	0
Rate of work-related fatalities in FY2023	%	0%
Number of work-related fatalities in FY2024	Persons	0
Rate of work-related fatalities in FY2024	%	0%
Number of work-related fatalities in FY2025	Persons	0
Rate of work-related fatalities in FY2025	%	0%
Lost working days due to work-related injuries	Days	9.94

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

• Employee Care

Focusing on the comprehensive needs of employees, the Company is committed to creating a warm workplace atmosphere through institutionalized care initiatives and diverse cultural activities. By employing various methods–such as standardizing care measures, building unimpeded communication platforms, strengthening benchmark incentives, and safeguarding employees' rights to rest–we convey the warmth of our corporate culture and enrich employees' lives outside of work. We actively listen to employees' voices and meet their reasonable needs, thereby enhancing their sense of belonging and happiness, boosting team cohesion, and fostering a positive and harmonious team environment.

Organizing Employee Activities

- Organize diverse team-building activities, such as departmental team building and Spring Festival galas, to enrich employees' spare-time lives, close the distance between employees and between employees and the Company, enhance team cohesion, make employees feel at home, and improve their identification with the corporate culture.

Valuing Employee Care

- Organize various activities during traditional holidays, sending gratitude, blessings, and gifts to employees;
- Distribute corporate condolence and congratulatory allowances for employees' weddings and funerals;
- Provide birthday gift allowances for employees;
- Care for female employees, safeguard their relevant rights and interests, and continuously maintain nursing rooms to provide convenience for working mothers;
- Provide cooling benefits for employees during the hot summer;
- Standardize employment management, promptly correct behaviors where employees individually apply for excessive overtime, and fully safeguard employees' right to rest;
- Provide annual special awards for veteran employees with 10, 15, and 20 years of service to commend their outstanding long-term contributions to the Company's development and establish employee benchmarks;
- Provide mutual assistance service cards for trade union members in Beijing and Tianjin, allowing union members to enjoy multiple benefits such as relief guarantees and union services;
- Standardize the investment and use of trade union funds, and regularize heartwarming activities such as holiday greetings, illness condolences, and congratulations on marriage and childbirth, earnestly solving difficulties for employees.

Strengthening Employee Communication

- Each store regularly holds democratic life meetings, organizes corporate culture learning, and promptly understands employees' voices;
- Organize communication and exchange meetings for newly promoted employees to listen to suggestions and establish a communication platform;
- Regularly hold employee communication meetings for restaurant management teams to build efficient and unimpeded communication channels and accurately understand employee needs.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

6.3 EMPOWERING EMPLOYEE DEVELOPMENT

The Company always regards talent cultivation as a top priority, firmly believing that the continuous growth of employees is the core driving force for enterprise advancement. We encourage employees to proactively enhance their operational and management skills, and strengthen general leadership learning. By perfecting a diversified training system, building fair and transparent performance appraisal and promotion channels, and optimizing long-term incentive mechanisms, we comprehensively empower employee growth, build a sound talent pipeline, help employees realize their self-worth, and promote the mutual progress of the enterprise and its employees.

• Diversified Training Mechanism

Focusing on the enhancement of employees' skills and capacity development, the Company continuously improves the training system and optimizes training content and formats. Aligning with position requirements and the Company's development strategy, we stimulate employees' learning enthusiasm, improve the actual effectiveness of training, and provide strong support for employee growth.

Optimized Course Configuration	Continuously improve the online learning maps and course configurations for all levels at the functional end, precisely matching the position requirements and development plans of employees at all levels, and providing employees with systematic, convenient, and exclusive learning resources to ensure the learning content aligns with actual position realities.
Experience and Knowledge Sharing	Organize internal executives of the Company to conduct special courses and professional knowledge exchange and sharing sessions, digging deep into the valuable experience and cutting-edge management ideas of employees. Simultaneously, we extract course materials to accumulate excellent achievements into reusable knowledge assets.
Establishing Incentive Mechanisms	Launch an online learning point redemption project. Through rich redemption formats, we fully mobilize employees' enthusiasm for independent learning, creating a strong workplace learning atmosphere of proactive learning and a willingness to improve.
Broadening External Horizons	Systematically plan and organize employees to participate in high-quality external training courses, introducing advanced industry concepts, methods, and experiences to help employees update their knowledge systems, broaden their cognitive horizons, and assist in the iterative upgrading of their professional capabilities.
Knowledge Training Consolidation	Regularize internal employee training and the consolidated learning of standard courses, focusing on core job skills and key knowledge, strengthening employees' mastery of core content, consolidating professional foundations, and enhancing the ability to perform job duties.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT



上海東賽道－曹路花園
朱桂亭

初級餐廳經理課程
單店營銷



江蘇東區賽道－蘇州胥江龍湖
戴楠杰

初級餐廳經理課程
單店營銷



上海西賽道－上海虹橋天地
尚斌

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

The Company has established a closed-loop talent development system centered on diversified models, adaptation to personal aptitudes, continuous training, and assessment and certification. Through blended online and offline training methods, differentiated course design, continuous empowerment throughout the entire career lifecycle, and standardized assessment and certification mechanisms, the Company comprehensively enhances employees' professional capabilities and overall competencies. This builds a talent workforce for the Company equipped with both practical operational abilities and growth potential.

DIVERSIFIED MODEL

Through the combination of online pre-job training and offline reinforcement training, we carried out teaching, sharing, seminars and other training content, and implemented several occupational character assessments, which helped to develop a career development plan and build a team with empowerment and growth potential.

ADAPTATION TO PERSONAL APTITUDES

Customized courses are developed for employees in different regions, business lines and ranks to ensure that the courses cover all employees while meeting the personalized needs of employees and ensuring that they are taught according to their skills.

CONTINUOUS TRAINING

In addition to orientation training, the Company also subsequently provides position skill training, management training and trainings on attitude motivation based on business needs, with trainings covering the entire career of employees.

ASSESSMENT AND CERTIFICATION

The Company supervises and guides the regular training and calibration to continuously update the knowledge of operation executives, update and strengthen operational standards, and at the same time, activates the talent certification system, determines the fixed training model and assessment method, and promotes the innovative talent development model.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Xiabuxiabu	Coucou
• Relying on the "Xiabu University" E-learning platform to build systematic learning projects, continuously outputting standardized learning content for frontline operational partners. In 2025, the cumulative number of participants on the learning platform reached 286,000, with a total learning duration of 177,956 hours. We conducted a comprehensive inventory and iterative update of the E-learning platform content, updating a total of 686 course chapters in 2025. • Perfect the evaluation and appointment mechanism for intermediate lecturers to further stimulate the enthusiasm and professional capabilities of the internal trainer team, better empowering the growth of frontline operational partners. In 2025, a total of 4 internal trainers successfully obtained the title of intermediate lecturer. • Continuously update and iterate training materials, optimize the content of training courses for all operational levels, perfect and promote the Learning Map, and sort out and integrate the Standard Operating Procedures (SOPs) for various positions and products. These are presented in the form of QR codes, providing frontline partners with more convenient channels for learning and reference.	• Standardized Course Training: Centering on the needs of personnel at all levels, we continuously conduct standardized and specialized course training. Through systematic and hierarchical course empowerment, employees' professional capabilities and job competencies steadily improve. In 2025, a total of 175 course sessions were held across 13 tracks nationwide, with 1,660 partners of various levels participating in empowerment learning. • New Hire Onboarding Training: Ensuring 100% completion of online and offline learning within one month of onboarding to guarantee all newly hired employees receive pre-job training. This ensures that new employees quickly master job requirements and integrate into the team. In 2025, over 4,700 new hires in the service group had completed their online/offline learning tasks as required. • External Management Team Training: In 2025, Coucou comprehensively advanced the training and cultivation of external management hires. As of December, over 120 external management personnel had onboarded, all implementing learning content according to the training plan, with track training instructors simultaneously following up on learning progress and effectiveness. For new hires at the restaurant manager level and above, monthly online communication meetings are held to promptly understand learning status and employee feedback. • National Training for New Product Rollouts: In 2025, Coucou conducted unified national training for new product rollouts via online live broadcasts, launching a total of 19 sessions with over 5,000 store partners participating. The entire training process adopted the PDCA management model, requiring participants to pass the new product knowledge assessment with a perfect score. Through a combination of "online pre-training + offline intensive tracking and coaching", we ensured 100% execution of standards at the operational end. • Course Development and Optimization: In 2025, Coucou continuously optimized the course system to align with operational needs, optimizing and promoting the implementation of 6 courses covering levels such as trainers, assistant managers, and restaurant managers. We added 9 video-based courses focusing on key practical job scenarios, covering content such as customer satisfaction, communication skills, emergency handling, delegation management, coaching and incentives, and team building, facilitating flexible learning for store partners.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Xiabu Platinum Management Course

Integrating actual pain points and work needs in operational management, the Company specially developed the "Platinum Management Course". This course is tailor-made for employees at the restaurant manager and management trainee levels, systematically enhancing the comprehensive abilities of management personnel from four major dimensions: execution, communication, management, and operation. In 2025, a total of 132 restaurant managers participated in the advanced study of the "Platinum Management Course", assisting in the steady improvement of the management team's professional capabilities.

Internal Trainer Skills Competition

To continuously strengthen the professional level of the internal trainer team and deeply cultivate frontline operational needs, we meticulously organized and launched the National Internal Trainer Skills Competition. The competition closely aligns with actual operational work, driving internal trainers to go deep into the frontline to gain insights into business needs and providing more precise training support for operational development. In 2025, the internal trainer team of the Xiabu Business Unit (BU) actively participated in the competition with a team participation rate of 100%, fully demonstrating the internal trainer team's spirit of self-improvement and pursuit of excellence.



Host/Hostess Capability Enhancement Project

In 2025, Coucou focused on upgrading the capabilities of key service positions by comprehensively implementing the Host/Hostess Capability Enhancement Project. We conducted systematic, tiered training and professional capability certification for personnel in host/hostess positions. During the Reporting Period, we successively pushed learning materials to 178 junior hosts/hostesses and 105 dedicated hosts/hostesses. Senior host/hostess course training covered 196 attendances, and dedicated host/hostess training covered 111 attendances. We cumulatively completed 71 capability certifications, effectively enhancing the professional service capabilities of host/hostess positions through specialized cultivation and assessment.

Successful Case Proposal Competition

In 2025, Coucou held a Successful Case Proposal Competition, encouraging employees at the assistant manager level and above to submit innovative practical proposals focusing on cost reduction, process optimization, and tool optimization. This promoted the sharing of excellent store experiences and the iterative upgrading of operational models. Through a tiered selection process via regional PK (competitions), the event ultimately awarded 2 Gold, 1 Silver, and 1 Bronze case studies. We also completed the conversion and promotion testing of the excellent cases, driving a synchronized improvement in operational efficiency and management levels across stores nationwide through benchmark practices.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Indicator	Unit	2025
Percentage of female employees trained	%	64
Average training hours per female employee	Hours/employee	8.39
Percentage of male employees trained	%	67
Average training hours per male employee	Hours/employee	9.65
Percentage of employees at management level and above trained	%	63
Average training hours per employee at management level and above	Hours/employee	8.17
Percentage of other level employees trained	%	66
Average training hours per other level employee	Hours/employee	8.79

• Assessment and Promotion

The Company is committed to providing employees with a fair, just, and transparent career development environment, attaching great importance to employee assessment, the cultivation of reserve talent, and long-term incentives. By building clear and unimpeded career development channels, we assist employees in realizing their self-worth and reserve high-quality talent for the Company's development.

In 2025, the Company routinely conducted annual performance debriefings for middle-level personnel. Through these debriefings, we comprehensively identified outstanding talent and conducted a comprehensive review of manager-level personnel. This resulted in the formation of a Nine-Box Matrix and subsequent talent development plans, providing a solid guarantee for the construction of the Group's talent pipeline.

Regarding long-term incentives, based on the Restricted Stock Incentive Plan, the Company adheres to the principle of "granting only upon business achievement, with the grant amount depending on the performance contribution of each unit", fully reflecting the concept of "more pay for more work". Meanwhile, we provide focused incentives and retention measures for particularly key positions. In 2025, the Company continuously improved the incentive rules for business units, tilting resources heavily towards key positions. We also launched a special equity incentive plan for the Group's senior management, intensifying the motivation and retention of core management talent. This further stimulates the proactive working initiative of core employees, achieving synergistic development between the employees and the Company.

Talent Assessment System	The Company has established a sound talent assessment system to ensure the fairness and scientific nature of assessment results. We employ various methods, such as monthly assessments, quarterly assessments, and specialized assessments, to conduct performance evaluations. Furthermore, we regularly track and analyze the completion status of employees' performance goals.
Internal Competition Policy	The Company has established a sound internal competition policy and sorted out internal job classifications. This provides more promotion opportunities for internal employees, activates the internal talent pool, and enables employees to obtain diversified development opportunities.
Positive Incentive Measures	The Company issues "Model Pacesetter" badges to strengthen employees' sense of honor, give full play to the demonstrative and leading role of advanced role models, and create a positive workplace atmosphere characterized by upward mobility and striving for excellence.

6.4 FULFILLING SOCIAL RESPONSIBILITY

We deeply recognize that the long-term development of an enterprise resonates with social progress. The Company has built a diversified and synergistic public welfare system, using concrete actions to practice its social responsibilities.

"Heartwarming Station" • Convenience Service Action

The Company continues to operate and optimize the "Heartwarming Station" project, committed to providing convenient public welfare services to surrounding communities and conveying corporate warmth through subtle actions. As of 2025, the Company has established 13 Heartwarming Stations, all equipped with dedicated service personnel and prominently displayed signage in the service areas. The stations provide basic supplies such as tables and chairs, drinking water, air conditioning, and emergency medical kits. We offer free convenience services to customers, delivery riders, and other groups, including drinking water, cooling and heating, meal heating, resting areas, and emergency medical assistance. This continues the Company's tradition of caring for frontline urban service workers and strengthens the social function of our stores as community service nodes.





PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Coucou Warm Winter Action • Coucou Community Tour

Coucou actively practices the philosophy of "approaching the community, helping the poor and needy, and caring for vulnerable groups", organizing a series of targeted care activities. On the eve of the Spring Festival in January 2025, Coucou collaborated with local sub-district offices to launch a condolence activity for sanitation workers, distributing supplies such as duck blood tofu, tea beverages, and masks to frontline sanitation workers, earnestly safeguarding their winter protection and daily needs. During the same period, Coucou's Zhengzhou MixC store delivered duck blood tofu to employees in surrounding office buildings, delivering festive care and delicious food to the workplace demographic, further closing the distance with the community.





Coucou Caring for Autistic Children • Heartwarming Dining Activity

The Company always pays attention to the needs of vulnerable groups, taking the initiative to lend a helping hand and providing substantial help through concrete actions to transmit positive social energy. In November 2025, Coucou's Beijing Hopson One store launched a special activity caring for autistic children–"Silent Planet • Star Kids Gourmet Tour • Walking into Coucou". We invited autistic children to dine at the store, creating a relaxed and warm atmosphere for them. Using food as a bridge to build communication bonds, we let special groups feel the care and warmth of society, earnestly practicing the enterprise's responsibility and commitment to vulnerable groups.





In the future, the Company will continue to deepen its social responsibility practices, promote the upgrade of public welfare actions from "ad-hoc initiatives" to a "systematic and branded" approach, and build a corporate social value ecosystem with greater warmth and depth.

ESG INDICATOR INDEX

No.	Indicator Description	Disclosure Status	Location in the Report
A1: Emissions	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	Disclosed	5.3 Strengthening Emissions Control
A1: Emissions	A1.1 The types of emissions and respective emissions data.	Disclosed	5.3 Strengthening Emissions Control
A1: Emissions	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Disclosed	5.3 Strengthening Emissions Control
A1: Emissions	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Disclosed	5.3 Strengthening Emissions Control
A1: Emissions	A1.5 Description of emission target(s) set and steps taken to achieve them.	Disclosed	5.3 Strengthening Emissions Control
A1: Emissions	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.	Disclosed	5.3 Strengthening Emissions Control
A2: Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Disclosed	5.2 Optimizing Resource Utilization
A2: Use of Resources	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).	Disclosed	5.2 Optimizing Resource Utilization

ESG INDICATOR INDEX

No.	Indicator Description	Disclosure Status	Location in the Report
A2: Use of Resources	A2.2 Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Disclosed	5.2 Optimizing Resource Utilization
A2: Use of Resources	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	5.2 Optimizing Resource Utilization
A2: Use of Resources	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.	Disclosed	5.2 Optimizing Resource Utilization
A2: Use of Resources	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Disclosed	5.2 Optimizing Resource Utilization
A3: The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	Disclosed	5.2 Optimizing Resource Utilization
A3: The Environment and Natural Resources	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	5.2 Optimizing Resource Utilization
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.	Disclosed	6.1 Protecting Employees' Rights and Interests
B1: Employment	B1.1 Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	Disclosed	6.1 Protecting Employees' Rights and Interests

ESG INDICATOR INDEX

No.	Indicator Description	Disclosure Status	Location in the Report
B1: Employment	B1.2 Employee turnover rate by gender, age group and geographical region.	Disclosed	6.1 Protecting Employees' Rights and Interests
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.	Disclosed	6.2 Deepening Employee Care
B2: Health and Safety	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	6.2 Deepening Employee Care
B2: Health and Safety	B2.2 Lost days due to work injury.	Disclosed	6.2 Deepening Employee Care
B2: Health and Safety	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	6.2 Deepening Employee Care
B3: Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Disclosed	6.3 Empowering Employee Development
B3: Development and Training	B3.1 The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Disclosed	6.3 Empowering Employee Development
B3: Development and Training	B3.2 The average training hours completed per employee by gender and employee category.	Disclosed	6.3 Empowering Employee Development
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.	Disclosed	6.1 Protecting Employees' Rights and Interests
B4: Labour Standards	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Disclosed	6.1 Protecting Employees' Rights and Interests

ESG INDICATOR INDEX

No.	Indicator Description	Disclosure Status	Location in the Report
B4: Labour Standards	B4.2 Description of steps taken to eliminate such practices when discovered.	Disclosed	6.1 Protecting Employees' Rights and Interests
B5: Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Disclosed	4.3 Optimizing and Upgrading Supply Chains
B5: Supply Chain Management	B5.1 Number of suppliers by geographical region.	Disclosed	4.3 Optimizing and Upgrading Supply Chains
B5: Supply Chain Management	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Disclosed	4.3 Optimizing and Upgrading Supply Chains
B5: Supply Chain Management	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	4.3 Optimizing and Upgrading Supply Chains
B5: Supply Chain Management	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	4.3 Optimizing and Upgrading Supply Chains
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.	Disclosed	4.1 Safeguarding Food Quality
B6: Product Responsibility	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Disclosed	4.1 Safeguarding Food Quality
B6: Product Responsibility	B6.2 Number of products and service related complaints received and how they are dealt with.	Disclosed	4.1 Safeguarding Food Quality
B6: Product Responsibility	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Disclosed	3.3 Business Ethics and Compliant Operation

ESG INDICATOR INDEX

No.	Indicator Description	Disclosure Status	Location in the Report
B6: Product Responsibility	B6.4 Description of quality assurance process and recall procedures.	Disclosed	4.1 Safeguarding Food Quality
B6: Product Responsibility	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	4.4 Upholding Customer First
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.	Disclosed	3.3 Business Ethics and Compliant Operation
B7: Anti-corruption	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Disclosed	3.3 Business Ethics and Compliant Operation
B7: Anti-corruption	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	3.3 Business Ethics and Compliant Operation
B7: Anti-corruption	B7.3 Description of anti-corruption training provided to directors and staff.	Disclosed	3.3 Business Ethics and Compliant Operation
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.	Disclosed	6.4 Fulfilling Social Responsibility
B8: Community Investment	B8.1 Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Disclosed	6.4 Fulfilling Social Responsibility
B8: Community Investment	B8.2 Resources contributed (e.g., money or time) to the focus area.	Disclosed	6.4 Fulfilling Social Responsibility
D: Climate-related Disclosures	(I) Governance: Governance	Disclosed	5.1 Tackling Climate Change

ESG INDICATOR INDEX

No.	Indicator Description	Disclosure Status	Location in the Report
D: Climate-related Disclosures	(II) Strategy: Climate-related risks and opportunities	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(II) Strategy: Business model and value chain	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(II) Strategy: Strategy and decision-making	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(II) Strategy: Financial position, financial performance and cash flows	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(II) Strategy: Climate resilience	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(III) Risk Management: Risk Management	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Greenhouse gas emissions	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Climate-related transition risks	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Climate-related physical risks	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Climate-related opportunities	Disclosed	5.1 Tackling Climate Change

ESG INDICATOR INDEX

No.	Indicator Description	Disclosure Status	Location in the Report
D: Climate-related Disclosures	(IV) Metrics and Targets: Capital deployment	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Internal carbon prices	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Remuneration	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Industry-based metrics	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Climate-related targets	Disclosed	5.1 Tackling Climate Change
D: Climate-related Disclosures	(IV) Metrics and Targets: Applicability of cross-industry metrics and industry-based metrics	Disclosed	5.1 Tackling Climate Change

GRI STANDARDS INDICATOR INDEX

No.	Indicator Description	Disclosure Status	Location in the Report
2-1	Organizational details	Disclosed	About Us
2-3	Reporting period, frequency and contact point	Disclosed	About This Report
2-6	Activities, value chain and other business relationships	Disclosed	About Us
2-7	Employees	Disclosed	6.1 Protecting Employees' Rights and Interests 6.2 Deepening Employee Care 6.3 Empowering Employee Development 6.4 Fulfilling Social Responsibility
2-9	Governance structure and composition	Disclosed	2.2 ESG Management Structure 3.1 Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Disclosed	2.2 ESG Management Structure 3.1 Corporate Governance
2-13	Delegation of responsibility for managing impacts	Disclosed	2.2 ESG Management Structure 3.1 Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	Disclosed	2.2 ESG Management Structure 3.1 Corporate Governance
2-19	Remuneration policies	Disclosed	2.3 ESG Incentives and Assessment
2-22	Statement on sustainable development strategy	Disclosed	2.1 ESG Management Philosophy
2-28	Membership associations	Disclosed	4.5 Leading the Industry Benchmark
2-29	Approach to stakeholder engagement	Disclosed	2.4 Stakeholder Communication 2.5 Materiality Issues Analysis
3-1	Process to determine material topics	Disclosed	2.5 Materiality Issues Analysis
3-2	List of material topics	Disclosed	2.5 Materiality Issues Analysis

GRI STANDARDS INDICATOR INDEX

No.	Indicator Description	Disclosure Status	Location in the Report
3-3	Management of material topics	Disclosed	2.5 Materiality Issues Analysis
205-2	Communication and training about anti-corruption policies and procedures	Disclosed	3.3 Business Ethics and Compliant Operation
205-3	Confirmed incidents of corruption and actions taken	Disclosed	3.3 Business Ethics and Compliant Operation
301-1	Materials used by weight or volume	Disclosed	5.2 Optimizing Resource Utilization
302-1	Energy consumption within the organization	Disclosed	5.2 Optimizing Resource Utilization
302-3	Energy intensity	Disclosed	5.2 Optimizing Resource Utilization
302-4	Reduction of energy consumption	Disclosed	5.2 Optimizing Resource Utilization
302-5	Reductions in energy requirements of products and services	Disclosed	5.2 Optimizing Resource Utilization
303-3	Water withdrawal	Disclosed	5.2 Optimizing Resource Utilization
305-1	Direct (Scope 1) GHG emissions	Disclosed	5.1 Tackling Climate Change
305-2	Energy indirect (Scope 2) GHG emissions	Disclosed	5.1 Tackling Climate Change
305-4	GHG emissions intensity	Disclosed	5.1 Tackling Climate Change
305-5	Reduction of GHG emissions	Disclosed	5.1 Tackling Climate Change
306-1	Water discharge by quality and destination	Partially Applicable	5.2 Optimizing Resource Utilization
306-2	Waste by type and disposal method	Disclosed	5.3 Strengthening Emissions Control
306-3	Waste generated	Disclosed	5.3 Strengthening Emissions Control

GRI STANDARDS INDICATOR INDEX

No.	Indicator Description	Disclosure Status	Location in the Report
307-1	Non-compliance with environmental laws and regulations	Disclosed	5.3 Strengthening Emissions Control
308-2	Negative environmental impacts in the supply chain and actions taken	Disclosed	5.1 Tackling Climate Change 5.3 Strengthening Emissions Management 5.4 Implementing Environmental Protection Actions
401-1	New employee hires and employee turnover	Disclosed	6.1 Protecting Employees' Rights and Interests
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Disclosed	6.1 Protecting Employees' Rights and Interests
401-3	Parental leave	Disclosed	6.1 Protecting Employees' Rights and Interests
403-1	Occupational health and safety management system	Disclosed	6.2 Deepening Employee Care
403-3	Occupational health services	Disclosed	6.2 Deepening Employee Care
403-4	Worker participation, consultation, and communication on occupational health and safety	Disclosed	6.2 Deepening Employee Care
403-5	Worker training on occupational health and safety	Disclosed	6.2 Deepening Employee Care
403-6	Promotion of worker health	Disclosed	6.2 Deepening Employee Care
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Disclosed	6.2 Deepening Employee Care
403-9	Work-related injuries	Disclosed	6.2 Deepening Employee Care
403-10	Work-related ill health	Disclosed	6.2 Deepening Employee Care
404-2	Programs for upgrading employee skills and transition assistance programs	Disclosed	6.3 Empowering Employee Development
404-3	Percentage of employees receiving regular performance and career development reviews	Disclosed	6.3 Empowering Employee Development
405-1	Diversity of governance bodies and employees	Disclosed	6.3 Empowering Employee Development
408-1	Operations and suppliers at significant risk for incidents of child labor	Disclosed	6.1 Protecting Employees' Rights and Interests
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Disclosed	6.1 Protecting Employees' Rights and Interests

GRI STANDARDS INDICATOR INDEX

No.	Indicator Description	Disclosure Status	Location in the Report
414-2	Negative social impacts in the supply chain and actions taken	Disclosed	3.3 Business Ethics and Compliant Operation 4.3 Optimizing and Upgrading Supply Chains
416-1	Assessment of the health and safety impacts of product and service categories	Disclosed	4.1 Safeguarding Food Quality 4.2 Innovating diversified menu items 4.4 Upholding Customer First
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Disclosed	4.1 Safeguarding Food Quality 4.2 Innovating innovating diversified menu items 4.4 Upholding Customer First

READER FEEDBACK FORM

Thank you for reading the Xiabuxiabu 2025 Environmental, Social and Governance Report. To provide you and other stakeholders with more valuable information and to continuously improve the Company's capabilities and performance in fulfilling its environmental, social, and governance responsibilities, we sincerely welcome your valuable comments and insights on this report. Please provide your feedback to us through the following channels:

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1. Which of the following stakeholder categories do you belong to? _____

   A. Government B. Regulatory Bodies C. Shareholders D. Customers
   E. Employees F. Suppliers and Partners G. Community H. Public and Media

2. Do you think this report fully covers your expectations of the Company? _____

   A. Yes B. No. What other expectations do you have that are not reflected in this report?

   _____

3. Do you think the Company has responded well to your expectations? _____

   A. Yes B. No. Which of your expectations do you think were not well addressed?

   _____

4. Do you think the content arrangement and layout design of this report are easy to read? _____

   A. Excellent B. Good C. Fair D. Poor

5. Do you have any other comments or suggestions regarding the Company's social responsibility work and this report?

   _____

   _____

   _____

Thank you again for your participation!