

DaChan Food (Asia) Limited

大成食品(亞洲)有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 3999

2025

**Environmental, Social and
Governance Report**



享受安心美食

Contents

About this Report	2	2. Staff Development for Win-win Collaboration	42
Corporate Profile	6	2.1 Hiring in accordance with law	42
Chairman's Statement	8	2.2 Employee health and safety	54
Statement of the Board	12	2.3 Mutual growth of the Company and employees	59
2025 Sustainable Development Results	14	3. Protecting the Earth with Clean Energy and Low-carbon Transformation	68
Events of the Year	14	3.1 Reducing emissions	68
Summary of ESG key performance	15	3.2 Reducing resource consumption as needed	73
Awards	17	3.3 Responding to climate change	82
Communication with Stakeholders	22	4. Operating with Integrity and Guarding the Bottom Line	89
Materiality Analysis of Issues	24	5. Giving Back to Society and Contributing to the Community	94
ESG Risk Management	25	Appendix	99
1. Consumer Reassurances in Food Safety	28	Table of ESG Key Performance Indicators	99
1.1 Food safety management	28	HKEX ESG Reporting Code Content Index	105
1.2 Supplier selection management	32	Reader Feedback	111
1.3 Customer service and privacy protection	35		
1.4 Product R&D and intellectual property protection	38		
1.5 Animal welfare	40		



About this Report

This Report is the tenth “Environmental, Social and Governance Report” issued by DaChan Food (Asia) Limited (the “Company”, “DaChan Food” or “we”, together with its subsidiaries and its jointly-controlled entities, the “Group”). It provides an introduction to the Group’s environmental, social and governance (the “ESG”) efforts and contributions, and its future outlook. We regard this Report as an important communications link between the Company and its stakeholders. It is hoped that the Group can continue to improve its ESG work under the guidance of internal and external stakeholders, and thereby enhance its overall production and operational quality.

REPORTING PERIOD AND SCOPE

This Report discloses the Group’s approaches, initiatives and performance in relation to ESG management from 1 January 2025 to 31 December 2025 (the “Year” or “Reporting Period”). Some of the Report’s contents are dated back from before 2025 and into 2026. The scope of the content disclosed in the Report is the same as that of the Group’s 2025 Annual Report, with the environmental data covering 23 factories and branches in China. For details, please see the table below.

Full names of the Group’s subsidiaries and factories	Abbreviations
Dongbei (Beijing) Consultant Co., Ltd.	–
DaChan Wanda (Tianjin) Co., Ltd.	Tianjin food factory
Bengbu DaChan Food Co., Ltd.	Bengbu food factory
Taixu & DaChan Food (Bengbu) Co., Limited	
Great Wall Food (Dalian) Co., Limited	Dalian food factory
Miyasun-Great Wall Foods (Dalian) Co., Ltd.	Dalian Great Wall food factory
Liaoning Great Wall Agri-Industrial Co., Ltd., Liaoyang Branch	Liaoyang food factory
Yanzhou S&F Farm Co., Ltd.	Yanzhou food factory
DaChan Food (Hebei) Co., Ltd. Cangzhou meat factory	Cangzhou meat factory
Great Wall Agri (Tieling) Co., Ltd.	Tieling meat factory

Full names of the Group's subsidiaries and factories

Bengbu Meat Factory of Bengbu DaChan Food Co., Ltd.

Dalian Meat Factory of Great Wall Food (Dalian) Co., Limited

Tianjin Feed Mill of Great Wall Food (Tianjin) Co., Ltd.

Dalian Feed Mill of Great Wall Food (Dalian) Co., Limited

Great Wall Agri (Heilongjiang) Co., Ltd.

Dongbei Agri (Changchun) Co., Ltd.

Changtu Feed Mill of Great Wall Agri (Tieling) Co., Ltd.

Liaoning Great Wall Agri-Industrial Co., Ltd.

Great Wall Agritech (Huludao) Co., Ltd.

Miyasun-Great Wall Foods (Dalian) Co., Ltd., Yingkou Branch

Shandong DaChan Biotechnology Co., Limited

Hunan Greatwall Technologies & Feeds Co., Ltd.

DaChan Agricultural Technologies (Sichuan) Co., Ltd

Cangzhou Feed Mill of DaChan Food (Hebei) Co., Ltd.

Bengbu Feed Mill of Bengbu DaChan Food Co., Ltd.

Abbreviations

Bengbu meat factory

Dalian meat factory

Tianjin feed mill

Dalian feed mill

Heilongjiang feed mill

Changchun feed mill

Changtu feed mill

Shenyang feed mill

Huludao feed mill

Yingkou feed mill

Yucheng feed mill

Changsha feed mill

Sichuan feed mill

Cangzhou feed mill

Bengbu feed mill

MAIN REPORTING BENCHMARKS

This Report was prepared in accordance with the Environmental, Social and Governance Reporting Code (“ESG Reporting Code”) published by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with reference to the United Nations 2030 Sustainable Development Goals (SDGs).

PREPARATION PRINCIPLES OF THE REPORT

Materiality: We identify key ESG issues through materiality assessment, and the relevant processes and results are disclosed in the ESG report;

Quantitative: In 2017, the Group established an ESG indicator collection system covering all of the Group’s factories and statistics on all quantitative indicators are regularly collected for the “environmental” portion of ESG Reporting Guide. Since 2021, the Group has been collecting statistics regularly on quantitative indicators on “social” aspects. For indicators under “environment” and “social”, please refer to “Appendix: Table of ESG Key Performance Indicators”, “Staff Development for Win-Win Collaboration” and “Consumer Reassurances in Food Safety” in this Report. Data involving calculation has been marked with the standard and calculation method;

Consistency: This Report makes no major adjustments to the disclosure scope of previous years’ ESG Reports, and uses the same statistics and calculation methods as previous years.

PUBLICATION

This Report is available online in both Chinese and English versions. All stakeholders can access the Report on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk. In case of any discrepancy between the two versions, the Chinese version shall prevail.

CONTACT INFORMATION

We highly value the opinions of our stakeholders and the public about this Report. Should you have any enquiries or suggestions, please contact the Group through the following means.

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Corporate Profile

DaChan Food (Asia) Limited (“DaChan Food”, the “Company” or “We”) has been listed on the Stock Exchange since 2007. We are a leading fully integrated animal protein product provider whose products range from processed food, frozen and fresh chicken meat products and livestock and poultry feeds. DaChan Food adopts a highly vertically integrated business model, integrating feeds production, chicken hatching and slaughtering, chicken meat processing and processed food production into a unified operating platform. The Company has invested successively in 13 provinces and cities, including Liaoning, Tianjin, and Anhui, with nearly 30 factories and over 8,000 employees in total. The Group processes approximately 100 million chickens annually, helping tens of thousands of farmers to prosper through chicken breeding, with operating income over RMB6 billion. DaChan Food has successfully developed into one of leading enterprises in the processed food in the People’s Republic of China (“PRC”) market.

DaChan Food was an authorised chicken supplier for the 2008 Beijing Olympic Games and was granted the Key National Leading Enterprise for Agricultural Industrialisation award with four chicken meat production bases and six large-scale processed food production bases. DaChan Food is a well-known supplier of processed chicken meat in the PRC. We are also one of the designated suppliers of chicken meat to leading well-known international fast food chains, as well as the designated exporter of quality Chinese chicken meat products to well-known convenience store chains and large supermarkets in Japan. With the export of our products to Japan, Singapore and other countries as well as Hong Kong, China, the Company’s market share is increasing year by year, creating huge social and economic benefits.

DaChan Food’s feeds business sells under the brands such as “Dr. NuPak” (補克博士), “Green Knight” (綠騎士) and “SOS”. The Company has rich experience in feeds production, successfully joined the ranks of China’s leading feeds producers, and is one of the largest feeds production enterprises in Asia. We have 13 large-scale feeds production bases in mainland China, with many of our feeds companies selected as national high-tech enterprises.

In 2009, DaChan Food officially initiated the “transparent source” project, a food safety management system providing full traceability from farm to table throughout, enabling consumers to trace product information such as the name of the farmers, the locations of the farms of origin, the animal feeds consumed, and the names of the factories where the foods were processed. Food safety and quality are of the utmost importance, and DaChan Food has earned numerous industry awards and recognitions thanks to our high standard of quality control.

Since 2021, DaChan Food has continued its upward development by investing more than RMB1 billion to initiate the Bengbu DaChan Phase II Project in Bengbu, Anhui Province, which expands the Company’s food processing, broiler slaughtering, automatic cold storage, and projects such as our “10,000-class cleanroom” meat floss factory. In 2026, the Bengbu Food Processing Phase III Expansion Project will be initiated, and it is expected to achieve an annual production value of RMB5 billion after it is put into operation in 2028.

DaChan Food has always adhered to the corporate culture of “Integrity, Modesty and Foresight”, with the corporate vision of “Integrity is the Foundation, Win-win Cooperation and Mutual Growth Brings Safe and Delicious Food into Every Household”, and is committed to continuously providing consumers with safe and reliable meat and animal protein products, and it is an environmentally-friendly enterprise with excellent quality, food safety and high hygiene standards.

Chairman's Statement

James Chun-Hsien Wei
Chairman



**Strengthening the Food Brand,
Driving Integration of Production and Sales**

Dear Stakeholders,

Thank you for the trust and support you have given Dachan Food throughout the challenging year of 2025. It is this trust that has empowered us to steadfastly pursue transformation and advance steadily amid a complex environment.

Over the past year, the global economy has continued to face mounting pressure under multiple factors: recurring geopolitical conflicts, rising trade protectionism, and transition of the world economy into a low-growth cycle. Domestically, insufficient effective demand has coexisted with overcapacity in certain industries. The mutual impact of corporate operating pressure and subdued consumer confidence placed the recovery process under strain. The timely introduction of national policies to stabilize growth and stimulate consumption has renewed market confidence and provided policy support for industry transformation.

In the white feather broiler industry, the imbalance between supply and demand has been particularly pronounced. In recent years, the expansion on the supply side has far outpaced the growth in demand, which has intensified homogeneous competition, squeezed the profit margin along the industrial chain and placed sustained pressure on industry players.

Confronted with this complex environment intertwined with internal and external challenges, we chose not to wait passively for a cyclical rebound. Instead, we made a firm decision to unlock long-term development momentum through business model transformation. We deeply understand that only by strengthening our fundamentals and strengthening our internal capabilities can we build sustainable competitiveness during cyclical fluctuations. We pressed ahead with a strategic shift led by the food business, and continuously optimized the business structure and operation model. Firstly, we further optimized our business model, rebuilt our supply chain system around customer needs, and steadily improved our relative competitiveness by reducing costs and increasing efficiency through refined management. Secondly, we focused on the adjustment of our industrial chain layout, increasing our investments in the expansion of processed food production capacity, research and development of core technologies, optimization of the end-to-end supply chain and precise marketing strategies, while moderately reducing the resource allocation to broiler breeding, slaughtering and feed processing segments – thereby strengthening a growth engine led by processed food. Thirdly, we promoted strategy implementation and organizational capability upgrades, integrating business model transformation with holistic enhancements in organization, systems, talent and culture, to ensure that all strategies can be effectively implemented.

Encouragingly, our transformation efforts have begun to bear fruit in the second half of the year. In the second half of 2025, the Company successfully reversed the losses recorded in the first half of the year and returned to profits, demonstrating operational resilience and recovery momentum. In particular, the processed food segment has continued to serve as a “ballast stone” – in the fourth quarter, the operating income and gross profit of the food business increased by 13% and 17% year-on-year, respectively, accounting for 76% of the Company's gross profit, and has become the most stable profit source and core growth engine of the Group.

RESHAPING THE INDUSTRIAL CHAIN COMPETITIVENESS WITH FOOD AS THE CORE

We recognize that extending deeper into downstream food processing is essential to effectively mitigate cyclical fluctuations in the poultry industry chain and establish a sustainable profit model. Therefore, we continued to increase investments in food production capacity, research and development and supply chain enhancement while moderately reducing resource allocation in breeding and slaughter operations, supporting our business model transformation from “production-driven” to “customer demand-driven.”

In 2025, we further solidified the two major food base layouts centered in Bengbu (in the Yangtze River Delta region) and Dalian (in the Northeast region) and continued to advance planning and construction of the Phase III intelligent food plant in Bengbu to meet the rising market demand for higher value-added chicken products through large-scale and intelligent production. Meanwhile, we deepened the “sales-driven production” supply chain model and stimulated upstream production by downstream orders to enhance responsiveness and cost controllability across the entire chain.

CHANNEL SPECIALIZATION AND SCENARIOBASED PRODUCT DEVELOPMENT TO BUILD DIFFERENTIATED ADVANTAGES

As consumption upgrades and lifestyle changes continue, consumer expectations for food safety, tastiness and convenience have risen, and diversified consumption scenarios keep emerging. The Company has deeply cultivated the domestic meat and food market for over a decade, and has accumulated industry-leading advantages in terms of channel setup and team building. We will strengthen the investment in research and development of food sales channels, continuously promote channel specialization, and design differentiated product combinations according to different consumption scenarios, in order to flexibly cope with the ever-changing consumption trends. At the same time, we are committed to developing healthier and tastier fully-cooked products that meet quality standards, promoting supply chain upgrades towards antibiotics-free, additive-free and clean label measures, and continuously satisfying the emerging market and consumer needs.

MAINTAINING STRONG CASH FLOW TO SUPPORT STRATEGIC ADVANCEMENT

Throughout our transformation journey, we have consistently maintained financial prudence and strengthened cash flow management. In 2025, the Company recorded a net operating cash inflow of RMB340 million, with debt ratios kept at a safe level. This solid financial foundation enables sustained investment in food production capacity and digitalization even by us during industry downturns, and positions us to seize opportunities and steadily expand amid industry consolidation.

DIGITALIZATION AND ESG: LAYING A SOLID FOUNDATION FOR SUSTAINABLE DEVELOPMENT

In response to demographic shifts and industrial upgrading trends, we have continued to increase investment in automation and digitalization. Smart equipment has been widely introduced in new food plant, while ERP system upgrades and exploratory AI applications are steadily advancing. These efforts aim to enhance operational efficiency and decision-making quality through data-driven insights.

Meanwhile, we have consistently integrated the concept of sustainability into our corporate governance and daily operations. In 2025, the Company was rated AA in the Wind ESG rating, reflecting market recognition of our long-term efforts in environmental, social, and governance aspects. ESG is not only a safeguard for risk management but also a crucial pillar for empowering business growth and building a responsible corporate brand.

LOOKING AHEAD TO 2026: PURSUING STEADY PROGRESS WHILE FOCUSING ON THREE KEY DIRECTIONS

Looking ahead to the new year, uncertainties in the international political and economic environments and the domestic economy will persist. We will continue to pursue progress while maintaining stability, and focus on three core directions: 1) concentrating resources on accelerating the growth of the food segment so as to drive the synergized development of the entire industrial chain with food products as the lead; 2) promoting the diversification of feed products and channels in order to hedge the impact of fluctuations in the hog cycle and the changes in the market landscape; 3) deepening the business model adjustment of meat products and focusing on product differentiation and product value enhancement to lower the impact of market fluctuations on the results.

As an enterprise dedicated to meeting consumers' demands for high-quality food products, we will face challenges with stronger determination and closely focus on the market with more practical actions. We will continue to improve product quality and the service standard, and adhere to the concept of honesty and integrity in our operations, so as to provide tasty, safe and healthy food products targeting different consumption scenarios, and will strengthen our corporate governance, proactively assume our corporate social responsibilities, and withstand the uncertainties of the external environment with sustainable and high-quality development.

Once again, thanks for the trust and support from our stakeholders! We strongly believe that, only by taking root in the industry and further cultivating values, we will be able to start a new chapter in the changing landscape and steadily increase shareholders' returns, while witnessing the sustainable development of the industry and the enterprise together with all of you.

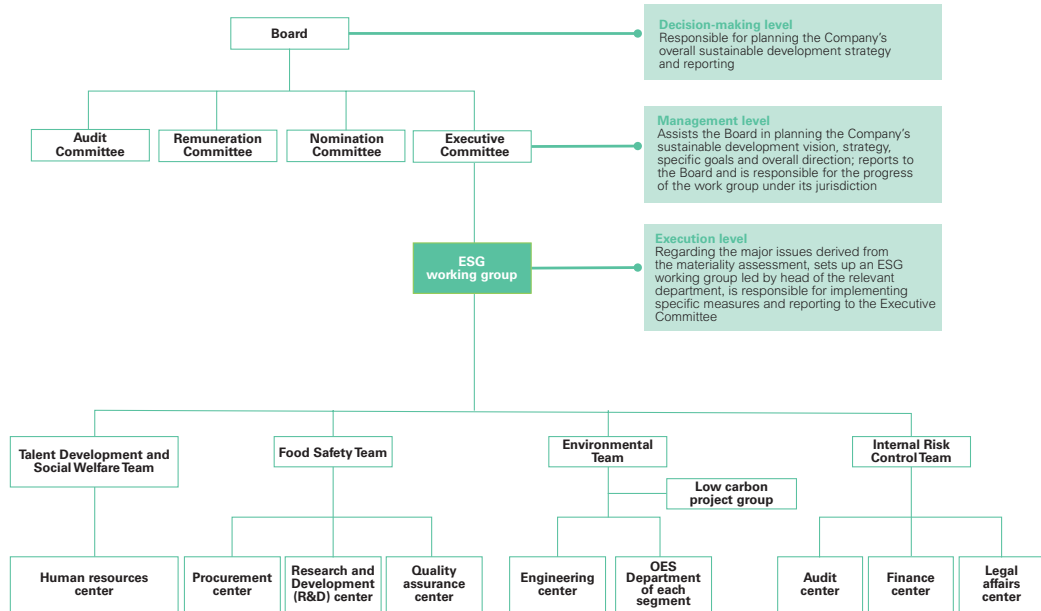
Statement of the Board

As the Company's business encompasses the entire food production chain, we are keenly aware of our responsibilities in terms of ESG information disclosure. We also recognise that environmental, social and governance factors are vital to the Group's future.

The Group's sustainable development strategy is integral to its corporate culture, its operating plans for sustainable development, and enhancing the Group's value. To this end, the Group has developed the following strategic objectives:

- Establish and enhance consumer confidence in food safety
- Apply biotechnology to recycle resources, reduce emissions and curb environmental pollution
- Establish and optimise a high-quality system for talent attraction, training and management
- Create a fair, open and just management and work environment
- Invest in social welfare activities to create a respected brand

The Board of Directors is the Group's highest body for responsibility and decision-making on ESG matters. It assumes full responsibility for the Group's ESG strategy and reporting. Through regular communication meetings, it receives reports from executives in charge of ESG issues. It monitors ESG-related issues that may affect the Company's business or operations, shareholders and other stakeholders, and ensures the integration of ESG concepts and the Company's strategy. The Board of Directors is responsible for reviewing and determining the results of stakeholder communications, the determination of material issues, and reviewing and approving the Company's final ESG report.



ESG GOVERNANCE STRUCTURE OF DACHAN FOOD

The Executive Committee is responsible for reviewing environmental, social and corporate governance issues and regularly reporting and providing opinions to the Board on the following:

- > The adequacy and effectiveness of structures related to sustainability at company level;
- > The formulation and implementation of environmental, social and governance visions, strategies and policies;
- > The formulation and implementation of corporate governance.

On the basis of the external socioeconomic macro environment and the Group’s development strategy, the Group regularly evaluates the importance of ESG topics, discusses and determines ESG risks and opportunities, and regards the management and improvement of key topics as annual strategic aims related to ESG. The Board reviews and confirms the results of the materiality assessment, considers key issues as part of the Group’s overall strategy formulation, and supervises the management and performance of these issues.

2025 Sustainable Development Results

EVENTS OF THE YEAR



January

When selecting cardboard box suppliers, DaChan Food prioritised enterprises holding FSC certification, which was a key initiative in the Group's commitment to sustainable supply chains and environmental responsibility.



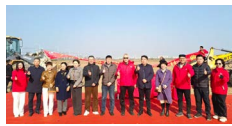
March

DaChan Food launched its antibiotic-free product series of "Worry-Free Original Sauce", which ensures no antibiotics are administered throughout the entire production and processing process, meeting consumers' high demands for food safety.



June

DaChan Food fully implemented safety responsibilities through group-wide safety production inspections and training initiatives, including fire drills and first-aid skills training, to enhance the safety awareness of employees and emergency response capabilities, and collectively strengthened safety defences.



December

The groundbreaking ceremony for the expansion project of DaChan Food phase III Intelligent Industrial Park was successfully held. It is expected to be put into operation in 2028, with an annual production value of RMB5 billion, injecting robust industrial momentum into the high-quality development of the regional economy.

February



DaChan Food established a Low-Carbon Project group, collaborated with KPMG to conduct carbon inspection across all factories under the Group, which assisted the Company in implementing low-carbon transformation plan, ultimately aiming to achieve the "carbon neutrality" management goal for the entire value chain by 2060.

April



To achieve sustainable development goals and deepen the understanding and practice of ESG concepts among all employees, DaChan Food launched events with the theme of "Green and Low-Carbon Life Starting with Resource Conservation". The events included carbon reduction initiatives and the empty dish initiative, embedding green and low-carbon concept into daily operations to comprehensively promote the construction of resource-efficient corporate.

September





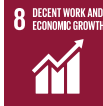

DaChan Food has always regarded food safety as the lifeline of the enterprise. During the National Quality Month, the Group shares its practices and stories in ensuring food safety and improving product and service quality, jointly conveying DaChan Food's commitment and pursuit of excellence.

SUMMARY OF ESG KEY PERFORMANCE

Indicators		Unit	2025	2024
Environmental Performance				
				
Total power consumption		'000 kWh	165,257.13	154,363.18
Total natural gas consumption		cubic meters	7,702,948.39	6,899,440.62
Comprehensive energy consumption intensity	Food factory	'000 kWh/RMB10,000 (Food factory operating income)	0.64	0.63
	Feeds factory	'000 kWh/RMB10,000 (Feeds factory operating income)	0.39	0.26
Greenhouse gas emission intensity	Food factory	tonne of carbon dioxide equivalent/RMB10,000 (Food factory operating income)	0.37	0.38
	Feeds factory	tonne of carbon dioxide equivalent/RMB10,000 (Feeds factory operating income)	0.16	0.17
Water consumption intensity	Food factory	cubic meter/RMB10,000 (Food factory operating income)	6.51	6.14
	Feeds factory	cubic meter/RMB10,000 (Feeds factory operating income)	0.97	0.66
Hazardous waste generation intensity	Food factory	gram/RMB10,000 (Food factory operating income)	3.12	8.15
	Feeds factory	gram/RMB10,000 (Feeds factory operating income)	6.84	3.99






2025 Sustainable Development Results

SUMMARY OF ESG KEY PERFORMANCE




Indicators	Unit	2025	2024
Social Performance			
   			
Total number of employees	person	8,356	8,324
Total training time of employee	hour	222,180	120,729
Rate of work-related deaths	%	0	0.03
Number of working hours lost due to work-related injuries	day	3,031	3,098

For more information about ESG Key Performance Indicators, please see the contents and appendix of this report.






AWARDS

Awardee	Names of Awards Received	Issuing Unit	Pictures of Awards
DaChan Food (Asia) Limited	2025 Forbes China Annual Value Brand in the Consumer Sector	Forbes China Group	
DaChan Food (Asia) Limited	2025 Forbes China Annual Outstanding CEO Award in the Consumer Sector	Forbes China Group	
DaChan Food (Asia) Limited	2025 Forbes China Annual Influential Product in the Consumer Sector (Pan-fried Chicken Chop)	Forbes China Group	
DaChan Food (Asia) Limited	The 7th iSEE Top 100 Innovative Brands (5A Seaweed Pork Floss)	Organising Committee of iSEE Global Award	
DaChan Food (Asia) Limited	iSEE Global 2 Stars for Taste Award (30g German Pork Sausage)	Organising Committee of iSEE Global Award	

2025 Sustainable Development Results

Awardee	Names of Awards Received	Issuing Unit	Pictures of Awards
DaChan Food (Asia) Limited	iSEE Global 2 Stars for Taste Award (Braised Chicken Drumstick (Spicy Braised Flavour))	Organising Committee of iSEE Global Award	
DaChan Food (Asia) Limited	2025 Frost & Sullivan Annual Influential Product in China Consumer Sector (Premium Roasted Chicken Thigh/Chop)	Frost & Sullivan	
DaChan Food (Asia) Limited	2025 Annual Gold Quality Products in the Catering Supply Chain (Quick-Frozen Salt Crispy Chicken)	The fifth Red Bull Award Judging Committee for China's Catering Industry	
DaChan Food (Asia) Limited	2025 Boao CEO Industry Innovation Leader Award	Organizing Committee of Boao CEO Innovation Business Forum in 2025	
DaChan Food (Asia) Limited	China Food Industry "14th Five-Year Plan" High-Quality Development • Benchmark Enterprise	Honouring Organizing Committee of China Sugar Business Conference under 14th Five-Year Plan Exemplary Forces Judging Committee in the China Food Industry	


2025 Sustainable Development Results

Awardee	Names of Awards Received	Issuing Unit	Pictures of Awards
DaChan Food (Asia) Limited	“Excellent Case of Practicing Food Safety and Quality Control” for 2025 Ninth Food Enterprise Social Responsibility Annual Conference	Social Responsibility Annual Conference of Food Enterprises	
DaChan Food (Asia) Limited	Customer Success Award	Liepin	
DaChan Food (Asia) Limited	2025 Top 100 Enterprises for the Catering Supply Chain	The fifth Red Bull Award Judging Committee for China’s Catering Industry	
Bengbu DaChan Food Co., Ltd.	ITI 2 Stars for Taste Award (30g German Pork Sausage)	International Taste Institute in Brussels	
Bengbu DaChan Food Co., Ltd.	ITI one-star Taste Award (Crispy Seaweed Pork Floss)	International Taste Institute in Brussels	

2025 Sustainable Development Results

Awardee	Names of Awards Received	Issuing Unit	Pictures of Awards
Bengbu DaChan Food Co., Ltd.	Annual Innovation Brand Award	Organizing Committee of Global Meat Trade Expo	
Bengbu DaChan Food Co., Ltd.	2025 Quality Performance Award	Jujia Shushi Suppliers Conference	
Bengbu DaChan Food Co., Ltd.	Annual Best Partner in the 13th China Food Trade Fair for 2025	Organizing Committee of the China Food Trade Fair	
Great Wall Food (Dalian) Co., Limited	2025 Annual Best Strategic Partner of Lawson in North China	North China Lawson Suppliers	
Great Wall Food (Dalian) Co., Limited	Evaluation Certificate of Enterprise Brand Value of Liaoning Province in 2025	Liaoning Provincial Association for Brand Promotion	

2025 Sustainable Development Results

Awardee	Names of Awards Received	Issuing Unit	Pictures of Awards
DaChan Food (Hebei) Co., Ltd.	Provincial level Agricultural Industrialization Consortium	Department of Agriculture and Rural Affairs of Hebei Province	
DaChan Food (Hebei) Co., Ltd.	Key Leading Enterprise in Agricultural Industrialisation in Hebei Province	People's Government of Hebei Province	
Taixu & DaChan Foods (Bengbu) Co., Limited	Innovative Product Award at the 27th China International Baking Exhibition (Typhoon Shelter Crispy Floss)	Organizing Committee of China International Baking Exhibition	

Communication with Stakeholders

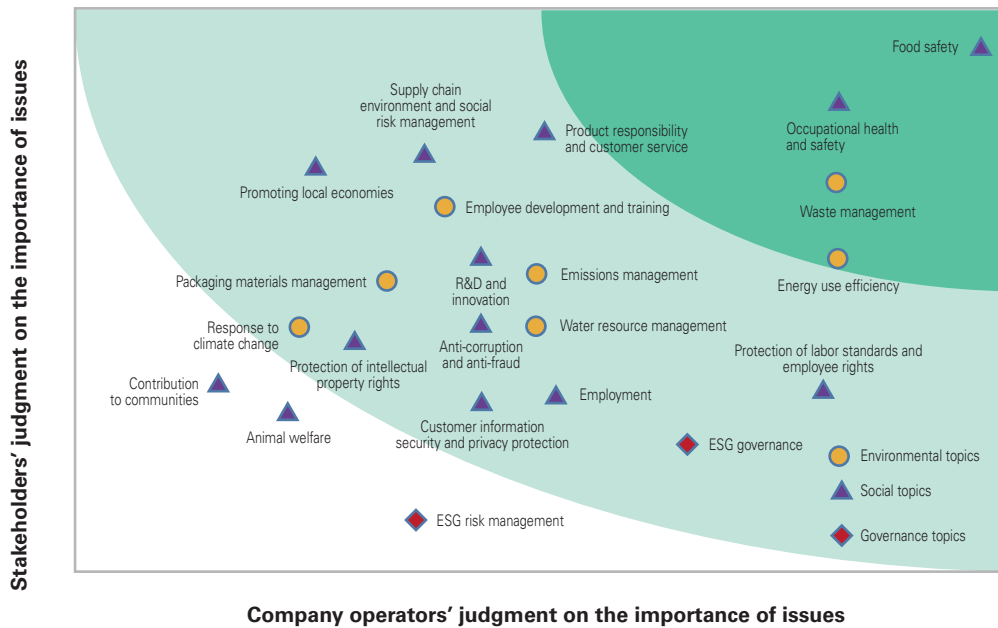
The Group's efficient communication and feedback mechanism enables it to listen to the opinions and suggestions of stakeholders such as government authorities, shareholders, customers, employees and suppliers, identify their expectations of the Group, and respond with targeted improvements to its ESG performance.

Stakeholders	Expectations of stakeholders	Communication and engagement mechanism	Response of the Group
Investors	<ul style="list-style-type: none"> • Increase in the Company's market value and profitability • Continuous improvement in the Company's environmental and social responsibility performance 	Shareholders' meetings, information disclosure, company website	<ul style="list-style-type: none"> • Release periodic reports, disclose information in a truthful and comprehensive manner, endeavor to improve results and generate profits • Advance corporate governance and risk management level, convene general meetings, enhance investor relations management and strive to improve environmental and social responsibility management
Customers	<ul style="list-style-type: none"> • High product quality • Safeguarding customer's legitimate interests 	Entering into contracts and agreements	<ul style="list-style-type: none"> • Provide high-quality products and services • Continue to enhance the customer service system as well as the customer feedback and complaint mechanism
Employees	<ul style="list-style-type: none"> • Safeguarding remuneration and benefits of employees • Caring for safety and health of employees • Offering fair promotion and development opportunities • Improving communication mechanism and participating in company management 	Labor contracts, labor unions	<ul style="list-style-type: none"> • Strictly comply with the terms of labor contracts, improve the remuneration and benefit system • Provide a safe and healthy working environment • Provide employee development channels and organize staff training • Offer equal communication channels

Stakeholders	Expectations of stakeholders	Communication and engagement mechanism	Response of the Group
Government	<ul style="list-style-type: none"> Observing the laws and regulations, operating in compliance with national policies 	Participating in governmental conferences	<ul style="list-style-type: none"> Strictly observe relevant laws and regulations, continuously enhance corporate compliance management, and respond to national policies
Suppliers	<ul style="list-style-type: none"> Integrity, fair and impartial cooperation, mutual benefits and win-win situation to facilitate the development of industry 	Entering into contracts and agreements, holding regular tendering and supplier meetings	<ul style="list-style-type: none"> Actively perform the contracts and agreements by adhering to open and transparent business principles, implementing an open and transparent procurement model, and develop a responsible supply chain
Community	<ul style="list-style-type: none"> Reducing the impact of production and operation on the local community Promoting local economic development 	Participating in community activities, enhancing community interaction and making donations to public welfare	<ul style="list-style-type: none"> Support community welfare activities Employ local staff

Materiality Analysis of Issues

In accordance with the Hong Kong Stock Exchange’s “ESG Reporting Code” and in consideration of ESG issues of general concern in the industry, the Group engages in various forms of exchange and communication with stakeholders to identify and screen ESG issues relevant to the Group. With reference to the process of materiality analysis issued by the Global Reporting Initiative (“GRI”), the Group collects and records major issues of stakeholders’ concern and the results of evaluating the importance of each issue through questionnaires, interviews and other means. It then conducts analysis and sequencing of the issues of importance in order to understand internal and external stakeholders’ degrees of emphasis on ESG issues and confirm the materiality issue in environmental, social and governance of the Group. These are disclosed in the Report as shown below.



ESG Risk Management

The Group strictly implements risk prevention and governance measures, conducting regular risk assessments related to business and ESG issues to ensure that the management can take appropriate response measures in a timely manner. During the Reporting Period, the profit center of the Group integrated the risk factors submitted by various departments and conducted detailed analyses, assessing risks in multiple areas such as environment, policy, food safety, finance, and talent. Six types of risks were identified: environmental risk, food safety risk, talent risk, strategic risk, financial risk, and policy risk. For the risk items with a significant impact, corresponding response strategies and improvement measures were formulated, as detailed below:

Risk Category	Relevant Risk Items with Significant Impact on Business	
		Response Strategies and Improvement Measures
Environmental Risk	Solid Wastes	<ul style="list-style-type: none"> Continuously improve the waste management process and promote waste reduction and recycling.
	Energy Management	<ul style="list-style-type: none"> Regularly monitor the operation status of the cooling and power systems and take measures to reduce related risks. Through the boiler coal-to-gas renovation project, gradually promote equipment energy-saving renovations to improve energy consumption status.
	Wastewater Discharge	<ul style="list-style-type: none"> Daily dynamically monitor the wastewater discharge indicators to ensure compliance with environmental standards. Through regular training and technical guidance, we help employees avoid the impact of seasonal changes on the operation of the wastewater station.
	Climate Change	<ul style="list-style-type: none"> Renovate the rainwater drainage system equipment and facilities of the factory. Continuously optimize the insulation measures and air conditioning systems in the workshop to ensure that the workshop temperature remains within a reasonable range in hot weather.

Risk Category	Relevant Risk Items with Significant Impact on Business	Response Strategies and Improvement Measures
Food Safety Risk	Product Development	<ul style="list-style-type: none"> • Through in-depth research on the characteristics of raw materials, explore their potential in different market terminal application scenarios, and promote innovative applications. • Continuously optimize the functions and process indicators of processing equipment to ensure the efficiency and stability of the production process. • Regularly conduct shelf life experiments to monitor the performance changes of products under different conditions to ensure the long-term stability of the product in the market.
	Storage and Logistics	<ul style="list-style-type: none"> • Ensure that the operating environment meets standards to prevent losses caused by rough operations. • Monitor the effectiveness of food safety protection. • Ensure the safety and reliability of transportation facilities. • Regularly inspect and maintain measuring equipment to ensure its normal operation.
	Market Sampling	<ul style="list-style-type: none"> • Establish an effective market feedback mechanism to collect opinions from end-users. • Understand the results of government and official sampling tests to ensure that the product quality meets requirements. • Familiarize with and apply relevant laws and regulations to ensure the legality and compliance of company operations.
	Counterfeit Product Complaints	<ul style="list-style-type: none"> • Implement strict process and label layout review systems to ensure the product quality. • Control the qualifications and certificates of the supply chain system and analysis certificates (COA) to ensure the qualifications of suppliers. • Establish a good traceability system and continuously improve it. • Enhance the professional ability and training level of response personnel.

Risk Category	Relevant Risk Items with Significant Impact on Business	Response Strategies and Improvement Measures
Talent Risk	<p>Internal and External Recruitment and Selection Mechanisms</p> <p>Organizational and Talent Inventory Mechanism</p> <p>Talent Cultivation and Career Development Mechanism</p>	<ul style="list-style-type: none"> • Establish and release the “Recruitment Management System”, “Promotion Management System”, and “Retirement Management System”. • Improve the internal competitive selection mechanism. • Establish an operating talent inventory mechanism. • Institutionalize the Elite Development Program. • Establish position qualification standards. • Conduct monthly tracking and review of top talents of the 2024 and 2025 grades through the 721 model. • Establish a rotation system to promote talent mobility.
Strategic Risk	Strategic fails to be implemented	<ul style="list-style-type: none"> • Use the OGSM tool for strategic decoding, horizontally connect, and vertically align. • Hold internal operation management meetings monthly and conduct reviews quarterly to continuously calibrate performance KPIs and provide quarterly awards incentives.
Financial Risk	<p>Liquidity Risk</p> <p>Tax Management Risks</p>	<ul style="list-style-type: none"> • Control accounts receivable, accounts payable, and inventory through the indirect cash flow statement and regularly review credit management plans. • Adjust tax planning based on tax conditions and tax environment, and conduct effective communication and response.
Policy risks	Public Opinion Monitoring	<ul style="list-style-type: none"> • Maintain and promote the operation of the three major sectors, i.e. operation, corporate culture and ESG. • Plan to launch external official media. • Establish and release the “Compliance Use Guidelines on Employee Social Media”, invite consultants to conduct training for business representatives to enhance employees’ social media usage capabilities.

1. Consumer Reassurances in Food Safety

DaChan Food is committed to the production of high-quality safe food, and actively responds to the United Nations 2030 Sustainable Goals 2, 9, 12 and 15 by promoting responsible production, ensuring food safety and striving for innovation and development.



1.1 FOOD SAFETY MANAGEMENT

DaChan Group operates in full compliance with the Food Safety Law of the PRC (《中華人民共和國食品安全法》), the Product Quality Law of the PRC (《中華人民共和國產品質量法》), the Metrology Law of the PRC (《中華人民共和國計量法》), the Law of Animal Epidemic Prevention of the PRC (《中華人民共和國動物防疫法》), the Work Safety Law of the PRC (《中華人民共和國安全生產法》), the Advertising Law of the PRC (《中華人民共和國廣告法》), the Law of the PRC on the Protection of Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》), the Law of the PRC against Unfair Competition (《中華人民共和國反不正當競爭法》) and other relevant laws, regulations, standards and requirements, and system documents such as the Quality Manual, Procedure Document, Prerequisite Programme, Food Safety Plan and Quality Control Standard Book have been formulated. Guided by these laws and regulations, we maintain a food safety management system based on standardized systems such as ISO9001, ISO22000, FSSC22000, BRC and HACCP. It stringently implements a system of raw material procurement inspections, production process control and product delivery inspections to ensure the provision of safe and healthy food to consumers. In 2025, the Group experienced no incidents of recalling products sold or delivered due to safety and health reasons, and did not violate laws and regulations on the health and safety of products and services, or those pertaining to advertising, labelling and privacy.

The Group has developed a comprehensive three-level food safety management system. During the Reporting Period, the Group conducted a thorough review of the adequacy, suitability and effectiveness of the food safety management system, adding 62 new documents while updating and amending 299 documents.

During the Reporting Period, the Group underwent 324 food safety and quality system audits, among which 26 were independent third-party system certification audits, 161 were customer audits, 114 were supervisions and verifications by government departments, 23 were internal factory audits. Our passing rate for the audits was 100%.

1. Consumer Reassurances in Food Safety

The Group has developed a comprehensive and stringent GMP inspection standard. Each factory performs daily on-site GMP inspection in accordance with these standards, forming a comprehensive GMP inspection network. During the Reporting Period, the Group's factories proposed a total of 3,327 items of optimization on product quality according to the GMP provisions, with an implementation rate of 99%, resulting in 105 operational procedures. During the Reporting Period, the Group organized and conducted 2 GMP audits to achieve the dual purpose of promoting quality control improvements and experience sharing.

In terms of food safety inspection and acceptance standards, the Group added 97 new acceptance standards during the Reporting Period, with 9 for raw materials, 86 for auxiliary materials and 2 for packaging materials. Additionally, 96 acceptance standards were updated, with 11 for raw materials, 84 for auxiliary materials and 1 for packaging materials.

During the Reporting Period, the companies of the Group fully upgraded their food safety and quality management system. All of its deep food processing and meat factories have achieved full coverage in food safety and quality control systems. As of the end of the Reporting Period, the Group has obtained 32 certificates on food safety and quality control systems, establishing a robust food safety defence line through comprehensive management with system certification.

Type of system	ISO22000	HACCP Hazard		FSSC22000	ISO9001	Antibiotic-free product certification	HALAL certification
	Food Safety Management System	Analysis and Critical Control Point System	BRC Global Food Safety Standards	Food Safety Management System	Quality Management System		
Number of certificates (sheets)	4	2	4	9	1	3	9

1. Consumer Reassurances in Food Safety

Each of the Group's factories is equipped with inspection laboratories for product quality and compliance testing. During the Reporting Period, the Group completed over 123,000 sample tests, with a sample pass rate exceeding 98.6%. Moreover, the Group has constructed 3 testing centers in the major production areas to guide and standardize the testing in all areas. As of the end of the Reporting Period, all testing centers have passed the review evaluation of the China National Accreditation Service for Conformity Assessment (CNAS).

- Training for inspectors: The Company has completed 51 training for inspectors, covering topics such as testing methods, equipment maintenance, biosafety, food safety, Halal food-related standards, management systems, and CNAS guidelines. These sessions comprehensively enhanced testing standards and improved the overall capabilities of inspectors.
- Comparison of blind samples: We have completed 12 proficiency validations on ofloxacin, nitrofurantoin, amantadine, peroxide value, total arsenic, sorbic acid, cyclamate, total number of bacteria colonies, salmonella and fecal coliform. All results were satisfactory.
- Added or replaced 17 equipment, including low-speed centrifuges, rotary evaporators, nitrogen blowers, vertical pressure steam sterilizers, etc., to satisfy the needs for inspection and guarantee the accuracy of the results.

The Group has established stringent food safety control objectives and formed a two-way review mechanism through weekly bottom-up meetings and monthly top-down reports to review the achievement of food safety control objectives such as the rate of customer complaints, etc. The Group achieved its overall complaint rate target and ensured full customer satisfaction through effective communication with customers.

1. Consumer Reassurances in Food Safety

STRICT MANAGEMENT AND CONTROL OF DRUG RESIDUES

The Group's Food Safety Centre updated the "Residual Testing Procedures and Internal Control Standards" for compliance with the "Announcement No. 250 of the Ministry of Agriculture and Rural Affairs of the People's Republic of China", "National Food Safety Standard Maximum Residue Limits of Veterinary Drugs in Food" (GB31650-2019), and "National Food Safety Standard: Maximum Residue Limits for 41 Veterinary Medicines in Food" (GB 31650.1-2022), the requirements of the national annual sampling programme and relevant national laws and regulations. The updated Standards stipulate drug residue limit standards and testing frequency and the maximum residue limit for drugs allowed by the country, and clearly stated that those drugs which are prohibited.

Case: DaChan Food launches antibiotic-free series of "Worry-Free Original Sauce"

DaChan Food has always adhered to the principles of "health, safety, and deliciousness", providing customers with innovative, safe, and nutritious products. In response to consumers' concern about food drug residues, the Group launched the antibiotic-free series of "Worry-Free Original Sauce" in March this year. The products include antibiotic-free olive oil chicken chop, antibiotic-free chicken thigh, antibiotic-free olive oil pork sausages, etc., totalling 9 products. They completely avoid the use of ingredients that have been exposed to antibiotics and provide customers with natural, drug-free healthy food. The Group strictly monitors the quality of ingredients through the "Five Controls and One Standard" (control of varieties, environment, water quality, feed quality, and diseases) and uses the traceability system to monitor every step from production to sales of the products to ensure the safety of the products is guaranteed.



1. Consumer Reassurances in Food Safety

FOOD RECALL

We established the “Food Recall Procedures” in accordance with the system, and conduct recall drills at least twice a year. Recalls are required to be completed within 2 hours. In 2025, each factory conducted recall drills according to the requirements, with a 100% effective rate.

1.2 SUPPLIER SELECTION MANAGEMENT

SUPPLIER SELECTION MANAGEMENT

With regards to supplier management, the Group formulated and stringently implemented supplier management systems such as “Supplier Management Procedures” and “Measures of Financial Management for Purchasing”, actively promoted the full-process ESG management of suppliers to enhance competitive advantage through effective management and collaboration with external supplier resources. The Group’s “Supplier Management Procedures”, “Feeds Raw Material Purchasing Management Procedures” and “Veterinary Drug Vaccine Purchasing Operation System” regulate access to raw food materials, excipients, packaging materials, raw feed materials, additives, drugs and fuel suppliers as part of its day-to-day management. The purpose of our supplier selection management mechanism is to control quality at the source. Before purchasing materials, all suppliers must be reviewed by a Supplier Management Specialist from the Food Safety Centre and included in the qualified supplier management list. The Group attaches great importance to the selection process and continued management of suppliers, selecting suppliers that value environmental protection and corporate social responsibility. Selected suppliers are continuously managed via such means as internet verification of legal litigation information (“National Corporate Credit Information Disclosure System”, “Tianyan Check”), on-site inspections, qualification reviews, qualification rate assessments and performance evaluations, covering hardware facilities, systems, food safety risks, supply capabilities, etc. to ensure that all suppliers comply with the Group’s procurement policies. In its review of drug suppliers, the Group requires them to issue “reports on the treatment of drug residues, chemical residues and packaging materials” and “relevant systems, contracts and treatment ledgers of hazardous waste treatment” when necessary as it is particularly concerned about how suppliers handle drug residues, chemical residues and packaging materials.

The Group strives to foster mutual development with its suppliers. A mechanism has been established for sharing food safety-related information with and providing support to suppliers, including regular updates on food safety-related laws and regulations. These prompt suppliers to update the statutory standards in a timely manner and to manage in accordance with the laws and regulations, by which the compliance and safety of the products supplied by the suppliers are enhanced. For suppliers with the willingness and potential for improvement, the Group will appoint a supplier management commissioner to help optimize their food safety management, overcome major supply abnormalities, provide on-site rectification ideas and methods, and organize visits to Group’s factories, so as to achieve social governance in food safety and quality.

In order to achieve the goal of “zero foreign objects and zero complaints”, we have pushed forward the establishment of a quality management system for our suppliers and have passed the quality management system certification. During the Reporting Period, the Group encouraged suppliers to pass the quality management system certification, and the ratio of suppliers currently cooperating with us with quality management system certification was 81%.

1. Consumer Reassurances in Food Safety

As of the end of the Reporting Period, the Group's local procurement ratio was 100%. During the Reporting Period, the Group completed 6 trainings in relation to carton, laminated bag, PE, auxiliary materials and vaccine suppliers, and the Group's suppliers have a 100% signing rate for the "Undertaking for Anticorruption and Anti-bribery".

GEOGRAPHICAL DISTRIBUTION OF THE GROUP'S SUPPLIERS

Region	Number of suppliers	Region	Number of suppliers
Shandong	46	Anhui	71
Liaoning	94	Jilin	9
Tianjin	36	Sichuan	10
Hebei	15	Heilongjiang	4
Beijing	12	Shanghai	12
Shanxi	5	Inner Mongolia	2
Jiangxi	1	Jiangsu	6
Hubei	1	Henan	12
Fujian	4	Chongqing	1
Zhejiang	1		

In accordance with the "Announcement No. 250 of the Ministry of Agriculture and Rural Affairs of the People's Republic of China" and taking into consideration the list of drugs and other compounds prohibited in food and animals, relevant laws and regulations, and market risk and other factors, the Group's Animal Protection Centre has compiled a "List of Permitted Veterinary Drugs for Commercial Broilers". Veterinary drug suppliers are evaluated annually, and the quality of all antibiotics, antivirals and other veterinary drugs is inspected and verified. Veterinary drugs are purchased, distributed, with inoculation done and used uniformly. Veterinarians with professional qualifications supervise the use of drugs throughout the entire process, and the use of drugs to the poultry is uniformly managed.

1. Consumer Reassurances in Food Safety

REAL-NAME TRACEABILITY SYSTEM

The Group adheres to the motto “DaChan, we work for your health” and has established and perfected a food traceability system for the production of quality and safe food. On 24 September 2014, the nation-first “Food Safety Real-Name Traceability System” developed by the Group was launched. DaChan Food adopts a highly vertically integrated business model, integrating feed production, chicken hatching and slaughtering, chicken meat processing and processed food production into a unified operating platform. The Group’s five unified management models are as follows: unified supply of chicks, unified feed, unified immunization, uniform medication, unified collection. From the farm to the dining table, there are over 100 quality control checkpoints to monitor the whole process. The refined management of each link and the accumulation of big data ensure the effective and stable operation of the Real-Name Traceability System.

DaChan’s “Real-Name Traceability System” uses the unique contract number and batch number of the farm to connect subsequent traceable links, such as for breeding, production and processing. The result is real-time, dynamic monitoring and control of “the four W’s” (who, when, where, what). Traceable content spans the entire process, from agricultural materials and farms to preliminary and deep food processing. Time data covers points such as material use, slaughter, processing and inspection. Personnel can be traced back to specific breeders, production plant managers, quality controllers and veterinarians to clarify personal responsibility. All-process real-name traceable data from the farm to the dining table are ensured to be dynamic, true and monitorable.

To ensure food safety, the Group has increased its investment in inspection personnel and equipment. The Group maintains 3 testing centers in Dalian, Bengbu and Tianjin that have been approved by the China National Accreditation Service for Conformity Assessment (CNAS). Those testing centers have a testing capacity of 215 pesticide residue items, 172 veterinary drug residue items, 31 physics and chemistry items, 11 microbiology items, 4 allergen items, 4 food additives, and many others.

1.3 CUSTOMER SERVICE AND PRIVACY PROTECTION

CUSTOMER SERVICE

DaChan Food has always upheld the operating philosophy of “food safety first and quality-oriented”, building an industry renowned real-name traceability system such that consumers can eat with transparency and confidence. This persistent pursuit and unremitting efforts of product quality allows DaChan Food to always maintain excellent product quality and earn high recognition from customers within the industry. The Group built its brand image through product and package upgrades, customer service and marketing. In 2025, our German Pork Sausages and Braised Chicken Drumstick received 2 Stars Taste Award and Global 2 Stars Taste Award respectively from ITI and iSEE, the third-party institutions. The Group also continuously held the “DaChan Cup Chinese Cuisine Bread Competition”, building its brand image from multiple aspects.



iSEE Global 2 Stars for Taste Award (Braised Chicken Drumstick (Spicy Braised Flavour))



ITI 2 Stars for Taste Award (30g German Pork Sausage)

1. Consumer Reassurances in Food Safety

The Group has established a mature customer management system, such as the “Letter of Understanding to Customers”, which clarifies customer rights and responsibilities, jointly manage daily business activities to protect the interests of customers. The Group’s “Product Customer Complaint Handling Process” document clearly outlines product customer complaint categories, feedback channels and methods, responsible personnel for complaint analysis, complaint response time, problem-solving procedures, procedures for verifying the effectiveness of solutions, and guidelines for continuous improvement.

The Group’s customers include both online shop and offline terminal customers. The customer service department is responsible for related after-sales and complaints. The responsible department for customer complaints is the Food Safety Centre, and the person in charge is the manager of the Quality Assurance Department. Urgent customer complaints are required to be processed within 2 hours, and ordinary customer complaints are responded to within 24 hours. The Quality Assurance Centre is further responsible for analyzing customer complaints and searching for the cause of complaints, developing solutions to causes of problems, verifying the solutions’ effectiveness, and ensuring that the problems do not reoccur.

In 2025, the Group continued to enhance customer services, such as trainings for distributor business teams and jointly promoting terminal services with manufacturers. In 2025, the Group received a total of 274 customer complaints from different production lines, achieving a 100% complaints resolution rate, meeting the Group’s established complaints rate targets, and ensuring full customer satisfaction through effective communication with customers.

CUSTOMER SATISFACTION

In terms of customer satisfaction, the Group:

- conducts regular business reviews. We organize monthly and quarterly business reviews for customers based on their level, led by business supervisors. These reviews aim to share achievements, identify issues, and discuss optimization practices, making collaboration with manufacturers more efficient;
- makes joint proposals. For KA customers and factory customers, we cooperate with distributors to develop joint proposals, providing comprehensive customer service from product solutions, product practice application to factory management concept, achieving a win-win situation through strong cooperation.
- In response to customer complaints, we require timely onsite resolution. From business operations to the factory, information flows smoothly, with coordinated efforts between front and back offices to ensure full range customer satisfaction.

During the Reporting Period, the Group’s customer satisfaction rate was 99% (2024: 99%). We will continue to monitor and further enhance customer satisfaction.

RESPONSIBLE MARKETING

The Group actively practices responsible marketing by standardizing product promotion activities and maintaining transparent communication with consumers. The Legal Department of the Group participates in the trademark compliance review of product packaging materials and the review of marketing cooperation agreements. For daily marketing promotions, from VI-compliant advertising design to activity execution control, the Group has regular internal reviews and internal audits.

The Group implements N7 process management for new product development, auditing and managing aspects such as product processes, raw materials, auxiliary materials and packaging materials. Departments including R&D, Quality Assurance, Supply Chain, and Legal participate to ensure product information compliance.

To enhance employees' awareness of marketing compliance, the Group organized the following product labeling and advertising compliance training during the Reporting Period: training on GB7718 general standard for pre-packaged food labeling, GB28050 general standard for pre-packaged nutrition labeling, Training on GB2760-2024 Standard for the Use of Food Additives and the "Measures for the Supervision and Administration of Food Labeling". In addition, in response to the issues identified during the product revision review, the Group organized a special review meeting for the product planning and design team to strengthen their understanding and mastery of key points, so as to prevent similar problems from recurring.

CUSTOMER INFORMATION SECURITY AND PRIVACY PROTECTION

The Group attaches great importance to protecting the privacy of customers and business partners. During the business process, employees are required to abide by the confidentiality code. Besides, we have an information technology team to implement and maintain the data protection system. In 2025, focusing on enhancing the information security system from aspects such as security architecture and risk governance and implementing systematic development, the Group further strengthened its group-level information security management system. Through reinforcing the security systems of core systems, the Group enhanced the resilience of the production network and optimized the risk management system, which effectively ensured the security of the group data and the business continuity capability.

In terms of building employees' safety awareness, the Company regards information security as the responsibility of all staff. Through various forms such as online training, special publicity, and phishing email drills, the Company continuously enhanced employees' ability to identify security risks and compliance awareness, hence, building an enterprise-level security culture. During the year, the Company did not experience any major information security incidents.

1. Consumer Reassurances in Food Safety

1.4 PRODUCT R&D AND INTELLECTUAL PROPERTY PROTECTION

PRODUCT R&D

The Group's management principle and objective in relation to product R&D is to enhance the efficiency and added value of the whole food industry chain and to provide consumers with safe, nutritious and healthy products and services. The Group's management process for product R&D is as follows: review and approval of new product development concept – prototype sample production – evaluation and improvement – NPC meeting confirmation – launching announcement – pilot production – mass production – product delivery. In order to ensure that our R&D is in an advantageous position in the industry, the Group actively participates in professional online and offline seminars and conferences in the industry, training courses on various special technologies, visits exhibitions and conferences of food, packaging, equipment and other related disciplines, acquires new industry technology and development trend information and applies the same to product development. In 2025, the Group invested approximately RMB36.8 million in R&D.

- In terms of product innovation, the Group continues to invest in R&D equipment and manpower every year, and continuously develops products to cater for the market demand. In 2025, 230SKU+ of new products were launched on the market, including:
 - Product nutrition: Adding cheese, animal/plant protein ingredients to enhance nutrition; e.g. ZuliJian antibiotic-free pan-fried olive oil chicken chops and antibiotic-free crispy chicken nuggets, etc;
 - Product categories: New products launched in categories such as sausages, chicken steaks, fried chicken, braised dishes, chicken nuggets, pork floss, etc.;
 - Product flavors: New products were launched with flavors such as sun-ripened tomato, buttered hot pot, grapefruit pepper, and braised meat.
 - Product applications: New products are launched and sold through baking channels, snack channels, retail channels, group meal channels and e-commerce channels, enhancing convenience for consumers.
- In terms of equipment innovation, the Group introduce a meat floss visual recognition device and an automated packaging line in 2025, reducing manual selection and achieving automatic packaging. It also introduced a large piece meat filling machine and onion ring drum molds to enhance product efficiency and quality.
- In terms of packaging innovation, the Group introduced moisture-proof cartons to prevent the cartons from getting damp during storage and transportation. It also introduced high-density opaque self-standing bags and microwave exhaust bags, providing special packaging for more types of products.

1. Consumer Reassurances in Food Safety

In terms of R&D training, we enhance employees' understanding of industry technology development by encouraged them to participate in domestic and international exhibitions, training and forums, applying new technologies to product innovation, such as optimizing stretch film materials, developing new flavored products, trends in ready-meal, and the application of environmentally friendly packaging materials.

PRODUCT NUTRITION AND ACCESSIBILITY

In terms of product nutrition, our new products for 2025 feature innovative flavors such as sun-ripened tomato flavor, butter-flavored hot pot, grapefruit and pepper flavor, and braised meat flavor. We are actively innovating and conducting application tests on core technologies such as short label water retention agents and yeast extract with salt reduction without loss of saltiness, which is expected to officially apply in our products in 2026.

We actively enhanced the product accessibility during the Reporting Period:

- Organized a theme promotion event for food safety in schools;
- Conducted consumer tasting experiences in major supermarkets and jointly carried out theme promotion activities with the supermarkets, as well as launched promotion activities for non-antibiotic new products;
- Participated in various industry exhibitions, such as baking exhibitions, catering exhibitions, and retail exhibitions.

INTELLECTUAL PROPERTY PROTECTION

DaChan Food's intellectual property includes copyrights, patents, trademarks, trade secrets, and others. The Group strictly abides by the Copyright Law of the PRC (《中華人民共和國著作權法》), the Patent Law of the PRC (《中華人民共和國專利法》), the Trademark Law of the PRC (《中華人民共和國商標法》) and other laws and regulations. With standardization and guidance given by the nation, the Group focuses on breakthroughs and innovations in the product formula, technology and technical process. As of the end of the Reporting Period, the Group was awarded 11 patents, with another 4 new patents are under review. These all demonstrate the Group's practices achievements on technological innovation and its emphasis on intellectual property rights.

1. Consumer Reassurances in Food Safety

The Group will continue to give full play to its brand advantages, strengthen intellectual property protection, and actively take measures to prevent and reduce intellectual property infringements such as trademarks and patents. In terms of management practices, employees are required to abide by the Group's confidentiality system. Each employee is responsible for protecting the Group's intellectual property rights and trade secrets from theft and illegal use, and making effort to safeguard the interests of the Company. The Group will continue to explore product innovation, process innovation, equipment innovation, packaging material innovation and others, and apply for patents for such achievements, so that our intellectual property rights can be legally protected.

1.5 ANIMAL WELFARE

Animal welfare refers to how animals adapt to their environment and meet their basic natural needs. Scientific evidence shows that animal welfare is achieved when animals are healthy, feel comfortable, well-nourished, safe, able to express innate behaviors, and free from suffering, fear, and stress. High standards of animal welfare further require disease immunity and veterinary care, appropriate shelter, management, nutrition, humane treatment, and humane slaughter.

The Group has always upheld the philosophy of "Integrity, Modesty and Foresight" in the production of broilers and has been managing the whole process from breeding to slaughtering broilers. The Group's subsidiary, Bengbu food factory, has set up an animal welfare committee with the general manager as the chief responsible person and the heads of various departments under his or her supervision to manage production from the breeding process to the slaughtering process based on the five major principles of animal welfare: pre-service and in-service animal welfare training and assessment for frontline staff from breeding to slaughter, with procedures documented in full compliance with national laws and regulations and carried out by personnel with national qualifications.

The Group is committed to providing animal welfare, creating better economic animal value through continuous improvement in animal welfare and serving safe, tasty chicken food. The Group follows the animal welfare standards of the World Organization for Animal Health (OIE), and strictly follows the five principles of animal welfare to raise broilers and treat broilers well, both in accordance with its own obligations and economic needs. The five principles of animal welfare are as follows:

- 1 Enjoy the freedom from hunger and thirst and ensure that the animal is provided with the food and water it needs to maintain good health and energy.
- 2 Enjoy the freedom to live comfortably and provide suitable accommodation or shelter for animals to sleep and rest comfortably.
- 3 Enjoy freedom from pain, injury and disease and ensure that animals are not subject to additional pain, prevent diseases and provide timely treatment to sick animals.

1. Consumer Reassurances in Food Safety

- 4 Enjoy the freedom to live free from fear and sorrow and ensure that conditions and treatments are provided to avoid mental suffering to animals.
- 5 Enjoy the freedom to express their nature, be provided with adequate space, appropriate facilities and with fellow beings.

The Group has established various systems relating to animal welfare, including: the establishment of an Animal Welfare Committee; Basic animal welfare procedures; Veterinary health program; DaChan Plan A implementation manual; Standard operating procedure for euthanasia; Bedding management (breeders); Sanitary management system of water supply line; Feather chicken slaughter process & operation specification; Regulations on rodent control; Regulations on prevention and control of wild birds; Exception reporting control program; Dead chicken processing procedures; Harmless treatment system; Staff training system.

During the Reporting Period, the Group is actively engaged in the improvement of animal welfare, including:

- Upgrade of environmental control equipment: Create an excellent in-house environment to ensure the comfort of the chicken flock.
- Upgrade of drinking water systems: Clean drinking water for healthier intestines.
- Setting up pre-slaughter sheds: Create a comfortable environment for chickens before slaughter; using electrical stunning before slaughter to reduce fear and struggle.
- Regular training: Conduct training for farmers and technical personnel on biosecurity, environmental control, disease prevention, etc.

2. Staff Development for Win-win Collaboration

DaChan Food focuses on employee management and sustainable development of talents, actively responds to the United Nations 2030 Sustainable development Goals 3, 5, 8 and 10, and promotes employee health and safety, equality and reasonable remuneration.



2.1 HIRING IN ACCORDANCE WITH LAW

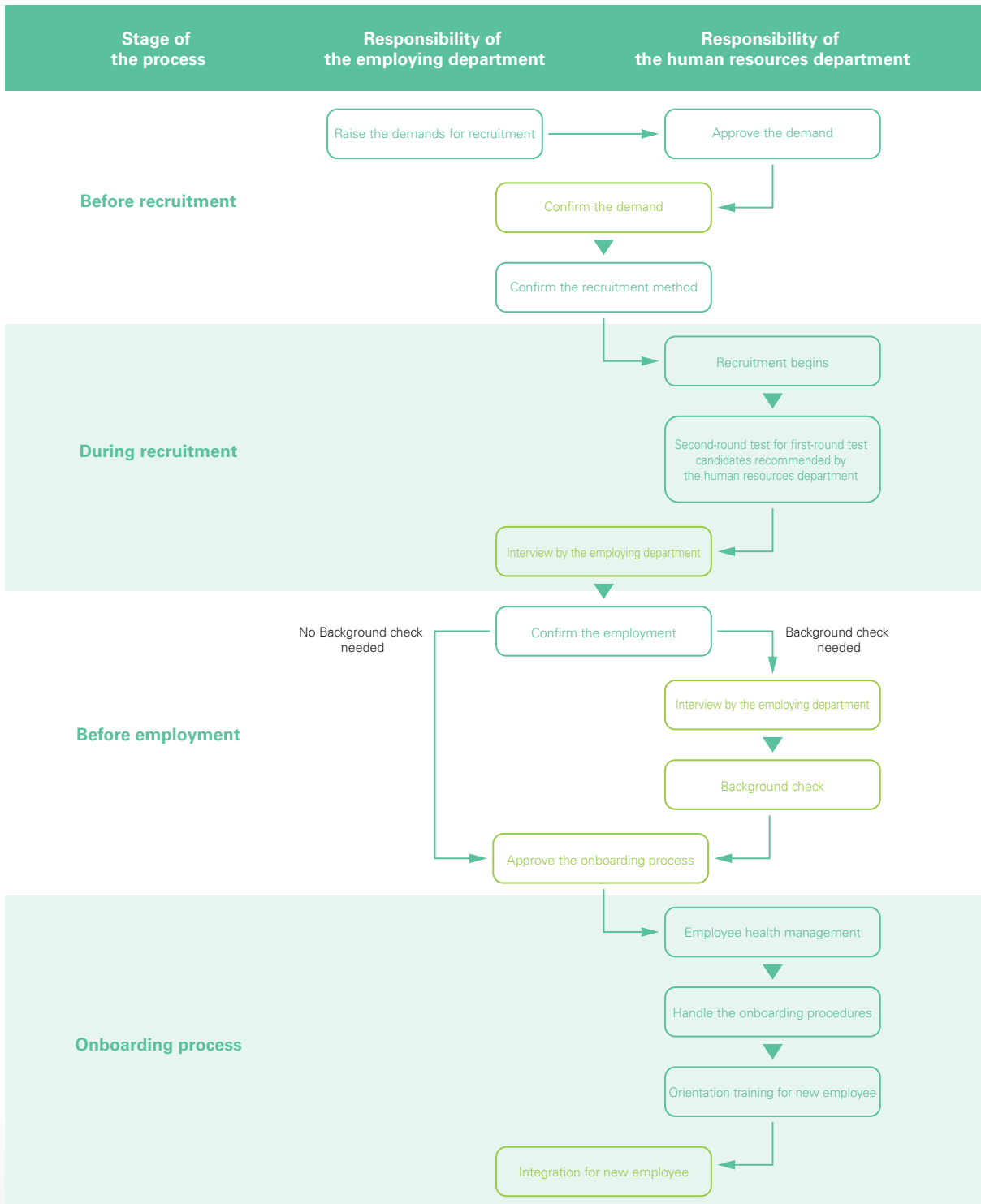
The Group fully complies with laws and regulations such as the Labor Law of the PRC and the Labor Contract Law of the PRC, upholding equal employment and valuing and safeguarding the legal rights and interests of every employee. To standardize employee management, the Group requires its members to fulfill all the requirements described in its Employee Handbook. The Handbook contains human resources policies in relation to matters such as employment, termination of employment, attendance, salary and benefits, training and development, performance appraisals, codes of ethics, the anti-corruption “Sunshine Project” (陽光計劃), management systems for reward and punishment, security and confidentiality, and communication and interaction.

To empower the self-inspection and self-examination capabilities of the Group’s subsidiaries, the Group has formulated and implemented the “Secondary Management System for HR Process Internal Control Measures” and the “Tertiary Management System for Human Resources Process Internal Control Measures”. These systems adhere to the internal control management system of DFA (DaChan Food) and implement a three-level management mechanism and three-level prevention and control requirements, aiming at better safeguarding the legal rights and interests of employees, strengthening the standardization of labor management within the Group, preventing fraud, fostering a positive production and operational environment, reducing and mitigating labor risks, promoting a harmonious working environment, and maintaining a good production and living order.

Talent Attraction and Recruitment

In order to ensure the continuous and rapid development of the Company, in this year, we revised the “Employee Handbook” and updated the “Recruitment Management System”, standardized the recruitment process and enhancing its efficiency, and adhered to the principles of openness, equal competition and person-job matching. The Group takes reference to job planning and the key performance indicators of available job positions to select personnel that are suitable to its corporate culture and the requirements of the position and have personal aspirations that are in line with the role. Candidates’ gender and ethnicity are not included as factors in the assessment of recruits. The Group also insists on following open recruitment procedures. Existing employees and new applicants compete on a level playing field for a given position. Each candidate is interviewed by human resources and the department offering the post prior to employment.

2. Staff Development for Win-win Collaboration



Recruitment flowchart

2. Staff Development for Win-win Collaboration

For positions with high professionalism, candidates must take a professional written test to ensure equal competitive opportunities and a transparent process. The Group has established strategic partnerships with numerous professional headhunting firms, recruitment websites, social platforms, universities, government agencies and disability employment centers. We actively participate in talent exchange events and sincerely invite talented individuals from different nationalities, households, ethnicities, beliefs and educational backgrounds to join our group. Additionally, we host exclusive festivals for minority employees, striving to build a strong employer brand image among industry elites.



Mutual selection fair at the campus of
Dalian Polytechnic University



Mutual selection fair at the campus of
Bengbu University



Team building activity
for ethnic minority staff



Ethnic minority staff participated in the autumn sports day
of the Company

2. Staff Development for Win-win Collaboration

During the year, the Group again won the “Customer Success Award” by Liepin, a well-known job-hunting platform for middle and high-end talents in China. The Group stood out from numerous active enterprises by its flexible use of diversified recruitment products and tools, continuous enhancement of its brand exposure as an employer with emphasis on talent interaction and job search experience, effectively improved the talent attraction index and growth rate, met the requirements of multiple evaluation dimensions such as team recruitment behavior data and won the Liepin “Outstanding Talent Partner Award” in Beijing Region. The multiple awards received is a concrete manifestation and achievement of the Group’s continuous active implementation of the ESG sustainable development strategy concept. The Group actively fulfilled its social responsibility, attached great importance to talent recruitment, training and management, and combined its platform advantages to continuously enhance the talent attraction of the Company, promote the interaction of talents and realization of values in the industry, always adhering to the concept of “customer success and co-creation of value”, continue to contribute its own strength to job seekers, business partners, the industry and the society, and create a more harmonious and healthy workplace ecosystem.



“Customer Success Award” from “Liepin”

The Group operates in full compliance with the Labour Law of the PRC (《中華人民共和國勞動法》) and the Regulations on the Prohibition of Child Labour (《禁止使用童工規定》). It accordingly prohibits the employment of children and forced labor in all positions, and regularly checks the employees’ identities and the authenticity of application materials and reviews the overall employment practices from time to time to ensure that no violations have occurred or may occur.

According to their position, employees of the Group may work to a standard labor time system, a flexible working hour system or a comprehensive working hour system. Each subsidiary develops attendance management rules based on the characteristics of its own operations. The Group strictly controls the workload of its employees, and the work assigned can basically be completed within working hours. Employees are not required to work overtime for more than three hours per day or 36 hours per month. When overtime work is needed, overtime pay will be offered at the corresponding wage rate according to the overtime hours, or alternative days off will be given. Overtime hours are recorded and counted in accordance with the Overtime Work Request Form and Leave Request Form. Employees who wish to lodge complaints when they consider their personal interests are violated or have different opinion about the Company’s operation, or report on breaches of the law and/or Company regulations, they may do so via designated e-mail and telephone channels, or by ordinary post. During 2025, the Group did not violate any laws and regulations in relation to labor standards.

2. Staff Development for Win-win Collaboration

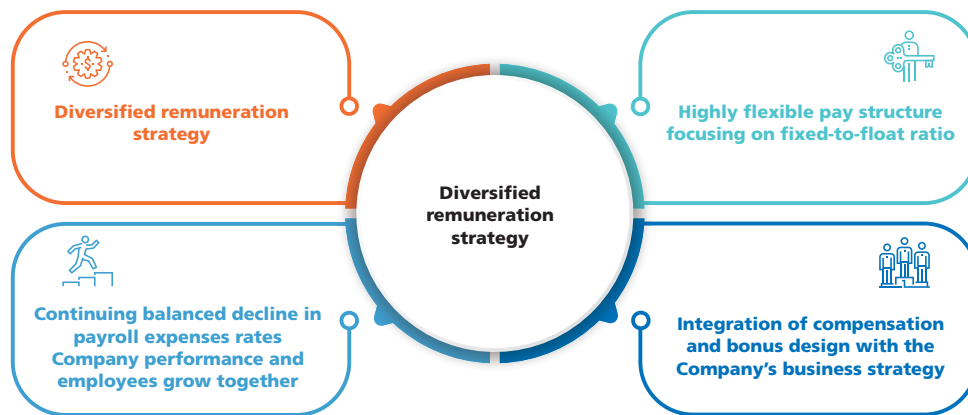
Talent Retention

The Group maintains a complete remuneration and welfare system which provides incentives and market competitiveness. The system is founded on the following principles:

1 Fairness: Internal fairness of remuneration means horizontal comparability of income, with the performance and income of the same job basically matching. External fairness refers to the fairness of comparison with the same job type in the same industry;

2 Incentive: Salary structure and bonus standards are formulated commensurate to rank, job category and performance. The differentiated salary structure is to realize the value-based distribution principle and to achieve a win-win situation between employees and the enterprise.

The Group's Human Resources Centre annually readjusts its remuneration strategy based on the results of salary surveys of the same industry, current salary levels and the salary structure. The remuneration strategy is implemented gradually through regular salary adjustments, monthly bonuses, quarterly bonuses, and annual bonuses, which help to recalibrate the fixed-to-float pay ratio, so as to provide employees with industry-competitive compensation packages. Additionally, a profit-sharing mechanism is established to achieve the sustainable growth and development goals of the Company's performance and employees' income.



Diversified remuneration strategy

During the Reporting Period, the Group did not encounter any non-compliance related to employment recruitment, remuneration, or benefits.

The Group maintains a schedule of holidays in accordance with national regulations and statutory holidays. It also provides additional paid leave as appropriate, such as marriage leave, maternity leave, paternity leave, breastfeeding leave, annual leave and sick leave.

2. Staff Development for Win-win Collaboration

In the future, the Group plans to comprehensively build its employee management on six major series: organizational culture, skills enhancement, employee welfare, health care, employer brand, and risk prevention and control. At the same time, the Group places great emphasis on building a talent pipeline and succession planning for key positions. The Group aims to establish a talent development system that nurtures expert, managerial and operational professionals.

In terms of employee welfare, the Group has established a legally-compliant protective system. Each business unit provides employee canteens, dormitories for foreign employees, and develops management requirements for such. Cleaners and waiters are in place to ensure service quality. In order to protect the physical and mental health of our employees, all factories are equipped with first aid kits to help employees in case of emergency. Every year, the local Red Cross or public hospitals are invited from time to time to conduct seminars on occupational disease prevention for employees and to enable them to acquire first aid knowledge and skills, thus improving their self-help and mutual aid capabilities. At the same time, an interview communication feedback mechanism, forums, suggestion boxes, and mental health consultation rooms are established. The Group also distributes welfare products to employees on major festive days such as the Spring Festival, Dragon Boat Festival and Mid-Autumn Festival. Business units also help to organize monthly staff birthday parties. Wedding gifts in cash will be given to staff as a blessing irrespective of work position. For employees who have immediate family members passing away, the Group will send condolence money to express sympathy. Various Group business units host irregular cultural events, such as galas, sports meetings, sightseeing tours, gratitude activities, etc. to encourage staff morale and improve team cohesion.

In addition, to further enhance the assistance provided for the special circumstances of disadvantaged employees, the Group has further established and improved a long-term internal assistance channel and employee welfare mechanism. The "Measures for the Management of Emergency Assistance for DFA (Dachan Food) Employees in Difficulties" has been formulated and implemented. During the year, the Group assisted 28 disabled individuals in solving employment issues, with a total annual cost of RMB1.16 million for the year.

Each factory under the Group conducts employee satisfaction surveys irregularly to ensure that employees have adequate food, clothing, housing and transportation. A food committee has been established at the canteen management level. Based on the feedback obtained from the canteen satisfaction surveys, the Company continuously improves and enhances the dining experience of employees, ensuring their physical health and adequate support for their work and life. For example, Dalian food factory conducts satisfaction surveys on the canteen every quarter. In the most recent survey, among the 66 employees who responded, 32 rated it very satisfied, 25 rated it satisfied, and the overall satisfaction rate was 85%.

2. Staff Development for Win-win Collaboration



International business group of DaChan Food conducted an emergency fire evacuation drill activity



Dalian Great Wall food factory conducted specialized training on cardiopulmonary resuscitation (CPR) and Heimlich maneuver emergency rescue methods for its employees



Shenyang feed mill organized team building activity at Benxi Lvshi Valley National Forest Park



Badminton match at Dalian Great Wall food factory



Staff birthday party at Tianjin food factory



3rd family day activities at Beijing headquarters



Tianjin feed mill organized team building activity at Pan Shan in Jizhou for its employees



Liaoyang food factory organized its employees to climb Qianshan Mountain for team building activities

2. Staff Development for Win-win Collaboration

Case: Sports Day with 1,000 Participants of the International Business at Dalian

The 2025 Fun Sports Meeting of DaChan Food's International business group was successfully concluded. The event, themed "A Thousand People Gathering, Passion Blooming", attracted nearly 2,000 employees to participate, breaking departmental boundaries and promoting the team inclusion. The sports meeting featured traditional events such as 100-meter dash and 4 × 100-meter relay, as well as fun team events like "The Caterpillar Battle" and "Building a Tower Together", balancing competitiveness and collaboration. Although the event lasted only one day, the team spirit and striving enthusiasm it embodies will continue to inspire employees, extending the collaboration and hard work on the sports field to daily work, and jointly promoting the development of the enterprise.



2. Staff Development for Win-win Collaboration

Case: 2026 Mobilization Annual Conference of Food Business Group

In order to align its goals at all levels and enhance the team cohesion, DaChan Food's Food Business Group hold a three-day 2026 Mobilization Annual Conference by the end of 2025 with the theme of "Advance Step by Step with Dedication, Forge Ahead with Ambition to Achieve Greatness". The main purpose of this annual conference is to summarize the outstanding achievements of each business units, each factory, and each functional department in 2025, and to looks forward to the long-term development blueprint of the Food Business group in the future, with each team making commitments regarding the business goals for 2026. Amidst the intensive yet rewarding proceedings, each department presented wonderful performances, and all employees jointly climbed the Huangyaguan section of the Great Wall, further strengthening the team spirit through collaboration and interaction.



For employee motivation, the Group conducts an annual selection of outstanding frontline employees to set an example for other staff and motivate them to make progress.

2. Staff Development for Win-win Collaboration



Annual Honour List

Dismissal

In terms of dismissal, the Group terminates its labor relations with employees who are found to have violated national or regional laws and regulations, or who have committed a serious breach of the Employee Handbook. For employees who voluntarily propose to resign, the Group's Human Resources Centre will assist with resignation procedures, including interviews to understand the reasons for resignation and receive any suggestions regarding work conditions and management with an open mind. The Group conducts exit communication and interviews with the departing personnel of key positions and gives feedback to the relevant competent departments to lower the employee turnover rate. For newcomers, the Group makes efforts to improve their loyalty by providing training, assigning mentors during the probation period, formulating clear work plans and assessment tracking mechanism, and issuance of customized new personal notepads, so as to facilitate the spirit of inclusion in the workplace. In addition, in 2025, the Group updated the "Retirement Management System" to ensure that employees can normally handle retirement and enjoy retirement benefits. Meanwhile, the Group encourages managers to appropriately select successors through internal training or external recruitment channels before the critical retirement age, thereby strengthening organizational succession planning and talent supply to support sustainable development of the Company.

2. Staff Development for Win-win Collaboration

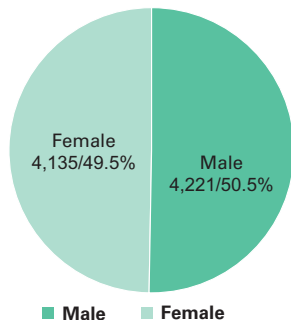
Team Overview of the Group – Diversity in Workforce Management

As of the end of the Reporting Period, the Group's total number of employees in mainland China was 8,356. During the Reporting Period, the Group did not significantly violate any relevant laws and regulations in terms of personnel recruitment, employment, dismissal, remuneration, working hours, holidays, equal opportunities, diversity, discrimination and other employment issues.

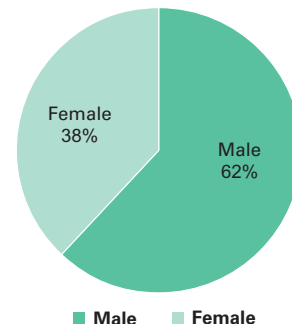
The Group is committed to balancing gender ratios, eliminating gender bias, and placing high importance on female employees by treating them equally and safeguarding their career development. In 2025, female employees accounted for 49% of the workforce, with women comprising 38% of managerial positions. Regarding ethnic diversity, the Group maintains an open and respectful approach toward hiring employees from diverse ethnic backgrounds. Beyond Han Chinese employees, the Company employs over 20 ethnic minority groups, including Hui, Manchu, Mongolian, Uyghur, Zhuang, and Miao.

In addition, the Group actively integrates the experiences and perspectives of employees from different generations. Employees born in the 1980s (accounting for 35%) primarily support the Group's operational management. Those born after 1975 (21%) and after 1970 (18%) are mainly engaged in work related to organizational and risk management. Employees born in the 1990s and 2000s (19%) are widely involved in innovative roles, while those born in the 1960s (7%) serve as a key group for the inheritance and dissemination of professional knowledge. The Group is committed to attracting talent with diverse educational backgrounds and actively encourages interdisciplinary and cross-industry knowledge exchange and collaboration, thereby building a talent team capable of supporting the Company's long-term sustainable development.

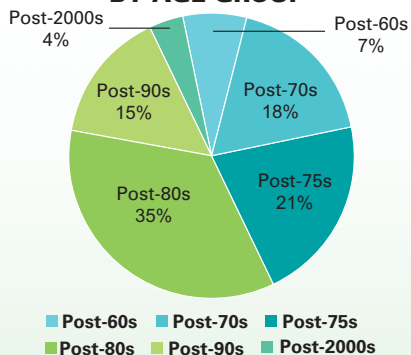
TOTAL NUMBER OF EMPLOYEES BY GENDER



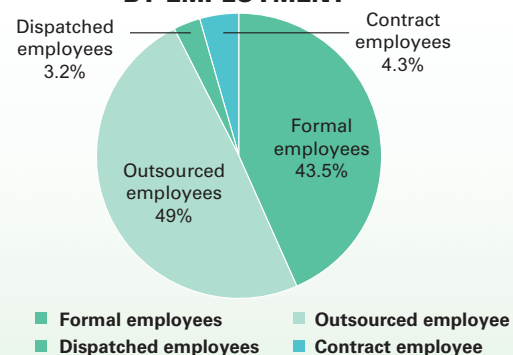
MIDDLE-LEVEL AND ABOVE MANAGEMENT BY GENDER



PERCENTAGE OF EMPLOYEES BY AGE GROUP

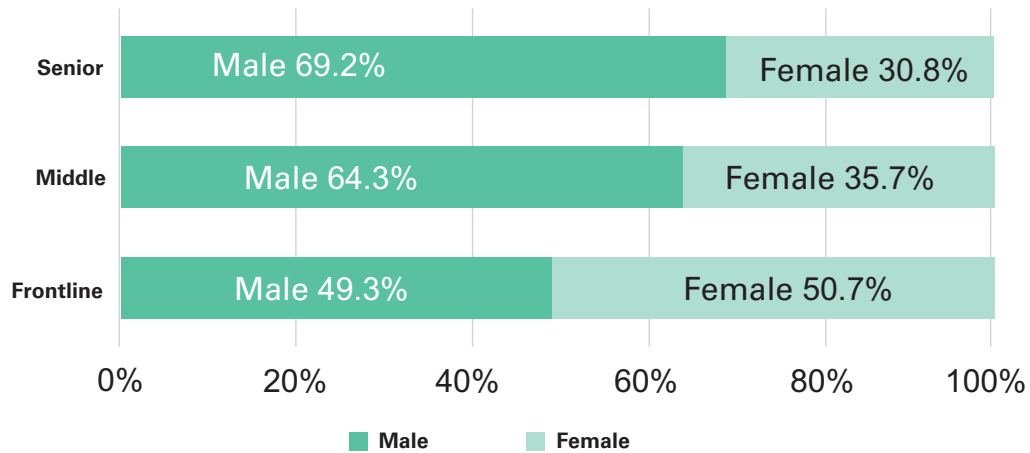


PERCENTAGE OF EMPLOYEES BY EMPLOYMENT



2. Staff Development for Win-win Collaboration

PERCENTAGE OF EMPLOYEES BY LEVEL



Total number of employees by region

Region	Number of employees	Region	Number of employees	Region	Number of employees
Beijing	47	Jilin	71	Anhui	3,127
Tianjin	536	Inner Mongolia	8	Hunan	14
Liaoning	3,793	Hebei	400	Sichuan	58
Heilongjiang	99	Shandong	203		

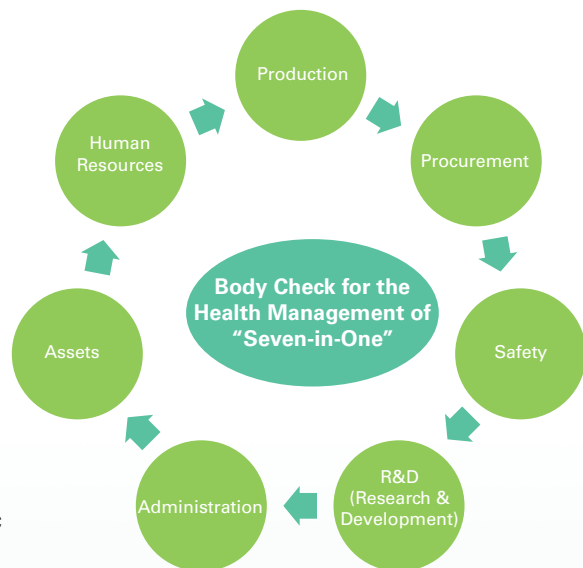
2. Staff Development for Win-win Collaboration

2.2 EMPLOYEE HEALTH AND SAFETY

The Group pays close attention to the health and safety of its employees and operates in compliance with the Work Safety Law of the PRC (《中華人民共和國安全生產法》), the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), and other applicable laws, regulations and standards. The Group adheres to the principle of “safety first, prevention is key” in its production process, and maintains a safe and healthy work environment with the aim of achieving safe production and civilized production. In 2025, a total of 67,720 hours of safety training were provided by the Company, and it did not violate any laws and regulations concerning health and safety. The number of working days lost due to work-related injuries was 3,031. In the past three years (i.e. 2025, 2024 and 2023), the number of work-related deaths in the Group¹ was zero, three, and zero, respectively, and the corresponding rates² were 0%, 0.03%, and 0%. Furthermore, the employees of the Group did not suffer from any occupational diseases, and the incidence rate of occupational diseases is 0%.

In 2025, the Group’s Food Business group established the “EHS (Environment, Health and Safety)” Department and appointed a dedicated manager responsible for environmental improvement, occupational health, and workplace safety. Concurrently, it initiated an annual “body check for the health management”, built upon seven mutually supportive and closely integrated core modules. This framework embodies the Group’s “Seven-in-One” management philosophy:

1. Taking lean production management as the cornerstone to ensure product excellence
2. Strictly controlling the source of the supply chain with strategic procurement management
3. Covering the entire operational process with comprehensive safety management
4. Driving product upgrades through forward-looking R&D management
5. Ensuring smooth organizational operation with efficient administration management
6. Achieving optimal resource allocation with meticulous asset management
7. Stimulating organizational vitality through strategic human resources management.



1 The number of work-related deaths refers to the number of employees who died as a result of production safety accidents in the Group’s operations.

2 Calculation on number of work-related deaths : $\frac{\text{Number of work-related deaths in the year}}{\text{Total number of persons at the end of the year}} \times 100\%$

2. Staff Development for Win-win Collaboration

In order to raise the awareness of employee health and safety in each region and to ensure the implementation of safety measures, the Group carried out “body check for the health of the management”, and regularly conducted safety cross-audits and comprehensive inspections.

Following the formulation of objectives and plans for the first quarter of 2025, the Food Business group commenced six cross-audits from the second quarter onwards, namely from April to November, which were conducted sequentially in Tianjin, Yanzhou, Bengbu, Dalian, Liaoyang and other locations, with each audit lasting for approximately five days. For the 2026 occupational health and safety management objectives and planning, the Food Business group continued to focus on the concept of body check for the health management of “seven-in-one”, planning six cross-audits for occupational health and safety management.



A meeting for the body check for the health management at Bengbu factory

To ensure the health and safety of employees, each factory within the Group has established a three-tier safety system for factory managers, on-site supervisors, and frontline employees for comprehensive management and control. At the same time, safety indicators are incorporated into the monthly performance bonus assessments for the three employee groups to ensure the effective implementation of the health and safety mechanism and the attention of all employees and supervisors. Additionally, the Group has formulated various systems such as access control, vehicle management, dormitory management, and canteen management to provide employees with a healthy, safe, and comfortable working environment. The measures taken by the Group to ensure the health of its employees include:

- On-site sampling and testing of occupational hazard factors are carried out annually. Results are analysed to determine employees’ exposure to occupational hazards, protective measures required, and the effectiveness of occupational health monitoring and management during production processes in the workplace.

2. Staff Development for Win-win Collaboration

- Annual employee medical check-ups, and occupational health check-ups are organized for employees in positions exposed to occupational hazards.
- In keeping with requirements of the Personal Protective Equipment Selection Specification, employees are equipped with dustproof (anti-virus) masks, noise-proof earplugs, and receive guidance on their proper use. Safety notices are posted at prominent places in the workplace.
- For employees in positions exposed to occupational hazards, they are required to sign the “Occupational Disease Hazard Notice” which is renewed by the Group annually to clarify their rights and obligations, occupational hygiene operating procedures and systems of the posts, and the correct use of occupational disease protection equipment and personal occupational disease protection products.
- Timely cleaning and replacement of collection bags in dust removal equipment
- The Group carries out analysis and training on the hazards of confined spaces (spaces that are enclosed or partially enclosed, relatively isolated from the outside world, with narrow entrances and exits, where operators cannot work inside for long periods of time, where natural ventilation is poor, and where toxic, hazardous, flammable and explosive substances are likely to accumulate or where the oxygen content is insufficient) by providing safety education.

The production factories under the Group took multiple measures to ensure safe production and occupational health during work. The three factories, including Bengbu meat factory, were constructed strictly in accordance with the requirements of the ISO45001 Occupational Health and Safety Management System. In addition, the three factories under the Group featured characteristics of “Standardized processes, Human-centric design, Automated production, Intelligent control, and Fresh products”. The automated intelligent equipment effectively reduced manual operation, and at the same time, the strict 6S system of on-site management ensured safe production. The Bengbu base under the Group and other 6 factories of the Group implemented six concepts: vertical warehousing, bulk transportation, automated production, intelligent control, fresh products, and management informatization. Some factories have even actively introduced intelligent equipment, such as:

- Automatic handling robots, which minimize the risk of work-related injuries and fully protect the health of employees, have been put into use in four factories including Bengbu food factory, and established a leading intelligent factory in China.
- The Dalian factory introduced the “deboning machine” equipment imported from the Netherlands and intelligent cleaning robots to reduce the risk of work-related injuries from slipping and falling during production and operation resulting from manual operation and corridors not being cleaned in time. The Group was fully dedicated to protecting the health of employees by using intelligent advanced equipment.

2. Staff Development for Win-win Collaboration



Automatic handling robot



Intelligent cleaning robot

In 2025, all factories under the Group actively conducted safety education training and emergency drills on a regular basis (monthly/quarterly/half-yearly). These activities included safety knowledge training, work-related injury prevention education, emergency first aid training, sharing of safety accident cases, on-site safety operation training exercises, emergency first aid drills, fire emergency exercises, safety evacuation drills, drills for ammonia leakage in confined spaces and electric shock, and the establishment of part-time internal fire brigades, aiming to enhance employees' safety awareness and their ability to respond to safety emergencies.



Fire prevention month training



Red Cross knowledge training

2. Staff Development for Win-win Collaboration



Fire drill



Emergency drill for liquid ammonia leakage



Drilling at limited space



Training for fire control room personnel

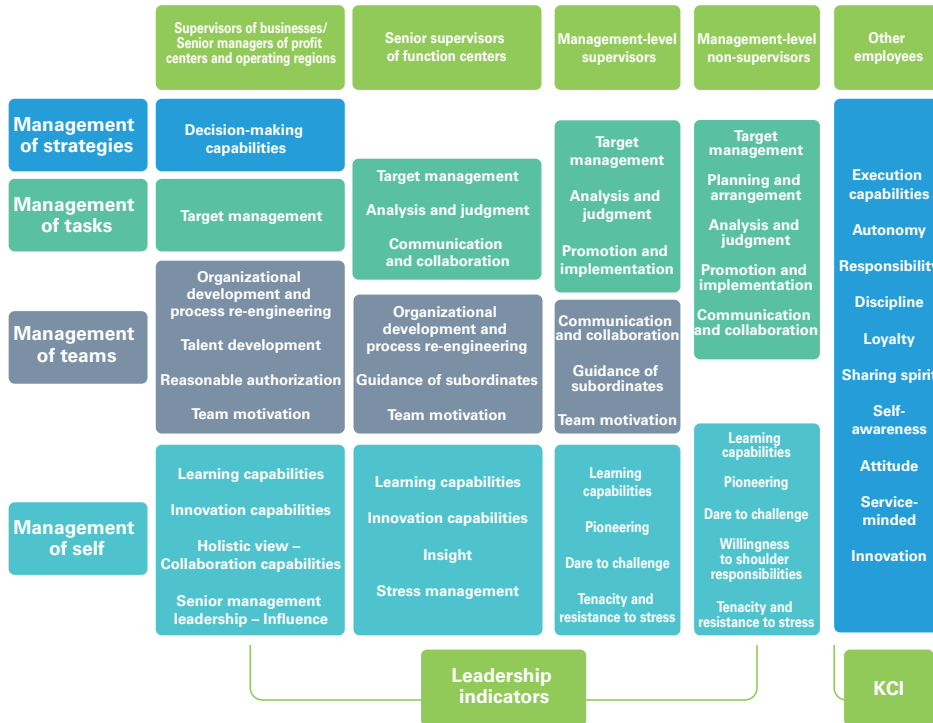
We attach great importance to employee democratic management and communication. The Group has set up an "employee suggestion box" in the factories under each Food Business group to gather feedback from front-line employees, which will be regularly reviewed and responded to accordingly, jointly optimizing the Group's management systems and measures for safe production, and promoting democratic management and open communication.

2.3 MUTUAL GROWTH OF THE COMPANY AND EMPLOYEES

EMPLOYEE PROMOTION

During the year, in order to guide employees to independently plan their career development paths and directions, the Group specifically formulated the “Promotion Management System”, empowering employees to achieve sustainable growth on personal career development and the Company’s results, standardizing the Company’s job promotion standards and procedures, and establishing the concept of selection and appointment personnel that allows for both promotion and demotion. In respect of performance assessment, the Group’s Human Resources Centre appraises the performance of employees in terms of performance achievement and leadership (including the ability to manage strategies, the ability to manage tasks, the ability to manage teams or others, and the ability to manage themselves) twice a year according to the Group’s goals and tasks. The assessment process is also based on the competency requirements of general staff, general supervisors, mid-level managers and senior executives. The Group followed the PDCA principle and established a performance feedback and appeal mechanism through performance interviews to help employees identify their strengths and growth points, encouraging continuous improvement. The results of the appraisal will be linked to salary and benefits adjustments and job promotions to retain talented people for the Group. The results of the assessment may lead to appropriate job adjustments or rotation. This ensures that the Group’s talent is deployed where it is most effective, and where the employee can best realise their own value. The Group also encourages employee growth and progress via performance bonus incentive schemes for different job categories, and by selecting appropriate talents for key retention every year. Through the closed-loop management of performance assessment, the Group continued to optimize its talent allocation and promoted the enhancement of organizational efficiency.

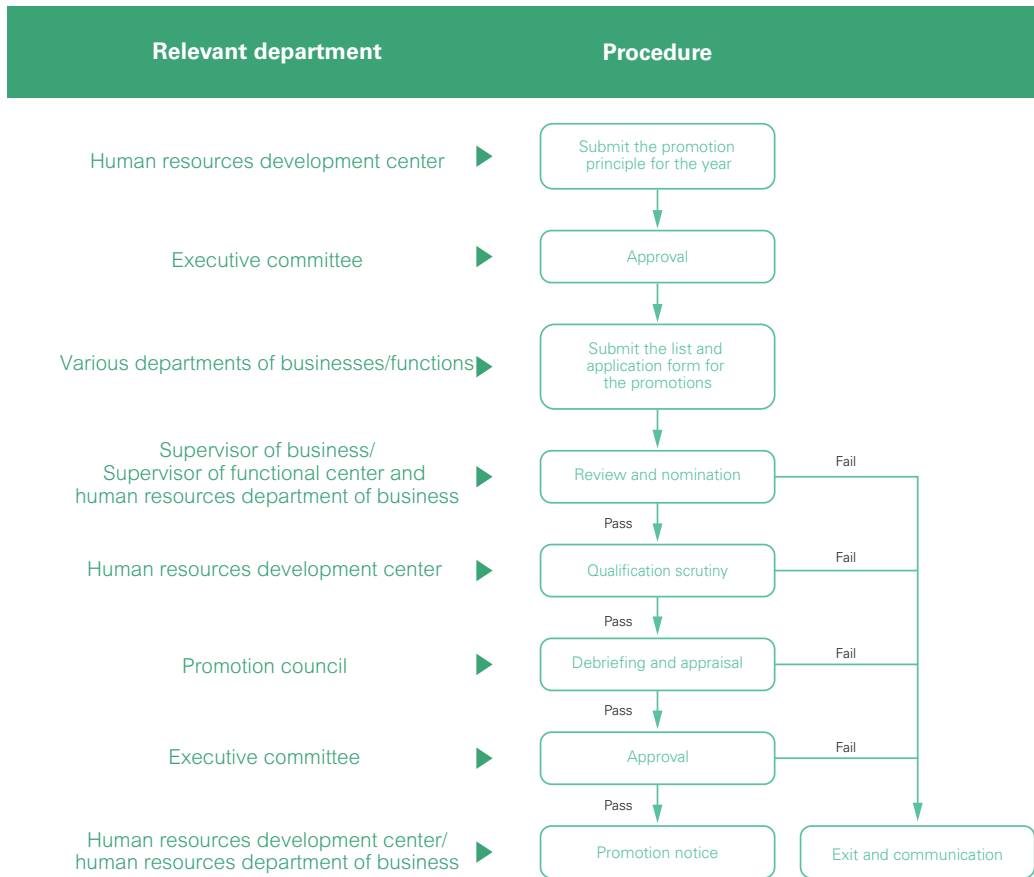
2. Staff Development for Win-win Collaboration



Competency system of DaChan employees

In respect of employee promotion, we uphold the corporate culture of “Integrity, Modesty and Foresight” and encourage our employees to earn a good professional reputation for outstanding performance and high professional conduct, and to gain more room for development with rich experience and outstanding professionalism. This process is implemented in accordance with a centralized Group-level promotion plan devised each year. Each operating unit decides on the promotion and demotion of employees or the transfer of positions or workplaces according to the operating conditions, individual abilities and performance of employees. We established a three-tier “promotion council” for different levels of supervisors, where they are invited to give debriefings. The council members analyze the employee’s strengths and potential opportunities from different perspectives, which provides comprehensive information support for employees to objectively recognise their own development status and ultimately to make promotion decisions.

2. Staff Development for Win-win Collaboration



Flowchart of promotion process for key positions

In addition, through a systematic talent inventory exercise, the Group would select and train talents, build a high-potential talent reserve pool, and create a talent supply chain for key positions within the Group. We used objective assessment tools for talent development to perform annual comprehensive review and evaluation on the work and development for the year of each employee of the Group. Combined with the employee's experience and capabilities, the results of the evaluation are used to determine development opportunities that meet their working goals. This process creates a dual-channel promotion route of "professional channel" and "management channel". In the future, we will provide additional opportunities for employee job rotations and work shifts, which will aid in discovering especially talented people and placing them in suitable positions, building a promotion system with flexible rank adjustments, and ultimately achieving a true win-win for both employees and the Company.

2. Staff Development for Win-win Collaboration

The Group places great emphasis on building talent pipelines and succession planning for key positions, has specifically formulated the “Top Talent Development Program”, and established a talent development system comprising specialist, managerial and operational talents. The Group continued to adopt “operational talents” as a talent development project, with the mission of sustainable growth for the Company. It created the “Vine Tip Development Program” for two-way matching of employee development and organizational development needs. The Vine Tip Development Program had a “721” training model, in which 70% was talent training through organizational tasks, 20% was care and support from the “Talent Development Think Tank”, and 10% was the provision of the serialized advanced management course “From Individual Contributors to General Managers, to Mid-level Managers and to Senior Managers”. The mechanism has been functioning well and there were 6 top talents from various business groups in phase 2 project in 2025, providing sound support for the Group to build a sustainable talent team. The Vine Tip Development Program ensured that we have high-quality talents on all levels, and through the program, we will continue to create a team of talents in the future that will sustainably achieve the Company’s strategic vision and have long-term mutual growth with the Company.



Leadership Model for All – The sustainably growing ivy

2. Staff Development for Win-win Collaboration

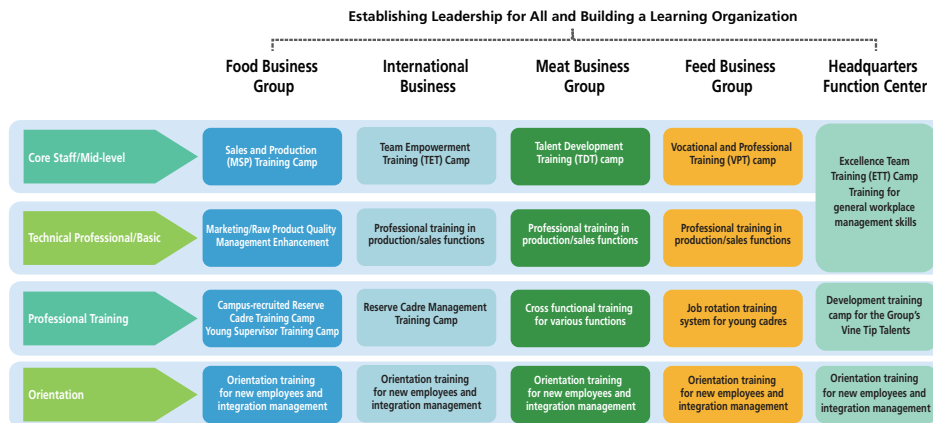
EMPLOYEE TRAINING

Talent is the source of the Company's sustainable development. We provide employees with ample growth and development opportunities, supporting their personal growth and career advancement to reach new heights. The Group established a systematic training system to provide customized training methods for employees in different businesses, positions, and levels. The Group continued to launch the "Leadership Model for All" and competency characteristics, encouraging all employees to establish ownership and keep learning to enhance employability, and respond to the ever-changing market.

The Group focused on building a "Four Five Model" and "Online + Offline Integrated" learning organization, with four major training systems (core staff leadership training system, professional skills development system, specialized training system and orientation training for new employees) and five major training camps (Talent Development Training (TDT) Camp of the meat product business, Vocational and Professional Training (VPT) Camp of the feeds business, Management, Sales and Production (MSP) Training Camp of the food business, Professional Elite Training (PET) Camp of the international business and Excellence Team Training (ETT) Camp of the headquarters function) as the base. It covers marketing at the front-end, production supply chain at the middle-office and the back-end functions on all levels, including talent training and development for general staff, mid-level managers and senior managers. For the food marketing team, a three-level MSP talent development system has been specially customized to support the rapid growth of management trainees. For talent development in the production supply chain end, external expert consultants from Global 500 companies have been introduced to improve production skills and build an integrated S&OP supply chain. For employees in the managerial function, there is an advanced development plan for core staff that involves external learning, adhering to the principle of "going out and bringing back" to enhance leadership and management skills, and obtain corresponding certificates.

2. Staff Development for Win-win Collaboration

At the same time, the Group continued its digital transformation, providing employees with more diversified learning platforms, such as “Air Classroom”, “DaChan Catering Academy” and “OA Knowledge Base”, etc. The Group not only provided employees with a series of rich and cutting-edge curriculum resources, but also a more convenient user-friendly learning model, helping all employees gain opportunities for personal learning and growth.



DaChan Group Training System



Annual Performance Review Photo for Class of 2025
Vine Tip Development Program



Specialized Training on Digital Transformation and Innovation
in Food Industry



Baking Skills and Product Innovation Bootcamp



Data-Driven Decision-Making for Planning Department:
MRP Specialized Training

The employees sent by the Company for overseas study will all obtain completion certificates that are certified by third parties, such as the “Management Basic Course (MBC)” Completion Certificate, the “Transition from Technology to Management” Training Certificate, and the “Key Account Development Management and Project-Based Sales” Training Certificate, all obtained by the 2025 Vine Tip Talents during their external training.

2. Staff Development for Win-win Collaboration



Management Basic Course (MBC) Completion Certificate



Key Account Development Management and Project-Based Sales Training Certificate

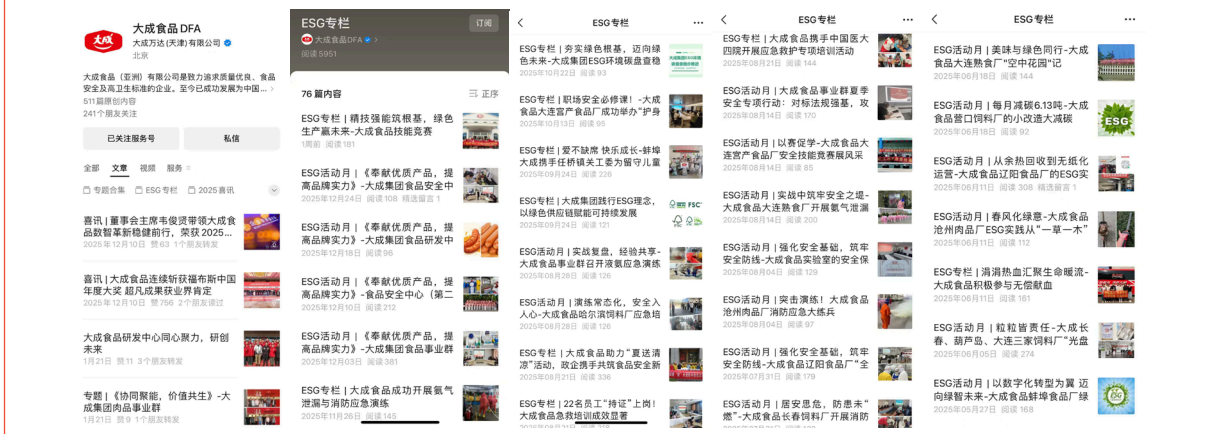
In the future, the Group will continue to build a learning organization under the DaChan Group Training System and provide comprehensive general training courses, leadership training and professional training courses for different levels and position sequences.

In 2025, the Group carried out 1,136 regular offline trainings with a total online and offline training time of 222,180 hours, and the proportion of employees receiving training was 100%. The average training hours per employee was 28.04 hours and the total investments on training was RMB4.75 million.

2. Staff Development for Win-win Collaboration

Case: “ESG Activities Month” Special Campaign

In order to advance the implementation of ESG concepts within the enterprise, the Group launched three phases of the “ESG Activities Month” campaign across all business units and factories in 2025. Each phase focused on three core dimensions: green carbon reduction, production safety, and food safety. The campaign aimed to deepen employees’ understanding, recognition, and actions on the ESG, integrating sustainable development into daily operations of the enterprise. During the campaign, we received nearly 100 submissions to our employees’ official account. These contributions shared employees’ recognition of the Group’s ESG practices, reflecting their affirmation of the Group’s commitment to sustainable development practices. Moving forward, the Group will continue leveraging the employee engagement platform to share more stories of responsibility from DaChan employees, jointly driving the Company toward a more sustainable future.



EMPLOYEES’ INSIGHTS ON PRACTICING ESG IN 2025

As the department leading the establishment of the official WeChat account of DaChan Food, in order to help implement the ESG concepts within the Company, we collaborated with various business groups and factories in 2025 to jointly launch three phases of the “ESG Activities Month” campaign. These three phases focused on the core dimensions of green carbon reduction, production safety, and food safety, and we received a total of nearly one hundred submissions for the employees’ official account. This thematic promotion campaign enhanced employees’ understanding, recognition, and actions on the ESG, integrating the concept of sustainable development into the Company’s daily operations. In the future, we will continue to build such participation platform to record and convey more responsibility stories that belong to DaChan people, and jointly promote the Company towards a more sustainable future. – Yan Yilin, an employee, Human Resources Development Center, DaChan Food

2. Staff Development for Win-win Collaboration

I am an ordinary production employee of the Company and have personally experienced the Company's practical actions on the ESG. Through equipment upgrades and process innovations, issues like odors and noise during the production have been significantly improved. We work in a cleaner and safer environment, with a growing sense of belonging. ESG is not just a slogan, but it's a long-term path that makes the enterprise sustainable and employees feel more at ease. I am deeply proud to be able to move forward and grow together with the Company. – Yin Linlin, an employee, PFS Bengbu, Food Business group

Through the Group's promotion of ESG actions in recent years, as an IBF employee, I deeply feel the positive effects they bring. Especially in terms of the environment, the Company invested significant funds in technological upgrades and renovations at the wastewater treatment plant. This has not only greatly reduced pollutant emissions but also improved the working environment for our employees. I hope that through continuous technological innovation, the Company can become more competitive in the market, and also allow us to feel more at ease every day we work at DaChan. – Nan Mimi, an employee, IBF Dalian, International Business

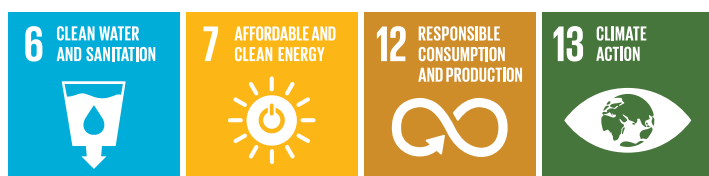
As a communication coordinator and promoter for ESG work within the business departments, I have been deeply involved in the promotion and implementation of specific projects, including the direction of ESG meetings, carbon emission inspections, and numerous energy-saving, consumption reduction, and green power application of the business departments. From establishing systems to frontline practices, from translating the ESG concept into joint actions across departments, I deeply feel its practical promotion of operational optimization and corporate responsibility. This process has not only enhanced my professional understanding but also made me realize the importance of full participation. In the future, I will continue to dedicate myself to promoting cross-departmental collaboration, integrating sustainable development more deeply into daily business operations, and advancing steadily with the Company on the long-term path of green transformation. – Wu Fei, an employee, PVM, Meat Business group

As a production employee, I have had the privilege of participating in the Company's green transformation projects, including coal-to-gas conversion, residual heat utilization, bulk material promotion, and recyclable packaging. These concrete actions and significant achievements in carbon reduction, efficiency enhancement, and resource circulation have shown me the responsibility and foresight the Company demonstrates in its ESG practices. In the future, I will continue to actively engage in the Company's various green transformation projects, move more steadily and farther together with the Company on the path of sustainable development. – Zheng Qiwei, an employee, FAN Yucheng, Feed Business group

As a member of DaChan Food Safety Center, I have personally experienced the Company's steadfast practices to the ESG. We not only uphold a "zero-tolerance" standard at every stage from raw materials to finished products, but also integrate energy conservation, consumption reduction, and green production into daily operations. The Company continuously provides professional training, integrating responsibility into our growth. We not only produce high-quality food but also interpret the corporate spirit of "integrity and mutual benefit" through concrete actions. We firmly believe that through our collective efforts, the Company will continue to lead industry benchmarks, provide employees with a stable career development platform, and deliver safer, more reliable food to consumers. – Zhang Pengcheng, an employee, the Safety Center of DaChan Food

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

Dachan Food actively responds to the United Nations 2030 Sustainable Development Goals 6, 7, 12 and 13 based on the characteristics where it operates, promoting clean water, clean energy use, responsible consumption and production, and action on climate change.



3.1 REDUCING EMISSIONS

The Group operates in full compliance with the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》), Boiler Air Pollutant Emission Standard of the PRC (《中華人民共和國鍋爐大氣污染物排放標準》) and all other applicable laws, regulations, standards and local norms. In 2025, the Group's facilities maintained stable operations and there were no incidents of significant environmental pollution or violations of environmental laws that impacted the Group. By actively practicing environmental protection, energy conservation and emission reduction, the Group has implemented a management system for environmental protection under its ESG Environmental Team, which pertains to the Group's use of energy, resources and packaging materials, and emissions of pollutants.

As of the end of the Reporting Period, the relevant factories of the Group that has underwent clean production review and acceptance include Tieling meat factory, Liaoyang food factory and Tianjin food factory. In 2025, The Group's total investments on environmental protection assets were approximately RMB15 million, which were mainly used on equipment upgrades and modifications and efficiency enhancement in the use of energy resources.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

In respect to atmospheric emissions management, in the course of production operations and winter heating of its northern factories, the Group emits nitrogen oxides, sulphur oxides and particulates from the combustion of coal, natural gas and biomass. The Group formulated the “Waste Gas Management System and Regime”, and 100% of its waste gas treatment facilities were under normal operation. The Group effectively controlled the emission of waste gas by taking measures such as reducing emissions at the source, adding organized waste gas treatment facilities and confinement in the whole treatment process. The Group’s boiler waste gas is treated by a desulfurization and dedusting plant and the treated dust meets the standard of “Boiler Air Pollutant Emission Standard (GB13271-2014)” and regular testing is conducted. To ensure the Group’s facilities meet atmospheric emission standards, we have implemented the following measures:

- ✓ Monthly outsourced inspections of boiler exhaust and deep fryer emissions across all facilities to guarantee compliant discharge, supplemented by three odor treatment systems to capture and process odors from wastewater systems, holding pens, and slaughtering workshops.
- ✓ Regular third-party inspections measure boiler particulate emissions across all facilities to guarantee compliance.
- ✓ Promotion for the use of electric forklifts across all Group factories to significantly reduce lifecycle emissions and noise pollution.
- ✓ The Group’s Liaoyang factory completed the phase-out and retrofitting of coal-fired boilers in 2025, fully transitioning to a heating, ventilation and air conditioning (HVAC) system. This is projected to reduce annual coal consumption by approximately 172.5 tonnes and cut greenhouse gas emissions by about 800 tonnes annually. By the end of 2025, the Group completed a total of 20 coal-to-gas conversion projects.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

Case: Dalian and Huludao Feed Mills Achieve Green Energy Conversion from Coal to Gas

To continuously enhance production chain equipment quality and reduce environmental impact during manufacturing, the Group invested RMB2.2 million in 2025 to complete coal-to-gas conversion projects for boilers at its Dalian and Huludao feed mills. Following the upgrades, all 16 boilers across 11 feed plants now operate on clean energy. This is projected to reduce annual emissions by 18,000 tonnes of carbon and 78 tonnes of nitrogen oxides, improving regional air quality. The Group will continue expanding green production line facilities in the future to reduce atmospheric emissions and support the nation's "3060 Carbon Peaking and Carbon Neutrality" goals.



The Group strictly adheres to its own exhaust emission standards and continuously strives to reduce emissions. To effectively lower exhaust emissions, we are vigorously implementing energy-saving and waste-reduction initiatives. We have established the "Exhaust Gas Management Goals and Plan" and are continuously refining and supplementing its execution based on the actual situation.

In respect to wastewater discharge management, guided by the environmental management system, the Group strictly controls the discharge of wastewater during production and operation to ensure that the discharge of pollutants is compliant with the requirements of relevant national laws and regulations. We have established the "Sewage Management System and Regime", which clearly defines the responsibilities and processes for wastewater management. The environmental safety department and equipment department of the Group's Supply Chain Centre, in conjunction with the environmental safety departments of the plants, regularly monitor and inspect the frequency and quality of testing by the operators of the wastewater stations, the frequency of which is set in accordance with the requirements of the local "Practice for Operation and Management of Wastewater Treatment Systems".

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

Wastewater generated by the Group is mainly composed of production and household types. After wastewater is treated in the in-plant wastewater treatment facility to meet local and national discharge standards, it is discharged into the government's unified pipeline network. All of the Group's factories have installed online monitors at the effluent outfalls for sampling and testing to meet the discharge standards throughout the year, and are constantly striving to achieve the goal of continuously reducing wastewater discharge. Additionally, we are exploring methods to expand the feasibility of reclaimed water reuse and sludge recycling, aiming to achieve the mid-term goals of 100% compliance management and resource circulation.

- ✓ During the Reporting Period, the Group's Bengbu plant installed economizers on thermal oil boilers and optimized the chemical dosing process for wastewater treatment, reducing energy consumption in wastewater treatment.
- ✓ The Group's Tieling plant implemented rainwater separation measures, including adding sealed sewage manhole covers and roof gutters, to reduce rainwater entering the wastewater treatment system and lower treatment loads.
- ✓ The Group's Liaoyang plant completed wastewater upgrades during the Reporting Period, using a new dissolved air flotation equipment that significantly improved the removal efficiency of suspended solids and oils. Post-upgrade effluent quality consistently meets standards.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

In respect to solid waste management, the Group formulated the “Waste Management System and Regime”, which clarifies the relevant requirements of solid waste classification collection, reduction at source, recycling, storage management, disposal methods and flow direction management, and optimized the solid waste classification and management ledger based on the latest national solid waste related regulations. The Group has set solid waste assessment targets in solid waste performance management to ensure compliance of solid waste management. In 2025, all solid waste of the Group was disposed of in accordance with relevant national laws and regulations. For hazardous waste, a professional third party was commissioned to transfer and dispose of the waste, which was reported on the provincial hazardous waste platform.

The Group has set a long-term goal on waste disposal – achieving zero waste to landfill. We formulated the “Waste Management Goals and Plan”, which mainly sets out the target of recycling rate of main production raw material waste (actual sales/theoretical production) of not less than 99%. We will continue to aim at this target and conduct waste management accordingly.

In respect to waste recycling and reuse, the Group had a recycling and reuse rate of 100% for woven bags at the feeds factories of the feeds business, and a recycling rate of over 100% for the cooling water of production boilers.

- ✓ The Group’s Cangzhou factory implemented electronic ledger management through the “Hebei Province Solid Waste Dynamic Information Platform”, achieving full traceability of solid waste and further optimizing the waste management system.

In respect to noise pollution management, the Group is concerned about the prevention and control of noise pollution. The Group’s Dalian Great Wall food factory has carried out comprehensive noise reduction measures for key areas of noise pollution in terms of sources and routes of transmission.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

3.2 REDUCING RESOURCE CONSUMPTION AS NEEDED

In terms of the use of energy, the Group mainly consumes water, electricity, natural gas, coal and biomass during its operation. The Group strictly complies with all applicable laws, regulations, standards and local norms on energy conservation, including the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》), the Renewable Energy Law of the PRC (《中華人民共和國可再生能源法》), the Water Law of the PRC (《中華人民共和國水法》) and Law of the PRC on the Promotion of Clean Production (《中華人民共和國清潔生產促進法》), as well as applicable provisions for the prohibition, restricted use or elimination of outdated technologies, processes and products. The Group is proactive in introduction of new technologies, new materials, new processes and new products to reduce its resource consumption and increase efficiency in the use of resources, thereby enhancing its resource recycling.

- ✓ The IBF Dalian Food Business under the Group set a target of “2.5% reduction in electricity consumption per tonne of product”, achieving an actual reduction of 2.9% in 2025.
- ✓ Various factories of DaChan Food have established assessment indicators of “electricity consumption per tonne of product” and incorporated into factory performance management. The Feed Business group under the Group improved the proportion of off-peak electricity usage by 2% through production and sales coordination, reducing reliance on peak-time electricity.
- ✓ During the Reporting Period, the Group’s Dalian food factory carried out major maintenance projects for transformers, repairing the cores and silicon steel sheets of transformers, significantly reducing total power consumption. The factory also renovated its raw material frozen product warehouse to improve insulation performance of the warehouse, enhanced the freezing efficiency, and reduced the power consumption of the system.
- ✓ The Group’s Tianjin food factory continued to implement electricity-saving measures such as reducing the load on refrigeration compressors, lowering compressor operating loads during employee meal times and production handovers, and reduced electricity consumption such as the reduction in the number of operating compressors. The average electricity consumption per tonne of product for the year decreased by 23 kWh compared to 2024, resulting in a cumulative energy saving of approximately 350,000 kWh.
- ✓ 17 of the Group’s factories strictly implemented production arrangements and optimized equipment start-stop management procedures during peak-to-valley flat tariff periods to reduce annual electricity costs and consumption.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

- ✓ The Group's Feed Business group used high-efficiency motors and variable frequency technology to reduce electricity consumption in high-energy-consuming processes such as crushing and pelleting, resulting in a 5–8% reduction in electricity consumption per product.
- ✓ During the Reporting Period, the Group's Cangzhou food factory carried out heating pipeline maintenance, repaired the insulation and outer protective layers of severely corroded pipelines, reduced natural gas waste and improved the energy efficiency. Average daily natural gas usage for heating decreased from approximately 1,000 cubic meters before repair to approximately 750 cubic meters.
- ✓ In order to motivate employees to actively participate in the energy management, the Group's Dalian Great Wall food factory introduced an employee energy-saving reward system. Employees who provide effective suggestions or make practical contributions to energy conservation receive material rewards and spiritual recognition, forming a positive atmosphere for all employees to participate in energy management.

Regarding clean energy usage, the Group actively promotes the use of clean energy, further increasing its proportion to reduce energy consumption and mitigate the environmental impact of greenhouse gas emissions. The Group's Tianjin Food Factory and Bengbu Meat Plant have introduced photovoltaic (PV) power generation systems. As of the end of the Reporting Period, the Group's installed PV capacity was 6.09 MW, with approximately 6,010 MWh of electricity generated during the period. To achieve the long-term carbon neutrality goal, we have set a target for 2026 of 90% clean gas usage and over 10% renewable energy usage, as well as an interim target of 100% clean energy usage.

- ✓ Several of the Group's factories plan to expand PV installation projects in 2026. For example, the Tieling Factory has signed a PV power generation contract with an estimated installed capacity of 2.456 MW and annual generation of 2,000 MWh; the Shenyang Factory has an ongoing PV project with an estimated installed capacity of 1 MW and annual generation of 1,000 MWh.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation



Dachang Bengbu Food Factory PV Facilities

In terms of water usage, the Group's water sources primarily come from municipal water supply, and there have been no issues in sourcing suitable water. The Group places great importance on water resource management, strictly implements local regulations, and emphasizes employee education on water conservation, encouraging secondary water use and eliminating waste. The Group will also continue water conservation efforts through measures such as secondary use of defrost water from freezers, hot air thawing, improving wastewater reuse, and enhancing promotional activities to achieve water-saving targets.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

Water Resource Management System and Responsibility Framework

In 2025, we revised and released documents such as the Group Water Resource Management System and the Water Balance Test Management Measures, clarifying responsibilities at all levels, management processes, and assessment mechanisms. To systematically enhance water resource management effectiveness, the Group has established a four-tier water resource management system framework covering “Group-Segment-Factory-Workshop.” The Group’s ESG Committee is responsible for formulating water resource strategic goals and policies; each business segment is responsible for decomposition, implementation, and process supervision; factories have established environmental protection specialist positions dedicated to water usage monitoring, water-saving project implementation, and data reporting; workshop teams are responsible for daily water-saving operations and anomaly reporting.

The Group conducted 100 specialized water resource training sessions throughout the year, covering 5,000 participants, and fostered a company-wide water conservation culture through activities like “Water Conservation Model” selections. In the future, we will continue to improve the digital water resource management platform, promoting water efficiency benchmarking and continuous improvement across the Group.

- ✓ **Water-Saving Target Management:** The Group set a water-saving target of “3% average annual reduction in water consumption per unit of product”, ensuring target achievement through mechanisms like water balance tests, informationization of water usage logs, and factory water-saving assessments. In 2025, the Group’s overall water consumption per unit of product decreased by 3.5% compared to 2024, achieving significant water-saving benefits.
- ✓ In 2025, the Group systematically monitored and collected data on water recycling and reuse in 25 factories, covering approximately 28.5 million tonnes of total water usage. Through implementing a series of water-saving technological transformation projects, such as reclaimed water reuse, closed-loop process water circulation, concentrated water recovery, and cooling water circulation, the Group’s overall water circular utilization rate reached 8.3%, an increase of 1.2% over the previous year; the water reuse rate reached 5.6%.
- ✓ **Reclaimed Water Reuse System:** The Group implemented reclaimed water reuse facilities in 12 plants, reusing approximately 114,000 tonnes of reclaimed water throughout the year and saving over RMB200,000 in water costs.
- ✓ **Closed-Loop Process Water Circulation:** The Group’s Liaoyang Factory achieved closed-loop circulation of water from evaporative cooling systems and fresh product warehouse defrosting, resulting in a factory-wide water recycling and reuse rate of 100%.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

- ✓ Concentrated Water Recovery and Reuse: The Group's Tianjin and Bengbu factories implemented reverse osmosis (RO) concentrated water recovery projects, saving approximately 241,200 tonnes of water annually.
- ✓ Condensate Water Recovery: The Group's various factories promoted the renovation of condensate water recovery systems, recovering approximately 18,000 tonnes of water annually.
- ✓ The Group's Yucheng Feed Factory also recycled boiler condensate water for vehicle cleaning and disinfection, saving approximately 5 m³ of water per day, or about 1,825 m³ annually.

In respect to the consumption of other materials such as packaging materials and paper, the Group has established the "Raw Materials and Packaging Materials Management System and Regime". The production-related departments are responsible for studying and learning peer production and technologies, including research on sustainable packaging. We take both production costs and packaging quality into account and purchase packaging materials that meet actual safety requirements based on our needs. The Group considers recycling and reuse of packaging materials as far as possible in the design and production of goods packaging, and set limits on packaging volume and weight. The Group has professional staff to continuously study the quantity reduction, weight reduction and reuse of packaging according to the characteristics of the products and the distance of transportation.

Sustainable Management System for Packaging Material

In order to systematically reduce the environmental footprint of the packaging process, the Group has established a packaging material management system covering the entire cycle of "design-procurement-use-recycling". The Sustainable Development Committee of the Group is responsible for formulating system documents such as the Green Procurement Specifications for Packaging Materials and the Guidelines for Packaging Reduction in Design, specifying requirements for the recyclability, lightweighting, and harmlessness of packaging materials.

The Group has set goals for 100% recyclable packaging materials and the goal of zero waste to landfill by the establishment of the "Raw Materials and Packaging Materials Management Goals and Plan". In 2025, we promoted lightweighting projects in the Group's Bengbu, Cangzhou, and Tieling factories, such as using reusable totes instead of cartons and reducing packaging thickness, reducing packaging material usage by approximately 316 tonnes for the year. Concurrently, we required all packaging suppliers to provide environmental protection certifications, maintaining a 100% certification rate for raw materials. Furthermore, the Group set a 2026 target for carton supply, requiring more than 75% of suppliers to obtain Forest Stewardship Council (FSC) certification. In the future, we will further improve the packaging waste recycling system and pilot packaging carbon footprints accounting to promote collaborative carbon reduction in the supply chain.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

The Group minimizes the use of disposable packaging. The Meat business group continues to increase the proportion of turnover boxes used in all parts of the supply chain to reduce the use of disposable packaging cartons. We reduced the level of material consumption and increased the utilization rate of raw materials through technological innovation and process improvement. In order to reduce the use of disposable packaging and enhance the utilization rate of packaging materials, the materials for display layer sheets in the preparation lines of leg products of Bengbu food factory have been changed from PE disposable consumables to PP which can be reused during production. Approximately 240,000 sheets were saved per year, equivalent to 4.3 tonnes. The food factory also promotes the use of reusable totes to replace some cartons. In 2025, the average monthly volume of fresh products shipped in totes was approximately 1,900 tonnes, reducing the consumption of disposable cartons.

The Group's Feed Business Division factories actively promote the procurement of bulk raw materials and the shipment of bulk finished products to reduce packaging material usage. In 2025, 100% of corn procurement was in bulk. The proportion of bulk feed in 2025 was 44%, consistent with 2024, with an overall upward trend annually. This saved approximately 650 tonnes of packaging materials for finished feed.

The Group's Meat Business factory also actively promoted packaging lightweighting, reduced packaging thickness from 6 mil to 5 mil, discontinued small-package production, used 3-layer corrugated cartons, and increased the packaging weight for semi-rack products from 10kg to 20kg, saving approximately 100,000 outer packaging materials.

The Group has adopted an office automation application system, reduced consumption of office supplies, encouraged paperless offices and reuse of paper. Large printers have been installed in public office areas to replace small printers and to monitor printing in all departments at all times.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

In terms of environmental protection publicity and training, the Group actively carried out environmental publicity activities, and posted environmental protection posters in the factory to enhance employees' environmental awareness. Relevant water and electricity conservation signs were posted in conspicuous positions in the factory area, calling on employees to start from the little by little and start from themselves. During the Reporting Period, all factories have commenced relevant environmental protection training on sewage treatment, hazardous waste management, environmental protection laws, etc., and engaged third parties to provide training to the midlevel supervisors in all companies to raise the environmental awareness of the employees.



The Group conducted training related to wastewater emergency tank discharge and liquid ammonia incident handling in 2025.



The Group's feeds business conducted internal training on carbon accounting and low-carbon technologies to enhance the team's capability in managing carbon emissions.

In respect to green design, the Group has relevant practices in architectural design, exterior wall insulation technology, building wall design, roof insulation design as well as photovoltaic power generation and solar water heating system design.

- ✓ The initial phase of the Bengbu food factory, Bengbu meat factory and Bengbu feed factory projects has incorporated green and environmentally friendly design concepts across the planning, construction, and production stages. In the architectural design, insulation materials such as autoclaved blocks, extruded polystyrene boards and glass wool were utilized. An external insulation system with a real stone finish paint coating was adopted for the external walls, which offers several advantages: excellent stain resistance (90% of dirt is difficult to adhere to, making cleaning easier), long service life (theoretical lifespan may exceed 15 years) and strong environmental protection (the primary materials are non-polluting natural stones and sand).
- ✓ The building walls were constructed using autoclaved fly ash aerated concrete blocks, which provide thermal insulation effectiveness seven times that of clay bricks and ten times that of concrete blocks, meeting the design requirements for environmental protection and energy conservation.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

- ✓ The roof is insulated with 50 mm thick extruded polystyrene boards, which help to prevent the outflow of hot or cool air, thereby reducing energy consumption.
- ✓ Roofs use 85 mm thick extruded board insulation, which helps prevent the loss of indoor hot/cold air, saving energy.
- ✓ A hot water system with solar thermal collectors to supply hot water for the public shower area is adopted at the rooftop of the dormitory building. In 2025, it saved approximately 82,500 kWh of electricity and reduced carbon emissions by approximately 65 tonnes. Space is reserved at the workshop roof for the installation of photovoltaic panels, and a carport with photovoltaic roof is planned to effectively utilize solar energy and reduce electricity consumption.
- ✓ A reverse osmosis concentrated water recovery system has been implemented for workshop cleaning, saving the use of fresh water.
- ✓ High-efficiency and energy-saving boiler equipment with a thermal efficiency of up to 99% was purchased, which can reduce carbon monoxide emissions and keep nitrogen oxides emission concentrations as low as 30mg/m³.

In respect to the use of raw materials, the Group sources materials exclusively from officially operating manufacturers who can provide certification of raw material compliance, quality inspection reports and other documentation, with a certification rate of 100%. The Group adheres strictly to national laws and regulations, rigorously limits the use of antibiotics and other pharmaceuticals in the breeding process, and follows sustainable usage guidelines for these substances. In compliance with national regulations and requirements, we have ceased the production of feed containing antibiotic ingredients and are continuously engaged in the research and development of alternative solutions with the same pharmacological effects to replace antibiotics in feed.

Furthermore, the Group is committed to enhancing the sustainable development capabilities of the supply chain. We trace the origins of raw materials and encourage suppliers to obtain sustainable certification for the materials they provide, thereby continuously reducing the risk of deforestation. We also actively use recycled paper products. As of the end of the Reporting Period, more than 70% of the Group's packaging suppliers have obtained FSC certification.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

In respect to environmental and cross-contamination control, the Group has implemented the following measures: 1) categorization of raw materials based on their specifications to improve comprehensive utilization by more than 5%, reducing kitchen waste and discarded raw materials; 2) increased use of fresh and chilled products to reduce losses caused by dehydration after quick freezing; 3) reuse of coated powder in production lines to reduce the amount of wasted material; 4) precise procurement of raw materials using the MRP system based on production order requirements to minimize the risk of surplus and scrap.

- ✓ The Group's feeds business compliantly handled hazardous waste (such as refrigeration oil, online monitoring waste liquid, etc.) and recycled waste engine oil through specialized units to avoid environmental pollution.

In respect to biodiversity conservation, the Group adheres to the principles of sustainable development and localized environmental management. We continuously monitor the impact of our activities on biodiversity and comply with relevant laws, regulations and policies such as the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), the Soil Pollution Prevention and Control Law of the PRC (《中華人民共和國土壤污染防治法》), the Opinions on Further Strengthening Biodiversity Protection (《關於進一步加強生物多樣性保護的意見》), and the Standards for Irrigation Water Quality (《農田灌溉水質標準》). In its daily operations, the Group prohibits the arbitrary destruction of vegetation and ensure vegetation coverage. The Group is legally compliant in accordance with the requirements of the environmental impact assessment requirements, and all projects of the Group's food, meat and feed factories strictly follow the environmental impact assessment system and other environmental protection administrative licensing systems. All subordinate units apply for pollution discharge permits in strict accordance with national requirements. During the Reporting Period, when the new cold storage facility was constructed at the workshop of the Tieling meat factory, the Group adopted water cannons for dust suppression and green net covering to strictly control the adverse impact of dust and noise at the construction site on biodiversity. During the Reporting Period, the Liaoyang food factory commenced the discussion on the setting of a river sewage drain outlet to protect ecological diversity.

In addition, in accordance with the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Emergency Response Law of the PRC (《中華人民共和國突發事件應對法》) and the National Environmental Emergency Response Plan (《國家突發環境事件應急預案》) and related laws and regulations, factories such as the Dalian Great Wall food factory, Cangzhou meat factory, Yanzhou food factory, Bengbu food factory and Bengbu meat factory have developed emergency response plans for emergency environmental incidents and conduct regular drills.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

3.3 RESPONDING TO CLIMATE CHANGE

Climate change is a global issue that has been manifested in changing weather patterns, extreme weather events and reduced supplies of various resources. The Group actively responds to the national “3060” targets to promote the reduction of greenhouse gases, mainly carbon dioxide, in the context of climate change. The Group has taken relevant measures to save energy, improve the ecological environment and improve emissions management, and has made unremitting efforts to achieve the “3060” targets.

The Group has progressively responded to the requirements of the Hong Kong Stock Exchange’s “ESG Reporting Guide” to set out the Group’s efforts and future direction in addressing climate change in terms of governance, strategy, risk management and indicators and targets.

GOVERNANCE

Board

Decision-making level

Executive Committee

Management level

- To develop and review climate strategies;
- To approve climate-related goals and measures;
- To assess significant risks and opportunities related to climate issues; and
- To evaluate performance against key climate-related performance indicators.

ESG Working Group

Execution level

- Environmental Team
- Internal Risk Control Team

With respect to climate-related governance, the Board determines the overall objectives and management strategies of the Group’s ESG management in accordance with the ESG governance structure established by the Group, bears the responsibility to assess and determine the ESG risks of the Group and ensures that the Group has an appropriate and effective ESG risk management and internal control system in place. The ESG-related responsibilities of the Board include addressing climate change issues. At the same time, the ESG governance structure of the Group includes the decision-making, management and executive levels, which clearly defines the responsibilities for the implementation of climate change management and targets, and regularly reports to the Board.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

The Executive Committee of the Group is chaired by the Chairman of the Board, with other members including senior management such as the Vice President. The Chairman of the Executive Committee reports annually to the Board on relevant sustainability matters, including climate-related issues. The Executive Committee holds monthly meetings (12 meetings were actually held in 2025) and fulfills the following responsibilities related to climate change in accordance with its terms of reference:

- Formulating and reviewing DaChan Food's climate strategy, including approving targets or significant measures related to climate change mitigation, adaptation and resilience.
- Reviewing any significant risks, opportunities and investments related to climate change, energy/carbon management and low-carbon transition.
- Reviewing the annual performance of the Group in achieving energy-saving/carbon reduction targets and other key performance indicators related to climate change and energy.

The Board is responsible for overseeing our risk management framework and sustainability risks, including climate-related risks. Board meetings are held at least quarterly to receive reports from the Executive Committee and to discuss progress on ESG issues. The Group also conducts regular risk identification, analysis and management review processes annually through the Audit Committee and the Enterprise Risk Management (ERM) system, with climate change being considered in the risk assessment process.

The Board and the Executive Committee are familiar with climate-related issues and understand their impact on the Group's businesses and operations. The Group also arranges regular training on climate-related issues to ensure that all personnel are kept abreast of the latest developments.

The Group has established the ESG Working Group, which comprises the Environmental Team and the Internal Risk Control Team. Led by the Chief Financial Officer, the ESG Working Group holds monthly meetings to regularly plan and review progress on ESG-related work, including climate change issues. With knowledge and background in climate-related issues, the members of the working group are responsible for planning and implementing various mitigation and adaptation policies and measures, as well as integrating climate-related issues into daily operations.

During 2024-2025, the Group collected feedback from internal and external stakeholders through qualitative interviews and quantitative surveys, updating the materiality assessment results. We identified issues that have a significant impact on the business continuity and development of DaChan Food, including response to climate change, energy use efficiency and ESG risk management.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

STRATEGY

Climate-related risks include transition risks associated with a low-carbon economy and physical risks associated with the impacts of climate change. Transition risks can be divided into policy and regulatory risks, technical risks, market risks and reputational risks, and physical risks include acute physical risks (dominated by a single event, such as extreme weather of typhoons and floods) and chronic physical risks (referring to long-term changes in climate patterns such as persistent high temperatures). The Group assessed the impacts of physical risks and transition risks at both the asset and business levels from the near term to the long-term future (i.e. 2025 (short-term), 2030 (medium-term) and 2050 (long-term)).

Category	Risk/ Opportunity Type	Description	Impact Period	Impact on Business Model and Value Chain	Potential Financial Impact	Response Measures
Risk	Physical Risk	Extreme weather causes fluctuations in agricultural output	Short, Medium	<ul style="list-style-type: none"> Affects the healthy growth of livestock and poultry, increasing disease risk Reduces cost predictability 	<ul style="list-style-type: none"> Increases operating costs 	<ul style="list-style-type: none"> All feed mills have completed environmental protection risk identification and formulated rectification plans to systematically enhance environmental risk prevention and control capabilities
		Extreme weather damages factory facilities, causing production line stoppages	Short, Medium	<ul style="list-style-type: none"> Affects business and production continuity 	<ul style="list-style-type: none"> Increases operating and facility repair costs 	<ul style="list-style-type: none"> The Group's food plants in Bengbu, Yanzhou, Tianjin, etc., use dual power supplies to enable timely power source switching in case of outages caused by extreme weather, enhancing plant emergency response capabilities; the Tianjin Food Plant is equipped with fire-fighting emergency diesel generators to meet emergency production and rescue needs. The Group's Tieling Plant has renovated its rainwater and sewage diversion system to prevent heavy rain from overloading the sewage treatment system. Each factory formulates emergency plans based on local climate characteristics, establishes emergency response teams, and conducts regular drills to ensure production continuity.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

Category	Risk/ Opportunity Type	Description	Impact Period	Impact on Business Model and Value Chain	Potential Financial Impact	Response Measures
		Persistent high temperatures in summer and persistent low temperatures in winter affect supply chain production	Medium, Long	<ul style="list-style-type: none"> Affects facilities damaged or service life shortened due to extreme temperatures Affects the stability of the Group's supply chain 	<ul style="list-style-type: none"> Increases equipment repair and operating costs in the long term 	<ul style="list-style-type: none"> Buildings utilize concrete with better thermal insulation; glass wool and extruded boards are added to exterior walls and roof designs to reduce heat/cold loss. The Group formulated the Feed Business Carbon Emission Reduction Action Plan (2026–2030), clarifying medium-to-long-term carbon reduction targets and pathways, incorporating carbon emission indicators into the supplier evaluation system, and promoting collaborative carbon reduction with partners.
	Transition Risk	Customer preference for non-sustainable food products gradually diminishes	Medium, Long	<ul style="list-style-type: none"> Reduces sales of the Group's non-sustainable food products 	<ul style="list-style-type: none"> Affects revenue stability 	<ul style="list-style-type: none"> Actively researching and developing antibiotic-free product lines to enhance food healthiness. Encouraging suppliers to adopt localized procurement to reduce carbon emissions during raw material transportation. Promoting the development of low-carbon products, such as using non-GMO soybean oil and energy management, to reduce the full lifecycle carbon footprint.
		Increasing regulations on packaging and plastic waste	Medium, Long	<ul style="list-style-type: none"> Potential for packaging-related levies 	<ul style="list-style-type: none"> Increases operating costs 	<ul style="list-style-type: none"> Actively promoting packaging lightweighting, optimizing waste recycling, and traceability monitoring.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

Category	Risk/ Opportunity Type	Description	Impact Period	Impact on Business Model and Value Chain	Potential Financial Impact	Response Measures
		Stricter sustainability disclosure requirements for exported products from the international community	Medium, Long	<ul style="list-style-type: none"> Affects product import/export capabilities 	<ul style="list-style-type: none"> Affects revenue 	<ul style="list-style-type: none"> Continuously monitoring the impact of climate change on the business and optimizing the Group's sustainability-related disclosures. Formulating a 2026–2030 carbon reduction roadmap to meet international requirements for corporate carbon reduction planning.
		Energy price fluctuations due to policy changes, increasing production costs	Medium, Long	<ul style="list-style-type: none"> Affects the stability of electricity-related costs 	<ul style="list-style-type: none"> Increases operating costs 	<ul style="list-style-type: none"> Continuously monitoring the impact of climate change on the business. Photovoltaic coverage plan: Planning to install photovoltaic equipment on all factory rooftops to increase the utilization rate of renewable energy. Closely monitoring carbon market developments to prepare for future participation in carbon trading.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

RISK MANAGEMENT

To promptly identify and manage climate-related risks, the Group has established the following assessment and monitoring process:

- Step 1: Risk Identification**
 - Considering the characteristics of the Group's industry and its actual situation
 - Analyzing industry and peer best practices
- Step 2: Risk Analysis**
 - Collecting information related to the Group's assets and business development strategies
 - Understanding the operational status of the Group and its subsidiaries through internal interviews
 - Assessing climate risks that impact the Group's business and value chain
- Step 3: Risk Evaluation**
 - Qualitatively evaluating the impact of climate risks on the strategies and financial planning of the Group and its subsidiaries
- Step 4: Risk Management and Response**
 - Strengthening measures and plans to address substantive climate risks
 - Holding monthly Executive Committee meetings to regularly monitor related issues and risks
 - The Feed Business Division has established an emergency response team to focus on reviewing and monitoring climate risks that have a greater local impact

METRICS AND TARGETS

To ensure that the process of addressing climate change can be measured, it is crucial to select appropriate parameters and indicators and to set corresponding targets. In accordance with the requirements of the Hong Kong Stock Exchange's ESG Reporting Guide and considering its actual circumstances, the Group has defined climate-related risk indicators concerning energy use efficiency and greenhouse gas (GHG) emission management. Concurrently, the Group has established a long-term goal of achieving operational carbon neutrality by 2060 and has set a target for 2026 to reduce GHG emissions intensity by 3% compared to the 2025 base year level. Furthermore, we have established a carbon reduction accounting system and roadmap to facilitate regular reviews of the implementation progress towards our targets. The Group's energy-related goal is to improve effective energy utilization efficiency, maximizing the environmental and economic benefits of energy while meeting operational requirements.

3. Protecting the Earth with Clean Energy and Low-carbon Transformation

The Group's GHG emissions from production operations originate from direct emissions resulting from the combustion of coal, natural gas, and biomass, as well as indirect emissions from the consumption of purchased electricity. Based on these sources of GHGs, we adopt corresponding emission reduction measures. The Group's measures to reduce purchased electricity consumption primarily include implementing energy conservation and consumption reduction initiatives and introducing energy-efficient equipment.

The Group continuously promotes the concepts of energy conservation, consumption reduction, and environmental protection, aiming to reduce emissions at the source. We will persistently pursue the long-term objectives of advancing emissions management, waste management, and environmental protection, ultimately realizing the principles of a circular economy and pursuing a path of sustainable development. The Group has invested RMB4.51 million in addressing climate-related risks and opportunities and continuously optimizes related management systems and facilities.

Recognizing that the Group's operational and market environment is constantly changing, the Group will continually review its practices and adjust its targets and proposed measures as appropriate. In the future, the Group will further refine its strategy formulation, risk management, and the identification and management of metrics and targets, collaborating with all sectors of society to address climate change and achieve shared sustainable development.

Case: Actively Reducing Carbon Emissions, Moving Towards Low-Carbon Development

In 2025, the Group's Feed Business Division incorporated "carbon emission reduction" into its core operational objectives, deepening the three main directions of its low-carbon development model: "energy efficiency drive, structural transformation, and circular carbon reduction." It systematically implemented measures to reduce operational carbon intensity and formulated the Feed Business Carbon Emission Reduction Action Plan (2026–2030), clearly defining mid-to-long-term carbon reduction targets and pathways. Energy structure optimization included a significant push to develop photovoltaic (PV) power networks. The Group's Shenyang Feed Mill has commenced PV construction; feed mills in Huludao, Sichuan, Tianjin, and Dalian have completed PV scheme planning. These initiatives are expected to further increase the proportion of green electricity used upon implementation, achieving an optimized energy structure. In terms of resource circulation, one feed mill utilized waste heat from flue gas to replace steam for heating water in storage tanks. This measure is expected to save approximately 8,400 m³ of natural gas annually, resulting in cost savings of about 33,000 RMB. Regarding carbon management, the Group established monthly energy and carbon emission ledgers and progressively advanced the construction of a digital carbon management platform to optimize the Group's energy and carbon emission management. This year, the Feed Business Division achieved a cumulative reduction of approximately 2,800 tCO₂e in carbon emissions. The green energy-saving measures brought comprehensive economic benefits of about 12 million RMB, steadily progressing towards the low-carbon development goals.

4. Operating with Integrity and Guarding the Bottom Line

The Group regards integrity and honesty as the lifeline of its sustainable development and is committed to establishing a long-term mechanism of “dares not corrupt, cannot corrupt and does not want to corrupt”. We actively respond to Goal 16 of the United Nations 2030 Sustainable Development Goals by promoting a transparent and open working environment, ensuring that the Group’s operations adhere to the strictest ethical standards.



In accordance with the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》) and other laws and regulations relating to anti-corruption and anti-bribery. We have formulated and implemented several core anti-corruption policies, including but not limited to the Code of Ethics for Employees (《員工職業道德守則》), a Code of Ethics for Senior Officers (《管理人員職業道德守則》), the Sunshine Project and its Implementing Measures (《陽光計劃及實施細則》), and the Sunshine Procurement Operation System (《陽光採購作業制度》) as well as the Anti-fraud and Whistleblowing Mechanism System (《反舞弊與舉報機制制度》).

INTEGRITY GOVERNANCE

Matters of integrity for the Group are coordinated and managed by the Audit Centre. The Audit Center regularly reports on anti-corruption matters to the Board, ensuring that integrity requirements are integrated into the Group’s strategies. The Audit Center submits “Quarterly Work Report of the Audit Office”, the “Audit Case Advocacy”, the Stage “Report on the Work of the Functional Departments” and the ESG Report as well as the “Internal Audit Report and Anti-Corruption Advocacy Report” to the Board semi-annually and annually. The Board and the Audit Committee under it bear ultimate oversight and decision-making responsibility for anti-corruption matters, ensuring that integrity requirements are integrated into the Group’s strategies.

The Group has implemented the following “Three Lines of Defense” internal control measures to ensure that all areas are strictly supervised:

- First line of defence: Self-inspection and self-correction by each business unit to each of its factories.
- Second line of defence: Cross-checking and supervision by Group functions.
- Third line of defence: Project and report checks by the Audit Center. Verified cases will be established and investigated for non-anonymous reports, and anonymous reports if the facts are clear.

4. Operating with Integrity and Guarding the Bottom Line

In addition, the Audit Center, as an independent and dedicated department, reports directly to the Audit Committee and is responsible for comprehensive anti-fraud investigations, integrity risk audits, and system reviews.

In order to encourage employees and partners to participate in integrity governance, we have established a “Anti-Corruption Reward Pool of RMB10 Million”, offering rewards of up to RMB1 million to incentivize reporting and prevent misconduct. In addition, the “DaChan Sunshine Reporting System” was established within the Company’s OA system. This requires all employees to disclose on the record the nature of their relationships with fellow employees, customers and suppliers, including any part-time employment and any gifts that may have been received within these relationships, as a deterrent to bribery, fraud, money laundering and extortion, and create a transparent and fair working environment.

ANTI-CORRUPTION TRAINING FOR ALL STAFF

The Group embeds the awareness of integrity into its organizational culture through continuous education and communication. In 2025, the Company completed anti-corruption policy and legal training for over 1,000 participants, with a pass rate of 93%.



Audit case sharing

4. Operating with Integrity and Guarding the Bottom Line

Training Formats:

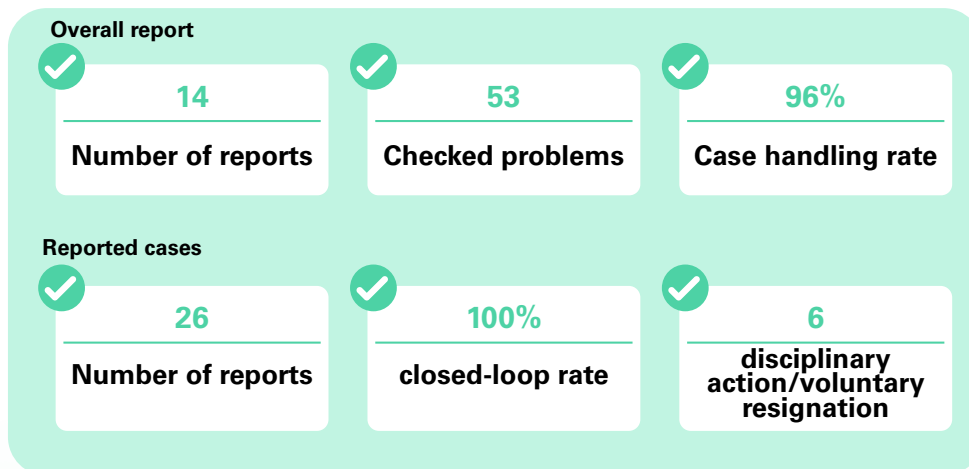
- **Case-based teaching:** Enhancing employees' risk identification capabilities through in-depth analysis of real internal cases, such as raw material procurement audits and fixed asset management audits.
- **Training Statistics:** Quantitatively tracking of training coverage and pass rates throughout the year to ensure that all employees are aware of relevant laws and regulations.

We not only rely on training to enhance employees' awareness of integrity but also set up incentive mechanisms to reward employees who contribute to integrity governance.

Robust whistleblowing, Investigation, and Protection Mechanisms

In order to ensure that any misconduct is detected and dealt with in a timely manner, we have established and opened multiple reporting channels for employees and external stakeholders (such as suppliers and customers), and are committed to protecting the personal information of whistleblowers and strictly prohibiting any form of retaliation. The Audit Center responds quickly to all reports and handles them in strict accordance with the system process. In 2025, the Group received a total of 26 reports, of which 24 were verified and handled, with a closed-loop rate of 100%.

CASE DATA REPORT



4. Operating with Integrity and Guarding the Bottom Line

EXTERNAL COOPERATION AND COMPLIANCE OF ANTI-CORRUPTION MEASURES

In terms of external anti-corruption measures, the Group requires all partners to sign an “Anti-Corruption and Anti-Commercial Bribery Commitment Letter” when signing contracts with suppliers and customers to ensure that they understand and comply with our integrity requirements. We also incorporate our partners’ business ethics into our evaluation system, ensuring that all collaborations meet high standards of integrity.

The Group cooperates with external supervisory bodies, the Head of Audit has joined the “Friends of Audit” industry committee (non-governmental organization) and has participated in the internal audit industry exchange activities organized by the committee several times. Through these exchanges, we share our experiences and learn best practices with industry peers, further enhancing the Group’s professional level in integrity governance.

- **Professional Evaluation and Guidance:** Based on the recommendation of experts from the Friends of Internal Audit, we invited “sewage experts” to conduct professional assessments and guidance on the sewage treatment of the Bengbu regional factory. Experts provided us with detailed professional advice to help us further optimize our wastewater treatment processes, ensure that our plant operations meet environmental requirements, and promote the fulfillment of the Group’s environmental responsibilities.

RISK WARNING AND DIGITAL GOVERNANCE

On the basis of the traditional integrity governance system, the Group actively embraces digitalization and deploys intelligent risk warning modules using the “Fine BI+AI” unified platform to realize the dynamic visualization of the “risk map”. Through this tool, we are able to monitor potential risk areas in real time and take measures in advance.

We have currently implemented the following several key digital governance measures through digital dashboards:

- **Procurement Price Evaluation and Warning:** Real-time monitoring of procurement prices via digital dashboards to promptly identify abnormal fluctuations and potential risks, ensuring compliance in procurement activities.
- **Accounts receivable risk identification:** Through digital monitoring of accounts receivable, real-time tracking of overdue accounts and timely warning of potential risks. In the past, the internal audit department took a week to sort out the data for the group’s accounts receivable, but now, through digital dashboards and RPA robots, the entire process can be completed in only 40 minutes, which greatly improves efficiency and accuracy, and helps us quickly identify high-risk manufacturers.

4. Operating with Integrity and Guarding the Bottom Line

- **BB3 engineering project process supervision:** With the help of digital tools, continuously track the entire process of the BB3 project to ensure that each stage meets internal control requirements and prevent corruption.

CASE ANALYSIS AND PROCESSING OUTCOMES

In 2025, we handled one case of fraud-related misconduct and the offender was referred to the judiciary for handling in accordance with the law. The Group also dismissed two employees and imposed internal penalties on four people, demonstrating the Company's zero-tolerance attitude towards misconduct.

FUTURE OUTLOOK

In 2026, the Group will continue to deepen its integrity governance and plans to further strengthen digital risk management to continue to consolidate a clean, compliant and efficient business environment. Through systematic and digital means, we enhance our forward-looking risk management capabilities and provide a solid foundation for the sustainable development of the Group.

REPORTING CHANNELS

To ensure transparency and openness, the Group has set up multiple reporting channels to ensure the safety and anonymity of whistleblowers:

- Report E-mail: 800@dachan.com.cn
- Report hotline: 022-27922393



5. Giving Back to Society and Contributing to the Community

DaChan Food actively gives back to the society, responds to the United Nations 2030 Sustainable Development Goals 1, 3 and 11, promotes positive interaction between enterprises and society, and spreads warmth and love.



In the course of its own development, the Group continues to give full play to its industry advantages, focusing on social care, spreading warmth and love to the society, and leading the development of community participation and public welfare activities. The Group's devotion to the community covers a wide range of areas, including food safety education, care for the hearing-impaired, environmental protection activity and charitable donation, and green deposits in banks.

5. Giving Back to Society and Contributing to the Community

1. PROMOTING THE DEVELOPMENT OF HEALTH UNDERTAKINGS

Case: Supporting the “Lei Ultra Endurance” Ultra Endurance Race

In May 2025, the Group sponsored the Lei Ultra Endurance Race for three consecutive years, as an official strategic partner and providing carefully prepared supplies to 2,926 participants from 32 provinces and 12 overseas countries across the country. DaChan provided high-protein and low-fat light chicken skewers of DaChan for the runners in the track supply area and finish line, which can quickly replenish energy without causing gastrointestinal burden, and also set up a comfortable rest area at the finish line to help the athletes recover their physical fitness during and after the race. The Group attaches great importance to people’s health and actively participates in the sponsorship and cooperation of sports events to make more contributions to the cause of human health.



2. CARING FOR NEW EMPLOYMENT GROUPS AND SAFEGUARDING FOOD SAFETY

Case: Condolence Activity for Delivery Riders

On 12 August 2025, Dacheng Wanda participated in the “Summer Cooling Campaign” condolence activity jointly organized by the Social Work Department of the Xiqing District Party Committee, the District Market Supervision Bureau, and the Party Committee of Zhongbei Town. As a key food provider in Xiqing District and an enterprise that actively fulfills its social responsibilities, the Group distributed “Cooling Care Package” to delivery riders to alleviate the scorching summer weather. Each “Cooling Care Package” includes drinks and medicines to cool off the heat to express the respect of all sectors of society for the “ferrymen” of these cities. In addition, the District Market Supervision Bureau also innovatively carried out “casual shooting” training through this activity, so that delivery riders can also properly supervise the food safety. DaChan Wanda has taken practical actions, cared for and comforted new employment groups, and actively safeguarded the food safety.



5. Giving Back to Society and Contributing to the Community

3. COMMUNITY PUBLIC WELFARE

Case: Blood Donation Drive

DaChan Food Dalian under the Group participated in the 2025 voluntary blood donation activity organized by Paotai street in Dalian's Jinpu New District. Employees donated blood to provide valuable resources for the medical system, demonstrating their social care and sense of responsibility.



4. SAFEGUARDING DINING TABLE HEALTH

Case: Parent-Child Research Workshop

In 2025, DaChan Food jointly held an immersive parent-child study camp and a DaChan Sandwich Ham Clean Plate Challenge with Hejiafu Supermarket and Yiming Fresh Milk, respectively. Parents and children visited the Bengbu factory to experience and understand the operation of DaChan's intelligent automated production lines and measures to ensure the food safety. We hope to show DaChan's reassuring products while also showing them the work and persistence required behind quality control.



5. Giving Back to Society and Contributing to the Community

5. JOINTLY PROMOTING THE PROSPERITY OF TRADE IN SERVICES

Case: Attending the China International Fair for Trade in Services (CIFTIS) in Beijing

DaChan Food has been invited by the Beijing CIFTIS for five consecutive years to participate in the event in October 2025. This year, the Group focused on promoting “Antibiotic-Free Series” of DaChan, which was certified as antibiotic-free and traceable throughout the farming and production process to ensure that each product meets the highest health standards. We have always adhered to the unremitting pursuit of high quality, food safety and high hygiene standards, and are committed to the high-quality development of the food industry.



6. FOCUSING ON ENVIRONMENTAL PROTECTION AND FOREST RESOURCE CONSERVATION

Case: Building a Green Supply Chain

DaChan Group actively promotes a sustainable procurement system. When selecting cardboard box suppliers, our procurement department prioritizes companies that have obtained FSC certification. FSC certification ensures wood and paper products originate from Responsibly Managed Forests, taking into account environmental, social, and economic benefits, helping consumers identify products that meet requirements for ecological protection, community rights, and long-term sustainability requirements. The Group will continue to encourage internal and external stakeholders to engage suppliers with sustainable certifications to reduce the impact of its business on the natural environment.



5. Giving Back to Society and Contributing to the Community

7. CARE FOR SPECIAL GROUPS

Case: Caring for Left-Behind Children

Bengbu DaChan Food and the Working Committee for the Care of Next Generation of Renqiao Town, Guzhen County, Bengbu jointly held a birthday party for 30 left-behind children and children in difficulty in its jurisdiction in August 2025. The Group is delighted to be able to bring the joy of the holiday to children through this event and convey love and warmth on behalf of all sectors of society.



Case: Caring for the Hearing-Impaired

DaChan Group actively engages in social welfare initiatives by providing long-term sponsorship to Rainbow Angel Cafe as a corporate member of Rainbow Angel Cafe, which offers opportunities for hearing-impaired youth to live independently.

DaChan continues to fulfill its commitment to community development and social welfare, enhancing its brand image while giving back to the society.



Table of ESG Key Performance Indicators

Environmental key performance indicators	Indicator unit	Feed mill ³		Food factory ⁴	
		2025	2024	2025	2024
Consumption of energy and resources					
Total water consumption	cubic metres	156,432.85	113,919.70	2,854,316.00	2,524,061.00
Water consumption intensity	cubic metres/ RMB10,000 revenue	0.97	0.66	6.51	6.14
Total power consumption	kWh	22,319,095.58	24,463,064.40	142,938,030.39	129,900,112.42 ⁵
Power consumption intensity	kWh/RMB10,000 revenue	137.72	142.17	326.22	315.8
Natural gas consumption	standard cubic metres	2,438,657.39	2,657,488.42	5,264,291.00	4,241,952.20
Coal consumption	tonne of standard coal	1,740.77	2,515.61	9,656.07	10,302.78
Comprehensive energy consumption	000' kWh	63,934.97	44,042.58	278,475.72	259,636.29
Comprehensive energy consumption intensity	000' kWh/RMB10,000 revenue	0.39	0.26	0.64	0.63
Total usage amount of packaging materials	tonne	1,210.36	1,249.49	17,017.96	14,943.42
Carton	tonne	Not involved	Not involved	12,205.48	10,458.42
Plastic	tonne	1,210.36	1,249.49	3,498.53	3,216.30
Other packaging materials	tonne	Not involved	Not involved	1,313.95	1,268.70
Packaging materials consumption intensity	kg/RMB10,000 revenue	7.47	7.26	38.84	36.32

3. The feed mill data in this report include feed mills in 12 regions, including Harbin, Changchun, Changtu, Shenyang, Huludao, Yingkou, Dalian, Tianjin, Cangzhou, Yucheng, Bengbu and Sichuan.

4. The food factory data in this report include food factories in 7 regions, including Tianjin, Dalian, Tieling, Liaoyang, Yanzhou, Cangzhou and Bengbu.

5. The data for 2024 has been restated.

Appendix

Table of ESG Key Performance Indicators

Environmental key performance indicators		Feed mill³		Food factory⁴	
Indicator unit		2025	2024	2025	2024
Pollutant emission					
Sewage production ⁶	cubic metre	–	–	1,785,396.56	1,817,154.66
Domestic sewage production	cubic metre	–	–	65,870.27	59,487.27
Industrial wastewater production	cubic metre	Not involved	Not involved	1,719,526.29	1,757,667.39
Sewage treatment capacity	cubic metre	–	–	2,820,669.56	2,690,862.66
Domestic sewage treatment capacity	cubic metre	–	–	35,830.27	33,285.27
Industrial wastewater treatment capacity	cubic metre	Not involved	Not involved	2,784,839.29	2,657,577.39
Sulphur oxides emissions	tonne	11.34	16.30	97.50	103.79
Nitrogen oxides emissions	tonne	11.20	15.64	47.89	48.68
Particulates emissions	tonne	13.64	19.50	16.79	17.59
Total greenhouse gas emissions ⁷	tonne of carbon dioxide equivalent	25,211.47	29,183.67	163,821.80	154,871.85
Direct greenhouse gas emissions	tonne of carbon dioxide equivalent	9,584.49	11,820.73	83,619.85	76,252.22
Indirect greenhouse gas emissions	tonne of carbon dioxide equivalent	15,626.99	17,362.94	80,201.95	78,619.63

6 The Group's feed mills do not produce industrial wastewater during the production process, and the amount of domestic sewage generated is very small, and they are discharged in accordance with relevant standards after being treated by waste water treatment facilities.

7 References of greenhouse gas emissions: General Principle for Calculation of the Comprehensive Energy Consumption of the PRC (GB 2589-90) (《中華人民共和國國家標準綜合能耗計算通則》), the China Energy Statistical Yearbook (《中國能源統計年鑒》), 2006 IPCC Guidelines for National Greenhouse Gas Inventories (《2006年IPCC 國家溫室氣體列表指南》), Appendix 2 Reporting Guidance on Environmental KPIs (《附錄二：環境關鍵績效指標匯報指引》) of "How to Prepare an ESG Report" (《如何準備環境、社會及管治報告》) issued by The Stock Exchange of Hong Kong Limited and the Announcement on the 2021 Electricity CO2 Emission Factor issued by the Ministry of Ecology and Environment of the People's Republic of China and the National Bureau of Statistics (《生態環境部、國家統計局關於發佈2021年電力二氧化碳排放因子的公告》).

Table of ESG Key Performance Indicators

Environmental key performance indicators	Indicator unit	Feed mill ³		Food factory ⁴	
		2025	2024	2025	2024
Greenhouse gas emission intensity	tonne of carbon dioxide equivalent/RMB10,000 revenue	0.16	0.17	0.37	0.38
Total weight of hazardous waste	kg	1,108	686.5	1,365.03	3,351.45
Waste oil	kg	1,108	686.5	1,292.03	3,277.45
Waste lamp	kg	Not involved	Not involved	20.00	20.00
Waste cloth	kg	Not involved	Not involved	16.00	17.00
Waste and obsolete electronic products	kg	Not involved	Not involved	37.00	37.00
Hazardous waste generation intensity	g/RMB10,000 revenue	6.84	3.99	3.12	8.15
Total weight of non-hazardous waste	tonne	139.26	201.25	27,377.93	23,114.37
Slag	tonne	139.26	201.25	2,342.30	2,155.81
Sludge	tonne	Not involved	Not involved	24,528.67	20,510.54
Sick and dead livestock	tonne	Not involved	Not involved	371.31	342.24
Livestock manure	tonne	Not involved	Not involved	64.42	45.62
Industrial wastewater pollutants chemical oxygen demand	tonne	Not involved	Not involved	64.70	55.29
Industrial wastewater pollutants ammonia nitrogen	tonne	Not involved	Not involved	6.52	4.87
Non-hazardous waste generation intensity	kg/RMB10,000 revenue	0.86	1.17	62.48	56.19

Appendix

Social key performance indicators	Indicator unit		2025	2024
		Employment		
Total number of employees		persons	8,356	8,324
By gender	Male	persons	4,221	4,260
	Female	persons	4,135	4,064
By age	30 and below	persons	1,265	1,648
	31-40	persons	2,293	2,876
	41-50	persons	2,726	1,705
	51-60	persons	2,021	1,439
	Over 60	persons	51	656
By employment	Contract employees	%	43.5	42.6
	Labor employees	%	4.3	5.2
	Dispatched employees	%	3.2	4.7
	Outsourced employees	%	49	47.5
By region	Beijing	persons	47	50
	Tianjin	persons	536	535
	Liaoning	persons	3,793	3,849
	Heilongjiang	persons	99	98
	Jilin	persons	71	80
	Inner Mongolia	persons	8	8
	Hebei	persons	400	485
	Shandong	persons	203	204
	Anhui	persons	3,127	2,938
	Hunan	persons	14	13
	Sichuan	persons	58	64

Social key performance indicators	Indicator unit	2025	2024	
FORMAL CONTRACT EMPLOYEE TURNOVER RATE				
By gender	Male	%	15	16
	Female	%	10	11
By age	Post 90s employee and below	%	24	24
	Post 80s employee	%	10	12
	Post 75s employee	%	7	8
	Post 70s employee	%	7	10
	Post 60s employee and above	%	–	0
By region	Beijing	%	17	11
	Tianjin	%	9	11
	Liaoning	%	8	10
	Heilongjiang	%	4	17
	Jilin	%	15	20
	Inner Mongolia	%	–	0
	Hebei	%	17	12
	Shandong	%	9	11
	Anhui	%	18	18
	Hunan	%	7	7
Sichuan	%	13	12	
EMPLOYEE HEALTH AND SAFETY				
Number of employees died of work-related causes	persons	0	3 ⁸	
Rate of work-related deaths	%	0	0.03	
Number of working hours lost due to work-related injuries	days	3,031	3,098	

8. The data for 2024 has been restated.

Appendix

Social key performance indicators		Indicator unit		2025	2024
EMPLOYEE TRAINING					
Total training hours of employees	hours	hours		222,180	120,729
Number of offline training	times	times		1,136	899
Total training investment	RMB 10,000	RMB 10,000		475	444
Average training hours per employee	hours	hours		28.04	14.5
Percentage of training participants by gender	Male	%		100	100
	Female	%		100	100
Percentage of training participants by employment	General employees	%		100	100
	Mid-level employees	%		100	100
	High-level employees	%		100	100
Average training hours per employee by gender	Male	hours		27.96	14.5
	Female	hours		28.11	14.6
Average training hours per employee by employment	General employees	hours		28.03	14.5
	Mid-level employees	hours		28.03	14.6
	High-level employees	hours		28.03	14.5

INDEX TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ON SUSTAINABILITY DISCLOSURES—INDUSTRY-SPECIFIC DISCLOSURES

Issues	Indicator	Unit	2025
Greenhouse Gas Emissions	Scope 1 Greenhouse Gas Emissions	tonne of carbon dioxide equivalent	Environmental key performance indicators
	Discussion of long-term and short-term strategies or plans regarding Scope 1 emissions, emission reduction targets, and performance analysis of these targets	N/A	3.3 Responding to climate change
Energy Management	Total energy consumed	thousand kWh	Key Performance Indicators
	Percentage grid electricity	%	47%
	Percentage renewable	%	2%

APPENDIX: HKEX ESG REPORTING CODE CONTENT INDEX

Aspect	Contents	Location in the Report
Part B: Mandatory Disclosure Provisions	Statement of the Board	Statement of the Board
	Reporting Principles	About this Report
	Reporting Scope	About this Report
Part C: "Disclose or Explain" Provisions		
A1 Emissions	General Disclosure Information on:	3.1 Reducing emissions
	(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.	
	A1.1 The types of emissions and respective emissions data.	Table of ESG Key Performance Indicators
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Table of ESG Key Performance Indicators
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Table of ESG Key Performance Indicators
	A1.5 Description of emissions target(s) set and steps taken to achieve them.	3.1 Reducing 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.	3.1 Reducing emissions	
A2 Use of Resources	General Disclosure	3.2 Cutting resource
	Policies on the efficient use of resources, including energy, water and other raw materials.	consumption
	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).	Table of ESG Key Performance Indicators
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Table of ESG Key Performance Indicators
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	3.2 Cutting resource consumption

Appendix

Aspect	Contents	Location in the Report
A3 The Environment and Natural 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.	3.2 Cutting resource consumption
	A2.5 Total packaging material used for finished reference to per unit produced.	3.2 Cutting resource consumption
	General Disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources.	3. Protecting the Earth with Clean Energy and Low-carbon Transformation
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3. Protecting the Earth with Clean Energy and Low-carbon Transformation
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, antidiscrimination, and other benefits and welfare.	2.1 Hiring in accordance with law
	B1.1 Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	Table of Social Key Performance Indicators
	B1.2 Employee turnover rate by gender, age group and geographical region.	Table of Social Key Performance Indicators
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.	2.2 Employee health and safety
	B2.1 Number and rate of work-related deaths occurred in each of the past three years including the reporting year.	Table of Social Key Performance Indicators
	B2.2 The number of working days lost due to work-related injuries.	Table of Social Key Performance Indicators

Aspect	Contents	Location in the Report
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	2.2 Employee health and safety
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 and may include internal and external courses paid for by the employer.	2.3 Mutual growth of the Company and employees
	B3.1 The percentage of training participants by gender and employee type (e.g. high-level management, mid-level management).	Table of Social Key Performance Indicators
	B3.2 The average training hours completed per employee by gender and employee category.	Table of Social Key Performance Indicators
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.	2.1 Hiring in accordance with law
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	2.1 Hiring in accordance with law
	B4.2 Description of steps taken to eliminate such practices when discovered.	2.1 Hiring in accordance with law

Appendix

Aspect	Contents	Location in the Report
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	1.2 Supplier selection management
	B5.1 Number of suppliers by geographical region.	1.2 Supplier selection 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.	1.2 Supplier selection management
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	1.2 Supplier selection management
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	1.2 Supplier selection management
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 protection relating to products and services provided and methods of redress.	1.1 Food safety management
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	1.1 Food safety management
	B6.2 Number of products and service related complaints received and how they are dealt with.	1.3 Customer service and privacy protection
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	1.4 Product R&D and intellectual property protection
	B6.4 Description of quality assurance process and recall procedures.	1.1 Food safety management
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	1.3 Customer service and privacy protection

Aspect	Contents	Location in the Report
B7 Anticorruption	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p> <p>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.</p> <p>B7.2 Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.</p> <p>B7.3 Description of anti-corruption training provided to Directors and staff.</p>	<p>4. Operating with Integrity and Guarding the Bottom Line</p> <p>4. Operating with Integrity and Guarding the Bottom Line</p> <p>4. Operating with Integrity and Guarding the Bottom Line</p> <p>4. Operating with Integrity and Guarding the Bottom Line</p>
B8 Community Investment	<p>General Disclosure</p> <p>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.</p> <p>B8.1 Focus areas of contribution (e.g. education, environment, labour demand, health, culture and physical education).</p> <p>B8.2 Resources contributed (e.g. money or time) to the focus area.</p>	<p>5. Giving Back to Society and Contributing to the Community</p> <p>5. Giving Back to Society and Contributing to the Community</p> <p>5. Giving Back to Society and Contributing to the Community</p>
Part D: Climate-related disclosure		
D-I Governance	<p>A governance body responsible for overseeing climate-related risks and opportunities</p> <p>Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.</p>	<p>3.3 Responding to climate change</p> <p>3.3 Responding to climate change</p>

Appendix

Aspect	Contents	Location in the Report
D-II Strategy	Climate-related risks and opportunities	3.3 Responding to climate change
	Business model and value chain	3.3 Responding to climate change
	Strategy and decision-making	Note 1
	Financial position, financial performance and cash flows	Note 2
	Climate resilience	Note 2
D-III Risk Management	Processes and policies for identifying, assessing, prioritizing, and monitoring climate-related risks.	3.3 Responding to climate change
	Processes and policies for identifying, assessing, prioritizing, and monitoring climate-related opportunities.	3.3 Responding to climate change
	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process	3.3 Responding to climate change
D-IV Metrics and Targets	Greenhouse gas emissions	3.3 Responding to climate change Note 3
	Climate-related transition risks	Note 2
	Climate-related physical risks	Note 2
	Climate-related opportunities	Note 2
	Capital deployment	Note 4
	Internal carbon prices	Note 4
	Remuneration	Note 4
	Industry Benchmark	Index to the International Financial Reporting Standards on Sustainability Disclosures—Industry-Specific Disclosures
Climate-related targets	3.3 Responding to climate change	

Note 1: The Group has conducted a preliminary review of the impact of climate change on its business but has not yet formulated a transition plan. Such work will be undertaken in due course when conditions permit and will be included in disclosures.

Note 2: The Group has preliminarily identified the financial impacts of climate change but has not yet undertaken systematic financial quantification or scenario analysis related to addressing climate change. Such work will be undertaken in due course when conditions permit and will be included in disclosures.

Note 3: The Group has disclosed Scope 1 and Scope 2 greenhouse gas emissions and has begun assessing Scope 3 greenhouse gas emissions. They will be included in disclosures when conditions permit.

Note 4: The Group has not yet undertaken work related to the utilization of capital to climate-related risks and opportunities, internal carbon pricing, or the integration of climate-related factors into compensation policies. Such work will be undertaken when conditions permit and disclosed in the report.

Reader Feedback

Dear Readers,

Thank you for reading this Report. We sincerely look forward to receiving your opinions or suggestions on its contents. Please complete the form below and return it to us by email or post.

Mailing address: 4A Floor, Office Tower C, Vanton Center, No. 6A Chaowai Street, Chaoyang District, Beijing

E-mail: hr@dachan.com.cn

1. What is your overall opinion of the Report?

Good Not bad Normal

2. Do you think the information and data disclosed in the Report are clear, accurate and complete?

Good Not bad Normal

3. Do you think the Report reflects the Group's influence on the economy, society and the environment?

Good Not bad Normal

4. How do you rate the Group's performance in safeguarding the interests of stakeholders?

Good Not bad Normal

5. Your opinions or suggestions on the sustainable development management of the Group:

Please leave your contact information if convenient:

Name:

E-mail:

Occupation:

Telephone:

Company:

Contact address:

Post code:

We will thoroughly consider your opinions and suggestions and ensure that your personal information is handled properly.



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