2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT FOSHAN HAITIAN FLAVOURING & FOOD CO., LTD.





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About This Report



Introduction to the report

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



Compliance statement and basis of preparation

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



Scope of the report

In principle, this report focuses on Foshan Haitian Flavouring and Food Co., Ltd. and its subsidiaries, and is consistent with the coverage of the Company's 2024 annual report. This report is an annual report, covering the period from 1 January 2024 to 31 December 2024 ("this year" or the "reporting period"). In order to improve the completeness and comparability of the report, it also includes some reports on the previous or recent related activities.



Data sources

The content and data disclosed in this report are quoted from the Company's statistics and public documents. The Company guarantees that there are no false records or misleading statements in the content of the report. In case of any discrepancy between the relevant data disclosed in this report and the Company's 2024 annual report, the annual report shall prevail.



Access to the report

E-mail: OBD@haday.cn

Haitian official website: www.haitian-food.com

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

This report is available in both Chinese and English. In case of inconsistency, please refer to the Chinese version.



Approval of the report

This report was reviewed and confirmed by the Board of Directors and approved for publication on 2 April 2025.

About

Haitian

About Haitian

Company Profile



With over a century of heritage, Haitian has established itself as a leading name in China's condiment industry, combining innovation with a global perspective. From its headquartered in Foshan, Guangdong—a place known as the birthplace of Chinese culinary tradition—Haitian has spent decades focused on making and selling condiments. Haitian was also among the first to be recognized a "China Time-Honored Brand" by the Ministry of Commerce of the People's Republic of China. Haitian was listed on the Shanghai Stock Exchange (SSE) Main Board on February 11, 2014, under the name Haitian Flavouring and Food Co., Ltd. (Stock Code: 603288). Adhering to the development strategy of "technology as the driving force, quality as the foundation", Haitian continues to meet the evolving tastes of consumers through dependable products and exceptional service. For 27 consecutive years, Haitian has ranked first in the industry in both production and sales. Haitian's product lineup includes soy sauce, oyster sauce, flavoured sauce, specialty condiments and other categories, with an annual output valued at over RMB 20 billion. Renowned for safety, delicious taste, and premium quality, Haitian products are household staples across China and are also exported to more than 80 countries and regions. Committed to sharing Chinese culinary culture globally, Haitian delivers high-quality products that bring the joy of flavour to more people and enrich the lives of families everywhere.

In 2024, Haitian ranked **fourth** among China's top 10 preferred FMCG brands in the "2024 Global Brand Footprint Report" released by Kantar Index



Haitian Culture



The vibrant Haitian culture represents the Company's enduring strength and serves as the spiritual faith and core values embraced by Haitian people across generations. It reflects the unity and collective growth of all Haitian employees. Haitian's mission, vision, values, and other core elements constitute Haitian's cultural system, which leads the Company to remain steadfast in its consumer-centric approach, continuously create healthy and nutritious products that meet consumers' preferences, inherit delicious food and promote the Company's sustainable development.

Rooted in China's culinary heritage and craftsmanship, we innovate to elevate the art of "Chinese taste," ensuring every household can enjoy diverse and delicious seasonings every day. Through this, we share the richness of Chinese cuisine with the world.

Spreading the Joy of flavour, Brewing

Happiness for

People's Lives

We strive to upgrade our high-quality product portfolio and build an extensive and in-depth distribution network—bringing Haitian's flavours to more global consumers and sharing our story wherever food connects people.

Haitian is Wherever

Food Connects People We recognize that customers are the foundation of our growth. With sharp market insights, cutting-edge R&D, as well as agile and flexible production capabilities, we relentlessly pursue better products and services to meet their evolving needs.

As a creator of wholesome tastes and joyful living, Haitian empowers consumers with a diverse range of premium, innovative, and unexpectedly delightful products. We inspire confidence and fun, and help people discover, create, savor, share, and feel life's flavourful moments—making everyday life more flavourful.

A company's sustainable development is defined by its core competitiveness Haitian's industryleading advantages product excellence, multi-dimensional distribution networks, cutting-edge R&D capabilities, and unparalleled economies of scalecollectively form our competitive moat, which we will continue to reinforce in the long term. Among these strengths, quality stands paramount. Haitian's success has always been built on quality, and our future growth will be further propelled by doubling down on this defining edge.

Customer First Vision

Make Everyday Life More Flavourful

Core Competitive Edge

Quality as Our Foundation

The 2024 of Haitian



Annual ESG Performance

Green Haitian: Advancing with Low-Carbon Commitment

In 2024, Haitian implemented

161

energy-saving and carbon reduction measures, covering process optimization, new photovoltaic power generation installations, biogas reuse, condensate water recovery, waste heat recovery from air compressors, exhaust steam recovery, and tail gas heat utilization

These initiatives collectively saved

5.5076 million kWh of electricity

53,667 tons

188,900 standard cubic meters of natural gas

Achieving a total carbon reduction of

21,013 tons

The Company recycled approximately

million cubic meters

of water

Equivalent to reducing annual consumption of

1.5 million cubic meters of fresh tap water

of Haitian's manufacturing facilities obtained Environmental Management System Certificates

The Company reduced packaging materials (including PET, PE, glass bottles, and cartons) by approximately

1,700 tons



Quality Haitian: Safeguarding Health and Well-being

As of 2024, cumulatively launched over

1,200

specialty products focusing on nutrition and health

100% of wholly-owned production bases¹ have obtained ISO 9001 Quality Management System Certificate and ISO/FSSC 22000 Food Safety System Certificate

food safety incidents

Total R&D expenditure reached

RMR 840 million

Accounting for

of the annual operation revenue

over **5,000**

participations in responsible marketing training programs

Representing a year-on-year increase of more than

40%

300 pieces of science popularization content on nutrition and health through various platforms

Released more than

Generating approximately

views in total

data breach incidents

customer privacy

leakage cases

newly authorized patents

Bringing its cumulative total of valid invention patents to more

310

Harmonious Haitian, Growing Together

No incidents

of child labor or forced labor

of employees

Social insurance covered

Health and safety training covered

of employees

Collective contracts covered

100%

of employees

Annual employee training expenditures reached

RMB 4.4411 million

Among Haitian's suppliers, 31 obtained BRC certificate, 69 got FSSC 22000 certificate, 81 secured ISO 20000 certificate, 226 attained ISO 9001 certificate. 111 received ISO 14001 certificate, and 59 earned ISO 45001 certificate

¹ Statistical scope limited to fully operational, wholly-owned production bases as of the end of 2024.

Compassionate Haitian and Spread Warmth

As of 2024, Haitian and Kangze Foundation have continuously participated in Guangdong Poverty Alleviation Day activities for

with cumulative donations (including pledges) exceeding

The joint rural revitalization efforts have contributed to more than

RMB 35 million

283,000 people of development

In 2024, Haitian and Kangze Foundation donated over

RMR 12.94 million

to external causes

over 10 years

Their rural revitalization investments surpassed

RMB 10.76 million

The Company established the "Haitian Volunteer Service Team", across

volunteer participations

Providing more than

490,000

instances of assistance

168,000 supports

With volunteers providing

1,735 service hours

Responsible Haitian and Prudent Management

Issued cash dividends amounting to

.66 billion

for the 2023 financial year² in 2024

Proposed integrity cooperation requirements³ to

100 of suppliers

Conducted business ethics and integrity and selfdiscipline training and assessments with over

20,000 participations

Organized over

40

investor activities including on-site in the SSE's information research, online meetings and one- disclosure evaluation⁴ on-one communications

Received an

The risk control platform added 4 business modules, 18 operational entities, and 118 risk control matrices, while adding/updating 209 risk prevention and control points, achieving

100

coverage of the Company's affiliated campuses and manufacturing subsidiaries

Corporate Honors in 2024

Brand Value

Listed in China's FMCG brand ranking of the "2024 Global Brand Footprint Report" released by Kantar Index, Haitian was ranked fourth among China's top 10 most-chosen FMCG brands.

In the 2024 C-BPI list of China's brand power index, Haitian has consistently ranked first in the soy sauce (for 14 consecutive years), oyster sauce (for five consecutive years), flavoured sauce (for five consecutive years), and vinegar industries.

Honored with the "Brand of the Year Award" in the 2024 (31st) China International Advertising Festival - Great Wall Award Annual Brand Competition

Kantar Index

Chnbrand (Beijing) Brand Consulting Company

China Advertising Association

Enterprise Strength

- * Haitian Gaoming Factory was recognized as a "Lighthouse Factory" (January 2025), becoming the first and only in the global condiment industry to receive this honor
- Haitian's "5G Factory" was included in the 2024 National 5G Factory Directory by the Ministry of Industry and Information Technology (MIIT)
- Listed in the Top 500 Chinese Manufacturing Private Enterprises by All-China Federation of Industry and Commerce
- Haitian's light and reduced-sodium soy sauce, iron-fortified soy sauce, dipping oyster sauce (oyster sauce), and 3-year-aged 6° vinegar got listed in the Landmark Achievements in Nutrition and Health Action of Food Industry by China National Food Industry Association
- "National Quality Leading Enterprise in Condiment Industry" and "National Quality Leading Brand in Condiment **Industry**" awarded by China Association for Quality
- ◆ Honored with "Tianma Award" (for shareholder return) by Securities Times











ESG Practice

Selected as "ESG Best Practice of Chinese **Enterprises"** by 2024 Corporate ESG Sustainable Development Conference

Won "Pearl Cup · Climate-Friendly Enterprise" and "Golden Orchid Cup · Exemplary ESG Social Responsibility Case" at 2024 Pearl Bay International Climate Investment and Financing Conference

China Enterprise Reform and Development Society and Banyuetan Magazine

2024 Pearl Bay International Climate Investment and Financing Conference

Awarded as "2024 ESG Innovation **Pioneer Enterprise**"

Haitian Gaoming Factory was awarded as "National Energy Conservation and **Environmental Protection Benchmark Enterprise in Bio-Fermentation Industry**"

Awarded as "2024 Responsible **Innovation Enterprise**"

Southern Metropolis Daily

China Biotech Fermentation Industry Association

China Annual Conference on

Corporate Social Responsibility

² Refer to the 2023 Annual Announcement on Equity Distribution Implementation of Haitian Flavouring (Announcement No.: 2024-023) disclosed on the SSE

³ Depending on supplier type and actual circumstances, these requirements include but are not limited to signing Integrity Agreement, oral or written integrity and self-discipline requirements, etc.

⁴ Refer to 2023-2024 Information Disclosure Evaluation Results for SSE Listed Companies at https://www.sse.com.cn/regulation/supervision/dynamic/c/ c_20241009_10762586.shtml.

About Haitian

Sustainable Development Governance

Haitian strengthens its overall competitiveness and social impact through effective sustainability governance. By embedding sustainable development principles into both strategic planning and day-to-day operations, we are better positioned to manage risks, capture emerging opportunities, and contribute positively to social and environmental sustainability.

Sustainable Development Philosophy



Haitian adheres to the core principles of steady operation and sustainable development, embedding social responsibility into every stage of corporate development. We are committed to creating shared value with all stakeholders and advancing the harmonious development of society, the environment, and the economy. In alignment with the United Nations Sustainable Development Goals (SDGs), we advance sustainability practices across five key areas, including standardized governance and steady operations; health, nutrition and quality excellence; green operations and environmental initiatives; employee development and industrial win-win collaboration; and social responsibility and commitment. These pillars guide our actions and help us continuously improve the effectiveness of our corporate governance and sustainability.

Area

Practice

Standardized Governance and Steady Operations

Haitian works proactively to establish a transparent and standardized governance framework and a robust internal control system. We continuously strengthen risk management and internal oversight, strictly adhere to business ethics, safeguard information security, uphold responsible marketing principles, and ensure smooth communication with stakeholders—comprehensively implementing our philosophy of "Standardized Governance and Steady Operations."

Health, Nutrition and Quality Excellence

As a leader in the condiment industry, Haitian upholds the value of "Customer First" and drives product innovation through technological advancement. We are dedicated to expanding our range of nutritious, healthy, and high-quality offerings. We promote food health and nutrition knowledge through diverse outreach channels, working with consumers to encourage healthier lifestyles. Our comprehensive quality control systems and customer-focused service model reflect our ongoing commitment to excellence in both product and experience.

Green Operations and Environmental Initiatives

In pursuit of sustainable corporate development, Haitian considers green development as the foundation of high-quality advancement. We are committed to strengthening our environmental management systems and continuously improving the effectiveness of our green operations. By fulfilling our responsibilities in energy conservation, emissions reduction, and climate action, we actively contribute to long-term sustainability goals.

Employee Development and Industrial Win-Win collaboration

Haitian recognizes that employees are our most valuable asset. We are dedicated to supporting individual career growth by providing a strong platform for personal development and value creation. Through initiatives such as enhanced career planning, an optimized benefits system, and robust occupational health and safety measures, we aim to create a safe, healthy, and empowering work environment. At the same time, we leverage our leadership position to promote collaboration across the industry, advancing supply chain development and enabling shared success for our employees, the Company, and the sector.

Social Responsibility and Commitment

Haitian is dedicated to synergizing economic and social development by actively exploring diverse ways to give back to the community. In collaboration with the Foshan Kangze Foundation, we participate in philanthropic initiatives, support rural revitalization efforts, and contribute to broader social welfare. Through these actions, we extend care to those in need, foster a sense of hope, and help promote a more inclusive and prosperous society.

Working Mechanism for Sustainable Development



To further elevate our sustainable development governance, we have formulated the *Sustainability (ESG) Management System of Haitian Flavouring* in 2024 and continue to refine our implementation guidelines. The Company has upgraded its ESG governance structure into a multi-layered framework comprising the governance layer, which is responsible for strategic decision-making and oversight; the management layer, which oversees planning, coordination and resource allocation, supported by a dedicated Steering Team to refine sustainability initiatives; and the operation layer, which implements concrete actions and performance management. This system creates a closed-loop governance mechanism—from decision-making to implementation, and from supervision to feedback—ensuring effective execution of ESG strategies and providing strong support for achieving our sustainability objectives.

To ensure all layers can effectively manage practices under every ESG issue, Haitian has implemented the following reporting protocols:

Regular and ad hoc reporting mechanism

For ESG issues identified as "highly material" from a financial perspective, designated issue-specific working groups submit semi-annual and annual reports—including next-year plans—on progress to the Sustainability Management Committee for regular review. The ESG Steering Team consolidates operational needs raised by the working groups and submits them to the Committee on an asneeded basis. Ad hoc meetings may be convened by the Committee to address additional matters within its mandate.

Real-time reporting on special events

When ESG-related risks or opportunities are identified, immediate reporting and analysis are conducted and shared with the management team, issue-specific working groups, and responsible personnel. Corresponding action plans are developed and implemented.





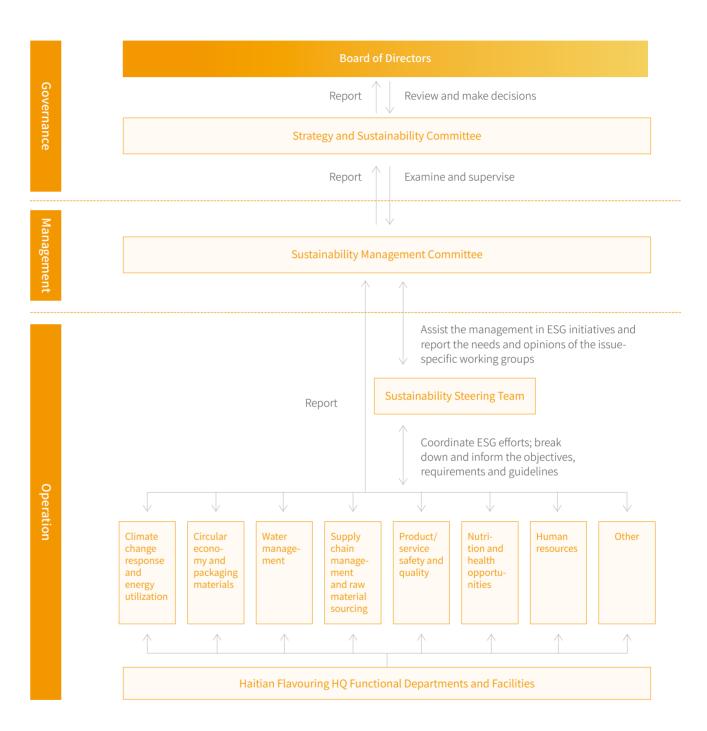
action and oversight.



Sustainability Governance Structure



ESG Governance Structure of Haitian



Stakeholder Communication



Haitian remains committed to protecting the legitimate rights and interests of all stakeholders and addressing their concerns, with the goal of fostering a stable and harmonious relationship network. To that end, we have established a comprehensive set of stakeholder communication systems and mechanisms, including the *Haitian Investor Relations Management Measures*, *Haitian Investor Complaint Handling Procedures*, *Operation Mechanism and Implementation Guidelines on "Haiyue" Dialogue - Bimonthly Thematic Communication Meetings (Trial)*, *Mentorship Operation Program*, *Management Guidelines for General Manager Mailbox*, *Rules on Market Complaint Handling*, *Consumer Mediation Standards*, and *Haitian Distributor Survey Management Rules*. These documents standardize the Company's communication methods, frequency, and content with stakeholder groups such as investors, employees, and consumers. Additionally, we have established diversified communication channels to support open, two-way dialogue. These platforms ensure we listen actively, respond promptly, and give full consideration to the feedback and concerns of all stakeholders.



Stakeholders	Common goals	Communication methods and channels	Communication frequency	Content	Our responses
Shareholders and Investors	 Prevent business risks Maintain and boost asset value Explore new markets and opportunities 	Shareholders' meetingEarnings briefingDaily communication	Regular/irregularRegularIrregular	 Company operations Industry developments Core competitiveness Suggestions for corporate development 	 Ensure steady operations Keep enhancing corporate competitiveness Convene shareholders' meetings Establish diversified and accessible investor communication channels
Government and Regulatory agencies	Compliance operationsTax complianceLocal GDP contribution	Research, guidance and inspectionsMeetings and workshopsDiscussion on corporate needs	IrregularIrregularIrregular	 Business performance and growth Operation compliance Government policy consultation (drafting/revisions) 	 Cooperate with regulatory assessments, instruction and inspection Conduct compliant operations and disclose information in time Ensure tax compliance
Customers and Consumers	 High-quality products and services Open and timely communication and feedback channels Product diversification 	 Customer satisfaction surveys Routine communication and engagement 	Regular Irregular	 Comments and feedback on product/ service Customer complaint and inquiry resolution 	 Advance R&D capabilities Set up a comprehensive product QC system Conduct customer satisfaction surveys Promptly resolve consumer issues Keep enriching product lines Commit to responsible marketing Ensure privacy protection and information security
Upstream and downstream partners in the industrial chain	 Fair and transparent sourcing Honest, trustworthy, upright and fair conduct Information confidentiality Mutual benefit and shared growth 	 Routine communication and engagement Notification and correspondence Exchange meetings On-site visits 	RegularRegular/IrregularRegular/Irregular	 Opinion solicitation Integrity cooperation requirements Supplier ESG objectives and initiatives 	 Foster a transparent and integrity-based cooperation environment Conduct training on business ethics and operational standards Establish diversified and accessible communication and whistleblowing mechanisms
Employees	 Health and safety Employee rights protection Clear career advancement paths Work-life balance 	 Staff representatives' meetings Employee communication activities GM's mailbox Labor union routine communications 	Regular/IrregularIrregularIrregularIrregular	 Employee opinions on policies or major matters Work-life issue resolution Key policy dissemination Satisfaction surveys 	 Develop a robust occupational health and safety assurance system Conduct employee satisfaction surveys Provide sound compensation and benefits Design clear and reasonable career advancement paths Formulate and implement compliant employment policies
Industry	Industry advancementFair competition and healthy development	Routine communication and engagementIndustry events	IrregularIrregular	Policy requirements and notificationsIndustry association engagements	Engage in and contribute to industry associations Promote industry standardization

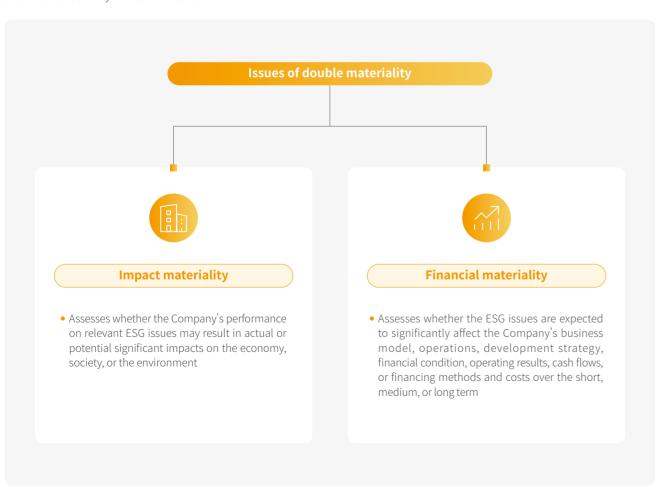


Analysis and Evaluation on Materiality



Haitian continuously refines its approach to identifying and managing ESG-related risks and opportunities. In 2024, the Company issued nine editions of the Guidelines on Key Sustainability Issues and ten editions of Internal Reference Reports on Sustainability Risks and Opportunities. These materials were shared with members of the Board, senior management, the Steering Team, and the operational layer. The reports provide comprehensive coverage of all critical ESG issues relevant to the Company. They assess both immediate and anticipated impacts (including financial materiality and impact materiality) on Haitian's business model and value chain. Each issue is evaluated within defined timeframes: short-term (by 2025), medium-term (by 2030), and long-term (by 2035). Based on this analysis, targeted decision-making recommendations are proposed to ensure alignment with the Company's current operations and strategic plans. These risks have also been incorporated into the Company's risk control matrix for integrated management.

We place significant emphasis on the financial impacts of ESG risks and opportunities. This year, in accordance with the "double materiality" concept outlined in the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)*, we conducted materiality assessments and prioritization of ESG issues from both "financial materiality" and "impact materiality" perspectives, and established quantified thresholds for financial materiality. This assessment framework enables us to accurately identify ESG issues with significant relevance to the Company, improving the quality of ESG-related decision-making. We further conducted in-depth analyses of the medium- to long-term impacts of these material issues on Haitian's business development strategy, ensuring a science-based foundation for future planning. By applying this dual-lens approach, we not only respond more effectively to stakeholder expectations regarding sustainability, but also enhance the Company's overall ESG governance capabilities. With the *Guidelines on Key Sustainability Issues*, we clearly defined risk transmission mechanisms and financial impact management methods for issues of "double materiality". Meanwhile, the *Internal Reference Reports on Sustainability Risks and Opportunities* enable us to promptly identify and manage the specific manifestations of the "double materiality" of relevant issues.



In 2024, Haitian's "double materiality" evaluation on ESG issues was conducted in four phases:



Understand the background: Conduct a comprehensive analysis of internal business activities, external environments, and impacted stakeholders to integrate and align with stakeholder expectations.

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

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



Impact materiality research:

Questionnaire design: The impact materiality assessment considers four key factors: scale, scope, irremediability, and likelihood. Evaluation criteria are based on policy requirements, environmental or natural factors, market trends, and historical data. A five-level scoring system is used to ensure consistent and comparable results.

Develop a comprehensive stakeholder research plan: A comprehensive stakeholder survey was conducted, targeting users of sustainability information and key stakeholder groups. These include investors, government and regulatory bodies, employees, consumers, suppliers, distributors, industry associations, and internal management.

Financial materiality research:

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

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



Based on the questionnaire surveys and specialized workshop results, Haitian conducted an integrated analysis of both financial and impact materiality. ESG issues were prioritized accordingly. Department heads then reviewed and discussed the preliminary rankings, making further adjustments where necessary. This process led to the development of a double materiality matrix and the identification of six ESG issues deemed highly material to Haitian's sustainable development.



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

Issue identification and confirmation

In 2024, we updated our material ESG issue list by referencing regulatory requirements and leading ESG rating standards. As part of this update, nine existing issues were refined, including climate change response and energy utilization, circular economy and packaging materials, supply chain management and raw material sourcing, product/service safety and quality, opportunities in nutrition and health, human resources, STI and ethics, rural revitalization and social contribution, and corporate sustainable governance and compliant operations. Additionally, we introduced six new issues: ecological conservation and environmental compliance, pollutant discharge and waste management, data security and customer privacy protection, responsible investment, due diligence, and stakeholder communication. Through this process, we finalized a list of 17 material ESG issues:

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

Results for impact materiality research

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

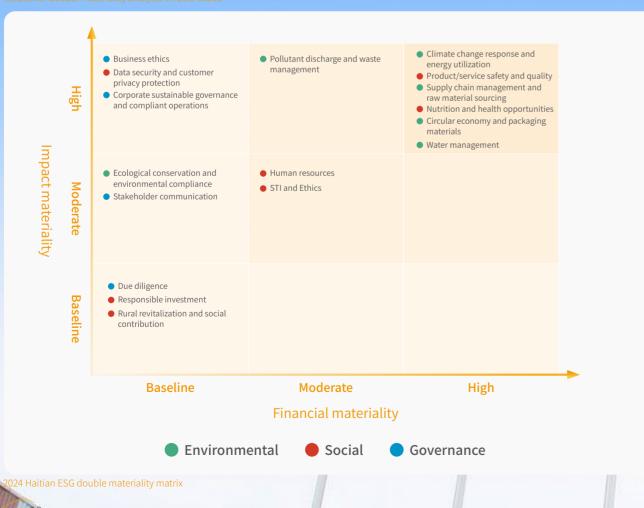
Results for impact materiality research on ESG issues

Results for financial materiality research

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

Results for financial materiality research on ESG issues

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





Green Haitian: Advancing with Low-Carbon Commitment

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Haitian focuses on the synergistic development of enterprises and the environment, promoting green practices in four areas: climate change response, water management, circular economy and packaging materials, and green operations management. These efforts aim to minimize the environmental impact of our operations and support the long-term goal of sustainable corporate development.

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Green Management and Operations



Response to Climate Change

In response to global climate change uncertainties, we adhere to the *Corporate Sustainability Disclosure Standards – Basic Standards (Trial)* issued by the Ministry of Finance, the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)* issued by Shanghai Stock Exchange, and Part D: Climate-related Disclosures in Appendix C2 (Environmental, Social and Governance Reporting Code) to the *Listing Rules and Guidance* issued by the Hong Kong Stock Exchange. We comprehensively plan our climate change management system and action plan across four dimensions: governance, strategy, risk management, and metrics and targets.

Governance



Governance structure

The Company has established a climate change and energy utilization management framework, consisting of the Board of Directors, the Strategy and Sustainability Committee, the Sustainability Management Committee, and the ESG issue-specific working groups. Each of these entities has clearly defined responsibilities and actively contributes to advancing the Company's climate change response initiatives.

Layer	Composed of	Scope of work
Governance	Board of Directors and the Strategy and Sustainability Committee	The Board of Directors serves as the highest decision-making body for climate change response and energy utilization. It is responsible for reviewing related strategies, objectives, and medium- to long-term plans, and holds ultimate accountability for strategic direction and oversight.
Management	Sustainability Management Committee	It oversees the development of climate-related strategies, targets, and long-term plans. It monitors the execution of annual work plans and ensures the integration of climate risk mitigation into the Company's decision-making, investments, and operations.
Steering Team	Sustainability Steering Team	The Company has established a Sustainability Steering Team to coordinate initiatives for each issue, providing guidance, supervision, and performance oversight to functional teams and production facilities.
Operation	Working group for the climate change response and energy utilization issue	The issue-specific working groups execute specific tasks for the issue of climate change response and energy utilization, including (but not limited to) the annual work plan, performance enhancement initiatives, target tracking, data verification and reporting, monitoring of local policies and regulations, and system development.

For detailed information on the governance structure related to climate change response and energy utilization, please refer to the "Working Mechanism for Sustainable Development" section of this report.

Professional competencies

The management personnel at all levels in the working groups responsible for climate change response and energy utilization are composed of management personnel with professional backgrounds and expertise in energy and environmental management. Specifically, the group leader has more than five years of experience in energy and environmental practices and management. Additionally, the steering coordinator possesses an academic background in power engineering and engineering thermophysics, along with over ten years of specialized experience in technological innovation related to energy efficiency and carbon reduction. This coordinator has a deep understanding of climate change response and energy utilization issues, ensuring high standards of strategic oversight and operational execution.

Reporting mechanisms, management policies and decision making

The Company has established dedicated deliberation and reporting mechanisms for climate-related matters. The Strategy and Sustainability Committee, the Sustainability Management Committee, and the sustainability working group convene regular meetings to review action plans for climate risk identification, response strategies, and implementation progress. For further details on the reporting structure, management policies, and decision-making processes related to climate change response and energy utilization, please refer to the "Working Mechanism for Sustainable Development" section of this report.

Strategy



Risks and Responses

Haitian has undertaken a comprehensive assessment of climate-related risks, examining their potential impact across the value chain and on overall financial performance. These assessments have been compiled into internal reference reports to inform decision-making. In response to the identified risks, the Company has developed corresponding responses.

Туре	Description	Potential impact	Responses
Physical risk	Extreme heat Extreme heat can cause water shortages, which may negatively affect crop growth and disrupt the supply of key agricultural inputs.	 Extreme heat may shorten or alter the growing cycle of crops like soybeans, leading to reduced yields and tighter raw material supply. This may drive up input costs due to price inflation. Increased strain on logistics and transportation networks may raise upstream supply chain expenses. Rising heat levels increase demand for cooling water and electricity, while also reducing equipment efficiency—resulting in higher operational costs. 	 Establish partnerships with suppliers across different regions to reduce reliance on any single source and minimize location-specific climate risks. Lock in fixed pricing through long-term supplier contracts and leverage futures markets to manage risks associated with raw material cost fluctuations. Partner with logistics providers to establish multimodal transport routes for bulk goods and allocate warehousing resources flexibly to improve supply chain and stability. Strengthen digital weather monitoring systems to collect localized climate data (e.g., temperature, humidity, wind speed, evaporation rate) near production sites, and issue timely alerts for heatwaves and thermal stress. Expand the use of recycled water in daily operations to lessen dependency on freshwater and mitigate the strain on cooling systems.
	Typhoon Climate change has led to more frequent and intense extreme weather events, including typhoons—often accompanied by high winds and heavy rainfall.	 Typhoons can disrupt transportation routes, delaying the delivery of both raw materials and finished products. This may cause interruptions along the supply chain. Strong winds and flooding rain may damage equipment and production facilities, leading to downtime, reduced output, and potential revenue loss. 	 Partner with logistics providers to establish multimodal transport routes for bulk goods and allocate warehousing resources flexibly to improve supply chain resilience. Conduct regular risk assessments to pinpoint facility components most vulnerable to typhoon damage, develop detailed preparation plans and emergency protocols, stock sufficient supplies in advance, and closely monitor storm alerts issued by meteorological authorities to ensure timely response.

About This Report About Haitian Sustainable Development Governance



Quality Haitian: Safeguarding Health and Well-Being Harmonious Haitian: Growing with Partners Compassionate Haitian: Spreading Warmth Responsible Haitian: Operating with Prudence

Appendix

Туре	Description	Potential impact	Responses
Physical risk	Flooding Flooding can disrupt key agricultural and transportation activities, putting pressure on the supply of raw materials. Water stress and drought A stable water supply is essential for manufacturing. When it becomes unreliable, operations can be directly impacted.	 Flooding may delay or prevent the harvesting and transport of crops such as soybeans, tightening supply and pushing up raw material costs. Logistics networks can be interrupted, raising transportation and upstream supply chain expenses. Facilities and equipment damaged by flooding may require shutdowns and repairs, affecting output and leading to potential revenue loss. Contaminated floodwater may reduce access to clean water, which can impact processing efficiency and day-to-day operations. Limited water availability may force the shutdown of equipment that relies heavily on water, leading to production losses. An inconsistent supply may also impair cooling systems, reducing their effectiveness and affecting overall operational efficiency. To manage these risks, additional infrastructure—such as backup pipelines or storage systems—may be required, adding to operational costs. 	 Establish relationships with suppliers in different regions to reduce reliance on single sources and better manage localized risks. Secure fixed-price contracts, long-term supply agreements, and futures markets to help buffer the impact of raw material price fluctuations. Conduct regular assessments to identify areas of production most at risk from flooding, formulate and maintain thorough flood prevention and emergency response plans, and hold annual drills to test these procedures, improve readiness, and address any gaps in emergency response capacity. Expand the use of recycled water in daily processes to lower dependence on freshwater sources and help maintain production during drought conditions. Implement monitoring systems to track water usage and availability, and adopt stormwater management and protective measures to help preserve surface and groundwater resources.
Transition risk	Policy pressure on GHG emission reduction As governments tighten regulations on greenhouse gas emissions and introduce carbon pricing mechanisms, companies are expected to reduce emissions and improve energy efficiency.	Meeting these regulatory expectations may require significant investments in cleaner technologies and upgraded equipment, increasing operational expenses. Falling short of compliance could lead to fines, penalties, or reputational risk. Delays in launching eco-friendly or low-car-	 Stay ahead of regulatory changes by regularly monitoring policy trends and conducting internal assessments to identify compliance gaps. Develop equipment upgrade plans in phases, gradually replacing existing systems with more energy-efficient alternatives, such as LED lighting, energy-saving motors, and improved heating systems. Advance the formulation of <i>Haitian Implementation Rules on Internal Carbon Pricing</i> while closely tracking domestic carbon pricing and trading mechanisms, especially the evolving requirements on carbon emissions trading mechanisms, to ensure adaptive compliance. Transition to low-emission logistics by collaborating with partners to adopt electric vehicles for short-distance transport (e.g., factory to port), and replace diesel-powered trucks with greener alternatives (eight of which have already been deployed as of 2024).
	Shifts in consumer behavior Consumer preferences are increasingly shifting toward sustainable, low-carbon, and environmentally	 Delays in launching eco-friendly or low-car- bon products could result in lost market opportunities and a decline in consumer loyalty. 	 Accelerate the development of products that align with sustainability trends, including expanding offerings that support health and nutrition; Reduce energy use across production processes and adopt green logistics and eco-friendly packaging to help lower the overall carbon footprint of products.

Туре	Description	Potential impact	Responses
Transition	Intensified market competition As the demand for low-carbon products continues to grow, companies with higher-carbon offerings face increasing pressure in the marketplace.	The broader industry shift toward carbon reduction means more food manufactur- ers are prioritizing low-carbon production and introducing environmentally friendly products. This trend could marginalize higher-emission products, potentially pushing them out of the market.	Focus on developing low-carbon manufacturing and packaging solutions. Prioritize products with attributes such as "natural" "organic," and "low or zero carbon" to meet shifting consumer expectations and remain competitive in a changing market landscape.
risk	Shortage in fossil fuel supply The global shift toward cleaner energy introduces uncertainty around the future availability of fossil fuels.	 As regions restructure their energy systems, the supply of coal and diesel may decline. Limited access to these fuels could disrupt production and lead to higher operational costs. 	Accelerate the transition to a more diversified energy mix by upgrading equipment (e.g., boiler retrofits) and integrating alternative sources, such as rooftop solar power. These efforts help reduce reliance on fossil fuels and strengthen long-term energy security.

Opportunities and Responses

Haitian has identified the following climate-related opportunities, assessed their potential impacts, and formulated corresponding response measures. We will continue to explore and refine these areas to strengthen our overall resilience to climate change.



Haitian is driving innovation in green and low-carbon product development to meet the growing demand for environmentally responsible choices. At the same time, we are working closely with supply chain partners to support their decarbonization efforts, accelerating the broader green transition and strengthening overall industry competitiveness.



Renewable energy sources, such as solar and biomass, are becoming increasingly mainstream. By reducing the carbon footprint of our products, we are not only lowering emissions but also aligning with consumers' rising expectations for sustainability.



By adopting advanced energy-efficient technologies and high-performance equipment, we're reducing emissions tied to production while also cutting energy use. These improvements support both our environmental goals and operational efficiency, helping us manage costs more effectively.

Strategy formulation

Haitian actively identifies and manages climate-related risks and opportunities, with clear long-term goals: to reach peak carbon emissions by 2030 and achieve carbon neutrality by 2060. To support this vision, we have set short-, medium-, and long-term targets aimed at steadily lowering carbon emissions per unit of product and increasing the share of green electricity in our energy mix. In line with our commitment to "generalized electrification," we are transitioning from coal to cleaner energy sources in production and shifting from traditional electricity to renewable power. This transformation is central to our broader clean energy strategy. We also promote a circular economy approach to support green, low-carbon development across the entire value chain. Looking ahead, we will continue to shape our green development roadmap and introduce climate transition plans to strengthen resilience and long-term competitiveness.

Improvement measures and strategies

Haitian adheres to the management philosophy and system development process that are "goal-oriented, strategy-led, management-based, technology-driven, process innovation-powered, and energy efficiency-prioritized, featuring continuous optimization and efficient support." We take a holistic view in planning our energy conservation and emissions reduction efforts. This includes defining specific energy-saving tasks and advancing carbon reduction through product design optimization and improved energy use in key production areas. These efforts allow us to respond proactively to climate risks while improving the resilience and sustainability of our operations.

Refine energy conservation and carbon reduction systems and processes

Haitian develops its climate strategy by considering both emerging risks and opportunities, as well as aligning with national environmental regulations and internal energy management standards. To guide implementation, we regularly establish and update key internal systems and procedures Greenhouse Gas Inventory Procedure, Haitian Implementation Rules on Internal Carbon Pricing, and Energy-Saving Opportunity Identification Guide. We seize every opportunity for energy conservation, carbon reduction, and upgrades to achieve high-efficiency operations.

Documents

- Energy Management Manual
- Energy Management System
- Clean Production Management System
- Energy Evaluation and Review Procedure
- Energy Conservation Opportunity Identification Guide
- Energy Measurement Management Procedures
- Control Procedure for Management Program on Energy Consumption Quota Targets and Metrics
- Energy Monitoring, Measurement and Evaluation Procedure
- Control Procedure for Environmental and Energy Conservation Information Exchange
- Greenhouse Gas Inventory Procedure
- Haitian Implementation Rules on Internal Carbon Pricing

Carbon reduction measures and case studies

The Company reduces carbon emissions generated during product production, transportation, and storage by gradually phasing out high-emission materials, improving raw material utilization, and promoting lightweight packaging, thereby lowering the overall carbon emissions across the product lifecycle.

By introducing electric heat pumps and reusing waste heat from air compressor stations to generate medium-grade heat for material processing, we save approximately 6,397 tons of steam annually and cut electricity use at compressor stations by approximately 40,000 kWh.

Through an exhaust steam recovery system, we recover exhaust steam and waste heat for reuse in workshop processes, reducing steam consumption by about 24,350 tons annually.

We also adopt process optimization. For example, we replaced the traditional method of preheating equipment at startup with a rapid 1-second sterilization process. This adjustment alone helps save 4,300 kWh of electricity and 1,794 tons of steam annually.

Additionally, Haitian regularly conducts emergency drills for energy shortages and develops contingency plans to ensure quick response and minimize disruptions during energy shortages.

Application of renewable energy technologies

Adhering to the principles of green and sustainable development, Haitian continues to optimize its energy structure by expanding the use of renewable energy (e.g., PV and wastewater biogas). These efforts help reduce emissions and pollution while building greater resilience against climate-related risks. Between 2021 and 2024, our use of renewable energy, measured in standard coal equivalents, grew at a compound annual growth rate (CAGR) of 41.4%.

We have made significant progress in solar power generation. In 2024, our cumulative installed PV capacity reached 14.5 MW, with a CAGR of 90.9% since 2021. That year alone, we generated 16 million kWh of solar electricity, saving 1,967.3 tons of standard coal and cutting 8,585.6 tons of CO₂ emissions (based on 0.5366 tCO₂/MWh). From 2021 to 2024, PV power generation increased at a CAGR of 114%.

Haitian also promotes biogas reuse. In 2024, we captured and reused 5.2363 million standard cubic meters of biogas, a 12.8% increase from the previous year, equivalent to a savings of 4,903 tons of standard coal. In June 2024, we launched a new biogas power generation project at our Gaoming facility. Once operational, it's expected to contribute 15 million kWh of electricity annually, further boosting our renewable energy capacity.

Enhanced digital support

Haitian leverages digital tools to identify potential climate-related risks and opportunities by tracking policy updates, climate reports, and meteorological data. We conduct layered assessments across factories and subsidiaries to carry out preliminary quantitative analyses of environmental and climate issues. These insights are used to build a risk control matrix that highlights key factors and integrates them with the company-wide risk management system. Based on this, we develop a tiered response plan for critical risks and compile internal reference reports, which are shared with management and relevant departments to help them review risk points and evaluate corresponding control measures.

Green supply chain collaboration and innovation

Supply chain energy efficiency upgrades: Haitian works closely with key suppliers to upgrade equipment, such as production molds, and streamline manufacturing processes. These efforts result in annual energy savings of over 2.7 million kWh, contributing to a lower carbon intensity across the supply chain.

Low-carbon transformation for logistics: To reduce emissions from transportation, we are replacing traditional diesel trucks with electric heavy-duty vehicles for short-haul routes, gradually building a greener logistics network and cutting carbon emissions in distribution.

Systematic integration of carbon footprint

Haitian conducts carbon inventory and product carbon footprint certifications to manage emissions throughout the product lifecycle, actively developing low-carbon products to support overseas market expansion.

Integrated application of smart low-carbon technologies

We continue to scale up the use of advanced technologies to support low-carbon transformation. This includes the adoption of heat pump systems, graphene-based energy-saving films, Alpowered cloud control for refrigeration and air compressor systems, and big data-assisted fermentation processes. These innovations not only enhance production efficiency but also contribute meaningfully to lowering carbon intensity across operations.

Internal carbon pricing

In 2024, the Company implemented an internal carbon pricing system, issuing the Haitian Implementation Rules on Internal Carbon Pricing and piloting it in production facilities. Each site is allocated a carbon quota based on its certified carbon footprint, helping guide emissions management in line with company-wide reduction targets. The carbon price per ton we set is linked to the domestic carbon market trading price, and reflects our own carbon reduction strategy, projected trends, the gap between domestic and international pricing, and industry best practices. This approach allows us to come up with an appropriate price. The estimated carbon reduction benefits are also incorporated into payback period calculations when evaluating investments in energy-saving and emissions reduction projects.

Application of new energy storage technologies and energy structure optimization

Haitian has implemented diverse energy storage solutions, including a 1.1 MW/2.2 MWh lithium battery system and the Gaoming $2 \times 7,500 \text{ m}^3$ water-cooling storage project, to improve peak-valley grid regulation and support renewable energy integration.

Circular economy and bio-energy innovation: Breakthrough in bio-natural gas technology

The Company completed R&D on converting biogas from wastewater and sludge into bio-natural gas that meets Class I national standards, expanding biogas applications and strengthening our resource recycling efforts.

Smart manufacturing and digital green upgrades: Benchmark practices as a Global Lighthouse Factory

Haitian Gaoming Factory was recognized as the first and only Global Lighthouse Factory in the global condiment industry, achieving full digital transformation across 119 processes. It integrates cutting-edge technologies such as AI warehousing (120-second dispatch), online NIR spectral analysis (real-time monitoring of 150+ soy sauce indicators), and ultra-fast AI quality inspection (full inspection of 2.5 trillion raw material particles each year), leading the intelligent, green, and high-end transformation of traditional industries.

Risk Management



Methods and Approaches

For details on how Haitian manages risks related to climate change and energy use, please refer to the "Risk Management" section under "Responsible Haitian and Prudent Management" chapter of this report.

Management process

Haitian complies with the Corporate Sustainability Disclosure Standards – Basic Standards (Trial) issued by the Ministry of Finance, the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial) issued by the Shanghai Stock Exchange, and Part D: Climate-related Disclosures in Appendix C2 (Environmental, Social and Governance Reporting Code) to the Listing Rules and Guidance issued by the Hong Kong Stock Exchange. In managing climate-related risks, we also consider policy changes, meteorological updates, and climate reports. We identify both physical and transition risks that may affect our assets and operations, rank them by impact, and prepare tailored response plans. These are summarized in internal reference reports and shared with management and relevant departments to support sustainable and stable development.

Priority setting and integration into internal processes

For details on how climate risks are prioritized and integrated into internal workflows, please see the "Risk Management" section under "Responsible Haitian and Prudent Management" chapter of this report.

Metrics and Targets



Haitian recognizes the operational impact of climate-related risks and opportunities. In support of our 2060 carbon neutrality goal, we make active efforts to measure and manage climate risks and opportunities to enhance climate adaptability and sustainable competitiveness.

Targets

We set short- and medium-term targets for and disclose progress on the issue of climate change change response and energy utilization.

Targets	Key performance metrics	Short-term (2025)	Medium-term (2030)	Progress in 2024
Target 1: Carbon intensity	Reduction of carbon intensity per unit product in operations compared with 2024	≥ 3.9%	Carbon peak (Carbon neutrality in 2026)	_
Target 2: Green power utilization	Green power ratio	≥ 10%	≥ 20%	4.95%
Target 3: Energy consumption intensity	Reduction of energy consumption intensity compared with 2024	All production facilities shall meet the dual energy consumption control targets in local policies		_

We will progressively expand the scope of "product carbon footprint" tracking to help reduce carbon intensity across both upstream and downstream supply chains.

In energy utilization, Haitian adheres to national dual-control policies and ensures that all production sites meet local regulatory requirements. To support these goals, we implement energy-efficient equipment, lighting, and temperature control systems; optimize production processes; and recover waste heat to meet annual energy consumption and intensity targets.

Target tracking, evaluation, and review

We monitor progress toward our climate and energy targets on an ongoing basis. These targets are included in the year-end performance evaluations of our subsidiaries and are reviewed quarterly. Results are shared internally to ensure alignment and accountability.

Metrics

To enhance transparency and comparability, we track key metrics related to greenhouse gas emissions and energy use. Additional metrics can be found in the appendix under "Annual Key Performance Indicators."

Metric	Unit	2024
GHG emissions (Scope 1+2)	tCO₂e	454,338.28
GHG emission intensity (Scope 1+2)	tCO₂e/ton of product	0.1025

Annual Key Performance

In 2024, Haitian implemented

These efforts led to savings of

5.5076 million kWh 188,900 standard cubic meters of natural gas

Carbon reduction measures across areas such as process optimization, photovoltaic expansion, biogas reuse, condensate and exhaust heat recovery, and air compressor waste heat utilization

53,667 tons

21,013 tons

Resulting in a total reduction of

Haitian's achievements in energy conservation, carbon reduction and green development were widely recognized. During the reporting period, Haitian Gaoming was selected as an "Exemplar Case of Green and Low-Carbon Transition in Light Industry in 2024" and received honors including: "Energy Conservation and Environmental Protection Model Enterprise" (China Biotech Fermentation Industry Association), "Green Factory Demonstration Enterprise", "Green Credit Rating" (Guangdong Province's Environmental Protection Bureau). Meanwhile, Haitian Vinegar Group Co., Ltd. was awarded the title of "Jiangsu Provincial Green Factory."

Product carbon footprint

Haitian strategically promotes the development of green, low-carbon products by aligning with market demand and long-term business growth. We are committed to reducing greenhouse gas emissions across the full product lifecycle and delivering environmentally responsible solutions. In accordance with International Organization for Standardization (ISO) standards and Life Cycle Assessment (LCA) methodologies, Haitian systematically identifies and evaluates product carbon footprint, covering all lifecycle stages including raw material acquisition, product production, transportation, usage, and end-of-life disposal.

In 2024, adhering to ISO 14067:2018 (Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification), we conducted full lifecycle carbon footprint assessments for six representative products across five core categories: soy sauce, oyster sauce, soybean paste, cooking wine, and vinegar. These assessments covered emissions from raw materials through to distribution, retail, usage, and final disposal, and all six products obtained official carbon footprint certifications.

We will progressively expand the coverage of "product carbon footprint", aiming to drive down carbon emission intensity throughout the upstream and downstream supply chain with "product carbon footprint" management. By identifying emissions at each stage, we are able to implement targeted decarbonization measures across the green supply chain and work toward our broader emission reduction goals.

Green supply chain

Haitian is committed to building a responsible supply chain by prioritizing suppliers with strong environmental performance and supporting them through sustainable procurement training. This approach helps us promote greener practices across the value chain.

Supplier environmental management

We have established systems such as Sustainable Sourcing Management Guidelines and Haitian Supplier Code of Conduct for supplier ESG performance management.

Suppliers with recognized ESG credentials or strong track records in areas like climate action, water stewardship, or biodiversity receive additional credit in performance evaluations. Outstanding environmental performers may receive incentives such as prioritized orders and shorter payment terms. We also require core raw material suppliers to obtain product carbon footprint certifications, and we give preference to materials with lower emissions. For example, we actively promote regenerative agriculture certification, particularly for soy, by prioritizing suppliers with verified sustainable farming practices. In 2024, we collected carbon inventory and footprint data from all suppliers, including emissions reports, certificates, and management outcomes, to lay the foundation for deeper supply chain decarbonization.

Haitian encourages suppliers to attain environmental certificates such as ISO 14001 Environmental Management System Certificate, ISO 50001 Energy Management System Certificate, and Forest Stewardship Council (FSC) Certificate. We also provide training on sustainable sourcing and food safety and share Haitian's Code of Conduct internally to strengthen our ESG oversight.



Green logistics

Haitian continues to optimize its logistics model through initiatives such as the "oil-to-electricity" transition, multi-regional factory deployment, development of multimodal transport channels, adoption of new logistics tools, and digitalized proof-of-delivery and settlement systems. We have also upgraded our transportation and logistics practices, improving fleet management, delivery routing, loading operations, and packaging design to boost efficiency and reduce environmental impact. Together, these efforts have led to a total carbon emission reduction of 3,967 tons.

Optimization proposals	Execution in 2024	Achievements
Oil-to-electricity project	Replaced diesel heavy-duty trucks with electric models for short-haul transport between ports and terminals.	In 2024, Haitian deployed eight electric heavy-duty trucks for short-haul drayage operations, replacing diesel vehicles to support low-carbon and cost-effective logistics. This transition resulted in a cumulative carbon reduction of 56 metric tons.
Multi-regional factory deployment	Built production facilities closer to raw material sources or key markets to reduce transportation costs and improve resource efficiency.	The average delivery distance was reduced from 1,400 km to 700 km. This optimization shortened transport routes by approximately 700 km and resulted in a carbon emission reduction of around 2,000 metric tons.
	Continuously increased the drop-and- hook ratio for factory-to-port trailer transportation.	• Improved vehicle efficiency reduced the need for fleet and driver resources. In 2024, the drop-and-hook ratio for short-haul marine drayage reached 97%, a 12% year-on-year increase.
Logistics optimization and multi-modal transport channel development	Connected with railway freight hubs and worked with partners to build multi-modal railway networks and railway channels. Created a circular logistics route in Northeast	• Through direct collaboration with railway hubs and logistics partners to build multi-modal railway networks and railway channels, we established road-to-rail transport in Zhengzhou (Henan) and sea-to-rail integration in Jiangsu and Hebei—collectively reducing carbon emissions by nearly 200 tons per ton of transport.
	China, allowing southbound rail containers to return northbound fully loaded, avoiding empty repositioning. • Adopted localized production strategies and	 The circular rail container system eliminated empty returns, completing 1,622 container moves and preventing 1,622 empty trips, resulting in a reduction of 120 tons of CO₂ emissions in 2024.
	optimize facility layout to shorten trunk-line transportation distances and lower related carbon emissions.	• Annual projections show that our initiatives will cut 300,000 kilometers of 35-ton truck transport each year, lowering emissions by approximately 60 tons of CO ₂ —equivalent to planting 3,300 trees ⁵ .
Adoption of new tools	Optimized container load capacity to reduce total container usage.	 High-cube containers were deployed to improve loading efficiency, with 20,953 units used in 2024, marking a 75% year-on-year increase. This initiative enhanced loading capacity, eliminating the need for 2,506 standard containers, resulting in a carbon reduction of 1,121 metric tons.
	 Prioritized lightweight vehicle models to maximize load capacity. 	• In selected regions, the use of lightweight vehicles increased payload capacity by 0.5 tons per trip (within regulatory limits), reducing transportation frequency by 791 trips and lowering emissions by approximately 410 metric tons.
Digitalized proof-of-delivery and settlement	Gradually replaced paper receipts with electronic proof-of-delivery to achieve paperless operations in this regard.	In 2024, the adoption rate of electronic proof-of-delivery reached 95%, an 8% increase over 2023. This digital shift saved approximately one metric ton of paper and resulted in an estimated one metric ton of carbon emission reductions.

Looking ahead, we will continue to advance our green logistics strategy by expanding the use of new energy vehicles and further developing multi-modal transport channels. At the same time, we will enhance intelligent warehousing and logistics management systems to improve overall energy efficiency. Strengthening collaboration with suppliers and partners remains a key focus, as we work to promote green transformation across the entire value chain.

Carbon reduction collaboration with glass bottle suppliers





In partnership with a glass bottle supplier, Haitian launched a waste heat recovery project to capture flue gas from glass furnaces and generate steam for our Jiangsu production base. In 2024, this initiative reduced the need for 5,575 tons of purchased municipal steam, resulting in a carbon reduction of 1,698 tons.

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⁵ Scope of statistics: Haitian Cloud Warehousing.

Water Management

Haitian has established a comprehensive water management system that includes governance structures, management policies, strategic planning, risk assessment, and performance metrics. This integrated approach allows us to proactively manage risks related to water scarcity and regulatory changes, ensuring operational continuity while supporting sustainable development across the supply chain.

Governance



Governance structure

Our water management framework is overseen by multiple governance bodies, including the Board of Directors, the Strategy and Sustainability Committee, the Sustainability Management Committee, and dedicated ESG working groups. Each plays a distinct role in guiding and implementing water-related initiatives, ensuring accountability and alignment across all levels of the organization.

Layer	Composed	Scope of work
Governance	Board of Directors and the Strategy and Sustainability Committee	 The Board of Directors serves as the highest decision-making body for water management. The Chairperson is responsible for setting overall strategy and defining key performance indicators related to water management The Strategy and Sustainability Committee oversees the strategic direction and governance of water-related initiatives. A Vice President is designated to lead daily operations, including water use strategy, performance tracking, target allocation, and ongoing improvements
Management	Sustainability Management Committee	 Formulate water management strategies, objectives, medium-to-long-term plans, and performance metrics; monitor strategic implementation progress and annual work plan completion; provide regular updates on sustainability performance and emerging trends to the governance layer
Steering Team	Sustainability Steering Team	 Composed of leaders from the water management working group, this team is responsible for policy research, framework development, issue management, and risk mitigation, organizational coordination and capacity building, performance evaluation, as well as brand building and promotion
Operation	Working group for the water management issue	 Advance all aspects of water management, including (but not limited to) strategy and performance, improvement initiatives, target achievement, data verification and reporting, tracking and dissemination of local policies/ regulations, and system development

For detailed information on the governance structure related to water management, please refer to the "Working Mechanism for Sustainable Development" chapter of this report.

Professional competencies

All management personnel involved in Haitian's water management efforts bring relevant academic backgrounds and practical expertise. The team leader has over five years of experience in energy and environmental management. The steering coordinator holds a bachelor's degree in Environmental Engineering and a master's in Ecology, with more than five years of experience in water treatment technology innovation and implementation, ensuring a high level of technical and professional competence across the team.

Reporting mechanisms, management policies and decision making

To ensure effective multi-layer water management, we have established Haitian Sustainable Development (ESG) Management System and implemented both regular and special reporting mechanisms (detailed in the chapter of "Working Mechanism for Sustainable Development" in this report). Annually, we conduct comprehensive water risk assessments using a composite index methodology to evaluate water-related risks across our manufacturing sites. The results, along with mitigation plans, are reported to the leaders of the water management working group.

We have continuously improved our water management framework to strictly manage water utilization, which includes the following specialized policies: Haitian Water Supply and Usage Standards, Condensate Water Recovery System Management Standards, Energy Measurement Management Procedures, Clean Production Management System, Potable Water System Management Standards, Haitian Management Guidelines on Production Water Risk Assessment. Additionally, subsidiaries also enforce localized protocols to manage water risks, such as Haitian Gaoming Water Quota Assessment Measures, and Gaoming Wastewater Treatment Emergency Plan.

Strategy



Risks and Responses

Haitian is committed to becoming a model enterprise in water conservation, guided by the principle of "enhancing water-saving awareness across the entire industrial chain." In 2024, Haitian independently developed the "Water Risk Assessment" tool, which covers the scope of business models, business operations and development strategies, to carry out quantitative assessment and ranking of water resources risks and analyze the impact of risks on the Company.

Туре	Event	Details and Impact	Response
Physical risk	Water scarcity	As a critical input in production, water shortages can disrupt operational stability, reduce output, and lead to revenue loss. Rising water prices may also increase costs.	See "Risk Management" in this chapter for details.
FilySicatifisk	Supply chain disruption	In the food industry, facilities operating in water-stressed regions may experience supply interruptions, significantly affecting operations and driving up costs.	See "Improvement measures and strategies" in this section for details.

Opportunities and Responses

Haitian has identified the following water resource opportunity, analyzed its impacts and developed responses:

Туре	Event	Details and Impact	Response
Technology opportunity	Water-saving technology opportunity	In response to China's national push for water conservation and efficiency, Haitian has increased investments in water recycling systems and alternative water source technologies—resulting in cost savings on equipment and technical upgrades.	See "Improvement measures and strategies" in this section for details.

Strategy formulation

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

Haitian Water Management Strategy

Reduce water footprint

We implement comprehensive water conservation practices through three main approaches (optimizing production management, refining production processes, and advancing water-saving technologies). These efforts are applied across three critical stages (from factory to workshop, workshop to discharge point, and through recycling systems) to minimize water use throughout manufacturing. We also encourage upstream suppliers to adopt similar practices to reduce their own water footprints.

Develop Haitian Smart Water System

Building on our existing water conservation and discharge management systems, we are integrating digital and Al technologies to establish an intelligent water management platform. This system enables real-time monitoring and optimized scheduling of water withdrawal, discharge, and usage, while conducting water balance analyses to detect risks of pipeline leaks, abnormal consumption, and inefficiencies.



Innovate water-saving technologies

We continue to advance water-saving innovation by tracking industry developments in water recycling and treatment technologies. Through a combination of technology introduction, independent R&D, iterative upgrades, and internal knowledge sharing, we tailor solutions to our production needs, maximizing conservation benefits and opportunities for both Haitian and our upstream partners.

Protect water resources

We conduct targeted water source protection initiatives tailored to our industry characteristics to effectively mitigate water-related risks.

Improvement measures and strategies

In response to the issue-specific strategy above, we have developed a comprehensive water-saving plan covering all business operations and implemented it through the following measures:

Technology innovation-driven water conservation

We prioritize water-saving technologies across operations through innovations in production processes and water recycling and reuse. For instance, our purified water production system integrates water-efficient design from the outset. By using proprietary purification technology, we reduce cleaning water usage and achieve an average water recovery rate exceeding 90%.

Water management optimization in new production facilities

For new facilities, we assess water-related risks at both the facility and community levels, integrating water-saving considerations from the design phase. This includes prioritizing water-efficient equipment, processes, and materials, while applying sponge city principles to reduce impact on local water cycles.

Alternative water source adoption

Through reclaimed water reuse, biochemical effluent reuse of wastewater station, applied to waste gas spray water, saving the use of fresh water.

Feedback mechanism with water suppliers

We maintain a structured feedback system with water utilities to enable timely communication around issues such as pipeline maintenance or irregularities in water supply. This allows for real-time monitoring and prompt resolution of abnormalities in water quality, pressure, or flow rate.

Water conservation training

We conduct regular training on the latest water conservation policies and best practices to foster a culture of water conservation among employees.

Production management optimization to facilitate water conservation

We water efficiency through precise production management, such as ongoing optimization of CIP processes for workshop equipment. This includes adjusting cleaning durations and parameters for different machines and recycling CIP alkaline solutions to reduce overall water consumption.

Enhanced water management across the supply chain

In line with the water conservation requirements stipulated in the Haitian Supplier Code of Conduct, we assess water-related risks in suppliers' regions during onboarding, track their water-saving progress, and encourage adoption of conservation and recycling technologies, promoting efficiency across the full value chain.

Water quality monitoring

In addition to municipal water quality checks, several facilities carry out regular third-party and internal testing to ensure consistent water safety and compliance.

Water footprint management platform

Haitian independently developed a water balance analysis tool based on the physical logic of water footprint, designed to systematically track water withdrawal, usage, and discharge across manufacturing facilities. This platform supports resource allocation decisions and, through ongoing analysis and monitoring, helps identify risks such as pipeline leaks and deviations from water targets. The system has been integrated into the Gaoming facility's energy management platform, forming part of a digital water footprint system aligned with the latest water management standards.

Water resource protection initiatives

We collaborate with community stakeholders to advance water resource protection efforts.

About Haitian Sustainable Development Governance

Recycling of centrifuge process water



Water conservation with lithium bromide heat pump





By analyzing the quality of water for centrifuge operations and the local workshop water usage patterns, we independently developed a "alkali dissolution and antibacterial + filtration and turbidity removal" process. This innovation enables the recycled water to meet reuse standards by eliminating and inhibiting microbial contamination and reducing turbidity, effectively substituting for municipal or cooling water, achieving annualized water savings of 30,000 cubic meters.



Our lithium bromide heat pump system redirects cooling water from indirect material cooling processes into the heat pump to be used as the heat pump's low-temperature heat source. The cooled water is recirculated onsite while the heat pump absorbs the heat from the water to generate high-grade hot water for preheating materials, reducing steam consumption. This project addresses the high cost for water cooling and the difficulty in reusing the water on site, and saves both steam and tap water for water conservation initiatives. At Soy Sauce Workshop 1, this technology saved 51,000 m³ of water in 2024.

Digital water management system





We built smart systems for precision water management:

- Cooling water recycling system powered by intelligent instrumentation: Equipped with the intelligent cooling water monitoring technology and dedicated water reuse pipeline network, we use intelligent instrumentation to collect parameters such as cooling water flow rate, conductivity, temperature and tank level for real-time on-line scheduling and supply to the workshops in need. We have also built a hierarchical system for cooling water reuse. Our facilities recycle 749,000 cubic meters of cooling water every year, with a recycling rate of 96%.
- Condensate recovery system powered by intelligent scheduling: This technology utilizes intelligent instrumentation to collect parameters including condensate water conductivity and tank level for real-time automated scheduling. The treated and qualified condensate water is recycled directly to the boiler system, achieving an annual water savings exceeding 257,000 cubic meters.

Water source area protection event titled "Protect the Mother River, Benefit Millions of Households"





In November 2024, we collaborated with the Green and Beautiful Gaoming Volunteer Service Team to conduct a river bank cleanup event titled "Protect the Mother River, Benefit Millions of Households" at the drinking water source protection area near Gaoming Water Plant, removing waste along the protected river bank. This event aimed to enhance the awareness of employees and local communities to protect water resources and aquatic ecosystem.



Risk Management



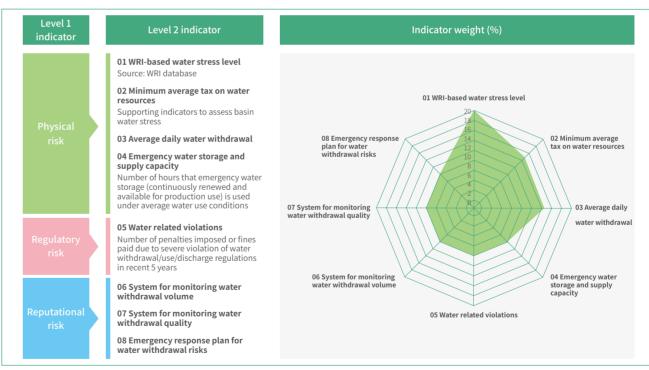
Methods and Approaches

For details on the methods and approaches for water management, please refer to the "Risk Management" section under the "Responsible Haitian and Prudent Management" chapter of this report.

Management process

Haitian attaches great importance to identifying, responding to and managing risks in water resources, and actively manages water risks through risk assessment mechanisms and analytical tools to safeguard production continuity and market competitiveness.

• Establishment of water risk assessment mechanism: We conduct regular monitoring and evaluation of water-related risks across all operational sites. In 2024, we developed a dedicated water risk assessment tool based on domestic academic research and the WWF Water Risk Filter framework. This tool assesses risks across three dimensions: physical, regulatory, and reputational. It has been applied across all manufacturing facilities, with tailored mitigation plans created and assessment results promptly communicated to each site. To formalize and strengthen this process, we issued the Haitian Management Rules on Production Water Risk Assessment, institutionalizing regular evaluations and continuous improvement of water risk management practices in production operations.



Production water risk assessment framework

- Development of water balance analysis tool: As part of daily production management, Haitian utilizes a water balance analysis tool to conduct monthly deviation assessments. This helps identify risks related to inefficient or excessive water usage and discharge, providing actionable insights to optimize water use across production processes.
- Supply chain water risk management: In 2024, using data from the WRI Aqueduct database, we conducted targeted water risk assessments in key agricultural sourcing regions for soybeans, wheat, and sugar. These results informed the development of our supply chain water risk management plan, ensuring greater resilience and sustainability across upstream operations.

Priority setting and integration into internal processes

For details on the risk management priority setting and integration into internal processes, please refer to the "Risk Management" section under the "Responsible Haitian and Prudent Management" chapter of this report.

Metrics and Targets



Targets

We set short- and medium-term targets for and disclose progress on water management.

Targets	Key performance metrics	Short-term (2025)	Medium-term (2030)	Progress in 2024
Target 1: Reduce water withdrawal intensity in production	Total water withdrawal intensity (m³/ton of products)	≤ 2.6	≤ 2.5	2.39
Target 2: Implement water conservation plans for manufacturing facilities in regions with extremely high baseline water stress	Reduction of water withdrawal intensity compared with 2024	≥ 0%	≥ 10%	_
Target 3: Achieve water efficiency targets across the supply chain	_	Complete a water conservation assessment among tier-1 suppliers providing core manufactured raw materials, and establish tailored water-saving targets based on operational realities	_	_

Target tracking, evaluation, and review

We continuously track progress toward water-related targets through both manual and digital monitoring systems. Water meters are regularly calibrated by utility providers, and total water consumption is audited monthly using invoices. We analyze municipal water usage data at the corporate, factory, and process levels to evaluate performance, identify deviations, and implement corrective actions. To enhance monitoring, our digital system tracks inflow meter data, factory-level consumption, recovered steam and condensate volumes, and cooling water recycling/utilization rates. Water-saving goals are embedded into facility-level operational targets and enforced through year-end performance evaluations.

Metrics

We maintain ongoing tracking of key performance indicators related to water management. For additional metrics, please refer to the appendix titled "Annual Key Performance Indicators."

Metric	Unit	Statistics in 2024
Total water withdrawal	m ³	10,599,973.05
Total water consumption	m ³	5,787,412.86
Water recycling rate	%	12.38
Water withdrawal intensity	m³/ ton (of products)	2.39
Water consumption intensity	m³/ ton (of products)	1.31

Annual Key Performance

Amount of water recycling is

1,500,000 m³

Cooling water

907,000 m³

342,000 m³

Concentrated water

229,000 m³

Reclaimed water

Condensate water

18,000 m³

Water saving of the project is

397,000 m³

Honors and Awards for Water Management



Water-Efficient Enterprise in Key Water-Intensive Industries by the Nanning Municipal Government in 2024

Nanning facility was honored as

Water Conservation Model Enterprise by the Guangdong Municipal Government

Gaoming facility was again recognized as a

"100 Outstanding Water Conservation Practice Cases in Guangdong"

Gaoming facility's water-saving practices were selected for inclusion in

Circular Economy and Packaging Materials

We integrate the principles of the circular economy into its broader sustainability strategy, placing product lifecycle management at the center. By strengthening collaboration across the industry chain, advancing technological innovation, upgrading manufacturing processes, optimizing packaging design, and developing green logistics systems, we promote a low-carbon and resource-efficient transition. Our goal is to establish benchmark practices for circular economy implementation within the condiment industry.

Governance



Governance structure

Haitian has established a management framework for the issue of circular economy and packaging materials, overseen at the highest level by the Board and its Strategy and Sustainability Committee. Board members serve as directors and a Vice President acts as the executive for this issue. The sustainability department and topic-specific leaders are responsible for overall coordination. Implementation is carried out by the product packaging design team, the packaging sourcing department, and individual production facilities and subsidiaries.



within their areas of responsibility.

Professional competences

All personnel responsible for overseeing circular economy and packaging material initiatives possess strong professional expertise in their respective fields. The issue-specific working group leader has extensive experience in product packaging design and currently heads the packaging design department. Core group members hold relevant academic qualifications and bring over 10 years of experience in packaging design. The steering coordinator has more than 10 years of experience in waste management and resource recovery, along with a solid professional background in circular economy practices, packaging materials, and waste-related issues.

Reporting mechanisms, management policies and decision making

To ensure effective multi-layer management of circular economy and packaging materials, we have established Haitian Sustainable Development (ESG) Management System and implemented both regular and special reporting mechanisms, detailed in the chapter of "Working Mechanism for Sustainable Development" in this report.

We have established policies and procedures for the issue of circular economy and packaging materials, systematically integrating the relevant considerations into corporate decision-making. In 2024, we updated policies including the Haitian Circular Economy Management Rules, Haitian Sustainable Packaging Design Guidelines, and Implementation Rules on Packaging Material Recycling Management. These policies guide packaging design, material sourcing, and production management across Haitian and its affiliated entities. Responsibilities are clearly assigned across departments, and we have defined principles for circular economy, green packaging, and recycling, all aimed at accelerating the transition to reusable and low-carbon packaging solutions. These efforts promote material recovery and reuse, reduce the environmental footprint of packaging waste, and improve circular economy performance. The governance framework includes an annual review mechanism to evaluate issue structure, policies, and procedures. Impacts, risks, and opportunities related to circular economy and packaging materials are formally integrated into corporate decision-making to support the sustainable development of Haitian's long-term strategy.

Strategy



Risks and Responses

We conduct risk identification for circular economy and packaging materials, covering business models, business operations, and development strategies, with detailed analysis of their potential impacts on the Company as outlined in the following table:



Dimension	Туре	Event	Details and Impact	Response
Green packaging	Policy and technical risk	Develop new packaging solutions, establish new packaging lines, or retrofit existing ones	Stricter government regulations on packaging standards, requiring packaging R&D to meet new regulations Evolving consumer preferences favoring sustainable packaging Growing pressure from sustainability organizations and industry peers in the FMCG sector, necessitating industry/peer-aligned responses from the Company	 Implement full lifecycle management of product packaging, from design to disposal, and promote green and lightweight packaging and package recycling Monitor regulatory changes, consumer trends, and industry movements to take proactive action
	Policy and market risk	Sales decline	 Stricter packaging regulations in export markets may result in product bans, fines, or increased tariffs for non-compliant products Growing sustainability awareness and shifting consumer preferences toward products with verified sustainable packaging 	
	Technical and market risk	Higher raw material costs per unit of product than peers	 Limited innovation in raw material utilization within the traditional soy sauce brewing industry, lagging behind advanced industry standards Volatile domestic and global environments driving up material prices Climate variability and freight disruptions affecting yields and pricing, increasing cost volatility and reducing competitiveness 	Enhance technological innovation and upgrade production processes by introducing intelligent equipment to optimize workflows, using digital monitoring to minimize material loss, and improving output efficiency per unit of raw material Develop a flexible and resilient supply chain through diversified sourcing channels and the establishment of multiple alternative raw material supply bases
Circular economy	Technical and market risk	Profit decline	 Outdated processing technologies and lack of innovation result in higher production costs compared to industry peers Inadequate market research and poor product positioning lead to undervalued pricing Lack of high-value-added products limits pricing potential and reduces sales performance 	Upgrade processing technologies and reduce per-unit production costs through high-efficiency, energy-saving R&D Strengthen market positioning and pricing through data-driven targeting and differentiated strategies Develop high-value-added products supported by advanced production techniques and solution-based sales models to strengthen pricing power
	Policy and technical risk	Decrease or loss of resale value in waste/by- products and change in cost of waste treatment and disposal	 Tighter waste control policies make certain wastes unsellable, requiring third-party disposal New byproduct recycling regulations restrict traditional resale practices Elevated customer standards for the physicochemical properties of waste and byproducts lead to lower resale values, additional pretreatment requirements, or the need to rely on lower-value disposal channels Higher national waste disposal regulations increase operating costs for waste treatment providers, resulting in higher disposal fees Process or production changes may lead to greater volumes of waste, intensifying disposal needs and associated costs 	Upgrade technologies and enhance recycling of wastes and byproducts. Optimize production processes to reduce waste intensity, and develop byproduct utilization technologies (such as purification and property modification) to improve value and compliance with stricter standards, reducing reliance on disposal Diversify disposal channels and build a renewable resource supply chain to expand access to low-barrier treatment and recovery options Build strategic partnerships and co-develop customized recycling solutions with clients to absorb policy-driven cost increases through economies of scale

Opportunities and Responses

We systematically identify opportunities related to circular economy and packaging materials across our business models, operational practices, and development strategies, with a detailed analysis of their potential impacts on the Company as outlined in the following table:

Dimension	Туре	Event	Details and Impact	Response
Green packaging	Policy and market opportunities	Sales increase	Closely monitor domestic and international packaging regulations, proactively develop compliant packaging solutions to gain first-mover advantage in the market. Advance sustainable packaging initiatives, promote sustainability concepts, and implement green marketing to align with consumer and market demands, driving revenue and profit growth	Improve packaging recyclability and ease of recycling by reducing material intensity and lowering the carbon footprint per unit. Include clear recycling instructions on packaging and launch consumer education campaigns to promote responsible disposal practices Closely monitor domestic and international packaging regulations and proactively develop compliant, sustainable packaging solutions to secure first-mover advantage in evolving markets
	Technical opportunities	Lower raw material costs per unit of product than peers	Breakthrough innovations in raw material utilization technologies strengthen Haitian's technological leadership, contributing to revenue and profit growth Lean, digitalized, and intelligent production management systems improve operational efficiency and help reduce operating costs	 Accelerate R&D in innovative material utilization while developing high-value-added product lines. Reinforce market leadership through technology licensing and participation in industry standard-setting, expanding both influence and market share
	Technical		Adoption of industry-leading processing technologies enables significant reduc- tions in production costs	 Leverage advantages in processing technologies to scale production and set industry technical standards, creating a dual-profit model through economies of scale and pat-
Circular economy	and market opportunities	Profit growth	 Comprehensive market research and accurate product positioning aligned with consumer demand support premium pricing strategies, increasing revenue and profit margins 	ent licensing
3	Technical	Increased resale value in waste/	Optimization of waste/byproduct physico-chemical properties increases their resale value per unit, contributing to increased courses and profit marging.	Continuously optimize production processes to either minimize waste generation intensity or upgrade byproduct quality
	and market opportunities by-products and lower cost of waste treatment and disposal	 increased revenue and profit margins Process and production improvements reduce the intensity of waste generation, lowering overall disposal needs and as- sociated costs 	 Reinvest savings from reduced disposal costs or increased byproduct resale profits into core production improvements and environmental technology R&D, creating a virtuous cycle 	

Strategy formulation

We have established strategies to address circular economy and packaging material challenges, supported by a digital management platform and a series of focused improvement initiatives. In packaging design, we strictly follow the 5R principles (Reduce, Reuse, Recycle, Regeneration, Rejection) while progressively incorporating the "CGF Golden Design Rules".

Strategy for Circular Economy and Packaging Materials

- Develop the green packaging strategy focused on "developing recyclable and low-carbon packaging systems to promote the reuse of packaging materials".
- Develop the circular economy strategy centered on "maximizing material utility and comprehensive utilization".

Improvement measures and strategies

Guided by our green packaging strategy, we implement full lifecycle management from design to disposal, establishing a strategic implementation roadmap. Highlights include the following measures and outcomes in 2024:

Lightweight packaging >

We advanced packaging lightweighting through design optimization and upgraded manufacturing technologies, reducing the use of PET, PE, glass, and paper by approximately 1,700 metric tons.

Technical validation was completed for recycled PET materials and water-based inks. In 2024, we began the phased bulk adoption of select sustainable plastic labels.

Packaging recycling >

Aligned with our "promote the reuse of packaging materials" strategy, we established a recycling mechanism for reusable packaging and encouraged suppliers to adopt reuse practices based on our Packaging Recycling Management Rules (covering management requirements, division of responsibilities, workflows, evaluation standards, and compensation mechanism). In total, we incorporated 378,000 metric tons of compliant recycled materials into product packaging.

We integrated recycling education into the visitor experience at our industrial tourism site "Yummy Castle", engaging over 570,000 visitors in 2024. Additionally, we launched recycling awareness campaigns through e-commerce platforms and product labels, promoting greater consumer participation.

Digital enablement >

We have developed a digital packaging management platform through crossdepartmental collaboration between Packaging, Sourcing, Quality Inspection, IT, and other teams. This platform enables online sharing and quick retrieval of supplier resources, centralized management and easy access to drawings, as well as online integration and efficient management of project processes. This initiative improves the efficiency of packaging resource utilization, and provides more efficient packaging solutions for new product development.

We adhere to our circular economy strategy by advancing targeted improvement initiatives focused on "maximizing material utility." At the raw material stage, we prioritize highgrade inputs to increase the concentration of active ingredients and optimize storage and transportation processes to reduce material losses. Within the production process, we implement waste-minimizing techniques to enhance material utilization and reduce waste generation at the source. Our R&D efforts are concentrated on core process innovation, addressing technical barriers in component purification and high-value conversion. These efforts support the development of a diversified product matrix to improve market adaptability. We continue to advance green packaging alternatives, building a closed-loop system that spans from source reduction to recycling and reuse. For "comprehensive utilization," we accelerate the development of waste recycling technologies aimed at transforming byproducts into higher-value outputs, creating secondary revenue streams. Through collaboration with upstream and downstream partners, we are also building integrated recycling networks, enhancing coordinated disposal capabilities and promoting a sustainable "reduction-renewal-reuse" circular model.

We employ AI and big data technologies to optimize koji-making and fermentation parameters, improving the efficiency of protein utilization in raw materials. The implementation of our "Data Lake" intelligent analytics platform enables direct access to foundational datasets, organized by underlying computational logic. This platform provides real-time visibility into daily operations, empowering managers to make faster, data-driven decisions.

Circular economy practice in Haitian soy sauce industrial chain (Focused on Gaoming facility)





Haitian has established a sustainable development model through collaborative innovations in supply chain and manufacturing, implementing circular economy principles.

For supply chain, we adopt green sourcing strategies, prioritizing organically grown natural raw materials. We collaborate with suppliers to promote agricultural waste composting and conservation tillage, reducing chemical fertilizer/pesticide use and establishing a "farm-to-table" traceability system to ensure source safety. Innovatively, we employ an "in-plant factory" model to shorten packaging material transportation distances. Through our joint "Shared Container" program with suppliers, we replaced and recycled over 180,000 cartons annually via large-format packaging solutions.

For manufacturing, centered on "maximizing material utility and comprehensive utilization," we optimize processes through Al-powered big data modeling to identify the most ideal kojimaking and fermentation parameters, maximizing protein utilization and reducing leakage. With process refinements, we are also able to decrease soy residue output.

Our product packaging system implements the "5R Principle," with a focus on lightweight packaging materials. Since 2022, we have cumulatively reduced the use of virgin plastic by over 5,400 tons, glass by over 49,000 tons, and paper by over 1,800 tons. We also innovatively launched the "squeeze-pack" of oyster sauce and soybean paste products, which not only enhances user experience but also reduce product residue in the bottles.

In 2024, our Gaoming and Nanning facilities were recognized as "Zero-Waste Factories" by local authorities, and the Gaoming facility also received SGS's "Zero Waste to Landfill Standard Certification - Diamond Level" (the highest), setting an industry benchmark for resource circularity.



ESG practice of circular economy in "Qiandaoyuan" tea tree oil industrial chain





Qiandaoyuan tea tree oil integrates ESG principles across the entire industrial chain, establishing a resource-efficient circular tea tree oil industrial system. By implementing graded utilization and high-value conversion of raw materials, the Company achieves nearly 100% resource efficiency: after cold-pressing tea seeds for oil extraction, the shells are processed into biomass fuel pellets or organic fertilizer, while the tea dregs are transformed into bio-organic fertilizer and natural surfactant. Refined oil byproducts are further processed into lubricants, forming a "zero-waste" production chain. The primary packaging uses 100% recyclable materials, and production waste is meticulously sorted. Equipment cleaning water is mixed with tea dregs to recover organic matter, achieving zero waste discharge. The Company innovatively adopts a "local primary processing + centralized refining" model, setting up processing bases in mountainous raw material regions to produce crude oil on-site. Compared to traditional methods, this reduces transportation costs, energy consumption, and greenhouse gas emissions. Supported by heat pump drying, distributed photovoltaic systems, and other low-carbon technologies, our Guizhou processing base will achieve daytime energy self-sufficiency by 2025. Beyond environmental benefits, Qiandaoyuan tea tree oil industrial chain of Jiusheng empowers rural revitalization. Through its "self-owned plantations + procurement from farmers + localized employment" model, it has created over 1,600 jobs for the local economy.





Tea oil tree

Boosting local employment

Risk Management



Methods and Approaches

For details on the risk management methods and approaches related to the circular economy and packaging materials, please refer to the "Risk Management" section under the "Responsible Haitian and Prudent Management" chapter of this report.

Management process

To proactively manage risks associated with circular economy practices and packaging materials, the Company has established a comprehensive risk management process encompassing packaging evaluation, design, and warehousing. All incoming raw and packaging materials undergo strict quality inspections to ensure compliance with relevant standards. We integrate circular economy and packaging considerations into our broader risk assessments, control frameworks, and communication protocols, enabling continuous improvement in risk management capabilities.

Priority setting and integration into internal processes

For details on how risk priorities are defined and embedded into internal processes, please refer to the "Risk Management" section under the "Responsible Haitian and Prudent Management" chapter of this report.

Metrics and Targets



Haitian has established targets related to the circular economy and packaging materials, and has developed a digital management platform to improve the efficiency of raw material and packaging resource use. These efforts aim to minimize the environmental impact of waste generation.

Targets

We set short- and medium-term targets for and disclose progress on the issue of circular economy and packaging materials.

Targets	Key performance metrics	Short-term (2025)	Medium- term (2030)	Progress in 2024
Target 1: Adopt more recyclable or renewable packaging	Proportion of recyclable or renewable materials used in packaging across all product categories	> 98%	> 99%	98.5%
Target 2: Adopt recycled or	Percentage of recycled materials used in glass packaging across all product categories	> 60%	> 65%	Approximately 60%
regenerated materials	Percentage of recycled materials used in paper packaging across all product categories	> 80%	> 85%	Approximately 80%
Target 3: Recycle production waste	Comprehensive utilization rate of recycled production waste	> 99%	> 99.5%	99.59%
Target 4: Lower packaging intensity per unit product	Reduction in packaging intensity per unit product across all product categories compared with 2024	_	0.5%	_
Target 5: Raise circular packaging intensity in the supply chain	We collaborate with partners to maximize the recycling of plastic packaging and other packaging materials			
Target 6: Use recycled plastics in secondary and tertiary packaging	Without compromising packaging performance, we prioritize the use of recycled plastics in secondary and tertiary packaging wherever feasible			

Target tracking, evaluation, and review

Progress toward our circular economy and packaging material targets is monitored through a structured project management system covering three project types: potential-tapping, technical, and digital initiatives. This process includes technical evaluations, regular progress validations, and integration into year-end performance assessments across all business units, with quarterly progress reviews and internal reporting of results.

Potential-tapping project management

Weekly review meetings are held to assess the status and progress of potential-tapping projects.

"Haixin" project management

Technical projects are managed through the "Haixin" project platform with strict milestone tracking. High-impact initiatives are subject to joint review meetings, while routine projects are evaluated biweekly to ensure accountability and objective outcome assessments.

"Agile" project management

Digital projects follow a nine-step review process prior to formal launch. Once established, real-time monitoring is conducted using our DevOps (Development and Operations) agile management tool, enabling seamless integration of IT and production workflows.

Metrics

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

Metric	Unit	Statistics in 2024
Total weight of product packaging materials	Ton	757,045.62
Packing intensity per unit of product	kg/ton of products	165.86
Proportion of recyclable/renewable materials in all the product packaging	%	98.50
Weight percentage of recovery packaging materials in all the product packaging	%	49.98

Packaging material metrics of Haitian

Metric	Unit	Statistics in 2024
Total renewable resources	Ton	2,653,561.00
Proportion of renewable resources	%	81.77

Circular economy metrics of Haitian

Annual Key Performance

In 2024, we achieved significant advancements in packaging lightweighting, material substitution, and increasing recycled content in packaging.

Packaging lightweighting:

Through the optimization process, reduce the use of PET, PE, glass bottles, cartons and other packaging materials, total weight reduction of

approximately 1,700 metric tons

Eco-material adoption:

Completed technical validation for RPET and water-based inks, with phased batch adoption of select plastic labels in 2024

Increased recycled content in packaging:

Currently, cullet (recycled broken glass) accounts for no less than

60%

of raw materials in glass bottle

Recycled water paper content constitutes a minimum of

80%

of corrugated carton paper

Comprehensive utilization rate of production waste recycling is about

99.59%



Green Management and Operations

Haitian is committed to fulfilling its environmental responsibilities and minimizing the environmental impact of its daily operations. During the reporting period, no major environmental incidents were recorded, and the Company received no administrative penalties from ecological or environmental authorities.

Environmental Management



Haitian has established a well-defined environmental management structure. A cross-functional working group, comprising representatives from manufacturing facilities, the sourcing department, the risk control department, and the green development office, is responsible for identifying and managing environmental risks and opportunities while driving implementation across the organization. At the facility level, each manufacturing site maintains its own EHS/Environmental Protection Department to ensure effective on-site execution of environmental initiatives.

Environmental risk management

• To strengthen the identification and control of environmental risks, Haitian has built a comprehensive regulatory database and embedded key regulatory requirements into internal management systems. These include the Haitian Environmental Factor Identification and Evaluation Procedure and Environmental Correction and Prevention Management Rules, which provide standardized, science-based guidance for regular risk assessments, preventive measures, and compliance evaluations at manufacturing facilities. In 2024, all manufacturing facilities conducted emergency drills in accordance with their approved contingency plans. No sites were located within ecological conservation redlines.

Digital Performance Management (DPM) system

At our Gaoming facility, Haitian has implemented a Digital Performance Management (DPM) system to enhance environmental
oversight in soy sauce production. The system integrates real-time data from energy monitoring instruments with offline
inputs, enabling automated calculation of emissions using tiered logic based on production volumes. The system generates
daily and monthly analytics reports, supporting more precise control over energy use, conservation of resources, reduction of
pollutants, and mitigation of greenhouse gas emissions at the source.

Environmental system certification

• In 2024, eight production bases—including Gaoming Haitian, Suqian Haitian, Nanning Haitian, Wuhan Haitian, Hefei Yanzhuang, Zhejiang Jiusheng, Vinegar Group, and Guangdong Vinegar—successfully obtained Environmental Management System Certification and passed surveillance audits. These certifications reflect Haitian's ongoing efforts to improve environmental performance and operational sustainability.

Green Operations



Haitian integrates waste reduction principles into daily operations by adopting a comprehensive approach to waste management. This includes categorized waste disposal, enhanced recycling of general waste, compliant handling of hazardous waste, and ongoing improvements to production processes and management practices. These initiatives aim to improve raw material utilization, reduce waste generation, and support high-value waste reuse, thereby minimizing the environmental impact of operations.

Pollutant discharge and waste management

Haitian strictly complies with the Environmental Protection Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, and Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste. Following their requirements, we have formulated and regularly updated comprehensive internal protocols including: Environmental Monitoring Management Rules, Pollution Source Control Standards, Wastewater Emergency Response Plan, Hazardous Waste Management Rules, "Three Simultaneities" Environmental Management Rules for Construction Projects, Environmental Compliance Evaluation Procedure, Environmental Hazard Identification and Remediation System, and Corporate Environmental Emergency Preparedness Plan. These systems collectively ensure that all pollutants are properly treated, remain within discharge limits, and comply with regulatory disposal requirements.

Haitian continues to upgrade its pollution control infrastructure and refine treatment technologies for waste gas and wastewater. Through these efforts, the Company not only ensures regulatory compliance but also actively reduces total pollutant discharge, contributing to the advancement of a green and sustainable economy.

Hazardous waste

 The Company has fully upgraded its temporary hazardous waste storage facilities to meet environmental and regulatory standards. All hazardous waste is managed in partnership with licensed third-party service providers, ensuring that it is either safely treated or recovered for reuse, thereby reducing environmental impact.

General waste

 Haitian actively promotes waste recycling through both internal and external initiatives, supported by technologydriven solutions to enhance overall recovery efficiency.
 Efforts include packaging waste recycling programs and the collection and resale of reusable materials and production byproducts, such as bean residue.

Waste categorization and treatment measures

Nitrogen removal process upgrade at the wastewater plant of the Sugian facility



Through innovative pretreatment of excess water with acidification and conversion process from AO to OAO, the one-year optimization achieved carbon-to-nitrogen ratio reduction from 16.7 to 4, 83.7% decrease in aerobic sludge yield, 47% reduction in outbound sludge

R&D collaboration with top research institutes on anaerobic treatment efficiency during wastewater treatment

disposal, 86% increase in daily total nitrogen treatment capacity, and an annual production of 145,000 Nm³ reusable biogas.





Partnering with the Guangzhou Institute of Energy Conversion (Chinese Academy of Sciences), we developed functional microbial cultivation achieving ≥ 90% COD removal rate in UASB anaerobic phase and identification of optimal process control parameters. The outcome has been implemented at the Gaoming facility with planned group-wide replication.

Multiple facilities received honors and certification on waste management





- Gaoming and Nanning facilities awarded "Zero-Waste Factory" title by local authorities.
- Gaoming facility received SGS's "Zero Waste to Landfill Standard Certification Diamond Level" (the highest), setting an industry benchmark for resource circularity.

Targets

We set short- and medium-term targets for and disclose progress on pollutant discharge.

Targets	Key performance metrics	Short-term (2025)	Medium-term (2030)	Progress in 2024
Target 1: Maintain treatment compliance for all pollutants	100% compliance with discharge standards	100%	100%	100%



Green office







Paperless office

Building upon our 2022 electronic contracts initiative, we further expanded our paperless operations in 2024 by introducing tablet computers across production workshops. These devices replace traditional paper records and allow direct data entry into production systems, improving efficiency while significantly reducing paper usage.

Energy-efficient lighting solutions

All Haitian facilities are designed with daylighting systems, utilizing strategically placed skylights to maximize natural light and reduce electricity use. In 2024, the newly built soy sauce workshop and auxiliary buildings at our Suqian facility incorporated dedicated daylighting zones into the roof structure. This design greatly reduced the need for artificial lighting during daytime operations, leading to lower energy consumption.

Environmental awareness programs

Through our Yummy E-Learning platform, we delivered ESG sustainability training including Low-Carbon Living: A Shared Responsibility, Promotion of 2024 Water Conservation Rules, and Pollution Reduction and Carbon Mitigation Strategies. These environment and energy conservation programs substantially improved employees' environmental consciousness.





Risk and opportunity analysis on dependency and impact

Recognizing biodiversity conservation as a cornerstone of sustainable development, Haitian conducted a comprehensive assessment in 2024 to evaluate dependencies and impacts across the full product lifecycle. Utilizing internationally recognized tools and databases—such as ENCORE, BIA, and WRI-BRF—the analysis identified that our operations, particularly in agricultural cultivation and aquaculture for raw material sourcing, have notable interactions with biodiversity. These areas have been designated as key priorities for future action.

Strategies and Actions

Based on the analysis and aligned with the Kunming-Montreal Global Biodiversity Framework, China's National Biodiversity Conservation Strategy and Action Plan (2023-30), and our corporate targets, Haitian has developed a biodiversity conservation strategy rooted in the principles of "maintaining ecological baselines, pursuing eco-symbiosis, and giving back to nature." This strategy sets the direction for our conservation priorities and actions in the years ahead.

Strategy	Focus	Initiatives in 2024
Maintain ecological baselines: We strictly comply with national environmental laws, regulations and standards	 Zero violation discharges Redline avoidance	 Conducting annual ecological compliance audits to ensure operational boundaries do not encroach on protected areas Publishing the Haitian "Three Simultaneities" Environmental Management Rules for Construction Projects Progressively decreasing pollutant discharges Incorporating a "sponge city" design philosophy in all new facilities
Pursue eco-symbiosis: We integrate ecological conservation principles and technologies into sustainable industrial development	 Guide eco-friendly agriculture and fisheries Promote carbon neutrality Develop circular economy Lower water footprint 	 Establishing the Liping Ancient Tea-Oil Forest Conservation Demonstration Base Implementing organic certification for certain raw materials Enforcing the Haitian Supplier Code of Conduct to promote biodiversity protection among suppliers Issuing Sustainable Sourcing Guidelines to implement management on suppliers' sustainable sourcing performance, with a focus on Deforestation/Conversion-Free (DCF) commitment, soybean sourcing (non-GMO, deforestation-free, low-impact cultivation, traceability), and seafood sourcing (obtaining MSC/ASC/BAP certificates with full traceability) Progressing energy-saving and emission-reduction projects Continuing green packaging efforts Enhancing water efficiency measures
Giving back to nature: Support industry-related ecological conservation initiatives for public welfare	Water conservation Ecosystem restoration and conservation	 "Protect the Mother River" event at the Gaoming facility Sponsoring multiple afforestation projects in Foshan Participating in the 2024 Yunnan Jianshi Industrial Park Voluntary Tree-Planting Event

ity conservation

Quality Haitian: Safeguarding Health and Well-Being

Haitian actively aligns with the strategic direction outlined in the "Outline of the Healthy China 2030 Plan" initiative, continuously advancing innovation in the development of nutrition and health-focused products. In response to evolving consumer's increasingly diverse and customized health needs, we are committed to enhancing product quality, improving food safety standards, and strengthening service capabilities. These efforts reflect our dedication to supporting healthier lifestyles and contributing to public well-being.

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Product Safety and Quality	7
Customer Service	8
Innovation-Driven Development and Intellectual	Q





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Property

Nutrition and Health

The demand for nutritious, health-oriented, and low-burden flavouring products has increasingly become a new consumption trend. In response, Haitian has reinforced its nutrition and health product management system, while building stronger capabilities in identifying market opportunities and assessing related risks. Through continuous innovation in technology and formulation, we have actively researched, developed and launched a variety of nutrition and health-conscious products tailored to modern dietary preferences. Our goal is to offer consumers a broad range of nutritious choices, ensuring Haitian's premium products continue creating flavorful memories across generations.

Governance



Governance structure

To ensure the standardized development and management of nutritious and health-focused products, the Company has established a three-tier governance framework. This includes the Board of Directors and its Strategy and Sustainable Development Committee, the Sustainability Management Committee and its Steering Team, and a dedicated working group focused on nutrition and health opportunities. This structure supports innovation and drives progress in the nutritious and healthy food sector. For detailed information about the nutrition and health opportunities governance structure, please refer to the "Working Mechanism for Sustainable Development" section of this report.

Professional competencies

The Company's Board of Directors includes at least two members with extensive professional experience in biotechnology, food production, and nutritional product R&D. One director concurrently serves as the Secretary-General of the Soy Sauce Professional Committee of China Condiment Association, ensuring professional and effective decision-making on relevant matters.

Reporting mechanisms, management policies and decision making

To effectively guide nutrition and health-related product development across all levels of the organization, the Company has established a comprehensive reporting system that integrates relevant factors into key decision-making processes. We strictly adhere to applicable national and industry quality standards, as well as food safety regulations, throughout our R&D activities. Internally, we formulated management systems including *Management Regulations on Technology R&D Project of Haitian Corporation*, and *Regulation on Management of External Technology Cooperation Projects of Haitian Corporation* to ensure compliance and standardization across all product development efforts. For detailed information on the reporting mechanisms, management policies and decision-making processes regarding nutrition and health opportunities, please refer to the "Working Mechanism for Sustainable Development" section of this report.



Strategy



Risk identification and response

Haitian has conducted risk identification, evaluation and impact analysis on nutrition and health opportunities to formulate corresponding responses, as detailed in the following table:

Types of risks	Description of risks	Response measures
Technical risk	With the changes in consumer preferences and increased focus on nutrition and health of food products, enterprises need to continue to carry out product and technological innovation to meet the demand of consumers for nutritious and healthy food, which may lead to an increase in R&D costs.	Continuously enhance our product and technological innovation capabilities by building robust R&D talent pipelines and adopting specialized management models for major technology projects, while expanding collaborative innovation with external research institutes and universities to build a comprehensive technological innovation system.
Policy risk	The increasingly stringent regulatory environment surrounding food safety demands full compliance in both raw material sourcing and production practices. Failure to meet these requirements may lead to legal action or financial penalties, which will increase operating costs. At the same time, negative publicity could erode consumer trust, affect brand perception, depress stock value, and ultimately impact revenue.	Keep track of policy and regulatory developments within the food industry and ensure strict adherence to all applicable laws and standards, including national and industry-specific food safety and quality requirements. Formulate internal product development and quality management systems aligned with these external standards, ensuring full compliance across all R&D and operational processes.
Reputational risk	In the development of nutritious and healthy products, it is essential to ensure full compliance with relevant standards and regulations—from ingredient sourcing and technological innovation to final production. Only through such compliance can product claims like "organic", "sodium reduction" or "gluten-free" be legitimately used. Failure to meet these requirements may lead to allegations of false marketing, resulting in reputational harm, consumer litigation, regulatory penalties, and public relations crises. These consequences can erode brand trust, reduce revenue, and increase operational costs.	Follow organic food certification standards and ensure that all organic products have obtained the China Organic Product Certification. At the same time, enforce rigorous packaging label management to eliminate any false or misleading claims, thereby safeguarding brand integrity and protecting consumer rights.

Opportunity identification and response

Haitian has conducted opportunity identification, evaluation and impact analysis on nutrition and health opportunities, as detailed in the following table:

Type of opportunities		Description of opportunities
Market opportunity	Health product innovation	As consumer awareness of health and wellness continues to grow, there is a significant opportunity to develop healthier condiment products with low-sodium, low-sugar, and low-fat, along with organic options. These innovations not only meet evolving market demands but also enhance product value and strengthen our competitive edge.
	Market expansion into emerging regions	In regions or demographic groups where healthy eating habits are on the rise, promoting nutritional condiments, such as gluten-free soy sauce for individuals with gluten allergy, can help us tap into emerging market segments and broaden our consumer base.
Reputational and market opportunity	Brand image enhancement	Proactively integrating ESG principles, with a focus on nutrition and health opportunities, contributes to building a stronger, more trusted brand image and reputation among consumers.
	Consumer education and communication improvement	Educational initiatives across multiple channels can further raise public awareness of balanced diets and guide consumers toward healthier food choices.
Policy opportunity	Policy advocacy and incentives	As the government increasingly implements policies that support the development of nutritious and healthy food industries, we can seek out such policy incentives to help offset R&D and production costs.
	Compliance and risk management	By establishing and maintaining robust food safety and quality management systems, we ensure full compliance with applicable standards and regulations, mitigating potential legal and reputational risks.

Strategy formulation

Through in-depth industry trend analysis, Haitian has identified strong and sustained growth in consumer demand for nutritious and healthy products, particularly those that are low/reduced/ no sugar, low/reduced sodium, low/reduced/zero fat, and organic options. While this shift for nutritious and healthy products present new requirements for the industry, it also opens up transformative opportunities. The Company closely follows the new trend of market demand, formulating the nutrition and health strategy for Haitian products under the guidance of the *Outline of the Healthy China 2030 Plan*, delivering more scientifically grounded and transparent choices for consumers. Guided by the mission to provide "healthier, lighter, and more nutritious" products, our

strategic direction emphasizes the development of condiments that are "organic, low/reduced/no sugar, low/reduced sodium, low/reduced/zero fat, portion-controlled, and nutrient-fortified." Backed by our strong R&D capabilities, we have successfully translated this strategy into a range of innovative products, including organic light soy sauce, sucrose-free soy sauce, reduced-sodium soy sauce, gluten-free soy sauce, and iron-fortified soy sauce. This diverse portfolio addresses a wide array of nutritional needs and consumer preferences, and we are committed to realizing the comprehensive coverage of nutrition and health strategies across the product lines. As a result, Haitian continues to lead the industry's shift toward health-conscious innovation in the condiment sector.





Improvement measures and strategies

The Company continues to strengthen its technological innovation capabilities to support the healthy transformation of its product portfolio. Our goal is to create more nutritious, health-focused offerings that align with evolving consumer expectations. In parallel, we actively promote public health and nutrition education to contribute to improved national health literacy.

Strengthen innovation capabilities

Responding to growing consumer interest in healthier diets, we focus on core fermentation techniques and frontier technologies. Our innovation priorities include the development of health-oriented products, flavor optimization, and the creation of personalized functional offerings. In addition, we are simultaneously focusing on R&D breakthroughs in technologies including key raw materials, high-performance strain cultivation, and intelligent equipment and facilities, laying the groundwork for a comprehensive technological innovation system.

Build a robust R&D framework and talent pipeline

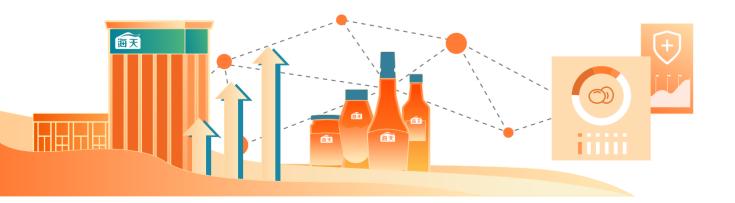
We have established a three-tier R&D system encompassing frontier technologies, common key technologies in the industry, and industrialized application technologies. Dedicated R&D teams within this framework focus on targeted research in nutrition and health, driving product development and technology advancement. At the same time, to support sustained innovation, we implement a full-lifecycle talent management system that spans recruitment, training, deployment, and retention. This approach strengthens our technical talent pool and reinforces the foundation for long-term innovation in the nutrition and health sector.

☐ Innovate technology ☐ management models

We continue to expand our frontier technology research and implement new management approaches for major technology projects. In 2024, the Company launched five major technology projects, each subjected to rigorous evaluation by leading experts from China's food industry to ensure project quality and relevance. Additionally, we established the Haitian Lingyun Science Development Fund, allocating RMB 1.4 million to support 10 targeted innovation initiatives focused on sodium reduction and health, injecting strong momentum into food technology advancements.

Enhance research collaboration

We promote a "going global and bringing in" cooperation approach, forging deep partnerships with leading research institutes and universities. In 2024, we collaborated with Tsinghua University, the Institute of Process Engineering (Chinese Academy of Sciences), the China National Research Institute of Food and Fermentation Industries, the Guangdong Academy of Agricultural Sciences, and South China University of Technology to advance innovations and jointly tackle critical industry challenges.



| Annual Internationally Advanced-Level R&D Projects in 2024 (Examples)

Technology Technology introduction and application 6

Technology introduction and application effectiveness

Research and Industrialized Application of Premium Soy Sauce Brewing Water Treatment Based on Salt Ion Correction This research project conducted a comprehensive analysis of how brewing water quality affects soy sauce product quality and fermentation flavor, using multidimensional methods including sensory evaluation, flavor compound profiling, and microbial fermentation and metabolic studies. The findings led to the development of science-based quality control standards for soy sauce brewing water and the creation of a targeted water quality correction technology. This technology enables green, precise, and efficient application of premium brewing water at an industrial scale, significantly improving product quality while advancing sustainable water management practices. The technology has been successfully applied in both product upgrades and new product development, contributing to cumulative sales exceeding RMB 400 million.

Certified by the Guangdong Light Industrial Council as

"Internationally Advanced-Level"

Recognition

Honored with the First Prize in the 2024 Scientific and Technological Progress Awards of the Guangdong Light Industrial Council

Key Technology
Development and
Application for
Browning Delay
during Shelf Life of
Fermented Paste
via Low-Molecular
Sulfur Peptide
Regulation

This project successfully developed a high-efficiency evaluation system to predict browning in fermented sauces over a two-year shelf life. By exploring key regulatory technologies, the research systematically revealed the underlying browning mechanisms and critical influencing factors. Based on these insights, the team created targeted browning-delay techniques tailored to real-world production conditions. The resulting solution enables controllable and efficient industrial application, effectively addressing the shelf-life browning challenges commonly faced in fermented paste products.

Certified by the Guangdong Light Industrial Council as

"Internationally Advanced-Level"

Honored with the First Prize in the 2024 Foshan High-Tech Progress Awards

Key Technology and Application for Flavor Enhancement in Dry Chili Fermentation Through Targeted Screening of Functional Strain Flavor Genes This project addressed the challenge of unpleasant flavor compounds in fermented dried chilies by identifying key off-flavor components and uncovering the sensory mechanisms for their mitigation. Traditional chili fermentation methods often suffer from low efficiency and poor strain targeting. To resolve this, the research team developed a novel flavor gene-targeted screening technology for functional microbial strains. Through this approach, a premium strain was successfully isolated, enabling the selective elimination of undesirable odors and the targeted enhancement of desirable aroma compounds. The technology has demonstrated significant economic value in industrial-scale applications.

Certified by the Guangdong Light Industrial Council as

"Internationally Advanced-Level"

Honored with the Third Prize in the 2024 Scientific and Technological Progress Awards of the Guangdong Light Industrial Council



Develop nutritious and healthy products

The Company remains committed to advancing health-focused product innovation through continuous technological upgrades. We have steadily expanded our portfolio of nutritious and personalized offerings, which now includes organic, low/reduced/no sugar, low/reduced sodium, low/reduced/zero fat, portion-controlled, and nutrient-fortified products.

This year, notable breakthroughs in natural preservation technology significantly improved product quality and its natural preservative capabilities. As a result, we have fully achieved preservative-free production in several core product lines,

including the Wei Ji Xian soy sauce and Gold Label superior light soy sauce series, Yipinxian and Caibao oyster sauce series, as well as Chu-Hou sauce and seafood sauce varieties. To meet special dietary needs, we have innovatively launched our "Specially Mixed with Love" product series, featuring ironfortified gold label light soy sauce with pink lids and mushroom dark soy sauce, and donated 100% of the series' sales revenue to the Kangze Foundation. This initiative not only offers healthier product choices to consumers but also reflects our active commitment to corporate social responsibility.

| Matrix of health-oriented products

Over 60 organic product series

Haitian organic products strictly comply with organic certification standards, with all offerings bearing China's organic certification and featuring unique identification codes to guarantee full-cycle organic traceability. We have developed an organic product portfolio spanning soy sauce, oyster sauce, flavoured sauce, and cooking wine, not only diversifying healthy consumer choices but also effectively reducing agricultural reliance on chemical fertilizers to promote sustainable farming practices.

The Company enforces rigorous quality control for organic raw materials to ensure safety and scientific verification. For all 10 categories of externally sourced organic natural ingredients, including soybeans, wheat, sorghum, and brown rice, we implement stringent acceptance criteria aligned with national standards. Authorized third-party inspectors conduct sample testing to verify authenticity and scientificity.

As of the end of the reporting period, Haitian has over 60 organic certified products.



Organic glutinous rice cooking wine

Made with non-GMO organic glutinous rice and organic wheat, all ingredients hold triple certifications from China, the EU, and the United States.



Probiotic organic soy milk

Specially developed for young students, this probiotic-enriched organic soy milk provides an additional healthy beverage option.

500 low/reduced/no sugar products

The *Healthy China Initiative (2019-2030)* and *the Chinese Dietary Guidelines (2022)* advocate for reasonable sugar intake control among consumers. Based on the analysis about evolving dietary trends and in response to consumer demand for low-sugar options, Haitian has been developing innovative products utilizing technologies like sugar-free sweet retention.

As of the end of the reporting period, Haitian has 500 low/reduced/no-sugar products.



Pure rice vinegar

Crafted with just four ingredients through traditional grain brewing, delivering a mellow acidity and authentic rice aroma for everyday culinary use.



Delicious light soy sauce

Brewed from premium soybeans and purified water, this classic sauce offers balanced savory notes with rich aroma and clean, refreshing flavor.

Over 300 low/reduced sodium products

To meet consumers' demands for healthier and reduced-sodium products with uncompromised flavor, Haitian has achieved breakthrough innovations through development of low-sodium/high-umami microbial strains as well as fermentation process optimization and industrial-scale application. These advancements have resulted in more than 20% increase in key umami compounds and reduced sodium by more than 60%.

In 2024, we launched new health-conscious soy sauce products with no sucrose and reduced sodium such as the 7g light-sodium premium matsutake soy sauce, delivering on our "Reduced Sodium, Full Flavor" and "Naturally Delicious" promises.

As of the end of the reporting period, Haitian has over 300 low/reduced sodium products.



Reduced-Salt Soy

30% sodium reduction, salt content (calculated as NaCl) ≤ 12g/100ml, maintaining original umami.



7g light-sodium premium matsutake soy sauce

60% sodium reduction, salt content (calculated as NaCl) ≤ 7.0g/100ml, all-natural taste.

Over 850 low/reduced/zero fat products

To meet consumers' growing demand for both health-conscious and flavorful food options, Haitian has consistently developed and launched innovative products under the "Light on Fat, Light on Calories, Light on Burden" concept. Through technological innovations, we have created multiple low-fat and reduced-fat formulations without compromising taste, offering more choices for health-oriented consumers who pursue a healthy lifestyle.

As of the end of the reporting period, Haitian has over 850 low/reduced/zero-fat products.



Fresh rice vinegar

Perfect for dipping and cold dishes, Haitian's refined rice vinegar delivers bright acidity with aromatic freshness.



Poaching sauce

With zero fat content, this ideal companion for light meals provides rich umami and robust flavor to complete dishes with just one sauce.

Over 350 portion-controlled products

To accommodate diverse consumption scenarios while reducing waste from product expiration, we have developed portion-controlled products to provide flexible options. Our compact offerings like soybean paste and compact seafood soy sauce feature lightweight, space-saving designs for enhanced convenience.

As of the end of the reporting period, Haitian has over 350 portion-controlled products.



Soybean paste

Visible whole soybeans in convenient cup packaging - simply open and dip, perfect for on-the-go use.



Mini seafood soy sauce

Small-bottle design with distinctive wide-cap closure for easy storage and dispensing.

4 nutrient-fortified products

In 2002, Haitian was approved as a pilot enterprise for iron-fortified soy sauce by the expert panel of China's National Food Fortification Committee. With longstanding commitment to innovation in nutrient-fortified food products, we continue developing functional products that address consumers' health needs.

As of the end of the reporting period, Haitian has 4 nutrient-fortified products.



Iron-fortified light soy sauce

Contains 3.6mg iron per 15ml, providing an easy solution for daily iron intake.



Iron-fortified dark soy sauce

With 3.6mg iron per 15ml, it enhances both food coloration and iron absorption.



Definitions of Health-Oriented Products

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

| Products Honors (Partial)

High-umami reduced-sodium fermentation technology for soy sauce

Awarded the "Innovative Technology of the Year" at the iSEE Innovation Awards

"Sovbean paste'

Received a "4-Star" recognition at the iSEE Taste Award

"Light sodium light soy sauce, reduced-sodium soy sauce, iron-fortified soy sauce, oyster sauce dipping set, 3-year aged 6 degree mature vinegar"

Listed in the "Landmark Achievements in Nutrition and Health Action of Food Industry" by China National Food Industry Association

> 'Rich-Aroma Fermented Cooking Wine" and "Novel Fermented Bean Paste"

> Designated as "2024 Guangdong High-Quality and Innovative High-Tech Products"

Drive industrial development

Haitian actively collaborates with leading experts and authoritative institutions to conduct in-depth analyses of market trends and evolving consumer health demands. Drawing on decades of industry experience, we work jointly to establish a comprehensive, sciencebased framework for nutrition and health standards. These efforts not only enhance the nutritional quality of food products but also support technological innovation and product advancement across the broader industry.

As of 2024, Haitian has contributed to the development and revision of over 30 national and industry standards, including the following officially released standards in 2024:

Standard name	Standard code	Issued by	Standard types
Technical Specification for Food Production Data Management	GB/T 43730-2024	State Administration for Market Regulation	National standard
Requirements for Assessment of Green Factory in Condiment	QB/T 5978-2024	Ministry of Industry and Information Technology of People's Republic of China	Industrial standard

Public education on nutrition and health

We utilize our brand influence to carry out a series of health science popularization and promotional activities through diversified methods including product packaging, product advertisements, promotional campaigns, and media platforms. These efforts serve to disseminate and promote nutritional health knowledge of our products, help consumers recognize the crucial impact of raw material quality on condiments during their purchasing, and guide the public to establish scientific dietary concepts.

Adopting an integrated online-offline approach, Haitian strengthens public awareness of healthy seasoning choices and advocates for healthier lifestyles. In 2024, we organized events like "Sunshine Factory Open Day" and "Dietary Wellness Knowledge Week", collaborating with mainstream media such as People's Daily, CCTV News, People.cn, China Food Safety, Southern Metropolis Daily and social media creators to disseminate knowledge about proper condiment storage and ingredient list literacy. Throughout the year, we published more than 300 pieces of popular science content through various platforms, achieving approximately 200 million views.



Light-sodium product sales exhibition promoted nutrition and health knowledge awareness





From October to November 2024, Haitian mobilized all employees for a light-sodium product sales exhibition, enhanced by a "scan-towin" promotional activity. This initiative effectively drew consumer attention to our light-sodium series, fostering better understanding of nutritious and healthy products and awareness of relevant knowledge and concepts. During the campaign, 42 promotion teams covered over 35 retail outlets and wet markets in Guangzhou and Foshan, generating 1.05 million consumer engagements.

Organized internal product knowledge training to empower precise health science popularization





We conduct regular product knowledge sharing sessions for marketing teams, focusing on organic and light-sodium lines. These trainings ensure staff mastery of ingredient sourcing, composition, and applicable scenarios of our nutrition and health-oriented products. By deepening marketing personnel's comprehensive understanding of Haitian products, we empower them to accurately popularize science and promote healthy organic knowledge to consumers, guiding consumers to make scientific choices, and supporting the promotion of healthy lifestyles.

"Fact-Check for Science Popularization" public education initiative on nutrition and health for consumers





During the 21st National Science Popularization Day, Haitian launched a comprehensive, multi-tiered educational campaign reaching communities, schools, the Sunshine Factories, e-commerce platforms, livestream channels, private domains, authoritative media, and social networks—ensuring science literacy services extended to the "last mile" to help consumers build scientifically-grounded health knowledge. On September 20, 2024, Haitian partnered with China Media Group Mobile to deliver a global livestream educating viewers on condiment and other healthy lifestyle choices, attracting over 31 million views and 10 million real-time interactions. The Company's "Fact-Check for Science Popularization" initiative ultimately achieved nearly 190 million impressions in total.



"Haitian Soy Sauce Curriculum Lab" secondary school program helped build an innovative platform for condiment education and hands-on learning





In November 2024, Haitian inaugurated its self-funded "Soy Sauce Curriculum Lab" in Foshan secondary schools. The condiment production-themed facility features history of Chinese soy sauce development, lecture areas, and enterprise models, utilizing data, models, instruments and equipment to demonstrate the raw materials (soybean), microbiology, brewing water, traditional fermentation techniques, and healthy dietary practices.

At the same time, Haitian further developed specialized nutrition and health courses like "Soy Sauce Quality Evaluation" and "Microorganism Cultivation", blending traditional brewing methods with high school curricula. The Company also invited industry researchers to conduct "theory + practice" sessions to help students apply physics and biology concepts to condiment production, thereby deepening their understanding of nutritional science.

Risk Management



Methods and Approaches

For details on the risk management methods and approaches for the issue of nutrition and health opportunities, please refer to "Risk Management" section under the "Responsible Haitian and Prudent Management" chapter of this report.

Management process

Using a user-centric approach, Haitian continuously monitors consumer and market demand for nutritious and healthy condiments. By leveraging big data analytics, we accurately identify opportunities in nutrition and health, and enhance our risk and opportunity management as well as impact assessment capabilities.

Conduct in-depth analysis on industrial trends

We have developed our proprietary data lake integrating online and offline condiment industry market data, analyze and grasp the development trends of Haitian products versus competitors from an industry perspective, utilize big data to mine user focus points and demands, accurately identify changes in consumer demand for nutrition and health products, promptly discover potential market risks and opportunities, and continuously optimize the nutrition and health product portfolio.

Develop products targeted at consumers' demand for a healthy lifestyle

We maintain close engagement with consumers through our customer service centers and digital product demand platforms, and promote the continuous optimization and upgrading of products and services. By conducting thematic research and product testing on a regular basis, we gain a deep understanding of consumer expectations and preferences, particularly regarding natural, organic, and other health ingredients. This feedback is rapidly integrated into our development cycle, grasp the innovation opportunities of nutrition and health products, and fostering co-creation and shared value.

Priority setting and integration into internal processes

For details on the risk management priority setting and integration into internal processes, please refer to "Risk Management" section under the "Responsible Haitian and Prudent Management" chapter of this report.

Metrics and Targets



To meet growing consumer demand for nutritious and healthy products, the Company continues to expand its portfolio of healthoriented offerings through ongoing R&D innovation, production technology optimization, and improvements in nutritional formulation. By regularly monitoring key performance indicators, we aim to consistently increase both the revenue and proportion of our healthoriented products, bringing Haitian's wholesome offerings to more households.

Targets

We set short- and medium-term targets for and disclose progress on nutrition and health opportunities.

Targets	Key performance metrics	Short-term (2025)	Medium-term (2030)	Progress in 2024
Target 1: Promote sodium reduction initiatives by offering reduced-sodium options across all product categories for consumer choice	Coverage of reduced- sodium product categories (excluding non- applicable products)	≥ 64%	100%	36%
Target 2: Expand the range of natural and organic healthy products to provide consumers with more alternatives	Coverage of organic product categories (excluding nonapplicable products)	≥ 68%	≥ 80%	58%



Target tracking, evaluation, and review

We continuously track progress toward nutrition and health-related targets. These targets are integrated into the year-end performance evaluations of our subsidiaries and are reviewed on a quarterly basis. Evaluation results are disclosed internally.

Metrics

We maintain ongoing monitoring of performance metrics regarding nutrition and health opportunities to facilitate target achievement. For more metrics, please refer to the appendix titled "Annual Key Performance Indicators."



Nutrition and health-oriented product performance metrics

Annual Key Performance

Haitian had	Accounting for
704	7.81 %
product R&D personnel	of its total workforce
Haitian invested	Representing
RMB 840 million	3.12 %
in R&D	of its annual operating revenue
Released over	Accumulating approximately
300 pieces	200 million views
of science popularization content through various platforms	That of views
Haitian launched the "Fact-Check for Science I	Popularization" campaign, which achieved nearly

Product Safety and Quality

Haitian has established a systematic quality management framework and a comprehensive risk prevention and control system. We continue to strengthen our product safety and quality assurance capabilities by optimizing governance structures, refining strategic planning, reinforcing risk management, and implementing clear metrics and targets.

Governance



We strictly comply with relevant laws and regulations including the *Food Safety Law of the People's Republic of China*, the *Product Quality Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, while establishing a comprehensive management system and standard framework based on national statutes and international standards such as ISO 9001 Quality Management Systems and ISO/FSSC 22000 Food Safety Systems. This system encompasses multiple management domains, quality and food safety, occupational health, energy and environmental protection, environmental management, and metrology. It is supported by an extensive internal framework comprising over 1,200 management protocols, over 12,000 technical standards, and over 500 operational guidelines to ensure regulatory compliance and exceptional product quality.

Management protocols

>1,200

Technical standards

>12,000

Operational guidelines

>500



Governance structure

Haitian places product safety and quality at the core of its management priorities and has established a comprehensive, continuously evolving quality management system. The Company has implemented a three-tier governance structure comprising the Board of Directors and its Strategy and Sustainability Committee, the Sustainability Management Committee with its Steering Team, and a working group for the issue of product safety and quality led by the Quality Center. At the executive level, a Chief Quality Officer has been appointed to serve as the management representative for product and service safety and quality. For more details, refer to the "Working Mechanism for Sustainable Development" section of this report.

At the operational level, Haitian has developed an integrated product safety and quality management network. This includes a vertical three-tier structure "Company–Business Department–Factory" and horizontal cross-departmental collaboration involving product divisions, sourcing centers, manufacturing sites, customer service centers, and the quality center. Together, this system ensures cohesive oversight across five key domains: design quality, sourcing quality, production quality, service quality, and quality inspection/grading, driving systematic and refined quality control.

We comprehensively implement the primary responsibility for product safety and break it down at every level, ensuring that quality and safety responsibilities are assigned to individuals. We have introduced a quality responsibility accountability mechanism. Each base park has a Food Safety Director who is authorised to exercise a "veto power" over quality and food safety, firmly preventing the factory release of products that pose quality and safety risks.

Professional competencies

All personnel responsible for product safety and quality oversight possess professional backgrounds or practical experience in relevant fields. The Chief Quality Officer, who leads the Company's comprehensive quality management efforts, holds a specialization in analytical chemistry and has over a decade of experience in the R&D of rapid testing technologies and quality systems. The group leader is an expert in product quality inspection and management,

with more than 10 years of hands-on experience, and currently oversees the Company's overall quality inspection framework. The core group members collectively bring professional qualifications in food production, quality inspection, quality management, food safety regulations, and system certification, complemented by substantial on-site experience.

Reporting mechanisms, management policies and decision making

Product safety and quality management documentation is systematically maintained and updated through a centralized risk-control platform, which includes four core modules: external regulatory compliance, internal risk control, process technical specifications, and internal management systems. Dedicated teams regularly track evolving regulations and standards to ensure timely updates and implementation across all relevant departments. This system supports the efficient operation and continuous improvement of our overall quality management system. Leveraging digitalized management workflows, Haitian has established science-based sampling mechanisms triggered by regulation/standard updates, equipment/process modifications, new material/product introductions, or quality deviations.

To further enhance precision, production line analysis and risk assessments are conducted to define specific monitoring parameters and inspection frequencies. Using data analysis, equipment validation, and ongoing program optimization, the Company implements a closed-loop "Plan–Monitor–Evaluate–Improve" cycle. This approach continuously strengthens our quality control systems, improving both compliance and risk prevention, and ensuring the consistent safety of our products.

For details on reporting mechanisms, management policies, and decision-making processes related to product/service safety and quality, please refer to the "Working Mechanism for Sustainable Development" section of this report.



Strategy



Risk identification and response

We conduct risk identification, evaluation and impact analysis on product/service safety and quality to formulate corresponding responses, as detailed in the following table:

Risk/ Opportunity	Specific risk/ opportunity	Impact description	Responses
R&D quality risks Raw and auxiliary material quality risk Processing quality risk Warehousing and transportation risk Product inspection risk		Failure to adhere to R&D management procedures during process and product R&D—including skipping evaluation and review processes—may lead to unstable product quality, poor market performance, regulatory non-compliance, reputational damage, and reduced revenue.	Optimize R&D processes, strictly set the strict validation of technical parameters, and test the formula in multiple rounds; Enhance professional capabilities of R&D teams with training; Set up feedback mechanisms for continuous improvement of formulations and technologies.
	auxiliary material	During raw and auxiliary material sourcing, inadequate quality control procedures—including lax supplier qualification, selection, and evaluation standards, or improper acceptance and storage practices—may result in substandard or deteriorated materials. This could compromise product quality, lead to losses due to rework, trigger regulatory compliance issues, and damage corporate reputation.	Strengthen raw material control through rigorous supplier vetting and periodic quality standard audits; Enhance inspection with advanced testing technologies and equipment; Implement a quality traceability system for full-process recording and issue resolution.
	During production, failure to promptly identify operations and food safety regulations and standards, recognize critical process control points and hazards regarding food safety, establish corresponding management systems, operational procedures, and technical guidelines, or properly manage equipment and personnel may lead to product quality deterioration, rework, contamination, or even non-compliant products reaching the market. This could result in customer complaints, returns, or recalls, potentially triggering regulatory compliance risks, damaging corporate reputation, and reducing revenue.	Regularly identify and control critical food safety control points and hazards; Implement comprehensive equipment management systems, processing procedures, and control processes while enhancing personnel training to improve quality awareness; Identify risks during project development and upgrade automated control to eliminate safety and quality issues at the source; Innovate and optimize processes by researching new production and quality control technologies to improve the production environment.	
	and transportation	In storage and logistics operations, inadequate management systems and control measures, improper storage/transport conditions, material cross-contamination due to mixed storage, insufficient food safety capabilities of third-party logistics providers, or non-compliant food containers, utensils and equipment for storage, transport and loading/unloading may compromise product safety and quality. This includes risks of contamination, spoilage, deterioration, damage, or obsolescence during storage or transit, potentially leading to customer complaints, rework, financial losses, food pollution, regulatory risks, reputational damage, and revenue reduction.	Upgrade warehouse facilities with appropriate equipment and conduct regular maintenance; Enhance warehouse management through robust systems, periodic stock audits, and staff training programs; Rigorously evaluate and monitor third-party logistics providers' capabilities.
	inspection	During quality testing processes, inadequate laboratory management, unqualified personnel, outdated equipment, obsolete testing methods, lack of metrological traceability, lax quality inspection protocols, or non-compliant inspection per standards or omission of inspection may result in inaccurate test results and compromised product quality. This could lead to production rework and non-compliant products entering the market, triggering customer complaints, recalls, regulatory penalties, reputational damage, and ultimately revenue loss.	 Establish and strictly enforce laboratory regulations and procedures; Enhance operation and technical training management for lab technicians; Maintain testing equipment and optimize laboratory environments; Timely identify and update testing standards and methodologies; Strengthen documentation control and traceability management.

Strategy formulation

Haitian insists on quality as the foundation, makes enhancing product safety and health one of the important strategic directions, crafts Haitian premium products with craftsmanship, and provides consumers with high-quality products. We take national standards as the benchmark, refer to high standards of international markets such as the EU, formulate product internal control standards that are more numerous and stricter than the corresponding national standards, and cover all manufacturing bases, while continuously advancing management system certifications related to quality and food safety, using high standards to promote product quality improvement.

Financial quantitative analysis

This year, Haitian piloted a financial quantification analysis focused on product and service safety and quality. The process involved: comprehensively identifying relevant risks (R&D, warehousing, recalls, after-sales service, etc.) and mapping them to business scenarios to analyze unmitigated costs and determine corresponding financial metrics; systematically documenting risk mitigation measures with financial metrics corresponding to the risks; evaluating historical risk management expenditures while forecasting short-, medium-, and long-term cost trends; and ultimately incorporating these financial quantification results into strategic decision-making. Moving forward, we will expand this methodology to other issues, comprehensively considering the financial impact of all issues in the corporate decision making.



Improvement measures and strategies

Haitian has established a comprehensive, end-to-end quality assurance system that spans the entire product lifecycle—from design and sourcing to production and distribution. This system is built on a lifecycle-centric management framework and is implemented by all employees across all business units. Guided by the "Two Highs, One Strict" principle (high standards, high digital intelligence, and rigorous quality control) and employing process-oriented, modular, and specialized methodologies, we rigorously strengthen food safety management and strictly controlling product safety and recall risks.



- ⁶ Unmitigated cost: Refers to potential financial losses from risk events if no mitigation measures are taken.
- ⁷ Mitigation cost: Represents the necessary investments made by the Company to reduce or eliminate risks, including expenses related to technical R&D, infrastructure upgrades, and other preventative initiatives.



End-to-end control

Control point Product design

Control measures

- Enhanced R&D capabilities: We continue to strengthen our product R&D team, bringing in new talent in 2024 to expand technical expertise. Increased investment in market research led to the creation of Haitian's proprietary condiment industry database, providing the R&D team with market insight and consumer analysis support.
- Optimized R&D processes: We implement rigorous validation protocols for processing parameters, conduct multi-phase formula testing, and establish feedback loops to improve production techniques and formulations in real time.



- Refined management mechanism: We have developed stringent supplier qualification procedures, covering process evaluation, delivery inspection, and ongoing performance review to drive improvements.
- Supplier quality certification: We carry out supplier verification through on-site audits, documentation reviews, and sampling inspections, with third-party auditors checking key quality metrics for all raw and packaging materials.
- Raw material validation: Acceptance criteria are clearly defined, and strict inspection procedures are enforced before materials are approved for use in production



- Standardized operations: We have developed internal product standards for each production stage, introduced tiered quality control for intermediate products, and conducted 16 company-wide quality training sessions in 2024 to strengthen quality
- Digitalized control: Leveraging automation, informationization, digitalization, AI, and big data for the entire production process, we adopted an online monitoring system covering 100% of production lines, enabling real-time quality verification
- Refined management: We implement end-to-end monitoring, analysis, control and prevention at all key food safety and quality checkpoints—from raw material intake to final distribution. Each inspection point is subject to rigorous inhouse testing against defined standards, ensuring 100% internal quality certification and preventing any non-compliant products from entering the market. For example, every bottle of soy sauce must go through 119 production steps, 494 quality checkpoints, and over 2,000 parameter tests before release, ensuring consistent and uncompromising product
- Enhanced food safety defense: We have formulated the Food Defense and Public Safety Management Protocol across nine dimensions: external defense, internal defense, processing, storage, supply chain, water, personnel, data, and laboratories, ensuring the defense for food safety.



- Management of reserved samples: We retain samples from each product batch to support quality tracking and retrospective
- Efficient traceability and recall: Product-specific traceability and recall systems are in place, with clear operational guidelines (refer to Traceability and Recall section for details).

Traceability and Recall

Haitian strictly complies with the Administrative Measures for Food Recalls issued by the State Administration for Market Regulation, formulating and implementing internal policies including the Product Recall and Withdrawal Management Rules, Identification and Traceability Management Procedures, Soy Sauce Product Traceability Operational Guidelines, Seasoning Product Traceability Operational Guidelines, and Food Safety Emergency Preparedness and Response Procedures. These policies define clear protocols for monitoring, early warning, emergency response, and recall execution, supporting continuous improvement of our food safety traceability system.

Leveraging digital solutions, we have developed an efficient traceability platform that enables precise, end-to-end, bidirectional tracking, from raw material sourcing to product distribution. In collaboration with third-party traceability providers, we have implemented an automated data collection and traceability system at four major production bases (Gaoming, Sugian, Nanning, Wuhan). This system integrates critical data on inbound and outbound logistics, storage, and distribution, using big data analytics to establish a standardized and systematic food safety traceability framework.

To ensure readiness, we conduct regular simulation drills and emergency response exercises, including at least two traceability drills each year. In 2024, the drills confirmed that all production facilities are capable of rapidly tracing raw materials, production batches, finished goods inventory, and distributor-level logistics—demonstrating strong emergency response capabilities and reinforcing our food safety assurance system.

Quality enhancement

We vigorously promote quality enhancement initiatives focused on product safety, consumption reduction, and improved consumer experience. Five of our projects received the 2024 Quality Management Gold Award in Guangdong Light Industry, with one additionally honored as Excellent Quality Management Team in National Light Industry and earning "First-Class Achievement" recognition from the China Association for Quality.

Risk Management



Haitian consistently employs science-based and efficient methodologies to implement clear and robust mitigation controls, comprehensively safeguarding against product safety and quality risks. We implement a systematic risk mitigation process to proactively identify and address potential factors that could impact food safety and quality, ensuring product availability, reliability, and safety.

Methods and Approaches

For details on the risk management methods and approaches for the issue of product/service safety and quality, please refer to "Risk Management" section under the "Responsible Haitian and Prudent Management" chapter of this report.

Management process

Haitian actively conducts risk identification and mitigation in compliance with HKEX's Environmental, Social and Governance Reporting Code and SSE's Sustainability Reporting Guidance (Trial), Haitian actively identifies and mitigates relevant risks by incorporating regulatory updates and management realities. We systematically assess, prioritize, and manage product/service safety and quality risks that may affect corporate assets or operations. Risk assessment reports are regularly issued to senior management and relevant departments to support stable, sustainable business development.

Internal risk control

For risk monitoring, our dedicated Food Safety Department conducts multidimensional risk identification and analysis across raw material properties and production processes. The team develops tailored risk monitoring programs and applies specialized analysis and precision management. We continue to strengthen our quality infrastructure, including standardization, measurement, certification, and inspection, to enhance overall food safety and quality risk prevention.

Regarding quality inspection, we implement end-to-end precautionary testing that spans raw material acceptance, in-process sampling, and finished product testing prior to release. Beyond complying with national testing protocols, Haitian actively tracks updates to global and domestic regulations and promptly adjusts internal technical standards to ensure they exceed legal requirements. The Company deploys online/near-line rapid quality scanning equipment, enabling a "comprehensive, precise, and fast" precision control system to ensure product safety and quality.



"Comprehensive" lifecycle control: Implements end-to-end monitoring across design, raw material sourcing, and production. Each product must pass through 494 sequential quality checkpoints before progressing to the next stage. "Precise" control of quality attributes: Ensure precise control over four key quality attributes: safety, essential quality, flavor, and user experience. All tests are conducted in CNAS-accredited laboratories to guarantee accuracy and reliability.

"Fast" testing: Proprietary high-throughput physico-chemical testing technology can simultaneously detect and assess 13 physico-chemical attributes within two minutes.

"Comprehensive, accurate, and fast" precision control system

To mitigate potential quality risks in manufacturing, Haitian strictly enforces the Equipment Operation Procedures based on machinery specifications and operational conditions. Proper equipment usage, routine maintenance, and timely servicing ensure production stability while minimizing quality and safety risks associated with mechanical failures.

Priority setting and integration into internal processes

For details on the risk management priority setting and integration into internal processes, please refer to "Risk Management" section under the "Responsible Haitian and Prudent Management" chapter of this report.



Supply chain risk management

Our dual-review team (comprising quality and sourcing departments) oversees supplier qualification, onboarding, and annual audits to strengthen source management, improve supply chain stability, and ensure consistent material quality. These efforts help reduce upstream food safety risks. Additionally, we conduct annual food quality and safety training for all suppliers to raise awareness and reinforce shared responsibility for product quality and safety.

Enhanced internal and external auditing

To ensure the effective operation and ongoing improvement of our quality and food safety systems, Haitian implements an annual internal audit plan covering all core and supporting departments, including production, processing, R&D, quality inspection, sales, sourcing, storage, transportation, and logistics. These audits are conducted at least four times a year by a professionally trained and certified internal audit team, ensuring evaluations are comprehensive, accurate, and efficient.

Our internal audits are based on a hybrid of certified quality and food safety system requirements and internal management protocols. Special focus is placed on critical control areas such as production floor management, personnel hygiene, HACCP hazard analysis, food fraud prevention, and food defense measures. Any identified non-conformities prompt immediate action by the responsible departments, including root cause analysis and corrective measures to prevent recurrence, driving continuous improvement in our quality and food safety management capabilities.

Furthermore, Haitian conducts regular specialized external audits to identify and address potential risks in a timely manner. This dual approach, combining internal and external audits, ensures strong risk monitoring and consistent quality control, supporting the high standards and rigorous requirements that define our product quality and safety systems.



Metrics and Targets



Targets

We set short- and medium-term targets for and disclose progress on the issue of product/service safety and quality.

Targets	Key performance metrics	Short-term (2025)	Medium-term (2030)	Progress in 2024
Target 1: Zero food safety incidents	Number of product incidents breaching minimum safety requirements	0	0	0
Target 2: Zero product recalls	Percentage of sold products recalled for safety and health reasons	0	0	0

Target tracking, evaluation, and review

Haitian establishes clear objectives for product and service safety and quality, which are systematically cascaded to all departments with defined responsibilities, monitoring schedules, and evaluation methods. Quality performance is linked to departmental KPIs and assessed annually, with quarterly reviews conducted to track progress. Annual evaluations inform ongoing optimization to ensure continuous improvement and effective execution of quality management practices.



Metrics

Metric	Unit	Statistics in 2024
Percentage of sold products recalled due to safety and health reasons	%	0
Number of food quality and safety incidents	Incident	0
Non-compliance rate in Global Food Safety Initiative (GFSI) audits ⁸	%	0
Number of product recalls	Incident	0

Annual Key Performance

With pre-employment and on-the-job programs, we make sure all employees are 100% trained on corporate policies, safety management, occupational health, and product safety and quality

Zero food safety incidents occurred throughout the reporting year

Successfully passed 100+ external quality inspections from government regulators, third-party organizations, distributors, and social watchdogs with 100% compliance rate







Conducted annual third-party testing of key indicators for the quality of all product raw materials and primary packaging materials



Delivered mandatory annual food quality and safety training for all suppliers



All of Haitian's wholly-owned production bases⁹ are certified to:

ISO 9001 Quality
Management System



ISO/FSSC 22000 Food Safety System



- ⁸ GFSI-recognized standards include FSSC 22000/IFS/BRC, with non-compliance referring to major non-conformities documented by certification bodies as the statistical parameter.
- ⁹ The scope of statistics includes Haitian's wholly-owned production bases that have been put into operation as of the end of the reporting period.

Customer Service

Service Philosophy and System



Haitian adheres to a customer-centric philosophy, consistently delivering high-quality, diversified products while strictly complying with the *Law of the People's Republic of China on Protecting Consumers' Rights and Interests* and related regulations. We place paramount importance on safeguarding consumers' legitimate rights through various initiatives: expanding complaint and feedback channels, standardizing consultation and grievance handling procedures, strengthening the professionalism of our customer service team, and conducting consumer education campaigns. These efforts ensure that consumer rights are substantively respected and safeguarded.

Governance

To deliver prompt, professional service and continuously enhance consumer satisfaction, Haitian has established a dedicated customer service governance framework. This structure focuses on improving service outcomes and consumer experience. We have developed 37 procedural documents, including the Haitian Hotline/E-commerce Customer Service Standards, Management Rules on Market Complaint Handling, and Management Guidelines on Consumer Complaint Handling, which comprehensively address service benchmarks, consultation and complaint protocols, and customer evaluation standards. These standardized processes ensure consistent, responsive, and high-quality service delivery across all consumer touchpoints.

Department/Position	Responsibilities
General Manager of Customer Center	 Oversees business development direction, service strategies, resource allocation, risk management, and team development for the Customer Center, accountable for operational performance and reports directly to the executive leadership responsible for customer service.
Reputation Management	Conducts customer service research and consumer insight analysis, gathers feedback from multiple channels, identifies customer needs, and shares insights with relevant departments to support continuous product and service improvement.
Customer Service Training and Quality Control	 Develops and updates product knowledge and usage programs, and delivers structured training using real-life service scenarios to enhance agent capabilities. Monitors service interactions and implements timely corrective actions to ensure high-quality service delivery.
Customer Service Manager	Coordinates multi-platform service planning and resource allocation, directly accountable for achieving performance targets and service quality KPIs.
Product/Service Consultants	Serve as subject matter experts, providing real-time support and specialized guidance, assist frontline teams in handling complex or escalated cases beyond routine service protocols.
Frontline Agents	Manage day-to-day customer inquiries and complaints, promptly escalate exceptional cases and challenging issues.

Strategy

Guided by the "customer satisfaction" philosophy, Haitian continuously refines its service strategies to meet diverse and evolving consumer needs. In 2024, our focus centered on expanding consumer touchpoints, actively listening to feedback, and enhancing overall service experience and customer satisfaction.

- Expand consumer touchpoints: We broadened and diversified service channels—such as 400 hotlines, online flagship stores, and WeChat official accounts to improve accessibility and extend direct service coverage for consumers.
- Listen to customers' feedback: Through integrated omnichannel data analysis, our customer service team closely monitors user needs and feedback. We collected and relayed over 300 consumer suggestions to relevant departments, leading to multiple product and service enhancements.
- Enhance service experience: Haitian has established an intelligent customer service system integrating "human assistance with digital support." Features include an Al-powered chatbot for instant responses, automated refund bots to streamline after-sales processes, and personalized hotline services tailored to different consumer segments. These efforts have significantly reduced wait times and elevated overall customer satisfaction.

Risk management

Haitian implements end-to-end monitoring to identify customer service risks and proactively applies mitigation measures to ensure system stability and service reliability. For details on risk management methods and approaches related to product/service safety and quality, please refer to the "Risk Management" section in the "Responsible Haitian and Prudent Management" chapter of this report.

- To prevent reputational damage from subpar service quality, we deploy intelligent quality inspection tools that enable precise issue detection and real-time alerts, helping us uphold service standards.
- To avoid complaint escalation due to limited access to service channels, Haitian launched two new WeChat official accounts in 2024, extended hotline service hours, and introduced after-hours emergency protocols to ensure uninterrupted communication.
- To avoid disputes and data privacy breaches in complaint handling, we developed a centralized platform for managing complaint tickets. The system includes ticket tracking, role-based access controls, and data encryption, enhancing traceability and reducing risk.

Metrics and Targets

To effectively assess customer service quality, Haitian has established clear quantitative metrics and performance objectives, conducting regular evaluations to drive continuous system improvements. Looking ahead, we will focus on evolving consumer expectations, advancing service digitalization, and upgrading feedback mechanisms to accelerate responsiveness and further improve customer satisfaction.

Core customer service objectives

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

Performance metrics for customer service

Customer satisfaction: We conduct biannual nationwide satisfaction surveys targeting all direct clients through phone interviews and field visits. These surveys assess satisfaction across key areas, including brand perception, product quality, sales support, order management, channel operations, and logistics. In 2024, the composite satisfaction score reached 94.1%, reflecting strong consumer approval of Haitian's products and services.

Issue resolution rate: Our feedback and resolution mechanism continues to improve, ensuring timely and effective handling of consumer inquiries. In 2024, we received feedback from over 20,000 customers, with an effective resolution rate of 100%.

In 2024

The composite satisfaction score reached

94.10%

Number of customer feedback received

resolution rate

20,000

100%

Responsible Marketing



We prioritize protecting consumers' right to information by ensuring that product labels and marketing materials are accurate, truthful, and transparent. Clear product identifiers and detailed descriptions of ingredients, characteristics, and usage support informed purchasing decisions. Furthermore, we have developed systematic training programs to strengthen the professional competencies of our marketing teams, ensuring all promotional activities are compliant and effective.

- New marketing staff training: In 2024, Haitian organized eight orientation sessions for 387 new hires. These programs included comprehensive production base tours, offering firsthand exposure to the full manufacturing process, from raw material intake to final product output. The training equipped participants with foundational product knowledge and emphasized quality control protocols, safety standards, and after-sales service expectations.
- Sales team compliance training: Specialized training sessions were conducted on key topics such as Production Quality and Safety Risk Control for Food Enterprises, National Food Safety Standards for Nutrition Labeling of Prepackaged Foods, and Corporate Advertising Compliance Guidelines. These trainings strengthened the sales team's understanding of responsible marketing, accurate labeling, and compliance with both regulatory and internal standards.
- Systematic marketing training: Haitian delivered a structured marketing curriculum through rotational training sessions. Topics included sales fundamentals, market standardization strategies, distributor engagement, restaurant account management, client profitability analysis, and team performance evaluation. In 2024, 14 sessions totaling 157 instructional hours were provided to 1,105 marketing professionals.
- Case study and experience learning: A group of 32 trained marketing instructors collaboratively developed 26 professional training modules. In 2024, we launched two series of case study compilations featuring 59 best practices, and held 12 learning sessions with over 3,800 total participant engagements.

Annual Key Performance

In 2024

Training sessions on responsible marketing attracted over $\bf 5$, $\bf 000$ engagements



Data Security and Customer Privacy



Enhanced management system

Haitian has established an independent data security management department responsible for developing, implementing, auditing, and continuously improving a company-wide data protection framework. To safeguard information security across all business units, we have implemented comprehensive policies, including the Information Security Audit Management Rules, Security Management Rules on Internet Application Systems, and Management Guidelines on IT Project Implementation. In the reporting year, we further strengthened information security management by introducing new protocols: Data Security Management Systems, Data Classification and Grading Guidelines, Third-Party Data Partner Access Standards, and Personal Information Protection Policy, collectively reinforcing our data security and privacy protection architecture.



Advanced protection capabilities

Pursuing the "zero loss, zero leakage" data security objectives, Haitian employs encrypted storage for all sensitive customer information to ensure privacy and prevent data breaches. Our external application systems are certified with the Level 3 Information Security Protection Certificate issued by the Ministry of Public Security. In 2024, we also completed cross-border data compliance initiatives, including Privacy Impact Assessments (PIAs), further demonstrating our compliance with regulatory standards and professional competence.

To effectively mitigate cyber risks, we implemented a network security emergency response plan that outlines clear protocols for managing security incidents. This initiative aims to strengthen employees' awareness of information security and enhance their ability to respond to cybersecurity threats. In addition, we utilize an internal e-learning platform to deliver information security training to all staff, supported by regular knowledge assessments to ensure that security awareness is embedded in day-to-day operations.

User privacy safeguards

Haitian places strong emphasis on protecting customer privacy and strictly complies with all applicable laws when collecting, processing, and using personal data. Prior to data collection, users are clearly informed, via our Privacy Policy and Terms of Service, about the scope, purpose, and usage of their information. Users also retain the right to edit or delete their personal data at any time. Unauthorized sharing or leakage of personal information is strictly prohibited.

During the reporting period

Recorded **Zero** data security or privacy incidents

Furthermore, the Company implements a multi-layered security framework to safeguard user data through the following measures:



• Data encryption: Sensitive information, including user profiles, transaction records, and system logs, is stored using advanced encryption algorithms to ensure confidentiality and data integrity.



• Access control: A role-based access control mechanism is in place, ensuring that only authenticated and authorized personnel can access system data based on their responsibilities.



• Data backup and recovery: Regular data backups are performed and stored across geographically dispersed locations to prevent data loss and ensure business continuity in the event of disasters.



• Monitoring and log records: Real-time monitoring of system access and operations enables prompt detection and response to anomalies. Comprehensive log records are maintained to ensure full traceability and support audit processes.



• Security audits: Periodic security audits are conducted, including vulnerability scans, configuration reviews, and patch management, to maintain the optimal security performance and integrity of our systems.

Innovation-Driven Development and Intellectual Property

Haitian places strong emphasis on building robust R&D talent teams and innovation platforms, using technological innovation to drive intelligent manufacturing and long-term competitiveness. Meanwhile, the Company has also established a comprehensive IP protection system to raise internal awareness, implement protective measures, and safeguard technological achievements, ensuring sustained innovation and strengthening core capabilities.

Building Innovation Platforms



The Company prioritizes the development of its R&D talent pool, maintaining a strong team of highly skilled researchers. Through active recruitment, optimized training programs, streamlined R&D-to-production processes, and a supportive innovation culture, the Company ensures both quantity and quality of its technical workforce. In terms of ensuring R&D investment, the Company has clearly allocated relevant expenses in its annual budget and fully guaranteed them with internal funds to ensure the continuity and stability of R&D investment. In terms of innovation incentive mechanisms, we fully stimulate employees' innovation enthusiasm by establishing special reward funds and career development path planning.

We have developed a digital self-reporting and reward platform based on an R&D project value matrix. This matrix evaluates projects across five dimensions: innovation, technical sophistication, economic benefits, energy efficiency and environmental impact, and natural health attributes. In 2024, three rounds of project evaluations were conducted, with over 100 R&D projects recognized and total rewards exceeding RMB 4 million.

We have built a dedicated fund to support innovation incubation projects and R&D breakthrough initiatives, ensuring smooth project execution. During the reporting period, approximately RMB 19 million was allocated, facilitating the approval and advancement of 5 major technology projects.

We have set up a mechanism for identifying and rewarding technology benchmark projects. In 2024, 2 projects were selected as outstanding cases and received formal recognition for their exemplary contributions.

We maintain open channels for professional growth, offering accelerated promotions to employees who demonstrate exceptional innovation capabilities. This supports both talent retention and the cultivation of a dynamic, innovation-driven culture.

Innovation Incentives and Achievements

In 2024

Three rounds of project evaluations were conducted, with over

100

R&D projects recognized

Total rewards exceeding

RMB 4 million

Approximately

RMB 19 million was allocated

Facilitating the approval and advancement of

5

major technology projects





Innovation-Driven Intelligent Manufacturing



Haitian has established industry benchmarks for China's condiment sector's technological innovation and transformation through deep integration of intelligent manufacturing and digital technologies. In 2024, the Company launched a Big Data-Driven New Product Incubation Task Force, adopting advanced R&D methodologies and supporting systems to improve the precision and efficiency of new product development. Collaborative innovation efforts across subsidiaries and production sites have resulted in notable achievements, earning recognitions such as the Guangdong Manufacturing Industry Single Champion Enterprise (Specialized Category), the First Prize of the Scientific and Technological Progress Awards of Guangdong Light Industry Council, and the First Prize of Foshan Hi-tech Progress Awards. As of 2024, Haitian has 9¹⁰ subsidiaries certified as High-Tech Enterprises, and has won 2 National Science and Technology Awards.



The Company has established the Haizhi Process Big Data Platform, which utilizes advanced AI algorithms to recommend and control optimal parameter combinations across 46 variables in five key production processes.

At the Nanning facility, automated loading devices have been installed in the warehouse to enhance shipping efficiency and reduce manual labor intensity, and AGVs (Automated Guided Vehicles) have been deployed in the soy sauce blending workshop to enable intelligent material feeding.

The Wuhan facility has introduced automated material feeding stations, depalletizers, and stackers to improve precise material feeding and efficient loading/unloading operations.

In collaboration with technical teams, Hongbin Food's pickled pepper packaging workshop has designed and developed intelligent buffer hoppers, integrating packaging machines with vision systems to optimize production process continuity.

Intellectual Property Management



Haitian has established a well-defined IP governance structure with a dedicated Intellectual Property Department overseeing comprehensive protection efforts. The Company strictly complies with Chinese laws, regulations and standards including the Patent Law of the People's Republic of China, Trademark Law of the People's Republic of China, Copyright Law of the People's Republic of China, and Enterprise Intellectual Property Management, and formulates internal regulations such as the Work Manual on Intellectual Property Management, and the Regulations on Patent Management.

In 2024, we introduced supplementary IP policies including the *Patent Transfer Management Rules* and "Haitian" Trademark Licensing Measures to enhance the operational management of our patent and trademark assets, systematically enhancing capabilities in IP acquisition, maintenance, utilization, and protection.

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

Intellectual Property Protection

The Company implemented measures for intellectual property protection. We implemented a structured IP portfolio review mechanism, requiring IP protection to be integrated throughout all business processes to ensure the effective and standardized safeguarding of technological and product innovations. In 2024, we updated technical protection requirements for collaborative R&D projects, introducing standardized management practices for joint outcomes, creating a more competitive and innovation-driven ecosystem.

In 2024, Haitian obtained 120+ new licensed patents, totaling 310+ valid invention patents, with one patent winning the 25th China Patent Excellence Award.

We have also adopted a comprehensive infringement response system to protect Haitian's intellectual property rights. Frontline sales teams are mobilized to monitor, identify, and report suspected violations to the Intellectual Property Department in accordance with internal protocols. The Department, supported by IP experts and legal counsel, applies targeted strategies tailored to specific infringement scenarios.

While actively protecting our own IP, Haitian also takes proactive steps to prevent third-party IP infringement. An IP infringement risk review mechanism has been embedded within our IP management policies. This requires thorough IP clearance checks as part of product launch procedures and other key business processes, ensuring full compliance with external intellectual property rights.

Intellectual Property Culture Development

Haitian has developed a full-cycle IP education system that integrates IP awareness into all stages of employee development. IP training begins at onboarding and continues through regular internal learning sessions and mandatory competency assessments. For employees in designated roles, passing specialized IP examinations is a prerequisite for system access or project approval. We organize ongoing awareness campaigns—such as activities for World Intellectual Property Day (April 26)—to promote a culture of innovation and protection. These efforts help build foundational knowledge and reinforce professional IP practices across the organization, collectively fostering a strong internal IP protection culture.





Harmonious Haitian: Growing with Partners

Haitian is committed to protecting employee rights and supporting their development. The Company offers diverse growth opportunities and ensures workplace health and safety. It also works closely with upstream and downstream partners to promote coordinated development, aiming to build a sustainable and traceable supply chain together.

Employee Rights and Development

Occupational Health and Safety 9

Supply Chain Management and Raw Material 102 Procurement



Employee Rights and Development

Haitian takes active steps to safeguard employee rights, improve training systems, refine promotion paths, offer competitive compensation, and strengthen employee care and communication to ensure dual material and spiritual security.

Diverse, Equitable, and Inclusive Workplace



Employee Rights

The Company follows a fair and respectful approach to employment, complying with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other relevant laws and regulations. It has established a series of recruitment, employment, and talent management systems, including Recruitment Management Policy and Code of Conduct for Employees. These clearly outline how the Company manages hiring, termination, compensation, promotion, working hours, leave policies, and other related matters, ensuring the legal rights and interests of employees are fully protected.

Eliminating Illegal Labor

- Haitian upholds legal employment practices across all its operations. The Company strictly prohibits child labor and any form
 of forced labor. These principles are clearly embedded in our recruitment policies. During the hiring process, the Company
 employs digital verification tools to carefully check candidate identities, making sure no one below the legal working age is
 employed or contracted. We also stand firmly against coercive labor practices and support employees in completing their
 duties within regular working hours.
- In 2024, there were no reported cases of child labor employment or forced labor in the Company.

Equal Opportunities and Rights Protection

- Haitian is committed to equal employment. The Company ensures that all recruitment, hiring, training, promotion, and compensation practices follow objective, fair, and transparent principles.
- Through collective negotiations with the labor union, the Company has signed the *Collective Contract*, *Special Contract on Collective Wage Negotiation*, and the *Special Collective Contract on Labor Safety and Health*. These agreements clearly outline the rights and responsibilities of both the Company and its employees. They also guarantee employees the right to participate in company decision-making through union representation and collective consultation.



During the reporting period, these collective contracts covered $% \left(1\right) =\left(1\right) \left(1\right) \left($

100% of Haitian's workforce

Anti-Discrimination and Anti-Harassment

• Haitian has established the *Recruitment Management Policy* that strictly prohibits any form of employment discrimination, whether based on age, gender, religion, nationality, marital status, or other protected traits. As of the reporting period, the Company employed 882 staff members from ethnic minority backgrounds. Haitian also clearly prohibiting sexual harassment in the workplace and in all work-related settings.

Protection of Women's Rights

- Haitian has formulated internal policies such as the *Employee Remuneration and Reward System, Employee Welfare and Security Policy* to ensure equal pay for equal work between genders. Female employees are offered the same benefits, career development opportunities, and promotion pathways as their male colleagues. In line with legal requirements, the Company provides prenatal checkup leave, maternity leave, parental leave, lactation breaks, and access to dedicated lactation rooms, helping women maintain a healthy balance between work and family life.
- A Labor Union Committee has been established to oversee the protection of women's rights. Female employees can raise concerns or report unfair treatment through established feedback and grievance channels. All complaints are handled with care and in full accordance with regulations, ensuring that the rights of female staff are respected and protected.

Employees' Rights Protection Measures

Talent Attraction

The Company implements a strategic talent management approach by establishing a clear organizational structure and fostering a strong, high-quality talent pipeline that supports its overall business goals. In recruitment, we actively participate in both campus and social hiring, using a mix of online and offline platforms. Our selection process follows strict evaluation standards to attract skilled professionals and top-tier talent.

In 2024, we launched several joint talent development initiatives with academic institutions. These included tailored training programs, internship opportunities, and campus recruitment talks. The programs not only helped students build well-rounded skills but also delivered strong results through meaningful collaboration.

School-Enterprise Collaboration Achievements



In 2024, Haitian organized or took part in more than 100 campus promotion events and job fairs at top universities, including Tsinghua University, Peking University, Shanghai Jiao Tong University, Fudan University, Wuhan University, and Huazhong University of Science and Technology. These focused efforts were designed to attract outstanding talent that aligns with our strategic goals, while also contributing to broader employment opportunities through high-quality business growth.



We co-established 3 internship/employment bases, were appointed as off-campus mentors by 1 university, and hosted 15 rounds of student visits to our Company with career planning workshops.



Haitian is leading a new model of collaborative education between schools and enterprises, deepening integration between industry and education. This "dual-engine" approach focuses on nurturing the next generation of skilled professionals. On the one hand, we deeply carried out the characteristic education project of "Haitian Order Class" and launched a customized talent development program with vocational colleges, built on a platform that supports the "curriculum co-development + work-study alternation +targeted placement" model. More than 400 students have already been enrolled in this applied talent track. On the other hand, Haitian launched an intelligent manufacturing initiative, and partnered with technician colleges to cultivate compound talents with craftsmanship and innovation through a "Project-based+ Real-world scenario training + Professional certification programs" tripartite mechanism.



Awards and Honors



Employee Training and Development



At Haitian, we view well-rounded employee development as a key strategic focus. We have built a comprehensive training system and created multiple career paths to support continuous learning, helping employees grow both professionally and personally.

Employee Development

Guided by internal regulations such as the *Position Management Regulations*, *Administrative Measures for Qualifications*, and *Professional Title Application Regulations*, we offer two distinct career progression tracks: management promotion and professional technical advancement. To support this, we have developed a competency framework that aligns with different roles, job categories, and levels. Promotion decisions are based on multi-dimensional evaluations, helping employees understand their career path, strengthen their skills, and maintain strong performance over time. In 2024, we conducted talent assessments and reviews for 388 high-potential employees, including managers, supervisors, and key frontline staff. These evaluations supported team members at various stages in their careers, providing targeted guidance to help them grow within the organization.



- The Company establishes a clear career development pathway for managers, starting from entry-level supervisors and extending all the way to group-level executive positions.
- TPS Tracks (Technical, Professional, Sales): A unified, qualification-based system outlines the promotion path from Specialist to Scientist.
- O Track (Operational): This track relies on skill certifications and competency evaluations. Operational staff are assessed based on their mastery of job-specific technical standards. Promotions are determined through a comprehensive review of their skills, work experience, and performance.

Haitian Employees' Promotion System

Employee Training

Guided by the core philosophy that "talent is the source power of development", Haitian has established the *Training Management System* to continuously enhance its employee development framework. The Company provides structured support for career advancement and skills improvement across three key areas: "mechanism", "organization" and "content". This integrated approach ensures employees have access to learning opportunities, promoting both individual growth and the long-term development of the Company.

Mechanism Level



- A "Structured Qualification System" has been established to help employees define and pursue clear career development goals.
- Role-specific "Job Learning Map" have been created to outline development pathways and provide learning checklists for each position.
- Training outcomes and career progress are assessed through regular evaluations and staged competency certifications.

Organization Level



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

Content Level



- Training content is developed based on both business demands and employee needs, with tiered programs focusing on General Competencies, Professional Skills, Technical Expertise, and Strategic Thinking.
- Courses are regularly updated through internal knowledge sharing and external sourcing to keep content relevant and effective.
- A digital learning platform provides employees with round-the-clock access to high-quality resources. In 2024, the Company offered 965 online courses and 240 in-person training sessions, with over 300,000 total participations.

Classification of Business Section



• In 2024, Haitian introduced targeted training for core functional areas: 43 sessions in marketing, 72 in research and development and quality control, and 44 in manufacturing operations. These programs were designed to address typical work scenarios and operational challenges within each field.

"Four Pillars" to Support Employees

To meet practical needs, Haitian supports employee growth through competency-based development. This includes conducting in-depth on-site assessments and utilizing advanced online learning platforms. By taking a data-driven approach, we gather insights that help us design personalized training plans aligned with individual development goals. These include programs such as new employee onboarding and specialized skill enhancement training. For more information on training outcomes, please refer to the "Annual Key Performance Metrics" section of this report.

Annual Key Performance Metrics

In 2024, the Company's total annual employee training expenditure reached

RMB 4.4411 million

2024 Sailing Training Camp for Haitian Artisans



In 2024, Haitian launched the "2024 Sailing Training Camp for Haitian Artisans" onboarding program. The curriculum comprised a series of courses on corporate culture, institutional compliance, professional competencies, and industry/specialized general knowledge. By integrating theoretical instruction with hands-on practice, the program effectively supported new recruits ("Haitian Artisans") in their transition to professional careers, laying a solid foundation for their subsequent work performance.



Product Manager Innovation Accelerator Program

and development of 2 knowledge inheritance materials.



In 2024, Haitian conducted 2 sessions of the Product Manager *Innovation Accelerator Program*, 4 collaborative workshops for business knowledge distillation, 9 interviews for experience extraction, and over 10 rounds of material consensus refinement. Key deliverables included: review and optimization of 3 product planning projects, version 2.0 of the product manager business roadmap, identification of 23 critical control points across 5 core process stages,



Highlight Performance

A structured onboarding program was delivered to all newly hired "Haitian Artisans," covering key areas such as corporate culture, industry insights, compliance, safety, core competencies, and foundational skills

The program included

With total participation

Resulting in an average of nearly

38 intensive courses 11,324

23,000 class hours 70 training hours

In 2024

offline boot camps were held for new hires recruited through social channels. These targeted sessions helped accelerate integration into the organization and improved job readiness from the start

For frontline production Reaching over staff, more than

orientation sessions were conducted

1,000 employees 1,500 + class hours

A total of

965

online courses

in-person sessions were launched

300,000 people 95.73%

Post-training surveys showed an average satisfaction rate of

Employee Compensation and Benefits



Competitive compensation and benefits are key to Haitian's ability to attract and retain top talent. Through the implementation of the Employee Remuneration and Reward System and the Employee Attendance and Leave Management Regulations, the Company offers a wide range of benefits and care programs. Existing systems are continuously refined to ensure employees are supported not only in their careers but also in their personal well-being.

Compensation Incentives

Haitian adheres to the compensation philosophy of "high renumeration, high efficiency, high responsibility," upholding the principles of "more work, more rewards; better performance, greater rewards." The Company prioritizes strategic and high-performing talent when allocating resources. Employees are offered competitive base salaries, performance-based bonuses, long-term incentives (e.g., Employee Stock Ownership Plans), welfare guarantees, and career development support. Compensation structures are reviewed and adjusted regularly to reflect regional differences, talent supply, and industry benchmarks, helping maintain market competitiveness. In 2024, Haitian introduced a five-year ESOP and launched breakthrough incentive programs, further energizing both the organization and its people, supporting shared growth through innovation and performance.

Employee Welfare

Haitian designs welfare policies aligned with employee needs and corporate values. It includes statutory entitlements, universal benefits, and customized offerings that support employee well-being at different life stages. During the reporting period, Haitian achieved 100% social insurance coverage for employees.

Mandated Benefits

- Full coverage of pension, medical, unemployment, work-related injury, maternity insurance, and housing provident fund contributions
- Comprehensive leave policies including annual leave, marriage leave, maternity leave, prenatal rest leave, breastfeeding leave, paternity leave, childcare leave, caregiver leave, family planning leave, workrelated injury leave, sick leave, bereavement leave, personal leave, and regional public holidays such as Guangxi's San Yue San Festival holiday (a local cultural holiday)

Universal Benefits

• Meal subsidies, free health screenings, supplementary commercial insurance, festival welfare packages, travel subsidies, and financial assistance for employees facing unexpected hardships

Unique Benefits

• Personal value-added allowance, professional skills learning allowance

Diversified Welfare

Employee Care and Communication



Haitian prioritizes humanistic care to foster a compassionate workplace. Through open communication channels and a wide range of employee programs, the Company provides comprehensive communication channels and diverse employee activities, offering allround life support and care for employees.



Two-Way Communication

The Company has established the *Anti-Fraud Management Policy of Haitian Flavoring*, which allows employees to report concerns, either anonymously or by name, via various channels, including the official WeChat account, hotline, email, physical mailboxes, and a whistleblower portal. To further strengthen labor relations and protect employee interests, the Company offers multiple feedback and grievance platforms, such as the "Trusted Mentor" program, "Haiyue Talk" forums, the General Manager's Mailbox, Q&A sessions, and Employee Service Hotlines. These mechanisms encourage employees to speak up about workplace challenges or unfair treatment. The Company has also established a Labor Union, Workers' Congress, and internal mediation committees to resolve employee disputes internally. In 2024, Haitian was recognized by Guangdong Province as an "Outstanding Primary-Level Labor Dispute Mediation Organization."

To ensure ongoing improvement based on common problems, the Company conducts annual employee satisfaction surveys to gather authentic feedback and identify areas for enhancement. During the reporting period, the "2024 Labor Union Welfare Activity Satisfaction Survey" collected 1,647 valid responses, achieving an 89 satisfaction score.

Employee Care

Committed to creating a warm, energetic team culture, Haitian organizes diverse care initiatives, offering free access to gyms, basketball courts, table tennis tables, and badminton courts to enrich leisure activities and foster a sense of belonging. The Company's "Sunshine" Fund provides enhanced financial support to employees facing hardships, alleviating economic burdens on individuals and their families.

"Ignite Your Youth, Unleash New Waves of Energy" – 2024 Staff Masked Singer Competition





In June 2024, Haitian hosted the "Ignite Your Youth, Unleash New Waves of Energy" Staff Masked Singer Competition. This initiative reflects the Company's commitment to enriching employees' spiritual and cultural lives while fostering personal hobbies. By providing a platform for creative expression, the event effectively helped staff relieve workplace stress, achieve work-life balance, and enhance their overall sense of happiness and belonging.



2024 Staff masked singer competition

"Charge Up, Unite Strong - Conquer the Golden Autumn" - 2024 Staff Sports Carnival





In September 2024, Haitian organized the "Charge Up, Unite Strong – Conquer the Golden Autumn" Staff Sports Carnival, comprising ball games leagues and fun competitions. The event aimed to encourage employees to actively engage in physical exercise and adopt healthy lifestyles, foster a vibrant, joyful work environment that prioritizes well-being, strengthen team cohesion and collective spirit through collaborative challenges, and promote cross-departmental communication and camaraderie.



2024 Staff sports carnival

Occupational Health and Safety

Haitian places the highest importance on the health and safety of its employees. By building a strong occupational health and safety (OHS) management system and strengthening safety training, we ensure that employees are equipped with the knowledge and skills needed to stay safe on the job. At the same time, we are committed to maintaining a healthy and secure work environment by proactively identifying and reducing OHS risks, effectively protecting employee well-being.

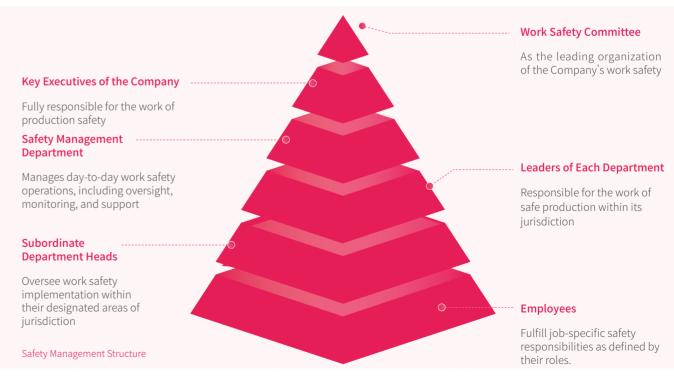
Management System



Haitian strictly adheres to relevant OHS laws and regulations, including the Law of the People's Republic of China on Work Safety, the Fire Protection Law of the People's Republic of China, and the Law of the People's Republic of China on Prevention and Control of Occupational Diseases. We have formulated and implemented a series of internal policies applicable to all employees, such as the Occupational Health and Safety Management Manual, Management Policy for Occupational Health, Responsibility and Management Policy for Safety, Management Policy, and Contingency Plan for Work Safety Accidents. These measures collectively enhance our OHS management system, helping us effectively identify, assess, and control workplace health and safety risks, ensuring comprehensive protection for employees. As of the end of the reporting period, 6 of our subsidiaries had

successfully obtained ISO 45001 Occupational Health and Safety Management System (OHSMS) certification.

Haitian has established a Work Safety Committee as the highest OHS governance body, comprising key executives of the Company and leaders of each department. This structure forms a multi-tiered OHS oversight framework. This committee operates within a multi-level framework to ensure structured oversight. Under the *Responsibility and Management Policy for Safety in Production*, clear responsibilities are defined for every level of the Work Safety Committee, from key executives of the Company to frontline staff. Accountability is assigned to both individuals and departments, creating a culture where everyone plays a role in maintaining safety. This structure supports the consistent and effective implementation of our production safety strategies.



The Work Safety Committee holds quarterly meetings focused on evaluating the progress of safety goals, reviewing the implementation of safety requirements, identifying key issues, and planning for the next phase of safety initiatives.

Risk Management

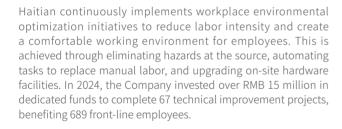
Haitian conducts regular risk identification, hazard screening, and governance activities tailored to its operational scenarios. Both current and emerging risks are assessed, and targeted control measures are developed based on risk severity. Haitian also ensures 100% certification compliance for all key personnel, including senior leadership, safety officers, specialized operations staff, and equipment operators. To assess and refine the effectiveness of safety measures, Haitian has implemented a comprehensive hazard management framework. This includes a bottom-up daily hazard reporting process open to all employees, combined with top-down oversight through company-wide spot checks, monthly joint audits by the manufacturing department, and regular inspections at each branch plant. In 2024, the Company completed 241 specialized safety inspections.

The Company is also advancing the digitalization of its safety systems by promoting the adoption of an integrated hazard management platform. This platform allows employees to report risks conveniently and monitor the rectification process in real time. For occupational health, provides personal protective equipment (PPE) suited to specific job risks and offers training on correct usage. Comprehensive workplace hazard evaluations are conducted regularly, alongside mandatory health screenings at pre-employment, during employment, and upon exit. Employees showing abnormal health results are promptly reassigned to prevent further health deterioration. In 2024, Haitian carried out 1,204 occupational health screenings. To further protect high-risk workers in production, maintenance, and equipment operations, Haitian offers additional production safety liability insurance. In 2024, this coverage extended to 366 employees (100% of individuals in high-risk roles) through an investment of approximately RMB 110,000. There were zero reported accidents in these roles during the year.

Workplace Environmental Optimization Project









Soundproof operator booth installed in noise zones

Culture Development



Building a strong safety culture is essential to raising awareness and improving overall safety standards within the organization. Haitian promotes a proactive safety mindset by hosting skills competitions, providing hazard anticipation training (HAT), implementing behavior-based safety observation and communication programs, and recognizing outstanding performers in frontline safety management. These initiatives encourage employees to transition from "safety enforced by regulations" to "safety I actively pursue," fostering a more sustainable safety mindset across the organization.

Skill Competitions to Promote Learning and Enhance Safety Expertise





In 2024, Haitian tailored skill competitions to the operational characteristics of its industry, including Safety Hazard Identification Competitions, Fire Emergency Response Competitions, and Forklift Operation Skill Competitions. These events not only effectively evaluated employees' practical proficiency but also created a platform for cross-departmental skill exchanges, igniting enthusiasm for peer learning and motivating employees to proactively refine their safety operation skills. Select competitions were jointly organized with partner organizations within the industrial park, fostering communication and collaboration through collaborative competitions. This approach promoted shared safety excellence across the supply chain, integrating upstream and downstream partners into co-creating safer work environments.



Award ceremony for safety hazard identification competition

Hazard Anticipation Training





Hazard Anticipation Training (HAT) is a safety activity conducted at the work team level, utilizing scenario simulations to collectively analyze potential hazards in workflows, discuss preventive measures, and establish standardized operating procedures validated by the team.

In June 2024, Haitian organized a HAT Excellence Competition for Work Teams, receiving 54 video submissions from diverse teams showcasing their daily safety management practices. The initiative aimed to cultivate a habit of proactive risk assessment prior to task execution and provide a platform for front-line staff to contribute ideas on hazard identification, quality improvement, process optimization, and energy efficiency. This approach forged a new grassroots safety management model centered on "co-creation, knowledge sharing, and empowerment".



Work teams collaboratively analyzing job risks

Haitian strictly implements a three-level safety training system for new employees and provides ongoing specialized training for current staff. To enhance engagement and effectiveness, the Company promoted learning though examinations, competitions and lectures. In 2024, Haitian conducted 306 safety training sessions, reaching 18,179.

In alignment with the Guidelines for Enterprises to Develop Emergency Response Plan for Work Place Accidents and adapting them to its operational context, Haitian has developed 22 emergency response plans, including general, specialized, and on-site protocols. Regular emergency drills are conducted to improve readiness, strengthen response strategies, and build hands-on experience. In 2024, the Company held 146 drills with the participation of 3,183.

Red Cross-Certified First Responder Team Development



To enhance the Company's emergency response system and improve employees' ability to handle accidents and perform self-rescue/mutual aid, Haitian invited professional agencies to conduct on-site emergency medical training between July and August 2024. The program covered theoretical modules on trauma care techniques, emergency response protocols, and prioritized hands-on drills in cardiopulmonary resuscitation (CPR), proper use of automated external defibrillators (AED), and the Heimlich maneuver. By year-end 2024, 88 employees had earned *Red Cross First Responder Certifications*, significantly strengthening the Company's specialized emergency response capabilities.



Theoretical training session on emergency first aid

High-Rise Building Emergency Evacuation Drill





To refine emergency evacuation protocols for high-rise structures, the Company conducted two evacuation drills in September and November 2024. Beyond standard evacuation procedures, the drills simulated real-world scenarios by inducing power outages and activating fire alarm broadcast systems to escalate situational urgency. Floor-level evacuation commanders strictly adhered to their roles, demonstrating proficiency in evacuation guidance, assembly area control, headcount verification, and incident reporting, ensuring all personnel evacuated safely within the required time.



Post-Drill review by key personnel



Supply Chain Management and Raw Material Procurement

Haitian has established a high-quality, efficient, and sustainable supply chain by applying strict supplier qualification standards, maintaining rigorous daily operations, optimizing performance through precision management, and fostering long-term partnerships. This approach ensures a steady supply of safe, high-quality raw materials. Additionally, the Company actively promotes green procurement. The Company prioritizes raw materials with certified sustainable credentials and strengthens traceability from the source. These measures ensure transparency and reliability throughout the supply chain, enabling the delivery of higher-quality, sustainable products to consumers.

Governance



Governance Structure

Guided by the sustainable development philosophy of "rigorous inbound and outbound controls, green management", Haitian has developed and continuously refined its supplier management structure. Cross-functional collaboration among R&D, procurement, and quality control departments enhances risk management, particularly for critical raw materials, and supports smooth, responsive supply chain operations. For more details on the governance structure behind supply chain and raw material procurement, please refer to the "Sustainable Development Working Mechanism" section of this report.

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



Professional Competence

At least one member of the Company's management team overseeing this area holds formal academic qualifications in supply chain management and brings extensive experience in food production, procurement, and warehouse operations. This ensures that decisions related to supply chain governance are made with both expertise and practical insight. The Issue Group Leader has over 15 years of experience in supply chain management, with specialized knowledge in sustainable supply chain development and supply chain security, providing a strong foundation for effective oversight and governance.

Reporting Mechanisms, Management Policies, and Decision-Making

The Company has established the *Haitian Supplier Code of Conduct*, outlining core requirements such as ethical operations, quality assurance, food safety, and social responsibility commitments. These standards are embedded into procurement contracts to ensure that suppliers operate in alignment with the Company's sustainable development principles.

In 2024, we introduced four new systems: Sustainable Procurement Management Guidelines, Supplier Control Procedures, Haitian Productive Material Sample Confirmation Process, and Haitian Product Registration Information Management Process. These documents enhance workflows and clarify procedures for supplier evaluation, onboarding, and performance optimization. They also embed key sustainability principles—including Deforestation and Conversion Free (DCF) sourcing, into procurement practices, particularly for soy, seafood, and palm oil.

The Issue Group convenes regular thematic meetings focused on supply chain and raw material procurement, with outcomes reported to the supervising director of the Sustainability Management Committee. This reporting structure ensures oversight and supports the long-term resilience and sustainability of the supply chain. For more detailed information on reporting frameworks, policies, and governance procedures, please refer to the *Sustainable Development Work Mechanism* section of this report.







Risk and Mitigation

We have identified key supply chain risks and established targeted countermeasures to ensure the long-term stability, efficiency, and resilience of its supply chain operations.

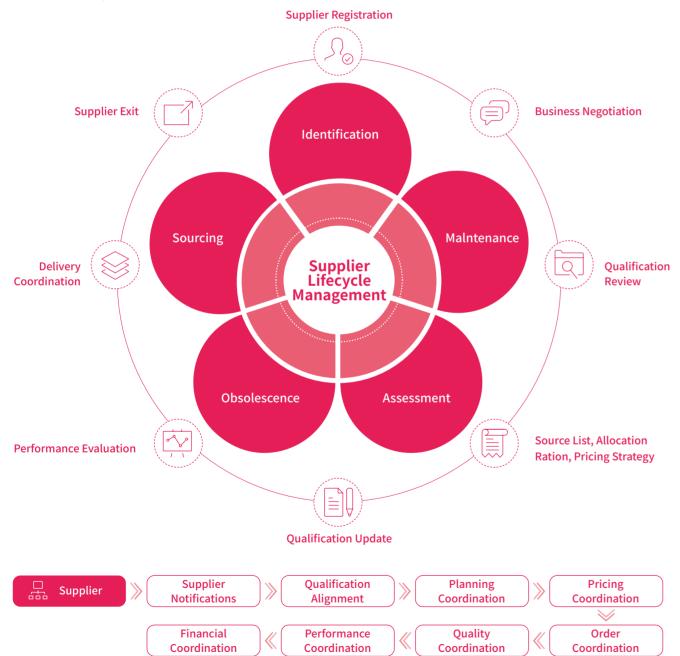
Risk	Risk Description	Countermeasures
New Supplier Risk	New suppliers may lack proper qualifications, have weak internal management, or provide inconsistent material quality, potentially disrupting production and damaging the Company's reputation, resulting in revenue loss.	Enforce strict entry criteria, including comprehensive audits of supplier qualifications, management practices, and material quality. Conduct sample verification and trial evaluations to confirm suitability and safety, reducing the risk of integration failures and supporting supply chain stability.
Supplier Structure Risk	Over-reliance on single-source suppliers or unbalanced supplier distribution can lead to quality issues, supply disruptions, cost inflation, or pricing volatility, impacting procurement efficiency and production stability.	Analyze supplier network risks and strengthen resilience by diversifying sources, phasing out underperforming suppliers, and adjusting supply allocations. These measures help maintain a stable balance across quality, cost, and risk dimensions.
Material Safety Risk	Inconsistent testing methods, sampling errors, supplier misconduct, or unfair industry practices may lead to product quality disputes, food fraud, or the use of illegal additives, causing reputational damage and financial loss.	Conduct annual food safety risk assessments, implement unannounced audits, and increase third-party testing based on material risk levels. Develop internal testing protocols and enforce batch testing procedures to uphold safety standards and prevent non-compliance.
Supply Disruption/ Shortage Risk	Supplier capacity limitations, poor safety stock management, inaccurate demand planning, or quality issues upon receipt can lead to increased material costs, production stoppages, or delayed deliveries, impacting revenue.	Strengthen collaboration with suppliers through cross-regional coordination, develop alternate suppliers, and optimize inventory management to ensure stable production and reduce the risk of disruption.
Delivery Delay Risk	Supplier delays, further impacted by logistics or weather conditions, can disrupt production schedules, increase costs, and reduce delivery reliability.	Establish emergency response protocols, improve supplier communication, and optimize logistics strategies (e.g., increasing overland transportation) to mitigate delays during extreme weather or disruptions.
Material Quality Risk	Weak supplier inspections or inadequate transport protection can result in substandard materials upon arrival, affecting production and delivery timelines, resulting in revenue loss.	Triple quality control measures—encompassing arrival inspection, warehouse entry verification, and inventory audit—shall be implemented to ensure rigorous oversight. Non-conforming products shall be managed according to handling standards established based on the severity of food safety risks. Specifically, raw materials with food safety issues must be strictly returned, while non-food-safety-related defects require collaborative evaluation and resolution by the Quality Control, Process Engineering, and Production teams to maintain quality controllability.
Raw Material Price Volatility	Rising raw material prices drive up production costs for enterprises; fluctuations in raw material prices amplify the challenges of inventory management, and inaccurate forecasts of price trends may further escalate inventory-related expenses.	Combine market trend analysis with policy guidance to better manage supply chains, raw material inventory, cost structures, and pricing risks, improving resilience and operational stability.
Raw Material Sustainability Risk	As capital markets intensify their scrutiny of nature-linked raw materials such as seafood and soybeans, enterprises face heightened requirements to implement traceability and certification management for these resources, necessitating additional investments that drive up operational costs.	Utilize IoT technologies to develop efficient, low-cost traceability systems that ensure material origin transparency. Apply strict supplier access criteria and conduct thorough quality audits, including sample verification and trial evaluation, to guarantee safety and compliance.

Supply Chain-Related Risks and Countermeasures



Strategy Formulation

Haitian actively implements advanced responsible procurement practices, guided by the strategic focus on "high quality, low risk, and low cost." By referencing international supply chain management standards, the Company has developed a Supplier Relationship Management (SRM) system that enables end-to-end digital oversight across the entire supplier lifecycle, including onboarding, contract management, order execution, performance evaluation, and supplier exit. This system ensures that both new and existing suppliers operate within a consistent, standardized, and efficient management framework, supporting the ongoing delivery of high-quality, safe, and reliable products to Haitian. At the same time, it promotes green procurement and low-carbon production practices, contributing to sustainable development across the entire value chain.



Supplier relationship management lifecycle collaborative management and supplier management

Improvement Initiative Strategies

Supplier Onboarding

Haitian has established a rigorous supplier onboarding management system to ensure that partners meet the Company's standards in ethical practices, quality management, food safety, and social responsibility. Potential suppliers undergo a comprehensive evaluation process that includes background checks, assessments of hardware and software capabilities, and material quality audits. These evaluations combine on-site audits with detailed document reviews. Key areas of focus include screening for risks such as child labor, workplace discrimination, inadequate fire safety measures, and environmental violations. This process ensures that suppliers align with Haitian's compliance standards and demonstrate the capacity for sustainable development.

Supplier Management

For existing suppliers, Haitian continuously optimizes its management system through contractual oversight, data-driven tools, performance monitoring, and corrective mechanisms. These efforts support the development of a high-quality, transparent, and sustainable supply chain.



Contractual Agreements

The *Annual General Procurement Contract* with suppliers incorporates clauses on integrity cooperation, ethical operations, production management, and supply safety. The *Haitian Supplier Code of Conduct* outlines specific expectations around product safety, quality, dual carbon goals, water resource management, biodiversity protection, and sustainability certifications, ensuring all partnerships align with responsible and transparent practices.



Data-Driven Management Leveraging the SRM system, Haitian establishes a centralized supplier and material database, enabling end-to-end monitoring to safeguard compliance and supply chain security. In 2024, the system underwent a full upgrade to improve supplier onboarding, evaluation, cross-platform data integration, and precision monitoring of production processes, advancing transparency, digital intelligence, and sustainability.



Performance Evaluation 1) Regular annual, quarterly, and monthly evaluations are conducted using a dual mechanism combining comprehensive performance and quality performance to guide suppliers in improving management and cooperation quality. 2) Sustainability performance is integrated into supplier evaluations, with direct bonuses awarded to suppliers achieving ESG-related certifications or demonstrating significant progress in dual carbon goals, water management, or biodiversity protection, promoting green supply chain transformation.



Corrective Actions/Exits Suppliers demonstrating poor performance may face reduced purchase quotas or temporary suspension for rectification. Those involved in unethical behavior, safety violations, or illegal practices are subject to immediate disqualification and permanent blacklisting, ensuring the integrity and sustainability of the supply network.



Supplier Collaboration and Exchange

The Company regularly strategic supplier forums to promote the exchange of best practices in sustainability. These events support supplier development in key areas such as business ethics, quality management, energy efficiency, and emissions reduction. Through ongoing follow-up and targeted improvements, Haitian helps suppliers enhance operational performance, strengthen their market competitiveness, and build long-term, mutually beneficial relationships across the value chain, ultimately contributing to the growth of a more sustainable supply chain. In 2024, Haitian expanded its focus on integrity advocacy, fostering a more transparent and responsible business environment to support the healthy development of the supply network.

Additionally, Haitian actively collaborates with suppliers on green procurement initiatives to promote industry innovation and sustainability. In 2024, the Company partnered with a seafood supplier to repurpose oyster shells into acidic soil conditioners. These conditioners help adsorb heavy metals and improve soil quality, enhancing crop yields while promoting resource circularity.

Raw Material Sourcing Management

Deforestation-Free and Zero Land Conversion Sourcing



We adhere to a responsible sourcing policy and comply with all relevant forestry protection laws and regulations in regions where we operate. For commodities with deforestation or land conversion risks (e.g., soy, beef, paper) we prioritize sustainably certified products. We work with suppliers certified by the (FSC)¹¹— an international body that supports sustainable forest management, biodiversity conservation, and community rights. Additionally, we promote the use of recycled timber products and continue to strengthen paper recycling and reuse practices.

Soy Sourcing

Haitian adheres to sourcing non-GMO soybeans, implementing strict segregation protocols throughout cultivation, transport, and storage to prevent contamination. We proactively assess risks related to soybean origins and prioritize suppliers that adhere to no deforestation, no peatland development, no labor exploitation, and carbon reduction practices.



Seafood Sourcing

We do not source threatened or protected marine species, nor species below legal size limits defined by forestry and fisheries authorities. Sustainable seafood certifications are integrated into supplier qualification criteria, with preference given to those regulated by the Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC). We also collaborate with third-party certifiers to advance certification coverage and are gradually increasing the use of organically certified seafood.



Palm Oil Sourcing

As of the reporting period, the Company has not procured any palm oil-related raw materials. Should procurement arise in the future, it will adhere to zero-deforestation sourcing principles. Supplier production processes will be subject to rigorous audits to monitor and manage palm oil-related risks.

Risk Management



Methods and Approaches

For detailed information on Haitian's methods and approaches to managing supply chain and raw material sourcing risks, please refer to the "Risk Management" subsection under "Responsible Haitian and Prudent Management" in this report.

Management Processes

Adhering to proactive and full-lifecycle risk management principles, Haitian identifies, monitors, and addresses supply chain risks through early warning systems and active oversight—ensuring the stability, reliability, and resilience of its operations. Detailed risk assessment and mitigation measures are provided in the "Risk Management" subsection of "Responsible Haitian, Prudent Operations."

Based on material risk levels, supplier evaluations, and operational conditions, Haitian conducts annual risk tiering of suppliers into low, medium, and high-risk categories, continuously optimizing its supplier risk assessment mechanisms. For high-risk suppliers, the Company intensifies audit efforts. In 2024, 39 in-depth audits were conducted, with a focus on food safety and overall compliance. These audits assess production capacity, quality systems, and R&D capabilities, while also evaluating corporate social responsibility and food safety frameworks, encouraging suppliers to enhance their sustainability awareness and capabilities.

Prioritization and Integration into Internal Processes

For further information on how supply chain risk management is prioritized and embedded into internal workflows, please refer to the "Risk Management" subsection under "Responsible Haitian and Prudent Management" in this report.

Metrics and Objectives



To ensure the stability and sustainability of its supply chain operations, Haitian continues to promote third-party certification among suppliers and regularly organizes supplier engagement activities. These efforts help strengthen compliance, enhance supplier management capabilities, and foster a greater sense of social responsibility across the supply chain. The Company has also established a comprehensive traceability management system and a premium supplier management framework, enabling end-to-end control over raw material quality and ensuring full traceability and verifiability from source to delivery.

Objective Tracking, Assessment, and Review

To measure the effectiveness of supply chain management, Haitian sets clear, quantitative objectives and performance metrics. Regular evaluations are conducted to assess outcomes and support continuous system improvement. These goals are cascaded from senior management to individual departments, with clearly defined responsibilities, monitoring intervals, and evaluation methods. Supply chain performance is directly tied to departmental results, with quarterly progress reviews and unified year-end assessments. Annual evaluations are used to review progress, refine strategies, and iteratively adjust objectives to ensure alignment with evolving business needs.

¹¹ FSC (Forest Stewardship Council) is an international organization dedicated to promoting sustainable forest management. Through its certification of forest management practices and timber products, FSC encourages businesses to adopt sustainable forestry models that protect biodiversity and safeguard the rights and interests of forest-dependent communities.

About This Report

About Haitian Sustainable Development Governance Green Haitian: Advancing with Low-Carbon Commitment Quality Haitian: Safeguarding Health and Well-Being Harmonious Haitian Growing with Partners

Compassionate Haitian: Spreading Warmth Responsible Haitian: Operating with Prudence

Targets	Key performance metrics	Short-term (2025)	Medium-term (2030)	Progress in 2024
Goal 1: Sustainable Soybean Sourcing	Proportion of sustainably sourced soybeans	Promote Phase 1 sustainable agriculture certification for soy materials	Advance regenerative agriculture for sustainable soybean sourcing	Steady progress in organic certification initiatives for soybeans
Goal 2: Sustainable Seafood Sourcing	Percentage of seafood traceable to district/county-level marine areas	>92%	>95%	>90%
Goal 3: Sustainable Palm Oil Sourcing	Proportion of non-sustainably certified palm oil used	Maintain zero use of non-sustainably certified palm oil	Maintain zero use of non- sustainably certified palm oil	No palm oil procured

Indicators

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

Indicators	Unit	Statistics in 2024
Total suppliers screened using Supplier Code of Conduct	Person	1,980
Percentage of suppliers with integrity cooperation requirements imposed	%	100
Corrective action implementation rate for non-compliant suppliers	%	100

Indicators	Unit	Statistics in 2024
Seafood products traceable to origin*	%	>90%
Palm oil products traceable to origin	%	Palm oil procurement volume stood at zero

Supplier Certifications

Certified under British Retail Consortium Certification (BRC)

Annual Key Performance Highlights

In 2024, Among Haitian's raw material suppliers

31 suppliers

Certified under Food Safety System Certification 22000 (FSSC 22000)



Certified under ISO 20000 standards



Certified under ISO 9001 standards



Certified under ISO 14001 standards



Certified under ISO 45001 standards



Supplier Audits

In 2024

39

suppliers audited

1

suspended due to noncompliance 33

passing audits on first attempt

5

passing after corrective actions



Supplier Training

In 2024



training sessions organized, covering product safety and quality, dual carbon management, water resource management, biodiversity, sustainability certifications, and integrity cooperation. Training coverage for raw material suppliers exceeded 98%

^{*} Notes: 1.Our primary seafood ingredient (oysters) achieves 100% traceability to processing facilities. 2. "Origin" refers to district/county-level marine origins.

Compassionate Haitian: Spreading Warmth

Haitian upholds its "Three Hearts" philosophy conscience, compassion, and responsibility—by closely linking business development with the fulfillment of social responsibilities. Through active engagement in charitable and public welfare initiatives, the Company supports rural revitalization, cares for vulnerable groups, and fulfills its corporate social responsibility through tangible actions—reflecting its mission, commitment, and contribution to society.

Rural Revitalization

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Social Responsibility and Public Welfare



Rural Revitalization

Haitian proactively contributes to China's rural revitalization strategy by implementing a range of public welfare initiatives, including village-pairing assistance, employment support, educational aid, and ecological conservation. These efforts aim to strengthen the industrial foundations of rural areas, enhance the impact and effectiveness of revitalization programs, and promote inclusive, sustainable development for rural communities.

Annual Key Performance

In 2024, the Haitian and Kangze Foundation invested over RMB **10.76** million in rural revitalization initiatives, benefiting over **168.000** people.

By 2024, their cumulative efforts in driving rural revitalization had benefited over **283,000** beneficiaries across various programs.

Partnership Assistance for Rural Revitalization

benefited over 9,600 local residents.



In 2024, the Haitian · Kangze Foundation actively fulfilled their social responsibilities by completing several village partnership projects: In Tongli Village, Wangguanji Town, Sucheng District, Suqian City, Jiangsu Province, we upgraded the local Party-Mass Service Center's public hall to improve service conditions for residents. In Bahe Village, Yuncheng District, Yunfu City, Guangdong Province, we partnered with the village to install solar-powered streetlights. In Xinlian Village, Wuchuan City, Zhanjiang City, Guangdong Province (formerly a provinciallevel poverty-stricken village), we provided scholarships to underprivileged students to support their education. In Jieni Village, Qiandongnan Prefecture, Guizhou Province (formerly a deeply impoverished village), it marked the fourth year of partnership, completed construction of five tractor roads to enhance agricultural infrastructure. These projects collectively



Four years of support for Jieni Village, Oiandongnan Prefecture, Guizhou Province, resulting in the construction of five tractor roads

Village Partnership Assistance Program

The Village Partnership Assistance Program is a key CSR initiative in rural revitalization. Haitian has launched multiple partnership projects to inject new vitality into underserved villages, supporting common prosperity and driving sustainable local development.

Xiaodong Village Partnership for **Collaborative Development**





In March 2024, Xiaodong Village in Genghe Town formally established a partnership with the Haitian · Kangze Foundation. Leveraging their respective platforms, both parties collaborated in areas such as agricultural product production and sales, cross-sector integrated educational tourism routes, and brand promotion. This year, they

completed the construction of a Haitian Store sales point and infrastructure upgrades for Xiaodong Village's "Xiaodong Red Street Zone," making tangible contributions to the village's revitalization and benefiting over 2,800 loca residents.



Xiaodong Village: Haitian store sales point



Xiaodong Village partnership signing ceremony

Employment Support Program

Haitian actively implements targeted policies and measures to provide comprehensive employment support for disadvantaged groups. In 2024, the Gaoming Industrial Park prioritized the recruitment of individuals from poverty-alleviated backgrounds, helping in accessing government support policies, providing skills training, and ensuring competitive compensation and comprehensive benefits to promote stable employment. At the same time, the Company applied to become a Guangdong Provincial Model Employment Support Base, further contributing to social harmony and stability.

Industrial Empowerment Drives Rural Revitalization, Boosting Farmers' Income





We proactively integrate corporate development needs with China's national rural revitalization strategy to create jobs and increase farmers' income.

Daidaitian (Wuhan) Food Group Co., Ltd. signed procurement contracts with local rice-growing agricultural cooperatives in Nehe City, Heilongjiang Province. This initiative generated employment opportunities for over 2,400 farming households, driving income growth by more than RMB 5 million and achieving significant economic and social benefits.



Haitian rice plantation base

Agricultural Procurement Initiatives Boost Local Economic Development





In 2024, Haitian actively fulfilled its social responsibilities by driving regional economic growth through agricultural procurement and processing. We launched dried shiitake mushroom procurement and storage operations in specialized production regions such as Xixia and Shiyan. These efforts generated over 1,000 jobs annually. In the same year, we implemented diversified procurement models for soybeans in Northeast China. We effectively increased farmers' income while ensuring stable supply chains.





Education Support Initiatives

Education is fundamental to sustainable rural development and social progress. We continuously advance initiatives such as the "Caring Scholarship Program" in Shibing County, Qiandongnan Prefecture, Guizhou Province; charitable education support in Gaoming District, Foshan City, Guangdong Province; campus lighting optimization projects at Foshan Experimental School; education assistance in Medog County, Tibet Autonomous Region; and the "Facilitating Educational Informatization" computer donation program to empower rural education and inject lasting momentum into educational development.

Annual Key Achievements

By 2024, Haitian and the Kangze Foundation had cumulatively donated over

"Facilitating Educational Informatization" Computer Donation Program



In 2024, we launched the "Facilitating Educational Informatization" computer donation program. A total of 301 refurbished computers/ devices were collected, repaired to operational standards, and donated to schools in economically underdeveloped areas of Guangdong Province. This initiative aims to improve digital teaching conditions, bridge the urban-rural education gap, and provide students with broader learning platforms and opportunities.



"Facilitating Educational Informatization" computer

Balance Educational Resources through Donations





In October 2024, Yunnan Honghe Hongbin Food Co., Ltd. held the "Caring for Children, Nurturing Future Dreams" donation ceremony in Anbianshao Village, Miandian Town, Jianshui County, Honghe Hani and Yi Autonomous Prefecture, Yunnan Province. The Company representatives donated funds and supplies to Anbianshao Primary School and the village committee. The smart interactive panels will enhance teaching facilities, creating a higher-quality learning environment and promoting equitable resource allocation. Remaining funds will support the village's rural revitalization efforts.

Empower Youth through Educational Workshops





In August 2024, the Haitian · Kangze Foundation partnered with the Shibing County Youth League Committee and Gaoming District Youth League Committee to host the "Empowering Dreams, Nurturing Futures" public benefit study camp in Gaoming District, Foshan City, Guangdong Province. Twenty outstanding university students from Shibing County, Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province, participated in career planning workshops and company tours to explore professional paths and broaden their horizons. During the "Face-to-Face with Haitian Mentors" workshop, 7 seasoned Haitian craftsmen shared their experiences and provided career guidance. Since its launch in 2021, the program has benefited 57 Guizhou students over 3 consecutive years.





"Face-to-Face with Haitian mentors" career planning workshop

Ecological Support Initiatives

Rural ecosystems form the foundation of rural development and are a key pillar of the Rural Revitalization Strategy. Haitian integrates ecological conservation into its revitalization efforts by actively exploring green development pathways and supporting projects focused on ecological restoration, resource recycling, and environmental governance in rural communities. These initiatives aim to foster beautiful, sustainable villages where humanity and nature coexist harmoniously.

Contribute to Ecological Construction in Guangdong





In 2024, Haitian actively fulfilled its social responsibilities by supporting ecological initiatives. The Haitian · Kangze Foundation planted a 102-mu persimmon orchard in Gaoming District, Foshan City, Guangdong Province, developing a locality-specific "ecology + landscape + economy" agroforestry model. Additionally, the Foundation constructed a soybean-themed park in Chancheng District, Foshan City, to support the "Green and Beautiful Guangdong" ecological initiative. These efforts created more green spaces for residents and benefited over 16,500 local community members.



Haitian soybean park

Industrial Support Initiatives

Rural revitalization hinges on industrial development. Haitian recognizes industrial support as a key driver of sustainable rural growth, fostering the development of specialized local industries that not only stimulate the rural economy but also create employment opportunities and contribute to increased income for farmers.

Procure High-Quality Soybeans to Boost the Soybean Industry





In September 2024, Haitian invited agronomy experts, central and local media, and consumer representatives to form a "Quality Traceability Team" to conduct field research in Heilongjiang Province. The team explored the secrets behind the cultivation, inspection, and transportation of soybeans—the core ingredient for soy sauce brewing. This initiative showcased Haitian's proactive response to the national Rural Revitalization Strategy and its efforts in promoting sustainable development of modern agriculture. For over two decades, Haitian has consistently sourced premium soybeans from Northeast China. This commitment not only provides stable and sustainable income for local farms and soybean farmers, but also creates steady employment opportunities, enhancing local enthusiasm for soybean cultivation. It serves as a continuous driving force for retaining talent and revitalizing rural areas. Meanwhile, Haitian actively aligns with the national soybean industry revitalization policy by adopting source-based contract farming and participating in the management of cultivation and processing during procurement. This ensures a stable supply of soybeans, with a certain proportion sourced through these collaborative efforts.





Haitian's "golden soybean source" base



Social Responsibility and Public Welfare

While committed to providing nutritious and healthy products, Haitian remains deeply committed to fulfilling its social responsibilities through a wide range of public welfare initiatives—including material donations, educational support, disaster relief, and poverty alleviation. To ensure transparency and accountability in all charitable activities, we have established the Haitian Donation Management Regulations. Both Haitian and the Kangze Foundation strictly comply with relevant laws, regulations, and internal management systems, ensuring that every contribution reaches those in need.

Annual Key Performance

In 2024, the Haitian · Kangze Foundation donated over

Benefiting over

RMR 12.94 million

490,000 people

Support Guangdong Poverty Alleviation Day

Since participating in the inaugural Guangdong Poverty Alleviation Day in 2010, Haitian has contributed over RMB 35 million cumulatively through continuous annual participation.

Contribute to Poverty Alleviation and Rural Revitalization





In June 2024, recognizing Haitian's outstanding contributions to poverty relief and rural revitalization, the Rural Work Leading Group of the Guangdong Provincial Party Committee and the Rural Work Leading Group of the Foshan Municipal Party Committee awarded Haitian the "2023 Guangdong Poverty Alleviation Kapok Cup Golden Award" and the "Outstanding Contribution Award", respectively.



Awarded the "Kapok Cup Golden Award" by the rural work leading group of the **Guangdong Provincial Party Committee**



Awarded the "Outstanding Contribution Award" by the rural work leading group of the Foshan Municipal Party Committee

Volunteers Services

Since the launch of the "Haitian Volunteer Service Team" by the Haitian Kangze Foundation in August 2024, there have been 395 volunteer participations, contributing 1,735 service hours and serving over 7,000 individuals in vulnerable groups and communities. Volunteer activities covered food safety education, elderly care, environmental protection, and support for disadvantaged groups, promoting volunteerism and spreading social warmth.

The number of volunteer services reaching



1,735 service hours **7,000** people

Benefited over

Environmental Improvement for a Beautiful Homeland





In November 2024, Haitian volunteers conducted environmental cleanup activities in Xian Village, Gaoming District, Foshan City, improving local sanitation by removing debris and beautifying the surroundings, thus largely enhancing environmental tidiness of Xian Village.



Environmental cleanup volunteer activity in Xian Village, Gaoming District

Community Care

Haitian fosters community harmony through diverse public welfare initiatives.

Care for the Elderly and Build Community Harmony





During the 2024 Double Ninth Festival and Winter Solstice, Haitian volunteers and the Kangze Foundation organized meals and tangyuan making events with the elderly, delivering warmth and family-like companionship to seniors in need.



"Double Ninth Festival" meal preparation with the elderly



"Winter Solstice" tangyuan-making family day event

Charity Sales for Warmth



In 2024, the Haitian · Kangze Foundation continued its charity sales initiative to support people with disabilities. Partnering with Foshan-based NGOs Anhe and Chande Social Work Service Centers, the Foundation purchased handmade New Year goods crafted by trainees with disabilities and actively promoted sales. Additionally, a matching donation mechanism was introduced, with every purchase matched by the Foundation to further support disability services.



Charity sale event



Support Academic and Scientific Progress

Haitian established a dedicated fund to promote academic and scientific development.

"Haitian Lingyun Scientific Development Fund" Program





In 2024, we launched the "Haitian Lingyun Scientific Development Fund", aimed at supporting cutting-edge research, encouraging free academic exploration, and fostering cross-disciplinary integration in both basic and applied sciences. The program seeks to assist 100 young scientists in making breakthroughs at key stages of their academic careers, leveraging Haitian's strengths to promote high-quality scientific progress.

In its first year, the fund awarded RMB 1.4 million to 10 research projects from institutions including Tsinghua University, Zhejiang University, and the Chinese Center for Disease Control and Prevention.

Youth Support

Haitian is committed to supporting the development of future generations by implementing targeted programs that foster a nurturing environment, empowering young people to grow up healthily and joyfully.

Child Protection and Friendly Environment Promotion









In 2024, the Haitian · Kangze Foundation partnered with Foshan Jushan Social Work Service Center to launch the "Child Protection Bus" project, advancing child protection efforts. By year-end, 12 awareness campaigns had reached over 2,500 children.



Child protection awareness campaign

Safeguard Children's Health





In 2024, the Haitian · Kangze Foundation continued its "Watch You" initiative, a child injury prevention and education program. Through activities such as pediatric first-aid training and support services for children in distress, the program aimed to protect children's health and well-being. As of the end of 2024, a total of 26 events had been held, benefiting over 10,000 children and their families.



Watch You-child injury prevention education activity





In May 2024, the Haitian · Kangze Foundation collaborated with the Gaoming District Youth League and Volunteer Association to launch the "Youth" Heart Support mental health project. Through case tracking, group counseling, workshops, and lectures, the program helped the youth to adjust their emotions, relieve

"Youth"Heart Support – Youth Mental Empowerment

pressures, and improve their abilities. In 2024, we launched 50 individual counseling sessions, 4 group counseling sessions, 4 growth workshops, 4 mental health lectures, and 1 outdoor mental health carnival, which benefited 12,522 people.



"Youth" heart support--youth mental empowerment project

"Truth in Science" Food Safety Education





In September 2024, Haitian and the Kangze Foundation launched the "Haitian Science Popularization Volunteer Team," delivering engaging educational outreach programs across schools, communities, and factories. These initiatives promoted healthy living and scientific wellness practices through interactive activities, such as exploring the role of microorganisms in food health, debunking food safety myths, and revealing the science behind Haitian soy sauce's flavor. The program had organized 10 public science events, benefiting over 3,995 students and community members. Haitian remains committed to sustaining this initiative.





Campus science education event

Nutritional Food Donations for Youth Health

Community science education event





In 2024, Haitian prioritized youth nutrition through its "Nutrition Boost" initiative. In partnership with the Kangze Foundation, the Company donated over 8,200 boxes of Haitian Delight Probiotic Soya Milk to more than 30 schools in Sugian City, Jiangsu Province, benefiting over 147,500 students and teachers.

Concurrently, the Haitian · Kangze Foundation launched the "One Egg—Rural Kindergarten Nutrition Improvement Program", providing one egg per school day to children and teachers in 11 rural kindergartens, reaching over 850 beneficiaries in underserved mountainous regions.



"Nutrition plus" program in Suqian City, Jiangsu Province



"One egg-nutrition improvement program for children in remote mountainous areas" initiative in Guizhou

Disaster Relief Efforts

In the face of disasters, Haitian promptly responded by providing urgently needed supplies and assistance to affected areas, helping disaster-stricken communities overcome challenges and rebuild their homes.

United in Solidarity, Overcoming Challenges Together





In January 2024, Haitian partnered with the Kangze Foundation to donate emergency supplies to earthquake-stricken areas, including 100 boxes of cooking oil, 380 boxes of various seasonings, and 80 boxes of soy milk.

2024 Honorary Awards List

Rural Work Leading Group of Guangdong **Provincial Party Committee 2023 Guangdong Poverty Alleviation Kapok Cup Gold Award** Haitian

Rural Work Leading Group of Foshan **Municipal Party Committee**

Outstanding Contribution Award for 2023 "6.30" Rural **Revitalization Support Activity** (Guangdong-Foshan)

Haitian · Kangze Foundation

Gaoming District Committee of the CPC Foshan Municipal Committee, Gaoming District People's Government of Foshan City

> **Outstanding Enterprise** Contribution to "Hundred-**Thousand-Ten Thousand**

Haitian · Kangze Foundation

Note: The award-winning entity "Haitian · Kangze Foundation" clarified that this honorary award recognizes the joint public welfare project co-founded by the Haitian Flavoring and Kangze Foundation.

迪天



Guangdong Provincial Science and Technology Association

2024 Guangdong National Science Popularization Day Excellent Organization

Haitian · Kangze Foundation

Project"

30



Benevolent Acts and Boundless Compassion

Haitian · Kangze Foundation



Guangdong Provincial Education Foundation

Donation of 301 Computers to Support Education in **Guangdong's Underdeveloped** Regions

Haitian · Kangze Foundation



Civil Affairs Bureau of Chancheng District, Foshan Charity Federation of Chancheng District

Charity Partnership for Mutual Benefits

Haitian · Kangze Foundation



Cangjiang Education Foundation of Foshan City

Social Contributions for Education and Compassion

Haitian · Kangze Foundation



Gaoming District Charity Federation of Foshan City

2024 Charity Lotus Outstanding Contribution Award

Haitian · Kangze Foundation





Responsible Haitian:
Operating with
Prudence

Sound corporate governance is the foundation of sustainable development. Haitian upholds high standards of governance, continuously improving its governance framework, risk management, and internal control systems. By adhering to ethical business practices and reinforcing governance structures, the Company ensures stable operations and creates long-term value for shareholders, investors, and society at large.

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Corporate Governance

Effective corporate governance is pivotal to implementing sustainability strategies and elevating ESG management standards. The Company strictly complies with the *Company Law*, the *Securities Law*, and relevant regulatory requirements issued by the China Securities Regulatory Commission (CSRC) and the Shanghai Stock Exchange. The Company continually improves its governance structure and institutional systems, including the general meeting of shareholders, the Board of Directors, and the Board of Supervisors, to protect the legitimate rights and interests of the company, shareholders, creditors and other subjects, while strengthening overall governance effectiveness.

Shareholders and General Meetings



The Company convenes and holds general meetings of shareholders in accordance with the *Company Law*, the *Articles of Incorporation*, and the *Rules of Procedure for General Meetings of Shareholders of Haitian Flavouring*, and other relevant laws and regulations, and deliberates and makes decisions on matters within the scope of authority of the general meetings of shareholders. The general meetings of shareholders adopts a combination of on-site and online voting mechanisms, ensuring that all shareholders, particularly public and minority shareholders, can fully exercise their voting rights. The Company's controlling shareholders and actual controllers conscientiously fulfill their statutory obligations and commitments, with no record of conduct that has harmed the interests of the Company or its minority shareholders.

Directors and the Board of Directors



In compliance with the *Articles of Incorporation* and relevant laws, Haitian's Board of Directors comprises nine directors, including three independent directors, Haitian's Board of Directors is led by one chairwoman, a female director. To meet the Company's strategic and governance needs, the Board has established four specialized committees under the board, including Audit, Nomination, Remuneration and Appraisal, and Strategy and Sustainable Development. All committee members are directors of the Company. The Board of Directors and each specialized committee have formulated corresponding rules of procedure and revised as necessary.

The Company places strong emphasis on the role of independent directors in supporting sound decision-making, supervision and checks and balanced, and professional consultation. To formalize and strengthen their contributions, Haitian has established the *Specialized Meeting System for Independent Directors of Haitian Flavouring*, which clearly defines their authority, outlines procedural rules for exercising duties, and sets forth institutional safeguards to ensure their roles are fulfilled effectively. This framework helps ensure fairness and reasonableness in corporate decision-making processes. Independent directors hold a majority of seats and serve as conveners in the Audit, Nomination, and Remuneration and Appraisal Committees. The Audit Committee convener is a qualified professional with expertise in accounting, supporting the Board in maintaining efficient and compliant operations, while protecting the interests of the Company, particularly those of minority shareholders.

Supervisors and the Board of Supervisors



In accordance with the *Articles of Incorporation* and applicable laws, Haitian's Board of Supervisors consists of three members, including one employee representative supervisor and one female supervisor, who also serves as the Chairman of the Board of Supervisors. The supervisors of the Company diligently perform their duties as outlined in the *Rules of Procedures for the Board of Supervisors of Haitian Flavouring*, with responsibilities including oversight of the Company's financial status, related-party transactions, periodic reports, and the compliance of directors and senior management in performing their duties. These efforts help safeguard the legitimate rights and interests of the Company and its shareholders.

The Company remains committed to strengthening the capabilities of its directors, supervisors, and senior management by utilizing both internal and external training resources. To address critical priorities such as the responsibilities of board members and senior executives, evolving regulatory trends, and anti-corruption/anti-bribery compliance, we offer a blended approach combining ongoing learning programs with specialized training sessions. This dual-track system equips senior management with a systematic understanding of relevant laws and regulations, clarifies their rights, obligations, and liabilities, and promotes rigorous and prudent deliberation of corporate material matters alongside informed voting practices. By ensuring decisions are scientific, compliant, and effective, this framework supports the steady advancement of corporate governance.

This year, guided by relevant laws, regulations, and normative documents, and in alignment with the Company's operational needs, we established the ESG Management System of Haitian Flavouring, the Internal Control System of Haitian Flavouring, and the Internal Audit System of Haitian Flavouring. We also revised the Articles of Incorporation, the Rules of Procedure for General Meetings of Shareholders of Haitian Flavouring, the Rules of Procedures for the Board of Directors of Haitian Flavouring, the Rules of Procedures for the Board of Supervisors of Haitian Flavouring, the Working System for Independent Directors of Haitian Flavouring, and the External Donation Management System of Haitian Flavouring. These updates further enhanced the Company's institutional governance structure, ensuring compliance and stability in corporate operations.

Investor Communication

The Company places significant emphasis on investor relations management and actively establishes normalized and comprehensive communication mechanisms to ensure efficient engagement with all investors, particularly minor shareholders.

We have instituted measures such as the *Investor Relations Management Measures of Haitian Flavouring* and the *Haitian Investor Complaint Handling Work System of Haitian Flavouring*, providing regulatory bases and an operational framework for managing and facilitating investor communications.

The Company maintains active communication with investors through multiple channels, including general meetings of shareholders, performance briefings, special shareholders' events, conducting on-site investor research and online meetings, setting up investor hotlines and mailboxes, and utilizing the SSE e-Interaction Platform. Therefore, we maintain close engagement with investors by leveraging diverse channels to proactively gather and address their expectations and concerns. Within the permissible scope of information disclosure regulations, we promptly communicate the latest operational updates, financial performance, and strategic development plans to investors, ensuring transparency and alignment with stakeholder interests.

"I Am a Shareholder · A Decade of Value" Investor Engagement Initiative





In 2024, to commemorate the 10th anniversary of its A-share listing, the Company partnered with the Shanghai Stock Exchange and Shanghai Securities News to launch the "I Am a Shareholder \cdot A Decade of Value" campaign. As part of the initiative, investor representatives were invited to visit Haitian's facilities, where they experienced firsthand the Company's intelligent production base and long-standing soy sauce heritage. Together, participants reflected on the milestones achieved over the past decade and explored the Company's vision for future development.

The event was covered by authoritative media outlets such as Shanghai Securities News and SSE Investor Education, vividly showcasing the Company's development over the past decade since its listing and its commitment to engaging in genuine dialogue with investors while sharing the fruits of growth.



The Company is committed to delivering stable and sustainable returns to its shareholders. Guided by a prudent profit distribution policy, we have consistently maintained a high cash dividend payout ratio over the long term, ensuring that shareholders benefit directly from the Company's growth. This disciplined approach has helped build investor trust, enhance our reputation in the capital markets, and reinforce confidence in the Company's long-term value.

Annual Key Performance

In 2024

Conducted

3

performance briefings through the SSE Roadshow Center

Issued

RMB 3.66 billion

of cash dividends for the 2023 financial year

Organized over

40

investor activities including on-site research, online meetings and one-on-one communications

Received an



in the SSE's information disclosure evaluation¹³



¹³ Refer to 2023-2024 Information Disclosure Evaluation Results for SSE Listed Companies at https://www.sse.com.cn/regulation/supervision/dynamic/c/c_20241009_10762586.shtml.



¹² For newly established or revised corporate governance systems in 2024, please refer to relevant documents disclosed on the Shanghai Stock Exchange website (http://www.sse.com.cn).

Risk Management and Internal Control

The Company strictly adheres to national laws, regulations, and relevant requirements of the China Securities Regulatory Commission (CSRC) and continues to strengthen its internal control and risk management systems. A comprehensive, multi-level control framework has been established, covering all aspects of the business. This framework supports proactive risk prevention, real-time monitoring, and timely response to potential risks, providing a solid foundation for effective risk governance.

Risk Management



The Company always adheres to the concept of forward-looking risk management, builds a systematic risk identification and control system, implements company-wide risk prevention and control, continuously regulates business conduct through investigation and assessment of potential risks in business cooperation and investment decisions, and improves the risk prevention awareness and ability of all employees to promote the sustained, stable and healthy development of the enterprise.

Management Mechanism

To further enhance the Company's risk management capabilities, a comprehensive risk control system has been established, grounded in five guiding principles, four strategic pillars, three lines of defense, and six key implementation steps. The *Risk Control Evaluation* and Management System of Haitian Corporation has also been introduced, applying to all employees and clearly outlining the responsibilities associated with each layer of the three lines of defense. The system sets specific evaluation criteria and procedural standards, with results integrated into performance appraisal indicators. In accordance with the system, the Company and its subsidiaries are required to conduct formal risk control evaluations at least once per year. This ensures the effective control and response to potential risks, while fostering continuous improvement in the quality of the Company's risk management.

First Line of Defense

Second Line of Defense

Third Line of Defense

Frontline Management Personnel of Subsidiaries/Business Units Functional Departments/Risk Control Department Audit Committee under the Board of Directors/Audit and Inspection Center

The first line of defense is composed of frontline management personnel of each production and operation. As the first person responsible for risk, they are tasked with proactively identifying and addressing risks, conducting self-assessments of risk controls, maintaining and updating risk control matrices, and developing countermeasures. The first line of defense is focusing on the key business risks of risk control risk matrices in the risk control platform, these teams are expected to clarify key control points, conduct risk control self-assessment at least once a year and outputs the risk control self-assessment reports, so as to timely identify and solve potential risks.

As the oversight body and enabler of the first line of defense, the second line of defense is responsible for monitoring, assisting, and empowering the first line of defense in risk prevention efforts to ensure the effectiveness of risk management and control measures. The second line develops, implements, and optimizes internal control and risk management processes, leveraging dynamic identification and periodic assessments to analyze and prioritize identified risks based on their likelihood of occurrence and impact severity. Additionally, by integrating historical risk data from risk control platforms and internal/external information from other sources, the second line conducts comprehensive risk analysis, correlates risks with operational entities via risk matrix numbering, and issues targeted risk alerts to enhance risk mitigation capabilities.

The third line of defense is mainly in the form of audit projects to supervise and review the risk prevention of the first and second lines of defense, as well as to assess the operation of the internal control system, and to ensure the independence and objectivity of its own work, to strengthen the Company's risk management capability and to safeguard the effective implementation of the company's risk control and governance processes.

"Three Lines of Defense" Risk Management Mechanism

Management Process

The Company adheres to a scientific risk management process, establishing a control mechanism that encompasses six core steps: risk identification, risk response, risk control evaluation, issue rectification, matrix iteration, and risk control reporting. Through compliance audits, transparent disclosure of audit findings, and the integration of audit oversight with risk prevention, to ensure the integrity, compliance and effectiveness of the Company's risk management. This process supports ongoing improvements in management efficiency.

Identify key risks in the context of the actual business.

Risk-oriented development of appropriate control activities tailored to the business.

The probability of occurrence of risk events and the implementation of control activities are regularly evaluated on the basis of the risk matrix.



Address issues identified during evaluations through corrective actions.

Update the risk control matrix based on evaluation results to maintain relevance.

Output annual risk control report to disclose the overall situation of risk control evaluation, including deficiencies and rectification measures, to ensure effective implementation of risk control work.

Risk Management Process

Risk Prevention and Control Measures

Company-wide Risk Prevention and Control

To enhance transparency and oversight, the Company has developed a centralized risk control platform that identifies and monitors operational risks across daily activities. When issues are detected, rectification plans are initiated and tracked through a closed-loop process to ensure resolution. The platform is supported by a comprehensive risk matrix aligned with internal systems across all business units, enabling targeted control measures for each identified risk point. Furthermore, two risk management indicators—risk incidents and risk control maturity assessment—are incorporated into the performance appraisal system to incentivize employees to prioritize risk management. In 2024, the platform was expanded to include four additional business modules, 18 operating entities, 118 risk matrices, and adding/updating 209 risk prevention and control points, achieving 100% coverage of the Company's affiliated campuses and manufacturing subsidiaries.

Appendix

Full-employees Risk Prevention and Control

The Company emphasizes enhancing employees' ability to recognize and respond to risks. To support this, we regularly conduct compliance and internal control courses and training covering all employees to comprehensively improve the Company's comprehensive quality of risk management. In 2024, cross-functional collaboration led to the development of a structured risk control training program, comprising seven modules: human resources, finance, safety, energy and environmental protection, quality, production, and legal and intellectual property. Over 11,000 people completed the program during the year. Meanwhile, risk control concepts have also been embedded into the Company's annual assessment system and are linked to job qualification standards, so as to motivate employees to implement risk management awareness in their daily work. In 2024, the job qualification - the risk control knowledge and skills certification program covered 68 primary operating entities and approximately 1,600 employees.

Due Diligence

The long-term success of the Company relies heavily on the compliance and reliability of its third-party partners. We continue to strengthen our approach to partner audit and management. For construction contractors, we conduct thorough due diligence during the onboarding stage. This includes reviewing qualifications, evaluating past performance, assessing financial health, verifying personnel credentials, and inspecting equipment and facilities. These evaluations help us grasp the operation situation and potential risks of the contractors, in order to select high-quality partners. After collaboration begins, we monitor each contractor's status monthly. Using professional databases, we track business operation status, operational changes, and any emerging judicial risks, allowing us to address potential issues in a timely manner. For packaging suppliers, we conduct monthly checks on their business operation status, operational changes, and judicial risks through TianYanCha to discover and rectify risk points in time. For distributors, we verify their basic information during the selection phase. This includes verifying business licenses, brand portfolios, sales channels, financial information, and operational capacity. We also conduct distributor independence investigations to ensure a fair and transparent business environment. These measures effectively reduce supply chain risks and promote business continuity and stability.

Integrate ESG Risk Management into Corporate Risk Management Processes

We emphasize the identification and management of ESG risks, and integrate ESG risk management into the Company's existing risk prevention and control processes, so as to comprehensively improve the Company's risk management level and ensure the Company's long-term, stable, and sustainable development.

In 2024, we conducted risk assessment and analysis on six identified topics of high financial materiality from two core dimensions: inherent risk level (degree of impact*likelihood) and control risk level. Based on the ESG risk assessment results, we prioritized risks and developed the 2024 ESG Risk Matrix.

Risk Assessment Dimensions		
	Degree of impact	Measures the impact of a risk event from reputational, regulatory, and economic perspectives. Scores are assigned based on predefined criteria specific to each dimension.
Inherent Risk	Likelihood	Reflects the probability of a risk event occurring, expressed qualitatively (e.g., frequent, possible, unlikely), as a percentage, or by event frequency. Scoring is based on frequency or probability of occurrence.
Con	trol Risk	Evaluates the degree and strength of management of risk governance, strategy, risk management, and metrics and targets, and determine controlled risk level. A higher score of controlled risk indicates weaker management of that risk.

ESG Risk Assessment Dimensions of Haitian Flavouring

Primary Risk	Secondary Risk	Inherent Risk Level	Controlled Risk Level
	R&D Quality	Medium	Medium
Product/Service Safety and Quality	Manufacturing Quality	High	Medium
	Service Quality	Medium	High
Water Management	/	High	High
	Supply Chain ESG Management	Medium	Medium
Supply Chain Management and Raw Material Sourcing	Supply Chain Quality	High	Medium
material sourcing	Sustainable Raw Material Sourcing	Medium	High
Circular Face and Dankaring Makerials	Circular Economy	Low	High
Circular Economy and Packaging Materials	Sustainable Packaging	Medium	High
	Climate Change Resilience	Medium	Medium
Climate Change Response and Energy Utilization	Product Carbon Footprint	High	Low
o tilization	Energy Management	Medium	High
Opportunities in Nutrition and Health	/	Medium	High

ESG Risk Assessment Results and Priority Ranking of Haitian Flavouring

High	• Circular Economy	 Service Quality Sustainable Raw Material Sourcing Sustainable Packaging Energy Management Opportunities in Nutrition and Health 	Water Management
Control Risk Level		R&D QualitySupply Chain ESG ManagementClimate Change Resilience	Manufacturing QualitySupply Chain Quality
Co			Product Carbon Footprint
	Low	Medium Inherent Risk Level	High

ESG risk matrix of Haitian Flavouring

We use assessment results to refine business strategies and embed risk insights into day-to-day risk management processes. Risks are monitored dynamically, with timely adjustments made as needed to maintain effective control. For high-priority risks, we set clear targets and develop focused action plans to strengthen our ability to cope with risk, so as to provide a solid guarantee for the Company's sustainable development.

Internal Control



The Company strictly adheres to regulatory requirements such as the *Basic Standard for Enterprise Internal Control* and the *Guidelines for Auditing Enterprise Internal Control*, and has formulated internal control systems including the *Internal Control Evaluation Workbook*, the *Management Policy for Insider Information and Informants* and other internal control policies of the Company, taking into account the actual situation of the Company. These systems comprehensively standardize operational processes and management practices to ensure operational efficiency, reliability, and security.

We have established an internal control management organization structure based on the COSO¹⁴'s five components of internal control and the three lines of defense theory. We set up an Audit Committee under the Board of Directors, which is responsible for reviewing and monitoring the implementation of internal controls system and functions. The Audit and Inspection Center is set up under the Audit Committee, which is responsible for auditing and supervising the Company's business operation activities, implementation of internal controls, and performance of duties by senior management in accordance with the three phases of before, during and after the event, to ensure the effective implementation of internal control measures and the orderly conduct of business operations. The Audit and Inspection Center identifies internal control deficiencies and potential risks in business operation in a timely manner through regular and normalized internal control combing and rectification, as well as verification and auditing of operational data, so as to continuously improve the construction of the internal control management system and enhance the operational efficiency of the enterprise.

The Company continues to strengthen the construction of its internal audit system, continuously improving audit oversight mechanisms and adhering to conducting at least one audit of risk management procedures annually. In 2024, the Risk Control Department conducted one internal control audit. Audit subjects were selected based on a comprehensive review of each operating entity's risk control matrix and internal control self-assessment results. Operating entity with relatively higher overall risk levels were prioritized. The audit covered key areas such as internal control governance structure, training, risk point design, execution of control activities, and the accuracy of self-assessments. These efforts supported the effective implementation of risk management practices and reinforced the Company's overall risk prevention capability.

Business Ethics

The Company remains committed to promoting self-driven growth and earning social trust through ethical and compliant business practices—principles that have long guided our operations. We place strong emphasis on cultivating a culture of integrity and uphold a strict "zero tolerance" approach toward unethical behavior, including corruption, fraud, and commercial bribery. We continue to enhance our anti-fraud and anti-corruption systems, maintain accessible reporting and feedback channels for internal and external stakeholders, and proactively build a system for ethical governance. At the same time, we advocate for transparent and trustworthy business partnerships, to jointly create a fair and competitive market environment. We also maintain rigorous oversight of key business processes to ensure compliance, encourage fair competition, support industry advancement, protect consumer interests, and generate long-term value for shareholders.

Anti-Fraud and Anti-Corruption



The Company strictly complies with applicable laws and regulations, including the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. Based on this legal foundation, the Company has formulated internal institutional guidelines including the *Code of Conduct for Employees of Haitian Corporation*, the *Self-Discipline Code for Employees of Haitian Corporation*, and the *Anti-Fraud Management Policy of Haitian Flavouring*¹⁵. These guidelines clarify the ethical and behavioral standards all employees are expected to follow in business conduct, and ensure that the *Anti-Fraud Management Policy of Haitian Flavouring* is regularly audits and updates to provide strong institutional support for maintaining integrity in the Company's operations.

Anti-Fraud and Anti-Corruption Mechanism

We have established an effective anti-fraud and anti-corruption governance system. Under the Board of Directors, an Audit Committee is established. Internally, the Audit and Inspection Center is set up within the company, leads the implementation of anti-fraud and anti-corruption efforts, supported by four functional departments: Audit, Supervision, Risk Control, and Master Data. Each department plays a distinct role in supporting the Company's anti-fraud and anti-corruption framework, including auditing and verifying the authenticity of the Company's operational data, investigating illegal activities such as corruption and fraud by Company personnel, identifying business ethics risks and implementing control measures, and promoting the digital implementation of rules within control measures. The Audit and Supervision Departments conduct audits and supervision work on a project basis, with outcomes reported to the Audit Committee and the Board of Directors. The Risk Control Department leads the Company's annual risk self-assessments, compiles risk control maturity evaluations, and submits comprehensive reports to the Audit Committee and the Board of Directors. These coordinated efforts ensure the ongoing effectiveness of the Company's anti-fraud and anti-corruption mechanisms.

We conduct regular business ethics-related audits every year and ensure that business ethics-related audits cover all operations aspects of the company at least once every three years, including each of our subsidiaries and all of our business activities. In 2024, our audit efforts combined internal and external resources to target key risk areas such as marketing, procurement, finance, and capital management. During the year, we completed five internal audits, four internal supervisions, and three external audit projects. In addition, 11 manufacturing campuses underwent self-inspections and documentation reviews related to anti-corruption, bribery, and fraud prevention. No major loopholes or deficiencies were identified.



Promotion of Partner Integrity

As a member of the Enterprise Internal Control Association and its affiliated Anti-Fraud Alliance, we actively participate in alliance forums and activities. By adopting the alliance's blacklist mechanism and exchanging information on discredited individuals and suppliers, which effectively reduce exposure to business ethics risks. Simultaneously, we continue to strengthen anti-corruption practices throughout our supply chain. We proposed integrity cooperation requirements to 100% of suppliers, which explicitly prohibit unethical conduct and outline consequences for violations. In addition, all suppliers are required to formulate their own anti-corruption policies to support fair and transparent collaboration. During this year, we further optimized the *Integrity Agreements* by introducing new clauses that impose penalties for suppliers listed on the Anti-Fraud Alliance's corporate blacklist. These updates reinforce accountability and help build a clean, trustworthy, and efficient supply chain ecosystem.

Construction of Integrity Culture

We have developed a regular business ethics training program for all employees (including employees in all forms of employment), achieving 100% employee coverage. We have improved the level of employees' awareness of business ethics by incorporating the contents of anti-corruption, anti-bribery, anti-fraud, and integrity principles in our onboarding training, and by organizing annual business ethics training for existing employees. Meanwhile, to support continuous learning, we also provide access to business ethics resources through the Yami Education online platform, offering flexible and accessible training options. In the reporting period, training on integrity and self-discipline was delivered to all new hires, reaching 2,170 people in total.

 $^{^{\}rm 14}$ The Committee of Sponsoring Organizations of the Treadway Commission.

¹⁵ https://static.sse.com.cn/disclosure/listedinfo/announcement/c/2014-10-20/603288_20141021_6.pdf.

We actively carried out publicity and education activities on integrity and self-discipline in diversified forms to further strengthen the construction of the Company's culture of integrity. In 2024, we invited public security officials to deliver a lecture on "Preventing Economic Crime in Enterprises" to employees in key positions. More than 200 core staff members attended, significantly enhancing their legal awareness and risk management capabilities. Additionally, we launched the "Anti-Fraud Lecture Hall" series to educate all employees on economic crime and reinforce legal literacy, encouraging law-abiding and ethical conduct across the organization.

Additionally, the Company emphasizes enhancing anti-corruption awareness among supply chain personnel. Contractors are required to complete ethics and integrity training before entering project sites, and targeted trainings are regularly provided to frontline contractor managers, reinforcing core values such as honesty, fairness, and ethical conduct. In addition, business ethics reminders and integrity-related messaging are shared ahead of traditional holidays to reinforce awareness and encourage appropriate conduct. In 2024, 100% of suppliers¹⁶ received anti-corruption training or relevant information.

We maintain a strict zero-tolerance policy toward violations of integrity standards. Any suspected illegal or criminal activity is referred to the appropriate judicial authorities in accordance with the law. In 2024, four internal cases of suspected corruption and fraud were investigated internally. As a result, four employees were dismissed in line with company regulations, and one of the individuals suspected of committing a crime was transferred to the judicial authorities for handling and has been judged and penalized by law.

Routine Training on Business Ethics and Integrity and Self-discipline





In 2024, the Company continued to normalize training on commercial ethics and integrity, including but not limited to conducting specialized training sessions titled "Integrity Builds Authority, Greed Courts Disaster, Embody Uprightness as Haitian" for all employees (including management and the Board of Directors), issuing Anti-Fraud Bulletins, hosting "Anti-Fraud Lecture Halls," and incorporating anti-corruption and anti-bribery warning education into the annual "Required Knowledge and Skills" learning and assessments. The aforementioned training and assessments covered a total of over 20,000 participations.



"Integrity builds authority, greed courts disaster, embody uprightness as Haitian" special training

Anti-Unfair Competition



The Company strictly adheres to national laws and regulations, and firmly opposes all forms of unfair competition, including false advertising, monopolistic practices, and infringement of trade secrets. We actively promote fair competition and are committed to supporting the healthy and orderly development of the industry. We have formulated management systems including the *Work Manual on Intellectual Property Management*, the *External Information Release Review Management System*, and the *External Publicity Content Management Regulations*. These systems are continuously refined to enhance internal management process related to anti-unfair competition, prevent unfair competitive practices across all areas of operation and safeguard industry order. In 2024, the Company did not incur any litigation¹⁷ or major administrative penalties¹⁸ due to unfair competition.

- Contract Control: The Company implements standardized contract templates that include mandatory compliance clauses. These clauses require all partners to confirm that their products or services are protected by appropriate intellectual property rights and do not infringe on third-party rights. Any non-standard contracts must receive prior approval from the Legal Department or an equivalent authority before execution.
- Business Process Improvement: In business areas where unfair competition risks may arise, compliance review checkpoints have been integrated into core workflows. Relevant business activities must be reviewed and approved by the Legal or Intellectual Property departments before proceeding.
- Regular Compliance Reviews and Audits: The Legal, Intellectual Property, and Audit departments regularly conduct reviews and audits to assess and ensure that operations align with anti-unfair competition requirements.
- ¹⁶ Referring to suppliers of raw materials and packaging materials for the Company's main business.
- ¹⁷ Litigation arising from unfair competition refers to cases where the court issued a final judgment during the reporting period finding the company guilty of unfair competition.
- ¹⁸ "Major administrative penalties arising from unfair competition refer to significant administrative sanctions imposed on the company by competent authorities during the reporting period for unfair competition.

Whistleblowing Management

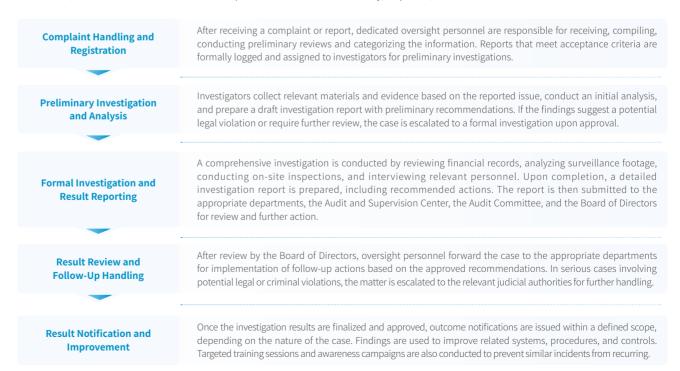


The Company has established an open, transparent, and efficient whistleblowing system to support ethical conduct and accountability. Multiple reporting channels are available to both employees and external parties, including a WeChat official account, hotline, email, online platform, and physical mailbox. Whistleblowers may choose to report either in their real name or anonymously based on their preference, ensuring both convenience and security for the reporting process.

Haitian Business Ethics Whi	istleblowing Channel	
Internal Whistleblowing Platform	Haitian Yummy information platform homepage - reporting desk	
External Whistleblowing Platform	WeChat: Haitian-Contact us-Integrity Report (Website: https://jubao.haday.cn)	
Dedicated Whistleblowing Line	0757-82832022, 0757-83273129	
Dedicated Whistleblowing Mailbox	Haitian Discipline Inspection Office, No. 16, Wen Sha Road, Chancheng District, Foshan City, Guangdong Province 528000	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Dedicated Whistleblowing E-Mail	HTJW@haday.cn, Audit@haday.cn	4

At the same time, the Company is committed to supporting and protecting whistleblowers. We have formulated the *Whistleblower Confidentiality and Reward Regulations* policy, which outline clear protocols for managing reports and safeguarding whistleblower information. Designated personnel are responsible for handling all complaints and reports, and strict confidentiality is maintained throughout the process. Retaliation in any form is strictly prohibited. Individuals found to have disclosed confidential information will be subject to disciplinary action, while verified reports may be eligible for rewards, reinforcing the integrity and fairness of the whistleblowing system.

Furthermore, the Company has established a systematic complaint and reporting handling process covering the intake, investigation, verification, and feedback to ensure that all reports are addressed in a timely, impartial, and consistent manner.



Appendix

List of Laws, Regulations and Internal Policies

Scope	Internal Policies of the Company	Laws and regulations complied with
	Management Policy for Occupational Health	
	Management Policy for the Work Safety Target	Labor Law of the People's Republic of China
	Responsibility and Management Policy for Safety in	Labor Contract Law of the People's Republic of China
	Production	Law of the People's Republic of China on Work Safety
	Regulations on Safety Training Management	Fire Control Law of the People's Republic of China
Health and safety	Management Regulations on Hazard Source Identification and Evaluation	Law of the People's Republic of China on Prevention and Control of Occupational Diseases
Salety	Regulations on Safety Inspection and Hidden Danger Management	Provisions on the Administration of Occupational Health at Workplaces
	Regulations on Safety Accident Reporting and Handling	Provisions on the Safety Training of Production and Operation Entitle
	Contingency Plan for Work Safety Accidents	Standards for Determining the Potential Risks of Major Accidents of
	Regulations on Safety Management of Interested Parties	Industry and Trade Enterprises
	Fire Safety Management Policy	
Development	Training Management Policy	
and training	Instructor Management Standard	Universal Declaration of Human Rights
	Detailed Rules for Handling Work-related Injury Business	International Convention on Human Rights
	Regulations on Management of Employee Transfer	Labor Law of the People's Republic of China
Labor	Guidelines for Ideological Communication	Labor Contract Law of the People's Republic of China
standards	Incentive Measures for Rationalisation Proposals	Constitution of the All-China Federation of Trade Unions
	Recruitment Management Policy	Trade Union Law of the People's Republic of China
	Supplier Integrity Agreement	
	Haitian Supplier Code of Conduct	
Community alastic	Supplier Reserve and Development Plan Process	
Supply chain	Supplier Qualification Review Process	The Bidding Law of the People's Republic of China
management	Supplier Admittance Process	
	Supplier Performance Management Process	
	Supplier Withdrawal and Blacklist Management Process	

Scope	Internal Policies of the Company	Laws and regulations complied with
Product liability	General Principles of Information Management Information Security Evaluation Management Policy Employee Information Security Behaviour Inspection Regulations Good Manufacturing Practice for Food Sanitation Standard Operation Procedure Process Operating Procedures Regulations on Management of Market Complaint Handling Finished Product Quality Control Standard Raw Material Inspection and Verification Standard Standard for Inspection and Verification of Packages Hazard Analysis and Control Measure Selection Procedure Food Defence Plan Food Fraud Prevention and Control Procedure Allergen Control Procedure Marking and Traceability Management Procedures Food Safety Emergency Preparedness and Response Procedures Regulations on Product Recall Management Nonconforming Product Control Procedure Control Procedure for Correction and Corrective Measures Regulations on Inventory Quality Management Packaging Material Warehousing Management Regulation Overdue Inventory Management Specification Regulations on Management of Formulation and Revision of External Standards Regulations on Management of Change of Packaging Detailed Rules for the Management of Labeling Information of Domestic Food Regulations on Patent Management Work Manual on Intellectual Property Management Management Method for Internal Audit of Intellectual Property Regulations on Intellectual Property Risk Management	Food Safety Law of the People's Republic of China Measures for the Administration of Food Production Licensing Law of the People's Republic of China on the Protection of Consumer Rights and Interests Regulations on the Management of Hazard Analysis and Critical Control Point Management System Certification for Food Production Enterprises HACCP Implementation Guide for Food Enterprises Regulations on the Administration of Food Labeling Administrative Measures on Food Recall Outline of the Healthy China 2030 Plan National Food Safety Standard: General Rules for Nutrition Labeling of Prepackaged Foods (GB28050-2011) Measures for the Promotion of Enterprise Standardization Advertisement Law of the People's Republic of China Copyright Law of the People's Republic of China Enterprise Intellectual Property Management

Annual Key Performance Table

Category	ESG Indicators	Unit	2024	2023	2022
	Total Greenhouse Gas Emissions (Scopes 1 and 2)	tCO₂e	454,338.28	402,999.18	/
	Total Greenhouse Gas Emissions (Scopes 1)	tCO ₂ e	248,248.44	245,133.97	/
Greenhouse Gas Emissions and	Total Greenhouse Gas Emissions (Scopes 2)	tCO ₂ e	206,089.84	157,865.21	/
Intensity ¹⁹	Total Greenhouse Gas Emissions (Scopes 1 and 2)	tCO₂e /t product	0.1025	0.0997	/
	Greenhouse Gas Emission Intensity (Scope 1)	tCO₂e t product	0.0560	0.0606	/
	Greenhouse Gas Emission Intensity (Scope 2)	tCO₂e /t product	0.0465	0.0390	/
	Total Energy Consumption	tce	155,764.01	137,503.00	/
	Direct Energy	tce	97,581.37	94,508.88	/
	Raw Coal	tonnes	110,913.87	108,339.44	/
	Natural Gas ²⁰	10,000 standard cubic meters (scm)	709.37	625.29	271.4
	Biomass	tonnes	7,252.37	7,815.54	/
	Other	tce	410.19	300.39	/
	Indirect Energy	tce	58,182.64	42,994.12	/
Energy	Purchased Electricity ¹⁹	GWh	28,657.20	23,290.75	/
Consumption	Photovoltaic Power Generation	GWh	1,491.14	1,070.53	/
	Purchased Steam ²¹	GJ	475,593.82	256,202.75	/
	Biogas Recycled Volume	10,000 standard cubic meters	523.63	464.20	/
	Total Renewable Energy Consumption ²²	tce	10,995.82	10,292.31	/
	Ratio of Renewable Energy Consumed	%	7.06	7.49	/
	Total Clean Energy Consumption	tce	19,434.68	17,744.52	/
	Ratio of Clean Energy Consumed	%	12.48	12.90	/
	Energy Use Intensity (per tonne of product)	tce/t product	0.0351	0.0340	/

¹⁹ Greenhouse Gas Emission Calculation Standards and Methods:

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

⁽i) Applicable Standards for Carbon Emission Calculation: The following standards are adopted for carbon emission quantification and reporting:ISO 14064-1: Greenhouse gases – Part 1: Organization-level quantification and reporting of greenhouse gas emissions and removals Corporate Accounting and Reporting Standard (Revised Edition) of the Greenhouse Gas Protocol (GHG Protocol).

⁽ii) Haitian consolidates its emission data based on the operational control method.

⁽iii) Retroactive Adjustments to 2023 Emission Data:2023 Methodology: The company initially applied the Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions by Food, Tobacco, Alcohol, Beverage, and Refined Tea Enterprises (Trial)issued by the National Development and Reform Commission (NDRC) of China. 2024 Update: In 2024, the methodology was revised to adopt:ISO 14064-1: Greenhouse gases – Part 1: Organization-level quantification and reporting of greenhouse gas emissions and removals Corporate Accounting and Reporting Standard (Revised Edition) of the Greenhouse Gas Protocol (GHG Protocol).

²⁰ The 2023 natural gas consumption figures were revised based on third-party carbon audit verification, with adjustments made to the usage data of Danhe Vinegar Industry.

²¹ The unit for externally procured steam was uniformly revised from "tonnes" (as reported in 2023) to "gigajoules" (GJ).

²² In 2023, the Company adopted a biomass-to-standard-coal conversion factor of 0.5 tonnes of coal equivalent (tce) per tonne of biomass to calculate its biomass energy consumption. In 2024, the Company's carbon inventory methodology was updated to replace the fixed factor of "0.5 tce/t" with a "conversion factor calculated based on actual measured calorific values". Consequently, a retroactive adjustment was applied to the Company's total renewable energy consumption data for 2023.

Category	ESG Indicators		2024	2023	2022
	Total Non-hazardous Waste Generated ²³	tonnes	328,487.50	264,420.77	/
	Non-hazardous Waste Generation Intensity	tonnes per 10,000 tonnes of product	740.89	/	/
	Total Hazardous Waste Generated	tonnes	23.25	22.18	21.74
Pollutant Emissions	Non-hazardous Waste Generation Intensity	tonnes per 10,000 tonnes of product	0.05	/	/
and Waste Management ²⁴	Total Waste Generation	tonnes	328,510.76	/	/
	Waste Generation Intensity	tonnes per 10,000 tonnes of product	740.94	/	/
	Waste Recycled Volume	tonnes	327,170.20	/	/
	Comprehensive Waste Recycling Rate	%	99.59	/	/
Environment Protection Investment	Total Environment Protection Investment	RMB 10,000	8,949.38	7,038.17	7,850.00
	Water Withdrawal				
	Total Water Withdrawal	Cubic Meter	10,599,973.05	8,864,705.60	7,253,329.00
	Water Withdrawal (Surface Water)	Cubic Meter	193,597.00	/	/
	Water Withdrawal (Ground Water)	Cubic Meter	87,299.00	/	/
	Water Withdrawal (Seawater)	Cubic Meter	0.00	/	/
	Water Withdrawal (Third-party Water)	Cubic Meter	10,319,077.05	/	/
	Water Withdrawal in High or Extremely High Water Stress Areas ²⁵	Cubic Meter	1,550,262.00	/	/
	Water Withdrawal in High/Extremely High Water Stress Areas as % of Total Withdrawal	%	14.63	/	/
	Water Discharge				
Water Resource Management	Total Water Discharge ²⁶	Cubic Meter	4,812,560.20	3,351,698.11	2,730,551.00
	Water Discharge (Surface Water)	Cubic Meter	95,157.70	/	/
	Water Discharge (Ground Water)	Cubic Meter	0.00	/	/
	Water Discharge (Seawater)	Cubic Meter	4,717,402.50	/	/
	Water Consumption				
	Total Water Consumption	Cubic Meter	5,787,412.86	/	/
	Water Discharge in High or Extremely High Water Stress Areas	Cubic Meter	896,820.78	/	/
	Water Discharge in High or Extremely High Water Stress Areas as % of Total Discharge	%	15.50	/	/
	Water Reuse				
	Total Water Reuse	Cubic Meter	1,497,044.89	/	/

²³ The term "general solid waste"	disclosed in 2023 was revised to	"non-hazardous waste"	in compliance with the	disclosure guidelines issued by the
Shanghai Stock Eychange (SSE)				

²⁴ For detailed information on the Company's 2024 waste management-related emissions, please refer to the table titled "Waste Management".

Category	ESG Indicators	Unit	2024	2023	2022
	Concentrate Water Reuse	Cubic Meter	229,182.00	/	/
	Condensate Water Reuse	Cubic Meter	342,719.39	275,000.00	/
	Cooling Water Reuse	Cubic Meter	907,439.00	860,000.00	/
Water Resource	Reclaimed Water ²⁷ Reuse	Cubic Meter	17,704.50	/	/
Management	Water Recycling rate	%	12.38	/	/
	Water Intensity				
	Water Withdrawal Intensity	tonnes/tonne of product	2.39	2.18	/
	Water Consumption Intensity	tonnes/tonne of product	1.31	/	/
	Product Packaging Material Quality				
	Primary Packaging Materials				
	Primary PET (recyclable)	tonnes	102,555.28	/	/
	PE (recyclable)	tonnes	33,773.62	/	/
	PP (recyclable)	tonnes	5,751.65	/	/
	Glass (recyclable/renewable)	tonnes	435,650.93	/	/
	Metal (recyclable)	tonnes	5,003.40	/	/
	HDPE (recyclable)	tonnes	10,737.77	/	/
	LDPE (recyclable)	tonnes	1,319.64	/	/
Circular	Composite bags/films	tonnes	3,155.49	/	/
Economy and	Aseptic paper packaging (recyclable/renewable)	tonnes	15.12	/	/
Packaging Material	Paper (recyclable/renewable)	tonnes	44.71	/	/
Management	Total Primary Packaging Material	tonnes	598,007.61	/	/
	Secondary Packaging Materials				
	Paper (recyclable/renewable)	tonnes	149,151.55	/	/
	Plastic labels	tonnes	6,957.14	/	/
	PE (recyclable)	tonnes	580.46	/	/
	PP (recyclable)	tonnes	304.40	/	/
	PVC	tonnes	111.48	/	/
	Total Quality of Secondary Packaging Materials	tonnes	157,105.02	/	/
	Tertiary Packaging Materials				
	PE stretch film	tonnes	521.35	/	/

²⁵ Through Haitian's Water Resources Risk Assessment Mechanism, regions with high or extremely high water stress are identified.

²⁶ In 2024, the 2023 indicator "Sewage Discharge Volume" was revised to "Total Water Discharge Volume". The statistical scope was expanded from the original 2023 definition to include:Domestic sewage from all production facilities, and water discharge volumes from the Laotuguan Facility and Honghe Hongbin Facility (no metering data was available for these two facilities in 2023, preventing retroactive adjustments).

²⁷ Reclaimed water refers to water resources that have been utilized in preceding production processes and subsequently treated to meet reuse water quality standards.

Employee

Health and

Employee

Safety

Employment

Total Wages Paid

Social Insurance Coverage Rate

Annual Work Injury Insurance Investment

Work Safety Liability Insurance Coverage Rate²⁹

Number of Employees Injured at Work

Health and Safety Training Coverage Rate

Total Participants in Health and Safety Training

Work Injury Insurance Coverage Rate Work Safety Liability Insurance Investment

Labor Contract Signing Rate

Work Safety Investment

Number of Safety Checks

Annual Training Expenditure

Annual Training Sessions Organized

RMB 10,000

RMB 10,000

RMB 10,000

RMB 10,000

%

%

%

%

times

people

people

times

RMB 10,000

%

156,668.18

100

100

100

10.88

100

241

49

100

18,179

444.11

1,469

2,882.2

249.21

100

100

3,031

158

11

7,313

100

118

504

100

100

100

2,659

199

15

12,503

7,863

100

122

1,125

Category	ESG Indicators		2024	2023	2022
	PET (recyclable)	tonnes	192.69	/	/
	Paper (recyclable/renewable)	tonnes	7.47	/	/
	Plastic (recyclable/renewable)	tonnes	1,019.05	/	/
	Pallet plywood (recyclable)	tonnes	192.43	/	/
	Total Tertiary Packaging Material	tonnes	1,932.99	/	/
	Total Product Packaging Material	tonnes	757,045.62	/	/
	Packaging Intensity per Unit of Product	kg/tonne of product	165.86	/	/
Circular Economy and	Proportion of Recyclable/Renewable Materials in Total Packaging	%	98.50	/	/
Packaging Material Management	Recycled Packaging Used in Product Packaging (including recycled paper and glass) ²⁸	tonnes	378,337.31	/	/
0	Recycled Packaging as % of Total Product Packaging	%	49.98	/	/
	Circular Economy Performance Indicators				
	Renewable Resource Consumption	tonnes	2,653,561.00	/	/
	Renewable Resources as % of Total Resources Consumed	%	81.77	/	/
	Waste Recycled and Reused Volume	tonnes	327,170.20	/	/
	Comprehensive Waste Recycling Rate	%	99.59	/	/
	Total Number of Employees	people	9,010	7,863	7,313
	Regular Employees by Gender				
	Male	people	7,044	/	/
	Female	people	1,966	/	/
	Regular Employees by Hierarchy				
	Senior Management	people	21	21	21
	Middle Management	people	297	236	199
	Grassroots Level	people	8,692	7,606	7,093
Employee Employment	Regular Employees by Age				
Limptoyment	≤ 30 years old	people	3,109	/	/
	31-50 years old	people	5,751	/	/
	>50 years old	people	150	/	/
	Newly Hired Regular Employees (current year)	people	2,170	/	/
	Employee Turnover Rate	%	14.26	/	/
	Female Management Ratio	%	19.8	19.8	19.5
	Collective Contract Coverage	%	100	/	/
	Labor Disputes	incidents	6	/	/

	Consumed	%	81.77	/	/	Employee Training	Annual Types of Training Organized	types	33
	Waste Recycled and Reused Volume	tonnes	327,170.20	/	/		Number of Employees Trained	people	9,010
	Comprehensive Waste Recycling Rate	%	99.59	/	/		Percentage of Employees Trained	%	100
	Total Number of Employees	people	9,010	7,863	7,313	Sci-tech	Newly Granted Patents	number of patents	124
	Regular Employees by Gender					Innovation and Ethics	Total Valid Invention Patents	number of patents	315
	Male	people	7,044	/	/		Total Suppliers	number	1,980
	Female	people	1,966	/	/	Sustainable Supply Chain	Suppliers Required to Meet Anti-Corruption		
	Regular Employees by Hierarchy					зирріу Спапі	Standards	%	100
	Senior Management	people	21	21	21		Seafood Products Traceable to Origin ³⁰	%	>90
	Middle Management	people	297	236	199	Raw Material			Palm oil
	Grassroots Level	people	8,692	7,606	7,093	Traceability	Palm Oil Products Traceable to Origin	%	procurement volume stood at
oloyee oloyment	Regular Employees by Age								zero
	≤ 30 years old	people	3,109	/	/		Percentage of Sold Products Recalled for Safety/	%	0
	31-50 years old	people	5,751	/	/		Health Reasons		
	>50 years old	people	150	/	/		Number of Food Safety/Quality Incidents	cases	0
	Newly Hired Regular Employees (current year)	people	2,170	/	/	Product Safety and Quality	Global Food Safety Initiative (GFSI) Audit Non-	%	0
	Employee Turnover Rate	%	14.26	/	/		compliance Rate	,,,	
	Female Management Ratio	%	19.8	19.8	19.5		Supplier Quality Training Coverage	%	> 98
	Collective Contract Coverage	%	100	/	/		Product Recall Frequency	frequency	0
	Labor Disputes	incidents	6	/	/				

⁹ Work Safety Liability Insurance Personnel Coverage Rate=Number of employees insured under this policy / Total employees in high-risk positions (Note: This insurance is not mandatory in the Company's industry).

 $^{^{\}mbox{\tiny 30}}$ "Origin" refers to district/county-level marine origins.

 $^{^{28}}$ Regulations in the Chinese mainland currently do not permit the use of recycled plastics in primary food packaging.

About This Report

About Haitian Sustainable Development Governance Green Haitian: Advancing with Low-Carbon Commitment Quality Haitian: Safeguarding Health and Well-Being

Harmonious Haitian: Growing with Partners Compassionate Haitian: Spreading Warmth Responsible Haitian: Operating with Prudence

Appendix

Category	ESG Indicators	Unit	2024	2023	2022
Customer	Customer Satisfaction Rate	%	94.10	92.00	94.00
Service	Valid Consumer Complaint Resolution Rate	%	100	100	100
Data Security and	Data Security Incidents	cases	0	0	0
Privacy	Customer Privacy Breach Incidents	cases	0	/	/
	Number of Product R&D Personnel	people	704	620	/
Nutrition and Health	Product R&D Personnel as % of Total Employees	%	7.81	/	/
nnovation	Product R&D Investment Amount	RMB 10,000	83,953.21	71,541.76	75,133.90
	Product R&D Investment as % of Annual Revenue	%	3.12	/	/
	Adjudicated Cases of Corruption, Bribery, Extortion, Fraud, or Money Laundering Against the Company or Employees (reporting period)	cases	1	0	0
	Number of Board Members Trained in Anti- Corruption or Received Relevant Information ³¹	people	9	/	/
	Percentage of Board Members Trained in Anti- Corruption or Received Relevant Information among the total members of Board of Directors	%	100	100	100
	Number of Management Personnel Trained in Anti- Corruption or Received Relevant Information	people	318	/	/
Business Ethics	Percentage of Management Personnel Trained in Anti-Corruption or Received Relevant Information among the total management personnel	%	100	/	/
	Number of Employees Trained in Anti-Corruption or Received Relevant Information	people	9,010	/	/
	Percentage of Employees Trained in Anti- Corruption or Received Relevant Information among all employees	%	100	100	100
	Percentage of Suppliers (Refers to Raw Materials and Packaging Materials suppliers for the Company's main business) Trained in Anti-Corruption or Received Relevant Information	%	100	/	/

31-1			6.1	C - I	
³¹ The scope includes b	ooard member	s serving as o	of the end	of the repo	orting period.

Category	ESG Indicators	Unit	2024	2023	2022
	Total Charitable and Public Welfare Investment	RMB 10,000	1,294.26	2,055.10	1,447.60
	Rural Revitalization Investment	RMB 10,000	1,076.49	220.80	324.00
	Beneficiaries of Charitable Donations	10,000 people	49.00	81.00	/
Rural Revitalization	Rural Revitalization Beneficiaries	10,000 people	16.80	/	/
and Social Contribution ³²	Cumulative Rural Revitalization Beneficiaries	10,000 people	28.30	11.50	/
	Factory Tours Open to Public	10,000 people	28.30	37.50	4.40
	Total Volunteers for Charitable Services	people	395	/	/
	Total Hours of Charitable Volunteer Services	hours	1,735	/	/
	Operating Revenue	RMB 10,000	2,690,097.75	2,455,931.24	2,560,965.15
	Net Profit	RMB 10,000	635,586.10	564,218.68	620,316.66
Economic	Net Cash Flow from Operating Activities	RMB 10,000	684,371.09	735,565.10	383,031.43
Performance ³³	Taxes Paid	RMB 10,000	262,302.51	231,559.20	250,703.02
	Weighted Average Return on Equity (ROE)	%	21.76	20.72	25.52
	Asset-Liability Ratio	%	23.14	24.44	21.07

³²The scope includes: operations of the Company and its subsidiaries, and collaborative rural revitalization and social contribution projects jointly implemented by the aforementioned entities and the Kangze Foundation.

³³ Financial indicators including operating revenue, net profit, net cash flow from operating activities, payment of various taxes and fees, and weighted average return on net assets (ROE) are sourced from Haitian 2024 Annual Report.

2024 Emission Data for All Production Sites

Gaoming Haitian	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
	COD	125.16	tonnes	157.07	tonnes	No	Constructed	Normal Operation
	NH ₃ -N	25.04	tonnes	31.41	tonnes	No	Constructed	Normal Operation
Major	SO ₂	7.32	tonnes	81.36	tonnes	No	Constructed	Normal Operation
Pollutants	NO _x	58.03	tonnes	220.15	tonnes	No	Constructed	Normal Operation
	PM	7.25	tonnes	NA ³⁴	tonnes	No	Constructed	Normal Operation
	VOCs	0.05	tonnes	NA	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants				Constructed	Normal Operation			

Vinegar Production Group	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
	COD	42.13	tonnes	486.58	tonnes	No	Constructed	Normal Operation
	NH ₃ -N	1.51	tonnes	37.23	tonnes	No	Constructed	Normal Operation
Major Pollutants	SO ₂	0.00	tonnes	0.45	tonnes	No	Constructed	Normal Operation
	NO _x	0.32	tonnes	1.46	tonnes	No	Constructed	Normal Operation
	PM	0.03	tonnes	0.34	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants				No			Constructed	Normal Operation

Nanning Haitian	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
	COD	36.83	tonnes	401.170	tonnes	No	Constructed	Normal Operation
	NH ₃ -N	0.10	tonnes	31.160	tonnes	No	Constructed	Normal Operation
Major Pollutants	SO ₂	0.05	tonnes	NA	tonnes	No	Constructed	Normal Operation
	NO _x	0.28	tonnes	NA	tonnes	No	Constructed	Normal Operation
	PM	0.31	tonnes	NA	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants				No			Constructed	Normal Operation

³⁴ "N/A" indicates that either there are no total emission quota requirements for this pollutant in the region where the Company is located, or according to the local guidelines for total pollutant emission quotas, the corresponding emission points of the Company or its subsidiaries are not required to undergo total emission quota approval, hence no approved annual total emission quotas are allocated for certain pollutants.

	Type/ Pollutant	Actual Emission		Approved Total Emission		Excess Emission	Pollution Control Facilities	Facility Operation Status
	COD	2.71	tonnes	17.83	tonnes	No	Constructed	Normal Operation
Major Pollutants	NH ₃ -N	0.41	tonnes	1.78	tonnes	No	Constructed	Normal Operation
	PM	0.01	tonnes	0.09	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants				No			Constructed	Normal Operation

Guangdong Guangzhonghuang	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
	COD	1.87	tonnes	NA	tonnes	No	Constructed	Normal Operation
	NH ₃ -N	0.09	tonnes	NA	tonnes	No	Constructed	Normal Operation
Major Pollutants	SO ₂	0.04	tonnes	NA	tonnes	No	Constructed	Normal Operation
	NO_x	0.39	tonnes	NA	tonnes	No	Constructed	Normal Operation
	PM	0.03	tonnes	NA	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants				No			Constructed	Normal Operation

Foshan Haisheng	Type/ Pollutant	Actual Emission		Approved Total Emission		Excess Emission	Pollution Control Facilities	Facility Operation Status
	COD	0.12	tonnes	12.78	tonnes	No	Constructed	Normal Operation
	NH ₃ -N	0.01	tonnes	1.50	tonnes	No	Constructed	Normal Operation
Major Pollutants	SO ₂	0.01	tonnes	2.19	tonnes	No	Constructed	Normal Operation
	NO _x	0.16	tonnes	3.31	tonnes	No	Constructed	Normal Operation
	PM	0.00	tonnes	NA	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants				No			Constructed	Normal Operation

Foshan Daidainshan	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
	COD	0.21	tonnes	NA	tonnes	No	Constructed	Normal Operation
	NH ₃ -N	0.00	tonnes	NA	tonnes	No	Constructed	Normal Operation
Major Pollutants	SO ₂	0.06	tonnes	0.31	tonnes	No	Constructed	Normal Operation
	NO_{x}	0.06	tonnes	0.45	tonnes	No	Constructed	Normal Operation
	PM	0.003	tonnes	NA	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants				No			Constructed	Normal Operation

Hefei Yanzhuang	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
	COD	2.58	tonnes	NA	tonnes	No	Constructed	Normal Operation
	NH ₃ -N	0.28	tonnes	NA	tonnes	No	Constructed	Normal Operation
Major Pollutants	SO ₂	0.44	tonnes	NA	tonnes	No	Constructed	Normal Operation
	NΟ _x	1.76	tonnes	NA	tonnes	No	Constructed	Normal Operation
	PM	1.27	tonnes	NA	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants				No			Constructed	Normal Operation

Honghe Hongbin	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
	COD	10.27	tonnes	82.86	tonnes	No	Constructed	Normal Operation
	NH ₃ -N	0.15	tonnes	4.60	tonnes	No	Constructed	Normal Operation
Major " Pollutants	SO ₂	0.68	tonnes	23.60	tonnes	No	Constructed	Normal Operation
	NO _x	0.81	tonnes	14.10	tonnes	No	Constructed	Normal Operation
	PM	2.23	tonnes	NA	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants				No			Constructed	Normal Operation

Lao Tu Guan -	Type/ Pollutant	Actual Emission		Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
, and the second	SO ₂	0.08	tonnes	NA	tonnes	No	Constructed	Normal Operation
Major Pollutants	NO _x	1.37	tonnes	NA	tonnes	No	Constructed	Normal Operation
	PM	0.21	tonnes	NA	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants				No			Constructed	Normal Operation

Danhe Vinegar Industry	Type/ Pollutant	Actual Emission		Approved Total Emission		Excess Emission	Pollution Control Facilities	Facility Operation Status
	COD 0.36 tonnes 4.27 tonnes		No	Constructed	Normal Operation			
Major Pollutants	NH ₃ -N	0.01	tonnes	0.33	tonnes	No	Constructed	Normal Operation
	SO ₂	0.00	tonnes	NA	tonnes	No	Constructed	Normal Operation
	NO _x	0.19	tonnes	NA	tonnes	No	Constructed	Normal Operation
	PM	0.01	tonnes	NA	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants				No			Constructed	Normal Operation

Zhejiang Jiusheng	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
	COD	0.20	tonnes	NA	tonnes	No	Constructed	Normal Operation
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	NA	tonnes	onnes No Constructed		Normal Operation			
	SO ₂	0.09	tonnes	NA	tonnes	No	Constructed	Normal Operation
	NO _x	0.70	tonnes	NA	tonnes	No	Constructed	Normal Operation
	PM	0.04	tonnes	NA	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants	No						Constructed	Normal Operation

Jiangxi Jiusheng	Type/ Pollutant	Actual Emission	Unit	Approved Total Emission	Unit	Excess Emission	Pollution Control Facilities	Facility Operation Status
	SO ₂	0.00	tonnes	NA	tonnes	No	Constructed	Normal Operation
Major Pollutants	NO _x	8.41	tonnes	NA	tonnes	No	Constructed	Normal Operation
	PM	0.64	tonnes	NA	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants				No			Constructed	Normal Operation

Guizhou Jiusheng	Type/ Pollutant	Actual Emission		Approved Total Emission		Excess Emission	Pollution Control Facilities	Facility Operation Status
	SO ₂	1.04	tonnes	NA	tonnes	No	Constructed	Normal Operation
Major Pollutants	NO _x	1.80	tonnes	NA	tonnes	No	Constructed	Normal Operation
	PM	0.68	tonnes	NA	tonnes	No	Constructed	Normal Operation
Characteristic Pollutants	No					Constructed	Normal Operation	

Waste Management

149

Indicator	Unit	Waste Generated	Waste Recycled	Recycling Method	Waste Disposed	Generation Intensity
Non-Hazardous Waste - Total	tonnes	328,487.50	327,161.70	Third-party recycling	1,325.8	740.89
Non-Hazardous Waste - Plastic	tonnes	5,135.48	5,135.48	Third-party recycling	0.00	/
Non-Hazardous Waste - Paper	tonnes	3,254.42	3,254.42	Third-party recycling	0.00	/
Non-Hazardous Waste - Wood	tonnes	459.44	459.44	Third-party recycling	0.00	/
Non-Hazardous Waste - Metal	tonnes	1,484.95	1,484.95	Third-party recycling	0.00	/
Non-Hazardous Waste - Glass	tonnes	469.43	469.43	Third-party recycling	0.00	/
Non-Hazardous Waste - Organic Matter (sauce residue, koji residue, etc.)	tonnes	251,256.08	251,256.08	Third-party recycling	0	/
Non-Hazardous Waste - Wastewater Sludge	tonnes	32,677.43	32,431.19	Third-party recycling	246.24	/
Non-Hazardous Waste - Boiler Ash/Slag	tonnes	30,514.13	30,514.13	Third-party recycling	0.00	/
Non-Hazardous Waste - Material Residue (spent diatomite, etc.)	tonnes	640.38	0.00	Third-party recycling	640.38	/
Non-Hazardous Waste - Other	tonnes	2,595.77	2,156.59	Third-party recycling	439.18	/
Hazardous Waste - Total	tonnes	23.25	8.49	Third-party recycling	14.76	0.05
Hazardous Waste - Landfilled	tonnes	0.32	0.00	/	0.32	/
Hazardous Waste - Incinerated	tonnes	12.77	0.00	/	12.77	/
Hazardous Waste - Other Disposed	tonnes	10.17	8.49	Third-party recycling	1.68	/
Total Waste	tonnes	328,510.76	327,170.20	/	1,340.56	740.94
Comprehensive Waste Recycling Rate	%	99.59		/	/	/

Responding to UN Sustainable Development Goals (SDGs)

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Reader Feedback

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Thanks for reading the Foshan Haitian Flavouring and Food Co., Ltd. (Haitian) Environmental, Social and Governance (ESG) Report 2024. To provide you and other stakeholders with more professional and valuable information on sustainable development and improve our ESG report quality, please kindly answer the questions in the form.

Topic: Haitian Group 2024 ESG Report Feedbacks
Name:
Company:
Position:
Tel.:
Email:
Please score the following questions from one to five. (one is the lowest score, and five is the highest score; please tick (\checkmark) in corresponding blanks)

	1	2	3	4	5
Are you pleased with this report?					
What do you think of the clearness, accuracy and completeness of the indicators and disclosure in this report?					
Do you think the structure of this report is easy to read?					

Which part of the report are you most interested in?

What other information do you think is important to know but not reflected in this report?

Do you have any suggestions for us to publish ESG reports in the future?

Feedback channels

If you have any comments or suggestions on this report or our ESG matters, you are welcomed to give us feedback via the following channels.

For internal control, audit, anti-corruption and anti-bribery, please contact the Audit Department: 0757-83273129;

For sales, product quality and service quality, please contact: 400-8899813;

For investor relations, please contact the Board Secretary of Haitian: Tel 0757-82832022/Fax 0757-82873730;

Securities affairs representative: Tel. 0757-82836083/Fax 0757-82873730;

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