



Zhou Hei Ya International Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1458



2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Producing Food with Conscience, and Building a Century-Aged Enterprise

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Message from the Management

In 2024, a great change happened to the food industry in the context of healthy transformation, technological innovation and sustainable development. As a leader of the braised food industry in China, Zhou Hei Ya (“we”) attached great importance to “delicacy, health and responsibility”, included the concept of sustainable development into the corporate strategy while striving for commercial value, and fulfilled social responsibility with high-quality products and services to push the industry forward.

Zhou Hei Ya continued to enhance the model of “Direct Sale + Franchising”. While consolidating offline channels such as transportation hubs, supermarkets and communities, we rode the tide of digitalization. Through online channel, such as takeaway service, traditional e-commerce platforms, fresh food e-commerce platforms, content e-commerce platforms and private domain applets, we established omnichannel connectivity with Gen Z consumers to deliver them a multi-scenario and quality braised food.

Consolidating Development Based on Governance

Zhou Hei Ya firmly believed that its progress and development are guaranteed by sound governance for a long term. To create a transparent, traceable, and clearly defined corporate governance structure, we promote the diversification and professionalization of the Board of Directors, strengthen risk management, and adhere to high-level business ethics. Meanwhile, we understand the significance and value of sustainable development to business operation and corporate culture, and strive to integrate ESG into all aspects of our operations.

High Quality for the Sake of Food Safety

Zhou Hei Ya practices the concept of “food” (食) is formed by combining the characters “person” (人) and “integrity” (良) throughout the industrial chain. We have a firm control of food safety, improve our quality management system



continuously, and launch healthy and natural product lines through R&D innovation to meet consumers’ needs for delicacy and health. The Group focuses on iterative research and development of new products and flavor innovation, optimizes product portfolios, and enhances customer service experience with digital technology to ensure that consumers enjoy braised products at ease in different scenarios.



For a Green Future of Ecology

Zhou Hei Ya responds to the national “dual carbon” strategy by regarding environmental protection and green operation as one of the key factors of our sustainable development management. We take actions, e.g. optimizing energy consumption management in production, reducing water consumption, and upgrading packaging materials for environmental protection, to reduce the impact of operations on environment. We continue to explore low-carbon transformation, save energy and reduce carbon in production and logistics, seek energy-saving opportunities in office and production, and promote sustainable development of the value chain.

Enhancing Employees' Cohesion

With people oriented, Zhou Hei Ya strives to build an equal, inclusive, diversified and safe workplace, and respects the legal rights and interests of employees. We focus on talent cultivation and create a platform

for employees' career development through training and channels. Meanwhile, the Group has established a number of communication channels to understand employees' needs and enhance team cohesion to achieve development of both the Group and employees.

Achieving Mutual Benefits and Warming People

Zhou Hei Ya is committed to the common development of the enterprise and the community. We take root in and care about the community, give play to our own advantages by building the “Zhou Hei Ya Science Popularization and Education Base for Braised Food Culture”, and help students understand the modern food industry and corporate management practice in cooperation with colleges and universities for the purpose of research, so that students have the opportunity to study. We work with all parties to support public welfare and charity, and give back to the community to shoulder our social responsibility.

In the future, we will continue to take quality as the foundation and take innovation as the driving force, enhance the all-channel layout and green transformation, and promote high-quality development of the “Direct Sale + Franchising” model. We believe that by focusing on sustainable development, Zhou Hei Ya will not only create great experience for consumers, but also contribute long-term value to industrial progress and social welfare.

Chairman

Zhou Fuyu



About this Report

Overview

This report is the ninth Environmental, Social and Governance (“ESG”) Report of Zhou Hei Ya International Holdings Company Limited (hereinafter referred to as “the Company”). It focuses on disclosure economic, social and environmental performance and relevant information of the Company and its subsidiaries (collectively, the “Group” or “Zhou Hei Ya”) for the Reporting Period from January 1 to December 31 of 2024 (hereinafter referred to as “the Reporting Period”). Some information is sourced before 2024.

Reporting Reference

This report was prepared with reference to the *Environmental, Social and Governance Reporting Guide*, the *Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (hereinafter referred to as the HKEX) in December 2019.

The content of this report was prepared in accordance with a set of systematic procedures, including identifying and prioritizing key stakeholders, conducting materiality analysis of key issues relevant to ESG, deciding the scope of the ESG report, collecting relevant materials and data, writing the report based on the data, and reviewing the report, etc.

Materiality: To further clarify the key areas and information of corporate disclosure on environmental, social and governance practices and to enhance the relevance and responsiveness of the report, this year we once again carried out material issue identification procedures. Based on environmental, social and governance matters which have a material impact on investors and other stakeholders as determined by the Board, we judged the materiality of each issue and finally determined the level of disclosure and boundary of the issues in accordance with the principle of materiality, which ensured a more accurate and complete disclosure of the Group’s operational management related information.

Quantitative: In accordance with the “key performance indicators” listed in the *Appendix C2 ESG Reporting Guide*, we formulated objectives of reducing minor impacts, introduced quantitative indicators and calculation methods, standards and assumptions with some notes, and disclosed data for some indicators of three consecutive years since 2022 in order to ensure that the effectiveness of environmental, social and governance policies and management systems are assessable and verifiable. Moreover, we offered carefully considered reasons to the unexplained provisions.

Balance: This report strives to achieve objective, fair and truthful reflection of the Group’s ESG effectiveness and practice in 2024. The contents of the report are from the Group’s internal management documents, statistics, public disclosure, as well as media coverage, with no improper modification.

Consistency: The report follows a consistent range of statistics. The scope of coverage is the Group with no major adjustments compared to previous years. The Reporting Period is the whole year of 2024 (from January 1 to December 31, 2024), and some information is sourced before 2024.

Scope and Boundary of the Report

The policies, statements, materials and data in this report cover the Group and its subsidiaries. Unless otherwise stated, all currencies involved in this report are denominated in RMB.

Source of Material and Assurance

All materials and cases contained in this report were collected from the statistics reports and relevant documents of the Company. The Company promises that this report does not contain any false and misleading statement, and is responsible for the authenticity, accuracy and completeness of its contents.

Confirmation and Approval

This report was approved by the Board on 27 March 2025 after confirmed by the management.

Access to the Report and Feedback

This report is prepared in Traditional Chinese and English. The electronic copy is available both in Zhou Hei Ya's "Financial Statements/ESG Information" at the website of HKEX and the website of the Company.

We highly value stakeholders' opinions. Readers are welcome to contact us in the following ways. Your comments and suggestions will help us continuously improve this report and the environmental, social and governance performance of Zhou Hei Ya.

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Highlights in 2024

As the leader of leisure cooked and braised products in China, Zhou Hei Ya continues to promote the “Direct Sale+Franchising” model, maintains its physical presence in transportation hubs, business districts, commercial entities, supermarkets and communities. The Company also attaches great importance to online sale to reach Gen Z and therefore has achieved excellent performance in online channels such as takeaway, fresh food and live streaming platforms. During the Reporting Period, Zhou Hei Ya conducted a series of online marketing activities, such as Eleme Super IP, Meituan Olympic Free Order on July 27th, public domain to store and so on, which achieved significant results and laid a foundation for the long-term development of this enterprise.

Ele.me Super IP

13.53 million exposures on Ele.me website; 2.25 million exposures and 16,000 interactions on Xiaohongshu; total sales of RMB3.02 million, of which April 30th saw an annual peak of RMB1.92 million on Ele.me.



Meituan's Olympic Free Order on July 27th

3.12 million exposures on meituan.com with sales of RMB2.65 million, which represented the second annual peak on meituan.com.



Public Domain to Store

In 2024, Tik Tok & Meituan Dianping brought over 4.22 million orders (a 52% year-on-year increase), with redeemed amounts growing by 57% annually, and product exposure reaching 290 million views.



In order to improve the rights and interests of Zhou Hei Ya registered consumers and increase the stored value, Zhou Hei Ya strengthened the construction of the membership system and private domain operations, and carried out a series of activities to bring up the stored value from registered consumers. In 2024, the Group launched such campaigns as a 12% discount for Wednesday balance payment and an additional coupon for RMB199 stored, in conjunction with the Super Wednesday event. During the Reporting Period, the stored value from registered consumers increased by over 600%, and the number of stored value orders increased by over 450%, both year on year.

System upgrading

- The mini program has been successfully connected to homes, stores and goods, etc.

Benefit upgrading

- Building a membership benefit system, enhancing registered consumers' activity degree and repeated purchase rate.

Operation upgrading

- Expanding the entrance to the traffic pool and improving the efficiency of private domain sedimentation.

Zhou Hei Ya strengthened the membership system and private domain operation

Under the value of "Open-minded and Pragmatic, Honest and Trustworthy", Zhou Hei Ya is committed to promoting Chinese braised dishes, and building an everlasting brand, so that Zhou Hei Ya can bring delicious food to the world. During the Reporting Period, Chairman Zhou visited Wuhan University and Wuhan Polytechnic University to share our experience and culture with students.

Step Into the Campus: Lectures on “Inheritance and Innovation of National Braised Food Culture – Zhou Hei Ya’s Change”

In June 2024, Mr. Zhou Fuyu, the Chairman of Zhou Hei Ya and the founder of the brand, visited Wuhan University and Wuhan Polytechnic University to give a lecture to students on “Inheritance and Innovation of National Braised Food Culture – Zhou Hei Ya’s Change”.



Chairman Zhou told the audience how Zhou Hei Ya had grown from a small store into a leading enterprise in the braised food industry since 1997. In addition, Chairman Zhou discussed Zhou Hei Ya’s innovative measures and strategic adjustments in brand remodeling, market positioning and marketing strategy, highlighting the importance of creating the influence of a powerful brand for the long-term development of the enterprise.

Responsible Governance

1.1

Corporate Governance

1.2

Business Ethics

1.3

ESG Governance



We continue to refine our corporate governance structure, enhance the diversity and quality of our Board of Directors, strengthen risk management mechanisms, adhere to high standards of business ethics, and integrate ESG principles into all aspects of our operations.

1.1 Corporate Governance

Zhou Hei Ya strictly abides by the *Company Law of the People's Republic of China*, the *Corporate Governance Code of the HKEX Listing Rules* and other laws and regulations, as well as the requirements of relevant regulatory authorities. A clearly defined governance structure with a clear division of rights and responsibilities has been established and led by the board.

The company's board of directors consists of six members, including three executive directors and three independent non-executive directors. The Company has four main board committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Strategic Development Committee. Each Board committee operates in accordance with its terms of reference. The specific terms of reference of the Board committees are available on the websites of the Company and the Stock Exchange of Hong Kong.

Board Diversity

The diversity of members of the board of directors is an important factor in maintaining good corporate governance, achieving sustainable development, and meeting the strategic goal. When selecting, nominating and confirming such members, Zhou Hei Ya takes into account many factors, including but not limited to gender, age, cultural and educational background, region, professional experience, skills, knowledge, service term and compliance with regulatory requirements, to ensure the efficient and comprehensive operation of the Board of Directors. During the Reporting Period, the Board of Directors appointed Ms. Wang Yali as an executive director, so as to achieve the gender equality.

1.2 Business Ethics

Zhou Hei Ya strictly abides by the *Contract Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, and continuously strengthen integrity construction within the Group through the *Anti-Corruption Working System and the Articles of Discipline Inspection Committee of Zhou Hei Ya*, the *Measures for Whistleblowing in Discipline Inspection and Supervision*, the *Measures for Discipline Inspection and Supervision Management of Zhou Hei Ya* and other internal policies. During the Reporting Period, the Group published the *Zhou Hei Ya Group Regulations on Anti-corruption and Compliance Inspection*.

Zhou Hei Ya is committed to maintaining a clean business environment by rejecting any act of corruption and any infringement of consumers' interests. We continue to optimize the supervision and whistleblowing system, establish channels for feedback, supervision, and whistleblowing of frauds, respond quickly to each report, follow up and conduct detailed investigations promptly while protecting the privacy information of whistleblowers.

In addition, to encourage more people to participate in the supervision, we have established a whistleblower reward mechanism that offers both recognition and incentives for validated reports. Thanks to our strict prevention and control measures and an efficient supervision system, there were no corruption cases occurring within the Group during the Reporting Period.

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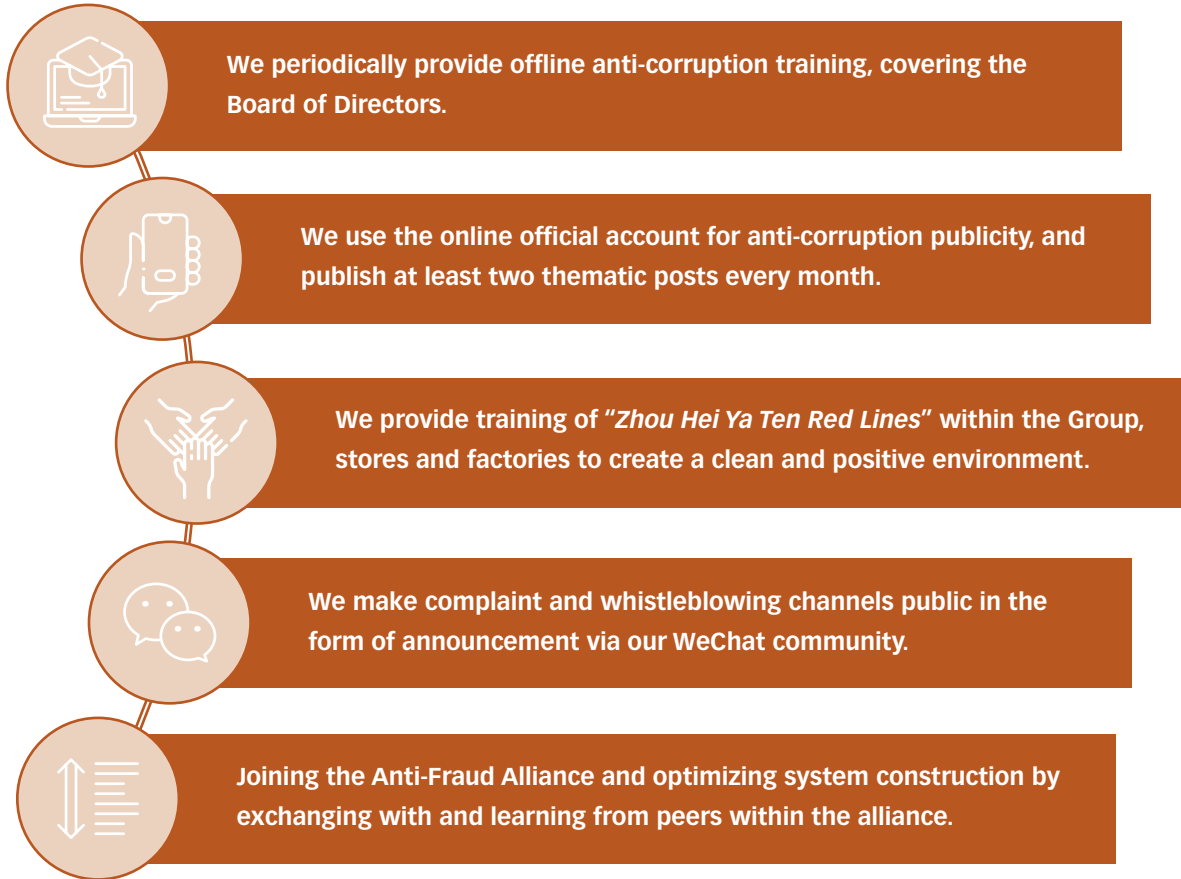
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Whistleblowing channels of Zhou Hei Ya

As a governing council member of the *Enterprise Anti-Fraud Alliance*, we have launched a number of exchange and learning activities with fellow members to enhance our abilities of disciplinary inspection and supervision. Meanwhile, occupational ethics training is provided for all directors and employees to raise their awareness of abiding by laws and working cleanly, and improve their awareness and skills of anti-fraud.



Zhou Hei Ya's Anti-Corruption Culture



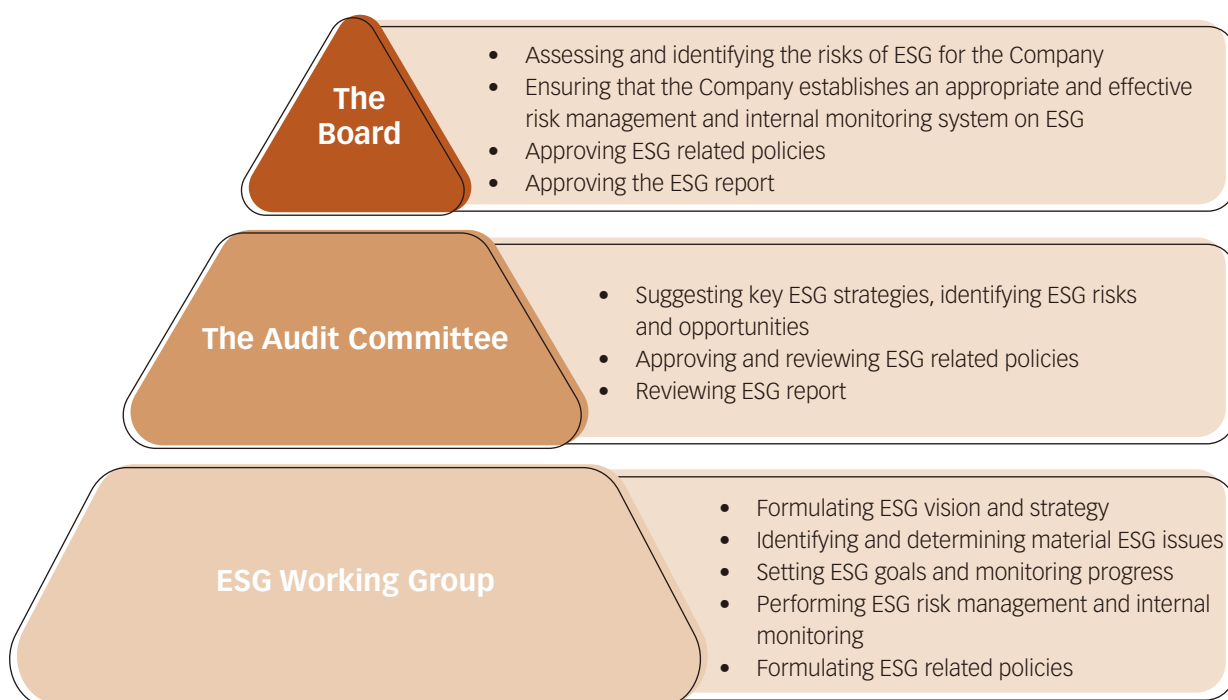
Member of the Anti-Fraud Alliance

1.3 ESG Governance

We understand the significance and value of sustainable development to business operations and corporate culture. We hold it that progress is guaranteed by sustainable development for a long term. The Group continues to strengthen communication and exchange with our stakeholders, carry out ESG target management, improves internal management, and integrates ESG governance into corporate operation.

1.3.1 ESG Management

To ensure effective implementation of ESG initiatives, Zhou Hei Ya has established and improved a three-level management structure that is coordinated by the Board of Directors, managed by the Audit Committee, and supported by the ESG work team. Duties at all levels are clearly defined and coordinated.



ESG Statement from the Board

Board Responsibility

Our Board of Directors supervises and is ultimately responsible for the Group's ESG performance. It is responsible for regularly discussing and reviewing the Group's ESG risks and opportunities, performance, and progress to ensure that the Group establishes a sound and effective ESG management and internal control system. The Audit Committee and ESG Working Group under the Board oversee and implement the Company's ESG initiatives.

Day-to-day Implementation

The members of Audit Committee are appointed among the Non-Executive Directors of the Board. Their responsibilities include: proposing the Group's ESG strategy, identifying significant risks and opportunities, overseeing and reviewing the setting of ESG related goals, regularly discussing the adaptability of goals as the Company develops, following up on the progress of ESG goal achievement, reviewing ESG reports, etc. The ESG Working Group develops ESG vision and strategy, identifies and determine major ESG issues, sets ESG goals and monitors their progress, implements ESG risk management and internal monitoring, formulates ESG related policies, and ensures the implementation of ESG work. The Audit Committee regularly reports and makes recommendations to the Board of Directors. During the Reporting Period, the Audit Committee held three meetings.

Identification of ESG Risks & Opportunities

The nature of the Group's business and its operating environment exposes the Group to various potential risks that may have an impact on the sustainable development of the Group. The Board oversees major ESG issues, including related risks and opportunities. The Audit Committee and ESG Working Group assess environmental and social risks. During the Reporting Period, they made a systematic review of climate change-related risks and opportunities, and advised the Board of Directors on risks of strategic importance and developed future risk response and mitigation plans. We have incorporated the relevant significant risks into the enterprise risk management framework and taken proactive measures to mitigate the relevant impacts.

Materiality Analysis

The Group regularly organizes internal and external events to maintain close communication with our stakeholders, continuously identify and assess ESG issues, and determine the materiality of these topics. The ranking of major issues has been determined through the third-party's materiality analysis, and the results have been discussed and approved by the Audit Committee of the Company.

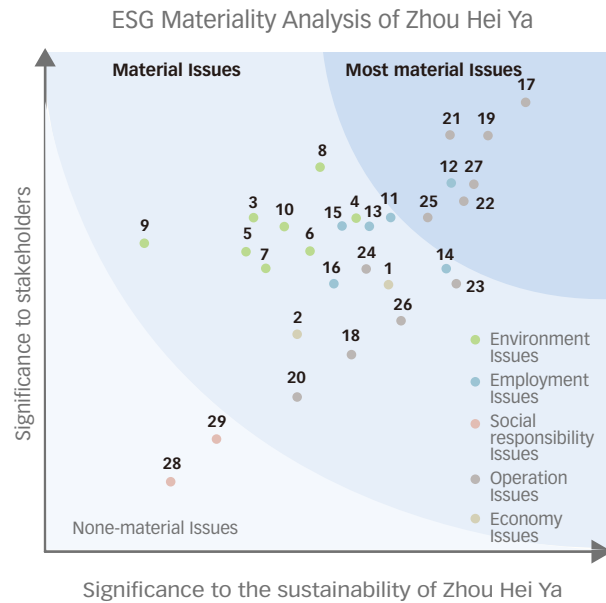
1.3.2 Stakeholder Engagement

Zhou Hei Ya has actively and profoundly communicated with six types of major stakeholders from all walks of life (including shareholders/investors, government departments, suppliers, employees, media, and consumers) on ESG-related issues through field investigations, interviews, questionnaires, and other methods regularly and irregularly. The main purposes are to understand stakeholders' concerns on the ESG issues, in order to incorporate relevant feedback in operation and take precise measures in response to stakeholders' demand.

Stakeholders	Major Concerned Issues	Communication Channels/ Feedback Approaches	Frequencies/Times
Shareholders/ Investors	Operating performance Corporate governance Employee Benefits	<ul style="list-style-type: none"> General meeting of Shareholders Annual report, interim report, and ESG report Investors meeting Performance conference Press release/ announcement On site investigation 	<ul style="list-style-type: none"> Annual general meeting of Shareholders Scheduled release of Annual report, interim report and ESG report each year Annual and interim performance press conferences Others non-scheduled
Government Authorities	Food safety Consumer communication Environmental management Compliance operation	<ul style="list-style-type: none"> On site investigation Special conference Performance reporting Spot check Business processing 	<ul style="list-style-type: none"> Non-scheduled
Suppliers	Supply chain management Food safety Anti-corruption	<ul style="list-style-type: none"> On site investigation Supplier assessment Quality communication meeting Supplier meeting Suppliers anti-corruption education Telephone/written correspondence 	<ul style="list-style-type: none"> Quarterly quality communication meeting with suppliers of raw, auxiliary and packaging materials Others non-scheduled
Employees	Compensation and benefits Employee stability Training and development	<ul style="list-style-type: none"> Training report Satisfaction questionnaire Class interview Telephone interview Communication of training activities Video meeting 	<ul style="list-style-type: none"> Monthly training report (during the development of training projects) Others non-scheduled
Media	Food safety Community investment Green production	<ul style="list-style-type: none"> Press releases/ announcement Interview Conference 	<ul style="list-style-type: none"> Non-scheduled
Consumers	Food safety Food nutrition and health Green production Communication and service	<ul style="list-style-type: none"> Online promotion and announcement Offline exhibitions Offline promotion activities Customer service call WeChat/Weibo 	<ul style="list-style-type: none"> Non-scheduled

1.3.3 ESG Materiality Analysis

Zhou Hei Ya conducts questionnaire surveys over stakeholders regularly to collect their opinions and expectations of ESG, updates the materiality analysis, and focuses on the issues that have a significant impact on our sustainable development, which is highlighted in the ESG report. During the Reporting Period, the Company has identified and summarized 29 ESG issues, seven of which are the major ESG issues that this report focuses on.



No.	ESG Issues
1	Business performance and economic results
2	ESG governance
3	Consumption of energy sources
4	Wastewater treatment and discharge
5	Greenhouse gas emissions
6	Exhaust fume treatment
7	Treatment and disposal of solid waste
8	Food waste disposal
9	Response to climate change risks
10	Consumption of packaging materials and Sustainable packaging
11	Compliance employment
12	Employee remuneration and benefits
13	Employee diversity and equal opportunities
14	Occupational health and safety

No.	ESG Issues
15	Career development and employee training
16	Employees care and communication
17	Product quality and safety management
18	Food nutrition
19	Food safety of supply chain
20	Environmental and social impact of suppliers
21	Food traceability management
22	Consumer service and communication
23	Consumer information and privacy
24	Intellectual property rights
25	Business ethics and Anti-corruption
26	Responsible marketing
27	R&D and innovation
28	Investment in philanthropy
29	Community contribution

Food Safety and Good Quality

2.1

Food Quality and Safety

2.2

Innovation Driven Development

2.3

Responsible Supply Chain

2.4

Customer Service



In Chinese, the character for “food” (食) is formed by combining the characters “person” (人) and “integrity” (良). Food safety is a non-negotiable redline of this Group. With quality coming first, we guarantee food safety strictly, promote R&D innovation, improve customer service, and strive to create healthier and more delicious leisure food for consumers, so as to let them have better experience. Meanwhile, we continue to support the construction of the upstream and downstream industries, strengthen supply chain management, and work with partners for sustainable development.

2.1 Food Quality and Safety

We believe that delicious, healthy and convenient products can bring more fun and better experience to consumers. We never stop to optimize our product quality and safety management system, establish a quality management mechanism covering all processes, and build the quality culture to enhance employees’ awareness of and responsibility for quality.

2.1.1 Quality and Safety Management System

We strictly abide by the *Food Safety Law of the People’s Republic of China*, the *Regulations on the Implementation of the Food Safety Law of the People’s Republic of China*, the *Product Quality Law of the People’s Republic of China*, the *State Administration for Market Regulation of the People’s Republic of China on the Supervision and Administration of Enterprise Implementation of Food Safety Main Responsibility*, the *GB 2762-2022 National Food Safety Standard-Limit of Pollutants in Food*, and the *GB 5749-2022 Sanitary Standard for Drinking Water*, to ensure that the production, processing, storage, transportation and sales of food are safe.

With quality coming first, Zhou Hei Ya has established a sound food quality and safety management system. We continued to optimize the food safety management system. During the Reporting Period, 315 food safety and quality documents were revised (or added) within the Headquarters and industrial parks, including quality management requirements for bulk purchased products, handling process of disqualified bulk braised products, e-commerce storage operations, and plant cleaning procedures.

We attach great importance to the construction of the product recall mechanism and conduct recall drills regularly to verify and improve the efficiency and accuracy of recall. During the Reporting Period, the Group did not experience any product recall incidents due to safety or health concerns.

By the end of the Reporting Period, five major factories of Zhou Hei Ya had passed the certification of FSSC 22000, HACCP and ISO 9001 food safety and quality management system, among which Sichuan Industrial Park had passed the above certification for the first time. In addition to the above certifications, Hubei Industrial Park had also maintained BRCGS certification, FSMA certification, FCE¹ certification for exported products, and Wuhan Famous Product certification. During the Reporting Period, Hubei Industrial Park also passed the Hubei Premium Product certification.

¹ Food Canning Establishment (FCE) registration certification issued by U.S. FDA



Sichuan Industrial Park passed the certifications of FSSC 22000, HACCP, ISO 9001 food safety and quality management system.



Hubei Industrial Park passed the "Hubei Premium Product" certification.

From September to October 2024, Zhou Hei Ya reviewed the food safety system throughout the chain, covering all key stages from research, development to sale. During the course, we identified the risks of food safety and developed measures to reduce potential risks. During the Reporting Period, Zhou Hei Ya conducted 113 food safety audits on raw material suppliers, 15 on factories, and 469 on retail stores.

Quality Assurance Department at the Headquarters

- Conducted comprehensive supervision and spot check covering food safety and quality for key commercial markets in various regions.
- Covering 469 stores in 19 commercial and trading areas, made corrections on site and followed up on the rectification.
- Reviewed the common and key issues of stores every month, made improvements, and ensure operation and service quality of stores.

Commercial Trade Comprehensive Inspection and Supervision Team

- The Inspection and supervision team conducted comprehensive supervision and management spot checks on 337 stores in 19 commercial and trading areas, made corrections on site and followed up on the rectification.

Self-inspection

- Daily survey, weekly control, and monthly scheduling were conducted in all regions.
- The management of individual regions conducted monthly supervision and inspection covering all stores, identified problems, made corrections on-site, and followed up on the rectification.
- Reviewing the common and key issues in commercial areas, providing training and making improvements.

Comprehensive supervision and inspection of stores

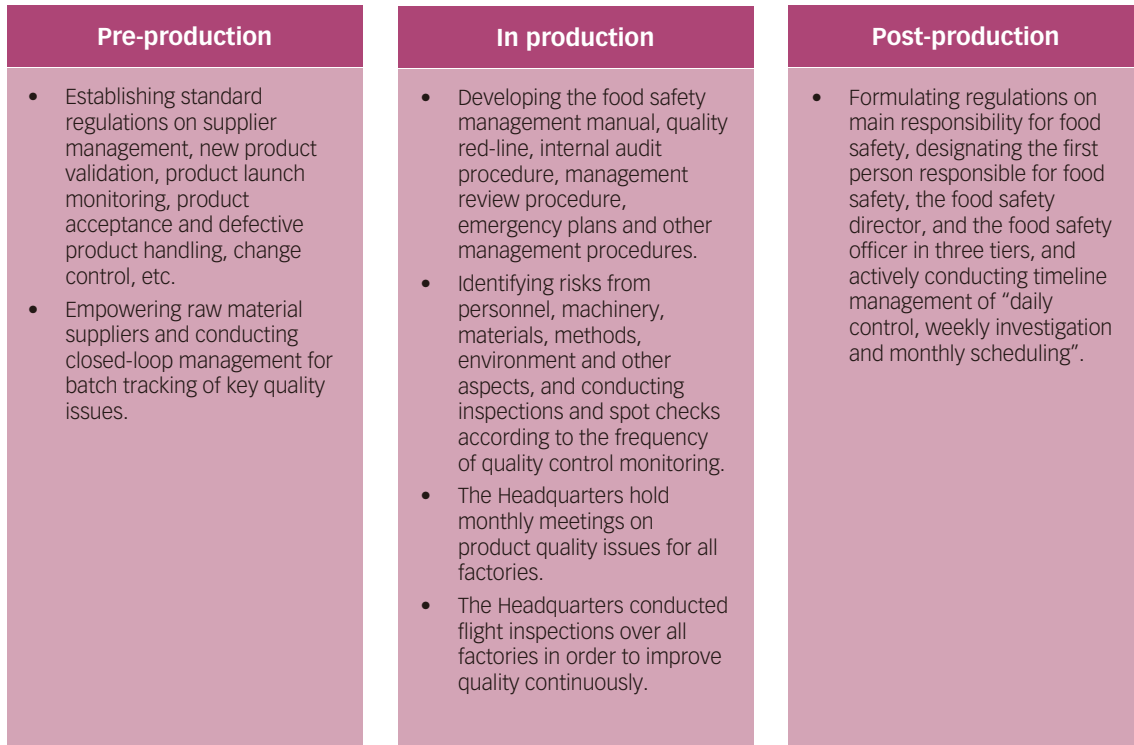


Food Safety and Quality Flight Inspection

After reviewing food safety and quality of suppliers, Zhou Hei Ya took measures to ensure their food safety and quality in order to improve product quality. We have established and improved a supplier evaluation system. In addition to routine batch traceability and closed-loop management of supplier quality issues, we conducted on-site specialized empowerment and abnormality identification training for 10 key raw material suppliers, ensuring a significant enhancement in supply chain quality and food safety standards.

2.1.2 Whole-Process Quality Control

In order to continuously improve food safety management levels, we have implemented whole-process quality control system. From supplier selection, production, logistics and transportation to store operation, we follow Zhou Hei Ya quality control standards and objectives strictly to provide consumers with safe, reliable and high-quality food.



Zhou Hei Ya's Whole-process Quality Control

Zhou Hei Ya pays close attention to each stage of production. We have established a scanning and traceability system to monitor all the chain through code scanning. A blacklist may be created for rejected products, which can not be sold with a reminder when scanning codes.



Zhou Hei Ya's Full-chain Scanning and Tracing System

2.1.3 Quality Culture Construction

Zhou Hei Ya creates the food safety culture by building a quality culture management system, which combines management, stores and factories, to guarantee the wide-spread and in-depth practice of the food safety culture, improve employees' quality awareness, and encourage them to participate in the Group's product quality control.

Management

In 2024, Zhou Hei Ya provided 27 sessions of quality and food safety training, concerning laws and regulations, corporate procedures, professional skills, and quality management methods, covering 4,305 person-times.



Modules of Training for Management

Training on "Sterilization Principles and Procedures"

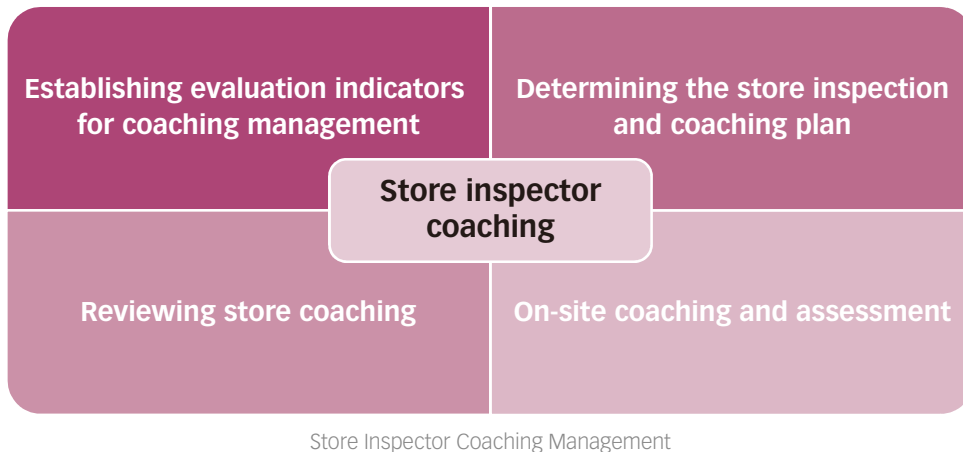
Zhou Hei Ya invited sterilization experts to provide training to improve employees' understanding of the food sterilization principles, strengthen the application of sterilization technology and the ability of microbial risk control, and ensure the quality of vacuum products. The training covered sterilization technology principles, sterilization equipment operation specifications, sterilization program development process, sterilization efficiency verification, and equipment maintenance, which helped improve the standardized management of production.



Stores

In order to cultivate and improve store inspectors' skills, fulfill the responsibility of the commercial food safety management, and ensure food safety and compliance of stores, Zhou Hei Ya formulated the on-site coaching management plan for store inspectors in 2024, enabling Zhou Hei Ya to manage the food safety and quality of stores.

According to the plan, we provided theoretical training on Store Quality Inspection Techniques, and conducted one-for-one on-site drills and assessments to strengthen the inspection skills of store food safety workers. During the Reporting Period, the Store Quality Inspection Technique training and on-site coaching covered 158 person-times.



Zhou Hei Ya Quality Gatekeeper Mechanism

In order to improve customer experience and reduce adverse effects of product problems, we have set up a quality gatekeeper award since 2021. Workers of stores check the final quality of products before sale and are awarded for their selection of defect products according to the standards. It motivates front-end sales personnel to control product quality, and helps improve quality of products on the sales end.

Factories

In order to improve employees' awareness of quality and stimulate teamwork in terms of quality, we focus on the key quality issues and improvement points of factories, organize food safety culture activities, lead employees to improve the overall product quality, and practice the "FOOD" culture.

Quality Competition at Factories

We conducted a quality competition at factories concerning foreign matter content, poor air conditioning sealing, upgrading of disinfection methods for tools and equipment, and systematization of hygiene management, etc. Meanwhile, we provided a series of awards, e.g. Annual Quality Gold and Silver Award for Factories and On-site Quality Improvement Award, encouraging employees to ensure food safety and improve product quality.

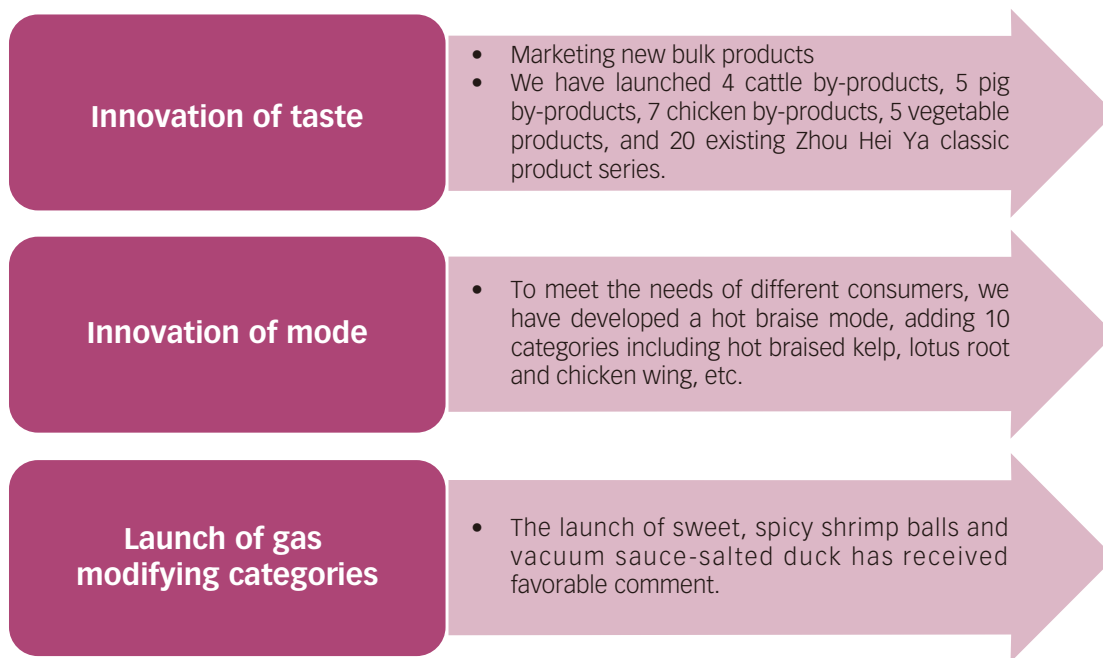


2.2 Innovation Driven Development

We focus on three core areas of iterative research of new product development, extension of product line and innovation of new taste, aiming to bring consumers a distinctive taste experience through continuous product innovation and provide consumers with more diversified product choices.

2.2.1 R&D innovation

Zhou Hei Ya adheres to the principle of product research and development with focus on consumers, and continues in-depth survey to meet consumers' needs. We are specialized in traditional and classic flavors such as braised duck neck, wing, collarbone, palm and tongue, and we continue to innovate the taste, mode and variety of flavors, thus receiving favorable comment from consumers.



Overview of Zhou Hei Ya Product Innovation in 2024

Zhou Hei Ya is committed to meeting different taste needs of consumers, and achieves precise regulation of the taste of braised products through intelligent R&D. Meanwhile, we organized a series of professional training to encourage continuous practice and innovation, and optimize the taste and flavor of braised products.

Intelligent detection for characteristic flavor and quality of sauce braised products

- We conducted intelligent detection for characteristic flavor and quality of sauce braised products, and synchronous detection for spice components in sauce braised products.
- Digitizing key flavors through intelligent online monitoring facilitates precise control of taste in workshops.

R&D of key technology to extract spices

- Analyzing the main flavor compounds and their contents of 22 spices, developing optimal extraction methods and process parameters for 4 spices, and providing technical support for production and marketing.
- At present, the process parameters for supercritical extraction of chili, Sichuan pepper, and star anise have been identified, which can improve utilization of key components and reduce use of spices.

R&D cooperation with universities or research institutes in 2024

Zhou Hei Ya Taste Sensitivity Improvement Training

In July 2024, Zhou Hei Ya provided training on improving taste sensitivity of braised products. It covered the functions, regulation techniques, and excessive effects of salty, fresh, sweet, and sour flavors to braised products. We raised team awareness successfully by sharing the methods to improve taste sensitivity.

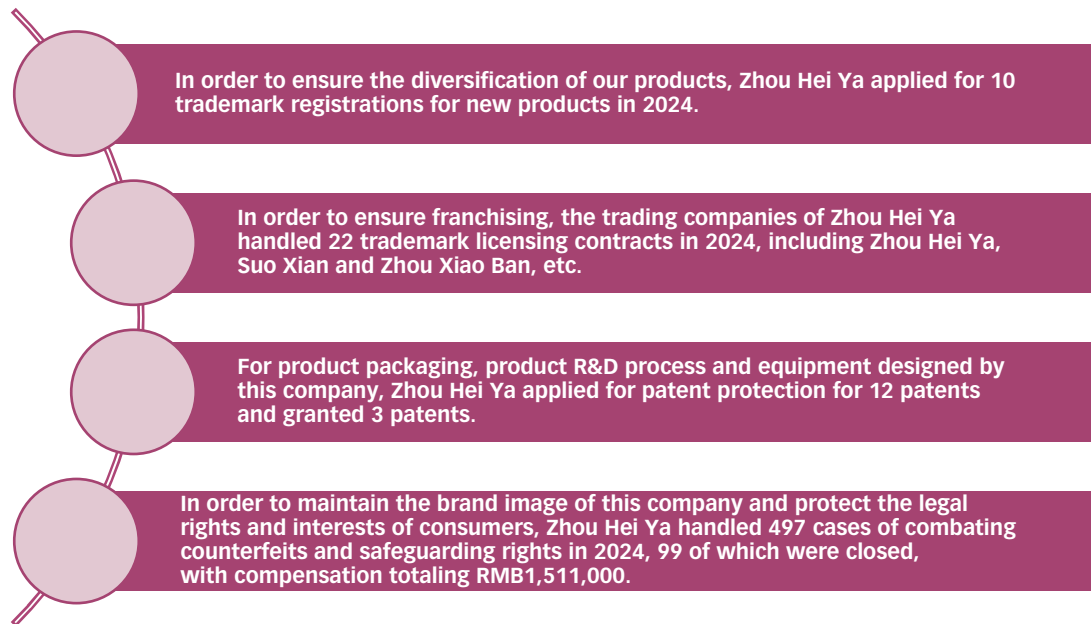
During the training process, we integrated hands-on practice with theoretical content by conducting flavor identification tests to enhance the team's sensory evaluation capabilities. Then, we analyzed the results, gave improvement suggestions, and emphasized the importance of taste sensitivity in product development. We encouraged team members to continue practicing and exploring to optimize the taste and flavor of braised products.



We pursue the concept of health, nature, and green, and strive to provide consumers with healthy food. During the Reporting Period, we replaced some auxiliary materials to reduce the introduction of food additives in auxiliary materials. Meanwhile, we cooperated with colleges and universities to research plant resources, explored key flavor functional components, built a green preparation technology system based on physically assisted extraction and enzymatic efficiency enhancement, explored the application of plant-based flavor functional base materials in sauce and braised food processing, and achieved standardization of flavor and precise formula design in braised food.

2.2.2 Intellectual Property Protection

We attach importance to protecting intellectual property rights (IPRs). We have established and complied with the *Internal Management Regulations*, e.g. Intellectual Property Management Measures, standardized the management of our trademarks, patents and other IPRs, and protected our intangible assets.



Protection of Zhou Hei Ya IPRs in 2024

2.3 Responsible Supply Chain

Zhou Hei Ya embraces win-win cooperation and builds a sustainable supply chain on a fair and transparent basis. We work closely with our suppliers on product quality and ESG performance, etc. to push forward the development of the industry.

During the Reporting Period, the Group established cooperation with 279 suppliers of raw materials, auxiliary materials and packaging materials. Among them, there were 193 non-local suppliers and 86 local suppliers representing 30.8%. We had entered into environmental protection agreements with 83 suppliers and provided 15 training sessions to them in order to create a healthy industrial ecosystem.

2.3.1 Supplier Management System

To build a responsible and sustainable supply chain, we have established a comprehensive supplier management system and optimized the *Supplier Management Regulations* and the *Supplier Performance Assessment Standard*.

We have built a supplier lifetime management system covering supplier access, performance assessment, evaluation and delivery, etc. Based on the strategy of classification and hierarchical management, we select those suppliers with strong willingness, capability, quality products and good services to increase cooperation, forming a favorable value chain.



Supplier Management System

Indicator	Unit	In 2024
Total Number of Suppliers	Nr.	279
Number of Local Suppliers	Nr.	86
Number of Non-local Suppliers	Nr.	193
Number of Suppliers with Signed the Environmental Protection Agreement	Nr.	83
Number of Training Provided to Suppliers	Nr.	15

2.3.2 Supply Chain Risks Identification and Control

To ensure the stability of the supply chain, improve suppliers' capacity to combat risks, and reduce potential risks in the supply chain, we have formulated the *Regulations on Emergency Procurement Handling* and established a three-stage supply-demand balancing system. We have established a monitoring sheet for supply of raw and auxiliary materials in a short, medium, and long term to assess and prevent risks such as stock-out, quality, capacity bottleneck, exclusive supply, and demand stability.



3-stage Supply-Demand Balancing System

We have implemented a series of sound management and control measures based on the classification of risks, to ensure smooth operation of the supply chain, maintain stable development of business, and enhance overall competitiveness.

We advance procurement and reservation of raw materials are intended to reduce uncertainties of delivery and quality, etc. so that supplier risks can be controlled.

For suppliers of main raw, auxiliary and packaging materials, we cooperate with two or more to reduce risks, e.g. supply interruption, quality issues or price increase.

Supplier Risk Control Initiatives

2.4 Customer Service

We pay close attention to quality and taste of our products and consistently prioritize customer service as our core focus. Based on marketing with compliance, we continuously improve the brand value and enhance consumers' awareness and affection of our brand. Meanwhile, we continue to optimize and upgrade customer service experience, so that every customer can feel our sincerity.

2.4.1 Compliant Marketing

We unify the publicity standard by formulating and implementing the *Regulations on Publicity Materials Management*, review the information of our publicity through the *Approval Process of External Publicity Materials*, and regulate advertising through the *Regulations on Advertising Launch* to ensure that all marketing activities comply with legal requirements, product details are accurate, and avoid misleading customers.

For e-commerce marketing and promotion, we respect consumers' right to know and choose. We only conduct automated marketing with consumers' consent, providing easy options to close marketing. We do not offer options based on personal characteristics in marketing. We are in compliance with the fair and transparent automated marketing rules.

Compliant Marketing Training

During the Reporting Period, Zhou Hei Ya provided five training sessions on compliance operation, including marketing tool application, store operation, promotion and launch operation, public domain to store operation, and WeChat groups operation. The compliance operation training covers the operation and planning of commercial food delivery, consolidating their compliance culture and enhancing the team's competitiveness and sustainable development in the complex markets.

Aiming to shape brand image and to enhance consumers' affection and loyalty to wards our brand, we organized omni-channel promotion and marketing activities on the basis of compliant marketing. We conveyed our product features and brand concept, established in-depth interactions with consumers in order to comprehensively improve brands' market value and impact through these activities.

Zhou Hei Ya × Rainbow Candy Collab

During the Reporting Period, Zhou Hei Ya × Rainbow Candy Collab achieved breakthrough results.

Excellent topic search performance on new media channels: The event attracted extensive attention and heated discussions on new media platforms. The number of topic searches on Tiktok reached 950k, and that of broadcasts exceeded 118m, which demonstrated high participation and topic popularity. On Xiaohongshu, the accumulated reading volume from the event exceeded 540k times, in addition to 2.7m exposures and 7,743 interactions, thus expanding the brand influence.

The joint marketing of public food delivery platforms enjoyed great achievements: the transaction volume and new customers have both achieved significant growth through three joint marketing events, During the Meituan 818 Coupon Festival, the sales increased by 33.5%, and the number of new customers placing orders increased by 25.3%, both year-on-year; the Meituan Super Brand Day resulted in an 11.1% increase in sales and an 18.8% increase in the number of new customers placing orders; as a result of Eleme Seeking Partners, the sales from and the number of new customers placing orders in participating cities increased by 21.5% and 22.9% respectively.

The sales and new members from the mini program growing rapidly: after the event, the daily sales of the mini program increased by 37.4%, and the daily increase in new members exceeded 500, which demonstrated consumers' favorable recognition of the brand.

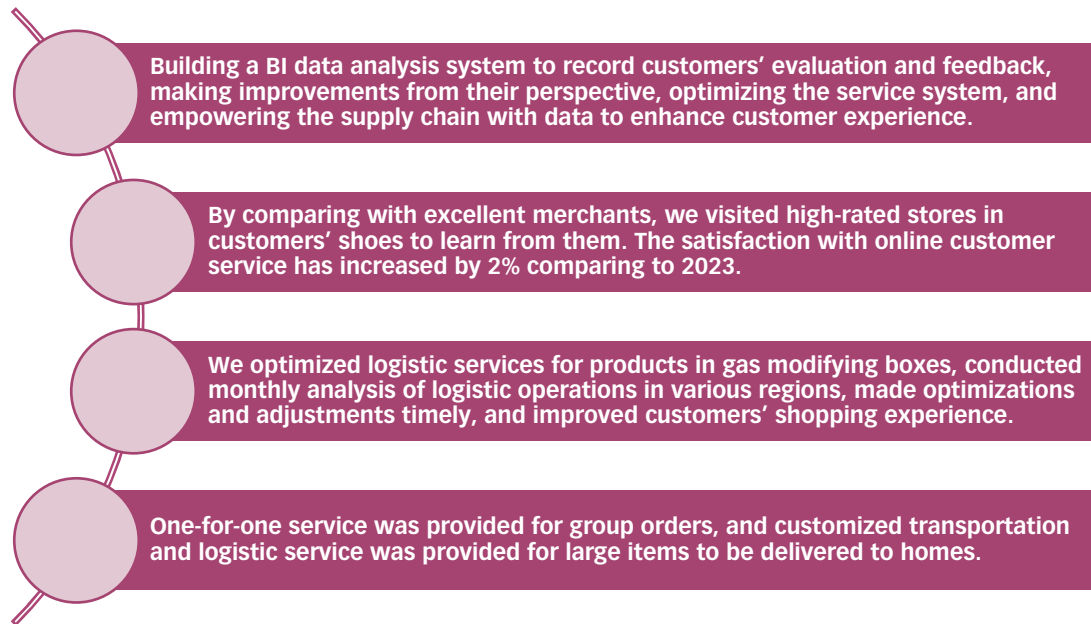


2.4.2 Customer Service Optimization

By adhering to the business philosophy and advocating the corporate culture of “Customers First”, we attach importance to consumer experience management, adhere to customer-centricity as the long-term guiding ideology of our service provide customers with various value-added services, and continue to create a warm and responsible brand image.

High-quality Service

The Group adheres that service creates value, so we dedicate ourselves to delivering superior service experiences for consumers and ensure high-quality customer service. During the Reporting Period, we improved customer experience continuously through digital empowerment, optimized logistic services, and provided customized services.



Zhou Hei Ya Improving Customer Experience in 2024

Zhou Hei Ya Held a Taste Competition Among All Factories

During the Reporting Period, Zhou Hei Ya successfully held a taste competition among all factories. They posted their samples to the Headquarters, which were reviewed by in-house experts to find excellent taste and technology. After the competition, we awarded the top three factories, promoted technical exchange among factories, which helped consolidate the stability of Zhou Hei Ya product taste, and improve customer experience.

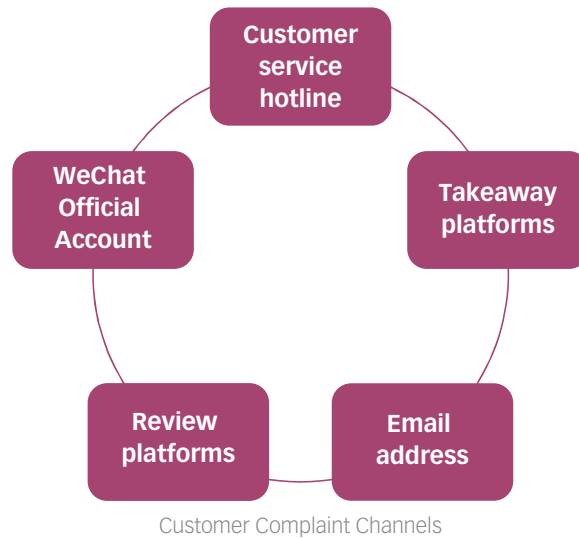
Training on Raw and Auxiliary Material Database to Improve Customer Service Skills

A case study system has been established by Zhou Hei Ya Customer Service to improve professional service through training. Also, they have created a mis-complaint database for raw materials and a status database for auxiliary materials before and after braising, which are used to communicate with customers so that they can have good understanding of product characteristics and production processes. In the market with decentralized platforms rapidly developing, this plan has improved service efficiency, and maintained brand image and consumers' trust.

Response to Customer Complaints

This Group strictly abides by laws and regulations, for instance, the *Law of the People's Republic of China on Protecting Consumers' Rights and Interests*, and the Food Safety Law of the People's Republic of China. We have formulated rules and regulations, e.g. the *Regulations on Customer Complaint Handling and Public Opinion Management*, which define the complaint channels and classification criteria. Through online and offline complaint handling, we ensure that consumer complaints can be resolved very quickly.

In order to precisely approach all consumers, we expanded our information channels in 2024, by putting complaint information from food delivery and review platforms under complaint management, in addition to our existing interaction channels, e.g. telephone and WeChat.

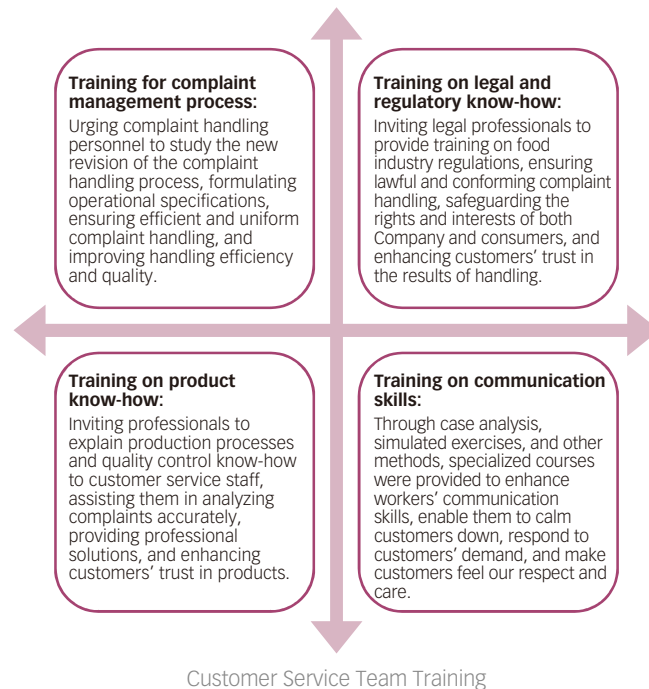


In 2024, we improved Zhou Hei Ya customer complaint handling process by upgrading the customer care system and employing targeted solutions for different scenarios while ensuring that customer complaints are properly and timely resolved.



Zhou Hei Ya's Customer Complaint Response Process

In order to better respond to customer complaints and improve customer satisfaction, we organized a series of training sessions for our customer service team, including complaint management process, legal and regulatory know-how, product know-how, and communication skills, etc., to enhance customer service skills and provide customers with better feedback experience.

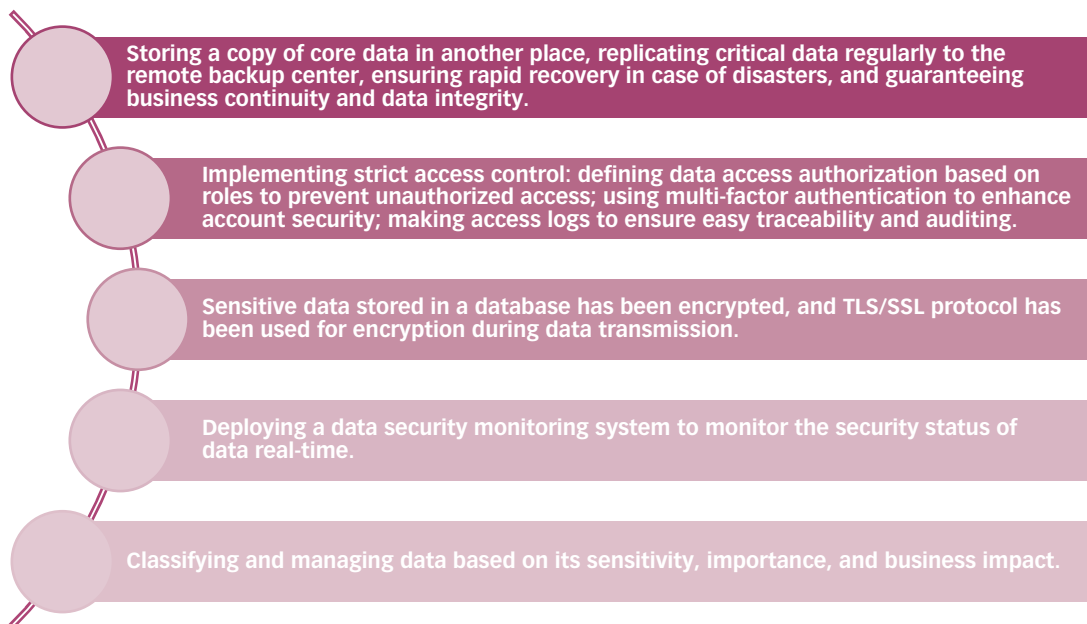


During the Reporting Period, we received a total of 645 complaints on products and services, 99.38% of which were handled.

2.4.3 Privacy protection and information security

Zhou Hei Ya formulated and implemented the *Data Security Management Measures*, by which the Company defined the duties of the data governance committee, the information data center and other departments, followed the principles of compliance, minimization, confidentiality, integrity and availability, and conducted data classification and hierarchical management.

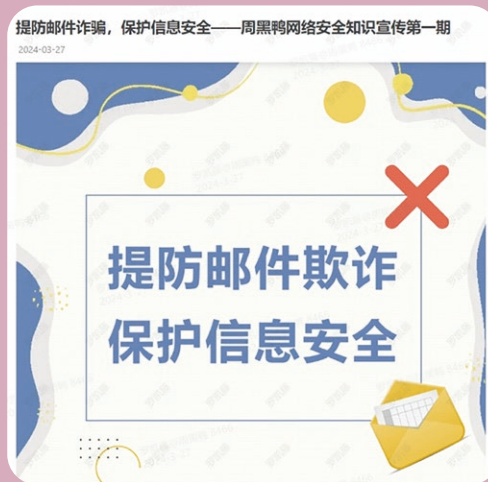
According to the *Law of the People's Republic of China on Protecting Personal Information*, Zhou Hei Ya formulated and upgraded the internal management systems such as the *Privacy Protection Regulations*, clarified the boundaries of rights and responsibilities and legal obligations of employees when dealing with customer sensitive information, and built a customer privacy management system.



Zhou Hei Ya's measures to protect customer privacy and data security

Zhou Hei Ya has built a closed-loop management system covering the life cycle of data security incidents, including early warning monitoring, emergency response, root & cause analysis, and rectification & optimization, etc. Through standardized processes, we can ensure rapid response to and effective disposal of safety-related incidents, minimize the impact of the incidents, and improve data security protection. During the Reporting Period, we received no complaint from customers regarding privacy protection, nor experienced any incident of data security or customer privacy breach.

In order to enhance employees' awareness of information security and privacy protection, Zhou Hei Ya released four issues of online security publicity on the culture communication website, with the theme of preventing email fraud and phishing websites. We have established a culture of full participation in information security and privacy protection through the promotion of cyber-security know-how, in order to prevent occurrence of any data security incident.



Zhou Hei Ya Cyber-security Poster

Green Development

3.1

Response to Climate Change

3.2

Environment Management

3.3

Use of Resources



In response to the national strategy of peak carbon dioxide emission, carbon neutrality and green ecology, we attach great importance to the impact of our operations on the environment, regard environmental protection and green operation as one of the key factors of the Group's sustainable development management, promote measures of energy conservation, carbon reduction and efficiency increase, and ensure that the green concept go through our overall strategy and whole process of food production and sale.

3.1 Response to Climate Change

While promoting green development, we firmly respond to the national targets of carbon peaking and carbon neutrality by making climate change risk identification a nuclear part of the corporate management. According to the TCFD's (Task Force on Climate-related Financial Disclosures) Guide, we roundly assessed and identified climate change risks and opportunities, and developed concrete countermeasures. While reducing future risks, we actively explore the direction of low-carbon transition, and continuously improve our ability to respond to climate change.

3.1.1 Climate Change Governance

We include climate change management functions into our three-tier ESG management structure, take the Board of Directors as the supreme authority, establish and continuously optimize communication mechanisms, and improve the effectiveness of climate change governance.

Board of Directors

- Developing management strategies for climate risks and opportunities
- Supervising and reviewing the effectiveness of management methods

Audit Committee

- Reviewing and approving climate related objectives, and tracking implementation of performance objectives
- Identifying and managing budgets, resources, and investments for identifying, mitigating, and monitoring climate related issues

ESG Working Group

- Identifying risks and opportunities related to climate change
- Promoting implementation of climate change risk management and climate-related management strategies

3.1.2 Climate Change Strategy

Zhou Hei Ya designs climate change management strategies scientifically, conducts climate scenario analysis, identifies and assesses the potential risks and opportunities arising from climate change, and distinguishes our physical risks and transformation risks.

We include the identified climate change risks into the existing risk management system, and develop mitigation and adaptation measures to address the challenges of climate change by taking feasible measures. Meanwhile, we have seized the opportunities from climate change, such as energy efficiency improvement, green product innovation and market expansion, to ensure our progress towards sustainable development.

Risk category	Risk sub-category	Risk	Risk description	Response
Physical risk	Acute risk	Floods (including storms, increased rainfall, and river overflows)	<ul style="list-style-type: none"> Rainstorms and floods cause serious damages to the infrastructure and equipment of the operation sites, factories and stores. The interruption of power supply requires immediate evacuation of personnel, resulting in suspension of operation, significant loss of assets, and decrease in sales revenue; Rainstorms and floods have an adverse impact on the logistics and supply chain, preventing delivery of products to stores. This not only impairs product quality, but also leads to inventory backlog, which increases operating costs and decreases sales revenue; Rainstorms and floods also have a devastating impact on the supply chain of raw materials, resulting in serious shortage of raw materials, which lowers sales, increases procurement cost and reduces profitability. 	<ul style="list-style-type: none"> Develop detailed contingency plans for different physical risks; Introduce the platforms of Early Warning 12379 and China Meteorological Administration's website in order to shorten the warning-response time; Introduce the concept of local management for extreme weather warning, according to which the Headquarters give a 10-day warning to remind operators. In response to extreme weather conditions, we adjust delivery time, stores' working hours, and employees' commuting time flexibly. Meanwhile, we issue safety warning notices in advance and provide seasonal special training to reduce accident occurrence and ensure production stability and operation order; To ensure the stability and diversity of supply chains, we have at least two or more suppliers for each type of raw and auxiliary materials, and main raw materials must originate from several regions and suppliers; Actively respond to the challenges of global climate change and set up clear objectives for greenhouse gas emission reduction; Take energy-saving and emission reducing measures to reduce the impact of our operation on environment; Establish strict packaging standards for modified atmosphere packaging products in response to extremely hot weather, and specify the quantity and size of external packaging and fresh-keeping ice bags to ensure quality and safety;
	Acute risk	Drought	<ul style="list-style-type: none"> Drought may cause water shortage, leading to an increase in water costs. In addition, insufficient water supply increases overall operating costs. 	
	Acute risk	Strong wind/cyclone/typhoon	<ul style="list-style-type: none"> Due to the complexity and uncertainty of forecast, typhoons often cause damage to the infrastructure and related equipment of operating sites, factories, and stores, leading to continuous interruption of operations and significant loss of assets; Under extreme weather conditions, employees are often unable to work outdoors, and prevented from commuting. This not only poses risks to the safety and health of employees, but also has adverse effects on operational efficiency, thus increasing the operating cost. 	
	Acute risk	Extreme heat	<ul style="list-style-type: none"> Extreme high temperature may have adverse effects on the health of ducks, e.g. causing heatstroke and diseases, thus reducing their reproduction. This not only affects product quality, but also lowers profitability; With extreme high temperature, products may be deteriorated significantly during transportation. This increases transportation cost and food waste, thus raising the operating costs. 	

Risk category	Risk sub-category	Risk	Risk description	Response
Physical risk	Acute risk	Extreme cold	<ul style="list-style-type: none"> Extreme cold weather may have adverse effects on duck farming, thus leading to a shortage of raw materials and a significant increase in costs; Extreme cold weather often leads to heavy snow and road closures, thus delaying transportation of raw materials and interrupting the supply chain. 	<ul style="list-style-type: none"> Considering the potential risk of heavy snow and road closures in Northeast China as cold winter approaches, we buy and store local raw materials in advance to ensure smooth operations.
	Chronic risk	Extreme fluctuations in weather patterns and changes in rainfall patterns	<ul style="list-style-type: none"> It is very possible for unstable weather to have a profound impact on the types and quantities of raw materials and products. For example, it may lead to a significant decrease in aquaculture production, thus resulting in drastic fluctuation in sales prices. 	
		Sea level rise	<ul style="list-style-type: none"> The existing stores are located on the coast of East China and South China, including the operational centers in Guangdong and Jiangsu. According to our prediction, these areas will face a serious threat of rising sea by the end of the 21st century (2081-2100), which may flood the operating premises and stores (2081-2100). 	
		Temperature rise	<ul style="list-style-type: none"> It is expected that the average temperature will rise by 4-6°C in the said regions by the end of the 21st century (from 2081 to 2100). The significant increase in temperature will affect production equipment, refrigeration system, human resource and products. 	

Physical Risk and Adaptation Measures to Climate Change

Risk category	Risk sub-category	Risk	Risk description	Response
Transition risk	Policies, laws and regulations	Requirements and regulations concerning existing products and services	<ul style="list-style-type: none"> In the implementation plan for controlling greenhouse gas emissions during the 14th Five Year Plan period in Hubei Province, it is emphasized that a green manufacturing system will be established for green products, green factories and green parks. With the increasingly strict requirements and supervision of national and local policies on environmental performance of products and factories, it is expected that policies will be further tightened in the future, which may increase operation costs. 	<ul style="list-style-type: none"> Strictly comply with relevant national and regional requirements and regulations; Set specific GHG emissions targets and promise to achieve carbon neutrality by 2060; Regular disclosure of GHG emissions; Actively develop and innovate green and low-carbon products; Take energy-saving and emission reduction initiatives to reduce GHG emissions across all operations and supply chains.
		Increasing GHG emissions pricing	<ul style="list-style-type: none"> Governments are committed to fulfilling their emission reduction commitments within the framework of the Paris Agreement. In this context, China has launched a nationwide carbon emission trading market. As more industries and enterprises are incorporated into the trading system, it is expected that the cost of carbon emission exceeding the quota will continue to rise. 	
		Strengthen emission reporting obligations	<ul style="list-style-type: none"> With the continuous improvement and implementation of carbon emission management and carbon trading mechanisms, the national and local requirements for this Group's emission reporting become stricter and stricter. 	
	Technology risk	Front-end cost of transition towards low-carbon emission technology	<ul style="list-style-type: none"> In order to meet government emission reduction requirements and consumer demand for environment-friendly products, we need to control product carbon emissions and may increase research and development of new technology and update production equipment. These measures may increase costs in a short term. 	
		Failed investments in new technologies	<ul style="list-style-type: none"> The 14th Five Year Plan emphasizes green transformation, and carbon emissions are strictly controlled by the government, which requires this Group turn to low-carbon technology and invest in energy conservation and emission reduction. However, the timing and outcome of technology development and application are uncertain, which may affect the return on investment in technology. 	

Risk category	Risk sub-category	Risk	Risk description	Response
Transition risk	Market risk	Changes in customer behavior	<ul style="list-style-type: none"> Because of climate change, consumers pay more attention to green food, greenhouse gas emissions from animal husbandry and industry, and the environmental impact of animal husbandry. This may affect customers' choice and even lead them to choose plant proteins, which poses a threat to our revenues; To meet customers' demand for low-carbon service and green products, and accelerate the transition to carbon neutrality, we may increase expenses of research, development and operation 	
		Uncertain market signals	<ul style="list-style-type: none"> Climate change may have adverse effects on the quality and quantity of raw materials, making it impossible to ensure steady product quality and continuous supply, thus posing a potential threat to our revenues; The emergence of alternative products and the uncertainty of upstream and downstream partners and consumer dependency may have unforeseeable impacts on the business development of this Group. 	
		Rising raw material costs	<ul style="list-style-type: none"> Rising temperature may have serious impacts on animals; exceeding their tolerance limits may cause heat stress and an increase of demand for energy and water, and affect weight gain and reproductive ability, thus increasing the cost of raw materials; Extreme weather may interrupt supply chain and transportation, resulting in raw material shortage, rising cost and revenue reduction. 	
	Reputation risk	Change of customer preference	<ul style="list-style-type: none"> Consumers may spread negative opinions about Zhou Hei Ya, which may impair our brand reputation; If we fail to meet customer expectations in sustainable development areas, e.g. energy conservation and consumption reduction, and fail to become a low-carbon benchmark in the industry, the existing customers may choose to cooperate with our competitors. This will lead to the loss of our customer base. 	

Risk category	Risk sub-category	Risk	Risk description	Response
Transition risk	Reputation risk	Stakeholders' increasing concern about negative feedback	<ul style="list-style-type: none"> If our environmental performance and information disclosure are not good, investors and customers may turn to our competitors, thus decreasing revenues; Investors are paying more attention to our performance in utilization of new energy and renewable energy, and have put forward their requirements; As customers and investors pay more attention to our environmental performance, our failure to comply with regulations may cause a loss of contracts and investments 	

Transition Risk and Adaption Measures to Climate Change

3.1.3 Environmental Targets

To lead environmental management in the Group, we put forward a number of long-term goals based on our own and the industrial characteristics. In order to track the progress and performance of such goals, we introduce a target review mechanism and a performance evaluation system. While monitoring the performance, we also ensure effective supervision and timely adjustment of our environmental management, so that the Group is on the way to achieve the sustainable development goals.

Greenhouse Gas Emission targets	Water Consumption target	Energy Consumption targets	Waste Discharge target
<ul style="list-style-type: none"> Reducing greenhouse gas emissions from all businesses and supply chains. Realizing carbon neutrality by 2060. 	<ul style="list-style-type: none"> The daily average pass rate of online sewage monitoring is 100% 	<ul style="list-style-type: none"> The average monthly power consumption per tonne of products is less than 1,850 kWh. The monthly average oxygen consumption per tonne of products (including natural gas and steam) is less than 450 m³ 	<ul style="list-style-type: none"> The compliant disposal rate of solid waste is 100%. The recycling of cardboard boxes is 100%.

Environmental Targets of Zhou Hei Ya

During the Reporting Period, Zhou Hei Ya set up target values for the average consumption of water, electricity and gas per tonne based on the historical data of individual industrial parks. We ensure that our goals can be achieved by building an energy management matrix, setting key control points for energy consumption, reviewing energy consumption targets monthly, and sharing the highlights of energy improvement among the factories. During the Reporting Period, all energy consumption targets were achieved within the Group.

3.2 Environment Management

With green development as an important goal, Zhou Hei Ya makes efforts to improve the environmental management system, implement the sustainable development strategy with an open and innovative attitude, and fulfill the responsibility to protect the green ecology.

3.2.1 Environment Management System

The Group acts in compliance with laws, rules and regulations related to environmental management, e.g. the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Air Pollution Prevention and Control*, the *Law of the People's Republic of China on Water Pollution Prevention and Control*, the *Law of the People's Republic of China on Solid Waste Pollution Prevention and Control*, and the *Law of the People's Republic of China on Environmental Impact Assessment*. During the Reporting Period, we re-identified the list of laws, regulations, and standards, and integrated external regulatory requirements with our management system. Also, we improved our management policies such as the *Management System for Company Landscaping and Environmental Management*, the *Regulations on Hazardous Waste Management*, and the *Environmental Emergency Plan* in order to regulate our environmental management and emission well.

We continued to promote environmental management system certification and auditing, and improve our environmental management. In 2024, the environmental management system audits for Hubei Industrial Park and the Sichuan factory were completed. By the end of the Reporting Period, our ISO 14001 environmental management system certification had covered all factories in Hubei, Hebei, Guangdong, Jiangsu, and Sichuan.



ISO 14001 Environmental Management System Certification

This Group has formulated an annual environmental protection training plan, which includes 6 theoretical training sessions and 3 emergency drills on laws and regulations, solid waste, clean production, sewage operation procedures, emergency plans, management systems, etc. During the Reporting Period, we neither had a significant impact on the environment and natural resources, nor experienced any environmental accidents or received any administrative penalties related to environmental protection.

3.2.2 Exhaust Emission Management

We comply with the Law of the People's Republic of China on Air Pollution Prevention and Control, the GB 13271-2014 Emission Standard of Air Pollutants for Boiler, the Emission Standard for Oil Fume Pollutants in the Catering Industry (for comment), and exhaust gas emission standards. The Group continuously optimized internal management procedures such as the *Procedures for Waste Water, Exhaust Gas and Noise Control*. During the Reporting Period, we made improvements to the management gaps that may exist in the exhaust gas treatment facilities and online monitoring systems, and raised the requirements for on-site management of factories.

During the Reporting Period, the Group's total exhaust emissions² were 342,572,557 m³, and all the exhaust emissions emitted up to the standard.

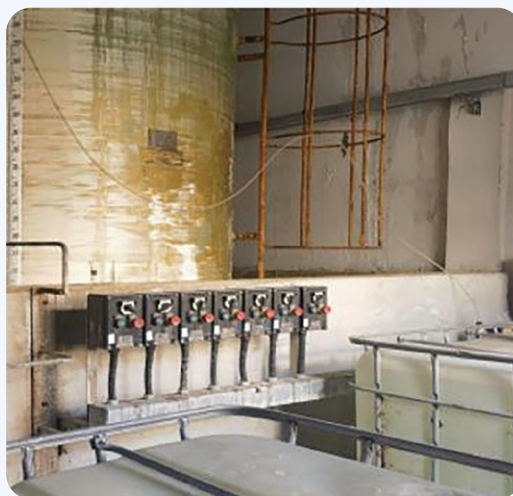
3.2.3 Wastewater Management

This Group acts in compliance with the laws, regulations, and standards such as the Law of the People's Republic of China on Water Pollution Prevention and Control and the Discharge Standard for Water Pollutants in the Meat Processing Industry. During the Reporting Period, we took such management measures as renovating sewage treatment plants and providing training on operating procedures for sewage treatment plants to ensure conforming treatment of wastewater from production and ensure legal discharge. During the Reporting Period, we had no water source pollution or related penalties.

Renovation of Wastewater Treatment Plants

The air flotation tank in the sewage treatment plant of the Hubei factory was in service for a long time, where water couldn't be separated from sludge in the sewage, so that sludge and water entered the back-end IC system together. Therefore, it failed to meet the sewage discharge threshold and caused waste of electricity.

In the first half of 2024, the Equipment Office invested nearly RMB235,000 in replacing the dissolved gas tank and slag scraping system in the air flotation system of the sewage treatment plant, ensuring sound discharge and treatment of sewage and reducing environmental risks. After completion of the project, the discharge of pollutants in sewage was reduced successfully, saving 35,026 kWh.



² The exhaust gas emissions data of 2024 covered all factories in Hubei, Hebei, Guangdong, Jiangsu, and Sichuan.

Measures for Wastewater Management in the Jiangsu Factory

The Jiangsu factory has defined the responsibilities for sewage management. The sewage team leader visits workshops for weekly inspection, while the sewage station management conduct irregular inspections to evaluate any failure. Meanwhile, a qualified third-party is invited to clean the oil separation tank every quarter of year, and conduct manual checks on ammonia nitrogen, total nitrogen, total phosphorus, and COD every Thursday to ensure correctness of online testing and compliance with the quality standard of discharged water.s



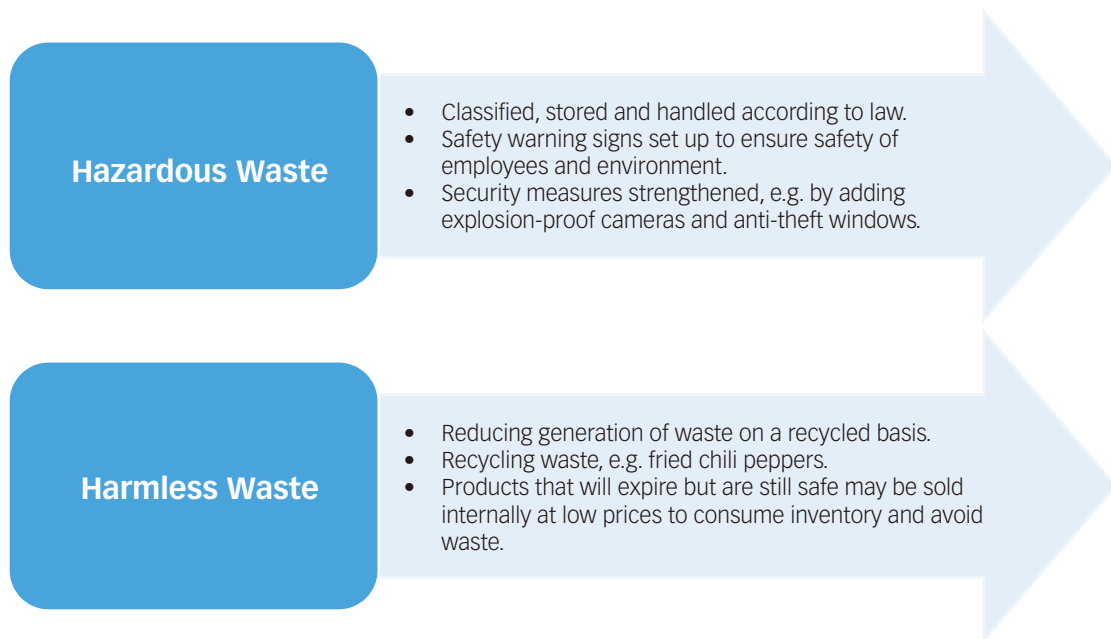
Manual Testing of Wastewater

Discharge Amount of Wastewater and Pollutant	Unit	2022	2023	2024
Wastewater discharge	tonne	427,848	435,836	438,406
COD discharge	tonne	44.49	51.59	41.01
Ammonia nitrogen discharge	tonne	1.64	1.37	1.43

3.2.5 Waste Management

The Group has adopted a scientific, safe classification management system for waste from production and operation. We have formulated waste management regulations, e.g. the *Solid Waste Management Measures* and the *Waste Management Procedure*, which regulate the collection, storage, and recycling of different kinds of waste in order to prevent any leakage of hazardous waste and ensure work safety.

During the Reporting Period, we updated the waste management requirements among our factories in accordance with the *Law of the People's Republic of China on Solid Waste Pollution Prevention and Control*, the *Environmental Protection Law of the People's Republic of China*, the *Pollution Control Standard for Hazardous Waste Storage*, and the *Technical Specifications for the Setting of Hazardous Waste Signs* in order to manage waste better.



Waste Classification Management

Solid Waste	Unit	2022	2023	2024
Non-recyclable industrial solid waste	tonne	880	917	499
Recyclable industrial solid waste	tonne	1,901	2,607	2,573
Household waste	tonne	7,534	1,415	1,275
Total amount of non-hazardous waste	tonne	12,699	6,584	5,966
The amount of non-hazardous waste per RMB10,000 revenue	tonne/RMB10,000	0.05	0.02	0.02
Total hazardous waste generated	kg	3,171	26,380 ³	2,544
The amount of hazardous waste per RMB10,000 revenue	g/RMB10,000	13.53	96.15	10.38

³ The increase in the total amount of hazardous wastes in 2023 was due to the removal of the thermal oil boiler at the end of 2022 and the generation of a batch of thermal oil in 2023.

3.3 Use of Resources

While maintaining production and operation, the Group responds promptly to the initiatives and requirements of the national strategy of peak carbon dioxide emission and carbon neutrality, explores energy-saving opportunities across operational processes, including office administration and production activities, strengthens employees' awareness of energy conservation and emission reduction, and maximizes resource utilization and promotes sustainable development of the value chain through process water conservation, water resource recycling, and packaging material recovery.

3.3.1 Energy Management

We strictly comply with the *Law of the People's Republic of China on Energy Conservation*, and continue to optimize our regulations, e.g. the *Energy Resource Management Procedures* and the *Energy Assessment Mechanism*. To regulate energy management, we have clarified the responsibilities of individual departments and energy management, implemented the Group's requirements for energy use and management, and improved energy efficiency.

We have established an energy management matrix model, focusing on the data of power and thermal energy consumption. During the Reporting Period, based on the energy consumption management matrix model, we conducted more detailed statistical analysis of energy consumption data for production, warehousing, logistics, and office operations, etc.. Through cause analysis of energy consumption differences, all industrial parks have taken a series of energy-saving and consumption-reducing measures, such as optimizing operation management, upgrading and transforming equipment, and promoting clean energy, in order to achieve the goals of energy conservation, emission reduction, and improving energy utilization.

Energy consumption identification

- Comprehensive collection and statistical analysis of energy consumption data for production, administration, logistics and supply chain, etc. have been conducted. By comparing energy consumption data from different periods and regions, the cause of energy consumption differences was identified.

Energy management

- Inspection and audit have been conducted strictly. Audit is reviewed by manager and supervisor, who also attend discussions on Data System Management (DMS).
- 10% of the performance of employees in key positions, e.g. equipment operation, is related to energy consumption cost control.

Zhou Hei Ya energy management matrix model

Cold storage partition

- During the Reporting Period, the Hubei factory partitioned the No. 3 freezer to reduce energy consumption and waste. After the partition, 57,142 kWh was saved.

Adjustment of boiler operating parameters

- Through repeated tests, all industrial parks optimized and adjusted the operating parameters of Boiler No.1. By adjusting the target pressure, starting pressure, and stopping pressure, we were able to reduce gas consumption and save natural gas while gas was available to workshops.

Optimization of Operation Management

Upgrading of deep fryer

- All industrial parks have replaced the frying pans with proper inner diameters, and have reduced monthly oil replacement and in-shift oil addition. While meeting the production requirements, they have reduced power consumption and improved energy utilization.

Upgrading and optimization of refrigerators

- By installing control valves to refrigeration pipelines and charging ethylene glycol refrigerant into refrigeration pipelines and water-cooling units, all industrial parks have achieved the goal of using only one water-cooling air-conditioner from May to September of each year when ice melting, halogenation, sorting, and air conditioning are used simultaneously, which helps reduce refrigeration energy consumption and greenhouse gas emission significantly.

Transformation of steam boilers

- Zhou Hei Ya Jiangsu Factory recycles hot water discharged from boilers through the blow-down expander into the soft water tank of boilers, so that the water in the tank can be heated.

Equipment Upgrading and Renovation



Renovation of Steam Boilers in the Jiangsu factory

Use of Clean Energy

During the Reporting Period, photovoltaic power generation was introduced into Zhou Hei Ya Jiangsu Factory. After 0.5 kWh photovoltaic power was introduced, the actual photovoltaic power consumption per tonne all the year of 2024 was 466.15 kWh, with an additional 205,000 kWh of photovoltaic power for the year.

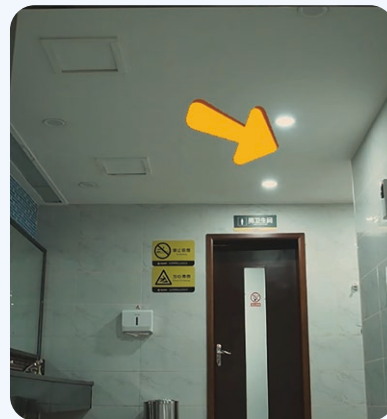


Photovoltaic Power Generation at the Jiangsu factory

During the Reporting Period, the Group formulated an energy-saving and emission-reducing strategy for warehousing and logistics. Green warehousing logistics was promoted and energy consumption was reduced by using new energy vehicles, optimizing transportation routes, and renovating cold storage facilities. Meanwhile, we implement green office initiatives to improve environmental performance around this Group.

Green Office Actions

In the second half of 2024, human induction lights were used in all public areas of office buildings, which automatically turn on when occupants are present and switch off when spaces are vacant, thus reducing power consumption.



During the Reporting Period, our energy consumption decreased by 10.9%, and the total greenhouse gas emissions in categories one and two decreased by 13.1%, both year-on-year. The detailed data is as follows:

Energy ⁴	Unit	2022	2023	2024
Purchased electricity	kWh	47,612,661	53,860,168	47,479,381
Natural gas	m ³	3,628,349	2,144,911	1,980,090
Gasoline	liter	56,725	51,752	20,233
Diesel	liter	578,677	515,933	337,193
Direct energy consumption	tonne of standard coal	5,594	3,046	2,612
Indirect energy consumption	tonne of standard coal	5,852	8,858	7,989
Total energy consumption	tonne of standard coal	11,446	11,904	10,602
Energy consumption per RMB10,000 revenue	tonne of standard coal/ RMB10,000	0.05	0.04	0.04

Greenhouse Gas Emissions ⁵	Unit	2022	2023	2024
Scope 1 ⁶ greenhouse gas emissions	tonne of CO ₂	9,470	5,194	5,202
Scope 2 ⁷ greenhouse gas emissions	tonne of CO ₂	27,154	39,451	33,589
Scope 3 ⁸ greenhouse gas emissions	tonne of CO ₂	/	/	300
Total greenhouse gas emissions (Scope 1 and 2)	tonne of CO ₂	36,624	44,645	38,791
Greenhouse gas emissions per RMB10,000 revenue (Scope 1 and 2)	tonne of CO ₂ / RMB10,000	0.16	0.16	0.16

⁴ The calculation of energy consumption is based on the *General Principles for Comprehensive Energy Consumption Calculation (GB2589-2020)*.

⁵ The calculation of greenhouse gas emissions is based on the *Guidelines of Greenhouse Gas Emissions Accounting and Reporting: Food, Tobacco and Alcoholic, Beverage and Refined Tea Enterprises (Trial)* issued by the National Development and Reform Commission of the People's Republic of China.

⁶ Scope 1: Covering the greenhouse gas emissions from the combustion of natural gas, unleaded petrol and diesel oil of the Group.

⁷ Scope 2: Covering the greenhouse gas emissions indirectly generated by the Group's use of outsourced electricity and purchased steam.

⁸ Scope 3: Covering greenhouse gas emissions generated during business trips.

3.3.2 Water Management

The Group abides by the *Water Law of the People's Republic of China*, and manages water resource in accordance with the principles of conforming water intake and sustainable water use. We have established water utilization goals and a water utilization supervision system. All production departments are required to record daily water consumption, drainage, and circulation, transform and upgrade water use process, equipment, and procedure to improve water utilization and sustainable water utilization. Zhou Hei Ya monitors and reports the use of water resource regularly, identifies the impact of water resource on the Company, makes efforts to manage water resource, improves the efficiency of water utilization and recovery, and protects water resource. During the Reporting Period, water is guaranteed through exclusive municipal suppliers, with zero direct groundwater abstraction across all facilities.

Sanitation and cleaning teams

During the reporting period, the dedicated sanitation teams across all industrial parks adopted uniformly designed, high-efficiency cleaning tools and standardized protocols for post-shift workshop sanitation, significantly reducing water waste previously caused by inconsistent individual cleaning practices. At the Hubei factory, we leveraged the professional expertise and technologies of external cleaning service providers to develop a tailored sanitation and disinfection SOP for Zhou Hei Ya. This optimized SOP is now being systematically replicated and implemented group-wide across all other production facilities.

Renovation of faucets in cleaning and disinfection rooms

Significant waste is produced when using direct-spray faucets for disinfection of hands and tools, so we begin to use energy-saving booster faucets.

Water saving transformation for frame washing machines

The water remaining after the operation of frame washing machines is directly discharged into the sewer network, resulting in waste. We have purchased booster washing machines and use a frame washing machine with good water quality after production to clean the floor of the dish washing machine room with the remaining water in the last two tanks. Therefore, water can be recycled, and 4 tonnes of water can be saved per day.

Reuse of condensate water

The high-temperature condensed water generated by the steam equipment used in the halogenation and deicing areas of the Jiangsu factory workshops is collected and recycled to the boiler water tank for reuse.

During the Reporting Period, the Group consumed a total of 572,752.52 tonnes of running water, and the consumption of water for every RMB10,000 of revenue was 2.34 tonnes.

3.3.3 Management of Packaging Materials

Environmental impact is seriously considered in the Group's packaging strategy. We follow the *Action Plan for Deepening the Green Transformation of Express Packaging* and the *Guidelines on Accelerating the Green Transformation of Express Packaging* and promote the reduction, lightweight, and substitution of product packaging from packaging materials, processes, design, and production management. Meanwhile, we make efforts to recycle and use packaging materials to develop the circular economy.

During the Reporting Period, the use of packaging materials is as follows:

Use of Resource	Unit	2022	2023	2024
Packaging film	tonne	2,635	2,818	2,502
Vacuum packaging bags	tonne	507	595	649
Total packaging material used	tonne	3,142	3,413	3,151
Packaging materials per tonne of products sale	tonne	0.11	0.11	0.12

Caring for Employees

4.1

Hiring of employees

4.2

Employee Training and Development

4.3

Employee Care

4.4

Health and Safety



With people oriented, Zhou Hei Ya is committed to creating an equal, inclusive, diversified and safe workplace, protecting the rights and interests of employees, supporting talent development, and building a platform for employees to develop their career. We focus on building efficient communication mechanisms and a number of feedback channels, listening to employees and taking heartwarming measures to demonstrate our care for them. We work together with all employees to create a beautiful blueprint for sustainable development.

4.1 Hiring of employees

We strictly abide by the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, the *Law of the People's Republic of China on the Protection of Rights and Interests of Women and Children* among other laws and regulations. During the Reporting Period, we updated our internal regulations on employment, such as the Recruitment Management Regulations and the Personnel Management Regulations.

As a responsible enterprise, we strive to create a fair and just workplace, and respect all employees' legitimate rights and interests. By the end of the Reporting Period, Zhou Hei Ya had not employed any child labor or forced labor

Compliant Employment

- We abide by the Regulations of the *State Council of the People's Republic of China on Prohibiting Child Labor (No. 364)*. All employees recruited and dispatched into this Group are subject to identity check according to law; any employment of those who do not meet the standards is absolutely prohibited.

Diversified Employment

- We oppose to any unequal treatment based on race, skin color, gender, religion, nationality, or disability, ensure that everyone has equal opportunities and fair treatment in employment, promotion, rewards, training, and daily work, and eliminate workplace discrimination, harassment, and other behaviors that damage employees' rights.

Zhou Hei Ya's Compliance and Diversified Employment

In order to improve human resource management, Zhou Hei Ya regulates recruitment, attendance, performance and salary as a whole by building an integrated HR system, improves the efficiency of talent management, optimizes employees' experience, and helps the Group achieve the strategic goals.

The integrated HR system empowers human resource management

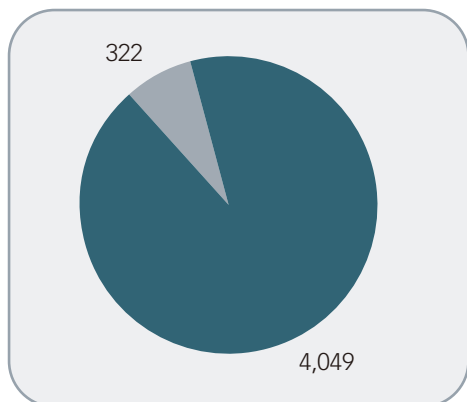
In 2024, this Group launched a digital upgrading project for human resources, deployed and implemented the core modules of the integrated HR system in stages. By integrating organizational personnel, intelligent attendance, performance, and compensation, a data connectivity system for human resource management processes has been successfully constructed, thus achieving a closed loop of recruitment configuration, organizational development, performance evaluation, and compensation incentives.

During the Reporting Period, Zhou Hei Ya was awarded "2024 Excellent Employer Brand in Greater China".



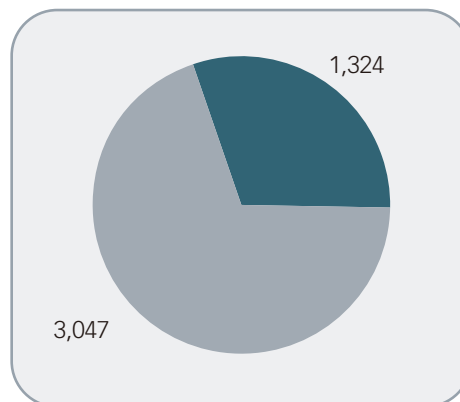
As of the end of 2024, Zhou Hei Ya had 4,371 employees. The number by employment type, gender, age, geographical location, educational level, and level is as follows:

Number of Employees of the Group by Employment Type in 2024



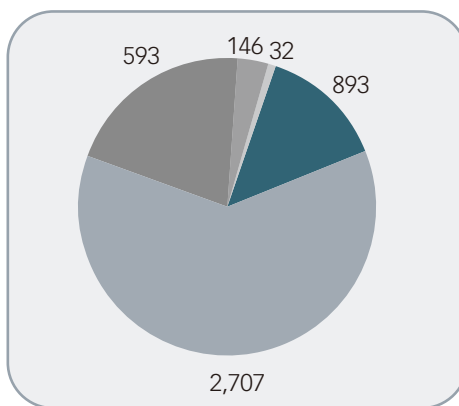
■ Regular Employee ■ Part-time Employee

Number of Employees of the Group by Gender in 2024



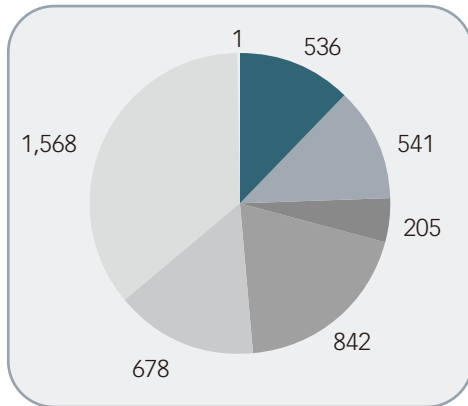
■ Male ■ Female

Number of Employees of the Group by Age in 2024



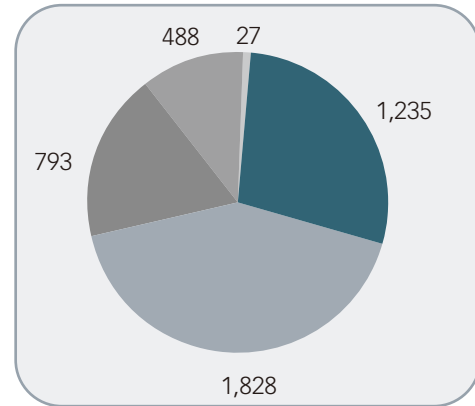
■ Age of 28 or Under ■ Age of 29-40 ■ Age of 41-48
■ Age of 49-55 ■ Age of 56 or older

**Number of Employees of the Group
by Geographical Location in 2024**



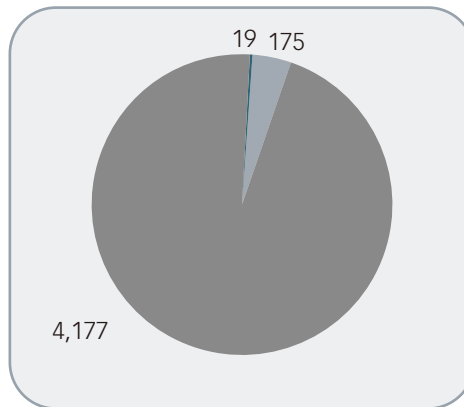
North China
 Central China
 Northwest China
 Overseas (including Hong Kong)
 South China
 East China
 Hubei

**Number of Employees of the Group
by Educational Level in 2024**



Junior High School and Below
 Technical Secondary School/Senior High School
 Junior College
 Bachelor's Degree
 Master's Degree or Above

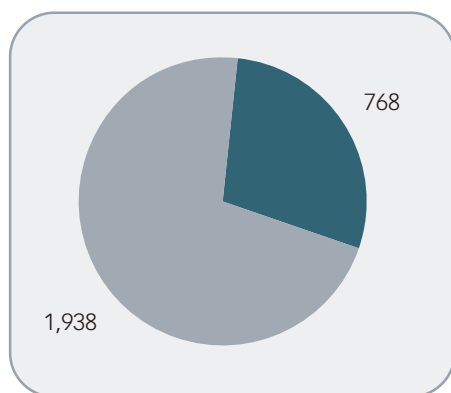
**Number of Employees of the Group
by Position Level in 2024**



Chief Officer or Upper Level
 Middle Level
 Rank-and-file Employees

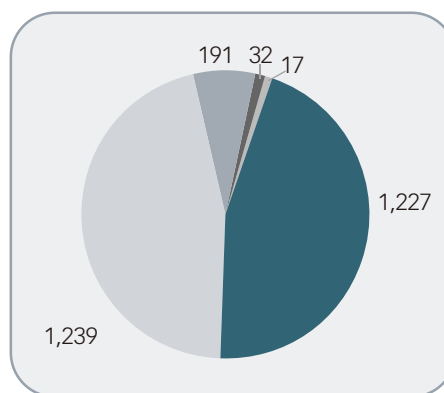
As of the end of 2024, Zhou Hei Ya had an employee turnover count of 2,706. The number by gender, age, and geographical location is as follows:

Number of Employee Turnover of the Group by Gender in 2024



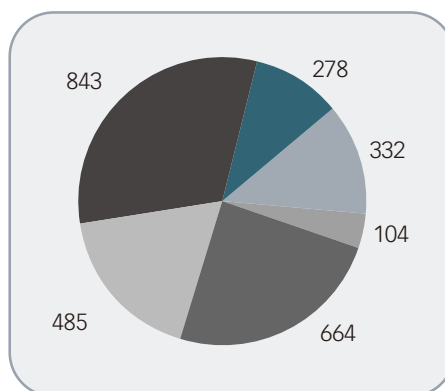
Male Female

Number of Employee Turnover of the Group by Age in 2024



Age of 28 or Under Age of 29-40 Age of 41-48
Age of 49-55 Age of 56 or older

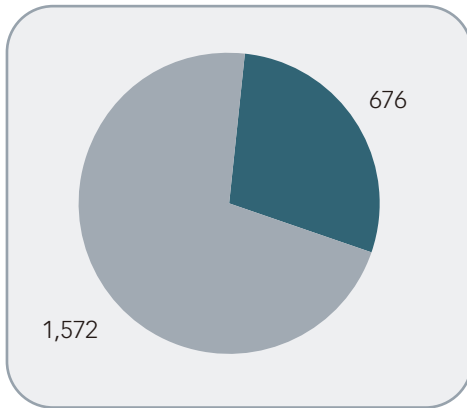
Number of Employee Turnover of the Group by Geographical Location in 2024



North China Central China Northwest China
South China East China Hubei

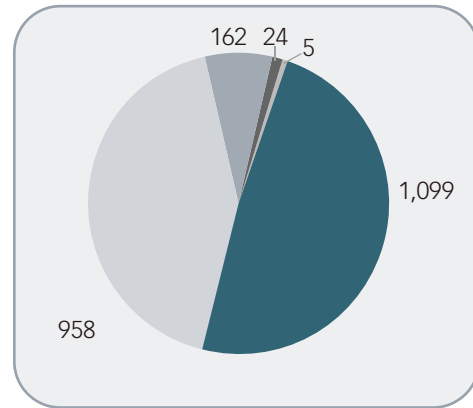
As of the end of 2024, Zhou Hei Ya had 2,248 new employees. The number by gender, age, and geographical location is as follows:

Number of New Employees of the Group by Gender in 2024



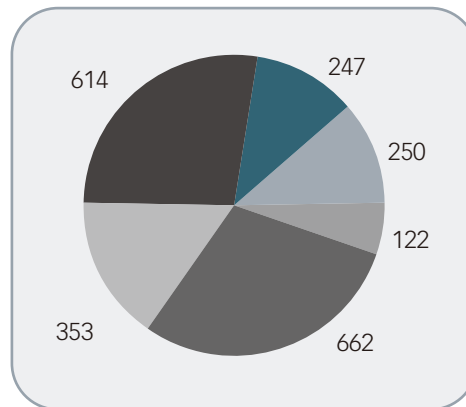
Male Female

Number of New Employees of the Group by Age in 2024



Age of 28 or Under Age of 29-40 Age of 41-48
Age of 49-55 Age of 56 or older

Number of New Employees of the Group by Geographical Location in 2024



North China Central China Northwest China
South China East China Hubei

4.2 Employee Training and Development

We attach importance to the development and cultivation of employees by building career development and promotion channels for employees based on a sound internal training system to help them improve their performance and personal abilities, and achieve mutual growth and development between employees and the Company.

4.2.1 Employee Training

Zhou Hei Ya makes efforts to build a team of talents, and provides employees with training and career development opportunities. During the Reporting Period, we improved the *Training Management Regulations*, and urged employees to participate in training according to the *Training Credit Management Regulations*, the *Terminal Retail Personnel Development Manual* and the *Employee Handbook*, etc.

Zhou Hei Ya has established a sound training management system and carried out general, cultural, managerial and professional training programs for employees, aiming to improve their comprehensive ability and promote the development and cultural heritage of the Company. During the Reporting Period, the Group carried out 223 training programs, with an average of 33.5 training hours per person.



During the Reporting Period, we put forward new requirements for retail and management training, providing employees with comprehensive training to improve their professional skills and qualities.

Retail

- Developing and implementing mandatory plans based on employees' different requirements, and including practice into learning.
- Retail employees are required to complete 12 compulsory courses and specific training for store clerks, managers, and supervisors before they are employed.

Management

- Performance flywheels are required for middle and senior management personnel to improve their ability to use performance management tools through training and practice, and achieve the performance goals.

Measures to improve Zhou Hei Ya employee training system in 2024

Regional Supervisor Training Camp

The regional supervisor training camp is designed to improve store performance, using training and practice to improve regional supervisors' ability to manage regional performance. During the course, we established a case sharing system of "benchmark guidance – experience extraction – replication promotion". Excellent practical cases from various regions were selected and promoted nationwide. This project covered 94 regional supervisors and has produced 16 golden ideas.

Future Store Manager Training Camp

To build a talent reserve pool, two special training programs for will-be store managers were launched in this year. The project consisted of four stages, namely learning, practice, examination and evaluation. The training covered 53 future store managers in terms of awareness of store manager's role, team communication, store recruitment & mentoring, and data analysis. After training and practice, 47 of them passed the job competency certification, with a pass rate of 88.7%.



Training Program for Internal Trainers under the "Stars Plan"

In order to improve employees' professional ability, Zhou Hei Ya carried out a 4-month internal trainer training program, namely "Stars Plan", from April to July. 76 trainees from all over China trained on coaching presentation and curriculum development skills. Through the on-site evaluation and certification, 63 trainees passed the certification, and successfully came to be internal trainers. The activity rate of internal trainers increased by 20% compared with that in the year of 2023.



During the Reporting Period, our internal trainer system – Yaya Academy Online Learning Platform and some training programs received external awards and earned recognition from all sectors of society.



The internal trainer system upgrading won the silver award in the 9th CSTD Enterprise Learning Design Competition.



The online learning platform of Yaya Academy won the Excellence Award of the 6th Yuntu Award – Digital Enterprise Learning Assistance Award.



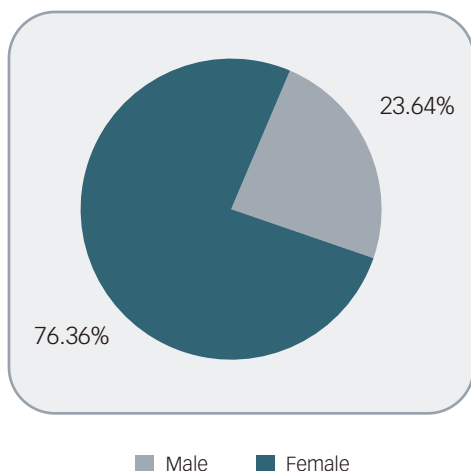
The professional trainee program won the 2023-2024 Best Digital Learning Project Innovation Award by CEIBSONLINE.com.



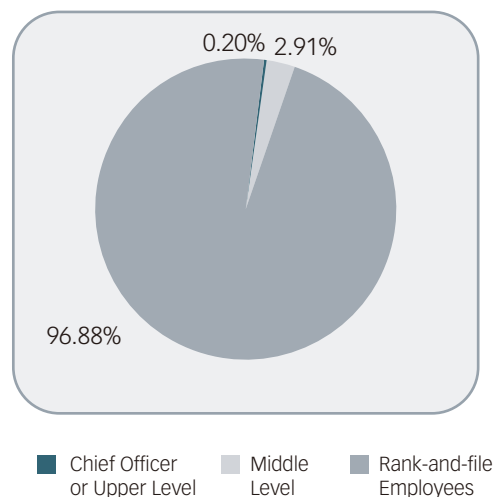
Awarded the 2023-2024 Future Management Talent Training Excellence Award by CEIBSONLINE.com.

During the Reporting Period, the number of Zhou Hei Ya trainees was 5,904, with 193,661 training hours in total and an investment of RMB3,914,500. 99% of them were satisfied with the training. The average training hours and the proportion of employees trained according to gender and rank are as follows:

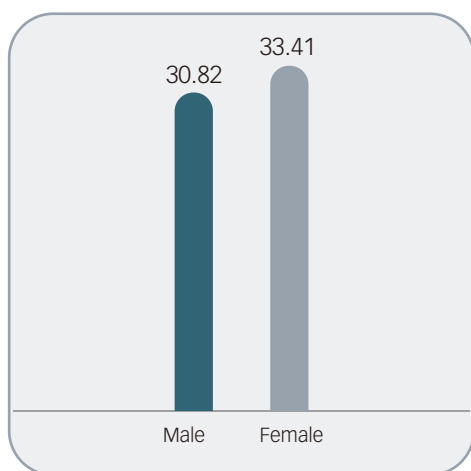
Proportion of Employees Trained of the Group by Gender in 2024



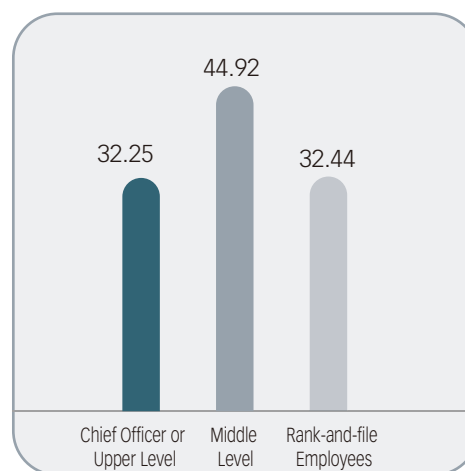
Proportion of Employees Trained of the Group by Position Level in 2024



Average Training Hours for Employees of the Group by Gender in 2024



Average Training Hours for Employees of the Group by Level in 2024



4.2.2 Employee Development

Offering equal pay for equal work, Zhou Hei Ya respects the value of all employees, and ensures that they can receive fair and reasonable remunerations. We have revised the *Salary Management Regulations*, the *Performance Management Regulations*, and the *Incentive Management Regulations*. We have clarified the performance evaluation process, established a mechanism linking salary and performance, and enhanced the cohesion and competitiveness of the Company.

We have developed different performance evaluation systems for employees at different levels. Front-line employees are evaluated on a monthly basis; managers and above are subject to different assessment indicators in order to improve the performance evaluation system.

Sale Management

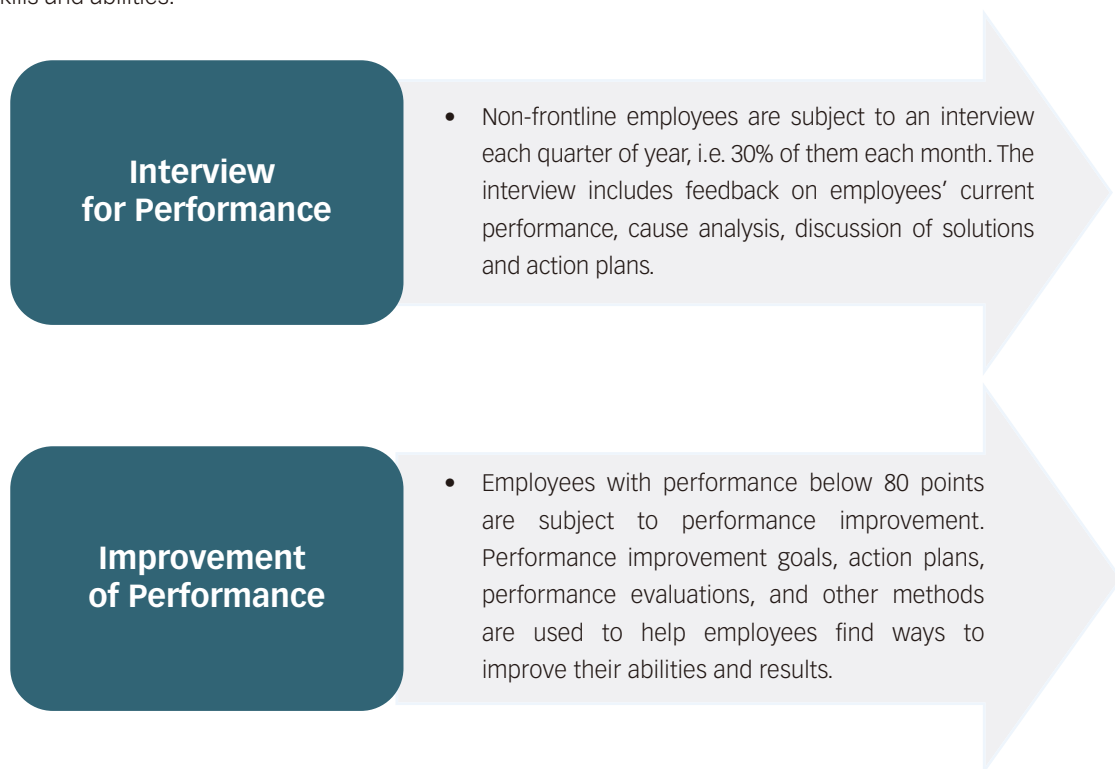
- Including sale management, online operation, and supply chain management
- 80% performance indicator + 20% job indicator

Business Functions

- Including retail management, planning, warehousing, logistics, procurement, production, quality assurance, research and development, customer service, human resources, finance, information, administration, legal, audit, public relations, etc.
- 20% performance indicator + 80% job indicator

Performance Appraisal Indicators for Zhou Hei Ya Managers and Above

Under the performance evaluation system, we classify employees' performance into four levels: above 90 points, 80-90 points, 70-80 points, and below 70 points. We have established an efficient performance communication and feedback channel to ensure fairness and impartiality in performance evaluation, and assist employees in improving and optimizing their skills and abilities.



Zhou Hei Ya Performance Feedback

Zhou Hei Ya has revised the *Management Regulations for Employee Promotion and Demotion*. When employees' performance meets the relevant standard, they can be included into the promotion list, and promoted or appointed accordingly.

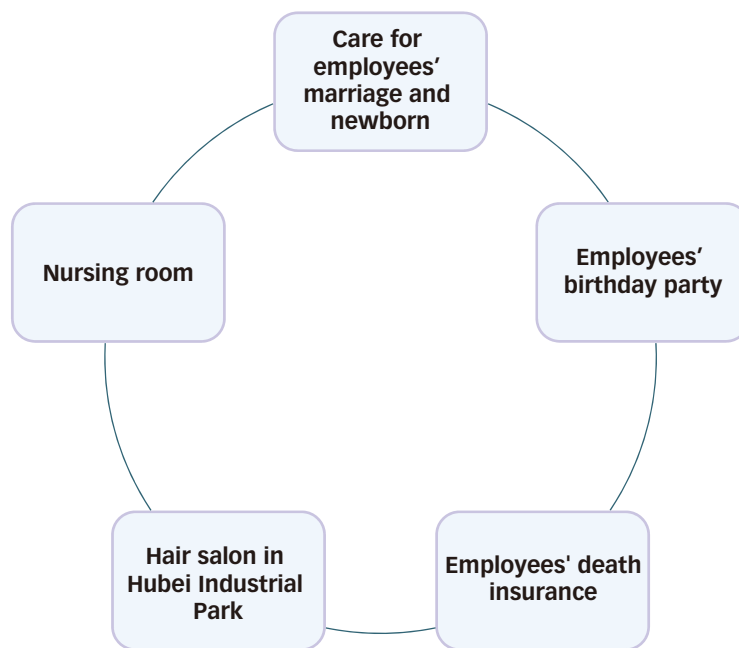
During the Reporting Period, 35 frontline employees of Zhou Hei Ya received positional promotions, while 396 attained rank advancements.

4.3 Employee Care

Zhou Hei Ya respects employees' feeling and attaches great importance to their experience in this Company. We care about the physical and mental health of employees, and enhance their satisfaction and happiness by building a scientific and competitive salary and welfare system. We listen to them and strengthen their sense of happiness by organizing a number of cultural and sports activities and creating a good workplace for them.

4.3.1 Benefits and Care

Zhou Hei Ya has established a sound welfare system to improve employees' sense of happiness and belonging. According to the *Social Insurance Law of the People's Republic of China* and other laws and regulations and requirements of local government departments, we provide employees with welfare including social insurance and housing provident fund. Furthermore, we make efforts to control employees' working hours, ensuring they enjoy statutory holidays such as paid annual leave, sick leave, marriage leave, maternity leave, etc.



Zhou Hei Ya Employees' Welfare

During the Reporting Period, we improved the employee welfare system and purchased additional death insurance for employees at different levels and ages to protect their rights and interests.

Zhou Hei Ya cares about employees' life, and carries out cultural and sports activities, such as birthday party, morning meeting, holiday activities, etc., to enrich their after-work life and harmonize the relations between both parties.

Birthday Party

Every month, Zhou Hei Ya organizes a birthday party for employees whose birthday falls in that month, which shows our care for employees and allows them to have a sense of belonging.



Morning Meeting

Zhou Hei Ya conducts morning meetings and sports activities, such as aerobics, tug of war, etc., to improve the employees' physique and stimulate team vitality.



"Being Undefined" Women's Day Event on March 8th

On Women's Day 2024, Zhou Hei Ya launched an event of women's growth empowerment with the theme of "Being Undefined" to enhance gender equality through immersion experience. At the event, we presented gifts to female employees and invited them to watch movies, inspiring their recognition and exploration of their own value and demonstrating our warmth and care.



The Full Moon Party on Mid-autumn Festival

On Mid-autumn Festival, September 2024, Zhou Hei Ya organized the Full Moon Party in a garden, creating a wonderful festival atmosphere between employees and the Group, between businesses and the Group. People had a very good time under the full moon.



4.3.2 Employee Communication

Zhou Hei Ya is committed to building an efficient and smooth communication bridge for employees, listening to and considering their opinions and suggestions. We have established a number of communication channels for employees, encouraging them to provide valuable opinions and suggestions on working environment, career development, and corporate culture construction, thus promoting the two-way flow of information and helping this Group achieve continuous improvement and innovative management.



Communication type of Zhou Hei Ya in 2024

Face-to-face Symposiums for Newcomers

For newcomers, we have face-to-face symposiums to understand their satisfaction with the Group and hear for their suggestions. We relay their suggestions to responsible persons for follow-up and handling.



Face-to-face symposiums for newcomers

4.4 Health and Safety

Zhou Hei Ya always puts employees' health and life safety in the first place and defines their important role in production and operation. We comply faithfully with 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 the Prevention and Control of Occupational Diseases*, etc. We have established a perfect safety management system to ensure the occupational health and safety of employees.



4.4.1 Work Safety

Zhou Hei Ya follows the work safety standard and has built a comprehensive occupational health and safety management system. We have established a full-process and comprehensive mechanism of risk identification, assessment and control according to the *Safety Accident Management Measures*, the *Safety Management Inspection Management Measures*, the *Safety Management Red Line Regulations*, and the *Emergency Rescue and Drill Management Regulations*, so as to eliminate hidden dangers, eliminate accidents and achieve the annual health and safety goals.

Indicator	Goals	Data of 2024	Achieved or not
Accidents involving serious injuries, deaths, fires, explosions, and significant property damage, etc.	0	0	Achieved
Injuries every million hours	≤ 2.35	1.36	Achieved
Regular rectification rate of hazards	0.985	0.9882	Achieved
Number of confirmed occupational patients	0	0	Achieved

Zhou Hei Ya Health and Safety Goals in 2024

To ensure implementation of relevant management regulations, we fulfill the work safety responsibility in accordance with the *Management Measures for All Staff's Safety Responsibility*.

Zhou Hei Ya regards prevention as the first line of risk management, provides health and safety management requirements and guidance for each factory, and ensures that they can control health and safety risks through plan drills, daily inspection, publicity, implementation and education, etc.

Safety Drills

In 2024, safety drills were performed in Zhou Hei Ya factories coordinated by the Group. Rectification measures were formulated according to the evaluation. The participants included operators who have frequent contact with hazardous sources, and heads of relevant departments. To ensure the materials for the drills were complete and traceable, the factories archived five key items, including attendance sheets, drill plans, summary reports and site photos, which helped improve the safety management traceability system.



Safety Drill at the Jiangsu Factory

Safety awareness is a must. For that purpose, we have revised the *Safety Education and Training Management Regulations*, and help employees master the work safety know-how in many ways. During the Reporting Period, Zhou Hei Ya Jiangsu Factory formulated a safety training plan and organized the Safety Day event to ensure that work safety is rooted in all employees.

The Safety Month

The Safety Month in 2024 was organized by EHS department, which invited front-line representatives and management personnel at or above the team leader level to participate in the launch ceremony, and also provided a series of specialized training sessions. The themes of this event included:

Combat Three Violations: Investigating “Three Violations” on site and containing hidden dangers early.

Reinforce Training: Providing training over employees’ behaviors and the EHS requirements of the Company to strengthen employees’ safety awareness.

Prioritize Drills: Conducting evacuation drills for all staff according to the theme “Think of Safety and Know How to Act” and providing training on how to respond to emergencies.



Safety Month at the Jiangsu Factory

During the Reporting Period, Zhou Hei Ya carried out 52 safety drills in which there were 1,653 participants. We have not experienced any work-related fatalities for three consecutive years. 6,748 hours, equal to 843.5 working days or so, were lost due to at-work injuries in 2024. During the Reporting Period, we conducted 52 safety drills and 25,235 hours of health and safety training, covering 100% of employees.

4.4.2 Occupational Disease Prevention and Control

We attach great importance to the prevention and control of occupational diseases, and identify occupational disease hazards in the course of production and operation. We have taken preventive measures to reduce the impact of occupational disease hazards on employees' health. We conduct occupational health examinations for employees to ensure their health.



Zhou Hei Ya occupational disease prevention

Inviting hospital experts to provide health service

In July 2024, we invited experts from a dental hospital to Hubei Industrial Park, who provided free dental service for our employees; In November, we invited experts from Peking Union Medical College Hospital to give our employees free health exam.



Responsibility to Community

5.1

Community Engagement

5.2

Charitable Investment



Zhou Hei Ya would like to assume the social responsibility by giving a hand as far as possible, so as to achieve common development of both the Group and the community.

5.1 Community Engagement

We take root in and care about the community, give play to our own advantages by building the “Zhou Hei Ya Popularization Science Education Base for Braised Food Culture”. The education base helps students understand the modern food industry and corporate management practice by cooperating with colleges and universities, so that students have the opportunities of learning, which demonstrate our efforts for social responsibility and sustainable development. During the Reporting Period, Zhou Hei Ya Braised Culture Experience Center in Hubei Province was recognized as a national 3A scenic spot, which received more than 27,000 visitors.

Exploring the Charm of the Local Cuisine

In November 2024, students from the School of Mechanical Engineering of Wuhan University of Light Industry visited Zhou Hei Ya Industrial Park for a research activity. The lecturer explained the theory of Zhou Hei Ya “FOOD” and the culture of “ROOT” in detail based on our history, values and achievements, which helped students have a good understanding of the Zhou Hei Ya brand. In visiting the production base, students witnessed the automated production process of unfreezing, pickling, stewing, packaging, etc., the strict requirements of perfect cleaning and disinfection, and the logistic monitoring system of “vehicle tracking & product tracking”.



5.2 Charitable Investment

In cooperation with other parties, Zhou Hei Ya continued to give back to the community by promoting the development of charity, which demonstrated our fulfillment of the social responsibility. During the Reporting Period, we donated materials equivalent to over RMB6,700.

“Volunteer services for Wuhan exhibition center”: May 20th Volunteering Cultural Event

On May 18th, 2024, Hubei Volunteer Association held the May 20th Volunteering Cultural Event at Wuhan International Convention and Exhibition Center, to which Zhou Hei Ya donated 100 “Thank You” gift boxes.



Appendix

Appendix I HKEX ESG Disclosures Index

Environmental, Social and Governance Areas, General Disclosures and KPIs			In Chapter
Environmental			
A1: Emissions	General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Development – Environment Management Green Development – Use of Resources
	A1.1	The types of emissions and respective emissions data.	Green Development – Environment Management
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development – Use of Resources
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Green Development – Environment Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Green Development – Environment Management
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Development – Response to Climate Change Green Development – Environment Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Development – Response to Climate Change Green Development – Environment Management

Environmental, Social and Governance Areas, General Disclosures and KPIs			In Chapter
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	Green Development – Use of Resources
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Green Development – Use of Resources
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Green Development – Use of Resources
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Development – Response to Climate Change Green Development – Use of Resources
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Development – Response to Climate Change Green Development – Use of Resources
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Green Development – Use of Resources
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Green Development – Environment Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development – Environment Management
Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Caring for Employees – Hiring of employees
	B1.1	Total workforce by gender, employment type, age group and geographical region	Caring for Employees – Hiring of employees
	B1.2	Employee turnover rate by gender, age group and geographical region.	Caring for Employees – Hiring of employees

Environmental, Social and Governance Areas, General Disclosures and KPIs			In Chapter
B2: Health and Safety	General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to providing a safe working environment and protecting employees from occupational hazards.	Caring for Employees – Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Caring for Employees – Health and Safety
	B2.2	Lost days due to work injury	Caring for Employees – Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they have been implemented and monitored.	Caring for Employees – Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Caring for Employees – Employee Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Caring for Employees – Employee Training and Development
	B3.2	The average training hours completed per employee by gender and employee Category.	Caring for Employees – Employee Training and Development
B4: Labour Standards	General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to preventing child and forced labour.	Caring for Employees – Hiring of employees
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring for Employees – Hiring of employees
	B4.2	Description of steps taken to eliminate such practices when discovered.	Caring for Employees – Hiring of employees

Environmental, Social and Governance Areas, General Disclosures and KPIs			In Chapter
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Food Safety and Good Quality – Responsible Supply Chain
	B5.1	Number of suppliers by geographical region.	Food Safety and Good Quality – Responsible Supply Chain
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Food Safety and Good Quality – Responsible Supply Chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Food Safety and Good Quality – Responsible Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Food Safety and Good Quality – Responsible Supply Chain
B6: Product Responsibility	General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to health and safety, advertising, labeling, and privacy matters relating to products and services provided and methods of redress.	Food Safety and Good Quality – Food Quality and Safety Food Safety and Good Quality – Customer Service
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Food Safety and Good Quality – Food Quality and Safety Food Safety and Good Quality – Customer Service
	B6.2	Number of products and service-related complaints received and how they were dealt with.	Food Safety and Good Quality – Customer Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Food Safety and Good Quality – Driven by innovation
	B6.4	Description of quality assurance processes and recall procedures.	Food Safety and Good Quality – Food Quality and Safety
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Food Safety and Good Quality – Customer Service

Environmental, Social and Governance Areas, General Disclosures and KPIs			In Chapter
B7: Anti-corruption	General Disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to bribery, extortion, fraud, and money laundering.	Responsible Governance – Business Ethics
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Responsible Governance – Business Ethics
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Responsible Governance – Business Ethics
	B7.3	Description of anti-corruption training provided to directors and staff.	Responsible Governance – Business Ethics
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take in to consideration the communities' interests.	Responsibility to Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Responsibility to Community – Community engagement
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Responsibility to Community – Charitable Investment

Appendix II List of Laws, Regulations and Standards

Laws and Regulations

1. *Company Law of the People's Republic of China*
2. *Contract Law of the People's Republic of China*
3. *Anti-Monopoly Law of the People's Republic of China*
4. *Law of the People's Republic of China against Unfair Competition*
5. *Environmental Protection Law of the People's Republic of China*
6. *Law of the People's Republic of China on Air Pollution Prevention and Control*
7. *Law of the People's Republic of China on Water Pollution Prevention and Control*
8. *Law of the People's Republic of China on Solid Waste Pollution Prevention and Control*
9. *Regulations on the Implementation of the Food Safety Law of the People's Republic of China*
10. *Regulations on the Administration of Pollution Discharge Permits*
11. *Law of the People's Republic of China on Energy Conservation*
12. *Wuhan Municipal Management Measures for Restaurant and Kitchen Waste*
13. *Labour Law of the People's Republic of China*
14. *Labor Contract Law of the People's Republic of China*
15. *Law of the People's Republic of China on the Protection of Minors*
16. *Law of the People's Republic of China on the Protection of Rights and Interests of Women*
17. *Law of the People's Republic of China on Work Safety*
18. *Fire Protection Law of the People's Republic of China*
19. *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*
20. *Emergency Response Law of the People's Republic of China*
21. *Social Insurance Law of the People's Republic of China*
22. *Management Measures of Emergency Response Plan for Production Safety Accidents*
23. *Provisions on the Supervision and Administration of the Implementation of Main Responsibility for Food Safety by Enterprises*
24. *GB2762-2022 National Food Safety Standard-Limit of Pollutants in Food*
25. *GB 5749-2022 Sanitary Standard for Drinking Water*
26. *GB 16297-1996 Comprehensive Emission Standard for Air Pollutants*
27. *GB 18483-2001 Catering Industry Oil Fume Emission Standard (Trial)*
28. *GB 13271-2014 Emission Standard of Air Pollutants for Boiler*
29. *Discharge Standard of Water Pollutants for Meat Processing Industry*

Policies, Rules & Regulations

1. General Rules for Prepackaged Food Labeling
2. General Rules for Prepackaged Food Nutrition Labeling
3. Standards for Use of Food Additives
4. New Product Development Management System
5. Intellectual Property Management Measures
6. Detailed Requirements for Suppliers Entry Qualifications
7. Preliminary Survey Form for Suppliers
8. Partner Safety Agreement
9. Partner Commitment to Confidentiality
10. Commitment on Quality, Environmental Protection and Safety and the Environmental Protection Agreement
11. Environmental Protection Agreement
12. Supplier Management Regulations
13. Supplier Performance Assessment Standard 2021
14. Procedures for Procurement Settlement Process
15. Emergency Procurement Handling Regulations
16. Response Procedures for Public Opinions on Customer Complaints
17. Management System for Company Landscaping and Environmental Management
18. Regulations of Hazardous Waste Management
19. Emergency Plan for Environmental Crisis
20. Energy Resource Management Procedures
21. Energy Assessment Mechanism
22. GB 16297-1996 Comprehensive Emission Standard for Air Pollutants
23. GB 18483-2001 Catering Industry Oil Fume Emission Standard (Trial)
24. GB 13271-2014 Emission Standard of Air Pollutants for Boiler
25. Procedures for Waste Water, Exhaust Gas and Noise Control

- 26. Code of Practice for Operation and Monitoring of Industrial Park Sewage Treatment Station
- 27. Measures for Solid Waste Management
- 28. Procedures for Waste Management
- 29. Regulations for the Administration of Recruitment
- 30. Regulations for the Administration of Campus Recruitment
- 31. Measures for the Administration of Recruitment Channel
- 32. Measures for Company Epidemic Prevention and Control
- 33. Regulations for the Administration of Training Credit
- 34. Regulations for the Administration of Employee Performance
- 35. Regulations for Visiting Regular Employees
- 36. Regulations for the Administration of Team Building Activities
- 37. Regulations for Correspondent Submission
- 38. Anti-Corruption Working System
- 39. Articles of Discipline Inspection Committee of Zhou Hei Ya
- 40. Regulations on Discipline Inspection and Supervision
- 41. Measures for Discipline Inspection, Supervision and Whistleblowing
- 42. 8D Analysis Report on Quality Issues
- 43. New Product Verification Management Regulations
- 44. Regulations on Publicity Materials Management
- 45. Approval Process of External Publicity Materials
- 46. Regulations on Zhou Hei Ya Advertising Launch



Product Standards

1. GB/T 20940-2007 GMP for Meat Products Enterprises
2. GB/T 22210-2008 Specification for Sensory Evaluation of Meat and Meat Products
3. GB/T 23586-2009 Seasoned and Braised Meat Products
4. GB 10136-2015 National Food Safety Standards for Aquatic Animal Products
5. GB/T 22106-2008 Non-fermented Soy Products
6. GB 2714-2015 Pickles
7. GB/T 23970-2009 Braised Eggs
8. GB 2749-2015 Eggs and Egg Products
9. GB 2712-2014 National Food Safety Standards for Soy Products
10. GB 7096-2014 National Food Safety Standards for Edible Fungus and Its Products
11. GB 10133-2014 National Food Safety Standards for Aquatic Seasonings
12. Q/HZHY 0001S-2017 Braised Vegetarian Products
13. Q/HZHY 0002S-2017 Braised Squid Products
14. Q/HZHY 0003S-2018 Seasoning Powder
15. Q/HZHY 0004S-2018 Food Flavorings
16. Q/HZHY 0005S-2017 MAP Braised Meat Products
17. Q/HZHY 0006S-2017 Semi-solid Seasonings
18. Q/HZHY 0007S-2016 Braised Vegetarian Foods
19. Q/HZHY 0008S-2016 Braised Eggs
20. Q/HZHY 0009S-2016 Cooked Crayfish
21. DBS42/008-2021 Requirements for Modified Atmosphere Packaging (MAP) of Cooked and Braised Products
22. Other applicable relevant product standards



Zhou Hei Ya International Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

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