



2024

Yihai Kerry Arawana Holdings Co., Ltd.
Sustainability Report

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About This Report

Overview

This is the fourth sustainability (hereinafter referred to as "the report" or "the ESG report") report of Yihai Kerry Arawana Holdings Co., Ltd. (hereinafter referred to as "Yihai Kerry Arawana", "the Group", "the Company", "we"). The purpose of this report is to disclose the Company's ESG performance and practices for shareholders, customers, partners, employees, the environment, communities and other key stakeholders. This report covers the information for the fiscal year 2024 (the "Reporting Period") from January 1st 2024 to December 31st 2024, with some information backdated to previous years or covered 2025.



Sources and Reliability Assurance

The data and cases in this report are mainly from the Company's statistical reports and relevant documents. The Company's Board of Directors commits that this report does not contain any false records or misleading statements and is responsible for its contents' truthfulness, accuracy, and completeness.



Preparation Basis

This report was prepared referring to the *Global Reporting Initiative (GRI Standards)* issued by the Global Sustainable Development Standards Board (GSSB) and the Sustainable Accounting Standards Board (SASB) standards, and to the focus topics and relevant requirements of Morgan Stanley Capital International's ESG rating (i.e. MSCI ESG Rating), S&P Global Corporate Sustainability Assessment (CSA) and the *No.17 of the Shenzhen Stock Exchange's Self-Regulatory Guidelines for Listed Companies – Sustainability Reporting (for Trial Implementation)* (Guidelines). The content of this report is determined following a fixed procedure, which includes identifying and ranking significant stakeholders and important ESG-related issues, defining the boundaries of the ESG report, collecting relevant materials and data, preparing the report based on the information collected, and reviewing the information in the report.



Confirmation and Approval

The Board of Directors reviewed and approved this report on March 20th, 2025.



Report Scope and Boundaries

The policies and data provided in this report cover the Company and its subsidiaries, while part of the environmental performance and environmental, quality, health, and safety-related certification does not include new, renovated, decommissioned, and other abnormal operation companies. Unless otherwise stated, the report's scope is consistent with the Company's annual report.



Report Access and Contact Information

The electronic version of the Report is available on the website of the Shenzhen Stock Exchange (<http://www.szse.cn>) and the website of the Company (www.yihaikerry.net.cn). Should you have any advice or recommendation on the Company's disclosure and performance in ESG issues, please contact us through the following ways.

 E-mail: Sustainability-Yihaikerry@cn.wilmar-intl.com

 Tel: 021-31199999



Message from the Chairman

In 2024, Yihai Kerry Arawana steadily advanced on its sustainable development journey. Amid growing challenges such as intensified global climate change, accelerated energy transition, and evolving consumer demands, we remained true to our founding vision of To Build an Ideal Group. With the spirit of "Progressing Together for Shared Benefit", we collaborated with partners across the industrial chain and stakeholders from all sectors to explore innovative pathways for sustainable development.

This year, we continued to deepen the integration of our ESG management system with business strategies, achieving steady progress in both environmental and social domains. Our efforts were highly recognized by international authorities. In the S&P Global Corporate Sustainability Assessment (CSA) 2024, we scored 68 points, marking our first inclusion in the global edition of the Sustainability Yearbook 2025 and earning the special distinction of "Industry Top Improver" in the global food sector. Among Chinese food industry participants, we rose to first place. Additionally, MSCI ESG Ratings

maintained our "A" rating for the second consecutive year, solidifying our leadership position in China's grain and oil food industry.

This year, we further demonstrated to society our commitment to achieving net-zero emissions. Following our 2023 announcement of the net-zero target, we anchored 2022 as the baseline year and developed a detailed "2050 Net-Zero Target and Roadmap," which was officially released in December 2024. This made us the first company in China's grain and oil food industry to publish both net-zero targets and a roadmap. Moving forward, we will continuously upgrade production processes and business models in accordance with this roadmap to drive low-carbon and high-quality development across our industry.

In this year, driven by innovation, we actively responded to the national initiatives and focused on the research and development (R&D) as well as the production of raw and auxiliary materials for big health food. Leveraging our advantages in

the grain and oil food processing industry chain, we vigorously developed new quality productivity and transformed our food business from traditional nutrition to a higher level of preserving health with diet. We launched a series of foods that align with modern health concepts, such as medium- and long-chain triacylglycerol (MLCT) edible oil (MLCT), diacylglycerol (DAG), low GI rice and flour products, phytosterols, lecithin, plant proteins, and other dietary supplement products, meeting the individualized health needs of consumers.

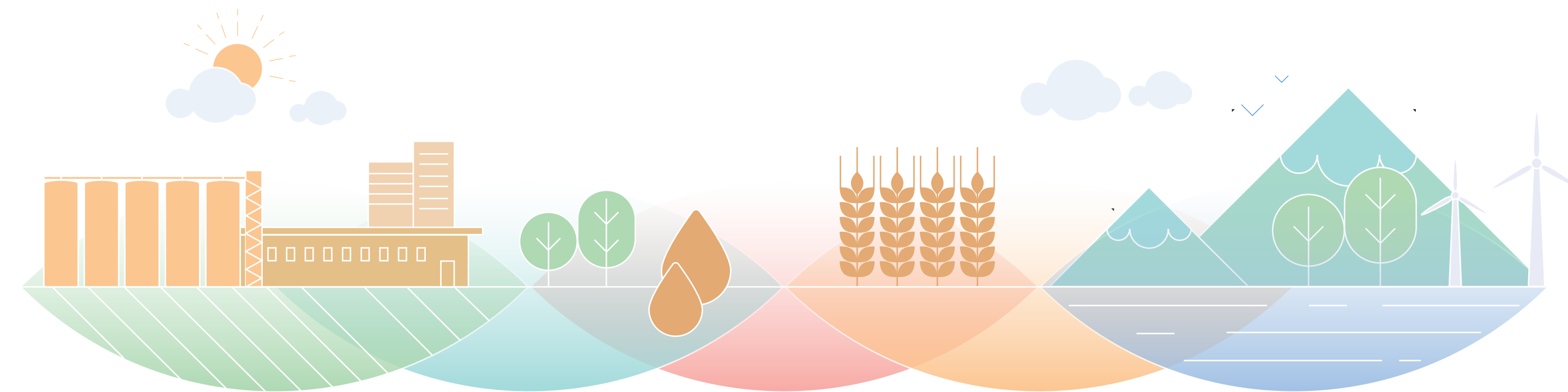
We firmly believe that the value of a company lies not only in profit creation but also in giving back to society. We always adhere to a people-oriented approach, striving to create a harmonious working environment for employees, from ensuring occupational health and safety to establishing a comprehensive training system, demonstrating our full support of the growth of employees and humanistic care and value recognition. We also actively engage in public welfare and community building, exploring diverse assistance in areas

such as education, disability assistance, and rural revitalization, integrating public welfare into corporate culture, and taking practical actions to undertake social responsibilities.

Standing at this new starting point, Yihai Kerry Arawana will continue safeguarding the health of Chinese consumers' dining tables. With technological innovation as our engine, green transformation as our pathway, and social responsibility as our commitment, we will work in concert with partners to advance the grain and oil food industry toward greater efficiency, lower carbon emissions, and enhanced inclusivity—collectively shaping a sustainable future.

Kuok Khoon Hong

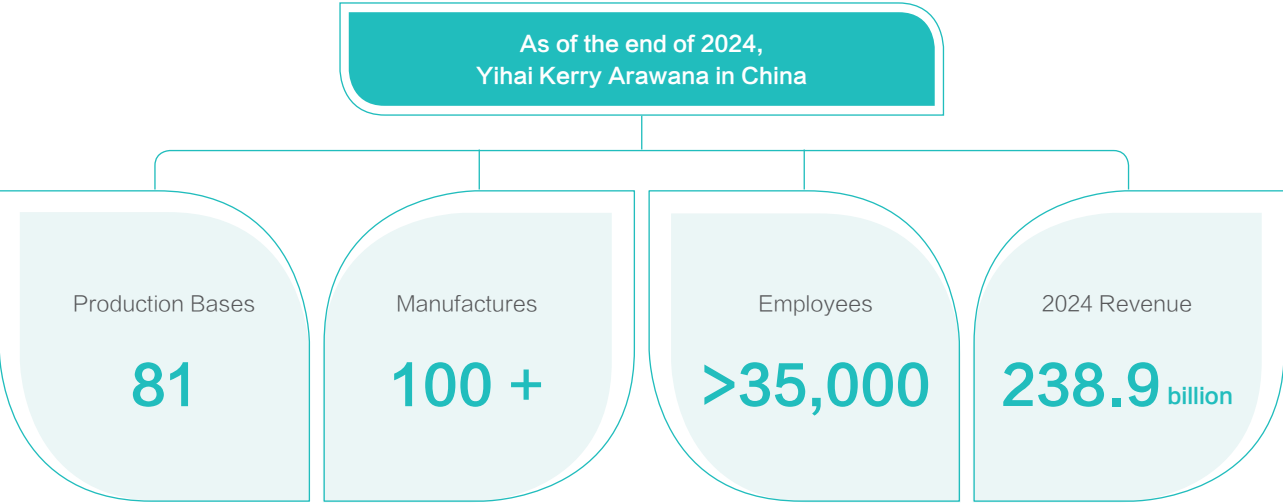
Chairman, Yihai Kerry Arawana Holdings Co., Ltd.





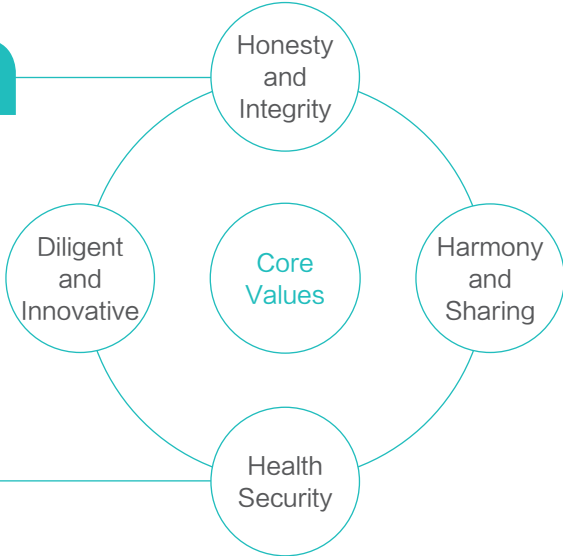
About Yihai Kerry Arawana

Yihai Kerry Arawana Holdings Co., Ltd. is a critical agricultural and food products processing enterprise in China. Its main business includes the R&D, production, and sales of kitchen food, feed ingredients, and oleochemicals. From upstream to downstream, the Company is mainly involved in industries such as oilseed crushing, oil refining, oil filing, specialty oil, oleochemicals, sustainable multi-stage processing of rice, processing and extended industrial chain of corn, wheat and soybean, food ingredients and auxiliary materials, grain and oil technology R&D. Yihai Kerry has famous brands such as "Arawana" "Orchid" "Olivoila" "Wonder Farm" "Neptune" "Fengyuan" "Golden Delicious" "Reyland" "Jiejin 100". It has established a marketing network covering retail, restaurant, food industry and other channels, and its products cover a wide range of fields such as small-packed edible oils, rice, flour, noodles, seasonings, food and beverage, food and beverage products, specialty oil, centralized kitchen products, food ingredients and auxiliaries, feedstuffs, and oils and fats science and technology, etc. The Company has established a wide network of outlets, points and surfaces, and smooth channels to provide comprehensive services to consumers. The Company has set up a marketing network in China with a wide range of outlets, a combination of points and surfaces, and smooth channels, to provide consumers with a full range of services.



Group vision: To Build an Ideal Group

We want the Group to grow and develop and to build a group with a first-class team, excellent corporate culture, full of love and righteousness, and respected by all walks of life, to be able to share the blessings and difficulties, to do more things that are beneficial to society, to take social responsibility, and to create healthier and safer products for the benefit of society.



Major Products



2024 ESG Highlights Performance

ESG Awards and Honors

 2024 “CSO Chief Sustainability Officer” CCM CSR PROMOTION CENTER	 2024 Climate Beacon Awards – Annual Pioneer Award (Manufacturing) Shanghai Climate Week
 Most Popular Employer Brands for Women ShePower	 2024 Asia's Best Workplaces (Mainland China) Best Practice Award AIA & Peking University School of Public Health
 Selected as one of the 2024 CAPCO Sustainability Excellence Practice Cases China Association For Public Companies	 “Corporate Governance and Internal Controls” Excellent Practice Cases China Association For Public Companies
 2024 Low Carbon Project Award Southern Weekly	 2024 Zhiyuan Award – “Sustainable Development Value Award” Cailianpress
 Selected as an excellent case study in the “2024 China Corporate ESG Practices Insight Report” China Times	 2024 Top Ten Chinese Influential Enterprises for Public Welfare China Times
 2024 ESG Value Business Award Blue Whale News	 Selected in 2023 Corporate Rural Revitalization Case Studies China Enterprise Reform and Development Society

For more awards received by the Company and its subsidiaries, please refer specifically to the Company's *Annual Report 2024*.

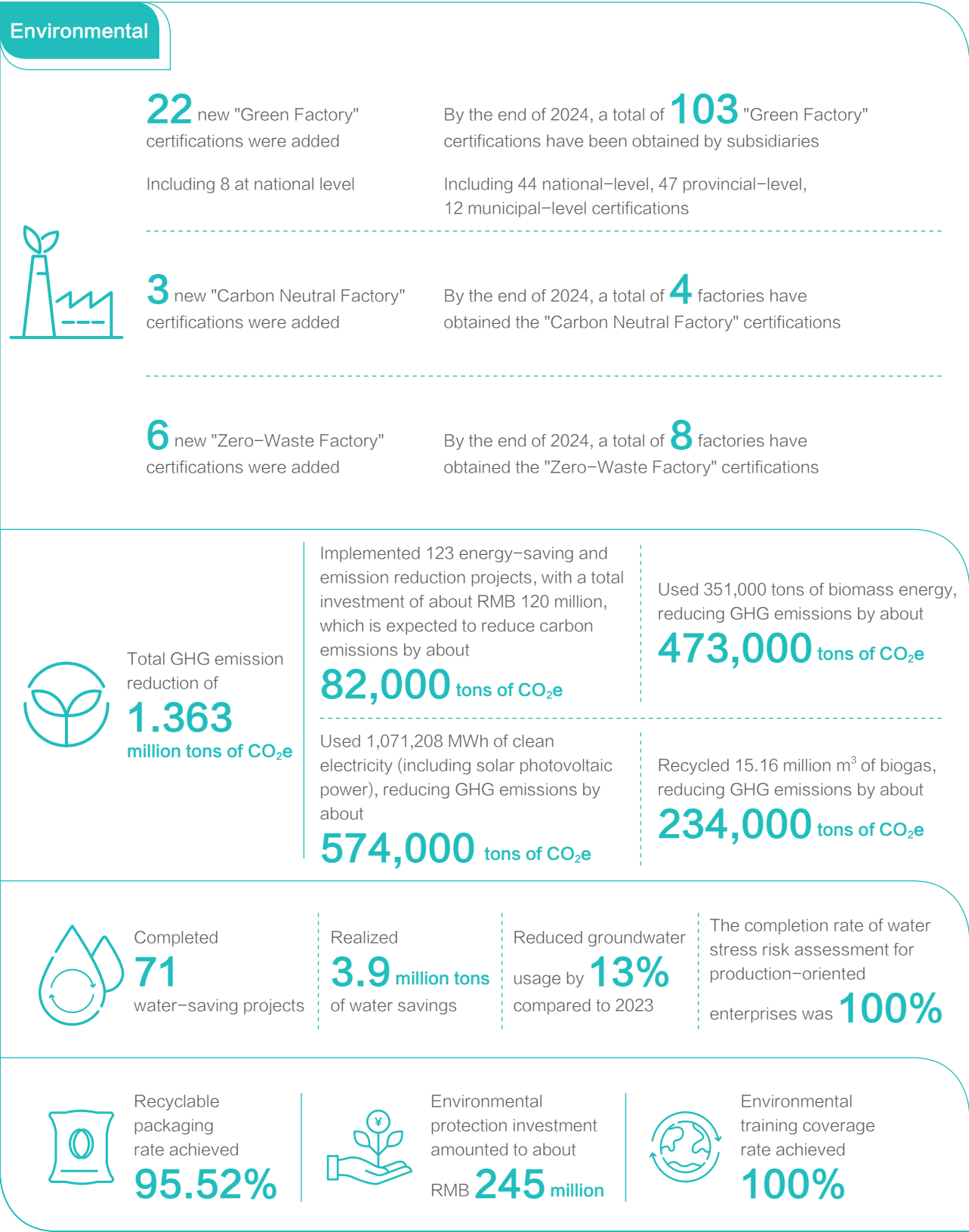
ESG Rating

 International Rating	 Domestic Rating
• MSCI ESG Rating A • Scored 68 points in S&P Global Corporate Sustainability Assessment (CSA), selected for the first time in S&P Global "Global Edition" of The Sustainability Yearbook 2025, honored as the "Industry Mover" in the global food sector.	• Rated AAA (Highest Level) in CNI ESG Ratings • Rated A in CSI ESG Ratings

By the end of 2024

Environmental	Social
The total installed capacity of solar photovoltaic power generation projects* amounted to 105.3 MWp An increase of approximately 30% year-on-year *(Note: the Company's solar photovoltaic power generation projects are constructed and operated by partners in the Company's factories, hereinafter the same.) 48 production-oriented enterprises had been certified as water-saving enterprises 49 production-oriented enterprises had completed water balance tests	A total of 13 domains 38 laboratories 961 test items of the Company's received CNAS The Company has cumulatively won 35 Quality Awards 1 China Quality Award Nomination Award 22 Municipal-Level Quality Awards 4 Provincial-Level Quality Awards 8 District and County-Level Quality Awards

During the reporting period



ESG Management

Yihai Kerry Arawana is committed to sustainable development and the integration of economic, social and environmental values, with the vision of "To Build an Ideal Group". The Company continues to refine its operations and management, and actively responds to the demands of stakeholders, working together to build a healthy and harmonious ecosystem and move toward a sustainable future.

ESG Governance Framework

The Board of Directors serves as the ESG decision-making institution and is responsible for ESG-related issues such as environmental management (climate change, water resources management, energy management, etc.), social responsibility, and business ethics. The Sustainability Committee is responsible for leadership and supervision, the Sustainability Department coordinates and promotes, and relevant functional departments and business departments implement. The division of labor is clearly defined at all levels, and all levels work closely together to integrate ESG concepts into the Company's daily operation and business decision-making, and to comprehensively improve the Company's decision-making level, management ability and practical performance in the field of ESG.



ESG Management Structure

Note: For more information on the responsibilities of the Sustainability Committee, please refer to the Working Rules of Sustainability Committee of Yihai Kerry Board of Directors on our website

Stakeholder Engagement

The Company actively establishes a diversified and smooth stakeholder communication mechanism, collects and responds to the demands of various stakeholder groups in a timely and effective manner, and deeply integrates them into operational decision-making. The Company continuously evaluates and manages the satisfaction of stakeholder participation, and ensures the effectiveness and efficiency of communication through a perfect monitoring and reporting mechanism, in order to realize the shared value of win-win situation for all parties.

Stakeholders	Expectations and Demands	Our Response	Communication Channels
Government and Regulatory Agencies	• Operation compliance • Product quality and safety • Drive social employment • Drive technological innovation	• Comply with laws and regulations • Implement regulatory requirements • Help local economic development • Enhance innovation capability	• Regular meetings • Information reporting • Thematic meetings
Shareholders and Investors	• Reduce business operational risk • Regulate corporate governance • Capital appreciation • Protect rights and interests of investors	• Enhance risk control • Improve corporate profitability • Improve the corporate governance system • Disclose information according to the laws • Protect rights and interests of small and medium-sized investors	• Shareholder meetings • Earnings release • Press releases, announcements, and disclosures • Roadshows and reverse roadshows
Clients and Consumers	• Ensure product and service quality • Promote business ethics	• Provide high-quality products and services • Strictly fulfill the contract obligations	• Customer satisfaction survey • Regular communication
Employees	• Protect basic rights • Provide a good career path • Provide a healthy and comfortable work environment	• Comply with laws and regulations • Provide career development planning • Provide occupational health and employee care	• Employee communications meetings • Employee training and career development planning • Employee care activities
Partners	• Adhere to the integrity of the business • Conduct fair trade • Drive partners in industry chain to fulfill their social responsibility	• Establish and follow open and transparent procurement principles and cooperation mechanisms • Pursue mutually beneficial cooperation • Ensure effective dealer management • Ensure responsible sourcing	• Open and transparent bidding process • Sign tender contracts • Industry chain partner training and management • Industrial communication
Community	• Foster community development • Support community construction • Participate in community charity activities • Support disaster relief • Rural Revitalization	• Participate in voluntary activities • Provide disaster relief • Support the rural revitalization	• Charity activities • Voluntary service
Media	• Daily communication • Disclose social responsibility and sustainability policies and efforts • Provide specialized interviews and other communication	• Information disclosure • Media interviews and communication	• Press releases • Media communication

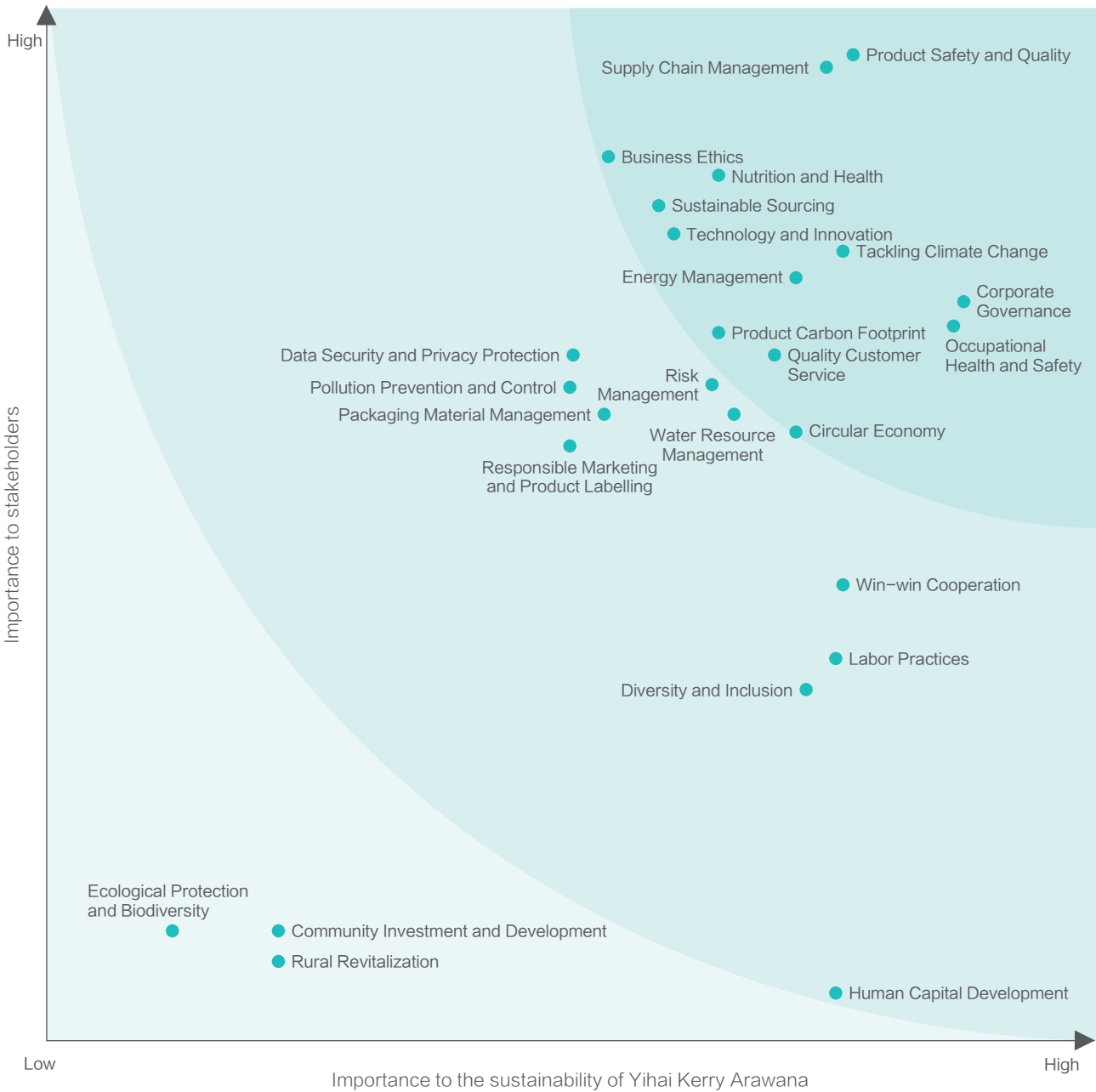
Materiality Assessment

The Company takes the regularized management of materiality topics as the core of ESG governance and the cornerstone of its strategy, combines the results of stakeholder communication with its own management priorities, and identifies and considers materiality topics every year. During the reporting period, based on the principle of double materiality, the Company identified and assessed 26 material topics with significant impact on society and the environment, as well as significant impact on the Company's development and long-term value creation, and ranked the topics according to the Company's important strategic directions and the demands of stakeholders. The results of the assessment were consistent with those of the previous year and were considered and approved by the Sustainability Committee of the Board of Directors for systematic disclosure in the report. After scientific integration and categorization, the Company confirmed that the scope of topics covered the topics set out in the *Guidelines*.¹



¹Note: As the Company's current collaboration scenarios with small and medium enterprises (SMEs) account for relatively low proportion of business operations and do not involve critical business processes, prudent evaluation confirms that "Equal Treatment of SMEs" issue has not met the thresholds for financial materiality or impact materiality during the reporting period. According, this matter is excluded from disclosure in the present report.

ESG Materiality Matrix of Yihai Kerry Arawana



Corporate Governance

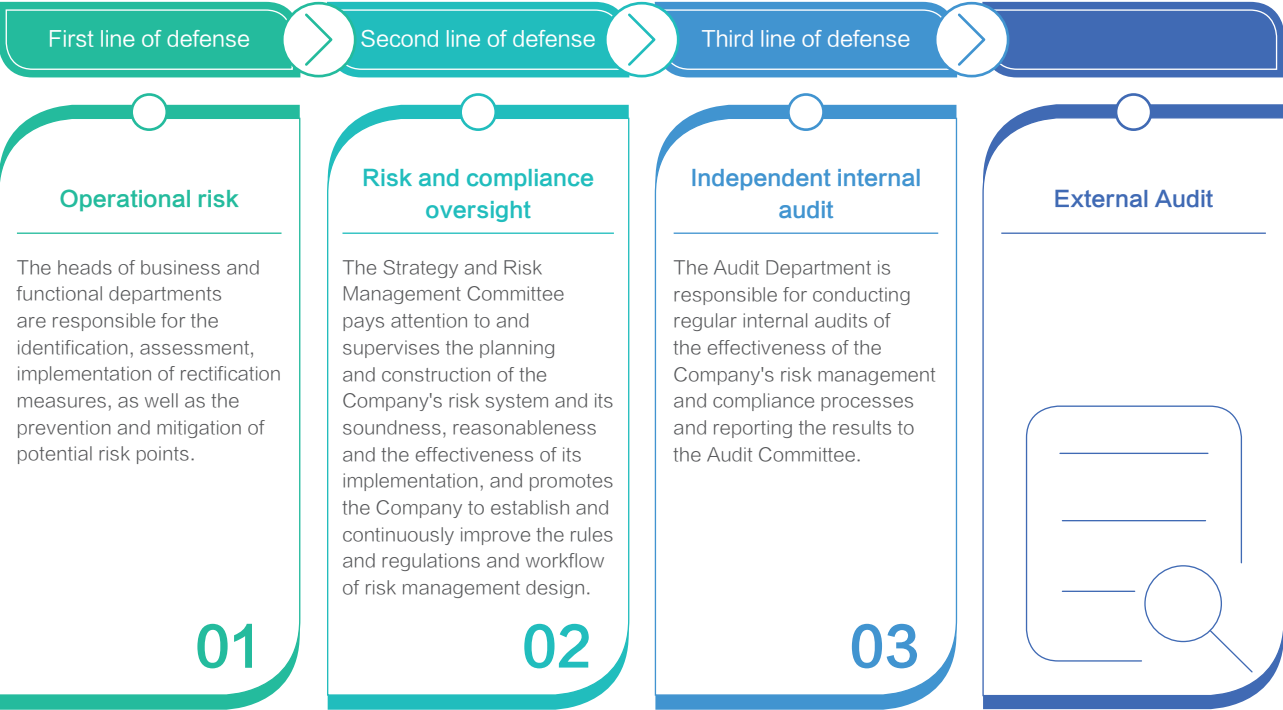
Yihai Kerry Arawana strictly complies with laws and regulations, builds a clear corporate governance structure and a sound internal control system, promotes standardized operations, wins the trust of all parties, and builds a solid foundation for sustainable development.

Risk Prevention for Sustainable Growth

The Company builds a risk management system with comprehensive coverage and strict control in accordance with regulations and supervisory requirements, improves risk control mechanisms and processes, conducts regular risk identification and internal audits, and improves the quality and efficiency of risk management through digital means, so as to effectively guard against operational risks and safeguard the sustainable development of the Company.

Establishing a Sound Risk Management Framework

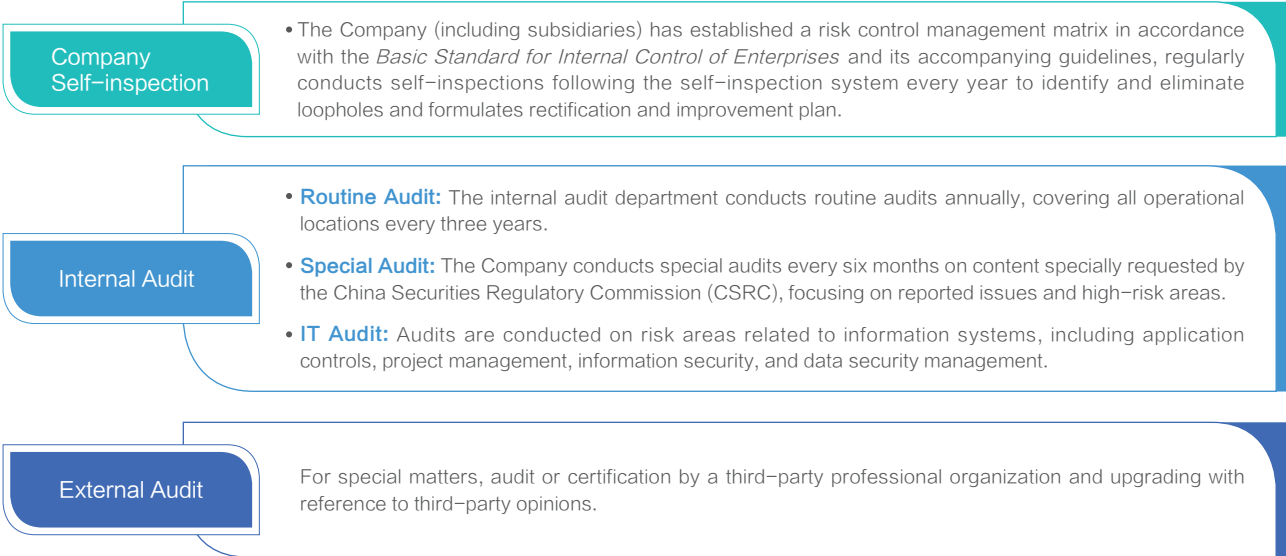
The Company has established a Strategy and Risk Management Committee chaired by the Chairman of the Board of Directors, reporting directly to the Board of Directors. The audit department is responsible for monitoring and auditing operational-level risk management performance and reporting audit results to the Audit Committee. Both the Strategy and Risk Management Committee and audit department operate independently from other business functional departments. The Board of Directors conducts regular assessments, supervision, and reviews of the adequacy and appropriateness of risk management and internal control systems, simultaneously monitors and audits the Company's risk management performance. Additionally, to enhance the risk assessment and response capabilities of the Board of Directors, the Company regularly hires external organizations to provide risk management training to all directors (including executive directors and non-executive directors).



Risk Management Mechanism

Enhancing Risk Management Processes

The Company conducts independent audits annually to review risk exposure and risk management processes. Through a combination of risk reviews (self-assessment, internal audit, and external audit), the Company conducts comprehensive risk assessments. It compiles a risk matrix and determines risk priorities based on the frequency of risk exposure and the impact on the Company's strategy, operations, performance, reputation, etc. The Company formulates reasonable risk control measures and reports the audit results directly to the Audit Committee. Additionally, each business unit of the Company is staffed with professionals, continuously monitoring various factors, which may have a significant impact on respective business areas, for instance financial risks, operational risks, policy and regulatory risks, natural disaster risks, infrastructure risks, etc.



Risk-based Inspection Approach

The Company continues to optimize its risk management framework and risk matrix, following the *Basic Standard for Enterprise Internal Control* and its accompanying guidelines to establish a risk control matrix appropriate to its operations. In 2024, the Company set up a special C-SOX project team, formed a project committee (headed by the Chairman of the Company) as the supreme decision-making institution, and appointed a general project coordinator in the Audit Department to organize all functional departments, and all functional departments, business units and subsidiaries were organized to participate in risk identification and control measures, and to ensure the effectiveness of the measures through walk-through tests. At the same time, the Company has incorporated the assessment of materiality topics into the systematic risk management process. Taking into account the results of the assessment, the Company has incorporated ESG risks such as environmental protection risks and food safety risks, which are of great importance to the Company's long-term development and value creation, as well as to the environment and society, into the regular risk management and internal control mechanism, integrated them into the risk matrix, and formulated special checking and rectification measures to enhance the quality and effectiveness of risk prevention and control.

During the reporting period, audited by a third-party professional organization, the Company maintained effective internal control over financial reporting in all material respects in accordance with the *Basic Standard for Enterprise Internal Control* and relevant regulations.

Enhancing risk prevention and control awareness

To further consolidate the "Policy, Training, Oversight, Accountability" risk prevention mechanism, the Company launches propaganda and training activities such as advocating risk management principles, identifying risk points, auditing focus areas, and case studies. This deepens employees' understanding of risk control systems and management processes, encourages proactive identification and reporting of potential risks, strengthens the involvement of all employees, continuously forms employees' risk prevention awareness, and better integrates it into the management and business activities.

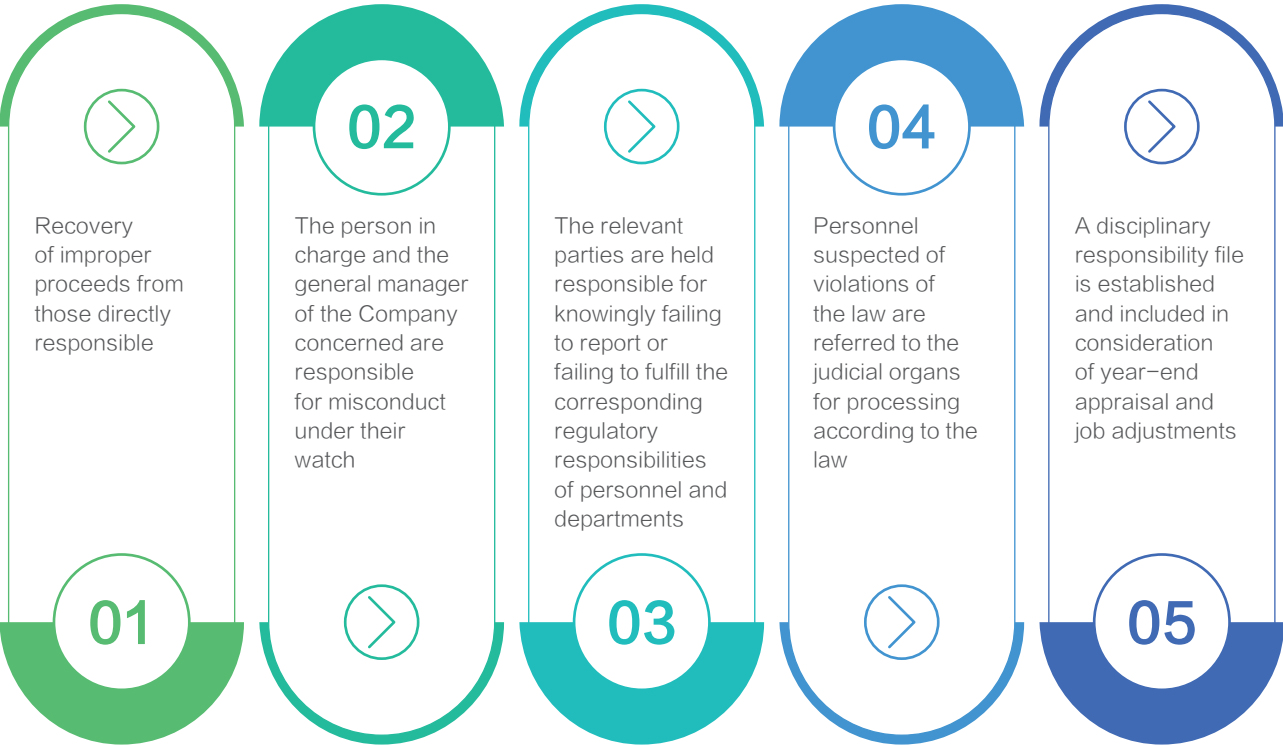
Establishing Integrity as the Bottom Line

The Company actively responds to the commitments of its parent company (Wilmar International) as a participant in the UN Global Compact and is committed to strengthening the prevention and control of ethical business risks such as integrity, anti-fraud, anti-money laundering, and anti-unfair competition. The Company conducts regular audits, supervision and management of compliance and ethical behavior in its daily operations and management, strengthens the construction of business ethics and codes of conduct, and endeavors to create a fair and transparent business environment both internally and externally.

Business Ethics and Anti-corruption

The Company strictly complies with national laws and regulations and has formulated policies and systems covering the entire operation process, such as the *Code of Business Ethics*, *Anti-Corruption Policy*, and *Employee Code of Conduct*. These policies and mechanisms regulate and constrain all employees, suppliers, contractors, distributors, etc., shaping regulations on behaviors, such as corruption, bribery, fraud, money laundering, unfair competition, conflicts of interest. Employee performance evaluations and role adjustments are linked to compliance with the employee code of conduct in the meantime. The Company continuously improves business ethics management system, with overall oversight by the Audit Committee. According to the requirements of business ethics-related policies and management systems, the Company includes business ethics and compliance risks in audit assessments, completing internal audits covering all operations every three years.

The Company also conducts regular business ethics training for all employees (including full-time and non-full-time employees) to ensure that all employees understand the policy requirements and enhance the awareness of business ethics. In 2024, Major incidents² in relation to corruption, bribery, discrimination, harassment, customer privacy data leakage, conflicts of interest, money laundering, or insider trading were not found.



Accountability Mechanism for Misconducts Found or Confirmed Reported Matters

²Note: Substantiated major incidents or legal violations refer to major illegal acts determined by judicial authorities or events resulting in direct financial losses amounting to 1% or more of the consolidated operating revenue.

Whistleblowing Mechanism and Whistleblower Protection

The Company resolutely protects the legitimate rights and interests of the Company and its stakeholders, continuously improves various reporting channels and establishes an open and transparent compliance reporting mechanism, releases the Whistleblower Protection Policy, clarifies the reporting process, encourages all parties to report violations of business ethics or illegal behaviors, and at the same time, strictly maintains confidentiality of the whistleblower's information, which applies to the entire process of the Company's operation and management, as well as to all employees and external parties with whom the Company has a business relationship.



Reporting Processing and Whistleblower Protection System

Topic One

Net-Zero in the Future, Responding to Climate Change

In response to the national "Dual Carbon" target, Yihai Kerry Arawana has regularly carried out the Greenhouse Gas (GHG) emissions verification, formulated and released the 2050 Net-Zero Targets and Roadmap, and built a green and low-carbon full value chain system in eight areas: optimizing energy structure, improving energy efficiency, reducing fugitive emissions, practicing low-carbon operations, achieving carbon neutrality progressively, strengthening supplier management, promoting low-carbon logistics and disseminating low-carbon concepts. The Company continues to pay attention to the impact of climate change on its business. The Sustainability Committee of the Board of Directors is responsible for identifying risks and opportunities related to climate change, evaluating impacts of risks, and formulating strategies, etc. We establish and improve the emergency management mechanism, and formulate contingency plans for potential risks, to enhance its ability to cope with risks.

Our Topics of Interest

- Responses to Climate Change
- Energy Management
- Product Carbon Footprint
- Circular Economy
- Packaging Material Management



Our Commitment and Targets

- Striving for net zero greenhouse gas emissions by 2050
- By 2030, the total installed power of solar photovoltaic power generation projects will reach 200 MWp
- By 2024, the proportion of clean power usage will strive to be no less than 20%
- Actively explore green production, low-carbon processes, green storage and transportation, green office, reduce energy consumption and carbon emissions in the production and operation process

Our Actions

- Formulated and released the *Yihai Kerry Arawana 2050 Net-Zero Targets and Roadmap*
- Completed the verification of the Company's GHG emissions for Scope 1, 2 and 3 in 2024
- Accumulatively completed carbon footprint certification for 30 core products, and a total of 4 factories have been recognized as carbon-neutral factories.
- Total installed power of solar photovoltaic power generation projects exceeded 100MWp, reaching 105.3MWp
- The share of clean electricity reached 23.7% in 2024, reaching the goal
- Total GHG emission reduction of 1.363 million tons of CO₂e in 2024

Climate Action Goals

In December 2024, the Company released the "Yihai Kerry Arawana 2050 Net-Zero Targets and Roadmap", striving to achieve net-zero GHG emissions by 2050. We not only reduce our own greenhouse gas emissions through green and low-carbon operations, but also strive to implement sustainable concepts upstream and downstream of our value chain, and bring our partners together to reduce greenhouse gas emissions, ultimately realizing net-zero emissions across the entire value chain. Thus, we have set 2022 as the base year and set GHG emission reduction targets for our own operations and for the upstream and downstream of our value chain.

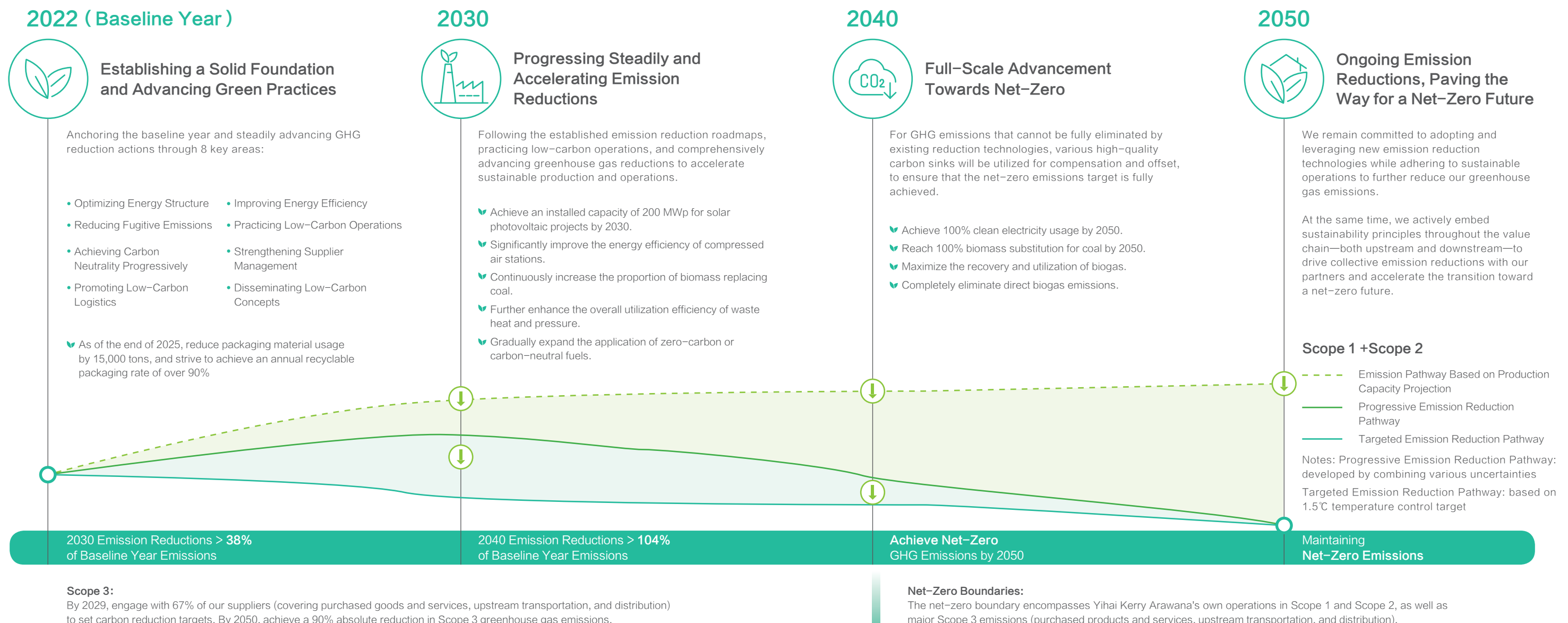
- For GHG emissions from the Company's own operations (Scope 1 + Scope 2), we set targets in stages:

By 2030, emission reductions will be no less than **38%** of base year emissions;
By 2040, emission reductions will be no less than **104%** of base year emissions;
and strive to achieve net zero greenhouse gas emissions by 2050.

- For GHG emissions generated upstream and downstream value chain (Scope 3), we set targets:

By 2029, engage with **67%** of our suppliers to set carbon reduction targets.
By 2050, achieve a **90%** absolute reduction in Scope 3 GHG emissions.

Yihai Kerry Arawana 2050 Net-Zero Targets and Roadmap

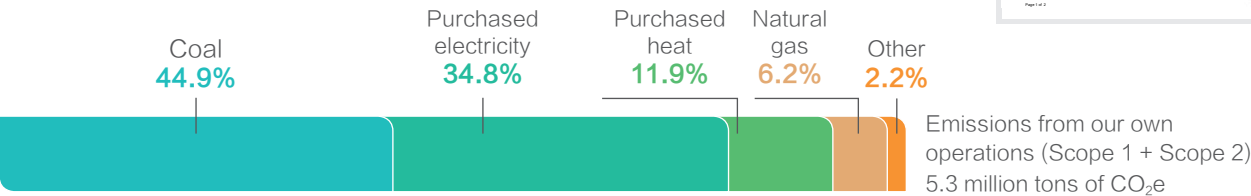


Progress on Climate Action

Yihai Kerry Arawana actively carries out energy-saving and emission-reduction initiatives across entire value chain, with real-time monitoring to ensure the solid and effective execution of the 2050 Net-Zero Targets and Roadmap.

Yihai Kerry Arawana commissioned a third-party independent organization to carry out the verification of GHG emissions for 2024, and we continue to sort out our GHG emissions data. We carry out accurate verification of our own operational GHG emissions (Scope 1 and Scope 2) and measure the GHG emissions of each category³ of upstream and downstream of the value chain (Scope 3).

The Scope 1 and Scope 2 emissions of Yihai Kerry Arawana in 2024 are as follows:



The Scope 3 emissions of Yihai Kerry Arawana in 2024 are as follows:



Climate Change Response

Climate change has become a global challenge with profound impacts on economic development. Yihai Kerry Arawana systematically evaluates and analyzes the impacts of climate change annually, referencing the Task Force on Climate-related Financial Disclosures (TCFD) framework. This includes assessing physical risks (e.g., extreme weather) and transition risks (e.g., policy shifts), identifying potential threats and opportunities arising from climate hazards and low-carbon trends, and implementing comprehensive climate risk management strategies to enhance resilience and adaptability.

We integrate climate change response into our enterprise risk management system, establishing a closed-loop process of "Risk Identification – Risk Analysis – Risk Response – Risk Monitoring". Annual assessments of climate risks and opportunities are conducted under a governance structure where the Board of Directors oversees decision-making, the Sustainability Committee leads execution, and relevant departments coordinate implementation.

³Note: The Scope 3 measurement does not include Category 8, Category 10, Category 11, Category 12, Category 13, Category 14, or Category 15.

Climate Risk and Opportunity Identification, Assessment and Response

Physical Risk Identification, Assessment and Response

Type of Risks	Potential Risk Impact Pathways	Potential Financial Impacts	Periods	Value Chains
Climate change contributes to high incidences of extreme heat	- Affecting the health and safety of employees and reducing or interrupting the efficiency of production and business activities - Crops in high temperature weather water balance is disrupted, growth and development are affected, pests and diseases increase, impact on the raw material side of the Company - Increase in energy consumption of air-conditioning, ventilation and other cooling equipment for operating production sites - Increase in demand for heat-prevention and cooling supplies	- Decreased operating incomes - Increased operating costs	- Short-term - Medium-term	- Raw material production and transport - Product manufacturing and processing
Climate change contributes to extreme precipitation or flooding	- Increased pressure on drainage systems at production operations - Impacts on the safety of production activities, such as loss from the transportation of goods - Loss of agricultural production and supply chain disruption - Impacts on employee commuting and operational safety - Destruction of infrastructure, such as electrical installations	- Impairment losses on assets - Decrease in operating income - Increased operating costs	- Short-term - Medium-term	- Raw material production and transport - Product manufacturing and processing - Product transport and distribution
Typhoon / Hurricane	- Vessels are unable to dock at the terminal on time, affecting the transportation of raw materials - Forced suspension of truck loading and fleet transportation, increasing pressure on product transportation and distribution - Typhoon conditions increase the risk of damage to assets, affecting the safety of employees	- Impairment losses on assets - Decrease in operating income - Increased operating costs - Rising insurance costs	- Short-term - Medium-term	- Raw material production and transport - Product manufacturing and processing - Product transport and distribution
Drought	- Impacts on water use, affecting productivity and potentially increasing the cost of water usage - Droughts lead to stunted crop growth and development, reduced yields and impaired quality, affecting supply chain security	- Decrease in operating income - Increased operating costs	- Medium-term - Long-term	- Raw material production and transport - Product manufacturing and processing
Sea level rise	- Seawater back-up floods production factories in coastal areas, disrupting production operations - Seawater corrodes production equipment and facilities, affecting the service life of the equipment and production safety, and increasing investment in operation and maintenance	- Impairment losses on assets - Decrease in operating income - Increased operating costs	- Medium-term - Long-term	Product manufacturing and processing

Physical Risk Response Measure

According to the climate science report of the United Nations Intergovernmental Panel on Climate Change (IPCC), global warming will significantly alter the frequency and intensity of extreme weather events in most regions with every 0.5°C temperature increase. Yihai Kerry Arawana is actively strengthening its climate disaster resilience, comprehensively enhancing its climate risk management, monitoring, and response capabilities.

Risk Management Capability	Risk Monitoring Capability	Risk Treatment Capability
Develop comprehensive extreme weather policies and management procedures, including advance contingency plans, safety inspections, protective equipment deployment, and emergency supplies allocation, to address challenges posed by abnormal weather conditions and enhance climate resilience.	Proactively monitor climate change developments, conduct regular climate impact assessments, corporate resilience evaluations, and supplier risk analyses. Stay informed on climate-related updates to understand the effects of major climate disasters on operations, and assess the effectiveness of existing mitigation measures.	Issue early warnings, conduct climate disaster response drills, adjust employee schedules in advance, manage production and shipments proactively, develop backup supply strategies for key suppliers, and purchase insurance to mitigate climate-related losses.

Transition Risk Identification, Assessment and Response

Type of risk	Potential Risk Impact Pathways		Potential Financial Impacts	Periods	Value Chains	Response Measure
Policy risk	Transformation of the energy structure	Energy transformation under the national policy, the Company's clean energy procurement and related project construction, investment, management, etc. continue to ramp up	Increased investment expenditures	Short-term Medium-term Long-term	Raw material production and transport Product manufacturing and processing Product transport and distribution	- Reduction of fossil energy consumption such as coal burning - Increase renewable energy and clean energy procurement - Actively carry out clean energy construction projects
	Policies and laws	- Under the national dual-carbon target, the Company takes action on energy saving and emission reduction, increasing additional operating cost inputs - Clients' enhanced climate change requirements may lead to default risk	Increased compliance costs	Short-term Medium-term	Raw material production and transport Product manufacturing and processing Product transport and distribution Product disposal and recycling	Pay close attention to domestic and international environmental and carbon related laws and regulations, policy changes, layout in advance, and lead the industry chain to carry out sustainable development planning and accelerate green transformation
	Carbon market	China's carbon allowance market trading mechanism exposes companies to potential carbon overshoots	Increased operating and management costs	Short-term Medium-term Long-term	Product manufacturing and processing	Advance layout and regulation of the Company's carbon assets and optimization of carbon emissions across the value chain
	Disclosure requirements	Disclosure of response to climate change is required by the <i>Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)</i>	Increased compliance costs	Short-term Medium-term	Raw material production and transport Product manufacturing and processing Product transport and distribution Product disposal and recycling	High quality and accurate disclosure in accordance with regulatory and national legal requirements and rules
Technology risk	Low carbon technologies and products	- Replacement of energy inefficient energy-saving production technologies - R&D of low-carbon technologies and product - Possible investment failures in low-carbon technologies and products	Increased investment in technology	Short-term Medium-term Long-term	Product manufacturing and processing Product transport and distribution Product disposal and recycling	- Incorporate green and low-carbon concepts into product and technology R&D - The promotion of energy-saving and emission reduction technology applications
Market risk	Changes in market supply and demand	Consumers are becoming more aware of green consumption and companies need to respond to the market demand for green products	Decline in sales revenue	Long-term	Product transport and distribution	Focus on green product development by actively following consumer preference trends
Reputational risk	Evaluation changes	Stakeholders are concerned about climate change, and if companies do not make timely improvements and adjustments, their reputations are affected, leading to lower investor investment and consumer demand	Lower operating income and higher financing costs	Medium-term Long-term	Product transport and distribution	- Disclosure of climate-related risks and opportunities and responses - Enhance communication with capital market stakeholders (investors, rating agencies, consumers) - Comprehensively improve ESG governance within the Company, and provide ESG-related training to employees

Climate Opportunity Identification, Assessment and Response

Type of Opportunity	Potential Opportunity Impact Pathways		Potential Financial Impacts	Periods	Value Chains	Response Measure
Efficient resource utilization	Energy-saving technology and equipment operation	Efficient equipment manufacturing operations improve energy efficiency, reduce energy consumption, and minimize carbon emissions	Cost reduction	Medium-term Long-term	Raw material production and transport	Build a green and low-carbon whole value chain system and continuously improve operational efficiency and energy utilization rate Promoting resource reuse such as waste recycling and water reuse Promoting the construction of green factories Adoption of energy-efficient equipment and replacement and elimination of old energy-intensive equipment Prioritize leasing of green buildings for office space
	Energy management	Systematization of internal energy management and monitoring of energy consumption through a digital platform can improve energy efficiency and reduce energy consumption and human resource costs.			Product manufacturing and processing	Continuously strengthen the energy management system Optimize the platform for digital monitoring of energy consumption
	Renewable energy use	Introducing the use of renewable energy can effectively reduce energy acquisition costs, lower carbon emissions and reduce the risk of potential losses from future carbon quotas and carbon price increases			Product transport and distribution	Development of renewable energy projects such as solar and wind energy Development of projects such as biogas reuse and utilization Progress towards 100% biomass replacement of coal combustion
products and services	Low carbon products	Continuous green and low-carbon product innovation, responding to customer and consumer needs, driving the low-carbon transformation of the Company's business partners, and improving the competitive advantage of the entire supply chain in the industry	Increase in operating income Cost reduction	Medium-term Long-term	Raw material production and transport Product manufacturing and processing Product transport and distribution Product disposal and recycling	Incorporate green and low-carbon concepts into R&D Promote the use of energy-saving and emission-reduction technologies Continuously expand the use of clean energy. Actively working with upstream and downstream supply chain on low carbon products
Resilience	Green technology	Green technology and green low-carbon products can effectively enhance the competitiveness of the Company's products and generate new revenue growth, while effectively reducing GHG emissions, minimizing potential costs brought about by future governmental carbon emission management, and even obtaining additional revenue Spillover of low-carbon emission reduction value to partners, improved value chain reliability and operational resilience Energy saving and carbon reduction work carried out	Increase in operating income Cost reduction	Medium-term Long-term	Raw material production and transport Product manufacturing and processing Product transport and distribution Product disposal and recycling	Development of green technologies and R&D of green and low-carbon products

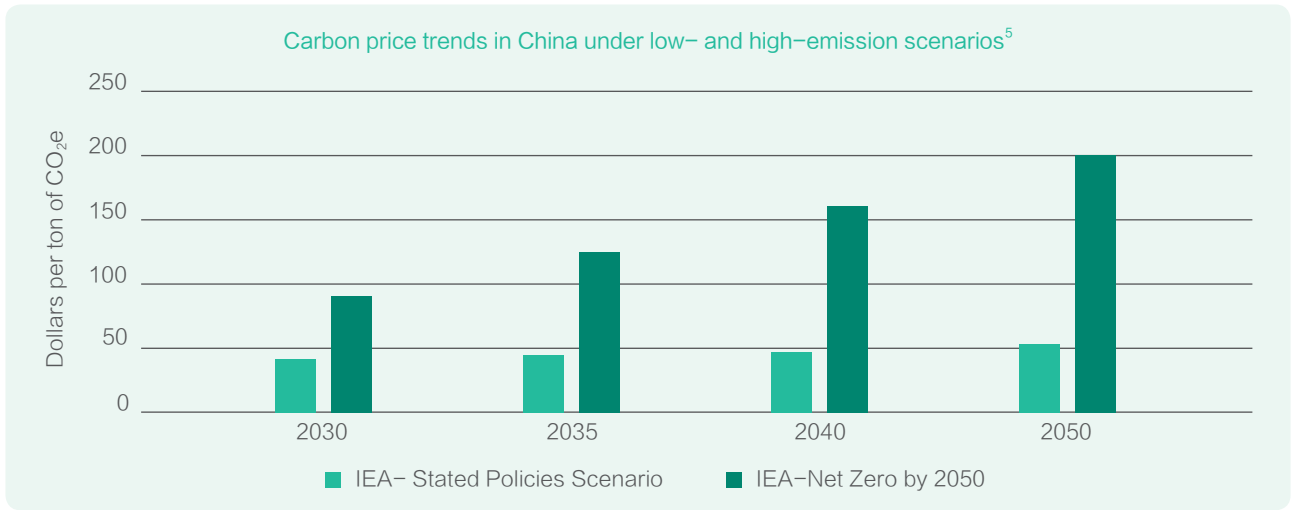
Climate Scenario Analysis

To better identify the risks and opportunities arising from climate change, Yihai Kerry Arawana has conducted a scenario analysis to incorporate the impact of future climate change on the Company's business into its assessment. With reference to the climate change scenarios publicly released by the United Nations Intergovernmental Panel on Climate Change (IPCC), we anchored two scenarios, namely the low emission scenario and the high emission scenario, and took into account the characteristics of the Company's business to assess the potential impacts of transformational risks, physical risks, and climate opportunities on our business operations, in order to improve our climate change management system and its response initiatives.

Transition Risk

Under the low-carbon economic scenario, Yihai Kerry Arawana suffers pressure from the continuous escalation of carbon emission reduction. When meeting different carbon reduction pathways, the Company may increase certain compliance emission costs due to over-quota GHG emissions.

Applicable scenarios	Scenario	Scenario description	Predicted End-of-century Warming
Low-emission scenarios	IEA-Net Zero by 2050	Under the low carbon emissions scenario, the global energy sector achieves net zero emissions by 2050.	~ 1.5℃
High-emission scenarios	IEA- Stated Policies Scenario ⁴	The policies assessed in this scenario cover a wide range, including nationally owned contributions under the <i>Paris Agreement</i> , among others. Bottom-up modelling of this scenario includes pricing policies, efficiency standards and schemes, electrification schemes and specific infrastructure projects.	~ 2.5℃



⁴China's national policies involved in this scenario include (1) the Fourteenth Five-Year Plan, which aims to reduce the CO₂ intensity of the economy by 18% from 2021 to 2025; the energy intensity of the economy will be reduced by 13.5% from 2021 to 2025; the share of non-fossil energy in the energy mix will reach 20% by 2025 and 25% by 2030. (2) Nationally determined contributions and Action Plan for Peak CO₂ by 2030, i.e., the goal is to peak CO₂ emissions by 2030 and to reduce CO₂ emissions per unit of GDP by more than 65% by 2030 compared to 2005.

⁵Carbon price study in the latest International Energy Agency (IEA) report, *IEA Outlook 2024*

Physical Risk

Under a high carbon emission scenario, Yihai Kerry Arawana may face continued and intensified extreme climate impacts.

Applicable scenarios	Scenario	Scenario description	predicted end-of-century warming	Impacts
Low-emission scenarios	Shared socio-economic pathways (SSP 1-2.6)	This scenario emphasizes global efforts towards a sustainable development goal with an average temperature rise below 2°C in 2100, which could support a 2°C temperature rise target	~ 1.4°C	• Future temperature rise significantly below 2°C (2100), with increased frequency and intensity of extreme weather events, affecting production and business to some extent • Sea level rise of 0.4 meters by 2100
High-emission scenarios	Shared socio-economic pathways (SSP 5-8.5)	In this scenario, the global economy is growing rapidly, relying mainly on the extraction of fossil fuels and energy-intensive industries, with little climate policy management, and climate change pressures are intensifying, and extreme weather events are becoming more frequent	~ 4.4°C	• Raw material constraints, with imports of plantation products (palm oil, soybeans, etc.) from South America, South-East Asia and Africa declining by about 5 to 8%⁶ • The frequency and intensity of climate extremes have increased significantly, impacting business production and operations • Increase in the frequency and amount of extreme precipitation in East China, with heavy rainfall and heavy rainstorms prone to extreme flooding risk⁷, affecting normal employee travel and the Company's production and operations • Increased tension between water supply and demand in the Northeast⁸, with product quality implications • Sea level rise of about 1 meter by 2100, affecting the manufacturing and processing of products in factories in coastal areas

⁶Tsinghua Guan Dabo team advances in research on health risks and economic losses due to extreme heat waves. <https://www.nsf.gov.cn/csc/20340/20343/67140/index.htm>

⁷Summer Precipitation Predictions for the Yangtze River Basin for the Next 30 Years under Shared Socioeconomic Pathways (SSPs), <http://www.iapjournals.ac.cn/dqkx/article/doi/10.3878/j.issn.1006-9895.2112.21154>

⁸Risk Assessment of Agricultural Green Water Security in the Northeast under Climate Change, <https://www.sciengine.com/SSTe/doi/10.1360/SSTe-2023-0240; JSESSIONID= 6fc342cc-a43e-4636-83b1-83a4fa128c3f>

Net Zero Climate Action

Green and Low-carbon Actions Across Full Value Chain System

In pursuit of 2050 Net-Zero targets, Yihai Kerry Arawana is committed to building a green and low-carbon full value chain system. Efforts will be directed toward eight key areas "Optimizing Energy Structure", "Improving Energy Efficiency", "Reducing Fugitive Emissions", "Practicing Low-Carbon Operations", "Achieving Carbon Neutrality Progressively", "Strengthening Supplier Management", "Promoting Low-Carbon Logistics" and "Disseminating Low-Carbon Concepts" —to implement net-zero actions across our operations and the entire value chain.



Green Production

The Company continues to consolidate its regular resource utilization management, and practices efficient energy utilization by continuously improving its energy management capability and giving full play to its innovative advantages. At the same time, we strongly optimize our energy structure, reduce traditional fossil energy consumption, and actively increase the proportion of clean energy use, so as to reduce GHG emissions during production and operation.

Energy Management

The Company actively advances the systematic development of its energy management system, strictly adhering to the *Environmental Policy* and implementing scientific, standardized, and process-driven energy management practices.

We encourage all factories to establish energy management systems in compliance with the ISO 50001 standard.

As of the end of 2024, **48%** of the Company's operations had obtained energy management system certification.

To effectively track, analyze, and evaluate energy consumption while further enhancing energy management capabilities, all production-oriented enterprises conduct regular energy audits based on local government requirements and their own energy management needs.

During the reporting period, **33** production-oriented enterprises completed energy audits, covering approximately **30%** of operations.

We are committed to improving staff competency in energy management through specialized training programs for all energy management personnel.

During the reporting period, the Company conducted **77** training sessions, totaling over **1,000 hours**, and engaging **776** participants.

The Company sets medium- and long-term targets for energy consumption, and sets energy consumption targets for the year for each factory at the beginning of the year. Energy management indicators are assessed in the middle of the year and at the end of the year, and the factories are rewarded according to the results of the different levels of assessment. At the same time, the Group holds biennial energy-saving innovation awards, recognizing contributions based on energy conservation impact. Individual factories conduct annual "Best Energy-Saving Ideas" competitions, with rewards granted based on evaluation scores.

Yihai Kerry Arawana 2024 Energy Consumption

Indicators	Unit	2022	2023	2024
Energy Consumption	10 thousand GJ	4,927.15	5,470.34	5,874.49
Non-renewable Energy Consumption	10 thousand GJ	4,330.71	4,818.53	4,986.87
Renewable Energy Consumption	10 thousand GJ	596.44	651.82	887.62
Percentage of Renewable Energy	%	12.1	11.9	15.1

Optimization of Energy Structure

The Company continues to optimize its energy structure, reducing the use of traditional fossil energy and GHG emissions through biogas recovery and utilization, gradually phasing out coal-fired boilers, vigorously developing the construction of biomass boilers, promoting the construction of renewable energy sources, and increasing the proportion of clean electricity use.

Energy Structure Optimization

Phase-Out of Coal-Fired Boilers

Yihai Kerry Arawana is actively carrying out of the phase-out of coal-fired boilers. Starting from 2021, the Company has gradually implementing a systematic phase-out program for coal-fired boilers and set a target of achieve full elimination of coal utilization by 2050.

Progress in Phasing Out Coal-Fired Boilers

Time	2021	2022	2023	2024
Number of Coal-Fired Boilers Phased Out (set)	2	1	2	0
Percentage of Coal-Fired Boilers Phased Out	7%	10%	17%	17%

While phasing out coal-fired boilers, the Company is constantly advancing the construction of new biomass boilers.

Progress in Building Biomass Boilers

Time	2021	2022	2023	2024
Number of Biomass Boilers Built (set)	2	2	1	3
Total Number of Biomass Boilers (set)	23	25	26	29



Biomass Boiler in Changsha Factory

In 2024

The Company used **351,000 tons** of biomass energy

Which replaced approximately **170,000 tons** of standard coal (4.98 million GJ) of fossil energy

Reduced greenhouse gas emissions by about **473,000 tons** of CO₂e.

Renewable Energy Projects Construction

Solar Photovoltaic Power Generation Project

The Company actively deploys and develops renewable energy, collaborating with professional institutions to construct and operate solar photovoltaic power generation projects on the rooftops of its operational sites, and sets the target that by 2030, the total installed capacity of solar photovoltaic power generation projects will reach 200 MWp. In 2024, the Company's total installed capacity of solar photovoltaic power generation projects exceeded 100MWp, reaching 105.3MWp.



In 2024,

The Company used a total of
78,962 MWh of solar photovoltaic
electricity

An increase of approximately
43% from 2023

Reducing carbon emissions by over
42,000 tons of CO₂e

Biogas (methane) Recycling and Utilization

The Company continues to optimize and promote the biogas (methane) recycling system, aiming at preventing the greenhouse effect of direct emissions of biogas (methane) on the environment, and reducing greenhouse gas emissions by replacing part of the fossil fuels with biogas (methane).

In 2024

The Company recycled more than
15.16 million cubic meters of biogas (methane)

Which replaced the consumption of coal, natural gas
and other fossil energy sources by about
12,000 tons of standard coal

Reducing greenhouse gas emissions by more than
234,000 tons of CO₂e

Increasing the Proportion of Clean Electricity Use

The Company actively purchases clean electricity for production and office operations to further reduce traditional fossil energy consumption and lower greenhouse gas emissions. In 2024, the Group's clean electricity proportion reached 23.7%, achieving the target set in 2023: the clean electricity proportion in 2024 should strive to be no less than 20%.

In 2024

The Company purchased and used
992,246 MWh of clean electricity (excluding
solar photovoltaic power)

An increase of
275.4% compared with 2023

Which reduced greenhouse GHG by approximately
532,000 tons of CO₂e

Low-Carbon Processes

The Company continues to explore the development path of green manufacturing and improve energy efficiency through energy-saving technology innovation and equipment upgrades. At the same time, we regard the construction of carbon-neutral factories and product carbon footprint accounting as the foundation and key to realizing low-carbon, green development, and strive to provide green manufacturing solutions to continuously contribute to the 2050 net-zero goal.

Energy-Saving Processes

In 2024, The Company implemented **123** energy saving and emission reduction projects, with a total investment of about **RMB 120 million** which can reduce carbon emissions by about **82,000 tons** of CO₂e.

Among them, **11** new energy saving and emission reduction projects were added in 2024, with a total investment of about **RMB 5 million** which can reduce carbon emissions by **3,000 tons** of CO₂e.



Improving Energy Efficiency

Reduce Energy Loss

The Company conducted inspections on the compressed air distribution network. By using leak detection instruments, the Company identified improvement opportunities and promptly implemented rectifications to reduce compressed air waste, lower electricity consumption, and decrease greenhouse gas emissions. Among these, the Fuyu Factory carried out 2 centralized inspections throughout the year, detecting several improvement opportunities, all of which can save 948,000 KWh of electricity and reduce GHG emissions by approximately 510 tons of CO₂e per year.

In 2024, the Company detected a number of improvement opportunities, reducing compressed air loss by approximately 35 million m³ and reducing greenhouse gas emissions by approximately 2,500 tons of CO₂e.



Renewal of Old Equipment

The Company actively carries out the elimination and transformation of inefficient equipments, adopts more efficient equipments and facilities, improves the energy utilization rate, and reduces the energy consumption: Dongguan Fuziyuan Oil Pressing Workshop uses the energy-saving circulating water pumps to replace the ordinary water pumps, which can save 360,000 KWh of electricity and reduce the emission of greenhouse gases by about 200 tons of CO₂e per year.

Adoption of High-Efficiency Equipment

To solve the problems of low energy efficiency and high energy consumption of newly-built compressed air stations, new energy-efficient air compressors and after-treatment equipments are adopted at the beginning of construction, so as to reduce energy consumption and carbon emission. After testing by a third-party professional organization, the newly-built compressed air station of Yihai (Qingdao) Grain and Oil Industry Co., Ltd. has achieved Grade 1 energy efficiency testing (the highest level of energy efficiency for compressed air stations in China).



Exploiting the Potential of Residual Energy

The Company recycles and reuses the low-temperature waste heat generated in the production process, utilizes the waste heat to reduce boiler fuel use. By recycling the waste heat from the exhaust of the deaerator in the boiler plant, the Kunming factory recycles the low-level heat source instead of steam for heat exchange and saves fuel, which can save 29,000m³ of natural gas per year and reduce greenhouse gas emissions by about 62 tons of CO₂e.

Carbon Neutral Factories Construction

The Company actively explores methods and pathways for factories to achieve carbon neutrality, steadily advancing the development of carbon-neutral factories and implementing carbon reduction throughout the entire process. As of the end of 2024, 4 of the Company's factories had obtained "Carbon Neutrality Factory" certification.

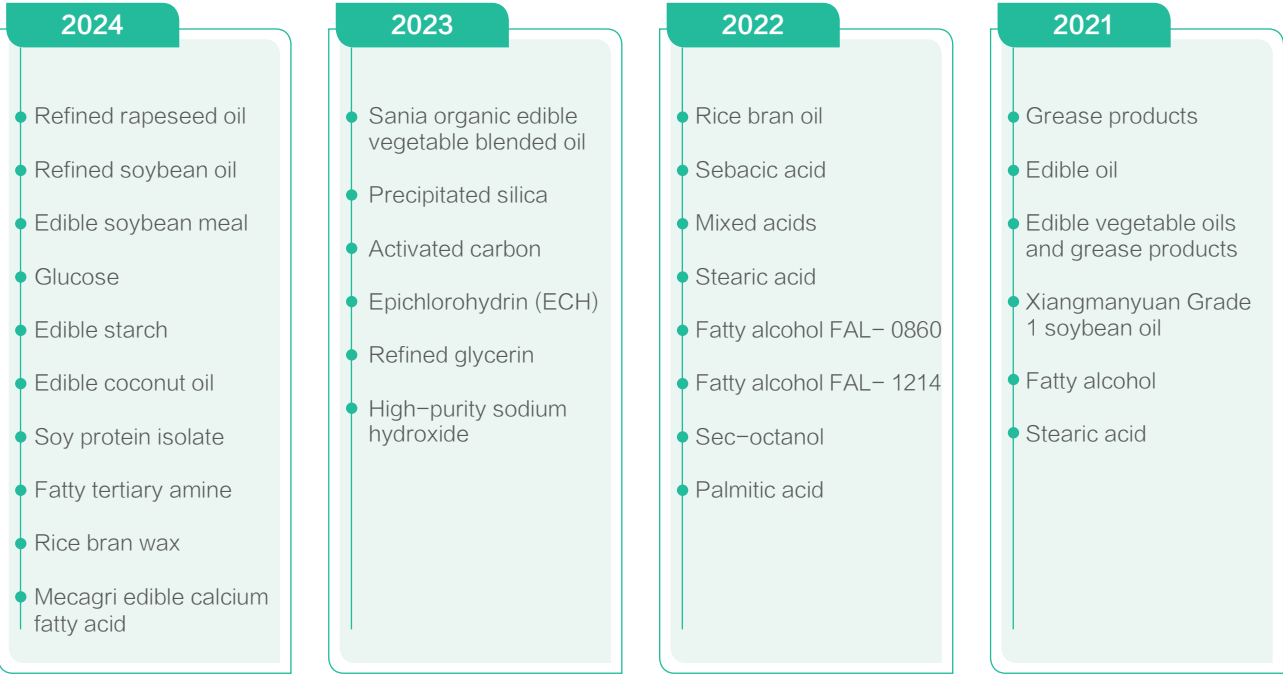
Case The Group's First Sustainable "Three-Piece" Factory

In 2024, Qinhuangdao Jinhai Special Edible Oil Industry Co., Ltd. was recognized as a "Zero Carbon Factory" and became the first factory of the Group to obtain the "three pieces" of sustainable development (i.e., a national green factory, a zero carbon factory certification, and a zero carbon product certification). The company integrates the "green concept" into the product supply chain, continuously increases the proportion of green power purchase, through the use of clean energy, optimizes energy management, and improves the use of renewable energy. It also purchases carbon sinks for unavoidable greenhouse gas emissions, and ultimately realizes a zero-carbon factory, completing the "three-piece" certification of sustainable development.

Product Carbon Footprint

The Company is committed to reducing carbon emissions throughout the life cycle of its products and continues to promote the carbon footprint verification of its core products to track the carbon emissions of its products, providing low-carbon products to the society on a continuous basis.

As of the end of 2024, we have completed the carbon footprint verification of 30 core products.



Green Storage and Transportation

Leveraging its nationwide logistics facilities and network, the Company deeply integrates resources to achieve efficient transportation while reducing energy consumption in warehousing and distribution. Together with partners, the Company utilizes its long-established transport capacity platform and multi-dimensional intelligent information management system to holistically address actual logistics needs. Through multimodal transport (road-rail-water) and multi-temperature urban co-distribution systems, it has built an efficient and environmentally friendly green logistics ecosystem.

Diverse and Flexible Logistics Models

Vessel Transit

Collaborated with partners, completed the renovation and operational launch of Taizhou Yongan Dock. By adopting advanced equipment such as grain suction machines-conveyor belt-ship loaders, it achieved "no-touch-ground" throughout the entire grain transfer process, completed grain shipping transshipment operations, improved operational efficiency, reduced dust emissions, and minimized grain loss.

Multimodal Transport

Integrate cargo sources and transportation means within the Group, and change from single transportation to road-rail-water transportation model to improve transportation efficiency and reduce carbon emissions.

Road Freight

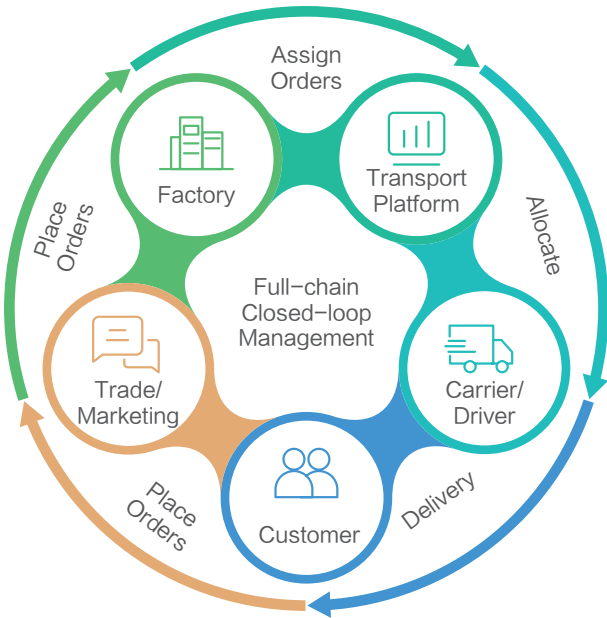
Build a 300-kilometer road transportation capacity network, optimize road transportation routes, rationally allocate cargo to reduce idle capacity, and lower carbon emissions from road freight.



Taizhou Yongan Dock Renovation Project

Intelligent Logistics Management

The Company carries out intelligent logistics information management, adopts automatic warehousing, information system-assisted transportation route optimization, loading and unloading improvement and other methods to create green logistics. For container business, we implement whole-link tracking, vehicle positioning, ship positioning, ship schedule + ship AIS positioning, real-time tracking, and efficient transportation. In addition, we realize the closed-loop management of the whole process of road freight transportation, monitor the operation data and transportation quality, and integrate the capacity resources and cargo resources through the capacity platform, achieving intelligent transportation with higher efficiency and lower energy consumption cost.



Low-Carbon Storage Technology

The Company focuses on "green grain storage" and adopts energy-saving storage technology to improve storage and transportation efficiency and reduce losses.

Case Four New Technologies for Grain Storage, Realizing the Precise Use of Energy

The Company has innovated "Four New Technologies for Grain Storage", upgrading the four major environments, namely, grain condition measurement and control system, mechanical ventilation, recirculation fumigation and grain cooling, to improve the operational efficiency and reduce the energy consumption per unit. At present, this technology has covered all warehouses of the Group.

Grain Condition Monitoring System

The temperature sensors are embedded scientifically according to the volume of the grain pile to monitor the temperature change inside the pile in real time. When temperature is abnormal, the system can immediately detect the real-time change of temperature and automatically notify the warehouse personnel to take corresponding measures in time, thus ensuring the safety of grain storage.

Mechanical Ventilation

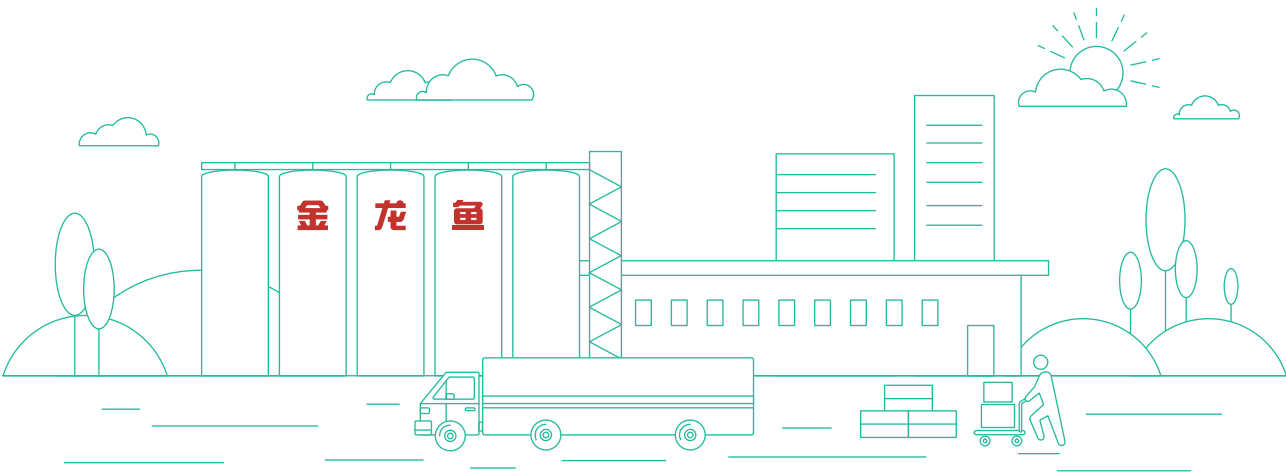
The warehouses are equipped with an underfloor air duct system, which is integrated with the grain condition monitoring system. When abnormal temperature fluctuations are detected in the grain stacks, the ventilation system activates automatically. Fans and air ducts circulate air to cool the grain, maintaining a low-temperature, safe storage environment.

Recirculation Fumigation

The grain storage facilities utilize a recirculation fumigation system to treat grain stacks, effectively preventing pest infestations.

Grain Cooling

For hot summer weather, the grain pile is cooled by a chiller. The cool air is sent into the grain pile through the air network system at the bottom of the grain storage to replace the hot and humid gas inside. The whole process is controlled in real time by the grain condition measurement and control system according to the internal temperature of the grain pile.



Green Office

The Company integrates the principles of sustainability and low-carbon into operations, while also encouraging employees to develop a strong environmental consciousness. We pay attention to the trivial details, actively participate in resource conservation efforts, practice the concept of green office, and effectively reduce GHG emissions.

Paperless Office

The Company encourages employees to print double-sided, use black-and-white printing, and collect used paper for reuse to improve paper utilization.

Energy and Water Saving

Posters and signs are displayed in offices to remind staff to turn off lights, reduce water usage, and conserve resources.

Online Meetings Promotion

Encourage employees to use online meetings more frequently and upgrade meeting room equipment to improve the efficiency of meeting communication devices, ensuring the quality of online meetings.

Equipment Upgrade and Renovation

The lighting equipment in the parking lot of office building have been changed to automatic lighting, and energy-saving light tubes are used. All lighting systems in the building are LED energy-saving lamps.

Energy-Saving Habits

Air conditioning, lighting, and projection equipment in meeting rooms are required to be powered off when not in use.

Green Travel

Promote green travel among employees and encourage them to adopt environmentally friendly, green and low-carbon means of transportation.



Topic Two

Innovation Leading the Way, Nourishing a Healthy Life

As a significant agricultural and food processing enterprise in China, Yihai Kerry Arawana has keenly perceived and actively planned for the new directions of the industry's future development. With the continuous advancement of the national "Healthy China 2030" strategy and the gradual popularization of the "Preserving health with diet" concept, the Company, leveraging decades of accumulated technology, products, services and experience, strives to provide consumers with healthier products, better services and more diverse choices, promoting the thriving development of the health functional food industry, safeguarding the national dining table and assisting the public in embarking on a new chapter of a healthy life.

Our Topics of Interest

- Technology and Innovation
- Nutrition and Health
- Product Quality and Safety
- Quality Customer Service



Our Commitment and Targets

- Committed to "Creating a World Safe Dining Tables", the Company strives to provide customers with healthier products, superior services, and a wider range of choices
- Leveraging technological innovation and process improvement, the Company continuously develops nutritional products to meet consumers' nutritional and health needs
- The Company plans to invest a cumulative total of RMB 100 million from 2020 to 2030 to support foundational research in nutrition, contributing to the ambitious goal of "Healthy China 2030"

Our Actions

- Established a big health management team led by the Company's president to further strengthen the strategic layout in the big health sector
- Conducting ongoing research in nutrition technology, enriching the matrix of nutritional and health products, enhancing product accessibility, and providing consumers with nutritious and diverse product options
- The National Nutrition Research Fund is progressing to its fourth phase, with a total of 12 projects proposed for funding

Strategic Layout

As the dietary concepts of Chinese residents continue to evolve, the increasing demand for health has become a key driving force for consumption upgrades, propelling the shift of grain supply from "eating enough" to "eating well" and "eating healthily". Since 2013, the country has successively issued several policies including the *Outline of the Healthy China 2030 Plan*, which support the development of the food nutrition and health industry, promote the shift from "disease treatment centered" to "people's health centered," and provide strong support for the realization of the goals of "preventing disease" and "preserving health with diet". With deep roots in the grain and oil food sector, Yihai Kerry Arawana responded to national policy guidance and market demand, actively laying out the R&D and production of raw materials for big health food, leveraging our full industry chain layout to vigorously develop new quality productivity, and committing to advancing food business from traditional nutrition to a higher-level direction of preserving health with diet.

Leading Future Foods, Supporting Healthy China

At the 7th China International Import Expo (CIIE), the Company set up the big health exhibition area for the first time, centering on the theme of "Leading Future Foods, Supporting Healthy China." We showcased multiple functional products targeting specific health needs, including the breakthrough in processing technology for high-content mixed-grain noodles, the Arawana Low GI Black Highland Barley Buckwheat Noodles, which received authoritative low GI certification; the Tianzhen Douqu Phytosterol Ester Protein Milk, which contains 3.4g of phytosterol ester per box and has a protein content of over 4g/100g; and the newly launched Diacylglycerol (DAG) new edible oil product. The Company's big health exhibits were also selected for the "Silk Road Boutique" exhibition area of this year's CIIE, showcasing the CIIE's significant achievements in "exhibits into goods" and "exhibitors into investors."



Organizational Structure

In 2024, the Company further strengthened the big health strategic layout by establishing a big health management team led by the Company's president, coordinating and integrating internal resources of the Group, defining the division and collaboration models of production, supply, and marketing, and establishing a product manager system for full-chain management of the product series. We expanded both online and offline sales and promotion channels. Simultaneously, the Company formulated a series of nutrition and health policies, integrating the concept of nutrition and health into the entire process of market research, project establishment, R&D, production, quality monitoring, certification, market promotion, and sales operations. This not only ensures the scientificity, safety, and effectiveness of the products, but also better serves the health needs of consumers through full-chain quality management and innovation support.

Simultaneously, as one of the first batch of member units of the Shanghai Regional Nutrition Innovation Platform, the Company regards the R&D center as a strategic innovation engine, deepens technical support from the National Nutrition Research Fund, and continuously increases our efforts in innovation and R&D, advancing from basic nutrition to a higher-level direction of preserving health with diet, achieving healthy upgrades of existing products, actively launching more functional foods, and creating a healthy and safe brand image.

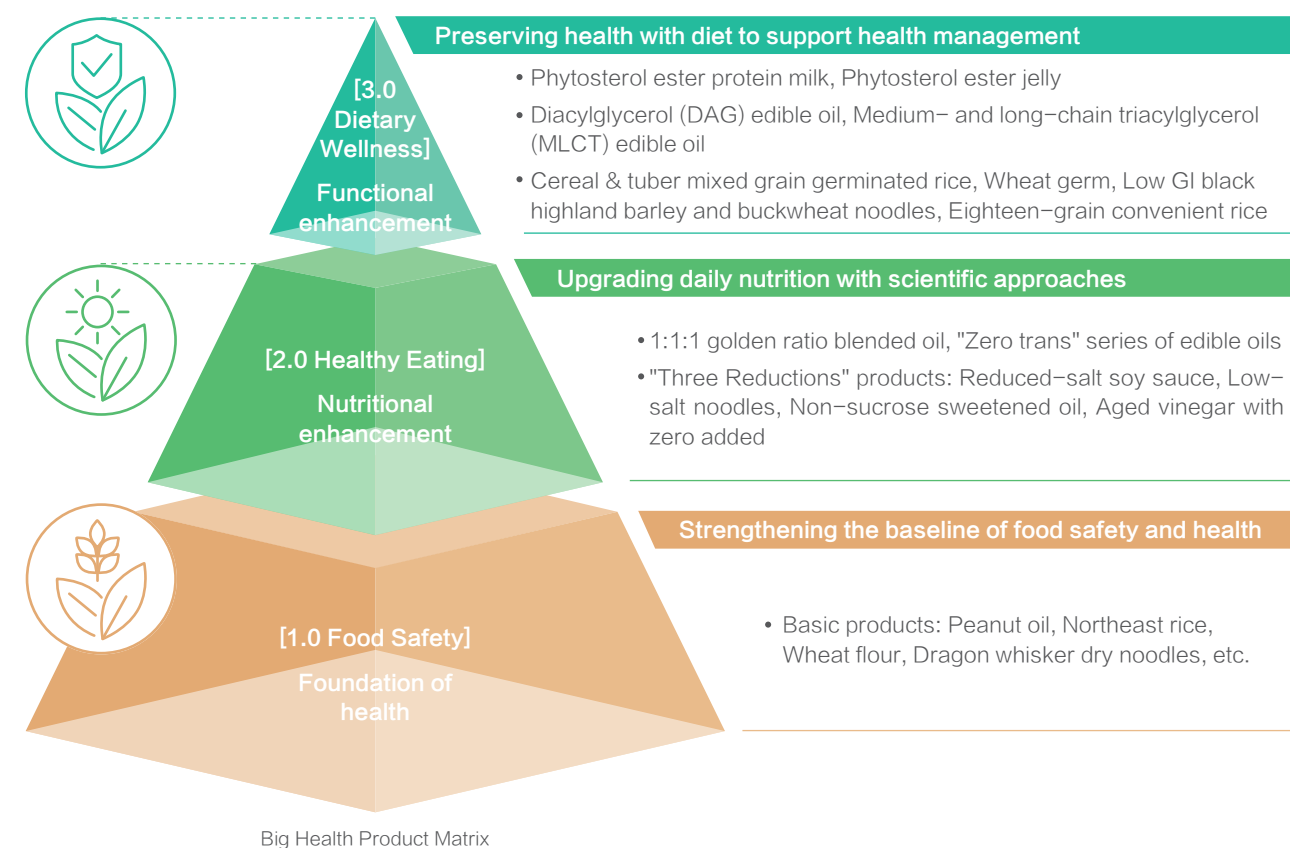
Supporting the "Healthy China 2030" Goal

From 2020 to 2030, the Company's R&D center plans to invest RMB 100 million to support scientific research, supporting the "Healthy China 2030" goal. To support clinical research on the health and nutritional benefits for specific populations, improve the nutritional and health status of residents, and enhance the original innovation capabilities of nutritional research in China, the Company jointly established the "National Nutrition Research Fund" with the Chinese Nutrition Society.

In 2024, the fourth phase of the National Nutrition Research Fund has been reviewed by experts, with a total of 12 projects proposed for funding, including the health effects of oils and fatty acids, dietary management and application, food and nutrition intervention research, and the construction of a nutrition information platform.

With strong R&D strength and advanced production capabilities, the Company continuously achieves technical breakthroughs and product innovation, progressively promoting the implementation of the big health strategy, expanding the product field in a scientific and systematic manner, and continuously creating a product matrix that encompasses safety, health, nutrition, and functional enhancement, providing consumers with more nutritious, healthier, and safer food choices.

Big Health Product Matrix



【 1.0 】 Strengthening the Baseline of Food Safety and Health



The Company has always prioritized food safety as the cornerstone, adhering to a comprehensive quality control system that spans "from farm to table." Through strict technical standards and production processes, we ensure that each product can provide consumers with safe and healthy quality assurance.



In the processing and production of grain and oil, we employ advanced detection and production technologies, strictly controlling the generation of hazardous substances and comprehensively screening heavy metal risks in raw materials, thus ensuring product quality and safety from the source.



The Company conducts in-depth research on the production areas of flour and dry noodles, strictly monitoring risk factors in accordance with national standards, and implementing layer-by-layer checks from raw material selection to finished product delivery, ensuring the safety and nutrition of flour and dry noodles.



The Company actively collaborates with raw material growers and farmers, advocating for green planting methods, strictly controlling the use of fertilizers and pesticides, and ensuring the natural and healthy attributes of agricultural products from the source. This not only provides consumers with more reassuring food sources but also reduces the environmental burden.

In addition, the Company continuously launches a variety of organic products, including organic oils, organic rice, organic condiments, etc., striving to convey the concept of health to consumers. As of the end of 2024, the Company has launched 50 organic products.

【 2.0 】 Upgrading Daily Nutrition with Scientific Approaches



Based on a solid foundation of safety, the Company actively implements the concept of food nutrition upgrade. Referencing the recommendations of authoritative institutions such as the World Health Organization and the Chinese Nutrition Society, we have launched a series of products including zero trans fatty acid and high nutrition retention single-source oil and blended oil products. These meet consumers' advanced needs for healthy edible oils and promote the integration of the concept of healthy eating into daily life. In addition, the Company actively innovates and improves food processing technologies. By preserving the natural beneficial active substances in food, we enhance the nutritional value of products while achieving the goal of reducing or not using artificial additives (such as preservatives, antioxidants, sweeteners, etc.). During the reporting period, the Company successfully launched a series of products including Zero Additives Arawana Authentic Traditional Pressed Peanut Oil, Arawana Zero Additives Soy Sauce Series, Arawana Zero Additives Two-Year/Three-Year Aged Vinegar, Arawana Zero Additives Fresh Egg Noodles/Yam Noodles of Wavy Noodles Series, Arawana WKitchen Mixed Grain Rice, and Morningcup Phytosterol Soymilk Powder, etc.

Healthy Oils — Advocating Nutritional Balance

Since the launch of the first bottle of "Arawana" small-packaged oil in 1991, the Company has been dedicated to integrating domestic and international research findings with the dietary characteristics of the Chinese people, providing consumers with high-quality edible oil products.

1:1:1 Golden Ratio Blended Oil

The Company has introduced the 1:1:1 golden ratio blended oil that advocates a balanced intake of fatty acids through scientific proportioning, promoting the consumption of edible oils from "safety" to nutrition and health.



"Zero Trans" Series Edible Oils

To reduce the content of trans fatty acids in refined vegetable oils, the Company has further employed green, precise, and moderate processing techniques to create the "Zero Trans" series of edible oils, achieving "0% trans fatty acids, with vitamin E and phytosterol retention rates exceeding 80%."



"Three Reductions" Innovation — Guarding Healthy Food Fashion

The Company has achieved significant results in the R&D of "three reductions" products. In terms of sodium reduction, the Company has successfully launched low-salt dry noodles and reduced-salt soy sauce products. Among them, the Arawana low-salt dry noodles series has reduced sodium content by 80% compared to traditional dry noodles. The Arawana reduced-salt soy sauce series offers reduced salt without compromising on freshness, and it has launched soy sauce products with 25%, 28%, and 30% less salt to cater to different taste preferences and application scenarios. In the field of sugar control, the Company focuses on the R&D of mixed grain dry noodles and whole grain flour, and has launched low GI grain powder and low GI rice products to better control the glycemic index. In terms of fat reduction, the Company also provides healthy oil solutions with low saturated fatty acids and low trans fatty acids for baked products through oil variety innovation and processing technology upgrades.

Nutrition Enhancement — Satisfying Diverse Needs

While ensuring the original nutrition of the products, the Company is committed to the R&D of nutritionally fortified foods, increasing the content of nutritional elements in the products, and offering consumers healthy products with high nutritional value. We have launched pure rapeseed oil products fortified with vitamin A, with a vitamin A content of 500mg retinol equivalent per 100g of oil.

【 3.0 】 Preserving Health with Diet to Support Health Management



In the development of function-enhanced products, the Company is committed to inheriting the traditional Chinese culture of preserving health with diet on one hand, focusing on the development and utilization of food materials that are "medicinal and edible homology", and launching healthy staple foods with unique features such as low GI rice and low GI noodles. On the other hand, we pay attention to the combination of modern nutritional concepts and cutting-edge R&D technologies, promoting the R&D of innovative functional food, such as products rich in DAG, sterols, phospholipids, protein, DHA, vitamin E, and other nutrients. At the same time, the Company is concerned with the health of special groups such as the elderly, young children, pregnant women, and primary and secondary school students, developing and promoting more targeted health and nutrition products, improving the accessibility of nutrition, and contributing to public health.

Innovative Staple Food – Leading the Healthy Consumption of Cereal Science

The Company actively responds to the *National Whole Grain Action Plan (2024–2025)* and based on the Chinese Dietary Pagoda, combines the nutritional value of whole grains and mixed grains with the pace of modern life, innovatively launches grain and potato mixed germinated rice, and develops a series of healthy staple foods with distinctive characteristics. The products, with their excellent taste, low GI, high protein, and rich dietary fiber, fully meet the needs of different types of consumers who prioritize health, nutritional balance, and fast-paced living for healthy staple foods.

Grain and potato mixed germinated rice

Building upon the previously proposed scientific staple food formula, the product has been further upgraded. It contains a scientific proportion of 10 types of grains, with an additional 52% germ rice replacing refined white rice. It is rich in dietary fiber (7.3%) and contains protein (10%).



Low GI black highland barley and buckwheat dry noodles

This product overcomes the technical challenge of processing high-content mixed grain noodles and has obtained "Low GI Food Certification".



Eighteen grains convenient rice

Composed of 18 different types of cereals and mixed grains: 3 types of quinoa, 4 types of beans, and 11 types of grains for nutrition. It has an increase of approximately 57% in protein and approximately 166% in dietary fiber. It advocates for a balanced diet, combining convenience with nutrition.



Wheat germ

Ready-to-eat germ. Through advanced processing techniques, 4g of germ can be extracted from every 1kg of wheat. It is high in fiber and protein, and rich in various vitamins and minerals.



Compared to refined grains, some fungal toxins are present in the outer structure of the grains, and special attention should be given to the safety issues of whole grain foods. In response to the challenges, the Company is committed to controlling the quality of whole grain foods throughout the entire industry chain, including crop variety, crop origin, planting methods, industrial production processes, drying and storage, and cooking processes, to ensure the nutrition and safety of whole grain products.

Phytosterols – Guardian of Health

The Company has introduced advanced supercritical process and employed physical crystallization techniques to isolate high-purity phytosterols from natural vegetable oils. This nutrient can form competitive absorption* with cholesterol. The Company has innovatively developed products such as phytosterol ester protein milk, phytosterol granules, phytosterol ester jelly, and phytosterol phospholipid solid beverages, making the products both nutritious, tasty, and convenient to consume, and providing high-quality health options for people pursuing a healthy and high-quality lifestyle.

*Reference: *Am J Clin Nutr.* 2010 Jan; 91(1):32–8; *Chinese Journal of internal medicine.* 2014,53(2); *Chinese Journal of traditional Chinese medicine*, 2019; *Compr Rev Food Sci Food Saf.* 2020 Jul;19(4):1243–1267



Light and Easy Oils – Targeted Health Management

The Company has developed and launched a light and easy medium- and long-chain triacylglycerol (MLCT) edible oil, which has obtained 6 national invention patents, meeting the needs of consumers who pursue a light and healthy lifestyle. At the 7th CIIE in 2024, the Company released a new diacylglycerol (DAG) edible oil product that has recently gained attention from the weight loss community. Previous studies have shown that DAG not only helps to promote the oxidation of fatty acid β -, but also reduce the intake of triglycerides through substitution. By introducing these healthy oils into daily diets, the Company not only satisfies consumers' pursuit of healthy diet, but also provides more possibilities for the in-depth exploration of large healthy foods.

Focusing on Special Groups – Nutritional Accessibility

The Company pays attention to the health needs of special groups such as infants, the elderly, primary and secondary school students, and pregnant and lactating women, developing and promoting more targeted healthy nutritional products to comprehensively improve nutritional accessibility.



For infants

The Company has successfully developed a high-quality breast milk fat substitute, structured fat OPO (this product cannot replace breast milk), and launched products such as infant dry noodles.



For the elderly

The Company has developed a variety of nutritional meal solutions and nearly a hundred sets of recipes, as well as collaborating with nursing homes to launch products targeting swallowing difficulties in the elderly.



For primary and secondary school students

The Company has taken the lead in using high-quality rice oil to cook meals, and created nutritional meal upgrading programs, such as using high protein milk and other products.



For pregnant women

The Company has blended sunflower seed and flaxseed edible blended oil rich in α - linolenic acid and linoleic acid to meet their nutritional needs.

Solid Support

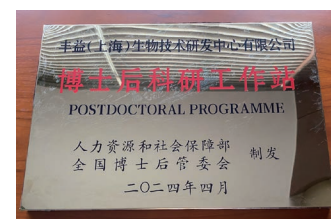
The Company has created a progressive and reinforcing matrix of big health products, which is not only a powerful measure to precisely meet market demands but also a vivid practice of driving technology-driven industrial transformation and upgrading. From the widespread adoption of basic safety and health protection to the precise intervention of functional nutrient-fortified foods, the breakthroughs at each level are inseparable from the solid support of underlying technologies. The in-depth integration of technology and industry has enabled the great health layout of Yihai Kerry Arawana to be both scientific and practical, and continue to empower public health.

Innovation Engine

The Company regards the R&D center as the core technical strength of the big health strategy, deepening the R&D of related technologies and product innovation in the field of big health, and strengthening external cooperation and exchange. Since its establishment, the R&D center has been committed to improving the current grain and oil food processing technology and product quality, striving to develop green and white biotechnology, leading advanced consumer concepts. It not only provides more healthy food for the people, but also provides more possibilities for the in-depth development of big health food.



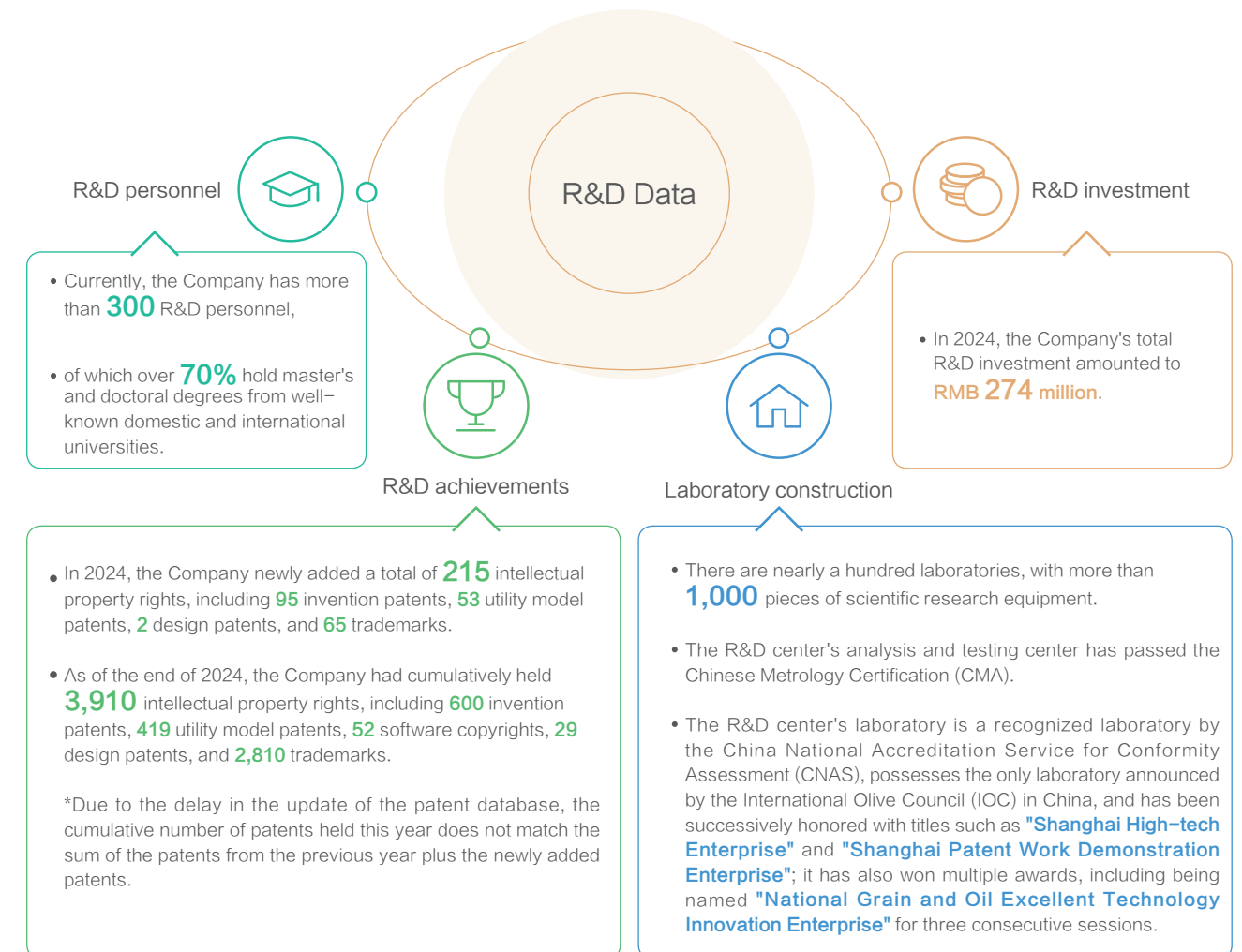
With a team of high-quality R&D talents, an optimized talent cultivation mechanism, advanced laboratory facilities, and continuously increasing R&D capital investment, the Company fully ensures the efficient progress of R&D work and the transformation of innovative achievements. In 2024, the R&D center successfully obtained approval to establish a national postdoctoral research workstation, providing a broader platform for the cultivation of high-level talents and R&D work. In the same year, the Company's R&D center, together with the Shanghai Yangtze Delta Innovation Institute, co-founded the Yangtze Delta National Joint Innovation Center (NICE) – Fengyi Biotechnology Joint Innovation Center. This initiative connects with the global innovation resources introduced by the National Innovation Center, promotes cooperation between upstream and downstream enterprises in the industrial chain and external innovation resources, and continuously enhances innovation capabilities.



National postdoctoral workstation



Yangtze River Delta National Joint Innovation Center (NICE)



Exploration Path

The Company realizes that the promotion of the big health strategy requires the continuous deepening of the integration of technical R&D with product innovation, thereby building a comprehensive and multi-level product system to meet the health needs under different scenarios. Relying on high-quality hardware facilities, the Company has established a multi-level R&D innovation system with public services as the foundation and "key technology platform – technical support and product development platform – product application platform" as the core, which connects the entire process from key technology to product development and application. On one hand, the Company takes the market as the outcome-oriented, carries out technical support for existing products and the development of new products, and jointly conducts specific application research with customers; on the other hand, guided by the industry's technical trends, we conduct research on cutting-edge technologies, leading the iteration and upgrading of technology and products.

Focusing on the five central tasks of grain and oil technology and product R&D, new product and technical consultation, product technical services, science and technology cooperation and exchange, and the cultivation of professionals in grain and oil food.

Engaging in innovative R&D in the fields of culinary oils, special oils, grains, foods, and oil science and technology, etc.

Also dedicated to providing solutions for the transformation and upgrading of grain and oil enterprises, in order to achieve sustainable development goals of continuous optimization of resources, reduction of energy consumption, and environmentally friendly.

In 2024, due to outstanding performance in technological innovation and market application, the Company received high recognition from all sectors of the industry and won multiple awards for innovation:

Technological
Innovation Award



Project: Innovation and Industrialization of Key Technologies for Deep Processing of Flaxseed

Award: Second Prize of Science and Technology Award of China Cereals and Oils Association

Technological
Innovation Award



Project: Innovation and Application of Key Technologies for Processing Nutritional Functional Components of Flaxseed

Award: Second Prize of Guangdong Provincial Science and Technology Progress Award

Product
Innovation Award



Project: Fengyitang Low GI Sugar-Control Mixed Grain Rice

Award: 2024 6th China GI (glycemic index) Category Innovation Award

Technological
Innovation Award

Project: Application and Innovation of Microwave Intelligent Technology in the Processing of Strong Aroma Peanut Oil

Award: Third Prize of 2024 Pudong Employee Science and Technology Innovation Achievement

Project: Key Technological Innovations and Industrial Applications for Deep Processing of Rapeseed

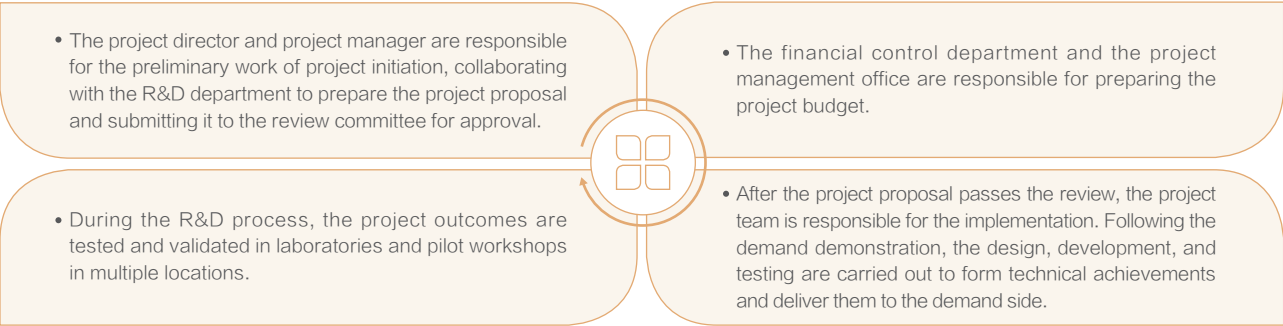
Award: Third Prize of Hubei Provincial Science and Technology Progress Award

Project: Construction of New Technology for Corn Oil Fragrance Production and Green Precision Processing Mode

Award: Nomination Award of 2024 Pudong Employee Science and Technology Innovation Achievement

Project Management Process

The Company has established a unified R&D project management process system, set up a project management committee to participate in the whole process management of R&D projects, and formulated the *Project Implementation Process Control Work Guidelines* and other project management procedures standards and policies to clarify the responsibilities of relevant departments and position personnel:



During the reporting period, after the review and selection by the China National Food Industry Association, the Company's R&D center was included in the *Directory of Landmark Management Systems for the Nutrition and Health Initiative in the Food Industry*. The projects "Innovative System Development and Industrialization of 'Six-Step Fresh Rice Precision Control Technology' for Paddy", "Multi-level Light Milling of Germinated Rice and Shelf-life Extension Technology", and "Green Precision Moderate Processing Technology for Edible Oils" were also included in the *Directory of Landmark Achievements for the Nutrition and Health Initiative in the Food Industry*.



Commitment to Scientific and Technological Ethics

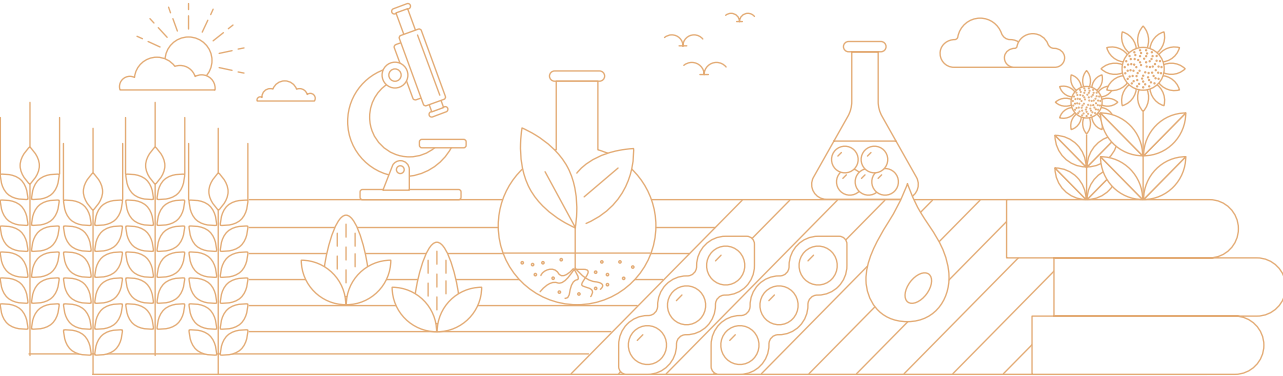
The Company integrates risk identification and control throughout the entire life cycle of product R&D projects, including the requirement phase, project initiation phase, project process phase, and project conclusion phase, dedication to maximizing the control of ethical risks in science and technology related to food safety.

The Company's R&D work fully complies with relevant national laws and regulations, including the *Food Safety Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and multiple national food safety standards, ensuring product safety and compliance. In terms of technical regulations, the Company has a dedicated regulatory representative responsible for reviewing risks, safeguarding food safety-related ethical issues, and conducting follow-up supervision to ensure the ethical and legal compliance of all R&D projects. Simultaneously, the Company strictly requires the compliance of collaborative projects, and the partners must fulfill their responsibilities according to the contract to ensure that the project meets national laws and regulations and ethical standards.

During the R&D process, the Company does not directly engage in animal testing and clinical trials. For any external collaborative projects involving such experiments, the Company manages them through the signing of technical contracts, strictly following the contract's timelines, and the relevant R&D departments arrange for evaluations independently, maintaining complete evaluation records. Animal testing is mainly used for safety assessments and functional verification, which the Company generally carries out in collaboration with external professional institutions. Similarly, clinical trials are primarily for functional verification and are also conducted in partnership with external institutions, strictly adhering to national guidelines, such as requirements for human genetic resource declarations.

The Company strictly complies with the *Biosecurity Law of the People's Republic of China* and the *Regulations of the People's Republic of China on the Management of Human Genetic Resources*, ensuring the protection and rational use of China's human genetic resources while maintaining public health, national security, and social public interests. Currently, the Company has not directly initiated any scientific research involving human genetic resources. In collaborative projects with other research institutions (such as universities and scientific institutions), the partner is mainly responsible for implementing the relevant requirements.

While ensuring that each product meets national laws and regulations, the Company is also brave in innovation and actively applies for new food ingredients. The R&D center will apply for new varieties of food raw materials or expand the scope of use in accordance with national administrative regulations through rigorous experimental verification, to safeguard product quality and innovation. Simultaneously, the Company provides regular science education to its employees, including training on intellectual property rights and regulations, to enhance employees' compliance awareness and ethical standards, ensuring that every employee adheres to scientific ethics in R&D activities, promoting the Company's sustainable development.



Collaborative Strength

The Company has always adhered to the concept of collaborative win-win, actively working hand in hand with domestic and international research institutions, universities, hospitals, and other partners. This empowers the steady development of the Company's strategy in the field of comprehensive health, jointly promoting the continuous upgrade and transformation of the grain and oil food industry.

Establishing a Joint Grain and Oil Research Platform

- In 2024, the Company, in partnership with the Qingdao Municipal Government, established China's first global peanut industry research institute – the Hujihua Global Peanut Industry Research Institute. It brings together renowned experts from the core peanut producing regions worldwide, focusing on improving the quality and efficiency of the industry chain, promoting the high-quality development of China's peanut industry, and simultaneously supporting the inheritance of intangible cultural heritage skills, enhancing the international competitiveness of China's peanut industry.
- The Company established the "Jiangnan University–Arawana Future Oil Research Institute" in collaboration with Jiangnan University in 2021, focusing on the research of new resources and functions of oil, particularly the application of specific fatty acids and structured triglycerides in precision nutrition and chronic disease prevention. Over the past three years, the institute has published five articles in international authoritative journals and cultivated several doctoral and master's students. In June 2024, the research institute hosted the first "Specific Lipids: Nutrition, Metabolism, and Detection" seminar, guided by the Chinese Nutrition Society and sponsored by the Arawana Charity Foundation.
- In August 2024, the "Grain and Health+" Seminar, themed "Grain, Health, and Future", organized by the Chinese Cereals and Oils Association and co-organized by Yihai Kerry Arawana, Jiangnan University, Academy of National Food and Strategic Reserves Administration, COFCO Nutrition and Health Research Institute, was held in Qinhuangdao. The meeting featured scholars and entrepreneurs from various sectors who shared their research findings and exchanged academic insights on popularizing health knowledge, promoting the optimization and upgrading of grain product structures, and meeting the diverse needs of the public for grain consumption.



The Unveiling Ceremony of the Hujihua Global Peanut Industry Research Institute



Supporting the Sustainable Development of the Industry

In 2024, the Company became a strategic partner of the China National Food Industry Association, jointly promoting the implementation of the *Nutrition and Health Action Guide for the Food Industry*. By supporting food enterprises in improving their nutrition and health work levels and enhancing the nutritional structure of products, we serve the implementation of the outline of "Healthy China 2030" plan.

In addition, the Company actively influences and leads the revision and formulation of grain and oil related standards. Several employees hold positions in the National Grain and Oil Standardization Technical Committee and the National Feed Industry Standardization Technical Committee, collaboratively promoting industry standardization and technological progress. During the reporting period, the R&D center carried out multiple collaborations with the Chinese Cereals and Oils Association to boost the healthy development of the industry, including proposing suggestions for food safety risk monitoring and management, organizing industry summits, and actively responding to false reports, among others.



Enhance Global Cooperation and Exchange

In 2024, the Company actively organized and participated in global flour and rice R&D conferences, exchanging experiences with R&D teams from around the world, and jointly discussing the future development of grain and oil foods. In addition, the Company also collaborated with scientific research teams from Russia, New Zealand, Vietnam, and other countries on specialized oil projects, working together to enhance the quality and safety standards of global grain and oil foods through technical exchanges and product development.



Emphasizing Consumer Science Popularization and Guidance

- The Company advocates the concept of "food education" and guides the public to establish a scientific dietary structure through science popularization activities, media dissemination, and other ways. We have set up healthy experience centers and transparent factories nationwide, where we use on-site explanations, visible production lines, and fun interactions to allow consumers to visually understand the whole process and production techniques of grain and oil processing, and promoting science popularization of grain and oil. As of the end of 2024, the transparent factories have received over 2 million visits.
- During the Spring Festival of 2025, the Company collaborated with Sohu founder and physics PhD Charles Zhang and Shanxi Medical University professor and registered dietitian Cheng Jingmin to popularize the "1:1:1 Healthy Lifestyle Formula," combining balanced diet with efficient lifestyle, and calling on consumers to "eat less oil, eat good oil, and eat the right oil."

01

Perfecting Excellence Through Meticulous Dedication

Depending on its mature technical expertise and rich industry experience, Yihai Kerry Arawana strictly upholds the quality standards of its products. We continuously optimize our quality management system and upgrade the digital management platform to provide consumers with healthier and more nutritious products, while providing diversified and warm experiences to consumers with dedicated service.

Our Topics of Interest

- Technology and Innovation
- Nutrition and Health
- Product Safety and Quality
- Quality Customer Service
- Responsible Marketing and Product Labeling
- Data Security and Privacy Protection



Our Commitment and Targets

- Committed to "Creating a World Safe Dining Tables," the Company strives to provide customers with healthier products, superior services, and diverse of choices
- Leveraging technological innovation and process improvement, the Company continuously develops nutritional products to meet consumers' nutritional and health needs
- Digitization empowers daily operations to achieve full coverage of digitalization across the front, middle, and rear ends
- All marketing materials for the products undergo 100% compliance and responsible marketing review, with no significant marketing compliance violations
- Achieving customer satisfaction no less than 90%

Our Actions

- Continuously strengthening nutritional technology research, consistently enriching the matrix of nutritional and health products, enhancing product accessibility, and providing consumers with diverse nutritional choices
- Deeply implementing the "Five Strengths, Four Zeros" quality strategy to safeguard the food safety
- Continuously improving the digital management system of the entire value chain to enhance operational efficiency
- Adhering to responsible marketing principles, safeguarding consumer rights, and promoting fair consumption
- Customer satisfaction reached 94.2% in 2024, achieved annaul target

Quality Commitment, Safety First

The Company adheres to the brand concept of "Born for National Health" and regards it as its guiding operational principle. We maintain a strong and persistent commitment to quality and dedicate to bringing consumers with products of exceptional quality.

Excellence in Quality Management

The Company regards product quality as the cornerstone of its business operation. Guided by the "Five Strengths, Four Zeros" quality strategy, we continuously promote the construction of the Group's quality culture of "Excellence in Quality, Health for All", ensuring comprehensive implementation of quality assurance measures and initiatives.



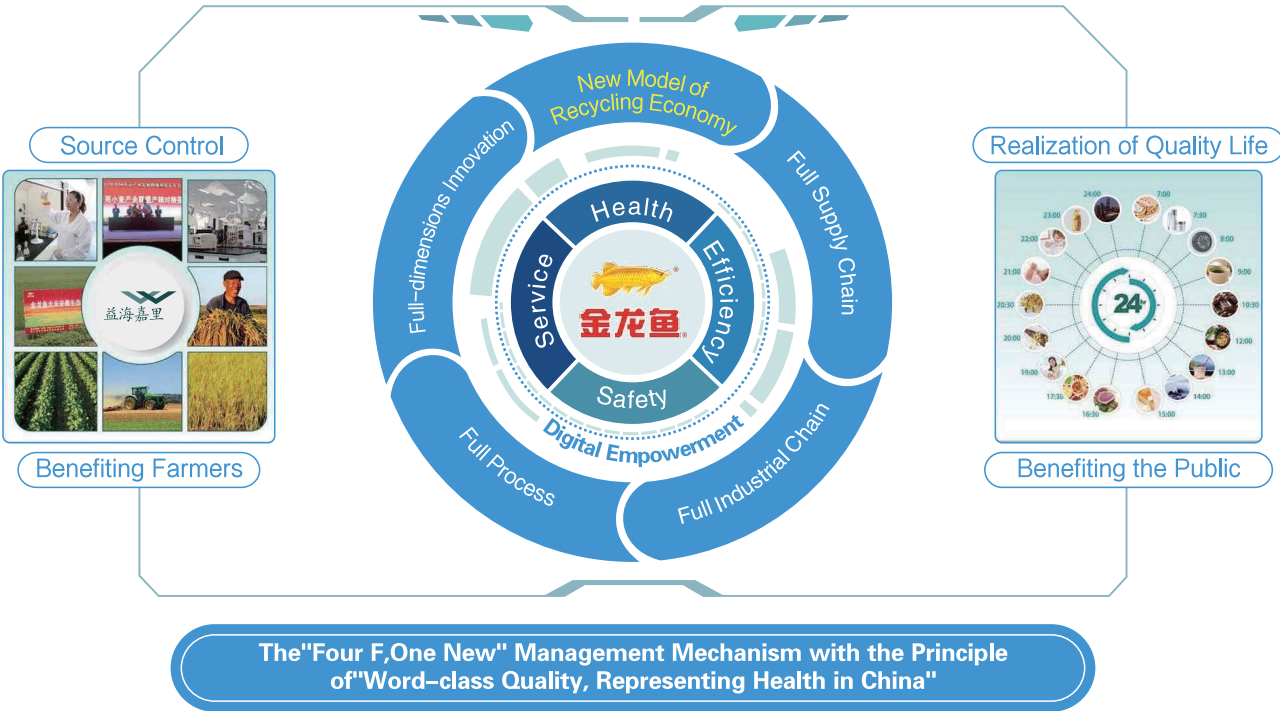
Optimizing the Management Structure

The Company establishes a Group-level Quality Assurance Department, which contains two main divisions: Public Quality Management and Speicalized Production Line Quality Management. During the reporting period, the Company added a new quality assurance function for the supply chain of its newly established Food Service Division. The quality assurance departments in each factory primarily serve the production and operations of their respective factories from three aspects: quality control and assurance, measurement management, and customer service.

- ✓ The Public Quality Division drives development of the overall quality management system, strategies, and requirements. It standardizes common quality requirements, develops technical specifications, and establishes relevant systems.
- ✓ The Professional Production Line Quality Division oversees the comprehensive management of the entire production line quality, developing full product lifecycle quality management standards and providing implementation guidance to factories.

The Company relies on a hierarchical management approach that integrates both centralized and decentralized elements to ensure coordinated collaboration across all levels. With clear responsibilities assigned to each team member, the Company enhances the efficiency of product quality and food safety control to ensure the safety and quality of our products.

Improving the Management System



The Company has refined its "Four F, One New" management model to ensure comprehensive control over the quality and safety of products throughout their entire lifecycle. This model covers suppliers, producing and processing, storage and logistics, and customer terminal services, ensuring full traceability and risk management. Additionally the Company closely monitors revisions of relevant national regulations. Dedicated teams promptly release updates on these regulatory changes to help subsidiaries understand regulatory changes and ensure operational compliance. During the reporting period, the Company implemented the following regulatory special projects for the factories:

- Implementation of the *Enterprise Standardization Promotion Measures*, requiring factories to conduct self-assessments and implement necessary adjustments
- Compliance checks following the publication of the revised *National Food Safety Standards for Food Additives* (GB 2760-2024), ensuring production processes adhere to the updated regulations
- Publication of the *Food Safety Risk Control List (95 items)*, prompting factories to perform self-audits and address identified risks
- Enforcement of the new mandatory national standard the *Hygiene Requirements for the Transportation of Bulk Edible Plant Oils*, mandating affected facilities to develop on-site tank cleaning infrastructure

To effectively implement the Company's *Product Responsibility Policy*, the we have established a comprehensive mechanism for supervision, reporting, and coordination, creating an integrated quality management ecosystem. This system forms an interconnected and supportive quality management framework that provides a robust foundation for group-wide quality management, ensuring the high quality of products and services.

Supervision, Reporting, and Coordination Mechanisms

Corresponding Mechanisms	Implementation Methods
Supervision Mechanism	Internal Review and Assessment: Factories conduct weekly inspections and corrective actions regarding quality and food safety. The Group Quality Management Department organizes unannounced annual audits by production line managers at each facility. External Audit and Certification: Includes AIB (Association of Independent Businesses) flight audits, customer audits random checks by third-party certification bodies, and regulatory spot checks Monitoring Key Indicators: Regular monitor product quality metrics, nutritional components, special claims, contaminants, and customer satisfaction
Reporting Mechanism	Regular Reporting: Factory QA departments submit monthly and annual reports to the Group QA Department Immediate Reporting: Notification of non-compliant or potentially unsafe products triggers prompt actions Repeated or batch non-compliance issues are escalated to senior management
Coordination Mechanism	Cross-Departmental Meetings: Monthly meetings organized by factory QA departments to discuss quality management progress, issues, and solutions Standardized Processes: The Group establishes standardized workflows to ensure coordinated and consistent quality management across all departments

Risk and Quality Assessment

The Company has established quality and safety management system working group in each factories to jointly identify and assess product quality and safety risks. The working group conduct hazard analysis and risk control based on HACCP principles, with supplemental evaluations conducted during operational changes. Additionally, the Company has set quality inspection and evaluation criteria, comprehensively assessing the quality of products and services through methods such as sampling inspections, on-site inspections, and customer satisfaction surveys.

Optimizing the Central Kitchen Quality Management System

In 2024, the Central Kitchen business prioritized hot chain student meals and chilled bento boxes, exploring group dining and dual kitchen models. By improving the product initiation process and establishing a quality tracking plan, a preventive mechanism for new product quality risks was set up, effectively enhancing the efficiency of new product implementation.

With the continuous adjustment of the business form of the Central Kitchen, the Company synchronously matches the quality management modes under different product cooperation modes ensuring compliance and safety while facilitating the integration of service across product business chains and supporting the continuous expansion of business models.



Refine Production Line Quality and Food Safety Control System

In 2024, the laying hen production line under the Company's production line of oil pressing and feed raw materials section carried out the identification of risk points across all production stages, established relevant management systems and quality tracking plans and strictly implemented:

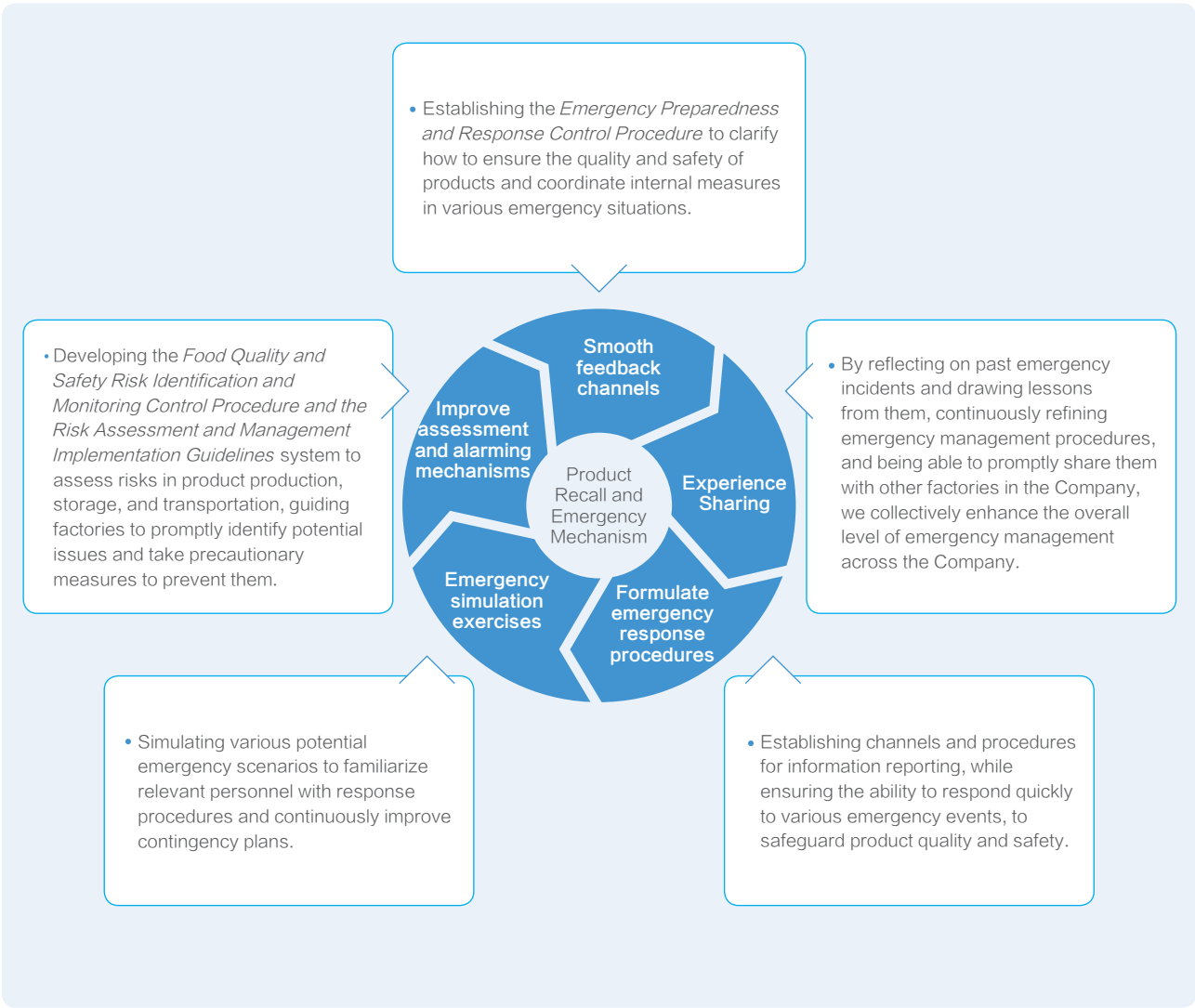
Risk Assessment	Conduct a comprehensive national survey to assess the food safety standards for eggs, and through data testing and analysis, generate risk indicators for egg quality and food safety issues.
Establish the Standard	Establish quality management standards for egg production lines, ensuring that the following aspects are based on established criteria: egg inspection, microbial control, inkjet coding standards, net content control, labeling compliance, chicken acceptance, and feed acceptance.
Audit and Certification	Complete the certification for the following six major systems: ISO 9001, FSSC 22000, antibiotic-free, pathogen-free eggs, Good Agricultural Practices (GAP), and selenium-rich, and summarize the key audit points for each system.
On-site Management	Enhance food safety on-site management by promoting the zoning, renovation, and upgrade of egg processing workshops, ensuring one-time success in multiple on-site audits.

Quality and Safety Control

The Company maintains strict control over food safety in full compliance with the requirements of the State Administration for Market Regulation and implements the main responsibility for the supervision and management of food safety. We actively conduct product quality testing, food-related inspections, and certification work, and use digital means to trace product information, establishing a comprehensive quality and safety management model to ensure the quality and safety of the entire supply chain.

Once the detecting non-conforming products or batch quality deviations (including semi-finished goods), we promptly organize relevant departments to conduct root cause analysis, implement corrective and preventive actions, and monitor the implementation of these measures. Additionally, in accordance with the Company's unified *Public Quality Incident Handling Procedure*, each factory must report the basic information of any public quality incident through the internal system immediately. If necessary, a special emergency task force will be established to conduct self-inspection and on-site investigation based on the nature of the incident, ensuring proper incident closure.

The Company has established a robust product recall and emergency response mechanism. Depending on specific circumstances, it can promptly activate appropriate corresponding recall procedures and emergency plans, followed by a thorough analysis and subsequent improvements to maximize customer rights and interests. Over the past four years (2021 to 2024), the Company has not experienced any product recall incidents.



Quality and Safety Audits and Certifications

The Company deepens its quality and food safety certification work by adopting stringent audit standards, implementing standardized management procedures, and collaborates with internationally recognized third-party organizations for centralized certification, gaining valuable insights in quality management audits both domestically and internationally.

During the reporting period



By the end of the reporting period



Participate in Associations and Standards Setting

The Company actively participates in the formulation and revision of food safety and quality-related standards at various levels. By joining diverse industry associations, academic societies, and chambers of commerce, we collaborate with partners both within and outside the industry to collectively manage food safety.

To enhance product transparency and consumer protection, the Company actively participated in the revision of *the People's Republic of China National Standard GB7718, National Food Safety Standard – General Rules for Prepackaged Food Labelling*. The revision includes, but is not limited to, requirements for labeling allergens, enhanced food claims, and digital labeling. During the reporting period, the Company also participated in the development of the *People's Republic of China National Standard GB 44917-2024, Hygiene Requirements for Bulk Transportation of Edible Plant Oils*. This standard defines the bulk transportation of vegetable oils and specifies the basic requirements for bulk transportation containers, as well as the requirements for cleaning, maintenance, and management. It also outlines the requirements for loading, transportation, and unloading during the bulk transportation process, ensuring the healthy development of the bulk transportation industry for edible plant oils.

The Company has joined several national first-level societies or associations, including the China Cereals and Oil Association and the China Nutrition Society. In addition, the Company has joined several standard-setting technical committees, including the National Grain and Oil Standardization Technical Committee and the National Feed Industry Standardization Technical Committee.

Case Participation in Issuing the "Promoting High-Quality Development of Camellia Seed Oil" Initiative

To drive the high-quality development of the tea seed oil industry and regulate industry standards, Yihai Kerry Arawana has joined forces with several authoritative experts in the field to establish a special research group dedicated to the "Authenticity Detection Methods for Camellia Oil." They have issued a joint initiative entitled *Promoting High-Quality Development of Camellia Oil*, responding to the national call for high-level industrial advancement, and accelerating the standardization and regulation of the Camellia Oil industry.



Quality and Food Safety Culture

The Company strengthens its quality and safety culture, continuously monitors and follows domestic and international food safety regulations, and consistently provides regular employee training on product quality and food safety to clarify their roles in the quality management system and enhance the quality control and management capabilities of all employees. Furthermore, the Company develops comprehensive food safety training plans tailored to the unique characteristics of each factory, production line, and personnel composition, offering targeted training that covers food safety fundamentals, new regulations and standards, good operating practices, and key food safety requirements. In 2024, the Company conducted 2,250 comprehensive quality training sessions and 3,579 food safety training sessions, covering all employees (including full-time and part-time employees).

Training Type	Total Training	Number of Participants	Cumulative Training Hours
Quality Management Training	2,250	54,793	146,603
Food Safety Training	3,579	339,634	636,692

Case Enhance Awareness of Food Safety Measures Through Export Compliance Training

In December 2024, the Production Construction Management Department and Quality Control Department of the Company successfully completed training related to U.S. Export FSMA ("*Food Safety Modernization Act*," issued by the FDA) and obtained PCQI ("Preventive Controls Qualified Individual") certificates. PCQI personnel are vital in quality management of food processing enterprises and play a key role in developing and validating food safety plans and preventive controls. This training not only enhanced the factory's awareness of preventive controls for food safety but also ensured the quality and safety of the Group's export products, supporting future export business.



Photo of FSPCA training personnel

Enhancing Services to Optimize Customer Experience

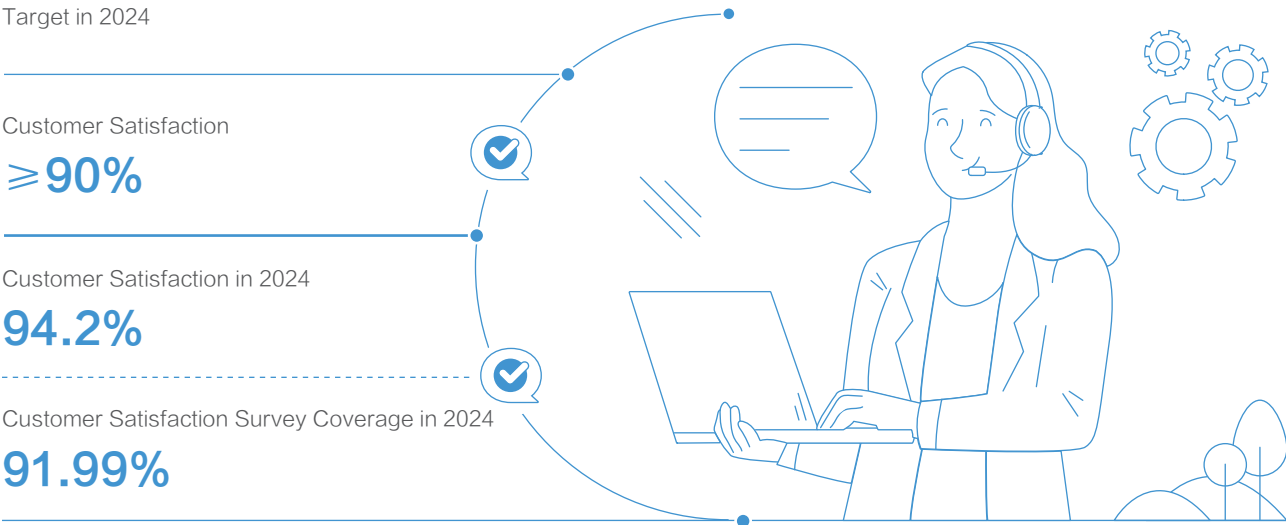
Yihai Kerry Arawana adheres to a customer-centric service philosophy, establishing a responsible marketing mechanism to protect client and consumer rights and deliver superior services. By developing a customer service standard system and innovative marketing model, the Company responds to customer and consumer needs and feedback, enhancing communication efficiency and continuously improving their experience.

Customer Satisfaction Management

To enhance the quality of the Company products and services and safeguard customer rights, we have implemented a comprehensive customer satisfaction survey mechanism, established an efficient customer service system, and built a professional service team. These measures ensure smooth communication channels between the Company and both consumers and commercial clients. The implementation of customer satisfaction surveys involves various entities under the Company, including its factories and marketing companies, with the survey scope covering the entire country. Survey content encompasses multiple dimensions, including product quality, service levels, after-sales support, and suggestions for improvements to products and services.



Through this comprehensive customer satisfaction survey, the Company continuously optimizes product offerings and enhance service quality based on customer feedback. This helps to meet more diverse customer needs and protect customers' full usage rights of the products. In 2024, the Company's customer satisfaction reached 94.2%, meeting its annual target.



Service Quality Improvement

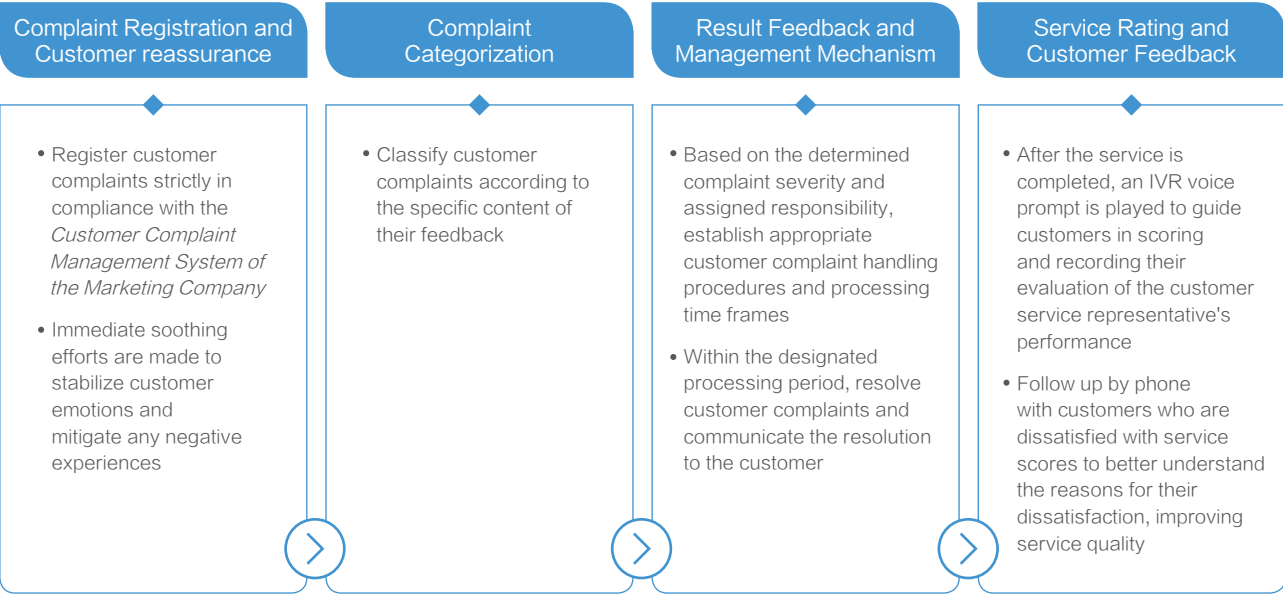
The Company has established a timely and convenient customer service system, providing diversified channels for customer complaints, including phone calls, emails, Weibo, online platforms, and live chat. We categorize and analyze data from these various complaint channels to identify sources of issues promptly and implement appropriate responses and improvements. The Company has set up an accessible customer service system and multiple channels for collecting customer feedback, such as home visits, email, online mini-programs for electronic questionnaires, 400 hotline services, the Global Complaint Management System (GCFS), terminal quality reporting platform, online user sentiment tracking mechanisms, and the national 12315 Consumer Complaint Information Publicity Platform. Through these channels, the Company actively communicates with customers and issues early warnings and timely resolutions for potential issues.

Customer Service Team Requirements

To ensure service quality, the Company mandates that all members of the customer service team have at least two years of relevant customer service experience and pass the required pre-service training and assessments. The Company has clearly defined roles, responsibilities, and performance evaluation criteria. Additionally, a dedicated Customer Service Supervisor oversees team evaluations, training, and on-site management to ensure the team operates efficiently and achieves all work objectives.

Customer Service Workflow

To address and resolve consumer concerns promptly and effectively, the Company continuously refines and enhances its customer service workflows.



Customer Service Satisfaction

The Company conducts statistics on the service satisfaction of the customer service team and customer satisfaction with complaint handling results. After each service, the customer service team reminds customers to rate the service. Meanwhile, after receiving complaint resolutions, the team conducts random checks based on complaint levels and compensation situations.

In 2024, the customer satisfaction rate was 94.2%, with a 100% complaint closure rate, and a 95.89% satisfaction rate in complaint handling. There were no arbitration cases related to customer complaints that were concluded.

Responsible Marketing Governance

The Company strictly complies with the *Advertising Law of the People's Republic of China*, the *National Food Safety Standard – General Standard for the Labeling of Prepackaged Foods (GB 7718–2011)*, the *National Food Safety Standard – General Standard for Nutrition Labeling of Prepackaged Foods (GB 28050–2011)* and other laws and regulations. We have established a comprehensive product labeling management process, formulated internal management systems including the *Product Stewardship Policy*, the *Marketing Division Packaging Management Process*, and the *Guidelines for Classification of Risk Levels of Label Advertisements*, to strengthen responsible marketing practices and ensure the authenticity and compliance of marketing activities.



Product Label Review Process

To convey the concept of sustainable consumption to consumers, the Company provides clear usage instructions and recommended serving sizes on product labels, guiding scientific and healthy consumption habits, and helping reduce food waste. Product labels include nutrition facts based on the *Food Safety National Standard – General Rules for Nutrition Labeling of Pre-packaged Foods of the People's Republic of China (GB 28050–2011)*.

Dripper Walnut Oil/ Flaxseed Oil

"One pump, one drop, one milliliter" for scientific portion control



Dried Noodles

Recommended Serving Size



Quick-frozen prepared dishes

Promote recommended serving sizes through description on packages



Products containing new food ingredients

Provide consumption recommendations and contraindication warnings based on the nature of the new food raw materials added



Case Scan for Instant Nutrition Information: Enhancing Product Accessibility

As a pioneering enterprise in the edible oils industry, Yihai Kerry Arawana has been selected as one of the first batch of pilot companies for digital labeling initiatives with its "Arawana Small-Mill Sesame Oil" product. Consumers can scan the QR code on the packaging to access detailed information including ingredients, nutrition facts, and corporate profile.

Compared to traditional labels, digital labels can display more information through page zooming, voice recognition, and video tutorials. Through the implementation of digital labels, consumers can easily and quickly understand and use products, improving product accessibility, and laying the foundation for the promotion of all aspects of digital labels in the future.



Case Innovative Traceability System Ensures Premium Wuchang Rice Quality

Yihai Kerry Arawana has partnered with Zhonghua Modern Agricultural, a leading enterprise in the modern agricultural services sector, implementing MAP beSide to establish a professional blockchain-based traceability system for the Arawana Wuchang Base Original Fragrant Rice Block Chain. This system utilizes digital agricultural technologies and intelligent agricultural equipment to monitor the entire process of rice cultivation, processing, transportation, and sales in real time. Through this quality control and traceability system, consumers are provided with transparent and reliable information about the rice industry chain, ensuring comprehensive quality assurance from seed to fresh rice, and from the paddies to the dining table.

In 2024, the Arawana Wuchang Base Original Fragrant Rice received the "Excellence Award" from the Japanese Rice Quality and Taste Research Association.



Strengthening Information Protection

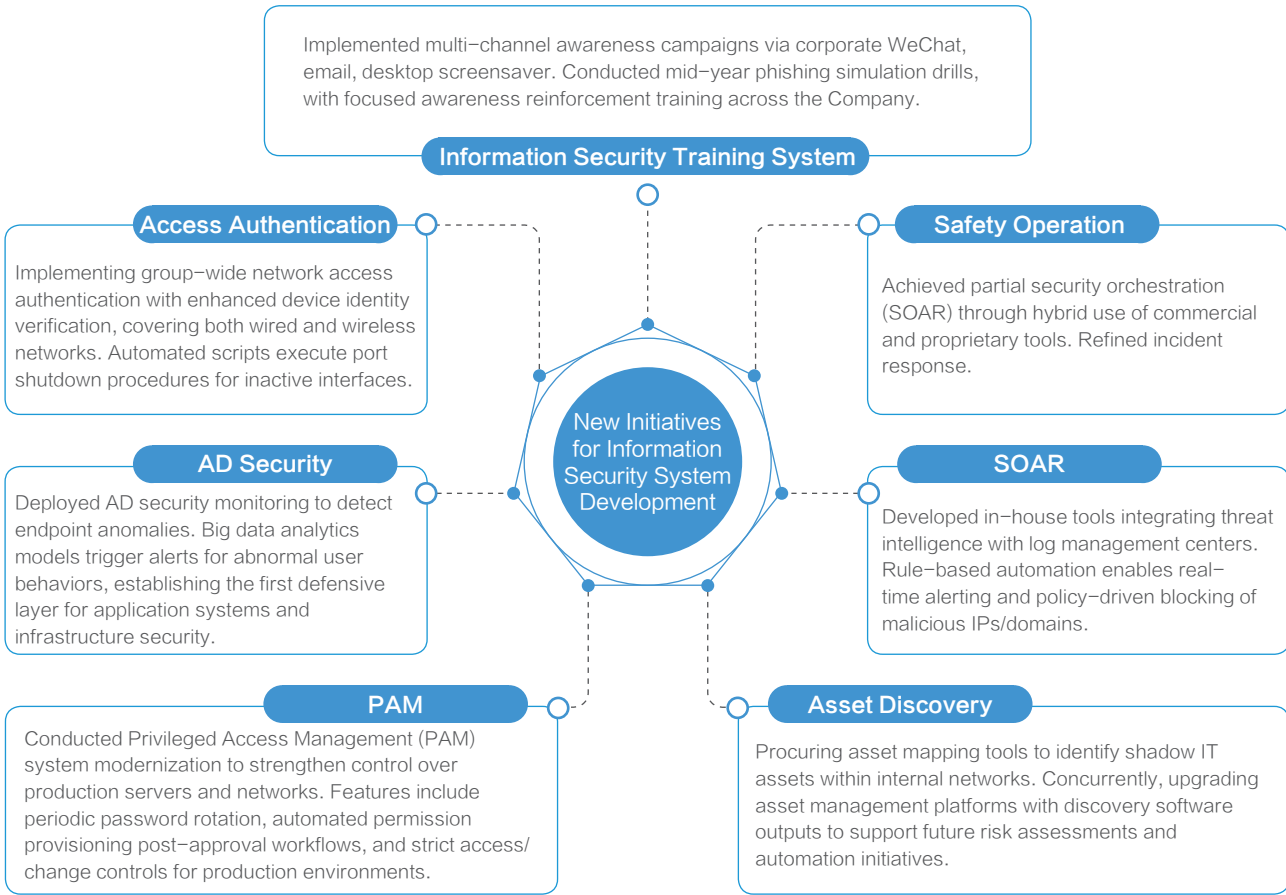
The Company is at the forefront of advancing its digitalization strategy within the food industry, establishing an advanced digital management system supported by a professional team dedicated to comprehensively enhancing the digitalization level across the entire industrial chain.

The Company emphasizes information security and customer privacy protection, strictly adhering to relevant national laws and regulations including the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Data Security Law of the People's Republic of China*. We have established a management framework that members of the board are responsible for information security and cybersecurity management, and the Chief Technology Officer oversees the implementation of related initiatives.

Information Security Management System

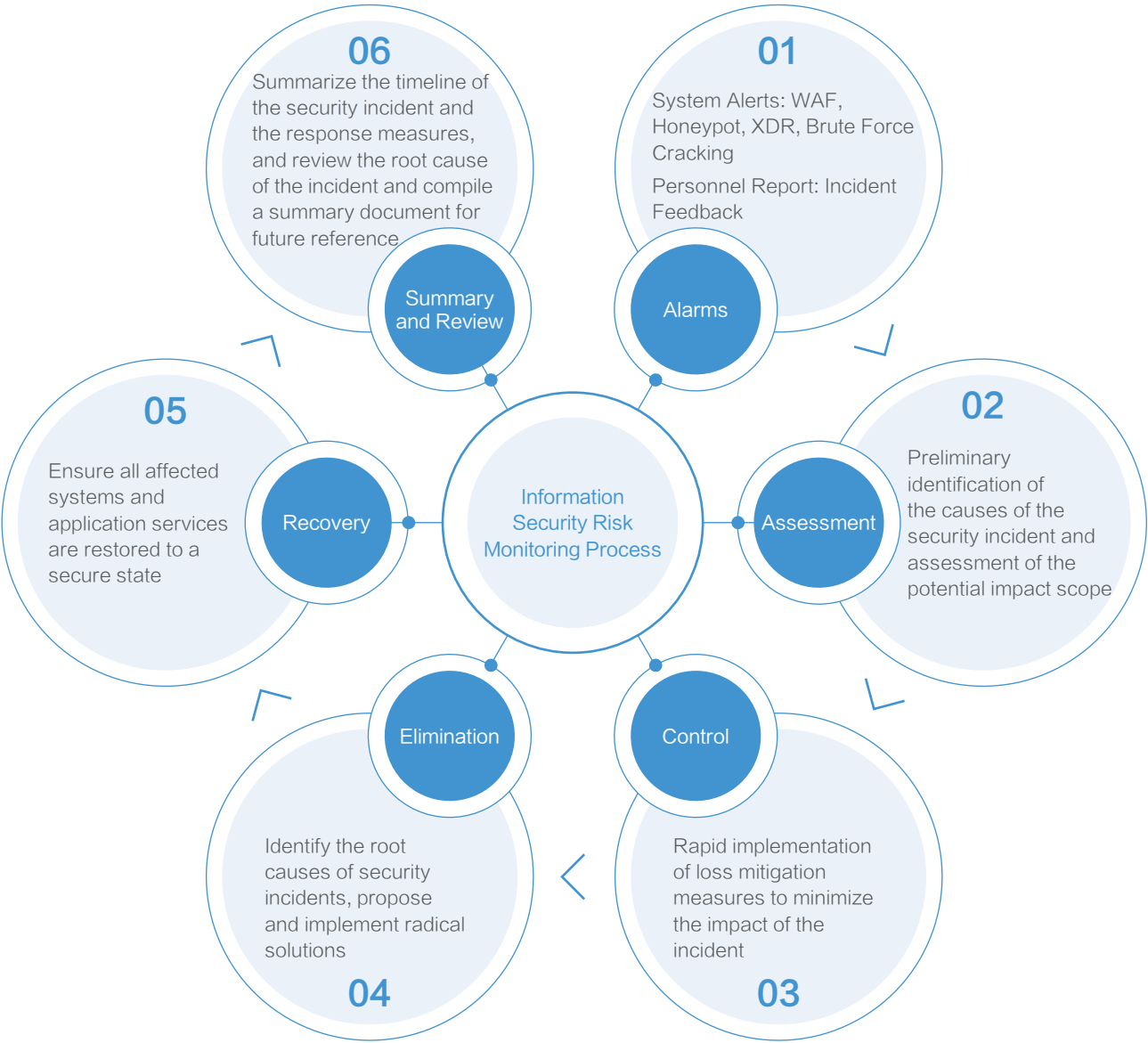
The Company has adopted industry best practices and methodologies such as ISO 27001 and NIST CSF, establishing a comprehensive information security defense system that covers pre-event, in-process, and post-event phases. Through targeted management measures, the Company ensures the effective implementation and governance of these technical frameworks.

In 2024, the Company conducted annual specialized IT audits focusing on personal information protection, business systems, and ITOT to strengthen information security risk management and to standardize execution effectiveness. The Company consistently prioritizes information security training, with regional IT managers acting as ambassadors for promoting information security awareness among their respective staff members. Additionally, we organized targeted training sessions on information security consciousness and intellectual property rights for developers and product personnel, enhancing employees' understanding of information security requirements and bolstering their overall information security awareness. In 2024, no information security incidents occurred.



Information Security Risk Management

The Company conducts periodic inspections of its risk monitoring system to reinforce information security risk management. Risk events are categorized into four levels, with particular attention paid to vulnerabilities in external components, systems, and products. Annual emergency plan testing is conducted on at least one information system to improve incident response efficiency. To bolster employee's expertise in handling information security risks, we have established a knowledge base for addressing similar alerts and threats. By utilizing existing tools such as XDR or firewalls, common threats can be blocked proactively. In 2024, the implementation of specific tools enabled the creation of 30 large-scale detection scenarios and the automation of investigative and forensic processes. This advancement significantly elevated the Company's overall information security risk prevention capabilities. Furthermore, the Company regularly compiles its experiences into instructional manuals, providing valuable resources for IT personnel to study and share best practices.



Training and Promotion

The Company has established a relatively comprehensive information security training system. It provides information security awareness training for new employees and conducts online and offline information security training sessions for all employees from time to time. In 2024, the Company conducted 2 phishing simulation exercises for all employees to continuously enhance their information security awareness.



02

Green Practices for Ecological Protection

Yihai Kerry Arawana consistently regards environmental protection as own responsibility and mission, steadfastly implementing green development concept while continuously enhancing environmental management capabilities. The Company has been increasing environmental investments, actively addressing emerging challenges through various measures including emission reduction, resource conservation, and pollution prevention and control. By continuously building a green, low-carbon circular system, we strive to achieve symbiotic development between business and the environment, forming a virtuous cycle for a green ecosystem.

Our Topics of Interest

- Pollution Prevention and Control
- Water Resource Management
- Packaging Material Management
- Ecological Conservation and Biodiversity



Our Commitment and Targets

- We are committed to reducing the environmental impact of our production and operations
- Using 2024 as the beginning year, the Group aims to achieve cumulative water savings of 12 million tons by 2030 through water-saving projects, equivalent to the volume of 4,800 standard swimming pools
- Based on the 2020 product volumes and sales, the Company aims to reduce packaging material usage by 15,000 tons by the end of 2025, with the proportion of recyclable packaging materials striving to exceed 90% each year
- By 2030, the Company's annual consumption of recycled plastics will reach no less than 18,000 tons
- Using 2024 as the baseline year, by 2035 the intensity of non-hazardous waste emissions will decrease by 2.5%, and the comprehensive utilization rate of non-hazardous waste will exceed 95%

Our Actions

- We continue to carry out actions for energy conservation, emission reduction, pollution prevention and control, and waste management across all aspects of our production and operations
- In 2024, 71 water-saving projects were completed, cumulatively achieving water savings of 3.9 million tons
- From 2021 to 2024, we cumulatively reduced packaging materials by 17,940 tons, achieving the "Sustainable Recycling 2025 Plan" reduction target ahead of schedule
- The proportion of recycled packaging materials in 2024 is 95.52%

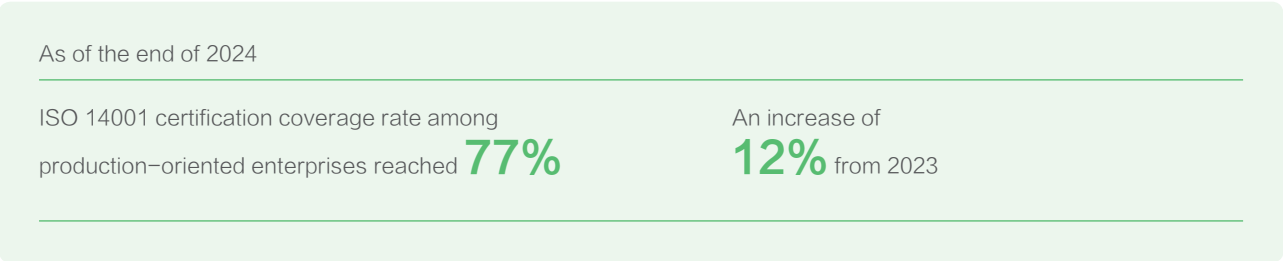
Strengthen Management and Green Transition

The Company adheres to green concept of sustainable development, prioritizing ecological and environmental protection. We strictly comply with environmental management laws and regulations, such as the *Environmental Protection Law of the People's Republic of China*, the *Law on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Air Pollution Prevention and Control Law*, the *Water Pollution Prevention and Control Law*, the *Regulations on the Administration of Pollutant Discharge Permits*, the *Energy Conservation Law of the People's Republic of China*. We have established the *Environmental Policy* and optimized the internal polices including the *Comprehensive Environmental Management Guidelines* and the *Environmental Compliance Management Guidelines*. These policies apply to all employees, contractors, suppliers, partners, and other stakeholders to ensure comprehensive environmental management.

During the reporting period, the Company did not receive any significant⁹ environmental violation penalties. All waste gas emissions and wastewater discharges strictly met both national regulatory standards and internal control requirements, with There was no environmental monitoring exceeding the standard in violation of legal circumstances, and wastes were disposed or recycled in compliance with regulations.

Environmental Management System

The Company's internal environmental management system complies with ISO 14001 requirements. Through refined environmental management system frameworks and operational procedures, we implement approaches encompassing employee-wide engagement, process-wide controls, and factor-wide management, significantly strengthening environmental risk prevention capabilities.



Environmental Management Structure

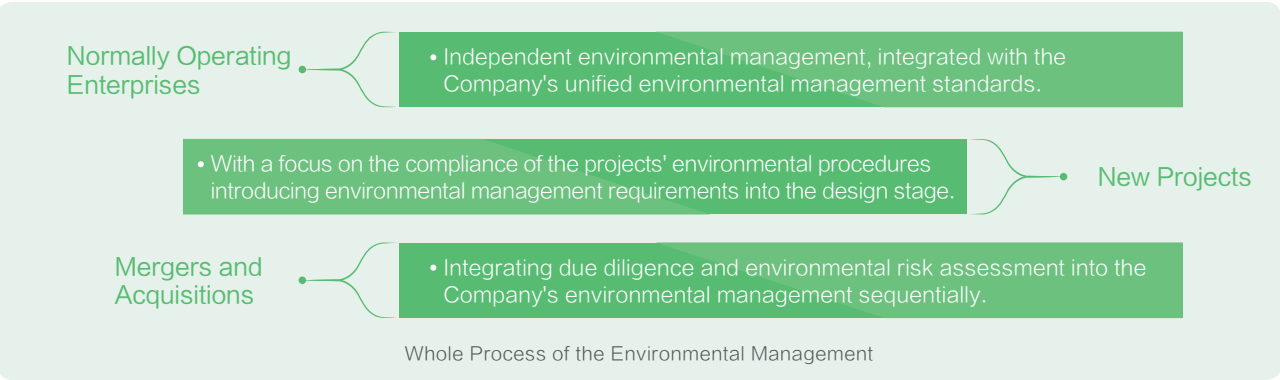
The Company has established an environmental management structure with the Board of Directors as the highest decision-making body. The "Environment, Health and Safety (EHS) Committee", which consists of board members, senior managers, technical specialists, and employee representatives, together with the relevant technical teams, provides support and supervision for the environmental management of its companies. The EHS department of the Company's Production and Construction Management department is specifically responsible for environmental management to ensure the effective implementation of all environmental management requirements and environmental control indicators.

The Company has established mechanisms for environmental regulation identification and local environmental control indicator recognition, regularly collecting the latest national and local environmental laws and regulations and disseminating management information through internal digital platforms. By aligning with actual operational conditions and systematic environmental governance initiatives, the Company dynamically optimizes environmental management plans and action programs, implements targeted pollution control measures, and conducts environmental management education campaigns covering executives, frontline employees, and relevant stakeholders. By adhering to the environmental management concept of sustainable development, the Company has effectively ensured compliance and leadership in key areas of environmental management.

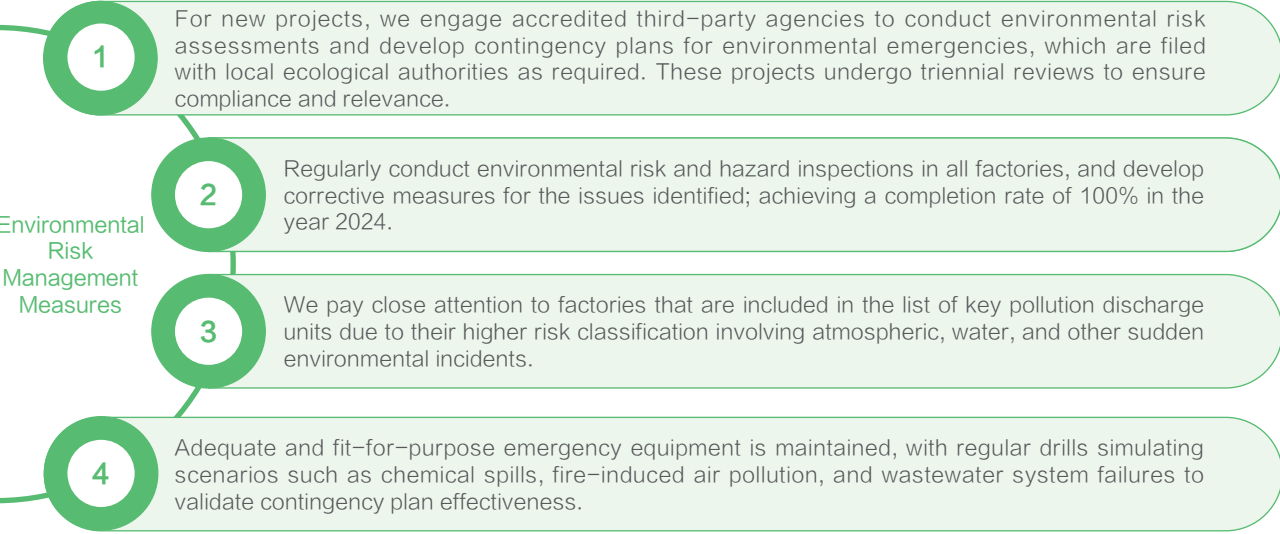
⁹Note: Significant environmental violation penalties refer to incidents with fines exceeding \$10,000.

Environmental Management Process and Risk Management

The Company has sorted out and identified the environmental control risk points in production and operation, targeted the database of applicable laws, regulations and technical standards at the national level and the local level of each operation site in terms of waste gas, wastewater, and waste management, established environmental management protocols including: the *Whole-Process Environmental Management for Construction Projects* and the *Environmental Compliance Management*. We carried out forward-looking analyses and evaluations of all operation sites and projects, promoting a socially responsible approach to environmental risk management, and realizing the standardization of environmental management in the whole process and all fields. In addition, the Company maintained good communication with local environmental departments and technical research institutes and accepted all planned and unplanned inspections by environmental supervisory departments, to verify the legal compliance of environmental management. Internally, the Company monitored, supervised, and guided the operation of environmental protection facilities and environmental management of its factories through on-site visits, periodic audits, video inspections, data verification, etc. The Company conducted environmental management activities through thematic publicity, special environmental activities, knowledge competitions, quizzes, etc. to promote the participation of management, frontline employees, employee representatives and related parties in environmental management. During the reporting period, all the Company's operating sites maintained 100% compliance rate in both internal and external assessments and audits.



The Company attaches great importance to the constant evolution of environmental governance technologies and methods, conducting internal and external environmental risk identification and systematically identifying potential environmental risks and pollutant factors. We continuously enhance environmental risk identification, assessment, and prevention and control efforts. We have established dedicated full-time and part-time environmental emergency response teams, building an efficient environmental emergency defense system and a comprehensive management and safeguard mechanism. We have revised and improved environmental emergency contingency plans, we conduct regular emergency drills to ensure continuous strengthening of capabilities in responding to sudden environmental risks.



Environmental Compliance Management

The Company refined pollution control and environmental management measures at each stage of the production process, strictly complied with laws and regulations related to pollution prevention and control, continuously optimized the technical management measures for internal environmental control, with focused efforts on key areas including waste gas, wastewater, solid waste, and noise through precise control and science-based management, ensured compliance with pollutant emission standards, and proactively accepted the public supervision. A standardized process mechanism for pollutant discharge and regular monitoring has been established, with regulated management of pollutant discharge outlets. Through process optimization and technological innovation, we have reduced both the types and volume of pollutants, strengthened compliance in waste disposal, and improved storage conditions for solid and hazardous waste. Enhanced early-warning monitoring and regulatory infrastructure have significantly minimized the Company's potential environmental impact.

Wastewater Treatment

The Company strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations. We have formulated and effectively implemented specialized management policies including the *Rainwater and Wastewater Management Regulations* to strengthen management and to ensure wastewater discharge compliance. Additionally, we adopt various measures to improve the wastewater reuse to reduce our consumption of fresh water.

Source control

Wastewater is categorized and treated according to quality characteristics at the source, enabling categorized treatment to reduce chemical consumption.

Process control

Automated monitoring devices are deployed during wastewater treatment to precisely regulate chemical dosing, minimizing waste, and ensuring discharge compliance. Regular inspections and maintenance are conducted for treatment facilities.

Technical innovation

Introduced the anaerobic ammonia oxidation process, CSTR anaerobic process and other advanced processes, effectively reducing infrastructure investment, lowering energy consumption, decreasing sludge production, and enhancing treatment efficiency.

Enhanced Monitoring

Online monitoring devices have been fully installed at discharge outlets of key wastewater-generating facilities, enabling real-time tracking of treated effluent data with proactive public disclosure to ensure social accountability. Additionally, alert thresholds have been established to monitor and warn against exceedances in total pollutant discharge volumes and concentrations in real time. An integrated digital management platform ensures dynamic compliance control with wastewater discharge standards.

Case

Innovative Process Enhances High-Nitrogen Wastewater Treatment Efficiency

Wastewater from protein, yeast, monosodium glutamate (MSG) and other food production plants typically has high nitrogen content. The traditional AO process (anaerobic-aerobic process) has the disadvantages of low nitrogen removal efficiency, high energy consumption and high sludge production when treating high-nitrogen wastewater. To ensure the carbon and nitrogen nutrient ratio in the process of microbial nitrogen removal, it is often necessary to add an additional carbon source or adjust the carbon and nitrogen ratio through a complex process.

The Company promoted the new anaerobic ammonia oxidation process in Shanhaiguan Factory and Fuyu Factory, improved nitrogen removal efficiency, reduced power consumption, reduced sludge production, and increased biogas production and utilization through optimized carbon source utilization. The Company's technology of cultivating highly efficient red bacteria for nitrogen removal can not only satisfy self-consumption, but also provide sustainable development practices for the wastewater treatment industry. During the reporting period, the two factories saved 5,553,764 KWh of electricity, reduced carbon dioxide emissions by approximately 3,000 tons of CO₂e and increased annual revenue by approximately RMB 18.72 million.

Waste Gas Treatment

The Company strictly complies with national and local regulations governing exhaust gas emissions and rigorously implements internal policies such as the *Waste Gas Management Protocol*. Through real-time monitoring and periodic testing, we ensure full compliance with emission standards. We actively research effective approaches for air pollution prevention and control, implementing customized treatment processes tailored to different types of waste gases. This targeted strategy enables us to comprehensively improve treatment efficiency and purification effectiveness across all operations.

Source Reduction

Employing innovative processes and advanced equipment to optimize production systems. For example, in oil extraction processes, we have implemented process improvements incorporating thermal energy utilization and condensation technologies.

Process Control

Throughout manufacturing operations, we execute multiple control measures including exhaust gas collection, thermal energy recovery, condensation recycling, and raw material screening. Specific initiatives include adopting low-volatility materials in packaging printing processes to significantly reduce VOC (Volatile Organic Compounds) emissions.

End-of-pipe Treatment

Adopting technologies, such as enclosed collection systems, spray scrubbing, biological washing, resin adsorption/desorption, activated carbon filtration, non-contact low-temperature plasma systems, wet electrostatic precipitators, and Regenerative Thermal Oxidizers (RTO), ensuring exhaust gas emission meet compliance standards.

Waste Management

The Company strictly adheres to national and operation sites regulations, established the *Solid Waste Management Regulations*, which provide a systematic framework for managing all kinds of solid waste including domestic waste, non-recyclable industrial waste, recyclable industrial waste, and hazardous waste.

For General Solid Waste

The Company is committed to developing and applying appropriate technologies to enhance the comprehensive utilization efficiency, and continuously optimizing waste treatment processes and equipment to achieve reduction, resource utilization, and harmless disposal. At the same time, by improving production processes, adjusting product structures, and implementing cleaner production measures, waste generation is minimized at the source.

For Hazardous Waste

The Company maintains rigorous full-cycle environmental management in full compliance with regulatory requirements. This includes upgrading temporary storage facilities in full compliance with legal requirements and utilizing qualified third-party providers for either resource recovery or proper disposal treatment, thereby minimizing potential environmental impacts to the greatest extent possible.

In 2024, the Company proactively implemented green product designs and cleaner production processes to reduce industrial solid waste at the source. We enhanced standardized management of industrial solid waste through efficient classification and circular utilization systems, striving to maximize raw material utilization, achieve low-carbon energy consumption, and promote solid waste resource utilization and reduction. Concurrently, we continued advancing our industrial solid waste landfill reduction program while regularly providing employees with training on green/low-carbon practices and "Zero-Waste" concepts. We are advancing the creation and certification of "Zero-Waste Factory" and "Zero-Waste Cell", actively contributing to China's "14th Five-Year Plan" for Zero-Waste City development.

Our Achievements:

The Company actively responds to China's national initiative of building "Zero-Waste City" and "Zero-Waste Company," vigorously advancing the development of Zero-Waste Factories across our operations. In 2024, the Company obtained **6** new "Zero-Waste Factory" certifications.

As of the end of 2024, the Company had a total of **8** factories that have received the "Zero-Waste Factory" certifications.



The Company's "Zero-Waste Factory": Yingkou Factory

Advocating Environmental Protection Concepts

The Company is committed to harmonizing business operations with nature by implementing green initiatives in production, office operations, and daily activities. We actively promote the concept of sustainability through diverse efforts, encourage employees to contribute to environmental protection through practical actions, and build a united commitment to environmental responsibility.

Meanwhile, the Company attaches great importance to the dissemination and promotion of environmental protection concepts, and transmits environmental protection knowledge to every employee through a variety of training and publicity activities. In 2024, we achieved 100% coverage and completion rate for our environmental training programs. We conducted 153 environmental protection training sessions totaling 117,342 hours through both online platform and in-person form, covering topics such as environmental performance management, automatic monitoring facility management, hazardous waste management, updates on applicable regulations, compliance management, sharing of government inspection cases, management of water, air, noise, soil, and groundwater, as well as water conservation advocacy. Additionally, the Company organized campaigns for World Environment Day (June 5), National Ecology Day (August 15), and our Water Conservation Campaign, further enhancing employees' environmental awareness and responsibility. These programs have effectively fostered a collective commitment to sustainability within our organization.



Resource Efficiency and Circular Economy

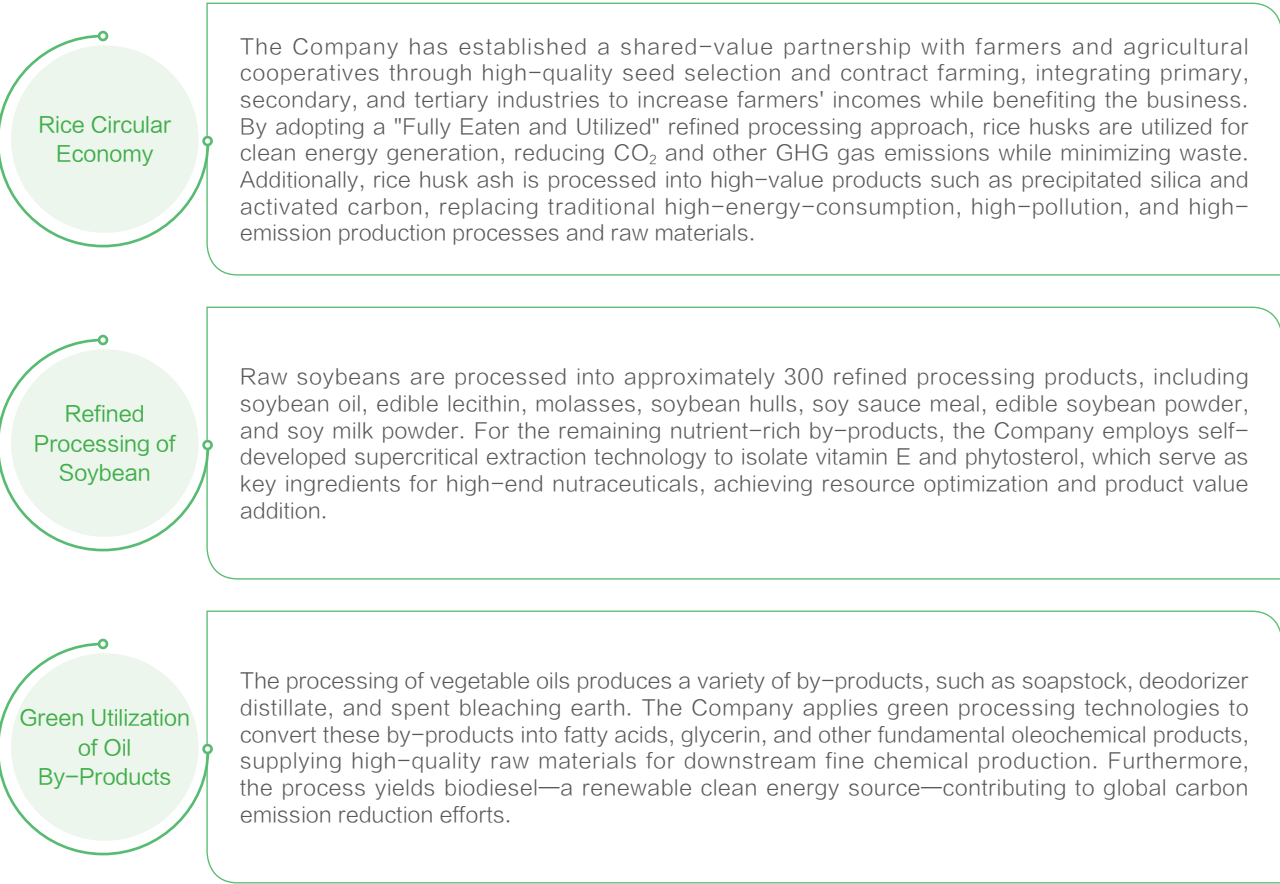
The Company is fully committed to practicing the concept of circular economy in production and operations, driving efficient resources utilization and green transformation.

Advancing Circular Economy

Leveraging our technological innovation capabilities in the grain and oil sector, the Company have successfully developed multiple novel circular economy industrial models. These innovations have enabled both efficient utilization of grain resources and green, low-carbon development.

Innovating Industrial Model

As a responsible grain and oil processing company, we have always put the effective utilization of grain resources in an important position over the years. The Company continues to strengthen the exploration of new circular economy industrial models including "rice circular economy, wheat deep processing, soybean deep processing, corn deep processing, palm oil deep processing, green utilization of oil by-products". The Company utilizes the valuable food resources to drive the traditional agriculture and agricultural products from extensive farming to precise production, from primary processing to deep processing, and from resource-consuming to high-efficiency utilization, thereby achieving more precise agricultural positioning, higher added value, and extended industrial chains.



Yihai Kerry Arawana Circular Economy Industrial Model (Partial)

Case

A Scientific Journey from Corn to MSG: Preserving Natural Essence, Redefining Umami Excellence

With the continuous development of the agricultural product deep processing industry, achieving "Fully Eaten and Utilized" of grains is an inevitable trend for the development of every grain and oil processing enterprise. In August 2024, Yihai Kerry Arawana made a significant breakthrough in corn deep processing: the first MSG production line commenced operations at Yihai Kerry (Fuyu) Biotechnology Co., Ltd. This project employs advanced technology to produce MSG, while simultaneously yielding multiple by-products such as microbial protein, compound fertilizers, and bagasse, further extending the corn deep processing industrial chain.

In Yihai Kerry's corn deep processing model, raw corn undergoes initial crushing and germ separation, followed by multi-stage milling to extract an opalescent starch slurry. This slurry is then converted into glucose syrup through dual-phase conversion through thermophilic liquefaction and isothermal saccharification. By inoculating high-performance *Corynebacterium glutamicum*, the glucose syrup is naturally metabolized into glutamic acid, yielding MSG with 99% purity. The product has obtained international food safety certification, delivering corn-derived umami essence to global culinary practices and redefining the benchmark for healthy seasoning.



Case

Technological Breakthrough in Grain Conservation

Yihai (Taizhou) Grain and Oil Industry Co., Ltd innovated traditional rice processing by adopting cutting-edge technologies including "shriveled grain extraction", "rice husk carbonization", "rice bran preservation", "oil fractionation", and "saponin-rich pod carbonization & hydrolysis". These advancements effectively extend the rice processing value chain, enabling both grain conservation and loss reduction objectives. In the primary processing of paddy, the “defective grain extraction” process accurately separates defective grain from paddy through a multi-stage screening device, which not only improves the purity of rice husk, but also transforms the defective grain into marketable natural feed, helping farmers to realize the transformation from solid waste incineration to feed processing.

Case

"Rice Circular Economy Model" Gains National Recognition

In 2024, China Association of Circular Economy organized the National Conference on Science and Technology Innovation of Circular Economy and Award Presentation of Science and Technology Progress Prize in Hangzhou. Yihai Kerry Arawana won the Second Prize in Science and Technology Progress Award (Technology Development) for the "Key Technologies and Applications for Rice Husk-Based Cogeneration System", The Chairman and Director of the Rice Business Department were awarded the Advanced Individual Prize; and the "Case on the Circular Economy Model of the Yihai Kerry Group" was selected in the *Report on the Development of Circular Economy Science and Technology Innovation (2024)* and won the Excellent Typical Case Award.



Water Management

In response to the increasingly severe global water challenges, the Company has incorporated a water management strategy of "Prioritizing Water Conservation, Managing Systematically" across all stages of production and operations. By proactively driving high-efficiency water management across the entire industrial chain, the Company is committed to reducing water consumption and wastewater discharge. The Company has built an integrated water resource management system that aligns with business operations, relying on a hierarchical and standardized organizational structure to promote the decomposition of strategic objectives at each level, providing solid guarantee and support for the sustainable management of water resources. The Company adheres to the *Environmental Policy*, the *Water Resource Management Procedures*, and the *Rainwater and Wastewater Management regulations*, along with other internal policies and systems, to ensure effective water resource management. During the reporting period, there were no violations related to water extraction or discharge activities.

Water Resources Management Structure

The Company has established a water resources management structure with clear hierarchy and responsibilities:

- The Board of Directors has established the Sustainability Committee responsible for reviewing and supervising the strategic targets and performance related to water resource management, identifying and managing associated risks, and coordinating the integrated development of water resource management with the Company's overall operations.
- The Company's president, as a member of the Sustainability Committee, leads and supervises sustainable development initiatives, including water resource management.
- The daily management, target setting, project promotion, technical support and guidance for water resource management are the responsibilities of the Environmental Engineering Department of the Production and Construction Management Department. The department has formed a dedicated water management team and regularly reports to the Company's management.

Water Stress Risk Assessment and Management

The Company incorporates data from the World Resources Institute (WRI) Aqueduct Database and subsidiary-specific average daily water withdrawals to classify water stress risks into five distinct levels¹⁰. Annually, we undertake comprehensive water risk assessments for all production and operational sites. In 2024, the water stress risk identification findings for our production and operational sites were as follows:

Number	Average Daily Water Withdrawal	Water Stress Risk Level	Proportion in 2023	Proportion in 2024
1	<5000m ³	Low risk (<10%)	54.9%	44.29%
2	5000–10000m ³	Mid and low risk (10–20%)	8.5%	8.57%
3	10000–15000m ³	Mid and high risk (20–40%)	36.6%	47.14%
4	15000–20000m ³	High risk (40–80%)	0%	0%
5	>20000m ³	Extremely high risk (>80%)	0%	0%

¹⁰Average daily water withdrawal = (culvert grade data + average daily water intake grade) / 2

Based on the results of the water stress risk assessment, we have designated areas with medium to high risk levels as water stress regions.

2024 Performance	Unit	All Areas	Water Stress Areas
Total Water Withdrawal	Ton	41,766,896	21,876,377
· Freshwater Withdrawal	Ton	41,661,923	21,771,403
Total Water Discharge	Ton	23,785,841	13,432,130
· Freshwater Discharge	Ton	23,680,868	13,327,157
Total Water Consumption	Ton	17,981,055	8,444,247
· Freshwater Consumption	Ton	17,981,055	8,444,247

Note: Freshwater quality refers to water with TDS≤1,000mg/L and non-fresh water quality refers to water with TDS>1,000mg/L.

During the reporting period, we referred to the water stress risk assessment report from the previous year and tailored our strategies according to the actual water usage levels at each operating site to mitigate water stress risks. Additionally, through initiatives such as conducting water balance tests, detecting pipeline leaks, and building water-saving enterprises, we significantly enhanced the water management capabilities across our production-oriented enterprises.

As of the end of 2024

A total of **49** production-oriented enterprises had completed water balance tests,

While **48** production-oriented enterprises had been certified as water-saving enterprises.

Water Management Performance and Targets

The Company continues to enhance its oversight of water resource management and employs a data management platform to systematically monitor and manage critical water-related metrics, including water stress risks, water withdrawal and consumption intensity, water efficiency, and wastewater discharge. In 2024, the Company's water management team established comprehensive water reduction targets for both the entire group and the core product lines based on detailed analyses of product line characteristics, operational processes, and historical water usage and consumption patterns. To ensure accountability and transparency, the team implements regular follow-ups to assess progress toward achieving these targets.

Water Reduction Target for the Group

Target Description	Progress in 2024
Starting in 2024, the Group aims to achieve cumulative water savings of 12 million tons by 2030 through water-saving projects, equivalent to the volume of 4,800 standard swimming pools.	In 2024, the water savings achieved through water-saving projects was 3.9 million tons .

Water Reduction Targets for the Core Product Lines

Product Line	Water Intensity Target Per Unit	Water Intensity Per Unit in 2024
Refined Oil Products	Based on 2024, the water intensity will be reduced by 1.0% by 2030.	0.20 (T/T)
Feed Ingredient and Crude Oil Products	Based on 2024, the water intensity will be reduced by 6.5% by 2030.	0.107 (T/T)
Basic Chemicals Products	Based on 2024, the water intensity will be reduced by 9.8% by 2030.	1.94 (T/T)

In addition, the Company pays attention to water resource management in the upstream and downstream of the supply chain and encourages the partners to set corresponding water reduction targets to jointly improve the water resource utilization efficiency of the industrial chain.

Water Reduction Target for Supply Chain

Target Description
By 2028, the core palm oil supplier will reduce the water intensity of its crushing mills by 3% compared to 2022.

Water Efficiency Measures

The Company continues to invest in water-saving projects and actively introduces and promotes the industry's best water-efficient technologies or processes in all operations to reduce freshwater consumption and improve water resource efficiency.

Water Efficiency Measures Promotion Projects

Description	Progress in 2024
By 2030, 100% of the Group's factories will achieve the recovery and utilization of steam condensate*.	Approximately 10% of the factories have implemented steam condensate recovery projects, saving about 220,000 tons of water annually.
By 2030, 100% of the Group's factories will achieve the recovery and utilization of RO concentrated water.	Approximately 12% of the factories, totaling 23 workshops, have implemented RO concentrate recovery projects, saving about 528,000 tons of water annually.
By 2030, 100% of the Group's factories will achieve "zero" use of process tap water in wastewater treatment workshops.	Approximately 26.5% of the factories have achieved "zero" use of process tap water in their wastewater treatment workshops, saving a total of about 164,000 tons of water.

*Note: Steam condensate that cannot be recovered and utilized in boilers.

Types	Measures	Project Description
Recycling and Reuse	Reclaimed water reuse	Approximately 10% factories within the Group Implementing reclaimed water reuse projects to reduce tap water consumption and wastewater discharge
	Steam condensate reuse	Approximately 12% factories within the Group Implementing steam condensate reuse projects to reduce tap water consumption and wastewater discharge.
	Enzymatic degumming water reuse	Approximately 4% factories within the Group By retrofitting, the degumming washing water is reused to reduce water consumption in the upstream process.
Process Optimization	The Group's first case of catalytic wet oxidation process	Wilmar Surface Active Materials (Lianyungang) Co., Ltd In response to the issue of water resource wastage caused by the treatment of saline wastewater using a triple-effect evaporation process, the Company invested RMB 280 million to introduce the catalytic wet oxidation method from Austria's KVT company to treat saline wastewater. While meeting the factory's needs, it also enables the reuse of by-products, forming a green circular economy. After full-load operation, it is expected to reduce the annual purchase of brine by 660,000 tons.
	Electrochemical treatment process for recycled water	Jinqiao Wilmar Chlor-Alkali (Lianyungang) Co., Ltd. Modifying existing water circulation pipelines to incorporate electrochemical treatment. By applying electrical currents, impurities are removed, improving water quality. Additionally, cleaning, and purging operations are performed to maintain system efficiency, leading to reduced freshwater supplementation and lower effluent volumes.

During the reporting period

The Company completed
71 water-saving projects

Achieved water savings of
3.9 million tons

A **33%** increase in water savings compared to 2023.

Collaboration and Joint Development

The Company attaches importance to the use of water resources in the communities surrounding its production and operation sites, and actively cooperates with local governments and partner companies to promote best practices in water stewardship. These initiatives aim to enhance community access to water resources, protect the local ecosystem, and foster green ecological development in the region. Additionally, for factories with substantial water requirements, we have established self-built water purification systems that treat surface water independently. This approach ensures that factory operations are sustained while minimizing impacts on municipal water supplies, thereby reducing disruptions to residents' water access.

CaseCooling Water Reuse Project

In 2024, Wilmar Oils and Fats Technology (Lianyungang) Co., Ltd. cooperated with a third-party professional water treatment supplier to build a project of reusing cooling water wastewater, exploring a new path for industrial water saving. This facility is designed to treat and reuse up to 30 tons per hour of cooling water, with treated effluent being utilized to supplement cooling tower makeup water, replacing part of the potable water supply. Once operational, this initiative aims to conserve approximately 130,000 tons of water annually, significantly contributing to regional water sustainability goals.



CaseSupporting Efficient Water Use in Local Communities

In recent years, the Company has actively participated in the high-end food industry development initiative in Zhangpu Town, Kunshan City, Jiangsu Province, focusing on R&D and production of healthy foods while expanding central kitchen operations. Post-project commissioning, efforts have been made to mitigate the impact of production on local water resources. In 2024, collaborating closely with local authorities, the Company implemented a system to channel nutrient-rich wastewater from its production processes to the municipal sewage treatment facility. Once treated to standard, the water is pumped via a dedicated network to other regional businesses for reuse, reducing their daily water extraction from the Wu Song River by 1,500 tons. This contributes significantly to efficient regional water management and achieving zero nutrient discharge.



CaseEgg Layer Farms' Wastewater Recycling Supports Sustainable Development in Surrounding Agriculture

The Company's egg layer factories adhere to the "Quality Standards for Irrigation Water in Agricultural Fields," utilizing treated wastewater for agricultural irrigation in surrounding areas to prevent direct discharge into natural water bodies, reducing the environmental impact on nearby water systems. This practice decreases fertilizer usage in neighboring farmlands, reduces environmental impact, lowers irrigation frequency for local farmers, and generates economic benefits for them. In 2024, Nanning egg layer factory achieved an average monthly reduction of approximately 2,752 tons of water discharged into natural water bodies, with an estimated annual reduction of around 33,024 tons.

Sustainable Packaging

The Company follows the national standard *GB/T 16716 Packaging and Environment* as a guideline to promote sustainable practices in green and low-carbon development, with a focus on advancing continuous improvements in packaging stage. We are implementing the core principles of "Source-based Reduction, Process Consumption Reduction, and Terminal Harm Minimization" and have established the Yihai Kerry Arawana sustainable packaging 3R strategy: reducing packaging materials (Reduce), reusing packaging (Reuse), and recycling materials (Recycle). We have set corresponding goals and commitments to progressively roll out the sustainable packaging plan, ensuring successful implementation and minimizing the adverse environmental impacts of packaging. Additionally, the Company collaborates with upstream and downstream partners in the industrial chain to co-develop and scale innovative packaging solutions and circular economy models for broader industry application.

Sustainable Packaging Plan

Over the years, we have continued to implement the "Sustainable Packaging 2025 Plan" and completed the initiative ahead of schedule in 2024. Simultaneously, we have set corresponding target for packaging material circularity.

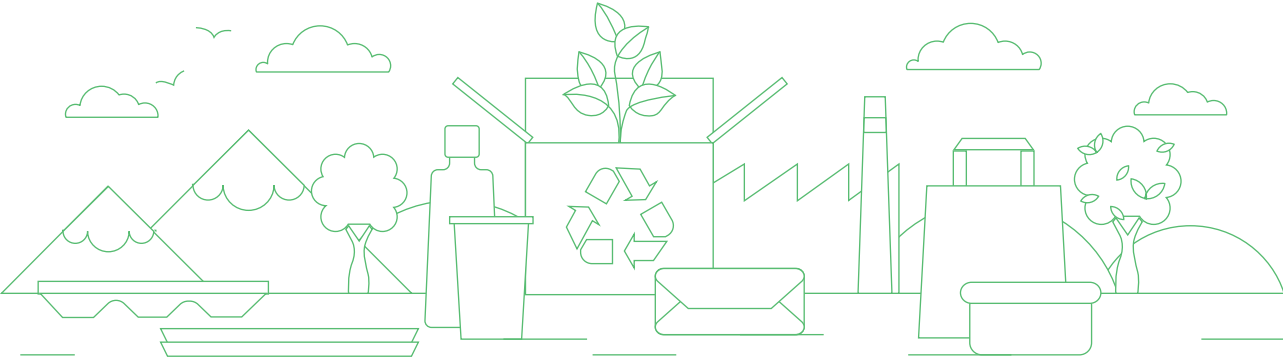
Progress on Sustainable Packaging 2025 Plan

Packaging Reduction Target	Achieved target ahead of schedule in 2024
Based on the 2020 product volumes and sales, the Company aims to reduce packaging material usage by 15,000 tons by the end of 2025, the scope of target is company-wide.	Packaging materials have been reduced by 17,940 tons from 2021 to 2024.

Packaging Recyclable Target	Achieved target in 2024	
The proportion of recyclable packaging materials is targeted to exceed 90% each year	Year	Proportion of recyclable packaging materials
	2024	95.52%

Target for packaging material circularity

By 2030, the Company will use no less than **18,000 tons** of recycled plastics per year, promoting the recycling of plastic packaging materials and reducing the consumption of plastics.



The 3R Strategy for Sustainable Packaging

Reduce

Actions	• The Company continues to invest in packaging R&D and collaborates with upstream material suppliers to advance sustainable packaging optimization, focusing on lightweighting and eco-friendly materials. The Company actively implements the packaging material reduction target in the "Sustainable Packaging 2025 Plan" and reduces packaging material consumption through multiple approaches such as formula optimization, material substitution and structural design.			
Performance	Action Year	Number of New Packaging Reduction Projects	Weight of Packaging Material Reduced by New Projects in the Current Year (Tons)	Weight of Packaging Material Reduced by Continuing to Implement the Previous Year's Projects (Tons)
	2021	11	2,795	/
	2022	17	646	2,977
	2023	30	714	4,314
	2024	18	952	5,542
	Total	76	17,940	

Reuse

Actions	• The Company prioritizes packaging materials recyclability by adhering to green, safe, and recycling-friendly design principles, phasing out non-recyclable or unnecessary single-use plastics while promoting reusable solutions. • Together with upstream and downstream partners of the industrial chain, the Company actively promotes the model of reusable packaging and recycling vehicles in B2B business, alongside exploring standardized designs and eco-labeling to promote eco-conscious consumption.	
Performance	• In B2B business, the Company cooperates with industry chain partners to adopt reusable packaging, recycling vehicles and other forms of packaging and transportation. During the reporting period, we reduced the consumption of plastic packaging by about 5,700 tons , thus reducing the waste of resources and carbon emission. • The Company adopts reusable boxes and cages to replace disposable carton packages for injection molding products. During the reporting period, we reduced more than 8 million cardboard boxes, and reduced the consumption of cardboard packaging by about 6,400 tons , reducing the waste of resources and carbon emission.	

Recycle

Actions	• To promote the use of recycled plastics, the Company's supply chain packaging technology team continued to carry out safety and applicability assessment of recycled plastics and increased the proportion of recycled plastics in non-food contact packaging. On the premise of meeting the protective performance of product packaging, we reduced the consumption of raw plastics and promoted the application of recycled plastics from various perspectives.	
Performance	• In compliance with national food safety-related laws and regulations, a certain proportion of recycled plastics is added to non-food contact packaging. During the reporting period, 17,800 tons of recycled plastics were recycled. • Recycled plastic from bottle cap sources is used in plastic pallets for warehousing. During the reporting period, more than 500 tons of recycled plastic were consumed, reducing virgin plastic consumption and carbon emissions.	

✂ Reducing Food Loss and Waste

The Company is committed to addressing food loss and food waste at all stages of the value chain. We follow the Food Loss and Waste (FLW) system and supporting programs established by our parent company (Wilmar International). We implement systematic management of procurement, storage, processing, distribution, and donation processes to ensure rational food utilization, enhance resource efficiency, and minimize FLW. Currently, all company facilities are progressively implementing these measures, with data collection and analysis progressing systematically under the parent company's unified framework.

Product Development	Pioneering circular economy applications by repurposing production by-products to extend raw material lifecycles.
Raw Material Procurement	Developing data-driven demand forecasting models to align production volumes with sales projections, thereby reducing overstock risks.
Production Process	Adopting lean production models to optimize equipment, labor, and workflows for higher material yield, while converting by-products and waste into high-value outputs through closed-loop systems.
Storage & Logistics	Utilizing advanced grain and oil storage or transportation infrastructure to maintain product integrity.
Awareness Promotion	Conducting employee training programs to strengthen sustainability awareness and embed conservation practices across operations.

Case

“Six-Step Fresh Rice Precision Control Technology” Integrates Sustainability with Freshness

The Company pioneered the "Six-Step Fresh Rice Precision Control Technology", which ensures rice freshness and quality through six key stages: fresh harvesting, fresh grain storage, fresh preservation, fresh milling, fresh packaging, and fresh consumption. This innovation not only enables year-round access to high-freshness rice for consumers, but also empowers farmers and collaborates with supply chain partners to achieve resource efficiency, carbon emission reduction, and sustainable development across the entire rice industry chain. In the fresh harvesting phase, the technology aligns with China's "Grain Storage Through Technology" policy. By optimizing harvest timing, it reduces field losses by approximately 5% and increases rice production by 1%–4%. Based on an estimated annual rice production of 47 million tons in northern China's single-crop regions, widespread adoption of this method could prevent nearly 2.35 million tons of field losses.

✂ Biodiversity Conservation

The Company follows the NDPE ("No Deforestation, No Peatland Development, No Exploitation of Labor and Communities") policy of our parent company, Wilmar International, prioritizing biodiversity and forest conservation. Through its Environmental Policy and Biodiversity Conservation Policy, the Company mandates compliance with international and national standards across its operations and supply chain, actively implements biodiversity protection measures, and strives to minimize ecological impacts. Additionally, the Company commits to conserving and sustainably utilizing terrestrial and aquatic ecosystems, integrates biodiversity protection into project lifecycle management, and promotes eco-friendly development models to foster a harmonious coexistence between humans and nature.

When selecting project sites, the Company strictly prohibits operations in ecological conservation redlines (legally protected zones), rare wildlife sanctuaries, and nature reserves, conducting activities on legally designated industrial land. During environmental impact assessments, the Company conducts comprehensive evaluations of potential ecological impacts and develops targeted prevention measures and impact mitigation plans. Throughout operations, the Company rigorously enforces biodiversity protection protocols, adopts preventive actions in advance to reduce ecological disturbances. In mergers and acquisitions, the Company conducts thorough environmental due diligence to ensure compliance with biodiversity conservation requirements and avoid adverse impacts on ecosystems.



03

Win-win Cooperation to Build a Collaborative Ecosystem

Yihai Kerry Arawana is committed to building a green, symbiotic and sustainable full value chain. We continuously improve our ESG management in the supply chain and actively strengthening the traceability management of raw material to fulfill our commitment to sustainable procurement. The Company also attaches great importance to cooperation and co-construction with upstream and downstream partners in the value chain, and jointly promotes the overall development of the entire industry.

Our Topics of Interest

- Sustainable Procurement
- Supply Chain Management
- Win-win Cooperation



Our Commitment and Targets

- We ensure that our business and supply chain do not involved deforestation, peat, and exploitation
- We are committed to achieving 100% RSPO Certification for the palm oil processing facotry
- We strengthen the ESG management in our supply chain, and strictly control the whole process from entry to exit, so as to build a sustainable value chain together

Our Actions

- Practicing sustainable procurement commitments and strengthening traceability of raw materials
- In 2024, 100% of the Company's palm oil processors are RSPO certified
- Carrying out supply chain risk identification and work response to minimize supply chain risks to the greatest extent
- In 2024, the "Together for the Better, Joint Success" Non-Trade Supplier Conference was held

Responsible Procurement, Value Co-Creation

The Company clarifies its supply chain management strategy, actively implements sustainable procurement and raw material traceability. We have incorporated requirements related to business ethics, environmental protection, human rights, and labor into the review, performance improvement, and downgrade or elimination of suppliers. Achieved full-life-cycle management of suppliers through the digital platform SLP, covering screening, entry, performance assessment and improvement of suppliers. We carry out regularized assessment and focus on in-depth cooperation, collaborative development and value co-creation with suppliers to continuously improve supply chain resilience.

Sustainable Procurement

The Company has issued the *Sustainable Procurement Policy* and the *Supplier Code of Conduct*, actively implementing the parent Company's (Wilmar International) commitment of "No Deforestation, No Peatland Development, No Exploitation" (NDPE), and giving preference to suppliers with the same commitment. The Company has formulated corresponding responsible procurement policies for different types of raw materials and actively maintains effective communication with suppliers to continuously minimize the risk of possible deforestation. The Company will also formulate more sustainable procurement policies according to the different social issues related to each type of raw materials to ensure the safety and sustainable procurement of raw materials for its products.

Sustainable Palm Oil Procurement

The Company has formulated and implemented the *Responsible Palm Oil Procurement Policy* for all suppliers of palm oil, palm kernel oil and palm derived ingredients, requiring suppliers to provide certified palm oil as needed and encourages them to adhere to NDPE commitment and conduct raw material tracing. The Company shares the parent Company's sustainable palm oil management information and continuously improves the management system by combining satellite monitoring, supplier compliance, due diligence and grievance mechanism, and regularly organizes statistics on procurement traceability information.

For years, the Company and our parent company have jointly pursued a transparent and traceable palm oil supply chain. We maintain aligned traceability targets with our parent company: by 2025, to achieve 100% traceability to mills and 100% traceability to plantations. While full transparency remains challenging in complex commodity logistics and trading systems, we are working closely with suppliers to deliver on this commitment.

2024 Achievements

100% of palm oil suppliers are not involved in deforestation activities

100% of palm oil processing enterprises under the Company have obtained RSPO (Roundtable on Sustainable Plam Oil)

A procurement volume of **101,353 tons** of RSPO-certified palm oil and derivatives

16.4% of which was at IP&SG level

Purchased palm oil **91.5%** traceability to mill

83.2% traceability to plantation

Sustainable Soybean Procurement

The Company has issued the *Responsible Soybean Sourcing Policy* for all suppliers of soybean raw materials, requiring them to provide certified soybean products. We give preference to suppliers that are committed to "no sourcing of illegally sourced soybeans, no deforestation and no labor exploitation," continuously improving the traceability of the soybean supply chain and promoting sustainable soybean farming that does not damage the ecosystem or exploit indigenous peoples and local communities.

2024 Achievements

100% of imported soybean can be traced back to ports of origin, ensuring raw material origin transparency

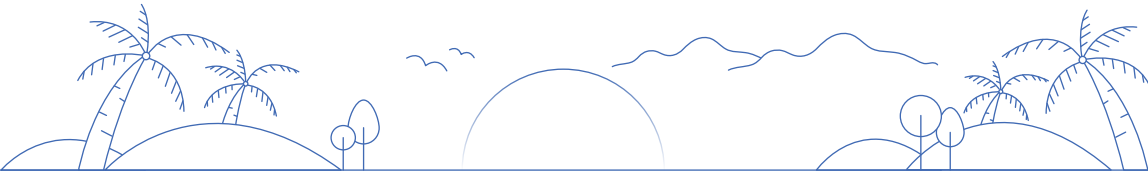
100% of US-imported soybeans were certified by the US Soybeans Sustainability Assurance Protocol (SSAP)

Case Signing of Sustainable Palm Oil Procurement Strategic Agreement

In November 2024, during the RSPO 2024 Global Roundtable (RT2024), Yihai Kerry Arawana signed a *Sustainable Palm Oil Procurement Strategic Agreement* with its clients. Both parties pledged to promote trade and procurement of RSPO-certified sustainable palm oil.

Before this, the two parties jointly developed best-practice cases of sustainable palm oil procurement and signed a 750 tons RSPO-IP level palm oil purchase order, marking China's first such procurement case.

As the supplier factory for this sustainable procurement case, Shanghai Kerry Food Industry, a subsidiary of the Group, has successfully passed the RSPO audit. It has become the first Company in China to obtain the RSPO-IP certification (the highest level) for sustainable palm oil.



Case

Traceable Milk Sources Ensure Quality Assurance

The Milk Business Segment (Meadow Fresh), which is distributed by Yihai Kerry Awawana in China, actively practices the concept of sustainable procurement, complies with the Group's *Sustainable Procurement Policy*. It focuses on the management of the whole chain of dairy products, from pasture sourcing to processing technology, and pays attention to suppliers' performance in environmental protection, animal welfare and social responsibility.

100% Traceable Milk Sources

All raw milk and ingredients of Meadow Fresh milk sold by Yihai Kerry Arawana in China come from New Zealand's well-defined and established raw material suppliers, and 100% traceability to farm level (the milk source belt at latitude 41–46 degrees south). The cows graze freely all year round on natural pastures and fresh grass, nourished by water from the Southern Alps, ensuring a pure and high quality milk supply that not only meets animal welfare standards, but also reduces carbon emissions and resource consumption.



Rigorous Full-chain Management

The New Zealand government has awarded 100% of Meadow Fresh Milk products sold by Yihai Kerry Arawana in China the "Silver Fern Mark." Among them, 30% of the milk products have obtained the Grass-fed Traceability Certificate issued by New Zealand's AsureQuality National Laboratory. The Company plans to increase the proportion of grass-fed traceability-certified purchases from 30% to 39% by 2026.

Meadow Fresh Milk uses advanced ultrafiltration technology to concentrate the essence of raw milk without adding extra protein or preservatives, ensuring a natural and high-quality product with up to 6% protein in the current product portfolio.

In the future, through collaboration with the upstream supply chain, Meadow Fresh Milk will further enhance the transparency and sustainability of its supply chain to provide consumers with high-quality and environmentally friendly dairy products.

Value Chain ESG Management

The Company strictly complies with *Company Law of the People's Republic of China*, the *Bidding and Tendering Law* of the *People's Republic of China* and relevant laws and regulations, continuously improve internal supplier management policies such as *Sustainable Procurement Policy* and *Supplier Code of Conduct* in the procurement process. Led by the supply chain management department and implemented by relevant Group procurement departments, strict control is maintained over supplier admission. Supply chain risks are mitigated through regular reviews, annual assessments, performance evaluations and trainings. At the same time, we provide ESG training to the Group procurement managers to enable them to fully understand ESG policies such as the *Supplier Code of Conduct* and the *Sustainable Sourcing Policy*, and pass them on to suppliers through training and contract terms to ensure the sustainable development of production and operations.

Entire Supply Chain Management

During the reporting period, the Company revised its ESG relevant policies for suppliers and monitored the implementation of ESG policies by supply chain partners based on suppliers' performance results. At the admission stage, the suppliers are required to The Company requires suppliers to comply with Yihai Kerry's ESG policies, and at the entry stage suppliers are required to fill in environmental and social responsibility information and sign the *Anti-commercial Bribery Agreement* and *Yihai Kerry Sustainable Development Policy Supplier Commitment*. These policies are communicated via training or contract annexes to embed sustainability into the entire value chain management system. By 2024, 100% of non-trade suppliers of all products have signed the commitment letters.

At the same time, the Company constantly standardizes the management process of supplier involvement, access, assessment, screening, and training. It establishes a cross-disciplinary departmental team consisting of quality control, procurement, and finance, etc., to carry out on-site visits, flight inspections, cost surveys, reviews by third-party testing organizations, and supplier sustainability questionnaires (SSQs) for the suppliers of auxiliary materials and processing aids, packaging materials, and key equipment on a non-scheduled basis. Based on the supplier's performance appraisal ranking, combined with on-site audit and category strategy evaluation, we generate the annual comprehensive capacity assessment performance of suppliers and classify them into four grades of "Excellent" "Qualified" "Needs Improvement" and "Unqualified" according to the level of performance, and adopt incentive or penalty mechanisms accordingly. We help and training for deficiencies in the management process and take punitive actions such as warning, ordering rectification, and terminating cooperation for suppliers that violate the Company's procurement system to optimize the supplier structure and resources.

Case

Promoting Contract Farming for Sustainable Agricultural Development

The Company actively practices sustainable agriculture and cooperates with suppliers on contract farming. Through guidance from agricultural technicians, we help farmers adopt scientific planting methods that improve the yield and quality of food while reducing the consumption of resources and minimize the impact of the use of fertilizers on soil, water, the local ecology, and GHG. Based on traditional contract farming, the Company has promoted the "Four Excellence" contract farming model and established a more comprehensive support system for farmers.

• Premium Seed Selection:

Based on market demand, the Company selects high-quality rice varieties that combine taste and flavor and are adapted to the climate of the plating areas, and guides farmers to plant on a large scale.

• Superior Production Zones:

Choose plating areas with natural advantages. Collaborate with partners to introduce third-party traceability using IoT and big data capabilities to improve land production efficiency.

• Advanced Farming Techniques:

Provide farmers with advanced agricultural technology training to realize the transition from traditional extensive cultivation to precise and scientific cultivation and improve the quality rate of agricultural products.

• Superior Price Procurement:

Assist farmers in delivering raw grains and direct return of funds, removing intermediate links and ensuring that the enterprise obtains stable and high-quality raw grains while increasing the income of farmers.



Supplier Management Process

Incorporated Supplier ESG Assessment into Annual Performance Evaluation

The Company has established a comprehensive evaluation system for non-trade suppliers, and the person in charge of supply chain procurement and supplier management evaluates the comprehensive ability of suppliers based on the annual performance appraisal, on-site audits, strategic assessment scores, and ESG scores. The ESG performance score includes but is not limited to ISO 14000, ISO 45001 and other management system certifications, cooperation with the Company in completing the supplier's sustainability questionnaire or carbon emissions data reporting and carrying out or participating in sustainable development communication activities and other assessment items.

Strategic Assessment

The annual strategic assessment is completed by the group's supply chain category leader, procurement and members of the supplier management team. Suppliers of packaging, auxiliary materials and chemical collection materials must undergo a strategic assessment to ensure that their operations align with the Company's overall development strategy.

Composition of Annual Comprehensive Capability Assessment Scores



Following the comprehensive capability assessment conducted each year, suppliers are categorized into distinct tiers based on their performance. A supplier is designated as 'Excellent' if they achieve a score within the top 10% of the Comprehensive Capability Assessment and maintain an average performance rating exceeding 95%. Such suppliers are identified as strategic partners for potential enhanced collaboration. Suppliers are further classified into categories such as 'Qualified', 'Needs Improvement', and 'Unqualified'. Each classification is accompanied by defined evaluation criteria and corresponding mechanisms for collaboration, support, or elimination from the supplier base.

During the reporting period

The Company conducted on-site food safety audits and evaluations of **1,093** food-grade non-trade suppliers

Achieving a **100%** audit coverage rate

Supply Chain Risk Management

To enhance supply chain resilience and security, the Company has strengthened supply chain risk management while ensuring that suppliers and their provided products or services meet business, quality, and food safety requirements. The Company conducts ESG (Environmental, Social, and Governance) risk assessments and evaluates the business relevance of these risks for suppliers, considering factors such as the supplier's country, industry, commodities, and expenditures. This process aims to minimize supply chain risks effectively. Based on the material characteristics, cooperation volume, reliability, and other multi-dimensional factors, the Company identifies key suppliers and categorizes them by risk levels. Tailored early warning mechanisms, preventative measures, and risk response plans are established accordingly. Special attention is paid to the performance of key suppliers in areas such as food safety, environmental management, and human rights management. These efforts ensure the stability and security of the supply chain while reducing systemic risks. In procurement and contract requirements, the Company incorporates terms related to occupational health and safety standards, personnel safeguards, and environmental supervision and evaluation. This reflects the Company's commitment to integrating ESG concepts into the entire supplier management process, enforcing strict controls over the full lifecycle of suppliers, from qualification to exit.

Additionally, the Company has established clear qualification and admission requirements for suppliers of different categories of materials in the Group *Supplier Management Regulations*. During quarterly evaluations, suppliers are assessed based on delivery, quality, service, and sustainability risks. Any issues identified during these assessments must be addressed by the suppliers within a specified timeframe, ensuring effective control of supply chain risks.

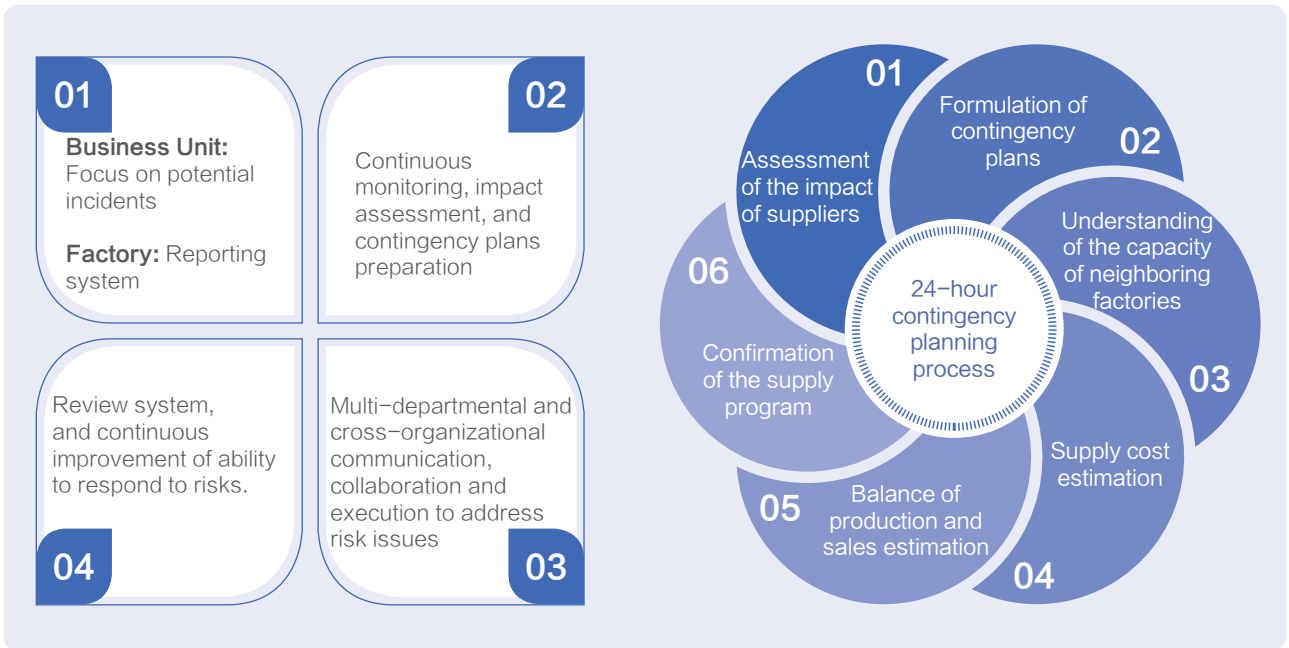
Supply Chain Risk Identification	Countermeasures
Delivery Risk	• Cross-departmental collaboration to forecast production capacity and bulk material demand, enabling supply, capacity, and investment planning. • Maintain 2-3 qualified suppliers in different regions for each material.
Quality Risk	• Enhance supplier access management by requiring all A-qualified suppliers to hold the necessary certificates and accreditations. • Enhance supplier auditing and supervision processes.
Geopolitical and EHS Risks	• Establish main supply, secondary supply and standby supplier pools for key materials to prevent insufficient supply capacity of suppliers due to force majeure, regional material tension and other factors.
Financial Risks	• Conduct Supply chain financial inspection and provide reports, assessing from the dimensions of debt repayment, operation, profitability and tax rating indicators • Perform regular or ad-hoc evaluations of suppliers' operational and financial status. • Define clear requirements for distributor financing and loans, leveraging supply chain financing platforms to assign responsibilities to relevant business units and general managers.
Dependency Risk	• Actively develop new suppliers and optimize supply chain structures to avoid exclusive supply.
Stock Replenishment Risk	• Develop a special system to manage dealer stock replenishment. • Establish an online complaint channel.

Supply Chain Risk Identification and Mitigation

Strengthen the Construction of Supply Chain Safety Culture

The Company adheres to a people-centric philosophy, implementing full-process control over the safety of supplier employees. Taking employees of warehousing service providers as an example, we require all new hires to pass safety knowledge and operational skill assessments. For those who fail the assessments, we will report the results to the relevant service providers and organize mandatory specialized training. Only after passing the subsequent assessment are they authorized to commence work. We conduct regular safety training to enhance supplier employees' safety awareness. Additionally, in accordance with standardized warehousing and distribution management requirements, we perform unannounced safety inspections at distribution centers. These inspections include, but are not limited to, safety management, operational compliance, and service quality for in-house employees, warehousing service provider staff, and transportation contractor personnel. We promptly notify relevant service providers of identified issues, requiring them to submit corrective action plans within a specified timeframe. The distribution centers then track the progress and outcomes of these corrective actions.

To address supply chain emergencies, the Company has established emergency response procedures. These are centrally coordinated by the Group and business units, with cross-departmental collaboration to ensure stable supply chain operations.



Emergency Supply Management Mechanism

Strengthening Distributor Management

The Company places high importance on distributor management, continuously refining evaluation systems to safeguard distributors' legal rights and ensure compliant operations. During the reporting period, the Company enhanced the *Distributor Performance Evaluation System*, *Distributor Tiered Management*, and *Traffic Light System for Distributors*. It also introduced a market visitation scoring mechanism for both internal staff and distributors, strengthening the management framework to ensure compliance across the value chain.

The Company independently developed the "YiFenXiao" digital system as an end-to-end distributor management tool. This platform integrates Amap for precise outlet development, visualizes outlet coverage and activity rates, and allocates resources to stores based on system metrics to minimize waste. Additionally, to improve outlet service quality and mitigate distributor moral hazards, the platform incorporates monitoring, verification, and audit functions. It shifts from direct fund allocation to distributors to targeted disbursements to stores or individuals.

Empowering Value Chain Partners

To reinforce supply chain resilience, the Company has established a multi-channel communication mechanism with value chain partners, enabling prompt identification, discussion, and resolution of issues encountered during collaboration. Additionally, the Company remains committed to monitoring and enhancing the management capabilities of its partners, fostering mutual efforts toward sustainable development through effective empowerment.

Supplier Empowerment

We conduct multi-dimensional training covering product quality, efficiency improvement, business ethics, and energy conservation through regular visits and irregular online/offline communications. Furthermore, face-to-face meetings, phone calls, and conferences are used to reinforce dialogue with suppliers. The Company conducts supplier training every year, covering 100% of key non-trade suppliers.

During the reporting period

The Company organized **2** supplier training sessions

With involvement of approximately **599** suppliers

Non-Trade Suppliers	- Through the End-to-End Project, we systematically identify improvement opportunities and enhance ESG capabilities across six modules: planning, procurement, production, quality control, logistics, and finance. - Leveraging our advanced operational expertise and resources, we support suppliers in improving their management practices. - Build a supplier ecosystem by sharing generic material supply resources and initiating collaborative projects to strengthen suppliers' capabilities.
Grain & Oil Raw Material Suppliers	- Leverage our regional presence and resources to help suppliers diversify their business and boost their independent growth. - Collaborate with external experts to provide scientific and advanced cultivation guidance for contract farming partners.
Central Kitchen Suppliers	- Monitor suppliers' certification validity, delivery capacity, and quality/issue resolution capabilities, and assist them in timely problem-solving and corrective actions. - Strengthen suppliers' end-to-end service coordination, empower their delivery and collaboration, and optimize supply chain efficiency.
Logistics & Warehousing Service Providers	- Deliver compliance and technical skill training programs. - Offer capability-building training aligned with evolving business products and new projects. - Conduct regular safety training to reinforce risk awareness.

Supplier Empowerment Initiatives (Partial)

Case Holding "Collaborative Pathways, Shared Prosperity" Non-Trade Supplier Summit

In November 2024, the Yihai Kerry Arawana Non-Trade Supplier Conference was held in Tianjin, bringing together representatives from 226 suppliers. The conference centered on five core themes: "Group's Future Development Direction," "Supply Assurance and Value Creation," "Innovation and Sustainable Development," "Collaborative Progress and Mutual Success," and "Public Welfare Unity: You Are on the Beneficial Path". These themes enabled suppliers to gain a clear understanding of the Company's development roadmap and highlighted the importance of stabilizing and optimizing the supply chain. The conference encouraged suppliers to adopt sustainable development practices, outlining cooperative objectives and goals to deepen partnerships and collectively explore avenues for high-quality future growth.



Non-Trade Supplier Conference

Empowering Distributors

In 2024, the Company clarified its marketing strategy of being "customer-centric and business-oriented". This involves designing products tailored to consumer needs across different scenarios, matching products to specific business models, and precisely allocating resources. In alignment with this strategy, we have strengthened distributor empowerment by continuously monitoring their operational performance and launching a series of empowerment and collaboration projects to enhance their comprehensive capabilities. We maintain proactive communication with value chain partners to identify their operational challenges promptly. Through multidimensional training and dissemination, we establish an excellent closed-loop management system for distributor operations, enabling steady growth and development.



During the reporting period

The Company conducted **7** national-level training sessions

372 subsidiary-level training sessions for all integrated Distributors

Achieving a **100%** training coverage rate

Multi-measure to Achieve Win-win Cooperation with Distributors

The Company continuously advances win-win collaboration with distributors through concrete initiatives aimed at reducing costs and enhancing product sales capabilities:

Unified warehousing and shared distribution streamlines supplier operations by consolidating logistics resources, enabling mutual resource sharing.

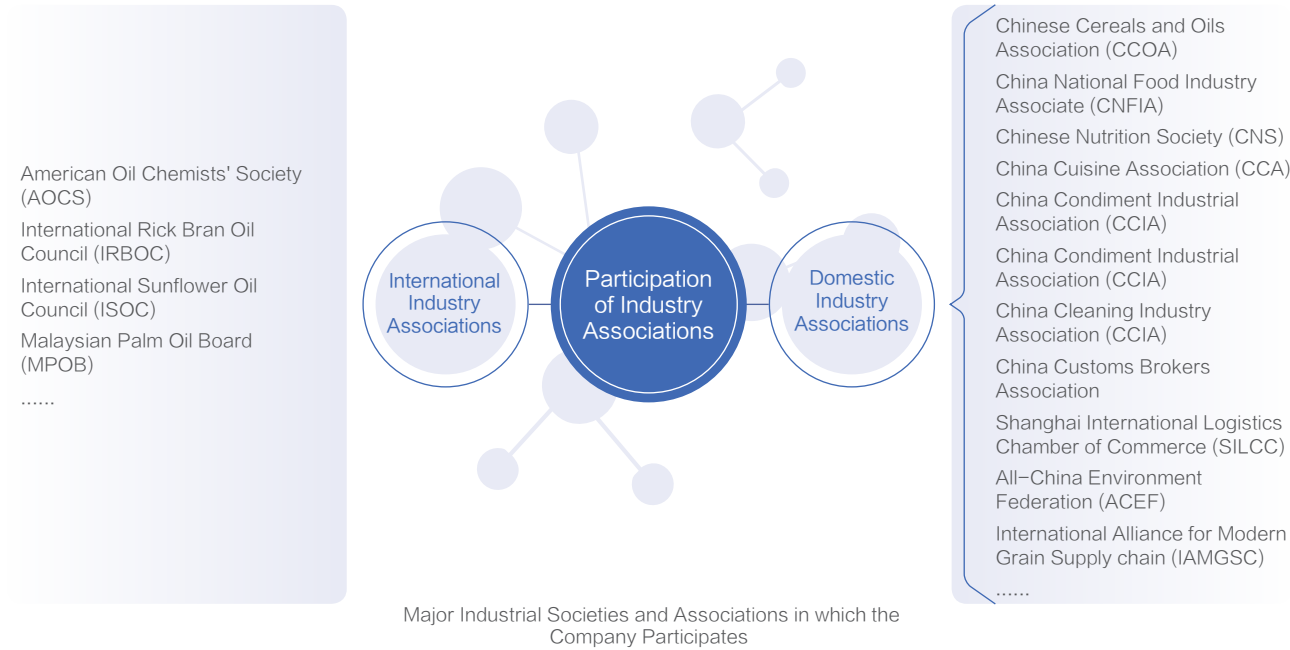
Implementing one-way transportation model for company products to help distributors reduce capital costs and accelerate product turnover, enhancing overall efficiency.

For non-Company products, the Company adopts marketing buyouts or distributor buyouts, combined with consolidated direct-to-end point distribution, to create new business opportunities for distributors.



Open Collaboration, Industry Partnerships for Mutual Growth

Yihai Kerry Arawana emphasizes reciprocal cooperation with industry partners, embracing an open and inclusive approach to foster mutual learning and complement each other's strengths and weaknesses. By effectively integrating advantageous resources and stimulating innovation, the Company actively participates in various domestic and international industry association activities. Through technical exchanges, academic sharing, and strategic collaborations, it facilitates the circulation of knowledge and value-sharing within the industry, driving positive sectoral development.



- 2024 China Foodservice Industry Summit
- 2024 CSO Global Sustainable Development Forum
- The 7th China Internaitonal Import Expo (CIIE)
- 2024 National Grain, Oil and Soybean Industry Expo
- Roundtable on Sustainable Palm Oil 2024 Global Annual Meeting (RT2024)
- The 24th China International Fair for Investment & Trade (CIFIT)
- 2024 Edible Oils Industry Development Conference
- 2024 Forum on China-Africa Cooperation (FOCAC)

Industry Events Host or Participation in 2024 (Partial)

Case Participating in the Revision of Millet National Standards, Leading the Millet Industry into a New Era

In November 2024, the National Administration for Market Regulation and the National Standardization Administration officially released the revised national standard for *Millet* (GB/T 11766-2024). Fengyi (Shanghai) Biotechnology R&D Center Co., Ltd. and Yihai Kerry Jiaqu (Zhangjiakou) Food Industrial Co., Ltd. (referred to as "Zhangjiakou Factory") participated in this revision process.

Zhangjiakou Factory's involvement not only contributed current practical experience in millet production and development but also provided crucial recommendations for addressing future shifts in the consumer market driven by advancements in agricultural production and processing techniques.



Case Collaborating with Value Chain Partners to Build New Services in the Catering Industry



In September 2024, the 3rd Global Digital Trade Expo was held in Hangzhou. Yihai Kerry Arawana and Hangzhou Convention & Exhibition Group signed a strategic cooperation agreement on catering services for the main venue, and the two sides joined hands to launch the "Xibo Management - Xin Service" exhibition catering brand. This partnership, aimed at solving the long-standing catering problems in the exhibition industry, promises a better experience for exhibition participants. The cooperation not only deepens the integration and development of "culture, tourism, sports, and exhibition" but also brings a better experience to exhibition participants by integrating the resources of all parties.



04

Empowering Employees With Workplace Excellence

Yihai Kerry Arawana aims to enhance organizational capabilities and develop a talent pipeline. We prioritize retaining high-potential talent by offering competitive compensation, structured career progression pathways and comprehensive benefits. Our core strategy emphasizes internal talent development combined with succession planning, ensuring a diverse, youthful, and professional workforce. Based on the principle of " Safety is the Primary Productivity", the Company continuously improves the occupational health and safety management system to create an enabling work environment where employees can fully realize their potential.

Our Topics of Interest

- Occupational Health and Safety (OHS)
- Labor Practices
- Diversity and Inclusion
- Human Capital Development

Our Commitment and Targets

- Improving the occupational health and safety management system to reduce workplace accidents and occupational disease incidence
- Continuously increasing the proportion of female employees in manager teams and striving to achieve a proportion of women in STEM related positions of no less than 50% by 2026
- Committing to employee well-being, we progressively enhance both satisfaction and engagement rates among staff annually

Our Actions

- In 2024, the merged Lost-Time Injury Rate for employees and contractors was 0.08, representing a decrease of 0.01 percentage point compared to 2023, while the 100% coverage of occupational health check-ups was achieved
- In 2024, the proportion of women in STEM-related positions is 50.83%
- In 2024, the employee engagement (satisfaction) survey results were 98.78%



Occupational Health and Safety Management

The company upholds the principle of "Health, Safety, and Shared Harmony", providing employees with a safe and healthy workplace to ensure they return home safely.

Occupational Health and Safety Management Mechanism

The Company has established a safety production responsibility system covering all employees. In accordance with the national occupational health and safety laws and regulations, it has formed a set of rules and policies that encompass health and safety guidelines, risk assessment and hidden hazard inspection and management, safety education and training, performance appraisal, emergency response, and other aspects. The occupational health and safety management system and related policies are applicable to all employees of the Company and its subsidiaries, as well as to contractors and relevant parties directly involved in company operations. During the reporting period, the Company and its subsidiaries optimized the management system related to occupational health and safety in conjunction with the management quality, including the Group's occupational health and safety policy, factory and project life-saving regulations, construction project environmental & safety management standards, as well as driving safety standards, and other occupational health and safety management systems.

The Company has established a two-level EHS management organizational structure featuring coordination between the group and its subsidiaries. The Group Production Safety Committee is composed of the Group Board of Directors, core management team and relevant technical professionals, responsible for the overall management and guidance of the operation and safety management status of the Group's subsidiaries. Each factory has established a dedicated EHS department responsible for occupational health and safety management, equipped with full-time and part-time production safety management personnel to implement occupational health and safety management based on the safety work planning and relevant procedures and systems. Each level of the factories has set up their occupational Health and Safety Committee (EHS Committee), comprising executive management, professional and technical leaders, and employee representatives, to supervise and guide the implementation of environment protection, occupational health, and safety-related work.



Occupational Health and Safety Management Objectives

The Company is committed to continuously improving its occupational health and safety performance to minimize negative impacts. The Group EHS formulates annual occupational health and safety objectives for each Company based on the actual situation of the Company, regulatory updates, and management expectations. These objectives are supported by both proactive and reactive quantifiable indicators. This year's targets cover multiple dimensions, including safety culture & leadership, risk management, management systems, training & education, process safety, emergency preparedness, digitalization, and performance management. Each factory develops detailed implementation plans at the departmental, workshop, team, and individual levels in alignment with the Group's annual objectives, while continuously monitoring progress. The Group EHS tracks the achievement of OHS targets across all subsidiaries, implements proactive improvement measures, and incentivizes sustainable EHS performance enhancements.

As of the end of 2024

The coverage rate of ISO 45001 Occupational Health and Safety Management System certification for the Company's manufacturing enterprises reached **77%**

An increase of approximately **12%** compared to 2023

Occupational Health and Safety Management Practices

According to the *Safety and Health Guidelines*, the *Safety and Occupational Health System* and other regulations, takes risk management and accident prevention as the main thread to effectively carry out risk identification and control, hidden hazard inspections and risk reduction. The Company has established a blame-free accident reporting culture and implements safety risk trends and data analysis to monitor all operational links, ensuring the relevance and effectiveness of the work. It comprehensively identifies compliance matters in operations, manages the production process in accordance with laws and regulations, strengthens the effective maintenance of production equipment and facilities, integrates intelligent and information-based management systems, establishes safety production incentive measures covering all employees, and strictly controls the safety of high-risk special operations. The Group EHS supervises and monitors the safety production status through factory self-inspections, regular on-site audits, surprise inspections, and video link checks to ensure the effective implementation of the factory's EHS management plan. At the same time, factory management actively communicates face-to-face with frontline workers and employee representatives on-site, identifies potential occupational health and safety risks for employees, carefully listens to feedback and improvement suggestions, and addresses key safety and occupational health issues through monthly safety committee meetings. This continuous optimization and improvement of safety management processes and measures ensure the stable operation of the factory.

Risk Identification and Assessment	- Occupational Health Hazard Risk Assessment: Establish a dual prevention and control system for safety risks and hidden dangers. Formulate tiered control measures for risks based on the different levels of risk identified. - Detection of Occupational Health Hazards in the WorkplaceIdentify positions exposed to occupational health hazards. Conduct regular detection of occupational disease hazards in the workplace. Develop and implement effective control measures for occupational health hazards to ensure the working environment meets national standards and occupational health protection requirements. - Oriented by the ultimate goals, the company and its subsidiaries determine the priority sequence of the safety management action plan, regularly track and review the progress of the EHS work plan and targets, and integrate this process with quantitative indicators set based on relevant national laws and regulations on production safety, fire safety, etc., to effectively address known, visible, and tangible safety risks.
Accident Reporting and Investigation	- The Group and its subsidiaries clarify the reporting and investigation requirements for accidents at different levels in accordance with national laws and regulations and the Group's standards for reporting and investigating accidents, and ensure that accidents can be reported in a timely manner to the government regulators and relevant personnel of the Group. - Emphasize the responsibilities of the management (especially the senior management) of the subsidiaries/factories at the level of the accident reporting and investigation procedures. - According to the level of accidents, an accident investigation team is set up at the appropriate level to identify the causes of accidents and formulate improvement plans in accordance with the principle of "four no spares", and then formulate a report to be submitted to the relevant managers of the company and the Group for review and tracking of the improvement measures. Group Accident Management Platfor.
Safety Risk and Hazard Inspections	- Carry out hazard inspections, record and improve the factory risk classification and control ledger, risk distribution map, hidden danger management ledger, etc., pay high attention to and manage the potential high-risk events, and take precautionary measures. - The Group's EHS organizes daily video-connected safety inspections of its subsidiaries' factories, special supervisory inspections at special times such as holidays, on-site safety inspections, as well as annual on-site performance assessment, and supervises and guides the subsidiaries in their rectification and rectification of harzard and risk reduction status.
Accident Prevention and Emergency Drill	- According to the <i>Safety and Health Guidelines</i>, <i>Safety and Health Standards</i> and other systems, we have constructed a perfect emergency management system, formulated comprehensive plans to deal with all kinds of emergencies, special plans and on-site disposal programs, established full-time and part-time emergency disposal teams, and equipped with a sufficient amount of emergency equipment and materials to ensure that we can quickly respond to emergencies. - Regularly carry out emergency drills, and at the end of each emergency drill, the company or the After each emergency drill, the company or workshop will review the drill situation and evaluate the effect, analyze the problems and improvement opportunities in the drill process, and put forward improvement suggestions.

Whole Process Occupational Health Safety Management

The rectification rate of the occupational health and safety inspections of the Group's subsidiaries was 100%, with a 98.12% completion rate during the reporting period. The factories conducted regular and irregular emergency drills covering employees and related parties to promote the knowledge and skills of all employees in risk avoidance, with a 100% achievement rate for the drills.

Case

Enhancement of Vehicle Safety Management for Effective Accident Prevention

The Group and its factories have established comprehensive traffic safety management systems, conducting holistic assessments of traffic safety risks and formulating targeted control measures. Through implementing pedestrian-vehicle separation, optimizing forklift operating procedures, establishing forklift advanced driver assistance systems (ADAS), and conducting specialized safety activities in cargo loading and unloading areas, the Company has continuously enhanced in-factory vehicle and traffic safety management. During the reporting period, the Company issued the *Driving Safety Management Standard*, further strengthening safety management of administrative office vehicles. This included preventive driving training programs for administrative vehicle operators and regularly organizing vehicle and traffic safety meetings, aimed at preventing traffic accidents and safeguarding the lives of both passengers and drivers.

Case

Multi-measure Intelligent Safety Production Management

To efficiently enhance EHS management and standardize execution of procedures, the Company has established an integrated information management system covering risk monitoring, special operation management, safety instrument monitoring, emergency command, personnel positioning, and comprehensive safety management. Key subsystems include:

01

The production process control system, key instruments, major hazard sources, and monitoring and alarm systems have realized online data collection, intelligent application, and group data sharing.

02

In the existing SAP system, the entire life cycle of equipment, inspection and maintenance, safety patrols, and hidden danger investigations are organized informationally.

03

All chemical enterprises under the Group have realized the electronic special operation tickets, intelligent safety patrols, real-time personnel location tracking, and centralized management of monitoring and control data platforms.

Currently, the Group is actively exploring the informatization and intelligence of limited space operations, dust explosion-related sites, and high-altitude operations, using digital means such as AI to enhance the level of safeguard for safety production management.

Improving Occupational Health and Safety Awarenesses

The Company is committed to continuously improving its employees' safety awareness and job proficiency, and has developed a demand-based "Safety Training Matrix" and "Safety Training Plan". Regular occupational health and safety training is conducted for all employees and relevant parties (labor, contractors, visitors, etc.), thematic activities on occupational health and safety are carried out, and employees are encouraged to participate in management activities. At the same time, by sharing accident warnings and good practices, the safety capabilities of employees have been enhanced. During the reporting period, the combined Lost-Time Injury Rate for employees and contractors was 0.08, a decrease of 0.01 from 2023.

The Company effectively protects the health rights and interests of its employees by establishing individual occupational health records for each employee, periodically monitoring the occupational health status of its employees, identifying, and reducing occupational disease hazards in the workplace, and equipping personal protective equipment that meets the protective standards for workplace factors. During the reporting period, the Company did not receive any reports of occupational diseases or occupational contraindications.

During the reporting period

The combined Lost-Time Injury Rate for employees and contractors was

0.08

The coverage rate of occupational physical examinations reached

100%

Occupational Health and Safety Training

The Company and its subsidiaries have adopted a three-level safety education and training system at the "Company-Workshop-Team" levels to carry out effective and demand-based offline safety training, online video courses (YiXueTang), and face-to-face finger-dictation training. By combining online and offline methods, all-field, all-time, all-employee coverage of the production safety education and training mode, we have effectively enhanced the employees' safety and health awarenesses and response capabilities, preventing and reducing the incidence of occupational diseases and production safety accidents..



Online Video Courses

Orienting Employees to Create a Happy Workplace

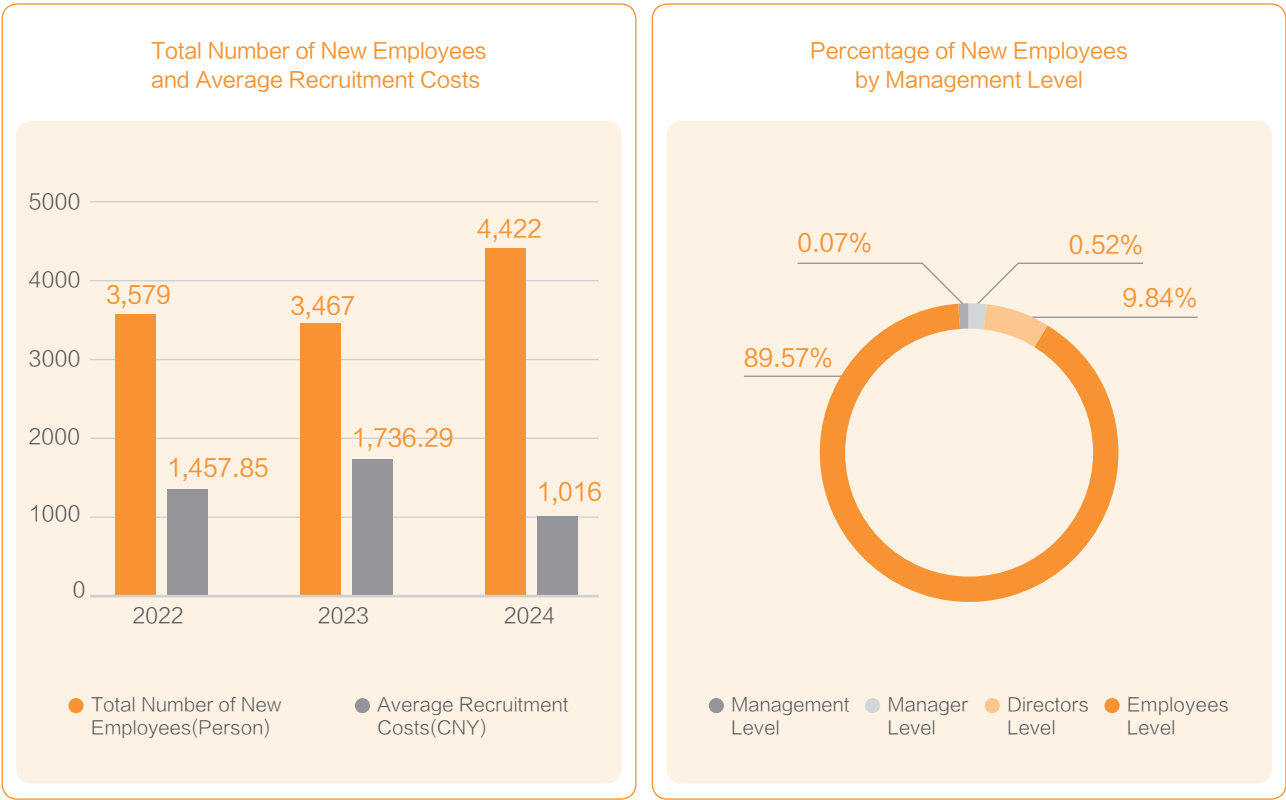
The Company cares for its employees and helps them realize their self-worth in a diversified, inclusive and efficient workplace environment by establishing a transparent and fair talent employment and management system, improving compensation and benefits insurance, and providing comprehensive career advancement and development opportunities.

Talent Attraction and Retention

Talent is the fundamental guarantee for the Company's stable development. The Company attaches great importance to valuable talent resources, continuously improves the recruitment system and employee-related policies. We are committed to attracting more high-quality talents for the Company's business development and reducing the loss of existing talents. In 2024, the Company conducted an employee engagement (satisfaction) survey covering indicators such as job satisfaction, purpose, happiness, and stress. The survey results were 98.78%.

Talent Attraction

The Group has formulated and improved the *Recruitment Management System* based on national laws and regulations to ensure the compliance and fairness of the recruitment process. We optimize the recruitment process, broaden the recruitment channels, and attract diversified talents by integrating multiple resources.



Marketing Challenge Campaign

- The first "Arawana" Innovator Club Marketing Challenge Campaign was launched in collaboration with the Henan University of Technology, with more than 200 students registered the event.
- The event helps students enhance their capabilities and provides the Company with a channel to select outstanding talents as candidates for summer internships or campus recruitment positions.

Summer Practical Camp

- Since 2017, the Company has hosted 8 Summer Practical Camps, with a total of 56 teams and 280 students participated.
- Through a series of processes including topic research projects, individual sharing, and work summaries, the camp helps students understand the Company's business and experience the workplace. Outstanding projects are implemented simultaneously, providing practical assistance to the Company for operational optimization.
- Participants with exceptional performance are given direct interview qualifications, making the Summer Practical Camp a talent pool for the Company.

Campus Recruitment Roadshows

- Conducted 27 campus roadshows for the 2025 fall recruitment nationwide.
- In 2025, the Shanghai headquarters hosted 3 campus recruitment Open Days, welcoming nearly a hundred students.

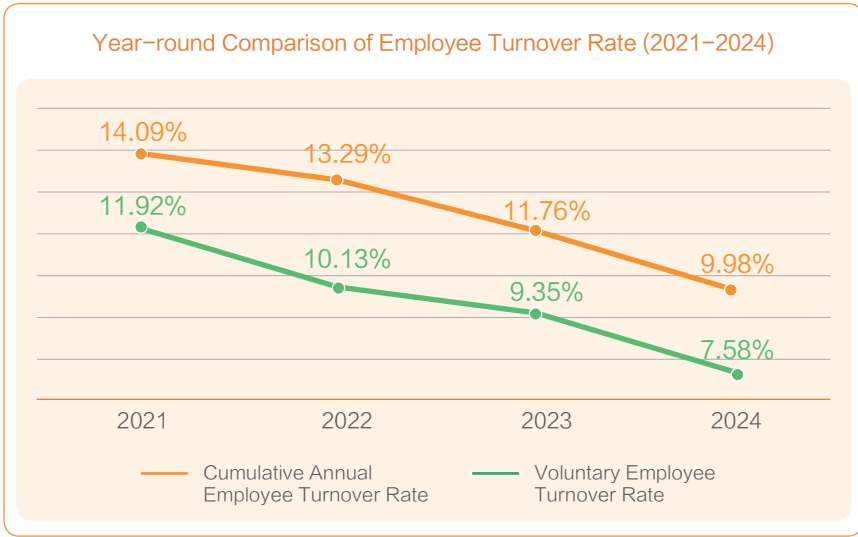
Case

Developing "Top Interviewers" to Optimize Recruitment Processes

To enhance the interviewing competencies of business department interviewers, optimize the interview process, and ensure the fairness and effectiveness of the recruitment process, the Company designed the "Well-Rounded Top Interviewer" certification program. Through a combination of training and practical exercises, the program comprehensively improves the quality and practical skills of interviewers across four dimensions: understanding of recruitment regulations, identification of resume authenticity, application of scientific interview methods, and on-site simulation practice. By the end of the reporting period, the program covered 18 provinces nationwide, 61 factories, and 11 marketing companies, with a coverage rate of 65%; a total of 12 sessions have been conducted, training 390 interviewers, involving personnel from various levels including managerial and director levels, with a final pass rate of 99%. The Company has also cultivated 76 interview evaluation committee members (industry-experienced professionals who have undergone systematic training and provide comprehensive evaluations of trainees' interview skills) through the implementation of the project.

Talent Retention

The retention of high-quality talent is also a key focus of the Company. Through a comprehensive and multi-dimensional employee management system, we enhance the sense of belonging and happiness of our employees, ensuring the steady development of the Company. From 2021 to 2024, there has been a certain decrease in both the cumulative turnover rate and the voluntary turnover rate of employees.



Protection of Employee Rights

The Company insists on establishing a competitive salary and benefits system for employees. Through a comprehensive benefits and interests system, employees can truly feel our sincerity and warmth.

Protection of Human Rights

The Company has formulated and published the *Human Rights Policy* applicable to all employees of the Group and its subsidiaries, as well as all parties related to the Company's business (customers, suppliers, contractors, etc.), containing commitments to protect human rights related to child labor, forced labor, discrimination, freedom of association, etc., and explicitly states zero tolerance for discriminatory practices.

The Company has established a multi-level communication channel. Through the *Whistleblower Protection Policy*, we encourage employees to promptly report any improper or illegal activities they discover, to identify potential human rights risks in a timely manner, and to prevent related incidents.

The Company stipulates in relevant systems that employees who engage in violent threats, intimidation, sexual harassment, or behaviors that disrupt group order will have their employment contracts terminated. In addition, we pay attention to the human rights protection situation of our partners. In the sustainability questionnaire survey conducted for key non-trade suppliers, we include requirements related to human rights policies such as the prohibition of child labor and forced labor and conduct follow-up audits to ensure the suppliers' compliance with labor laws. In 2024, the Company has no incident of human rights, harassment and discrimination was noted.

Valuing the Rights of Female Employees

We attach great importance on safeguarding the rights and interests of female employees. In promoting female employment, the Company are resolute in eliminating gender discrimination. We require that all external job postings be reviewed by public affairs, legal, and group recruitment departments to ensure the legality and compliance of the published content.

Measures for Protecting Female Employees' Rights and Interests

System Improvement	- The trade union has established a women's committee to safeguard the legal rights and interests of female employees. - Signed the Special Collective Contract for the Protection of Women Employees' Rights with the trade union and formulated corresponding protective measures.
Convenient Amenities	- Provide paid breastfeeding leave and "Mommy Rooms" for nursing mothers. - The cafeteria offers a green channel for priority dining for pregnant women and provides nutritious soup and a dedicated dining area for pregnant and nursing mothers.
Career Development	- Assist female employees in creating career plans. - Regularly commend and reward female employees who have achieved significant accomplishments. - Encourage female employees to participate in various honor selections, such as municipal Youth Civilization Posts, municipal "Golden Women" honors, and city women's representative honors.
Health Protection	- Add cancer screening for women in physical examination and arrange relevant lectures. - In cooperation with the municipal trade union, we provide psychological support and counseling for female employees, offering consultation courses to help them relieve stress.
Women Power	Initiate "Her" Power special sharing activities to set up excellent female role models and showcase a group of female benchmarks.

Case

Colorful Empowerment in “Her World” : Multidimensional Initiatives for Female Development

Yihai Kerry Arawana has consistently committed to empowering female career growth, creating expanded opportunities for women's professional development. The Yihai Kerry (Wuxi) Financial Shared Service Center (hereinafter referred to as "Wuxi Shared Center"), a centralized financial service platform supporting the Group's manufacturing factories and sales subsidiaries, employes a predominantly female workforce due to its specialized operational nature. In response to this characteristic, Wuxi SSC has implemented the "Colorful Shared Her World" Care Program to focus on women's career development from multiple dimensions, help them build stronger self-confidence, and continuously provide attention and support.

In terms of multidimensional development, the Wuxi Shared Center has established a clear career development path and conducts annual individual career development interviews to assist female employees in formulating 1-3 years professional growth plans. Through its job rotation mechanisms, female employees can work in diverse departments and positions. Since its establishment, the Wuxi Shared Center has provided more than 160 job rotation opportunities accompanied by targeted onboarding training, empowering them to unlock their potential and strengthen professional competitiveness. These initiatives actively expand career development possibilities for female talent.

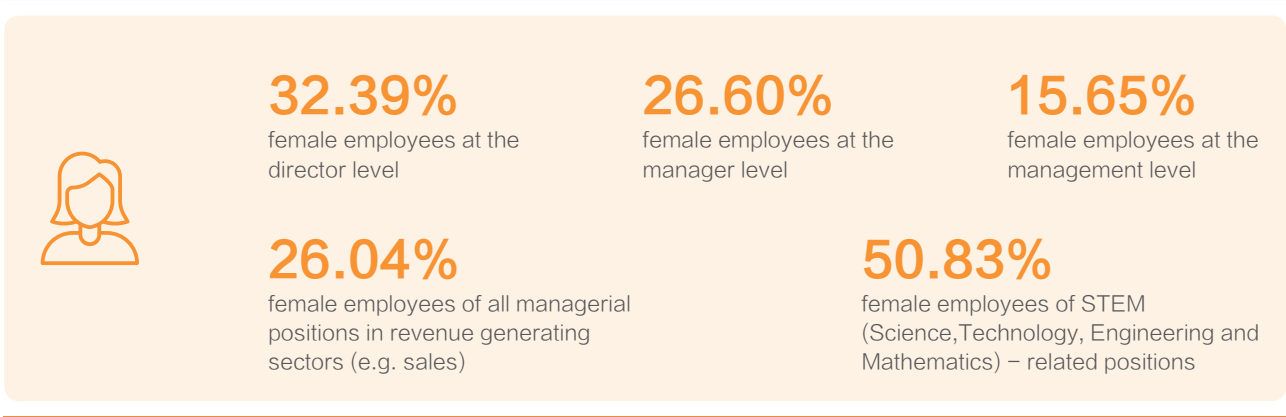
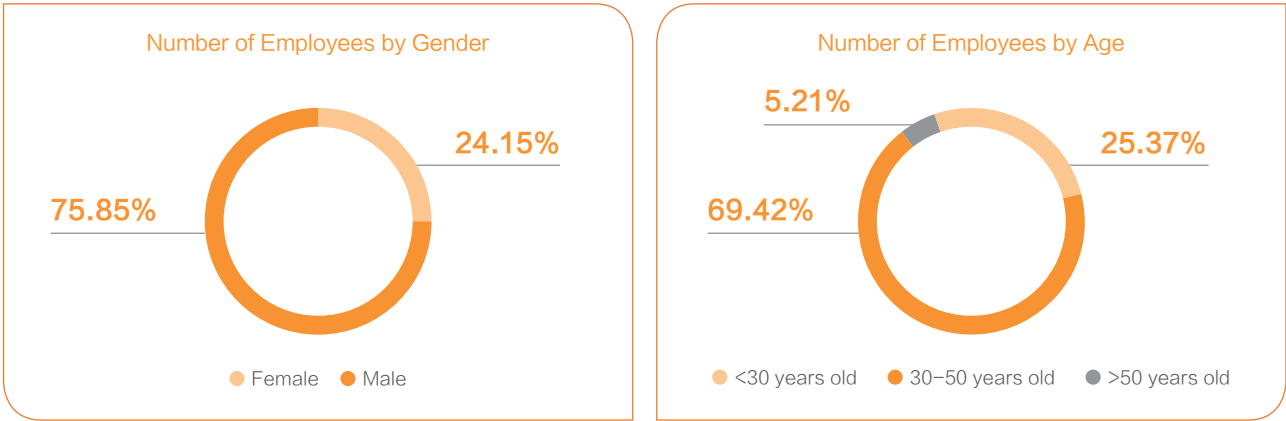
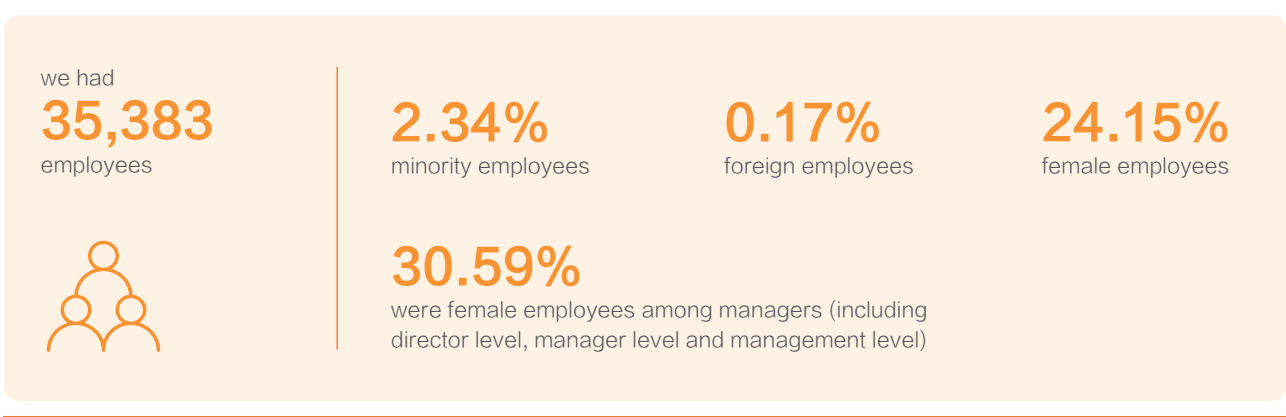
The Wuxi Shared Center regularly invites internal and external accomplished female professionals to host "Career & Life Integration" thematic seminars, delivering empowerment-focused content through intellectually substantive and emotionally resonant sessions. These seminars showcase contemporary professional women' s leadership while facilitating cross-generational experience sharing. To amplify role model influence, the Center has initiated "Her Power" Featured Story Campaign, leveraging WeChat groups, official corporate social media accounts, and cultural display walls to disseminate inspirational career narratives. Since 2022, 21 features stories have been published, effectively motivating female employees to set ambitious career goals, pursue professional excellence, and continuously transcend personal limitations on their career journeys.



Respecting Diversity

The Company focuses on balancing "diversity" and "unity," embracing diversity and respecting differences in all aspects of work. In employee recruitment, we treat candidates from all ethnic groups across the country equally and select the best candidates. In daily management and operations, we actively seek opinions and suggestions from foreign and ethnic minority employees and address their practical issues. We have also set up a halal cafeteria and arrange holidays for employees of various ethnic groups to celebrate their festivals, fully respecting their diverse dietary habits and folk activities.

During the reporting period



Compensation System and Benefits Protection

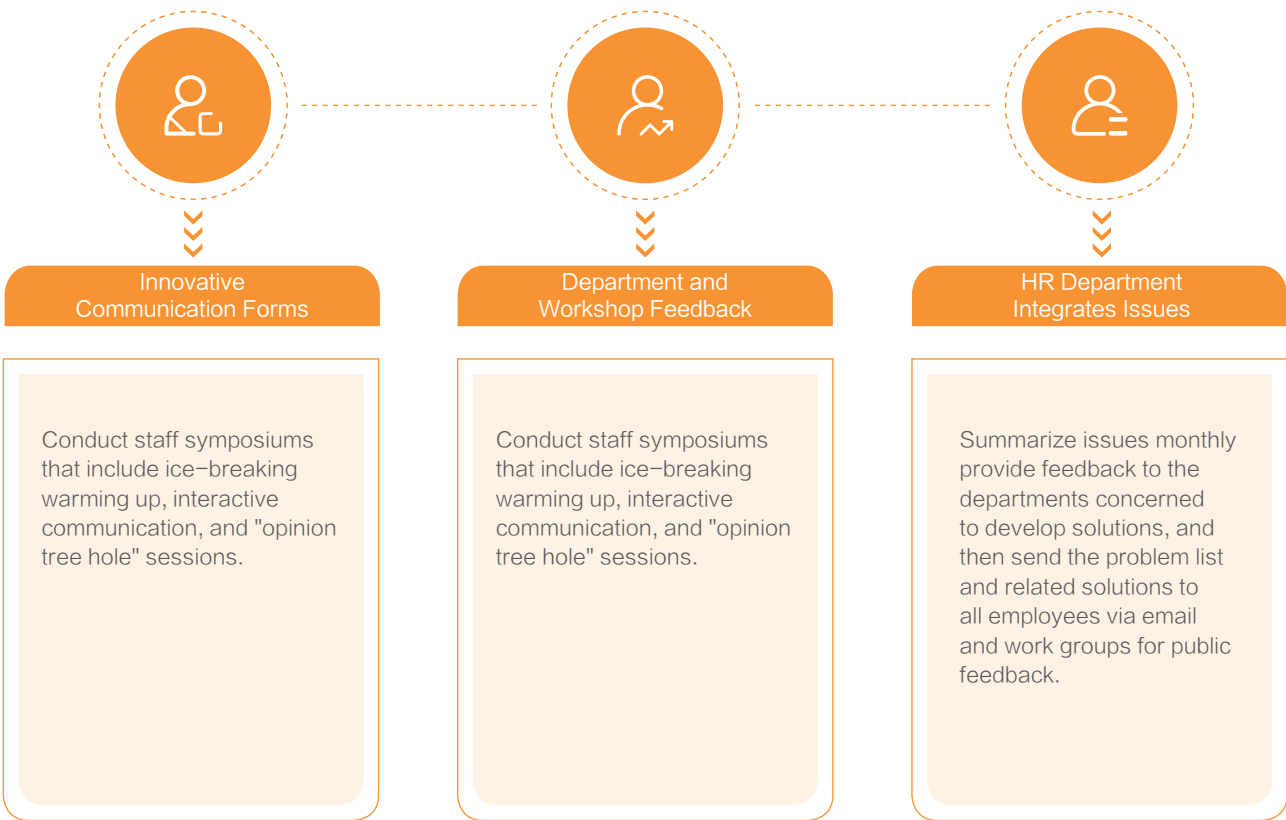
The Company continues to improve its compensation and benefits system, establishing a more reasonable, efficient, and comprehensive compensation management system and performance appraisal system. It provides all employees with a salary higher than the average minimum wage standard in society (applicable to suppliers and contractors).

The Company aims to boost both individual and organizational performance simultaneously. We adopt various assessment models such as monthly evaluation, quarterly assessment, and 360° comprehensive evaluation, tailored to different levels and types of business. Through the setting and breakdown of goals, performance communication and coaching, and regular evaluations and feedback, the Company helps employees achieve both personal and organizational performance by coordinating resources and solving problems. It also implements differentiated incentive models, and maintains long-term incentives for employees below the senior management level, with a coverage rate of 3.90%.

Perfecting Communication Channels

To effectively connect with employees, the Company has established a diversified communication network, including internal communication channels within each department, public feedback channels, and special communication channels such as the General Manager's mailbox.

In addition, the Company is committed to innovating communication methods. Some departments have developed targeted communication forms and problem-solving processes, encouraging employees to actively communicate issues, management to provide guidance, and relevant departments to effectively resolve problems.



Optimizing Employee Benefits

The Company's employee benefits system includes social planning insurance, employee physical examinatoin, employee condolences, festival benefits, high-temperature / heating allowances, employee activities, and retirement benefits. We also pay great attention to the needs of female employees by providing facilities for breastfeeding and childcare, showing care for those in the lactation and parenting periods.



Case

Establishing Healthy Canteens to Enhance Employee Well-being

The canteen at the Company's Shanghai Gaodong Business Cluster has been comprehensively upgraded in accordance with the Shanghai *Healthy Canteen (Restaurant) Construction Standards*, implementing service enhancements including optimized nutritional meal composition, improved health-conscious culinary techniques, and execution of the "Three Reductions" initiative. The dishes supplied daily are labeled with nutritional information and guidance symbols. They widely promote a balanced diet, aiming to enhance the physical and mental health of employees, meeting the health needs of employees, and caring for the health of the workforce.



The Canteen at the Company's Shanghai Gaodong Business Cluster was selected as one of the "Healthy Canteens" in Shanghai.

Case

Launching Mental Health Courses to Alleviate Employee Stress

The Company on the mental health of its employees. In 2024, we conducted a survey on the demand for psychological courses. Based on the results, it arranged to offer online psychological courses through the YiXueTang platform as well as on-site psychological lectures.

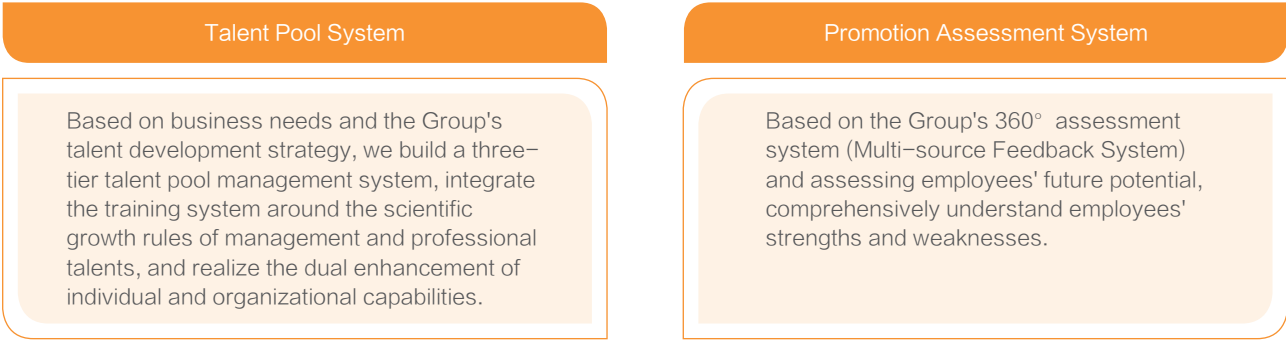
During the reporting period, 13 mental health courses were launched on the YiXueTang platform. The Company headquarters and subsidiaries have conducted a series of general psychology courses and lectures, covering topics such as stress regulation and coping with workplace psychological issues, to help employees master emotional regulation techniques. Furthermore, the Company has partnered with accredited medical institutions to provide employees with access to mental health support hotlines and other resources from local professional medical institutions.

Growing Together, Building an Excellent Team

Employee development is the foundation of the Company's growth. The Company actively improves its promotion system and training system to ensure fairness and justice of talent selection and to assist employees in their continuous growth.

Employee Promotion Pathways

The Group has clearly defined dual career pathways for employees in its promotion management system, offering both management and professional/technical development tracks. It has set out the promotion conditions and evaluation criteria for each level of positions to ensure that qualified talents are promoted accordingly. We have established a talent pool system and a promotion assessment system to improve the evaluation process and fully explore the potential of employees.



Enriching Training Resources

The Company has established a sound internal training system and structure, designing targeted empowerment programs for different levels and different subjects to effectively implement talent development. The Company's proprietary online learning empowerment platform, YiXueTang, have been optimizing the learning application, tracking, and feedback mechanisms based on the Company's talent needs. During the reporting period, it successfully uploaded 1,858 courses with a cumulative duration of 790,300 minutes, attracting 109,000 participants. In 2024, the average training time per employee was 41.1 hours, a year-on-year increase of 9.45%. The Company's average training investment was RMB 205.20 per person, and the average training time for female employees increasing by 9.43% year-on-year.

Progress of Training Empowerment Projects in 2024

Distributor Excellence Project	Organized 31 marketing subsidiaries to implement closed-loop management of the Excellence Project. Combined with the nine modules of closed-loop implementation, project learning and retraining were conducted to help improve the business performance and capabilities of the distributor teams.
Marketing General Manager Training	Organized nearly 30 general managers from various subsidiaries across the country to participate in the training to enhance their business thinking and management capabilities. Through practical and interactive on-site learning, the training aimed to improve both the personal abilities and team collaboration skills of the general managers.
"Yizhixing" Leadership Training	- Management Succession Leadership Learning: Invited Group management members to jointly develop five concept courses. We also invited both internal and external instructors to teach leadership skills for the skills section. We organized corresponding exams after the courses to test the effectiveness of the learning. - New Manager and Managerial Succession Leadership Learning: Designed this program to include offline training on leadership concepts, reflection and summary sessions, case study discussions, and concept report presentations. We collaborated with various departments to carry out multiple leadership learning sessions and post-class extensions.
Group Management Training	Organized a series of training sessions themed "New Quality Productivity – High-tech, High-efficiency, High-quality"; invited experts to conduct in-depth analyses of the relevant concepts and their future impact on the Group's development, helping the management team to stay updated with the latest trends in economic transformation and change.
Group Best Practice Case Library	- Collaborated with relevant project teams to develop over 60 practice cases that have been widely deployed across the factories. - Piloted a Company-level case library in the Guangzhou enterprise cluster and developed 151 practice cases, covering various types, and these resources have been integrated into the YiXueTang platform to drive the use of the cases.

Case Specialized Talent Cultivation in Fresh Noodle Operations

Yihai (Dongguan) Grain, Oil and Food Industry Co., Ltd. has established a the Fresh Noodle Talent Development Program for its newly constructed factory. Focusing on the product characteristics, market positioning, production technologies, and distribution models, the Company built a training system comprising 14 instructors, 22 courses, and 220 job instruction books and operation documents. By implementing through a blended online-offline training model, this initiative accerates employees’ domain knowledge acquisition and oeprational proficiency.

The program has successfully cultivated 65 technical specialists within the Group's fresh noodle business unit, with nearly 100 employees demonstrating marked competency growth. These workforce capability breakthroughs have driven optimization and innovation of the crafts, including over 50% increase in sales volume and capacity utilization, 51% reduction in electricity consumption per ton and 55% decrease in labor cost per ton.



Training site of the Fresh Noodle Talent Skill Development Project

Case Building a Professional Flavorful Vegetable Oil Talent System to Promote Technology and Performance Improvement

Yihai (Guanghan) Grain, Oil and Food Industry Co., Ltd. has systematically cultivated a "Professional Flavorful Vegetable Oil Talent System", establishing 12 core technical courses and a certified internal trainer teawm. This ecosystem delivers end-to-end competency development, spanning theoretical knowledge acquisition to hands-on skill enhancement. Over the past four years, Guanghan factory has deployed over 60 technical experts to support Group subsidiaries including Xinjiang Changji Factory and Anhui Wuhu Factory, elevaitng operational capabilities across the premium vegetables oil value chain and energizing the sector’ s integrated development. The program has conducted over 100 specialized training session, with 36% female participation rate and over 20 ethnic minority employees engaged.

The talents cultivated by the project have helped drive multiple initiatives, achieving cost optimization and efficiency improvements. In 2024, product processing volume increased by 15% year-over-year, and labor efficiency improved by 25%, enhancing the market competitiveness of the products.



Training site of the “Professional Flavorful Vegetable Oil Talent System”

05

Corporate Social Responsibility Commitment

Yihai Kerry Arawana actively responds to the national Rural Revitalization Strategy, advancing agricultural modernization through industrial development, technology empowerment, education support programs, and community engagement. The Company is committed to fulfilling its corporate social responsibility by focusing on aiding children in remote rural areas and other socially vulnerable groups. It actively mobilizes and channels compassion to contribute to building a harmonious society.

Our Topics of Interest

- Community investment and development
- Rural revitalization



Our Commitment and Targets

- Expand coverage of rural revitalization projects
- Continuously build replicable welfare models
- Actively mobilize employees nationwide to participate in volunteer services and community construction

Our Actions

- Driving rural development through industrial revitalization
- Rural high-quality rural development through agricultural technology
- Support vulnerable groups with resources
- Continuously implement educational aid projects to empower children and adolescents

Rural Revitalization: Pathway to Common Prosperity

As a leading Chinese agricultural and food processing enterprise, Yihai Kerry Arawana actively assumes significant responsibilities in the rural revitalization project. The Company fully utilizes its own industrial, technological, and market advantages to deeply participate in rural revitalization through precise layout of characteristic agricultural industries, innovation and promotion of agricultural technology and industrial models, and the construction of a comprehensive agricultural industry chain, helping to build a strong agricultural country and achieve common prosperity.

Deepening the Exploration of Featured Agricultural Resources

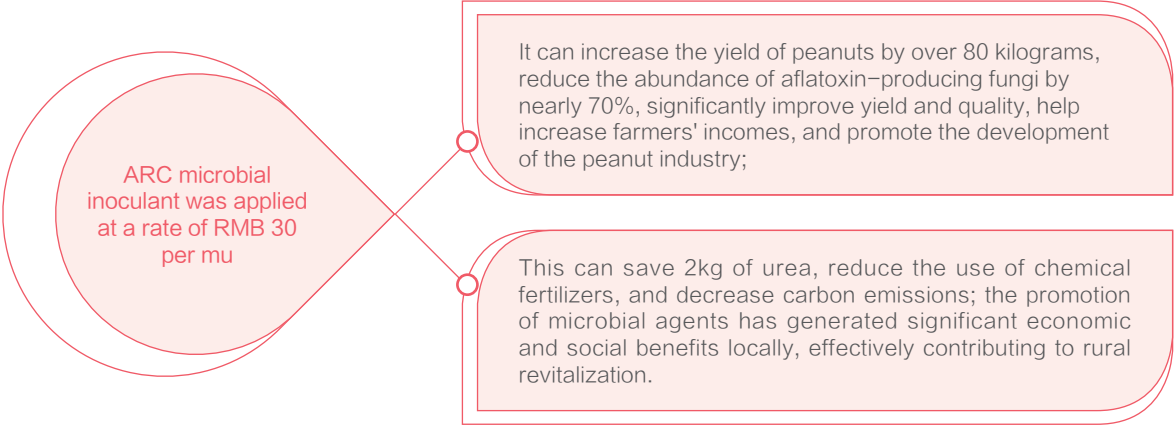
The Company focuses on empowering rural revitalization and industrial upgrading through technology. By delving into the unique agricultural resources, actively contributes to the comprehensive revitalization of rural areas and the cultivation of new industries and business models through the application and promotion of agricultural technology, and by creating industrial alliances based on platform advantages.

Case Scalable Promotion of Agricultural Technologies for Peanut Industry Advancement

The Company is dedicated to promoting the large-scale application of advanced agricultural technologies. Professor Li Peiwu's team from the Oil Crops Research Institute of the Chinese Academy of Agricultural Sciences, after more than 20 years of continuous research, has pioneered the ARC coupling technology for improving the quality of peanuts, fixing nitrogen, reducing loss, and increasing production, and has also invented the ARC microbial inoculant. This technology can prevent the production of aflatoxins from the source, while enhancing the ability of biological nitrogen fixation and yield, which is of great significance to the development of peanut planting and peanut oil industry.

In 2024, the Yihai Kerry Arawana Charity Foundation (referred to as the "Arawana Charity Foundation") donated RMB 600,000 to support the establishment of two 10,000 mu peanut demonstration fields in Kaifeng, a traditional peanut-producing region. This initiative promotes and verifies the ARC coupling technology developed by Academician Li's team, aiming to enhance farmers' awareness and acceptance of microbial agents, advance sustainable peanut industry development, increase local farmers' income and accerlerate rural revitalization strategy implementation.

After pilot application, the Arawana Charity Foundation organized expert teams to conduct field investigations and evaluations. Results show that the projecct has achieved significant outcomes:



ARC Microbal Agent Promotion to Realize Win-win Economic and Social Benefits

Case Creating Industrial Alliances to Drive Regional Economic Development

Yihai (Shijiazhuang) Grain and Oil Industry Co., Ltd

At Yihai (Shijiazhuang) Grain and Oil Industry Co., Ltd., the factory adopts cooperation models such as "Company + Base + Farmers" and "Order + Cooperative", forming an agricultural industrialization consortium. Additionally, it has also introduced a "wheat full-process non-contact order recovery" model in some cooperative orders. After the wheat matures, the Shijiazhuang factory arranges special vehicles to go directly to the fields, where they collect the grain right from the combine harvesters, ensuring it does not touch the ground throughout the process. It is then transported through a green channel directly to the factory. This order model reduces the intermediary links, ensuring the income of the farmers. At the same time, on the factory level, it also avoids the quality risks of grain during intermediate circulation, allowing for maximum control over procurement costs, ensuring the freshness and quality of the wheat, and guaranteeing the reception of "primary grain".

Yihai Kerry (Zhangjiakou) Food Industry Co., Ltd

Hebei Yu county millet, one of China's "Four Tribute Grains," boasts a long history and unique quality. Since 2015, the Company has supported farmers grains at premium prices, processing "Love Millet," and reinvesting profits into rural communities. In 2017, Chariman Guo Kongfeng launched the "Love Peach Blossom Millet" poverty alleviation project. In 2018, the Company invested over RMB 60 million to build a 10,000 ton millet processing factory, leveraging brand and channel resources to promote Yu county millet nationwide. By December 2024, it had processed 29,000 tons millet and 13,000 tons of grains, generating over RMB 13.9 million in profit.

Additionally, the Company collaborates with Yu County's Agricultural Bureau and local enterprises to build a full-industry-chain alliance, promoting standardized and scientific millet cultivation for green and organic delopment. In 2024, it hosted the "Grains and Cereals Eating for Health" Seminar in Yu County, co-organized by the Chinese Cereals and Oils Association, Hebei Association for Science and Techonology and China Agrilcultural Film & TV Center. Experts, scholars and entrepreneurs discussed high-quality functional grain industry development and public health contributions, leveraging industry and research influence to foster synergies between functional food production and rural revitalization.



The Second "Grains and Cereals Eating for Health" was in Yu County, Hebei Province

Digitalization Driving High-quality Agricultural Development

The Company vigorously promotes agricultural technology innovation by constructing modern agricultural industrial parks, developing deep processing of agricultural products and adopting advance technologies and production models such as green circular economy. Leveraging cutting-edge technologies like biotechnology, IoT, big data and automation, we enhance agricultural productivity, ensure food security and advance sustainable, efficient and eco-friendly agricultural development.

Philanthropy and Inclusive Initiatives

The Company is committed to building replicable philanthropic models. Guided by the principles of "Providing timely assistance, volunteer-led initiatives, humility, platform-building, sustained support and empowering self-sustaining project", we collaborate with social resources to advance charitable causes.

In 2024,
the Arawana Charity
Foundation donated
RMB 33.63 million

Caring for Vulnerable Groups

The Company has long focused on addressing the challenges faced by vulnerable groups. Since its inception, the Prosthetic Limb Project has evolved from providing prosthetics to disabled individuals to offering them equal employment opportunities. Additionally, we engage in welfare initiatives for the elderly and children, partnering with social organizations to deliver warmth and care through practical actions.

Case Digital Empowerment for Smart Rural Construction

MAP Digital Tools & Smart Villages

In collaboration with Sinochem Agricultural MAP (a subsidiary of China Sinochem Holdings), the company has co-developed "Smart Villages." By applying digital "new farming tools" such as MAP Master and MAPbeSide, the Company has delivered an immersive digital farming experience for Arawana Fragrant Rice. This enables full-process digital management of rice cultivation—from plowing, planting, managing, to harvesting—through IoT-enabled operations. Powered by big data and IoT, and supported by blockchain technology, MAP's digital devices visualize the entire lifecycle of Fragrant Rice, including cultivation, low-temperature storage, and precision processing. This transformation shifts agricultural practices from being experience-based to being data-driven.

Yihai Kerry (Fuyu) Modern Agricultural Industrial Park

Located in Fuyu County, Heilongjiang Province, the Yihai Kerry (Fuyu) Modern Agricultural Industrial Park exemplifies advanced automation in grain deep processing. Launched in 2018, this project has grown into a RMB 10 million scale agro-processing hub within five years, producing high-quality refined products for domestic and international markets. Upon full operation, it will employ approximately 3,000 people, support 5 million acre of contract farming and align corporate growth with poverty alleviation efforts. Once completed, the parkk will become the most comprehensive and sophisticate grain-processing facility, ensuring stable and sustainable farmer partnerships and growth of income.

Case Ensuring Dignity, Support and "Skills" for Vulnerable Groups

The Arawana Charity Foundation continues to support social vulnerable groups, including underprivileged people with disabilities. Lauched jointly by Yihai Kerry Arawana and the Arawana Charity Foundatin, the Arawana Prosthetic Limb Assistance Program has helped over 2,000 underprivileged disabled install high-quality aritificial lower limbs in cities such as Qinghuangdao, Guigang, Jiamusi, Kunming, Chongqing, Xi'an, Shijiazhuang and Taizhou from 2015 to December 2024. Additionally, the Company supports equal employment opportunities for disabled individuals. For example, Yihai Kerry Lufeng (Linyi) Packaging Technology prioritized accessibility for disabled employees during its establishment, installing barrier-free facilities (elevators, ramps, handrails) across dormitories, production workshops, dining halls, and offices. Partnering with training institutions, the Company designed customized courses to equip disabled individuals with vocational skills, leading to employment opportunities within the Company.

Case Collaborating with Industry Partners to Amplify Philanthropy

Under the insipiration of Yihai Kerry's philanthropic philosophy, numerous partners have actively participated in charitable initiatives. For instance, Zhejiang Dahua Technology donated monitoring and security equipment worth RMB 578,400 to Yihai Schools and orphanages, and joined Yihai Kerry's "Yi+ Computer Plan" by contributing 57 secondhand computers. Meanwhile, Myande Group, GSS Systems (Suzhou) and other parties have generously donated funds to support Yihai Kerry's charitable endeavors. Additionally, Nippon Paint (China) launched the "Painting Love Project" at Yihai Kerry Primary school in Jiangsu province, revitalizing the school's facilities and transmitting warmth and care. In May 2024, the Arawana Charity Foundation supported Shanghai Dream Fulfillment Foudation's charity walk activity, bringing hope to children with disabilities and amplifying the power of collective kindness.



Engaging in Education

The Company actively engages in education-related initiatives, dedication to empowering the growth of young people in rural areas through education. Over the years, the Yihai Kerry educational aid project has continuously improved rural schools' educational infrastructure, teaching quality and cultural vibrancy by organizing campus exchanges, industrial support activities, and collaborative efforts between urban and rural schools. This has accelerated the integration of educational resources and elevated regional education standards. The Yihai Kerry Charitable Foundation has also established Yihai Kerry Learning Centers to provide holistic support for orphaned and disadvantaged children, creating nurturing environments for their physical and intellectual development. Additionally, the Company sponsors the China Cooking Association-Yihai Kerry Culinary Program, equipping impoverished students with culinary skills to foster career growth.

In 2024, Yihai Schools achieved notable educational outcomes, with 582 students advancing to key high schools and 419 graduates securing university admissions, including 31 studnets admitted to top-tier "Double First-Class" universities. Simultaneously, the Yihai Kerry Culinary Program facilitated career development for 101 graduates, 23 of whom successfully pursued apprenticeships on reputable platforms. Additionally, Yihai Learning Centers nationwide supported 378 orphaned and disadvantaged children by 2024, with 19 children attending universities, 68 enrolling in high schools or vocational schools, 3 joining the military and 63 entering employment to embark on new life journeys.

Project Name	Project Content	Project Achievements
Yi+ Education Support Program	The Company's compassionate employees, dedicated to social welfare, donated funds to underprivileged rural students and supported their holistic growth by participating in volunteer teams to organize themed activities, field trips, study tours, and industrial support initiatives.	In 2024, the "Yi+ Education Support Program" cumulatively engaged 184 employees in donation commitments, raising RMB 269,000 and supporting 167 students
Yi+ Computer Plan	Donated refurbished computers to Yihai Schools, addressing the insufficient computer resources condition and enhancing their digital teaching capabilities.	By 2024, the "Yi + Computer Program" has donated more than 600 sets of computer equipment to help rural schools better integrate into the information era.
Arawana Scholarship	Newly established Arawana Scholarship Programs at universities, alleviating the financial pressure on underprivileged college students and their families while motivating the growth of outstanding students.	In 2024, the Company established the Arawana Scholarship Programs at 12 universities, including Xinjiang University and Kashgar University of Technology, to assist students in financial difficulties to successfully complete their studies. Meanwhile, its newly established additional scholarship programs at Xinjiang University and Kashgar University to support outstanding students in achieving personal and academic growth.
Arawana Innovation Fund	Established the Arawana Innovation Fund to support scientific research projects and help scientific research innovation, industry development and school talent training.	In 2024, the Yihai Kerry Innovation Fund cumulatively donated RMB 6.35 million to support 51 research projects.

Case Yihai Schools Launch Principal Training Program to Empower and Build Regional Top-tier Schools

In December 2024, the Arawana Charity Foundation held a two-day training session for nearly 10 principals from Yihai Schools in Shenzhen Shekou, which were located in Quanzhou, Fujian; Fangchenggang, Guangxi; Yingde, Guangdong; and Heyuan City. To achieve the goal of the Yihai Kerry Jinlongyu and the Foundation to "provide rural children with the same education as urban children," this event once again brought together renowned schools in the Shenzhen Special Economic Zone with Yihai Primary Schools in rural areas. Outstanding schools were invited to share advanced educational and teaching concepts, build a platform for communication and learning among schools, and jointly promote the improvement of regional education quality.



Group Photo of Yihai Principal's Training



Certification of Yihai Teacher Training Base

Community Participation

The Company is committed to the community, actively mobilizing employees from various regions to participate in volunteer services and contribute to community development, helping to build a harmonious society. In 2024, the Arawana Charity Foundation actively fulfills its social responsibilities, managing volunteer services through the China Volunteer Service Website. To date, 34 volunteer teams have registered, with a total of 1,337 volunteers on record.

The cumulative hours of public welfare activities amount to **8,291** hours



Appendix 1: Key Performance Indicators

Environmental

KPIs	Unit	2022	2023	2024
Water Use				
Total water use ¹	Tons	48,795,528	40,125,166	44,382,997
Total water withdrawal	Tons	32,193,842	37,175,479	41,766,896
–Freshwater withdrawal (TDS≤1,000mg/L)	Tons	–	–	41,661,923
Water reuse	Tons	16,601,686	2,949,686	2,616,101
Water recycling rate	%	–	–	5.89%
Water Withdrawal				
Water withdrawal from taps/municipal water ²	Tons	17,452,898	20,329,510	22,672,738
Water withdrawal from groundwater	Tons	5,455,831	1,492,236	1,956,847
Water withdrawal from natural water bodies	Tons	9,285,113	15,353,503	17,136,711
Water withdrawal from rainwater	Tons	–	231	600
Water withdrawal from other methods	Tons	–	–	–
Total intensity of water withdrawal	Tons/10 thousand revenue	1.25	1.48	1.75
Intensity of freshwater withdrawal	Tons/10 thousand revenue	–	–	1.74
Water Discharge				
Total water discharge	Tons	17,982,443	20,239,987	23,785,841
–Water discharge to the ocean	Tons	749,846	1,620,064	1,406,539
–Water discharge to surface water	Tons	1,980,212	2,731,298	3,203,579
–Water discharge to groundwater	Tons	–	324	–
–Water discharge to other destinations	Tons	15,252,385	15,888,301	19,175,724
The intensity of water discharge	Tons/10 thousand revenue	0.70	0.80	0.996
Water Consumption				
Total water consumption	Tons	14,211,399	16,935,493	17,981,055
–Freshwater consumption	Tons	14,211,399	16,935,493	17,981,055
The intensity of water consumption	Tons/10 thousand revenue	0.55	0.67	0.75
The intensity of freshwater consumption	Tons/10 thousand revenue	–	–	0.75
GHG emissions				
Scope 1 + Scope 2	10 thousand tons of CO ₂ e	489.7	533.3	530.3
Scope 1	10 thousand tons of CO ₂ e	261.4	261.7	282.7
Scope 2	10 thousand tons of CO ₂ e	228.3	271.6	247.6
Scope 3 ³	10 thousand tons of CO ₂ e	8,014.1	8,626.9	8,616.7

KPIs	Unit	2022	2023	2024
–Category 1 Outsourced Goods and Services	10 thousand tons of CO ₂ e	7,487.9	8,020.8	7,912.0
–Category 2 Capital Goods	10 thousand tons of CO ₂ e	21.7	22.0	23.7
–Category 3 Fuel and Energy Related Activities (portion not included in Scope 1 and Scope 2)	10 thousand tons of CO ₂ e	92.8	113.4	92.5
–Category 4 Upstream Transportation and Distribution	10 thousand tons of CO ₂ e	352.1	406.0	510.8
–Category 5 Waste Generated in Operation	10 thousand tons of CO ₂ e	0.5	0.3	2.1
–Category 6 Business Travel	10 thousand tons of CO ₂ e	0.4	1.0	1.3
–Category 7 Employee Commuting	10 thousand tons of CO ₂ e	1.5	1.5	1.5
–Category 9 Downstream Transportation and Distribution	10 thousand tons of CO ₂ e	57.2	61.9	72.8
GHG Emission Intensity (Scope 1 + Scope 2)	Tons of CO ₂ e/10 thousand revenue	0.19	0.21	0.22
GHG Emission Reduction ⁴				
GHG Emission Reduction	Tons of CO ₂ e	958,585	1,016,495	1,363,439
Energy Consumption				
Energy consumption	10 thousand GJ	4,927.15	5,470.34	5,874.49
Non–renewable energy	10 thousand GJ	4,330.71	4,818.53	4,986.87
Renewable energy	10 thousand GJ	596.44	651.82	887.62
The intensity of non–renewable energy consumption ⁵	GJ/10 thousand revenue	1.68	1.92	2.09
Non–hazardous Waste ⁶				
Total non–hazardous waste disposal	Tons	885,863	760,971	501,903
–Waste recycled	Tons	875,249	716,821	412,283
–Waste landfilled	Tons	6,792	3,269	38,307
–Waste incinerated	Tons	3,822	3,736	7,722
–Waste composted	Tons	–	37,145	43,591
Intensity of non–hazardous waste discharge	Tons/10 thousand revenue	0.0004	0.0003	0.0019
Hazardous Waste				
Total hazardous waste disposed	Tons	928	1,732	1,713
–Waste recycled	Tons	335	659	653
–Waste landfilled	Tons	366	460	451
–Waste incinerated	Tons	228	612	609
Intensity of hazardous waste discharge	Kg/10 thousand revenue	0.023	0.043	0.044
Exhaust Gas				
Total Nitrogen Oxides emissions	Tons	899	948	803
Total Sulfur Oxides emissions	Tons	299	259	244
Intensity of exhaust pollutants emissions	Kg/10 thousand revenue	0.05	0.05	0.04

KPIs	Unit	2022	2023	2024
Wastewater ⁷				
Annual COD discharge	Tons	–	1,863	1,069
Annual Ammoniacal Nitrogen discharge	Tons	–	53	42
Wastewater discharge intensity	Tons/10 thousand revenue	0.71	0.80	0.996
Recyclable Packaging				
Percentage of recyclable packaging	%	96.01	95.51	95.52
–Plastic packaging	%	42.37	40.22	38
–Paper packaging	%	45.57	48.3	50.83
–Metal packaging	%	2.18	2.32	2.22
–Glass packaging	%	5.9	4.67	4.47
Non–recyclable Packaging				
Proportion of non–recyclable packaging	%	3.99	4.49	4.48
Sustainable Procurement				
Percentage of deforestation–free palm oil suppliers	%	100	100	100
Percentage of palm oil processing companies with RSPO certification	%	100	100	100
RSPO certified palm oil and derivatives procurement volume	Tons	94,025	115,732	101,353
–Propotion of IP & SG levels	%	–	–	16.40%
Palm oil traceability to mill	%	91%	92.90%	91.50%
Palm oil traceability to plantation	%	–	83.20%	83.20%
Milk traceability to farm	%	–	–	100%
Proportion of grass–fed traceability certification in milk	%	–	–	30%

Note:

1. Total water use = Total water withdrawal + Water reuse.
2. The water withdrawal statistics from tap water/municipal water include only the Company's subsidiaries in regular operation.
3. The Company does not involve emission categories such as Category 8 – Upstream leases assets, Category 10 – Processing of sold products, Category 11 – Use of sold products, Category 12 – End-of–life treatment of sold products, Category 13– Downstream leased assets, Category 14 – Franchises, Category 15 – Investments, etc.
4. For the emissions factors involved in calculation of GHG emissions reductions, refer to the *Greenhouse Gas Emissions Accounting Methodology and Reporting Guideline for Food, Tobacco and Wine, Beverages and Refined Tea Enterprises (for trial implementation)*, *Greenhouse gas Emissions Accounting Methodology and Reporting Guideline for Chemical Production Enterprises in China (for trial implementation)*, *Greenhouse Gas Protocol(GHG Protocol)* issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) and the *Carbon Dioxide Emission Factor for Electric Power in 2022 Announcement*.
5. Renewable energy is no longer included in the energy intensity of consumption, and the data for 2022 and 2023 are revised accordingly.
6. The scope of statistics for non–hazardous waste and hazardous waste includes only the subsidiaries under the Group that are in regular operation. The amount of recycling and treatment includes the total amount of all recycling and utilization methods except for composing.
7. The total volume of wastewater discharge and the total amount of ammonia nitrogen include only the key pollution discharge units of the Company.

Social

KPIs	Unit	2022	2023	2024
Employee				
Total number of employees	Person	34,457	34,510	35,383
Employees who sign non–fixed term employment contracts	Person	15,880	19,087	18,441
Employees who sign fixed–term employment contracts	Person	18,577	15,423	16,942
Male employees	Person	25,900	26,181	26,837
Female employees	Person	8,557	8,329	8,546
Percentage of employees with disabilities	%	0.15	0.15	0.17
Percentage of Employees by Management Level				
Management level	%	1.04	1.07	1.07
Manager level	%	4.26	4.46	4.41
Director level	%	17.23	17.79	18.52
Employee level	%	77.47	76.68	76
Percentage of Employees by Age				
< 30 years old	%	28.38	26.27	25.37
30–50 years old	%	67.67	69.12	69.42
> 50 years old	%	3.95	4.61	5.21
Percentage of Employees by Nationality				
Domestic (including Hong Kong, Macao and Taiwan)	%	99.83	99.83	99.83
Malaysia	%	–	0.048	0.054
Singapore	%	–	0.092	0.087
Denmark	%	–	0.006	0.006
France	%	–	0.003	0.003
Netherlands	%	–	0.003	0.003
Canada	%	–	0.003	0.006
Tanzania	%	–	0.012	0.011
Nigeria	%	–	0.003	–
Percentage of Foreign Employees of Management Level				
Malaysia	%	–	1.626	1.592
Singapore	%	–	0.542	0.531
Denmark	%	–	0.271	0.265
France	%	–	0.271	0.265
Netherlands	%	–	0.271	0.265
Canada	%	–	0.000	0.265
Tanzania	%	–	0.000	0.000
New Employee				
Total number of new employees	Person	3,579	3,467	4,422
New employee rate	%	10.39	10.05	12.5
Number of New Employees by Age				
< 30 years old	Person	2,216	2,147	2,912
30–50 years old	Person	1,350	1,311	1,503
> 50 years old	Person	13	9	7

KPIs	Unit	2022	2023	2024
Number of New Employees by Gender				
Male employees	Person	2,634	2,701	3,394
Female employees	Person	945	766	1,028
Number of New Employees by Management Level				
Management level	Person	9	9	3
Manager level	Person	41	18	23
Director level	Person	223	270	435
Number of New Employees by Place				
Domestic (including Hong Kong, Macao and Taiwan)	Person	3,575	3,466	4,419
Overseas	Person	4	1	3
Internal Hires				
Percentage of open positions filled by internal candidates	%	38.42	36.38	23
Employee Turnover				
Total employee turnover rate	%	13.29	11.76	9.98
Voluntary employee turnover rate	%	10.13	9.35	7.58
Percentage of Employees Turnover Rate by Age				
< 30 years old	%	6.76	5.98	4.9
30–50 years old	%	6.21	5.4	4.74
> 50 years old	%	0.32	0.37	0.34
Percentage of Employees Turnover Rate by Gender				
Male employees	%	9.95	8.8	7.72
Female employees	%	3.34	2.95	2.26
Percentage of Employees Turnover Rate by Management Level				
Management level	%	0.05	0.05	0.05
Manager level	%	0.17	0.25	0.17
Director level	%	1.58	1.44	1.28
Employee Training				
Average amount spent per employee on training and development	CNY	159.44	192.57	205.2
Average hours per employee of training	Hours	35.77	37.55	41.1
Average Hours per Employee of Training by Age				
< 30 years old	Hours	40.07	41.91	41.22
30–50 years old	Hours	33.13	34.96	38.07
> 50 years old	Hours	50.09	51.47	50.52
Percentage of Employees Turnover Rate by Gender				
Male Employees	Hours	35.73	37.51	41.07
Female Employees	Hours	35.89	37.66	41.21
Average Hours per Employee of Training by Management Level				
Management level	Hours	63.41	63.86	70.91
Manager level	Hours	31.58	32.76	35.61
Director level	Hours	36.97	39.1	40.19
Health and Safety				
Number of work–related fatalities for employee and suppliers	Person	0	3	4
Lost–time injury rate	Per 200,000 hours worked	0.11	0.09	0.08

Appendix 2: United Nations Sustainable Development Goals (SDGs) Index

United Nations SDGs	Our Topics of Interest	Chapter Index
	· Community Investment and Development · Rural Revitalization	Social Impact and Community Engagement
	· Nutrition and Health · Community Investment and Development · Rural Revitalization	Topic Two: Innovation Leading the Way, Nourishing a Healthy Life
	· Nutrition and Health · Labor Practices · Rural Revitalization	· Occupational Health and Safety · Community Investment and Development Topic Two: Innovation Leading the Way, Nourishing a Healthy Life Empowering Employees with Workplace Excellence Social Impact and Community Engagement
	· Community Investment and Development	Social Impact and Community Engagement
	· Diversity and Inclusion	Empowering Employees with Workplace Excellence
	· Water Resources Management · Pollution Prevention and Control	Green Practices for Ecological Protection
	· Energy Management	Green Practices for Ecological Protection
	· Human Capital Development	Empowering Employees with Workplace Excellence
	· Technology and Innovation	Topic Two: Innovation Leading the Way, Nourishing a Healthy Life Perfecting Excellence Through Meticulous Dedication
	· Diversity and Inclusion	Empowering Employees with Workplace Excellence
	· Community Investment and Development · Rural Revitalization	Social Impact and Community Engagement
	· Circular Economy · Quality Customer Service · Data Security and Privacy Protection	· Product Safety and Quality · Responsible Marketing and Product Labeling · Sustainable Sourcing Perfecting Excellence Through Meticulous Dedication Win-win Cooperation to Build a Collaborative Ecosystem
	· Tackling Climate Change · Product Carbon Footprint	Topic One: Net–Zero in the Future, Responding to Climate Change
	· Ecological Protection and Biodiversity	Green Practices for Ecological Protection
	· Packaging Material Management · Win-win Cooperation · Rural Revitalization	· Supply Chain Management · Community Investment and Development Green Practices for Ecological Protection Win-win Cooperation to Build a Collaborative Ecosystem Social Impact and Community Engagement

Appendix 3: GRI Content Index

Statement of use	Statement of use Yihai Kerry Arawana has reported the information cited in this GRI content index for the period from January 1, 2024 to December 31, 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	GRI Standard	Chapter Index	Page Index
GRI 2: General Disclosure 2021			
The organization and its reporting practices			
2-1	Organizational details	About this report	03
2-2	Entities included in the organization's sustainability Reporting	About this report	03
2-3	Reporting period, frequency and contact point	About this report	03
2-4	Restatements of information	No restatements of information	
2-5	External assurance	No external assurance	
Activities and workers			
2-6	Activities, value chain and other business relationships	About Yihai Kerry Arawana	07
2-7	Employees	Empowering Employees with Workplace Excellence Appendix I: Key Performance Indicators	103-118 129-130
Governance			
2-9	Governance structure and composition	ESG governance structure	13
2-10	Nomination and selection of the highest governance body	Please refer to the annual report information for more details	
2-11	Chair of the highest governance body	Please refer to the annual report information for more details	
2-12	Role of the highest governance body in overseeing the management of impacts	ESG governance structure	13
2-13	Delegation of responsibility for managing impacts	ESG governance structure	13
2-14	Role of the highest governance body in sustainability reporting	ESG governance structure	13
2-15	Conflict of Interests	Establishing Integrity as the Bottom Line	19-20
2-16	Communication of critical concerns	Establishing Integrity as the Bottom Line	19-20
2-17	Collective knowledge of the highest governance body	Please refer to the annual report information for details	
2-18	Evaluation of the performance of the highest governance body	Please refer to the annual report information for details	
2-19	Remuneration policies	Please refer to the annual report information for details	
2-20	Process to determine remuneration	Please refer to the annual report information for details	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Message from mthe Chariman	05-06
2-23	Policy commitments	Corporate Governance Win-win Corporation to Build a Collaborative Ecosystem Empowering Employees with Workplace Excellence	17-20 89-102 103-118
2-24	Embedding policy commitments	Corporate Governance Win-win Corporation to Build a Collaborative Ecosystem Empowering Employees with Workplace Excellence	17-20 89-102 103-118
2-25	Processes to remediate negative impacts	Corporate Governance Perfecting Excellence Through Meticulous Dedication	17-20 55-70

GRI Standard	GRI Standard	Chapter Index	Page Index
2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance Enhancing Services to Elevated Customer Experiences	17-20 55-70
2-27	Compliance with laws and regulations	No significant incidents occurred during the Reporting Period	
2-28	Membership associations	Open Collaboration, Industry Partnerships for Mutual Growth	101-102
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder Engagement	14
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Materiality Assessment	15-16
3-2	List of material topics	Materiality Assessment	15-16
Economic			
GRI 201: Economic Performance 2016			
3-3	Management of material topics	Materiality Assessment	15-16
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Response	25-31
GRI 203: Indirect Economic Impacts 2016			
3-3	Management of material topics	Social Impact and Community Engagement	119-126
203-1	Infrastructure investments and services supported	Social Impact and Community Engagement	119-126
203-2	Significant indirect economic impacts	Social Impact and Community Engagement	119-126
GRI 204: Procurement Practices 2016			
3-3	Management of material topics	Win-win Cooperation to Build a Collaborative Ecosystem	89-102
GRI 205: Anti-corruption 2016			
3-3	Management of material topics	Corporate Governance	17-20
205-1	Operations assessed for risks related to corruption	Establishing Integrity as the Bottom Line	19-20
205-2	Communication and training about anti-corruption policies and procedures	Establishing Integrity as the Bottom Line	19-20
205-3	Confirmed incidents of corruption and actions taken	Establishing Integrity as the Bottom Line	19-20
GRI 206: Anti-competitive Behavior 2016			
3-3	Management of material topics	Establishing Integrity as the Bottom Line	19-20
206-1	Legal actions for anti-competitive behaviur, anti-trust, and monopoly practices	Establishing Integrity as the Bottom Line	19-20
Environmental			
GRI 301: Materials 2016			
3-3	Management of material topics	Resource Efficiency and Circular Economy	21-40 78-88
301-1	Materials used by weight or volume	Appendix I: Key Performance Indicators	127-128
301-2	Recycled input materials used	Resource Efficiency and Circular Economy	21-40 78-88
301-3	Reclaimed products and their packaging materials	Resource Efficiency and Circular Economy	21-40 78-88
GRI 302: Energy 2016			
3-3	Management of material topics	Net Zero Climate Action Resource Efficiency and Circular Economy	32-40 78-88
302-1	Energy consumption within the organization	Appendix I: Key Performance Indicators	127-128
302-3	Energy intensity	Appendix I: Key Performance Indicators	127-128
302-4	Reduction of energy consumption	Net Zero Climate Action Resource Efficiency and Circular Economy	32-40 78-88

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GRI 303: Water and Effluents 2018			
3–3	Management of material topics	Resource Efficiency and Circular Economy	78–88
303–1	Interactions with water as a shared resource	Resource Efficiency and Circular Economy	78–88
303–2	Interactions with water as a shared resource	Resource Efficiency and Circular Economy	78–88
303–3	Water withdrawal	Appendix I: Key Performance Indicators	127–128
303–4	Water Withdrawal	Appendix I: Key Performance Indicators	127–128
303–5	Water Consumption	Appendix I: Key Performance Indicators	127–128
GRI 304: Biodiversity 2016			
3–3	Management of material topics	Resource Efficiency and Circular Economy	78–88
GRI 305: Emissions 2016			
3–3	Management of material topics	Topic One: Net–Zero in the Future, Responding to Climate Change	21–40
		Resource Efficiency and Circular Economy	78–88
305–1	Direct (Scope 1) GHG emissions	Appendix I: Key Performance Indicators	127–128
305–2	Energy indirect (Scope 2) GHG emissions	Appendix I: Key Performance Indicators	127–128
305–4	GHG emissions intensity	Appendix I: Key Performance Indicators	127–128
305–5	Reduction of GHG emissions	Appendix I: Key Performance Indicators	127–128
305–7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Appendix I: Key Performance Indicators	127–128
GRI 306: Waste 2020			
3–3	Management of material topics	Strengthened Management for Green Transition	73–77
306–1	Waste generation and significant waste–related impacts	Strengthened Management for Green Transition	73–77
306–2	Waste generation and significant waste–related impacts	Strengthened Management for Green Transition	73–77
306–3	Waste generated	Appendix I: Key Performance Indicators	127–128
306–4	Waste diverted from disposal	Appendix I: Key Performance Indicators	127–128
306–5	Wate directed to disposal	Appendix I: Key Performance Indicators	127–128
GRI 308: Supplier Environmental Assessment 2016			
3–3	Management of material topics	Responsible Procurement and Value Co–Creation	91–100
308–1	New suppliers that were screened using environmental criteria	Responsible Procurement and Value Co–Creation	91–100
Social			
GRI 401: Employment 2016			
3–3	Management of material topics	Orienting Employees to Create a Happy Workplace	109–115
401–1	New employee hires and employee turnover	Appendix I: Key Performance Indicators	129–130
401–2	Benefits provided to fulltime employees that are not provided to temporary or parttime employees	Orienting Employees to Create a Happy Workplace	109–115
401–3	Parental leave	Orienting Employees to Create a Happy Workplace	109–115
GRI 403: Occupational Health and Safety 2018			
3–3	Management of material topics	Occupational Health and Safety Management	105–108
4031	Occupational health and safety management system	Occupational Health and Safety Management	105–108
403–2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Management	105–108
403–3	Occupational health services	Occupational Health and Safety Management	105–108
403–4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety Management	105–108
403–5	Worker training on occupational health and safety	Occupational Health and Safety Management	105–108

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403–7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Management	105–108
403–9	Work–related injuries	Appendix I: Key Performance Indicators	129–130
403–10	Work–related ill health	Occupational Health and Safety Management	105–108
GRI 404: Training and Education 2016			
3–3	Management of material topics	Growing Together to Build an Excellent Team	116–118
404–1	Average hours of training per year per employee	Appendix I: Key Performance Indicators	129–130
404–2	Programs for upgrading employee skills and transition assistance programs	Growing Together to Build an Excellent Team	116–118
GRI 405: Diversity and Equal Opportunity 2016			
3–3	Management of material topics	Orienting Employees to Create a Happy Workplace	109–115
405–1	Diversity of governance bodies and employees	Appendix I: Key Performance Indicators	129–130
GRI 406: Non–discrimination 2016			
3–3	Management of material topics	Orienting Employees to Create a Happy Workplace	109–115
406–1	Incidents of discrimination and corrective actions taken	Orienting Employees to Create a Happy Workplace	109–115
GRI 408: Child Labor 2016			
3–3	Management of material topics	Orienting Employees to Create a Happy Workplace	109–115
GRI 409: Forced or Compulsory Labor 2016			
3–3	Management of material topics	Orienting Employees to Create a Happy Workplace	109–115
GRI 413: Local Communities 2016			
3–3	Management of material topics	Social Imapct and Community Engagement	119–126
413–1	Operations with local community engagement, impact assessments, and development programs	Social Imapct and Community Engagement	119–126
GRI 414: Supplier Social Assessment 2016			
3–3	Management of material topics	Strengthened Management for Green Transition	73–77
414–1	New suppliers that were screened using social criteria	Strengthened Management for Green Transition	73–77
GRI 416: Customer Health and Safety 2016			
3–3	Management of material topics	Perfecting Excellence Through Meticulous Dedication	55–70
416–1	Assessment of the health and safety impacts of product and service categories	Perfecting Excellence Through Meticulous Dedication	55–70
416–2	Incidents of non–compliance concerning the health and safety impacts of products and services	No significant incidents occurred during the Reporting Period	55–70
GRI 417: Marketing and Labeling 2016			
3–3	Management of material topics	Perfecting Excellence Through Meticulous Dedication	55–70
417–1	Requirements for product and service information and labeling	Perfecting Excellence Through Meticulous Dedication	55–70
417–2	Incidents of non–compliance concerning product and service information and labeling	No significant incidents occurred during the Reporting Period	55–70
417–3	Incidents of non–compliance concerning marketing communications	No significant incidents occurred during the Reporting Period	55–70
GRI 418: Customer Privacy 2016			
3–3	Management of material topics	Enhancing Services to Elevate Customer Experiences	64–70
418–1	Substantiated complaints concerning breaches of customer privacy and losses of consumer data	Enhancing Services to Elevate Customer Experiences	64–70

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FB-FR-130a.1	(1) Operational energy consumed	Appendix I: Key Performance Indicators	127–128
Data Security			
FB-FR-230a.1	(1) Number of data breaches	Enhancing Services to Elevate Customer Experiences	64–70
	(2) Percentage involving personally identifiable information (PII)		
	(3) Number of customers affected		
FB-FR-230a.2	Description of approach to identifying and addressing data security risks	Enhancing Services to Elevate Customer Experiences	64–70
Food Safety			
FB-FR-250a.1	High-risk food safety violation rate	Enhancing Services to Elevate Customer Experiences	64–70
FB-FR-250a.2	(1) Number of recalls		
	(2) Number of units recalled		
	(3) Percentage of units recalled that are private-label products		
Product Health & Nutrition			
FB-FR-260a.2	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Topic Two: Innovation Leading the Way, Nourishing a Healthy Life Enhancing Services to Elevate Customer Experiences	41–54 64–70
Product Labeling & Marketing			
FB-FR-270a.1	Number of incidents of non – compliance with industry or regulatory labeling and/or marketing codes	No incidents occurred during the Reporting Period	
FB-FR-270a.2	otal amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices		
Labor Practices			
FB-FR-310a.3	(1) Number of work stoppages	No major downtime occurred during the Reporting Period	
	(2) Total days idle		
FB-FR-310a.4	(1) Total amount of monetary losses as a result of legal proceedings associated with labor law violations	No legal proceedings associated with labor law violations or employment discrimination occurred during the Reporting Period	
	(1) Total amount of monetary losses as a result of legal proceedings associated with labor law violations		
Management of Environmental & Social Impacts in the Supply Chain			
FB-FR-430a.2	(1) Percentage of revenue from eggs that originated from a cage – free environment	Not applicable	
	(2) Percentage of revenue from eggs that originated from pork produced without the use of gestation crates	Not applicable	
FB-FR-430a.3	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	Responsible Procurement and Value Co-Creation	91–100
FB-FR-430a.4	Discussion of strategies to reduce the environmental impact of packaging	Resource Efficiency and Circular Economy	78–88

Appendix V: Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) Index

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Waste Management	Strengthened Management for Green Transition	73–77
Ecosystem and Biodiversity Conservation	Strengthened Management for Green Transition	73–77
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Circular Economy	Resource Efficiency and Circular Economy	78–88
Circular Economy	Resource Efficiency and Circular Economy	78–88
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Innovation–Driven	Solid Support	49–54
Technology Ethics	Solid Support	49–54
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Fair treatment of Small and Medium–Sized Enterprises	This topic did not meet the threshold for financial materiality or impact significance during the Reporting Period	
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Yihai Kerry
Official website



Yihai Kerry
Official wechat



Yihai Kerry
Official microblog

Tel: 021- 31823188

Website: <https://www.yihaikerry.net/>

Address: Arawana Building, No 1379 Bocheng Road,
Pudong New District, Shanghai