



2024 HOSEN ESG REPORT

Collaborative Innovation for Sustainable Value

CONTENTS

Message from the Founders 02

1 Hosen at a Glance 04

1.1 Hosen Capital Overview 05

1.2 Investment Portfolio Overview 06

1.3 2024 Highlights 07

2 Sustainable Development Strategy and Management 11

2.1 Overview of Sustainable Development Strategy 12

2.2 ESG Management Structure 14

2.3 Responsible Investment Under the UNPRI Principles 15

2.4 Carbon Management 17

2.5 Data Security and Privacy Protection 19

2.6 Diversity and Fair Competition 22

2.7 Supplier Management 25

2.8 Materiality Issues 26

2.9 ESG Management Throughout the Investment Lifecycle 28

3 ESG Performance Summary 30

3.1 Overview of Hosen's ESG Performance 31

3.2 Summary of Portfolio Companies' ESG Performance 32

3.3 Display of Portfolio Companies' ESG Performance 34

4 Honors and Achievements 52

4.1 Portfolio Company Awards 53

(Note: The content and requirements of the report only directly applies to the portfolio companies managed by Hosen's USD funds. The RMB funds are only for reference in terms of applicability.)

Message from the Founders

Among the many milestones on our investment path, none has been more inspiring than watching the parallel rise of industry and society—each reinforcing the other in meaningful ways.

Over the past year, the ESG performance of our portfolio companies has been remarkable. Within our portfolio, 100% of companies have established environmental and social management systems, or established with dedicated departments; 100% have defined ESG-related goals and action plans; 92.3% track and report their energy and resource consumption; and 53.8% have conducted carbon accounting to assess their emissions baseline. In terms of workforce diversity, women now represent 45% of all employees across the portfolio—showcasing an inclusive and vibrant workforce.

Several exemplary cases have also emerged:

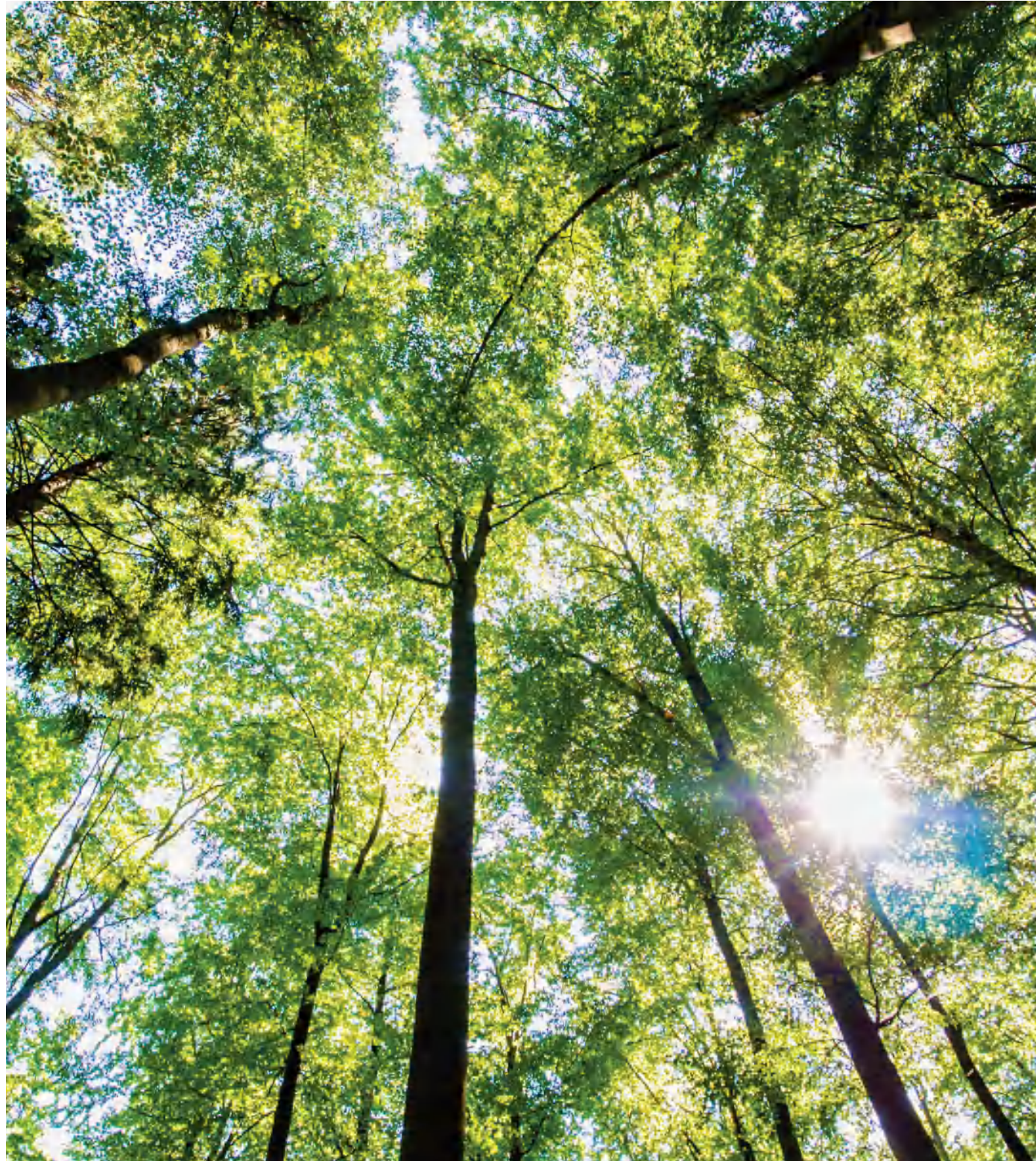
- A leading food company Shuang Ying Foods has integrated supplier governance as a core criterion for collaboration, focusing on evaluating suppliers' organizational structures and decision-making mechanisms. Through regular compliance reviews, the company comprehensively assesses and mitigates legal and regulatory risks across its supply chain.
- Another portfolio company SF Intra-City has advanced green logistics by promoting the use of electric delivery vehicles, with total delivery distance exceeding 8.25 billion kilometers in the year. Over half of these deliveries utilized electric vehicles, reducing carbon emissions by 2.42 million tons.
- Yet another investee company Dekon Group, driven by the philosophy of "approaching livestock farming with a food mindset and food production with a health mindset," has innovatively adopted a "family farm model." In 2024, the company achieved zero major food safety incidents, zero batch-level quality issues, zero non-compliance cases involving mandatory labeling and documentation, and zero missed detections of swine diseases.

In 2024, "Climate and Transition" remains our top ESG focus. We are particularly concerned with how businesses redefine value creation under the constraints of Earth's ecological boundaries. With that in mind, we will make our commercial efforts to organically integrate climate- and transition-related risks into our investment decisions and management practices.

We have identified 28 core ESG topics that guide our management priorities across Environmental, Social, and Governance dimensions. These are presented in this year's report and serve as both a "microscope" for identifying ESG risks and opportunities during pre-investment due diligence, and a "compass" for formulating post-investment improvement plans. The topics reflect industry-specific characteristics, regulatory guidance, stakeholder concerns, and international standards.



Chris Wang & Alex Zhang
FOUNDING PARTNERS



In 2024, we remain attentive to the evolving global standards for sustainable disclosures. The International Organization for Standardization (ISO) has officially released ISO/IWA 48:2024 — Framework for Implementing Environmental, Social and Governance (ESG) Principles, the world's first ESG-related ISO standard. This provides valuable guidance for refining our ESG system and practices moving forward.

Technology for good is also seeing more robust applications in 2024. AI is becoming a powerful engine for transformation in the food industry, showing tremendous potential in areas such as R&D innovation, production optimization, supply chain management, and customer satisfaction. This report highlights our timely efforts to track technological trends and incorporate AI-related risks and opportunities into the post-investment management and decision-making processes of our portfolio companies.

This is our fourth ESG report. Like many leading peers, Hosen continues to embody the principles of "benevolence, reflection, learning, and action." We remain consistently act in alignment with ESG standards and have earned strong recognition from our investors. Moving forward, we will continue to leverage our expertise in food-sector investments to support our portfolio companies in enhancing their ESG performance. Hosen aims to contribute sustainable and resilient momentum to the food consumption ecosystem.

As we journey forward, it is our shared dreams and common purpose that guide us. To all who have stood beside us—thank you for your unwavering support.

Hosen at a Glance

1.1 Hosen Capital Overview 05

1.2 Investment Portfolio Overview 06

1.3 2024 Highlights 07

1.1 Hosen Capital Overview

Hosen Capital, deeply rooted in the Chinese market as a private equity management firm, focuses on mid-market buyout and growth opportunities in the food industry and consumer sectors related to Chinese consumption.

Amid the sweeping transformation of the global economic landscape, we remain guided by the pulse of the times, leveraging forward-looking insights to accurately capture market dynamics. We continuously refine our investment frameworks and methodologies, delving into the frontier of investment management. Striking a balance between tradition and innovation, we relentlessly pursue excellence and actively build a new investment model that aligns with the evolving demands of the era.

Recognizing the unique development characteristics of each enterprise, we tailor strategic solutions to support them in optimizing their business structures and unlocking growth potential in a rapidly shifting competitive environment. We also offer full-lifecycle support across multiple dimensions, including the commercialization of technological innovations, the establishment of industrial platforms, and the formulation of sustainable development strategies. Drawing on our deep industry expertise, our portfolio management team not only provides vital capital but also empowers enterprises from a broader strategic perspective—one that emphasizes ecosystem development and industrial synergies. By integrating industry resources and strengthening value chain coordination, we maximize the impact of capital.

We firmly believe that through a **multidimensional, holistic collaboration model**, we can effectively drive scale expansion in core areas such as food packaging and supply chain management, thereby enhancing industry leadership. At the same time, we will continue to embed principles of environmental sustainability, social responsibility, and sound corporate governance into our investment practices, creating enduring long-term value from an ESG perspective.

We are committed to building a sustainable investment ecosystem that aligns with current market trends and contributes continually to society and the environment. Since 2013, Hosen has established an ESG system, fully integrating the principles of ESG into our investment processes. As Hosen develops gradually, we regularly update our ESG system to respond to current ESG management issues. We view post-investment management as a crucial link in improving the ESG performance of investment enterprises, providing them with professional advice to understand issues and implement effective ESG improvements. Hosen will maintain dynamic attention to investment market trends and long-term consideration of potential ESG risks to achieve good risk diversification and cyclical resistance.



1.2 Investment Portfolio Overview

Adhering to the investment thesis of "Global Supply, China Consumption," Hosen has been deploying in the global food supply chain's upstream and downstream sectors since 2010, covering leading companies in consumer upgrades, industrial upgrades, and advanced biotechnology. Through our investment portfolio companies and their operations, we aim to "Leverage global resources to serve the Chinese market."



Kilcoy Global Foods
Protein Solutions



Tous Les Jours
Bakery/Coffee Chain



Bolex
Food Condiments



Real Pet Food
Pet Food Brands



Sinolong
Food Packaging



Junlebao
Dairy Group



Green Juice
Food Condiments



Qinqiang
Food Supply Chain



Shuangying
Food Condiments



Weilong
Snack Food Brands



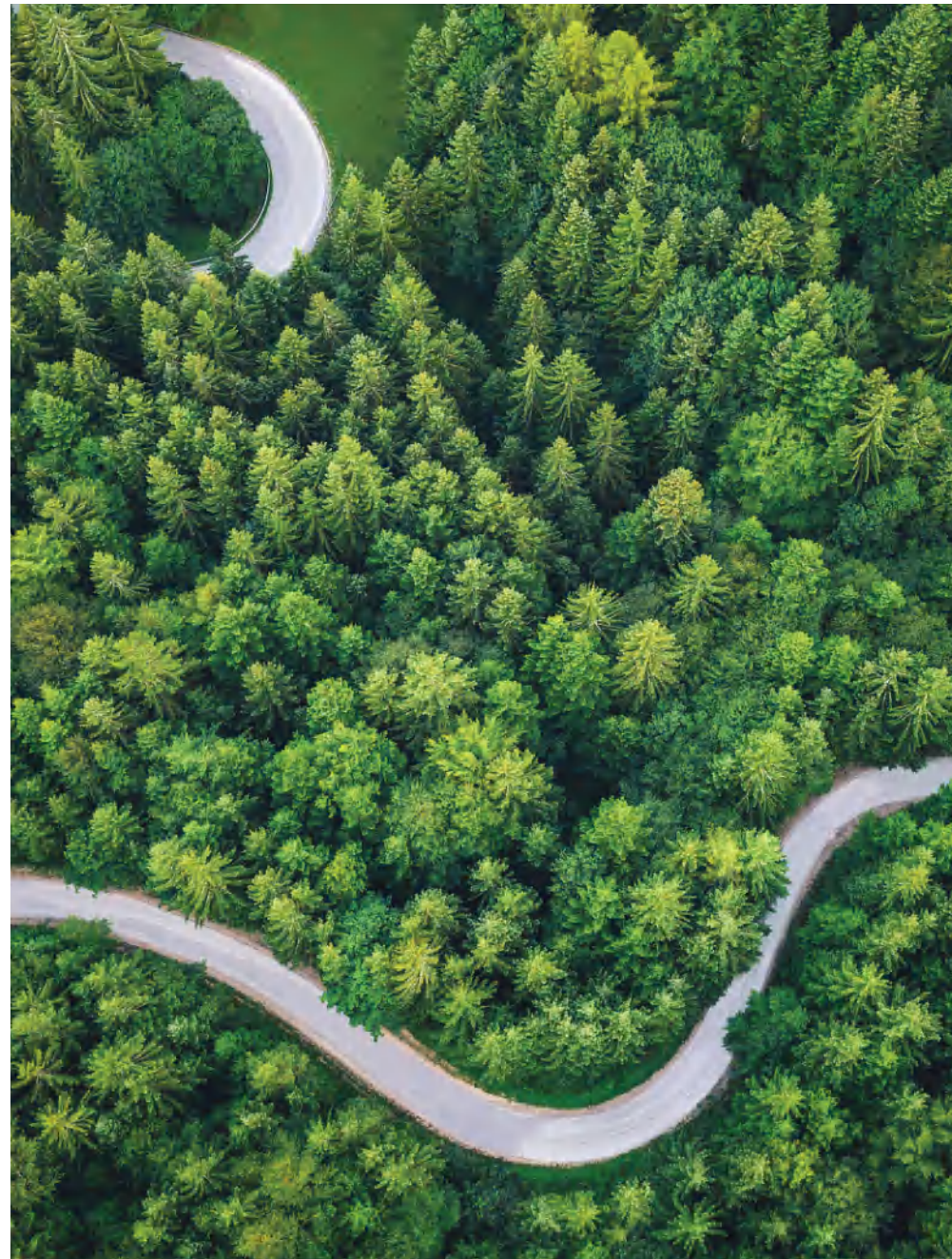
SF Intra-city
Logistics



Xianheng
Food Condiments

1.3 2024 Highlights

Our Progress in 2024



ESG Management Initiatives

- Embedding a life-cycle approach: Throughout all stages before and after investment, continuously strengthening the integration of ESG concepts and the implementation of management measures.
- Policies Iteration: In alignment with the Principles for Responsible Investment (UNPRI), we have updated our Responsible Investment Policy to reflect best practices and our commitment to continuous improvement in ESG integration. This revision incorporates global trends in sustainable investing, enhancing our ESG management framework across the entire investment lifecycle. By clarifying responsibilities and optimizing implementation pathways, the updated policy aims to drive deeper integration of responsible investment practices with institutional governance. Through more rigorous and science-based policy design, we seek to inject fresh momentum into the pursuit of sustainable development goals.

Climate

- Staying closely attuned to shifts in policies and regulations tied to climate change and greenhouse gas emissions is not just a positive response, but also a proactive commitment to the global climate change agenda. It truly transforms the sustainable development philosophy into quantifiable and actionable measures.

Engagement

- We adopt a multi-dimensional communication strategy, establishing in-depth engagement platforms with internal employees and stakeholders through various formats such as thematic seminars, surveys, professional training sessions, and on-site visits. These efforts aim to systematically articulate the practical implementation of ESG policies and management systems throughout the entire investment process, thereby transforming ESG principles from theoretical understanding into collective action.

Data Privacy

- Recognizing the strategic significance of information security in the digital era, we have embedded it into our core corporate governance framework and developed a robust risk management system encompassing the full lifecycle of data—usage, storage, transmission, and disposal.

Employee Welfare

- Formulating diverse, equal, and inclusive employee policies, caring for employees, and encouraging equal opportunities and employee development.



Strengthening ESG performance monitoring

- Dynamically supervising and monitoring the ESG performance of portfolio companies throughout the investment lifecycle, collecting ESG-related information including emergencies, pollution emissions and prevention, energy consumption, etc., to support the formulation of ESG improvement plans and strategies for portfolio companies.

Carbon Management

- Through various channels such as workshops, questionnaires, training sessions, and visits, we help portfolio companies understand and implement updated ESG policies.
- We continuously encourage portfolio companies to adopt carbon footprint accounting and data collection measures to meet climate change management requirements.

Resource Support

- Provide portfolio companies with a wealth of internal and external resources, guidance, and ESG tools.

Over the past year, Hosen has continuously implemented ESG management measures in both management company and portfolio companies, insisting on necessary risk assessments, due diligence, and post-investment management for portfolio companies, committed to integrating ESG policy and management system requirements into corporate governance and the entire lifecycle of investment activities, helping portfolio companies achieve the United Nations Sustainable Development Goals (UN SDGs).

Continuous Improvement

Looking ahead, we remain committed to progress, continually enhancing our ESG management capabilities to achieve sustainable development goals and create long-term value for our stakeholders.

ESG Policy and Management System Development

We will continue to iteratively upgrade our ESG policies and management systems, closely aligning with the evolving global sustainability standards. By integrating cutting-edge concepts with innovative mechanisms, we aim to ensure our policies remain at the forefront of the industry and our management effectiveness is continuously optimized.

ESG Integration into Investment Activities

We will continue to advance responsible investment practices and uphold ESG due diligence for all portfolio companies. We believe that strengthening the integration of ESG factors can more effectively identify and manage risks while capturing emerging market opportunities.

Climate Action and Management

Implementing climate management strategies remains one of our core tasks. We will encourage and support our portfolio companies in establishing concrete climate-related goals and strategies to address the global challenges of climate change.

Post-Investment ESG Management

We plan to actively participate in the development and management of ESG systems within our portfolio companies, enhancing the collection and analysis of ESG data to improve ESG performance across the entire portfolio. Through deeper involvement, we aim to elevate ESG capabilities at both the company and portfolio level.

Driving Sustainable Development

Hosen will continue to provide portfolio companies with the necessary resources and support to help them advance the United Nations Sustainable Development Goals (SDGs), and promote the transition of the entire industry toward a more sustainable future.

ESG Information Disclosure

We will continuously improve the quality of ESG disclosures by integrating relevant data and best practices and ensuring timely and necessary information is publicly reported.

Community Engagement and Collaboration

We aim to advance the ESG agenda more effectively through partnerships with a broad range of stakeholders. We will strengthen communication and collaboration with investors, regulators, industry associations, and NGOs.

Ongoing ESG Education and Training

To strengthen the team's professional expertise and strategic awareness, we will build a comprehensive ESG capability-building system. Through training programs, insights into industry trends, and practical case studies, we will enable our staff and portfolio companies to stay abreast of the latest ESG developments and best practices. In parallel, we will develop efficient digital management tools to streamline policy implementation and ensure the effective execution of ESG requirements at all stages—transforming ESG concepts into measurable and sustainable outcomes.

We will continue advancing with determination and resilience, embracing constant iteration and improvement. Through this persistent commitment to progress, we aim not only to consolidate our core competitiveness as a benchmark for responsible investment but also to empower our partners with innovative growth momentum. In doing so, we strive to deliver positive social and environmental impact, and achieve synergistic growth in economic, social, and ecological value.

Sustainable Development Strategy and Management

2.1 Overview of Sustainable Development Strategy	12
2.2 ESG Management Structure	14
2.3 Responsible Investment Under the UNPRI Principles	15
2.4 Carbon Management	17
2.5 Data Security and Privacy Protection	19
2.6 Diversity and Fair Competition	22
2.7 Supplier Management	25
2.8 Materiality Issues	26
2.9 ESG Management Throughout the Investment Lifecycle	28

2.1 Overview of Sustainable Development Strategy

ESG represents our commitment to compliance, lies at the core of our corporate sustainability strategy, and serves as a guiding framework for protecting long-term value. ESG has become a principle deeply embedded in our corporate DNA, guiding us toward achieving systemic progress in environmental, social, and governance performance while delivering economic value.

Since 2013, we have built a clear ESG governance structure and a systematic management framework, supported by standardized procedures and advanced implementation guidelines and toolkits to ensure effective ESG integration across all business functions. In parallel, we have partnered with leading international and domestic institutions to provide methodological support, continuously advancing our ESG governance and portfolio management capabilities toward higher standards.

With an open mindset, we actively absorb global ESG best practices to inject innovative vitality into our internal governance. In 2022, Hosen officially became a signatory to the UN Principles for Responsible Investment (UNPRI), marking a new chapter in our responsible investment journey. We strictly adhere to the six core principles of the UNPRI and have built an ESG management system that both aligns with global standards and reflects Hosen's unique characteristics.



Hosen's Core Principles of Responsible Investment

We commit to incorporating the latest ESG factors into our investment analysis and decision-making processes.

We will not invest in any project or target company that violates our ESG policy or falls short of our responsible investment principles.

We will act as an active investor and integrate ESG considerations into our ownership and ongoing monitoring practices.

We will seek appropriate ESG-related disclosures from our portfolio companies.

Hosen ESG Milestones

- **2013:** Adopted IFC Performance Standards and guidelines to establish Hosen's ESG management framework.
- **2015:** Expanded and refined the ESG management system with detailed procedures, approval processes, and management standards.
- **2019:** Revised and enhanced the Exclusion List to guide investment decisions.
- **2020:** Developed ESG due diligence guidelines and established an internal grievance mechanism.



2013 — 2020

- Hosen published its first ESG report, marking a significant step in environmental protection, social responsibility, and corporate governance. The report was prepared by a dedicated task force under the leadership of Hosen partners, enhancing transparency and accountability while demonstrating our commitment to sustainability.
- Launched a new era of responsible investment and energy-saving strategies. Signed the UNPRI and joined the iCI (Initiative Climat International), committing to carbon reduction and climate-related disclosures at both fund and portfolio levels.
- Updated the ESG management system based on UNPRI and iCI standards and established an external sustainability advisory platform.



2022

- **2023:** Established the ESG Management Committee to drive ESG strategic development and released our second consecutive ESG report.
- **2024:** Published the third consecutive ESG report. For the first time, Hosen submitted its official report to the UNPRI and formulated an enhancement plan based on the UNPRI's assessment results.



2023 — 2024

2.2 ESG Management Structure

Roles and Responsibilities

Hosen has established a clear division of roles and responsibilities, seeking to strictly manage and monitor ESG issues in the full lifecycle of investment activities from multiple dimensions.



2.3 Responsible Investment Under the UNPRI Principles



Hosen is a signatory of the UNPRI, having joined in April 2022 and committed to adhering to the six principles of responsible investment, incorporating ESG management throughout the entire lifecycle of investment activities. Hosen believes that an economically efficient, sustainable global financial system is essential for long-term value creation. Sustainable, responsible investment will be rewarded in this system and ultimately benefit the entire environment, humanity, and society.

Hosen Conducts ESG Management Activities Under the Guidance of Responsible Investment Principles:

Review of Principles and Commitments

The ESG Management Committee organized the working group and management team to review the principles and commitments made upon signing the UNPRI. These commitments include: integrating ESG issues into investment analysis and

decision-making processes; being active owners and incorporating ESG issues into ownership policies and practices; seeking appropriate disclosure on ESG issues by investee entities; promoting acceptance and implementation of the Principles within the investment industry; working together to enhance the effectiveness of Principles implementation; and reporting on activities and progress toward implementing the Principles.

Assessment of ESG Integration Execution

The ESG working group assessed the execution of responsible investment practices using the UNPRI reporting framework. This covered areas such as policy development and implementation, governance structure optimization, strategic alignment, and responsible management practices.

Data Collection and Analysis

Data related to responsible investment were collected, with a particular focus

on ESG indicators covering Environmental, Social, and Governance dimensions. Quantitative analysis was conducted to assess long-term performance and risk at the enterprise level.

Stakeholder Communication

The effectiveness of communication with stakeholders was evaluated, including investors, portfolio companies, employees, and other partners.

Case Studies

Successful cases and challenges encountered during the implementation of the UNPRI principles were identified and documented.

Risk and Opportunity Assessment

An analysis was conducted on the risks and opportunities identified during implementation, with an evaluation of how these factors influence investment decisions and long-term strategy.

Joining UNPRI marks a significant step for Hosen in pursuing excellence and leading industry progress. We are committed to refining and upgrading our ESG policies and management system, conducting in-depth ESG performance analysis, bringing strategic value enhancement to invested enterprises. We are actively building an open ESG communication platform aimed at fostering dialogue and collaboration within the investment industry, and working together to advance ESG practices.

Looking forward, we anticipate collaborating with global leaders in responsible investment to shape a vibrant sustainable investment ecosystem, particularly in the food investment sector, where we are committed to driving change for the sustainable development of society and the environment.

In our ESG management practices, Hosen will actively exercise our shareholder rights to push invested enterprises to build and perfect their ESG management systems, while also continuously maintaining shareholder interests to ensure the fairness and inclusivity of ESG management practices, laying a solid foundation for achieving a win-win sustainable development goal.



2.4 Carbon Management

Addressing climate change is an urgent priority. Since becoming a signatory to the Initiative Climat International (iCI) in September 2022, Hosen has actively undertaken various initiatives at both the management company and portfolio company levels. These include assessments and analytical measures aimed at controlling and reducing greenhouse gas (GHG) emissions. Drawing on China's achievements in GHG emission control, Hosen has collaborated with portfolio companies to set relevant targets and measures dedicated to reducing the production and use of specific greenhouse gases. This approach aligns with the shared vision of other forward-thinking market participants and asset managers.

In fulfilling its commitment to iCI, Hosen has taken the following actions:

Established a GHG Accounting and Reporting System

GHG accounting and disclosure requirements have been formally integrated into Hosen's ESG policy and management framework, including guidelines for GHG emissions calculation, approaches to defining organizational boundaries, and data collection requirements.

Collected Energy Consumption Data

Hosen has comprehensively collected energy consumption data—including water, electricity, and natural gas—from portfolio companies, conducting in-depth analysis to identify potential energy-saving and emission-reduction opportunities that support their green transition.

Completed GHG Emissions Accounting

Using energy consumption data provided by portfolio companies, Hosen has completed GHG emissions accounting, covering both direct emissions (Scope 1) and energy indirect emissions (Scope 2). Additionally, emissions trends have been analyzed in detail to assess the effectiveness of mitigation efforts.



Hosen will continue managing GHG emissions in the following areas:

Calculating GHG emissions from the General Partner (GP), including Scope 1, Scope 2, and Scope 3 emissions from business travel, and aggregating the results at the fund management level.

Ongoing accounting of GHG emissions from portfolio companies, including Scope 1 and Scope 2 emissions.

Disclosing GHG emissions data to stakeholders.

Completing attribution of GHG emissions to both GPs and LPs based on portfolio company activities (i.e., financed emissions).

Setting clear carbon reduction targets and proactively engaging in low-carbon initiatives.

Identifying portfolio companies exposed to significant climate-related risks and conducting carbon footprint assessments for them.

Hosen's GHG accounting and reporting efforts are primarily guided by the GHG Accounting and Reporting Standard for the Private Equity Sector, jointly developed by ERM and iCI. This standard is based on the GHG Protocol and the Partnership for Carbon Accounting Financials (PCAF) framework, and is designed to provide a standardized methodology for GHG emissions accounting and reporting in the private equity industry.

2.5 Data Security and Privacy Protection

Introduction to Data Security System

Hosen is committed to maintaining the security and integrity of its information technology (IT) systems to protect the company from cyber-attacks and data breaches. A comprehensive data security system has been established, aimed at enhancing the confidentiality, integrity, and availability of electronic information and communication systems through prevention, management, and recovery measures.

<p>Data Security Framework Overview</p>	<p>Definitions</p> <p>Definitions of key terms related to cyber-attacks, network resilience, and network risks.</p>	<p>Roles of Governance Bodies</p> <p>The responsibilities and roles of the board or operations management committee in data or cyber security are clarified.</p>	<p>Cyber Risk Management Strategy</p> <p>Outlines the steps and methodologies for identifying, assessing, and mitigating cyber risks.</p>	<p>IT Systems Controls and Internet Usage</p> <p>Controls regarding system access, data processing, and internet usage have been established.</p>	<p>Network Awareness, Training, and Resources</p> <p>Emphasizes the importance of cyber security training for employees.</p>
	<p>Selection of Employees and Third-Party Service Providers</p> <p>Clear selection criteria have been established for employees, along with strict due diligence standards for third-party service providers.</p>	<p>Chief Information Officer (CIO)</p> <p>The role and responsibilities of the CIO are defined, including how they collaborate with governance bodies.</p>	<p>Outsourcing Risk Management</p> <p>Involves the management of outsourced IT functions, including assessing and supervising service providers.</p>	<p>Data Protection</p> <p>Includes data protection policies, procedures, and control mechanisms.</p>	<p>Notification Requirements</p> <p>Specifies internal and external notification processes in the event of a cyber security incident.</p>

<p>Key Control Measures</p>	<p>Asset Identification and Management</p> <p>Maintains an inventory of assets including computers, servers, routers, and switches, and assesses their criticality.</p>	<p>Risk Assessment</p> <p>Regular risk assessments are conducted to ensure all potential cybersecurity risks are identified and evaluated.</p>	<p>Security Configuration</p> <p>Ensures that all systems and devices are configured to security standards and are regularly reviewed and updated.</p>	<p>Monitoring and Alerts</p> <p>Implementing a real-time monitoring system to detect potential security incidents and generate timely alerts.</p>	<p>Incident Response</p> <p>A response plan has been developed and maintained to ensure quick action in the event of a security incident.</p>
	<p><i>(This row is merged into the table structure above for better readability)</i></p>				

Information Security Awareness and Capability Building

The company focuses on building a comprehensive training system and awareness enhancement program to ensure that employees have a full understanding of cybersecurity risks. Through confidentiality agreements, information security policies, and ongoing training, employees are empowered to strengthen their information security capabilities and equipped with appropriate preventive measures.

Management of Outsourced Service Providers

The company implements a strict selection and review mechanism for outsourced service providers to ensure their compliance with the company’s data security and cybersecurity standards.

Data Protection and Privacy

The company complies with local and international data protection laws and regulations, ensuring that sensitive and confidential information is protected at every stage of data flow.

Incident Reporting and Response

The company has established a series of notification processes to ensure timely reporting to relevant authorities and stakeholders in the event of a cybersecurity incident, and to take appropriate response measures.

Audit and Assessment

The company regularly conducts self-assessments and audits to ensure the effectiveness of the cybersecurity framework and updates it as necessary.

Intellectual Property Protection

The company strictly adheres to applicable patent, trademark, and copyright laws, has established an intellectual property protection system, and protects patents, trademarks, copyrights, and domain names through online monitoring and offline actions.

Updating AI Usage and Security Policies

- Clearly define the boundaries and responsibilities associated with AI usage
- Review whether deployed AI systems adhere to standardized data privacy and security compliance policies
- Enhance compliance requirements related to AI across the supply chain and among partners
- Systematically incorporate AI-related risks and opportunities into the management and decision-making processes of portfolio companies



2.6 Diversity and Fair Competition

Hosen is committed to fostering a diverse, supportive, and inclusive work environment, firmly believing that this is the cornerstone of our corporate culture. Our policies aim to promote equal opportunities in the workplace, eliminate discrimination, ensure fair treatment for all employees and job applicants, and reflect the full spectrum of society within our organization.


We
Encourage

- Recognition and appreciation of individual differences and contributions of all team members.
- A workplace environment that respects the dignity of every employee.
- Zero tolerance for any form of intimidation, bullying, or harassment, with disciplinary action for any violations of this policy.
- Equal access to training, development, and advancement opportunities for all employees.
- Fairness in the workplace, which we regard as both a sound management practice and a wise business decision.
- Employees to speak up if they feel discriminated against, so that appropriate corrective action can be taken promptly.
- Treating everyone with dignity and respect.



We
Practice

- We are committed to regularly reviewing all employment practices and procedures to ensure the continued application of fairness.
- All employees have been informed that our Equality, Diversity, and Inclusion (EDI) Policy is formally in place and that they are expected to comply with it to foster a fair and harmonious workplace.
- This policy is also communicated to investors, stakeholders, clients, learners, and job applicants.
- Our EDI policy is fully endorsed by senior management and has been agreed upon with trade unions and/or employee representatives.
- We monitor and review this policy annually to ensure that equality and diversity continue to be promoted across the workplace.



The implementation of this policy reflects our strong belief in building a diverse and inclusive organization. We are confident that such an approach will inject innovative energy into the company, support sustained growth, and foster a fairer and more respectful work environment for all employees.

Our efforts in diversity and inclusion are aligned with the Ten Principles of the United Nations Global Compact. These principles reflect universal values shared by the international community and serve as our guideposts for responsible growth:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2: Make sure that they are not complicit in human rights abuses.
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4: The elimination of all forms of forced and compulsory labor.
- Principle 5: The effective abolition of child labor.
- Principle 6: The elimination of discrimination in respect of employment and occupation.
- Principle 7: Businesses should support a precautionary approach to environmental challenges.
- Principle 8: Undertake initiatives to promote greater environmental responsibility.
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies.
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Integrity and Ethical Governance

We strive to be a trustworthy partner.

Hosen plays multiple critical roles in its commitment to responsible investment. For example, we are not only a responsible General Partner (GP), but also a strong supporter of our portfolio companies, a proactive promoter of growth in the food industry, and a stabilizing force within the financial markets. We bear the responsibility of ensuring that every decision made by Hosen is grounded in professional judgment and guided by our green investment philosophy, free from any external interference.

We are committed to safeguarding the information security of both our Limited Partners (LPs) and portfolio companies, as well as protecting valuable technical patents. We make every effort to avoid any direct or indirect involvement in money laundering or the financing of terrorism.

From the perspective of ESG management, corporate integrity and ethical governance are the fundamental principles of our operational management and investment activities. We strive to build rock-solid trust in Hosen Investment among domestic and international investors, financial markets, business partners, internal employees, and the public.

Hosen has established a series of regulations and policies to standardize our business integrity and ethical conduct, including:

 Employee Handbook	 Conflict of Interest Policy	 Confidentiality Regulations
 Intellectual Property Regulations	 Gifts, Hospitality, and Travel Policy	 Information Technology Security Policy
 Anti-Corruption Policy and Anti-Money Laundering/Counter-Terrorist Financing Program		

Grievance Mechanism

Management Department

ESG Management Team

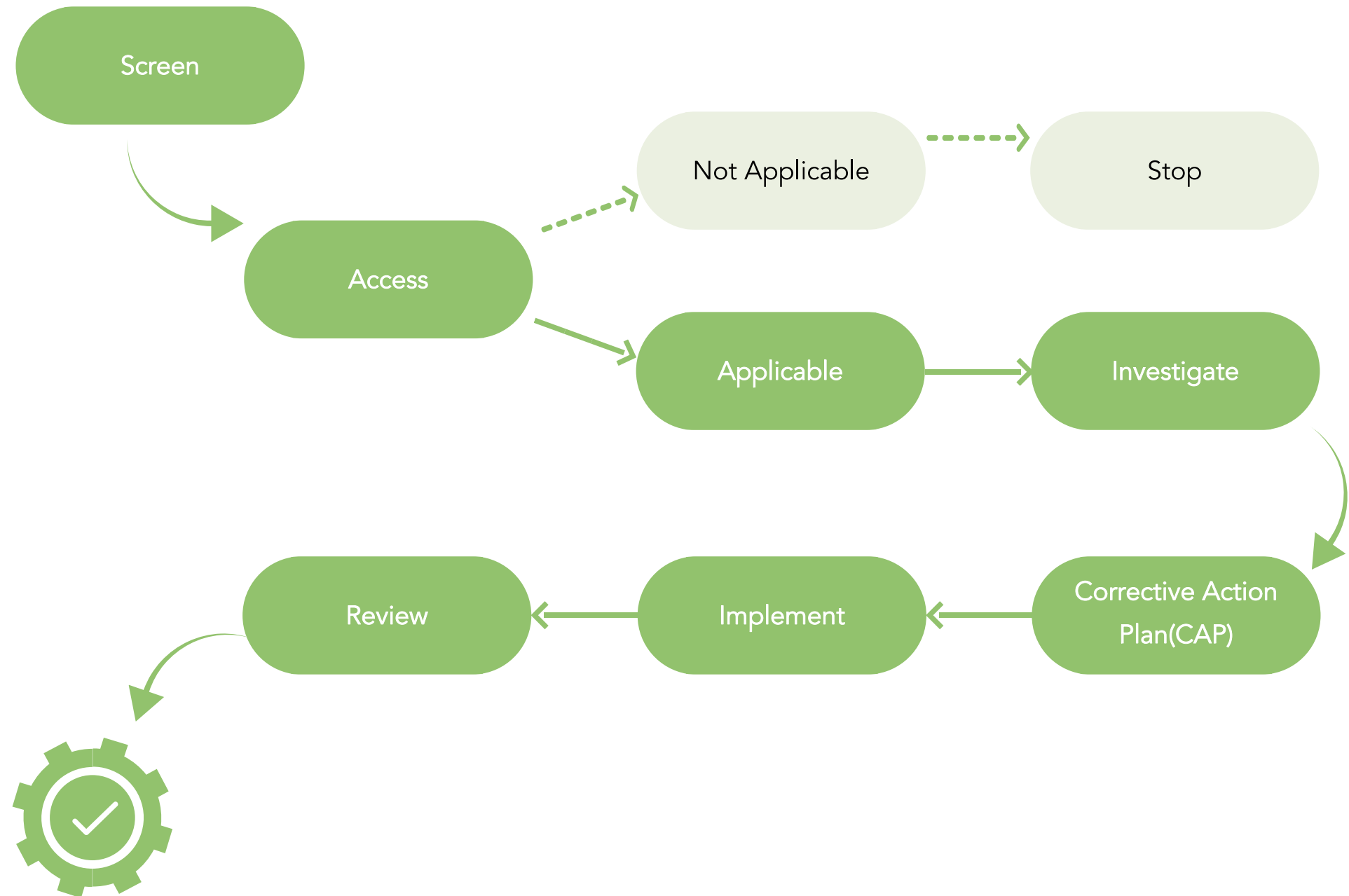
Complaint Feedback Channels

Email and Hotline disclosed on the Hosen official website

Hosen has published its contact information on the official website to provide stakeholders with a convenient channel for submitting complaints, comments, and feedback.

The ESG Officer will be responsible for receiving complaints related to environmental, social, and governance issues and will lead a task force to screen and evaluate them. Once a complaint, comment, or suggestion is accepted, Hosen will appoint a temporary complaints officer to conduct an investigation, propose solutions, and oversee the implementation of the corrective action plan. The task force will supervise the process according to the complaint handling procedures and maintain the appropriate records.

Complaints Handling Flowchart:



2.7 Supplier Management

The stable operation of a company relies on the collaborative support of its suppliers. To achieve shared sustainable development goals, we also bear the responsibility of encouraging active supplier participation. To this end, we plan to implement systematic measures to ensure effective execution of supplier-related work.


We have developed the Supplier Compliance Management Guidelines in line with private equity industry standards, which clearly define principles for supplier onboarding, review, selection, engagement, evaluation, and disciplinary actions. We also plan to integrate ESG-related requirements into our supplier compliance framework, including the prohibition of child and forced labor, the prevention of discrimination and workplace harassment, and the prohibition of selling or disclosing personal data.



2.8 Materiality Issues

In advancing sustainable investing, Hosen has systematically identified 28 key ESG management topics that comprehensively cover the three pillars of Environmental (E), Social (S), and Governance (G). These topics are aligned with the latest ESG evaluation frameworks and thematic research reports.

Developed with consideration of industry characteristics, regulatory trends, stakeholder concerns, and international standards, these topics serve as a critical foundation for identifying material ESG risks and opportunities, conducting pre-investment due diligence, and formulating post-investment improvement measures. Through this structured topic framework, we aim to guide investment decisions to be more transparent, science-based, and responsible—enabling our portfolio to generate positive environmental and social value alongside financial returns.

Category	Sub-category	Issues		
	Food Waste and Circular Economy	· Reducing Food Waste	· Recycling and Reusable Packaging	
	Resource Management	· Water Consumption	· Energy Efficiency and Use of Renewable Energy	· Environmental Sustainability of Food Packaging Materials (e.g., plastic reduction)
	Biodiversity and Land Use	· The impact of suppliers' farming and processing activities on the ecosystem	· Avoid deforestation or biodiversity loss caused by the supply chain	
	Climate Change and Carbon Emissions	· Greenhouse Gas (GHG) Emissions Management	· Supply Chain Carbon Footprint	· Climate Change Adaptation and Mitigation Measures

 <p>Social</p>	Product Quality and Consumer Health	<ul style="list-style-type: none"> Food Safety (e.g., HACCP Certification, ISO Standards) 	<ul style="list-style-type: none"> Development of Nutrition and Health Products 	<ul style="list-style-type: none"> Reduction of Additives and Antibiotic Residues
	Human Rights and Labor Rights in the Supply Chain	<ul style="list-style-type: none"> Prevention of Child Labor and Forced Labor 	<ul style="list-style-type: none"> Compliance with Labor Conditions Among Suppliers 	<ul style="list-style-type: none"> Fair Trade
	Diversity, Equity, and Inclusion (DEI)	<ul style="list-style-type: none"> Workforce Diversity 	<ul style="list-style-type: none"> Women's Leadership Development 	
	Community Relations and Impact	<ul style="list-style-type: none"> Positive Impact of the Company on Local Communities 	<ul style="list-style-type: none"> Livelihood Protection for Agricultural Suppliers 	

 <p>Governance</p>	Business Ethics and Compliance	<ul style="list-style-type: none"> Anti-Bribery and Anti-Corruption 	<ul style="list-style-type: none"> Data Protection and Privacy Compliance
	Board Governance and Accountability	<ul style="list-style-type: none"> Transparency of Corporate Governance Structure 	<ul style="list-style-type: none"> Independence and Diversity of the Board of Directors
	Supply Chain Management	<ul style="list-style-type: none"> Supply Chain Due Diligence 	<ul style="list-style-type: none"> Assessment and Monitoring of High-Risk Suppliers
	ESG Integration and Reporting	<ul style="list-style-type: none"> Whether the Company Has ESG Goals and Action Plans 	<ul style="list-style-type: none"> Whether ESG Performance Is Disclosed

2.9 ESG Management Throughout the Investment Lifecycle

Application of IFC Performance Standards

Hosen adheres to the IFC's sustainability policies and performance standards, guiding our business activities and helping us achieve our overall development goals. The application of IFC performance standards also reflects Hosen's commitment to sustainable development, operational visibility, and standardized governance.

We have established our ESG policy and management system, incorporating the management requirements of 8 performance standards.

We invite third-party professionals to comprehensively assess the potential risks of the portfolio, assisting us in making judgments. The comprehensive assessment methods include interviews with management of portfolio companies, industry experts, government officials, and local communities.

We focus on the following performance standards related to the portfolio companies:

PS1: Assessment and management of environmental and social risks and impacts

PS2: Labor and working conditions

PS3: Resource efficiency and pollution prevention

PS4: Community health, safety, and security

PS5: Land acquisition and involuntary resettlement

PS6: Conservation of biodiversity and sustainable management of living natural resources

PS7: Indigenous peoples

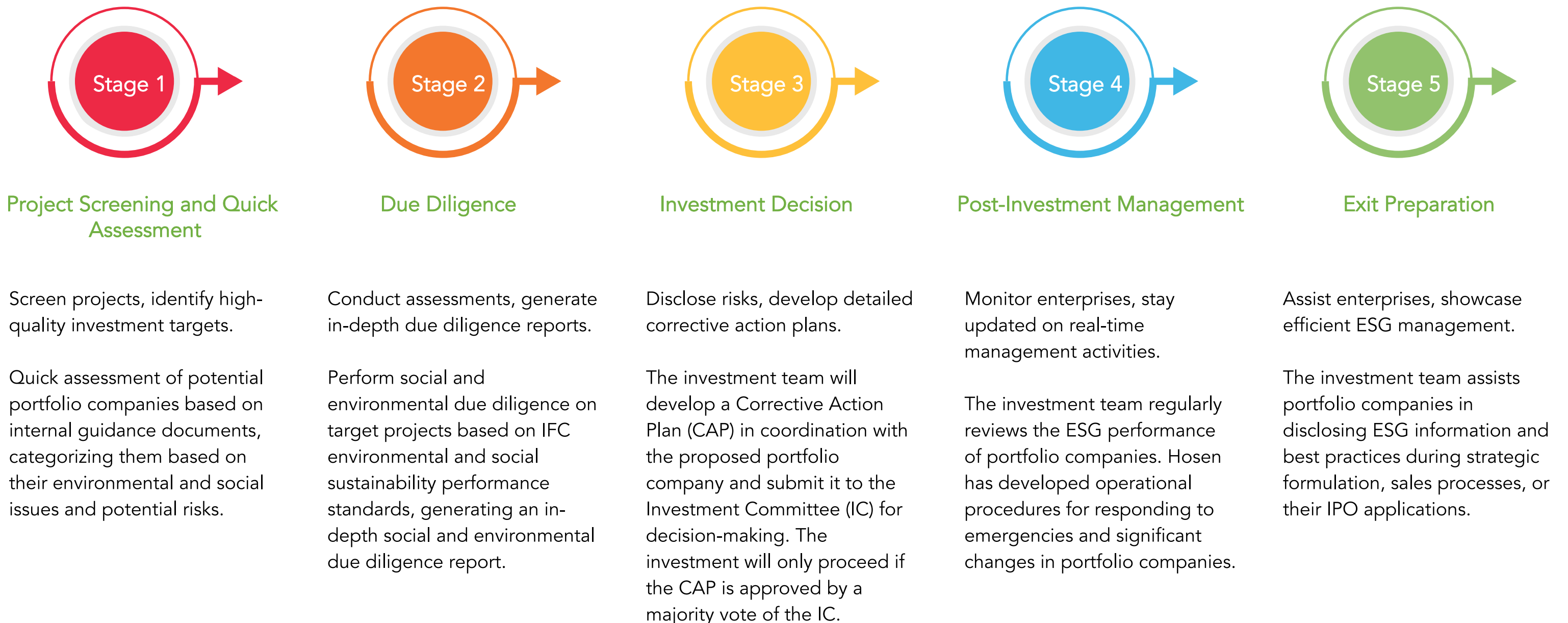
PS8: Cultural heritage



Responsible Investment Methodology

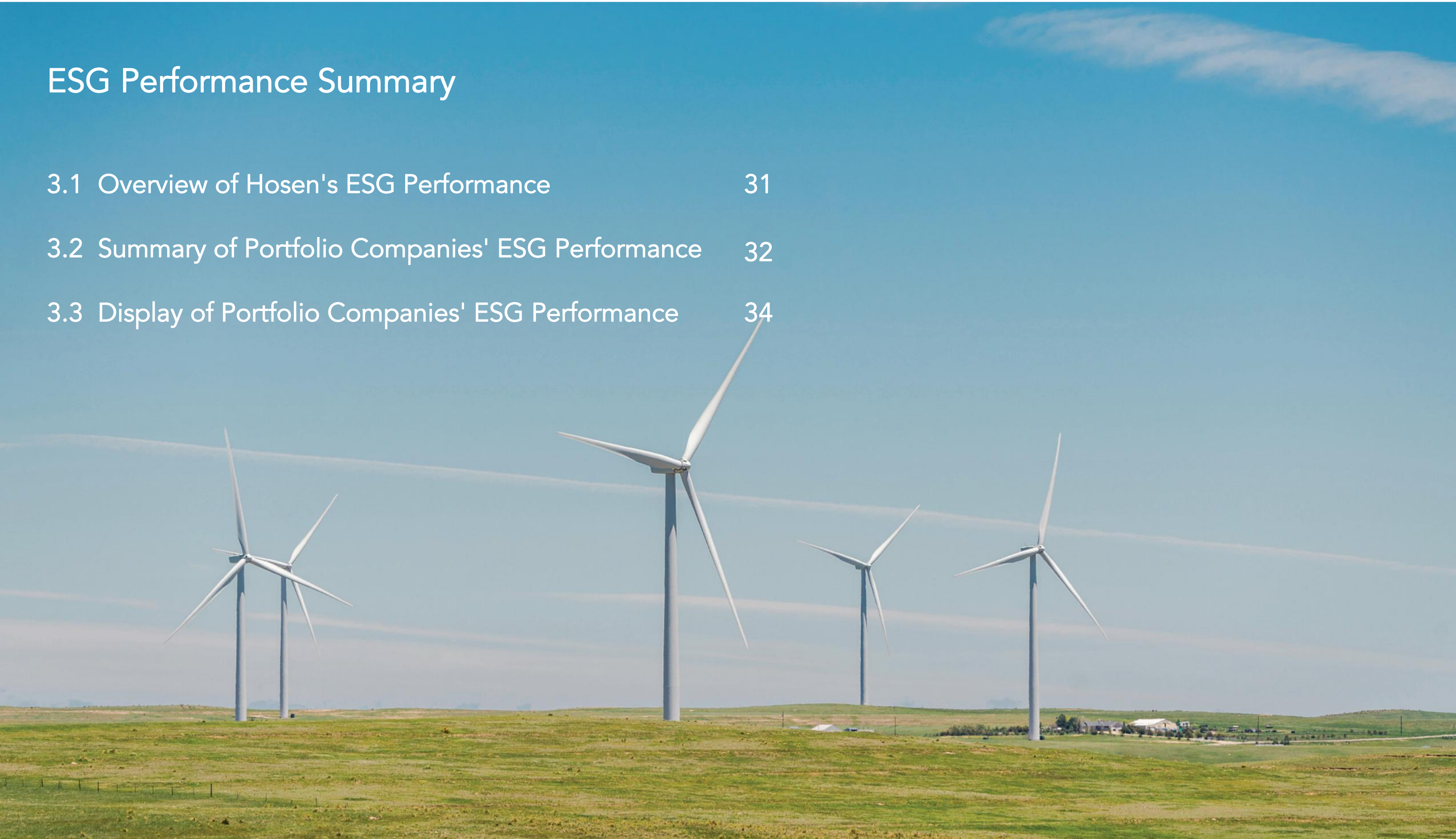
We integrate ESG factors throughout the investment lifecycle.

Hosen follows international ESG assessment standards, such as the IFC's performance standards, and incorporates the ESG policy and management system into the core investment management process, covering everything from project screening to risk assessment, post-investment risk control, and exit evaluation.



ESG Performance Summary

3.1 Overview of Hosen's ESG Performance	31
3.2 Summary of Portfolio Companies' ESG Performance	32
3.3 Display of Portfolio Companies' ESG Performance	34



3.1 Overview of Hosen's ESG Performance

Shaping a Model for Community Development

Since its establishment in 2010, Hosen has been dedicated to bringing positive changes to communities and industries through advanced environmental, social, and governance (ESG) management. Our strategic investments not only promote the upgrade of food consumption and product innovation but also achieve breakthroughs in the field of biotechnology, aiming to build a sustainable food ecosystem. While achieving robust growth in investments, we continuously explore consumer demand evolution, actively respond to market trends, and provide consumers with healthy, safe product choices and personalized services. Through transparent information disclosure, we have earned consumer trust, enhanced brand influence, and thus met higher consumer demands in terms of lifestyle quality, health, and sustainability, further enhancing our investment value.

A Trusted Advisor to Investors

We engage actively with investors to build an effective communication channel, through which we construct a comprehensive picture of investor needs. Integrating the latest global ESG dynamics and standards, we take changes in investor needs and society's focus on ESG as our developmental guideposts. Each year, we review global economic and political changes with fund investors, deeply discuss future investment strategies, and key ESG topics, providing practical ideas and directions for Hosen and portfolio management as well as ESG practices.

Growing Together with Portfolio Companies

To deepen the concept of responsible investment, Hosen has established a dedicated ESG management committee and further clarified the responsibilities of the ESG professional working group and its members. We continually absorb advanced international ESG concepts and standards, constantly perfecting our own ESG policies and management system. Also, we implement lifecycle management of investment activities, comprehensively considering ESG risks at all stages, strengthening due diligence to identify and assess ESG risks. We provide remediation support to portfolio companies and conduct continuous post-investment tracking management, regularly collecting and analyzing ESG performance data from portfolio companies. We guide portfolio companies towards proactive ESG management and excellent practices, actively fulfilling our commitment to integrating ESG and achieving sustainable long-term value.



3.2 Summary of Portfolio Companies' ESG Performance

Hosen actively implements a proactive ESG management strategy by regularly consolidating and analyzing ESG data to ensure a comprehensive understanding of portfolio companies' annual ESG performance and progress. Through ongoing post-investment engagement, we strive to enhance the ESG management capabilities of our portfolio companies.

Since 2022, we have incorporated questions related to energy consumption and greenhouse gas (GHG) emissions into our ESG survey. In 2024, we issued a dedicated questionnaire to portfolio companies to collect their carbon emission data. The analysis of responses from the 2024 questionnaire reveals the following:



Regulations

100%

of companies have established ESG systems and/or designated specific management departments and teams

100%

have set concrete environmental and social goals and action plans, taking proactive measures in health, safety, and corporate governance



Social Responsibility

> RMB 60 million

ESG-related investments by portfolio companies have exceeded RMB 60 million, covering areas such as pollution control, energy conservation, pandemic relief, poverty alleviation, support for vulnerable groups, and community development

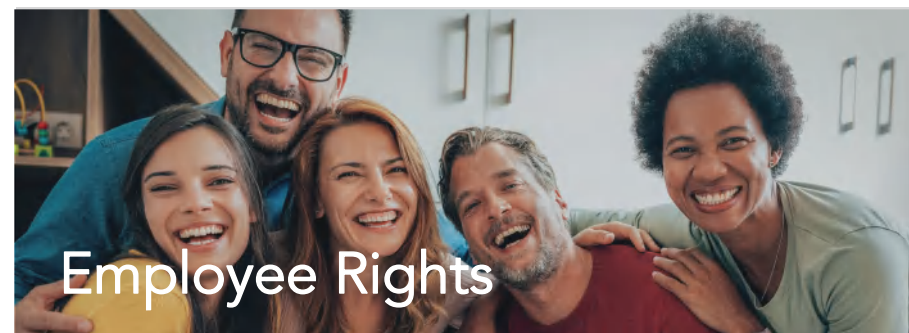
62%

of companies have engaged in community-related activities such as pandemic response, poverty alleviation, and educational support

Note:

1) The data above reflects responses from 13 portfolio companies held by our USD-denominated funds and/or their publicly disclosed reports. Companies that have exited the portfolio are not included in the analysis.

2) All data is based on information provided by portfolio companies and has not been verified or audited by a third-party professional.



Employee Rights

62%

have adopted effective measures to protect employee rights, improve working conditions, promote career development, and support female leadership

45%

Female employees account for an average of 45% of the workforce, with women representing 19% of board members and 28% of senior executives on average

Adhere to and Enforce Labor Standards

We rigorously adhere to and enforce the highest national and international labor standards. Through ongoing monitoring, we can confirm that our portfolio companies maintain a zero-tolerance policy toward forced labor, with no reported cases to date



Energy Consumption

92.3%

track and record their energy and resource consumption associated with operational activities

84.6%

have directly or indirectly disclosed Scope 1 and Scope 2 carbon emissions data, with total disclosed emissions reaching approximately 523,900 tons of CO₂ equivalent (refers to the total emissions disclosed by the portfolio companies). If based on fund ownership proportions, the attributable emissions amount to approximately 59,800 tons of CO₂ equivalent

76.9%

monitor wastewater and solid waste emissions or have implemented reduction plans

53.8%

have conducted carbon accounting to establish their emissions baseline



Hosen will continue to monitor and collect ESG performance data from portfolio companies, identify improvement opportunities through data analysis, and develop targeted ESG issue lists to guide the formulation of effective improvement action plans. We will also continue to consolidate resources and empower portfolio companies in their ESG management efforts to support their sustainable development and long-term value creation.



3.3 Display of Portfolio Companies' ESG Performance



Kilcoy Global Foods (KGF)

(SDG Goals: 6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action)

KGF is a rapidly growing global supplier of premium meal solutions and protein products, specializing in the development and production of high-quality beef and other premium animal protein offerings. The company provides tailor-made sustainable food solutions to clients worldwide. Adopting a "Buy-and Build" growth-oriented M&A strategy, we have transformed KGF into a leading industry platform through strategic acquisitions and integrations since our investment, supporting its comprehensive development across both technological and commercial dimensions.

From Source to Consumer: Certified Food Safety Control Systems

KGF places great emphasis on food safety and management systems. Its subsidiaries have obtained certification for the Hazard Analysis and Critical Control Points (HACCP) management system, which helps identify and control potential hazards during the production, processing, transportation, and sale of food products. This certification reflects KGF's strong commitment to food safety, and showcases its professionalism and transparency in food safety management, demonstrating to consumers, regulators, and other stakeholders that its products meet the highest standards.

Low-Carbon Innovation: Building Momentum for Green Growth

By leveraging its operational characteristics, KGF continues to strengthen its carbon reduction and circular systems, promoting and optimizing the concept of a bioenergy plant. By harnessing the high organic content of wastewater from slaughterhouses, KGF has implemented biogas collection and purification systems at the anaerobic stage of wastewater treatment. The purified biogas is then used as clean fuel in combined heat and power (CHP) generation projects, enabling clean energy production.



HACCP
Management
System

Bioenergy
Plant

Carbon
Neutrality

Circular
Economy

Community
Engagement/
Charitable
Support

KGF remains steadfast in its long-term commitment to sustainability and aims to serve as a global benchmark for sustainable practices within the food industry.

After years of technological innovation and cross-sector collaboration, Kyneton, one of KGF's facilities, was certified as a carbon-neutral plant in 2024. Prior to this, KGF had already received carbon neutrality certification from Climate Active. By continuously driving change and transcending traditional operational boundaries, KGF has minimized its environmental footprint and demonstrated strong commitment and execution in environmental stewardship.

Advancing Circular Economy Through Resource Recovery

In 2024, KGF continued to uphold its high product quality standards while also advancing its goals in resource circularity. Notable achievements were made in areas such as water resource utilization and solid waste recycling. Particularly in solid waste management, KGF maintained its zero-landfill initiative, focusing on the regeneration and reduction of waste through a lifecycle approach. This ensures the reuse of all valuable materials, fostering a circular economy and promoting more sustainable production and operations.

From Community Engagement to Charitable Support: Spreading Warmth and Strength

In 2024, KGF undertook a wide range of initiatives in pollution control, energy conservation, pandemic response, poverty alleviation, care for vulnerable groups, and community development, including:

- Providing resources to assist local teacher aides in supporting students from non-English-speaking backgrounds.
- Supporting several local community clubs and projects through charitable donations to enhance public engagement and community relationships.
- Sponsoring awards for local schools and communities, and actively participating in annual award ceremonies.
- Promoting and supporting the Migrant Work Ready (MWR) program on the Sunshine Coast, and coordinating the Future Leaders Graduate Program to provide practical industry experience for young professionals.
- As part of its public relations and community engagement strategy, hosting educational tours for student groups, industry representatives, parliamentary, and government delegations at its facilities.



Shanghai Shuang Ying Food: The Way of Flavor Exploration through Environmental Protection Processing Technology

(SDG Goals: 3 Good Health and Well-being; 11 Sustainable Cities and Communities; 13 Climate Action)

Shanghai Shuang Ying Food Co., Ltd. ("Shuang Ying Food") was officially established in 2004 and is a leading player in the professional compound seasoning industry. Headquartered in Shanghai with an R&D center also located there, the company has subsidiaries in Quanzhou (Fujian), Dezhou (Shandong), Wuhan (Hubei), and Weihai (Shandong). Shuang Ying Food boasts a highly automated production system with a total capacity of 300,000 tons, ranking it among the top in China in both production capacity and sales volume within the compound seasoning sector.

Guided by the pursuit of "taste" as its core mission, the company's products span two major categories: solid and semi-solid compound seasonings. Its extensive product portfolio includes batter mixes, marinades, cold sauces, hot sauces, seasoning powders, pre-mixed powders, compound additives, seafood peptides, and ready-to-cook dishes. Since its inception, Shuang Ying Food has upheld a win-win development philosophy with its clients. Through two decades of focused operations, it has become a major supplier of compound seasonings to numerous leading fast-food chains—both Chinese and Western—such as Wallace.

Enhancing the Supplier Management System

Shanghai Shuang Ying Food deeply integrates the concept of sustainable development into its daily operations and management. Through a systematic and refined evaluation mechanism, the company collaborates with its suppliers to drive comprehensive improvements in environmental stewardship, social responsibility, and governance standards.





Environmental

The company has established strict environmental access criteria for suppliers, giving priority to partners certified under ISO 14001 Environmental Management Systems or those with green production credentials. It focuses on evaluating the efficiency of energy and water resource use, implementing dynamic optimization measures for suppliers with high energy or water consumption. At the same time, it rigorously reviews suppliers' compliance with pollutant discharge regulations and their waste management capabilities to ensure the entire production chain meets environmental standards. These efforts contribute to building a greener supply chain in partnership with suppliers.



Social

Adhering to the principle of "shared responsibility," Shuang Ying Food has developed a supplier social value assessment system. It enforces strict checks on labor compliance, firmly prohibiting child labor, forced labor, and similar violations. Through regular audits, the company strengthens accountability in areas such as food safety management and traceability systems. In addition, Shuang Ying Food actively encourages its suppliers to participate in community welfare and ecological protection activities, fostering harmony between business operations and the surrounding environment, and promoting shared social value creation.



Governance

The company incorporates supplier governance standards as a core criterion in its partnerships, focusing on the rationality of organizational structures and the soundness of decision-making mechanisms. Through compliance audits, it thoroughly investigates risks related to commercial bribery, data falsification, and other violations, ensuring that all supply chain collaborations are built on integrity and transparency, thereby contributing to a healthy and ethical industry ecosystem.

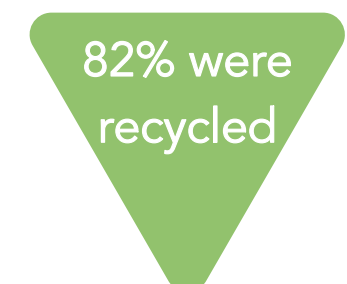
Through these initiatives, Shuang Ying Food continues to deepen the application of ESG principles within its supply chain, promoting coordinated development across the entire value chain and laying a solid foundation for sustainable, win-win growth for both the company and society.

Practicing Circular Economy and Advancing Green Transition

Shuang Ying Food's Shandong factory actively embraces the principles of sustainable development by implementing a systematic approach to waste management. In 2024, the factory conducted a comprehensive review of its waste streams and formulated scientifically grounded treatment plans. By collaborating with professional third-party service providers, the factory successfully achieved its annual goal of zero waste-to-landfill.

Over the course of the year, a total of 45 tons of waste were processed. Of this, 37 tons per year—accounting for a significant 82.2%—were recycled and reused, contributing to resource circularity. The remaining 8 tons per year were treated through high-efficiency incineration, ensuring that the entire waste disposal process was both effective and environmentally responsible.

This achievement not only demonstrates the factory's commitment to reducing environmental impact and promoting the circular economy, but also serves as a valuable model for the green transformation of the broader food manufacturing industry. It marks a significant step forward in the realization of Shuang Ying Food's ESG strategic goals.



Innovating Low-Carbon Strategies to Optimize Production and Reduce Emissions

In its environmental (E) management practices, Shanghai Shuang Ying Food has consistently positioned energy conservation and emission reduction as core strategic goals. In 2024, the company achieved a significant reduction in carbon dioxide emissions through a series of innovative initiatives. During the hot sauce production process, the company implemented a deep optimization of production procedures by replacing the use of room-temperature water with hot water, effectively shortening the cooking time for each batch. This improvement reduced natural gas consumption and lowered CO₂ emissions at the source, advancing green manufacturing through technological innovation.

The company also dynamically adjusted its production strategies based on seasonal conditions, flexibly optimizing its processes. Combined with upstream supplier quality management requirements, these efforts ensured product quality while significantly reducing energy consumption in the pre-treatment phase. By precisely controlling energy use throughout the production process, Shuang Ying Food achieved notable savings in gas consumption and further reduced carbon emissions.

These measures not only demonstrate the company's proactive commitment to environmental responsibility in its operations, but also highlight its active exploration of synergistic approaches to resource recycling and energy efficiency. Shuang Ying Food's efforts serve as both an innovative example and practical model for the industry's green transformation, strongly supporting the high-quality realization of the company's ESG strategic goals.

On December 16, 2024, Shuang Ying Food's Weihai factory received an important notice titled "2024 Annual Group Voluntary Blood Donation Notification" from

the Weihai Lingang District Government. The factory attached great importance to the initiative and promptly organized efforts to mobilize participants for voluntary blood donation. On December 20, 2024, two volunteers—Liu Pengyuan from the R&D Department and Wang Peng from the Equipment Department—actively signed up and participated in this blood donation activity. Through their participation, these volunteers demonstrated a profound sense of responsibility, making meaningful contributions to society and showing heartfelt care for the lives of others.





In response to the industry-wide transformation driven by trends such as the standardization of food services, convenience in food preparation, diversified tastes, and personalized consumer demand, Shanghai Shuang Ying Food Co., Ltd. remains firmly committed to ESG principles, embedding sustainability at the core of its corporate strategy. The company not only prioritizes product quality—ensuring advanced equipment, optimized processes, and consistent standards—but also actively adapts to emerging trends in the foodservice market. It develops customized flavor solutions and products tailored to evolving customer needs.

On the Environmental front, the company continues to advance green manufacturing by reducing energy consumption and carbon emissions through process innovations, while deepening its waste recycling and reuse systems to safeguard the natural environment through concrete actions.

In terms of Social Responsibility, Shuang Ying Food leverages product innovation to meet the diverse needs of consumers and ensures food safety through standardized production practices. The company also actively explores the preservation and innovation of culinary traditions, promoting the integration of Chinese cuisine with global food cultures.

From a Governance perspective, Shuang Ying Food draws on its extensive industry experience to continuously improve its management system, working collaboratively with upstream and downstream partners to build a green supply chain that delivers both economic and social value.

Shuang Ying Food firmly believes that only by creating value can one truly realize value. Looking ahead, the company will continue to be guided by ESG principles, deepening collaboration with like-minded partners. While exploring and unlocking the richness and potential of Chinese and global cuisines, Shuang Ying aims to drive the food industry toward a greener, more inclusive, and more sustainable future—contributing to a harmonious coexistence between people and nature, and between businesses and society.



SF Intra-City: A Sustainable Platform Empowered by On-Demand Delivery and Digitalization

(SDG Goals: 3 Good Health and Well-being; 11 Sustainable Cities and Communities; 13 Climate Action)

SF Intra-City is the largest independent third-party on-demand delivery platform in China.

Optimizing Governance for Efficiency and Accountability

In 2024, SF Intra-City made significant progress in strengthening its corporate governance:

- Became the first on-demand delivery company in the industry to undergo independent third-party assurance and Scope 3 carbon emissions verification;
- Achieved multiple leading domestic and international compliance certifications, including ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety), ISO 27001 (Information Security), and ISO 27701 (Privacy Information Management);
- Maintained a zero-tolerance policy toward corruption, with a 100% employee signing rate of the Anti-Corruption Commitment Letter for five consecutive years. Over 1.02 million participations were recorded in anti-corruption awareness and education initiatives during the year, totaling 15,360 hours of training, with full participation from directors and employees;
- Strengthened cybersecurity by conducting company-wide activities such as "Information Security Awareness Training" and "Red-Blue Cybersecurity Drills," achieving full online training coverage. The signing rate of the Information Security Commitment Letter also reached 100%.



Resource Efficiency and Green Initiatives

In 2024, SF Intra-City undertook a series of proactive actions in resource utilization and environmental protection:

▼ 98% electric vehicles

Promoted green delivery capabilities, achieving a total delivery distance of over 8.25 billion kilometers, with over 98% of that distance covered by electric vehicles. This resulted in a reduction of approximately 2.42 million tons of carbon emissions, with delivery-related carbon emissions per RMB 1 million in revenue reduced by over 20%;

▼ 12 tons of carbon dioxide emissions

Actively promoted the use of electronic signature and e-bidding platforms, reducing paper usage and achieving approximately 12 tons of carbon dioxide emissions savings;

▼ 750,000 paper envelopes

Implemented green packaging practices. During the year, 15,000 recyclable document envelopes were used, replacing approximately 750,000 paper envelopes. This led to a 13% reduction in envelope-related carbon emissions per RMB 1 million in revenue;

▼ Business Travel

Leveraged digital tools to improve online communication, replacing business travel with virtual meetings wherever possible. In 2024, online meetings recorded more than 1.04 million participants, effectively reducing the company's carbon footprint;

▼ Environmental Incidents

There were no environmental incidents and no violations of environmental regulations during the year.

Empowering Core Services with Digital Intelligence

SF Intra-City's services now cover over 2,300 cities and counties across China and have expanded to include a new on-demand delivery service under the "So Fast" brand, which also covers the Hong Kong market.

- Maintained high-quality, efficient, and stable delivery performance, with fluctuations in on-time fulfillment rates kept below 1% during holidays and 3% during adverse weather conditions;
- Continuously applied AI foundational models to enhance user experience, optimize end-to-end operational efficiency, empower merchants to make informed decisions, and expand service coverage;
- Actively advanced autonomous vehicle delivery technology, with over 1,000 active routes operated monthly on average nationwide—laying a strong foundation for long-term green operations;
- Delivered premium services, resulting in a 2-percentage-point year-over-year increase in customer satisfaction;
- Placed strong emphasis on customer feedback, managing the end-to-end user experience and ensuring that 100% of customer complaints were addressed;
- Promoted clean, transparent, and environmentally friendly procurement practices. The signing rate for both the Supplier Integrity Agreement and Supplier Social Responsibility Clauses reached 100%. Green and sustainable principles have been formally integrated into supplier agreements.



Weilong: A Green and Healthy Brand Sharing "The Taste of China" with the World

- Low-Carbon Innovation & R&D
- Sustainable Production

Weilong is a leader and pioneer in the spicy snack food industry in China. Founded in 2001, the Company has evolved to a large modern enterprise in China specializing in spicy snack foods, integrating research and development, production, and sales. The group adheres to the strategy of multiple categories with its products covering seasoned flour products, vegetable products, and bean-based and other product categories. Supported by five major production bases, Weilong ensures product consistency and reliability through the adoption of advanced automated equipment and strict standardized production processes. The company has obtained multiple international food safety certifications such as FSSC 22000 and HACCP, reflecting its strong commitment to food safety, product quality, and its role as an industry leader.

In response to China's national low-carbon strategy and the "30·60" dual carbon goals (carbon peak by 2030 and carbon neutrality by 2060), Weilong has implemented a series of innovative measures to promote sustainable development:

- In 2024, Weilong achieved a 100% compliance rate in wastewater treatment, hazardous waste disposal, and air pollutant emission standards across all facilities, with zero environmental penalties reported.
- Energy management has become a core part of the company's sustainability strategy. Weilong is dedicated to building an efficient and environmentally responsible energy management system to align economic benefits with environmental responsibility. The Pingping Plant under Weilong Group successfully passed ISO 50001 Energy Management System certification, laying a solid foundation for systematic and standardized energy practices.

- Extensive use of renewable energy: At its Weidao and Xinglin campuses in Luohe City, Weilong has installed large-scale rooftop photovoltaic (PV) systems. In 2024, the company generated 13.2993 million kWh of solar electricity, of which 12.7236 million kWh were used internally and 0.5757 million kWh were fed into the grid, accounting for 4.33% of total PV generation. This initiative reduced carbon dioxide emissions by approximately 7,450.94 tons, calculated based on the national average emission factor for electricity (0.5856 kg CO₂e/kWh) as published in the 2022 Electricity Carbon Emission Factor Bulletin.

Raw Material Management: Optimizing the Use of Citric Acid Monohydrate

In the production process of Konjac Snack ("Konjac Shuang")—Weilong's most popular and widely loved product—citric acid monohydrate is used multiple times for soaking, resulting in high consumption of citric acid. The acidic wastewater generated from this process must be neutralized with sodium hydroxide, which increases treatment costs. To address this, Weilong innovatively adjusted its production process through experimentation by redirecting the soaking water from the later stages back to the earlier soaking tanks for reuse. This process change successfully reduced citric acid usage by approximately 15% while maintaining product quality and improving resource recycling efficiency.

Packaging Material Management: Applying the 3R Principles in Packaging R&D and Implementation

In 2024, Weilong implemented several packaging optimization measures in accordance with the 3R principles (Reduce, Reuse, Recycle). These included eliminating the lamination process on paper boxes, streamlining packaging structures, adopting larger packaging formats, and simplifying the overall packaging process. As a result, the use of raw paper, plastics, adhesives, and high-density polyethylene (HDPE) was significantly reduced. These initiatives not only conserved packaging resources and lowered material costs but also contributed innovative solutions to sustainable packaging within the industry, minimizing environmental impact.

The Mini Latiao and the Kiss-Burn series achieved **12.5%** savings in raw paper and a **20%** reduction in carton usage.

Through the optimization of boiled packaging bags used in the Konjac Shuang and Fengchi Kelp series, adhesive usage was reduced by **33%**.

13.3 million kWh of solar electricity

▼ **7,450.94** tons of carbon dioxide emissions

- Biogas utilization: The company has built a biogas station to recover biogas and use it for cooking in its central kitchens, effectively reducing dependence on traditional energy sources.
- In-house wastewater treatment system design and application: Weilong has independently designed and implemented a wastewater treatment system, which enables the reuse of treated water (reclaimed water) within its factory operations.

These initiatives demonstrate Weilong's firm commitment to environmental responsibility and innovation-driven sustainability, setting a benchmark for the green transformation of China's snack food industry.



Rural Revitalization and Community Engagement

In 2024, Weilong actively responded to China's rural revitalization strategy, continuing its long-standing support of local chili pepper sourcing. This initiative effectively promoted the development of the chili farming industry in Luohe and surrounding areas. The company's investment in social welfare totaled RMB 2.02 million in 2024.

Weilong's contributions to the community have been widely recognized, earning the "Caring Enterprise Award" from the Pingjiang Chamber of Commerce in Zhengzhou and the "Red Cross Humanity Award" from the Luohe Red Cross Society.

In May 2024, Weilong Meiwei served as the exclusive title sponsor of the "Weilong Cup" 2024 Luohe Dragon Boat Open, held at the confluence of the Shati River. As a key part of the 12th Xuanyuan Culture Competition of Henan Province, this sponsorship injected new vitality into Luohe's cultural and tourism development and showcased the company's ongoing support for local cultural events and the growth of the cultural tourism sector.



Sinolong New Materials: Building a Full-Chain Green Ecosystem from Raw Materials to Finished Products

(SDG Goals: 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 13 Climate Action)

- "Save Foods"
- Designated "National Green Factory" and "National Green Supply Chain Management Enterprise"

Sinolong New Materials is a globally leading technology company dedicated to an integrated membrane industry ecosystem. Through continuous innovation in material science, the company strives to provide green technological materials that contribute to human health and safety. Guided by its strategy of "vertical integration and diversified relevance," Sinolong New Materials has developed an upstream-to-downstream integrated ecosystem centered on membrane materials. Its products focus on new energy membranes, bio-based degradable films, functional membranes, and high-performance polyamide materials. With globally leading production and sales volumes, the company has evolved into a world-class supplier of functional membrane materials.

Breaking Traditions, Empowering the Future

Sinolong New Materials has established a three-stage R&D model: "exploration, pre-research, and development," allowing the company to continuously uncover new customer needs. Its key R&D areas emphasize low-carbon, zero-carbon, plastic waste reduction, and new material solutions for high-growth markets such as new energy vehicles, consumer electronics, green packaging, and clean energy.



new energy vehicles



consumer electronics



green packaging



clean energy

Leading National Standards to Strengthen China's Green Industry

On June 5, 2021, Sinolong New Materials's subsidiary Xiamen Changsu Industrial announced the successful large-scale production of BOPLA (biaxially oriented polylactic acid), making it the first domestic company to achieve this milestone. Over the years, Sinolong New Materials has both built a global "PLA-BOPLA" supply chain with upstream raw material suppliers and collaborated with leading downstream brands to expand the application scenarios for BOPLA.

Today, Xiamen Changsu Industrial ranks first among the principal drafters of the national BOPLA standard as listed on the official website of China's Standardization Administration, highlighting Sinolong New Materials's leadership in the BOPLA sector and its vital role in setting national standards. Following three years of continuous efforts, the national standard GB/T 44824-2024 for biaxially oriented polylactic acid films, led by Sinolong New Materials, was officially implemented in May 2025. This marks a new phase of regulated and large-scale development in China's biodegradable materials sector, offering detailed guidance on production, testing, and quality control of BOPLA products.

BiONLY® – Bio-Based Degradable Film Materials

To address growing global environmental challenges, Sinolong New Materials launched the BiONLY® series of bio-based degradable films, widely applicable across various use cases. Upholding its commitment to sustainability, the company aims to reduce environmental impact at the source by developing innovative materials that can decompose quickly under specific conditions or break down more easily in natural environments, thereby minimizing packaging and plastic waste.

Smart Manufacturing – Technological Upgrades

Sinolong New Materials focuses on energy conservation, carbon reduction, and

efficient resource use. Through technological innovation, it is building a sustainable and green manufacturing system. The company applies a "low-carbon biaxial stretching technology" that both pushes the limits of film width and production speed—lowering energy consumption per unit product—and, through advancements in formulation research, film structure design, and process technology, effectively reduces carbon emissions during both production and usage phases, thus lowering the carbon footprint of end products.

With years of deep expertise in the new materials industry and a comprehensive mastery of film-stretching technology, Sinolong New Materials has continuously upgraded its equipment to meet demands for product innovation and carbon reduction. These upgrades have led to proprietary patented technologies that ensure advanced equipment performance and optimized overall cost efficiency.

Green Manufacturing – Circular Resource Utilization

In 2024, Sinolong New Materials achieved near-100% resource recycling in its production activities. Its manufacturing bases in Xiamen and Quanzhou, Fujian, have consistently driven energy savings and emission reductions through continuous technological innovation. As a result, both the comprehensive energy consumption and GHG emissions per unit product have declined year over year. The company's overall emissions control level now meets the highest industry standards.





Frech Lifecycle Cold Chain: A Cold Chain Technology Company Empowering Farmers and Benefiting Consumers

(SDG Goals: 1 No Poverty; 3 Good Health and Well-being; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 13 Climate Action)

- "Save Foods"
- "Save Energy"
- Empowering Farmers, Benefiting Consumers

In 2024, Frech Lifecycle achieved high-quality, scaled growth and doubled its profits. Over the year, the company welcomed more than 1,000 new customers, establishing strategic partnerships with many clients, including Walmart, Freshippo, RT-Mart, Tianhong, Ba Wang Cha Ji, Cha Bai Dao, Codi Coffee, Starbucks, Juwei Duck Neck, 85°C Bakery, and other customers generating over RMB 2 billion in new revenue. The number of connected cold chain vehicles exceeded 300,000.

Frech Lifecycle has innovated across multiple technology fronts, developing sensor equipment for temperature, weight, handling, and location, as well as voice picking systems, wearable devices, and an integrated IoT platform. These advancements enhance warehouse operations, enable unmanned in-transit monitoring, ensure food safety and traceability, and power an upgraded, tech-enabled supply chain service system.



2024 Frech Lifecycle Cold Chain Night: Building a Thriving Green Ecosystem for Cold Chain Logistics

This flagship event was themed "Uniting Green Transportation Capacity, Unlocking Freight Resources, Premium Custom Vehicles, and Worry-Free Insurance & Finance." It reflected Frech Lifecycle's strong commitment to ESG principles and social responsibility. By offering massive shipping volumes and collaborating with leading partners in the light truck industry, Frech Lifecycle is working to build a healthy, sustainable, and dynamic ecosystem for new energy commercial vehicles—infusing the future of cold chain logistics with green momentum.

According to the 14th Five-Year Plan for Cold Chain Logistics Development, the government encourages the phasing out of high-emission refrigerated trucks and supports the adoption of new energy vehicles in urban green delivery networks and newer, colder logistics requirements.

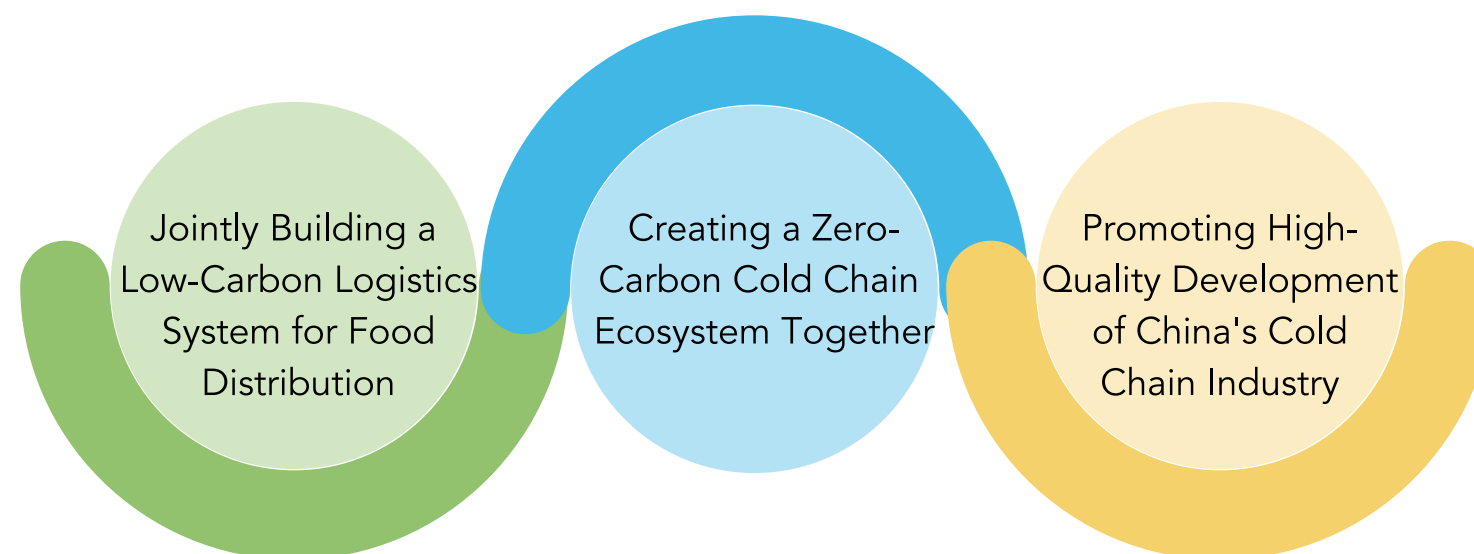
Fresh Life Cold Chain provides efficient and environmentally friendly logistics solutions, fulfilling its green commitment and social responsibility through concrete actions that drive progress across the industry.

Sun Xiaoyu, President of Frech Lifecycle Cold Chain Logistics Co., Ltd., stated that compared with traditional fuel-powered vehicles, new energy vehicles have lower maintenance frequency, reduced servicing costs, and cheaper charging compared to refueling. Promoting the transition from fuel to electric vehicles will effectively lower drivers' operating costs and boost efficiency. Moreover, with younger generations joining the transportation workforce, new energy trucks deliver a more technologically advanced and user-friendly driving experience, offering a smoother, easier, and more time-saving operation for drivers.

Frech Lifecycle Cold Chain Partners with CATL to Accelerate the Transition from Fuel to Electric Vehicles

As global attention to climate change intensifies and China advances its "dual carbon" goals, achieving "zero-carbon logistics" has become a key development trend in the logistics industry. In line with this, Frech Lifecycle Cold Chain has formed a strategic partnership with Contemporary Amperex Technology Co., Limited (CATL) to accelerate the transition from fuel-powered to electric vehicles.

Leveraging their respective strengths in technology, service expertise, and industry reputation, the two companies will collaborate to promote resource sharing. Ningbo New Hope Liangti Power Technology Co., Ltd., a related entity, will provide electric vehicle support services to drivers and meet diversified procurement needs for new energy vehicles. The partnership aims to realize mutual benefits and win-win growth, while jointly building a green, low-carbon cold chain logistics value chain and speeding up the electrification of cold chain transport. Together, the two parties will contribute to China's logistics sector's energy transition and the realization of carbon peak and carbon neutrality goals.



About Frech Lifecycle Cold Chain

Founded in 2016, Fresh Life Cold Chain is an emerging cold chain logistics company specializing in end-to-end supply chain services for the foodservice, fresh retail, and fresh food production and trade sectors. Since its inception, the company has embraced the mission of "empowering farmers and benefiting consumers," and the vision of "perfecting the delivery of fresh ingredients."

As a provider of full-process cold chain supply chain services, Frech Lifecycle is committed to minimizing food loss and energy consumption during transportation and warehousing. It actively integrates business scenarios with technological innovation—forming the core path of its ESG implementation and anchoring its strategy for sustainable growth.

Frech Lifecycle's ESG Strategy

Frech Lifecycle's ESG strategy is driven by goals of food conservation and energy efficiency, and is structured around the FRESH framework:





Dekon Group: Builder of a Premium Food Ecosystem

(SDG Goals: 1 No Poverty; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production)

Dekon Group adheres to the philosophy of "raising livestock with a food mindset and producing food with a health mindset." The company is deeply rooted in modern agriculture and high-end food industries. Currently, Dekon Group holds two National Key Leading Enterprises in Agricultural Industrialization. Its business spans pig farming, premium poultry farming, food processing, and smart agriculture, with over 140 subsidiaries across 13 provinces and municipalities in China. It has become one of the most competitive and fast-growing agricultural enterprises in the country, ranked #1 in compound annual growth rate for large-scale pig farming, #6 in national pork sales, and #3 in yellow-feathered broiler chicken sales.

Dekon innovatively adopts a "Family Farm Model," integrating:

government support, enterprise leadership, farmer participation, insurance coverage, and bank credit



professionalization of farmers, intelligent breeding, standardized production, institutionalized epidemic prevention, and organic waste resource utilization

unified planning, training, material supply, production management, and product marketing

This system effectively reduces market risks, ensures stable farmer incomes, resolves capital constraints, and minimizes technical risks for farmers.



In 2024, under the mission and vision of "making quality food truly accessible to consumers," Dekon achieved the following milestones:



Awarded Second Prize for Scientific and Technological Progress in Sichuan Province for its innovation in the "Localized High-Efficiency Breeding Technology System for Foreign Pig Breeds," reinforcing its strategy to build world-class genetic resources and breeding systems.

Certified under the U.S. Soybean Sustainability Assurance Protocol (SSAP), demonstrating industry leadership and a strong sense of corporate social responsibility.



Its Health Testing Center Laboratory and Feed Testing Center, under the Dekon Industrial Research Institute, **received CNAS accreditation from the China National Accreditation Service for Conformity Assessment.**

ESG Achievements in 2024

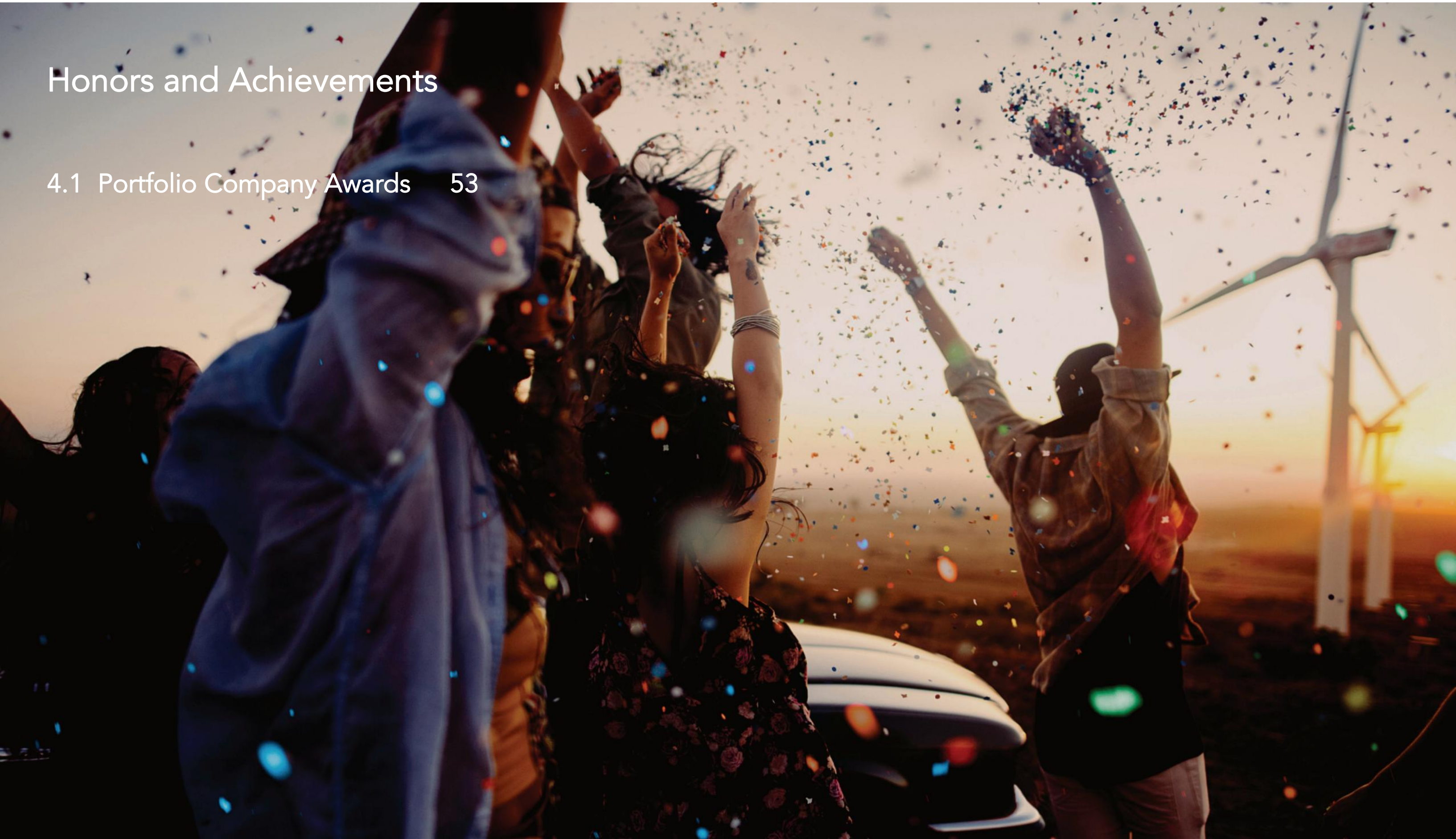
- **Food Safety & Quality:** Zero major food safety incidents, zero batch quality issues, zero labeling or certification violations, and zero undetected pig disease cases.
- **Occupational Health & Safety:** Committed to the "people-oriented, safe development" principle, the company continued to improve its health, safety, and environmental protection systems to prevent accidents.
- **Resource Utilization:** Achieved 100% harmless waste treatment. Collaborated with crop growers to reuse treated waste as raw material for organic fertilizer.
- **Climate Change Response:** Achieved significant reductions in energy consumption intensity (MWh per million RMB revenue) and GHG emissions intensity (tons CO₂e per million RMB revenue) compared to 2022, thanks to improved farming efficiency and energy-saving initiatives.
- **Supplier Management:** In 2024, Dekon established an ESG supplier evaluation mechanism, focusing on nine key aspects. All suppliers underwent environmental and social performance reviews via document checks and on-site inspections, achieving full coverage.

In 2024, Sichuan Dekon Tong Nei Si Food Co., Ltd. officially began operations. The company aims to develop signature pork deep-processing products that meet international standards and local characteristics. It is committed to delivering EU-standard, traceable, high-quality meat products nationwide, building a flagship brand in premium pork processing.

In 2024, the second phase of the annual 3-million-head live pig slaughtering, deep processing of meat products and cold chain project of Yibin Dekon Food Co., Ltd. officially started construction, marking the in-depth advancement of Dekon's high-end food industry.

Honors and Achievements

4.1 Portfolio Company Awards 53



4.1 Portfolio Company Awards

S.F. Intra-City

S.F. Intra-City Wins "Corporate Governance Excellence Award" and "ESG Excellence Award" at the 2024 Hong Kong Company Governance Awards

On December 12, 2024, the award ceremony for the 2024 Hong Kong Corporate Governance and ESG Excellence Awards, jointly organized by the Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy of Hong Kong Baptist University, was held in Hong Kong. Among numerous competitors, S.F. Intra-City stood out and was awarded both the "Corporate Governance Excellence Award" and the "ESG Excellence Award" in the newly listed companies category.

These accolades reflect the market's recognition of S.F. Intra-City's continuous efforts, highlighting the significant and lasting positive impact of strong corporate governance and ESG performance on corporate value. The dual honors further solidify S.F. Intra-City's leadership as a model of sustainable development in the industry.



Weilong

Weilong Wins "Best ESG Management Listed Company" at the 2024 Crystal Ball Awards by Securities Market Weekly

In December 2024, the 18th Capital Market Crystal Ball Awards organized by Securities Market Weekly announced its list of award-winning listed companies and fund managers. Owing to its outstanding performance in environment, social responsibility, and corporate governance, Weilong was honored with the "Best ESG Management Listed Company" award.

Weilong Recognized for "Environmental Protection Innovation Case: Weilong Green Factory 2.0" by Wallstreetcn

Weilong's energy consumption primarily relies on steam from thermal plants, pipeline natural gas, and grid electricity. To address this, the company has made significant investments in energy-saving and carbon reduction projects and actively adopted renewable energy sources. Through photovoltaic power generation and biogas boiler projects, the company has supplied part of its electricity and steam for operations.

Judges from Wallstreetcn commented that "de-fossilizing factory energy needs is a challenging mission. Weilong's innovative use of its organic waste to reduce fossil fuel reliance is commendable. With increased investment, if the factory could fully eliminate fossil-based thermal energy and transition to 100% green electricity, it could become a true 'zero-carbon factory'."



Dekon

Dekon Awarded Second Prize in Sichuan Science and Technology Progress Awards and Recognized with SSAP Certification

Dekon received the Second Prize of Sichuan Science and Technology Progress Award for its project on "Innovation and Application of High-Efficiency Breeding Technology System for Imported Breeding Pigs." The company remains committed to scientific leadership, seed industry development, and building a world-class genetic resource and breeding system.

Additionally, Dekon Group was awarded the SSAP (U.S. Soy Sustainability Assurance Protocol) certification, demonstrating its industry leadership and strong commitment to corporate social responsibility.



Dekon Wins "HK-Connect Annual Rising Star" at the 2024 HK-US Smart Capital Awards

The inaugural 2024 HK-US Smart Capital Awards was held in Hong Kong. Sichuan Dekon Agri-Food Group Co., Ltd. (stock code: 2419.HK) was recognized with the "HK-Connect Annual Rising Star" award for its exceptional performance in the capital market and its innovative development model.





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