



厚生投資
HOSEN CAPITAL

2025 HOSEN ESG REPORT

Change · Thrive · Synergy

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(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.)

Hosen at a Glance

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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.

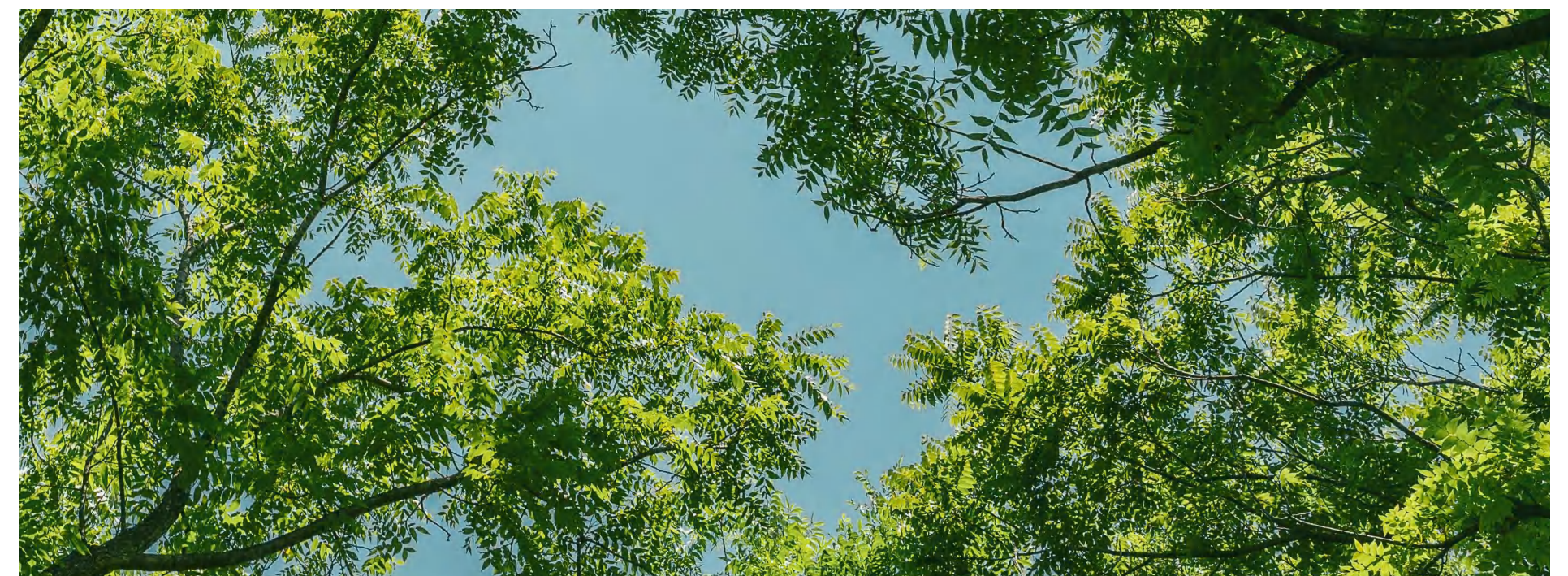
Amid the sweeping transformation of the global economic landscape, we remain guided by the pulse of the times, leveraging forward-looking insights to accurately capture market dynamics. We continuously refine our investment frameworks and methodologies, delving into the frontier of investment management. 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”**.



1.3 2025 Highlights Review

Our Progress In 2025



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 synergetic growth in economic, social, and ecological value.

ESG Sustainable Development Strategy and Management

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2.1 ESG Sustainable Development Strategy and Management Overview

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.



“Year of Corporate Governance”2022: 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.

2022: 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.

2022: Updated the ESG management system based on UNPRI and iCI standards and established an external sustainability advisory platform.



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.



2013

2015

2019

2020

2022

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.

Founding Partners

The Founding Partners of Hosen Capital are responsible for the company's daily operational management, strategic development planning, responsible investment, and overall leadership of the ESG development strategy.

Investment Team

Hosen's investment team is responsible for the ESG management and specific implementation of each project throughout its entire lifecycle, overseen by the project leader.



ESG Management Committee

Hosen has formed an ESG management committee responsible for promoting the implementation of the ESG development strategy, guiding, and supervising the work of the ESG management team. The committee also plays a significant role in coordinating and scheduling resources for the company and invested companies.

ESG Management Team / Working Group

Hosen has formed an ESG management team and appointed a dedicated ESG management head, responsible for the overall management and implementation supervision of corporate ESG. The ESG management head is mainly responsible for the specific implementation and improvement of the ESG management system, conducting due diligence, controlling high ESG risks, and discussing, handling, and following up on ESG-related matters with the ESG management committee.

Pre-Investment Due Diligence



Investment Decision



Post-Investment Management



2.3 Practicing UNPRI Principles Principles for Responsible Investment



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.

In 2025, drawing on the UNPRI reporting framework, we conducted a line-by-line benchmarking against its evaluation criteria and impact factors, and submitted our report to UNPRI once again. Concurrently, we have been continuously undertaking the following ESG management activities to honor our commitment to the six UNPRI 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 Principle 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

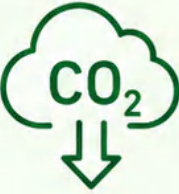
Hosen has comprehensively collected energy consumption data—including water, electricity, and natural gas—from portfolio companies, conducting in-depth analysis to identify potential energy-saving and emission-reduction

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.



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.

Data Security Framework Overview

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

Key Control Measures

Asset Identification and Management	Risk Assessment	Security Configuration	Monitoring and Alerts	Incident Response
Maintains an inventory of assets including computers, servers, routers, and switches, and assesses their criticality.	Regular risk assessments are conducted to ensure all potential cyber security risks are identified and evaluated.	Ensures that all systems and devices are configured to security standards and are regularly reviewed and updated.	Implementing a real-time monitoring system to detect potential security incidents and generate timely alerts.	A response plan has been developed and maintained to ensure quick action in the event of a security incident.

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 cyber security incident, and to take appropriate response measures.

Audit and Assessment

The company regularly conducts self-assessments and audits to ensure the effectiveness of the cyber security 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 Encouraging 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

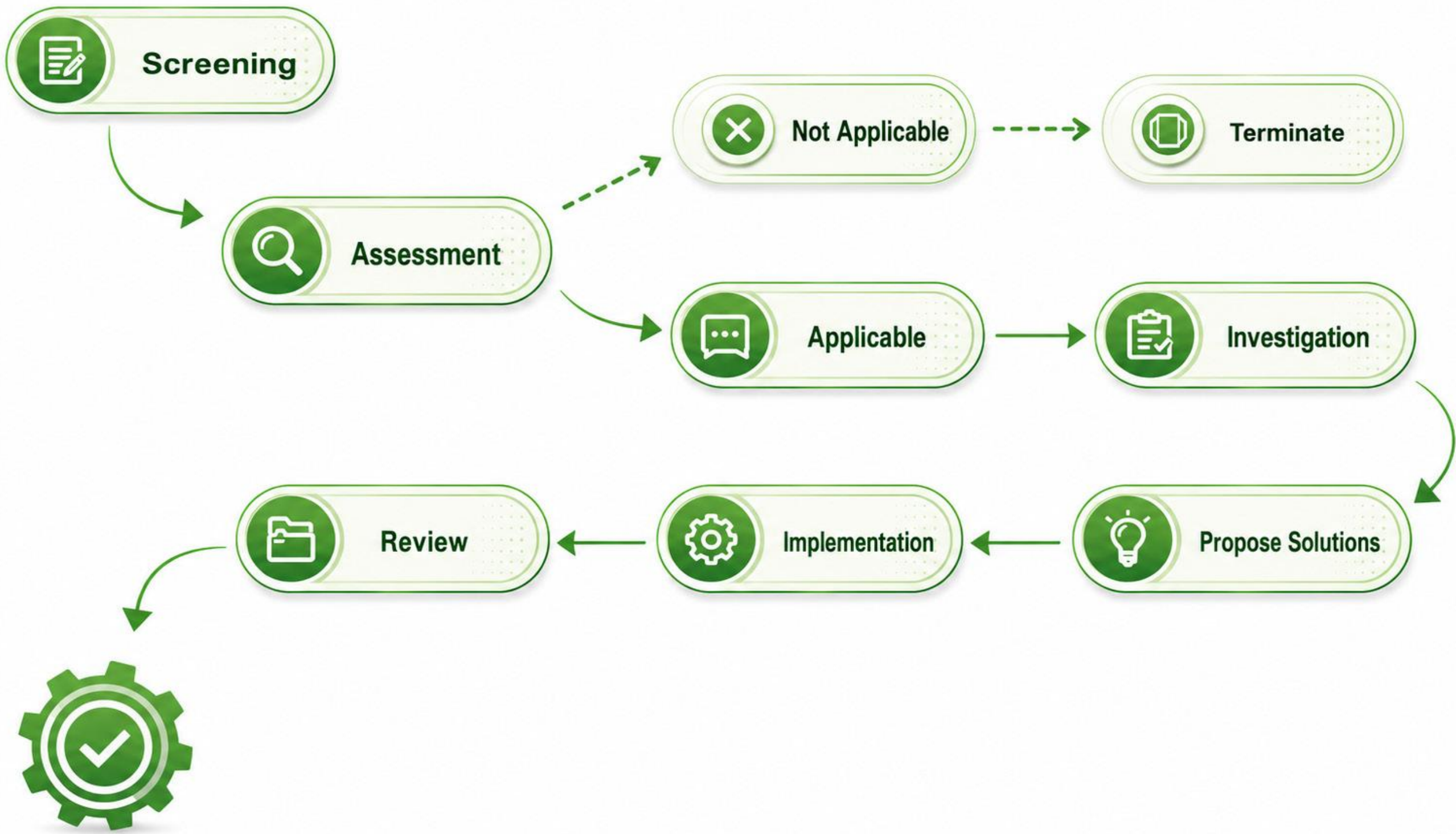
ESG Management Team

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.

”



2.7 Enhancing 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		
 Environmental	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



Social

Product Quality and Consumer Health	·Food Safety (e.g., HACCP Certification, ISO Standards)	·Development of Nutrition and Health Products	·Reduction of Additives and Antibiotic Residues
Human Rights and Labor Rights in the Supply Chain	·Prevention of Child Labor and Forced Labor	·Compliance with Labor Conditions Among Suppliers	·Fair Trade
Diversity, Equity, and Inclusion (DEI)	·Workforce Diversity	·Women’s Leadership Development	
Community Relations and Impact	·Positive Impact of the Company on Local Communities	·Livelihood Protection for Agricultural Suppliers	



Governance

Business Ethics and Compliance	·Anti-Bribery and Anti-Corruption	·Data Protection and Privacy Compliance	
Board Governance and Accountability	·Transparency of Corporate Governance Structure	·Independence and Diversity of the Board of Directors	
Supply Chain Management	·Supply Chain Due Diligence	·Assessment and Monitoring of High-Risk Suppliers	
ESG Integration and Reporting	·Whether the Company Has ESG Goals and Action Plans	·Whether ESG Performance Is Disclosed	

2.9 ESG Management Throughout The Investment Lifecycle

Application of IFC Performance Standards

Hosen adheres to the IFC's (International Finance Corporation, one of the five member institutions of the World Bank Group) 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

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3.1 Overview of Hosen’s ESG Performance

Anchoring a Sustainable Value Investment Paradigm Amid Uncertainty

Entering 2025, the global food and consumer industry is undergoing a profound restructuring from "scale expansion" to "value resilience." As a specialized investment institution deeply rooted in the food sector, Hosen Capital is no longer satisfied with merely delivering financial returns; we are committed to becoming a "symbiotic partner" that drives systemic industrial upgrading. Through the deep integration of capital and ESG principles, we strive to combine low-carbon processes, biotechnology barriers, and flexible supply chains within our portfolio companies, transforming consumers' rational health demands into the core moats of these enterprises. We believe that the true investment paradigm lies in forging, together with our enterprises, the value resilience to navigate cycles amid turbulent markets.

From a Trusted Advisory Partner to a "Co-Creator of the New Industrial Ecosystem"

Practices in 2025 demonstrate that a private equity firm's core competitiveness lies in its ability to inject a "second growth curve" into its portfolio companies. Through a full-lifecycle empowerment system, Hosen Capital proactively identifies and converts value depressions in carbon neutrality and digital-intelligent retail. We are no longer confined to risk management; instead, we guide our portfolio companies to set industry benchmarks in food safety, circular packaging economy, and employee well-being. This deep post-investment integration not only enhances the portfolio's risk resilience but also, in the trust-rebuilding consumer market of 2025, secures a first-mover advantage in brand premiums for Hosen and our partners.

In the Era of Consumption Rationality, Serving as the "Connector" of Value

In 2025, the consumption landscape is evolving. Facing an ever-changing reality, Hosen Capital has redefined its role — we are the industrial chain integrator behind entrepreneurs. Leveraging the forward-looking insights of our ESG Management Committee, we translate investors' concerns about geopolitical and climate risks into concrete green technology upgrades and digital-intelligent traceability actions across our portfolio companies. From farm to fork, we strive to build a solid bridge of trust between our portfolio companies and end consumers through transparent performance disclosure. We deeply understand that only when every link in our investment portfolio possesses the capability to address societal needs can Hosen truly fulfill its commitment to "Shaping a Sustainable Food Future."



3.2 Summary of Invested 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 2025, we issued a dedicated questionnaire to invested companies to collect their carbon emission data. The analysis of responses from the 2025 questionnaire reveals the following:



Regulations

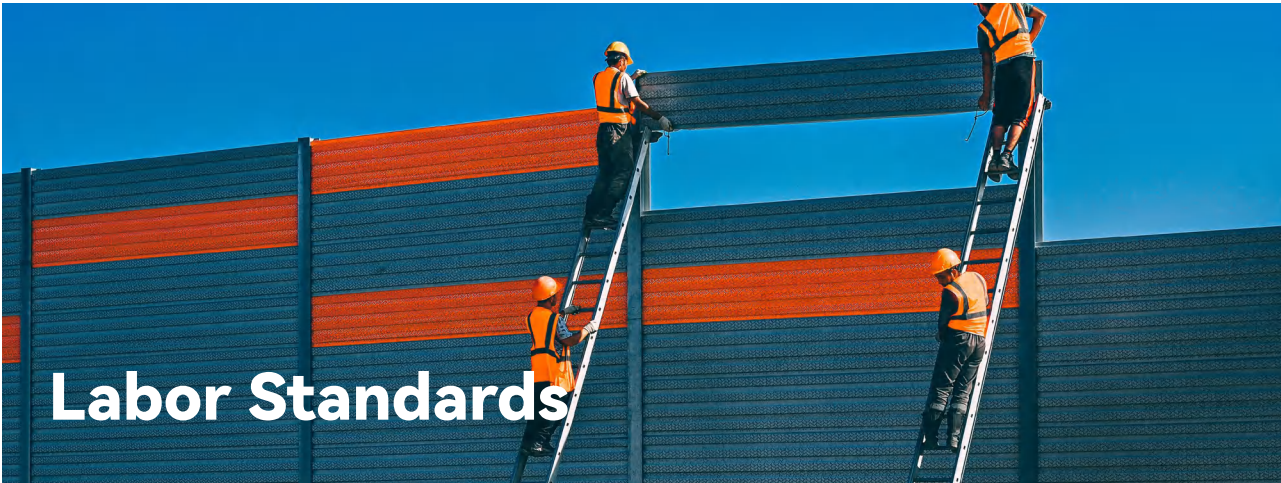
100%
of companies have established ESG systems and/or designated specific management departments and teams

100%
have set concrete environmental and social goals and action plans, taking proactive measures in health, safety, and corporate governance



Social Responsibility

> RMB 117.51 million
ESG-related investments by portfolio companies have exceeded RMB 117.51 million, covering areas such as pollution control, energy conservation, pandemic relief, poverty alleviation, support for vulnerable groups, and community development



Labor Standards

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.



Employee Rights

45%

Female employees account for an average of 45% of the workforce, 30% of senior executives on average

54%

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

54%

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



Environmental Management

92.3%

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

23.08%

have conducted independent carbon accounting

84.6%

have directly or indirectly disclosed Scope 1 and Scope 2 carbon emissions data, If based on fund ownership proportions, the attributable emissions amount to approximately **70,200 tons of CO₂ equivalent**

53.85%

monitor wastewater and solid waste emissions or have implemented reduction plans

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.

- 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, and the calculation of carbon emissions data excludes heat which is the thermal energy.

3.3 Display of Portfolio Companies’ ESG Performance



Green Juice: The Art of Fresh Nutrition — Refining the Pure Essence of Fruits and Vegetables

(SDG Goals: 6 – Clean Water and Sanitation; 8 – Decent Work and Economic Growth; 12 – Responsible Consumption and Production)

Green Juice Food Technology (Tianjin) Co., Ltd. (hereinafter “Green Juice”), established in 2003 and headquartered in the Tianjin Binhai Hi-Tech Industrial Development Area, is a specialized manufacturer with over two decades of deep expertise in fruit and vegetable products. As a well-recognized B2B ingredient supplier, the company focuses on the development, application, and production of fruit and vegetable purees, concentrated juices, and sauces, and has long provided safe, high-quality fruit and vegetable ingredient solutions to renowned domestic and international dairy, beverage, ice cream, and bakery enterprises.

Green Juice now operates two modern production bases, both equipped with world-class manufacturing equipment and processes. The Tianjin headquarters base primarily undertakes the production of fruit granules, fruit sauces, and fruit and vegetable purees. The other core production base — Green Juice (Shandong) Co., Ltd. (hereinafter “Shandong Green Juice”) — was established in 2012 and is located in Qingyun County, Dezhou City, Shandong Province, known as the land of fruit and vegetables in China. Leveraging the abundant fruit and vegetable resources of northwestern Shandong, Shandong Green Juice specializes in the deep processing of concentrated fruit and vegetable juices, concentrated purees, and single-strength purees. Together, the two companies form a strategically coordinated north-south layout, building an integrated full-industry-chain service system that spans from raw material cultivation management and product technology R&D to large-scale manufacturing and customized application

services. Always adhering to the philosophy of “quality first,” the company has established a rigorous food safety traceability system and is committed to becoming a trusted fruit and vegetable product partner for the global food industry.

In 2025, Green Juice and Shandong Green Juice deeply embedded the concept of sustainable development into all aspects of their corporate operations across the environmental, social, and governance (ESG) domains:

Embracing Green Manufacturing and Driving Low-Carbon Transition

Green Juice has comprehensively deepened its clean production and energy-saving efforts. Through the introduction of intelligent energy management systems at both production bases, the company has achieved real-time monitoring and precise control of water, electricity, and steam consumption during production, effectively enhancing energy utilization efficiency. Shandong Green Juice has prioritized the upgrading and retrofitting of its wastewater treatment facilities, adopting advanced biological treatment technologies. On the basis of ensuring 100% compliant discharge of wastewater, it has increased the reuse rate of reclaimed water, significantly reducing water consumption per unit of output value. In addition, Green Juice has actively optimized packaging materials to reduce single-use plastics and has promoted the comprehensive resource utilization of by-products (such as fruit pomace), contributing to the advancement of the circular economy.

Relying on the strategic dual-base layout of its Tianjin and Shandong production facilities, Green Juice has built a full-industry-chain service system from raw material cultivation management to large-scale manufacturing. This layout enables Green Juice to offer clients three layers of assurance: first, raw material traceability, ensuring food safety from the source; second, production capacity elasticity, where coordinated production across two bases guarantees stable order fulfillment, safeguarding supply chain continuity for clients even when a single producing region is affected by seasonal or climatic factors; third, quality standardization, with advanced equipment and processes ensuring the consistency and stability of products across different batches.



Safeguarding Employee Rights and Empowering Industry Development

Green Juice adheres to a people-centric approach. In 2025, the company further optimized its compensation and benefits system and career development pathways, providing employees with competitive statutory social insurance and housing fund benefits, free accommodation and meals for workers, and systematic skills training, thereby ensuring that employees grow together with the company. In terms of supply chain responsibility management, Green Juice has deepened win-win cooperation with upstream fruit farmers, promoting Good Agricultural Practices (GAP) in key raw material sourcing regions such as Shandong. Through technical guidance, the company helps farmers enhance their cultivation techniques, which ensures raw material quality while simultaneously increasing farmers’ incomes and injecting industrial momentum into rural revitalization. Meanwhile, Green Juice continues to strengthen product quality and safety management, safeguarding consumers’ “safety on the tip of the tongue” through its full-process traceability system.

Strengthening Compliance and Risk Control to Consolidate Governance Foundations

At the governance level, Green Juice has continuously improved its internal control and compliance systems, integrating ESG risks into its daily operations and management. In 2025, Green Juice made further efforts to enhance its business ethics and anti-fraud mechanisms, fostering an even more upright and clean operating environment. As a food manufacturing enterprise, Green Juice has always placed workplace safety as its top priority, fortifying its safety defenses through regular company-wide safety training and emergency drills. In terms of information disclosure and communication, Green Juice actively listens to the views of shareholders and all stakeholders, and has built a relationship of mutual trust and shared success with investors through periodic reporting and transparent communication.





Shanghai Shuang Ying Food: Exploring the Symbiotic Principles of Flavor and Ecology

(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, Shuang Ying Food 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, Shuang Ying Food’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.

Production Capacity Synergy and Low-Carbon Layout: Building an Efficient Regional Supply Network

Since Shuang Ying Food entered into a strategic partnership with Wei Zheng Pin Kang in May 2024, with complementary production capacities and shared R&D as the key integration measures, the company continued to optimize its industrial investment layout in 2025. It has exported management expertise and technical standards to upstream and downstream enterprises such as Wei Zheng Pin Kang, driving them



to maintain strategic alignment with Shuang Ying Food in areas including food safety, production efficiency, and environmental compliance. This layout helps enhance the responsiveness of the regional supply chain. While ensuring product quality stability, it reduces the logistics carbon footprint generated by cross-regional allocation, offering downstream customers more efficient and lower-carbon localized service solutions. With their complementary production capacities, Shuang Ying Food and Wei Zheng Pin Kang have continuously optimized production scheduling and regional supply capabilities, enhancing the overall supply chain resilience of the company. In 2025, the technical teams of both sides collaborated to tackle key challenges, continuously accelerating new product development and process upgrades, and exploring ways to strengthen their comprehensive service capabilities for large chain restaurant and food industry clients.



Practicing Social Responsibility and Conveying Corporate Warmth



Community Co-building and Elderly Care

In 2025, Shuang Ying Food continued to deepen harmonious co-building with local communities. The Fujian plant actively engaged in public welfare, organizing a volunteer team to visit the local community elderly association on the eve of the Double Ninth Festival and donating daily necessities, thereby promoting the traditional virtue of respecting the elderly through concrete actions. Additionally, during the Qingming Festival, the Fujian plant carried out a "Tribute to the Martyrs" themed activity, reinforcing employees' patriotic education and sense of responsibility through remembrance of fallen heroes.



Employee Well-being and Rights Protection

Shuang Ying Food strictly complies with national labor laws and regulations, fully implementing statutory welfare policies such as five social insurances and one housing fund, paid leave, and high-temperature allowances, effectively safeguarding employees' legal rights. In terms of living amenities, the company provides employees with modern apartment-style dormitories and free three meals a day, striving to create a work environment where they can live and work in contentment. To enrich the cultural life of female employees, the company carefully organized a floral art salon during International Women's Day, enhancing employees' sense of belonging and well-being.

Fortifying Safety Defenses and Empowering Organizational Vitality



Occupational Health and Safety Production

Shuang Ying Food always puts the life and health of its employees first. In response to the hot and humid summer climate in the Fujian region, the Fujian plant deployed public health epidemic prevention measures in advance, conducting targeted disinfection and awareness campaigns to prevent dengue fever and chikungunya, effectively blocking the transmission risk of mosquito-borne diseases. During the same period, Shuang Ying Food organized annual occupational health examinations covering all frontline employees, and continued to advance the modernization of production workshops, reducing occupational health hazards by optimizing the working environment and process flows.



Risk Management and Cultural Development

In terms of safety governance, Shuang Ying Food conducted in-depth specialized training on the "dual prevention mechanism" for hazard identification and control, solidifying the foundation of production safety through systematic risk classification management and hazard investigation.

In organizational capability building, Shuang Ying Food held a "Cultural Ambassador Development Bootcamp" and a series of cultural workshops, further unifying and deepening the team's values. The "Improvement and Innovation Capability Launch Meeting," successfully concluded at year-end, further stimulated the lean thinking and innovation potential of all employees, injecting endogenous momentum into Shuang Ying Food's sustainable development.





Shanghai Shuang Ying Food continuously advances green production, reducing energy consumption and carbon emissions through process innovation, while deepening its waste recycling and utilization system — taking concrete actions to protect the ecological environment.

Facing the industry transformation trends of standardized catering, food convenience, flavor diversification, and demand personalization, Shanghai Shuang Ying Food Co., Ltd. not only focuses on product quality — ensuring advanced equipment, optimized processes, and consistent quality — but also actively captures new trends in the catering market, flexibly conducting R&D according to customer needs, and producing customized flavor solutions and products.

Leveraging product innovation to meet diverse consumer needs, Shanghai Shuang Ying ensures food safety through standardized production, while actively exploring the inheritance and innovation of culinary culture, promoting the integration of Chinese cuisine with global food culture.

Shuang Ying Food firmly believes that value creation is the premise and foundation for reaping value. Drawing on its long-term industry experience, Shuang Ying has refined its management systems and joined hands with upstream and downstream partners to co-build a green supply chain, achieving a win-win scenario for both economic and social benefits.

Looking ahead, Shanghai Shuang Ying will take ESG principles as its strategic guide, continuously deepen pragmatic cooperation with partners from all sectors, and, on the journey of discovering the beauty of Chinese cuisine and global flavors, actively propel the food industry toward a new stage of greener, more inclusive, and more sustainable development — committed to achieving harmonious coexistence between the enterprise, nature, and society.



Anjoy Foods: Sustainable Innovation from Ocean to Land

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

Anjoy Foods Group Co., Ltd. is a leading enterprise in China's frozen food industry. Founded in Xiamen, Fujian in 2001, it was listed on the Main Board of the Shanghai Stock Exchange in 2017 (Stock Code: 603345) and successfully listed on the Hong Kong Stock Exchange in July 2025, becoming an "A+H" listed company. The company's main business encompasses the R&D, production, and sales of frozen prepared foods, frozen dish products, and frozen flour and rice products. It owns brands such as "Anjoy," "Dongpin Xiansheng," and "Anjoy Kitchen," and has strategically acquired brands including "Honghu Youhuo," "Liuwu," and "Kung Fu Food." Anjoy Group has established a total of 14 integrated production, sales, and R&D bases across China, including the Anjoy Group Xiamen Headquarters, Wuxi Minsheng, Taizhou Anjoy, Liaoning Anjoy, Sichuan Anjoy, Hubei Anjoy, Henan Anjoy, Guangdong Anjoy, Shandong Anjoy, New Hongye, New Liuwu, Honghu Anjoy, Dingweita, and Dingyifeng. In 2025, Anjoy achieved operating revenue of RMB 16.192 billion and a net profit of RMB 1.359 billion.

Extreme Management for "Zero Defect" Food Safety

Against the backdrop of a market trust crisis in the prepared food industry, Anjoy Foods has built its core competitiveness with outstanding product quality. In 2025, the company conducted high-frequency sampling inspections of in-process and finished products, comprehensively covering key indicators such as product appearance, packaging appearance, individual specifications, net content, taste, and odor, ensuring product quality stability and reliability. During the reporting period, there were zero food safety incidents; the annual training time for food safety directors and officers exceeded 40 hours; the compliance rate of food contact surface materials was 100%; quality-themed PK activities were held ≥ 6 times; the daily operational error rate in the laboratory was $\leq 2.8\%$; the accuracy rate for restricted additive use in minor ingredient preparation was 100%; instances of missing SSOP (Sanitation Standard Operating Procedures)

identified during spot checks were ≤ 0 ; and Anjoy's own bases produced a total of 114,898 batches of products, with a 100% pass rate in factory inspection testing, and issued 3,346 batches of type inspection reports. Anjoy consistently implements legal, regulatory, and standard requirements throughout all operational stages, including R&D, procurement, production, transportation, and quality monitoring, fully disclosing its internal control systems and various food safety measures in its annual ESG reports. It accepts oversight from all sectors of society with an open and positive attitude, setting a benchmark for quality management in the industry.

Full-Chain Green Operations and Ecological Protection

Anjoy Foods deeply integrates the concept of sustainable development into the entire process of production and operation. In its ESG report released for 2025, Anjoy systematically advances environmental management across dimensions such as green operations, climate change response, cleaner production, water resource management, and energy utilization. As the first company in the frozen food industry to be recognized as a "National Enterprise Technology Center," Anjoy, while continuously expanding its production capacity, consistently reduces per-unit energy consumption and emissions through equipment upgrades and process optimization, taking concrete actions to protect the environment and demonstrating an industry leader's responsibility and guidance in environmental stewardship.

In 2025, Anjoy's wastewater treatment facilities operated normally, with all treated wastewater meeting the discharge standards required by the pollutant discharge permit, achieving 100% compliant discharge as required.

Taizhou Anjoy and Wuxi Minsheng obtained ISO 50001 energy management system certification. Anjoy continues to promote the application of clean energy and optimize its energy structure through multiple measures, including photovoltaic construction, green electricity trading, and the outsourced procurement of steam generated from biomass



straw combustion, comprehensively driving the company's low-carbon transformation. Anjoy has established quantitative targets to reduce greenhouse gas emissions and discloses the progress toward these targets. To optimize its energy structure and advance green development, the company actively deploys distributed photovoltaic projects through a dual model of "self-construction" and "cooperation."

Anjoy actively participates in market-based green electricity trading and environmental rights trading. In 2025, Anjoy Foods purchased 3,667 MWh of green electricity through the Beijing Power Exchange Center; subsidiaries Liaoning Anjoy and Shandong Anjoy participated in the carbon trading market by purchasing green electricity certificates (GECs) through the Beijing and Guangdong Power Exchange Centers, trading a total of 1,000 MWh of green electricity certificates and 1,000 GECs.

Protection of Women's Rights and the Convening of the First Women's Congress

Anjoy is committed to creating a more friendly and inclusive working environment for female employees. In November 2025, the company officially established its Women's Federation and convened its first congress, genuinely integrating care for women into institutional safeguards. The company regularly organizes diverse cultural activities, such as special events for International Women's Day and initiatives focused on the physical and mental health of female employees, continuously enriching their workplace experience and enhancing their sense of belonging and well-being. To improve employee health benefits, the company from time to time organizes breast cancer and cervical cancer screening for female employees of appropriate age, enabling early diagnosis and treatment and enhancing health awareness and self-protection consciousness. Furthermore, the company's Employee Handbook stipulates that salaries during prenatal check-up leave, maternity leave, and breastfeeding leave are pre-paid according to the wage standard, effectively safeguarding the special rights and interests of women.





Junlebao Dairy Group: Green Leadership, A Low-Carbon Dairy Benchmark*

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

Junlebao Dairy Group, headquartered in Shijiazhuang, Hebei Province, is a comprehensive dairy group integrating forage cultivation, dairy farming, and dairy product R&D, production, and sales. Its business spans the entire industrial chain, including infant formula, yogurt, low-temperature fresh milk, ambient liquid milk, as well as dairy cattle breeding, animal husbandry, and the forage industry. As a national key leading enterprise in agricultural industrialization, Junlebao has established no fewer than 20 production plants and 33 standardized large-scale ranches across the country, with a dairy cow herd exceeding 190,000 head. Demonstrating outstanding ESG performance, Junlebao has been listed on the Hurun Global Unicorn Index and has received multiple honors, including the "Innovative Practice Case" at the 2025 Corporate ESG Development Forum, the "Innovation and Sustainability Award" from cls.cn, and the "Annual Social Responsibility Benchmark" from Caijing.com. Leveraging its proprietary strain bank of over 1,000 lactic acid bacteria strains, Junlebao ranked second in market share for low-temperature yogurt in 2024, and its brand "Jianchun" is the No. 1 brand in the low-temperature yogurt category.

BRCGS A+ CERTIFIED

BRCGS AA+ CERTIFIED

IFS CERTIFIED

Junlebao is the world's first infant formula manufacturer to achieve BRCGS A+ certification, and subsequently obtained BRCGS AA+ and IFS certifications. In 2018, Junlebao was honored with the "China Quality Award Nomination Award" by the State Administration for Market Regulation, becoming one of the first dairy enterprises to receive this distinction.

Full-Industry-Chain Green Circular Economy, Setting a Low-Carbon Benchmark for the Dairy Industry

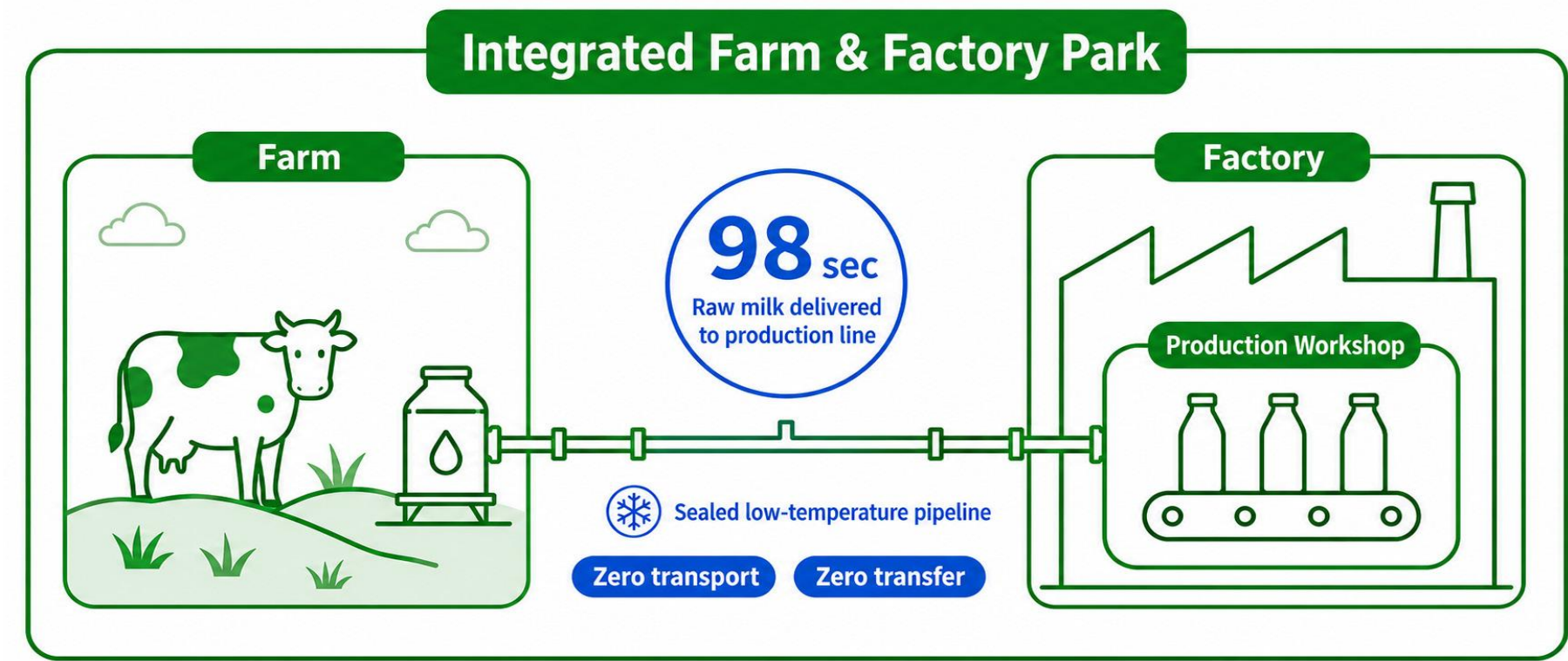
Junlebao has elevated "sustainable development and carbon reduction" to a corporate strategy. In upstream dairy farming, it promotes a model integrating agriculture and animal husbandry with resource recycling, establishing an ecological cycle system of "planting grass in fields, feeding cows with grass, cows producing milk, manure returning to fields, and biogas for power generation." For example, in the Bashang grassland area of Zhangjiakou, land transfer has enabled the return of farmland to grassland, fostering synergistic development between the forage and dairy industries. In ranch operations, resource-based treatment is implemented, with comprehensive utilization methods such as using biogas residue as backfill for cow bedding, replacing chemical fertilizers with biogas slurry, and using biogas for power generation. At well-established large-scale ranches with over 10,000 cows, biogas power generation projects can produce more than 10 million kWh of clean electricity annually. Additionally, the Group's Qizhi milk powder factory has innovatively situated the pasture within the grassland and



built the factory within the pasture, enabling fresh milk to be transported directly to the processing workshop in 98 seconds via sealed pipelines, achieving "zero transportation and zero transfer" and cutting transportation carbon emissions at the source.

In manufacturing, the company continuously advances the development of green factories and energy management systems, establishing and optimizing an energy management system benchmarked against the ISO 50001 international standard. It has formed a three-tier energy management structure of "Group – Business Division – Factory" and drives refined energy-saving management through a digital energy management platform that collects and analyzes energy data in real time. To date, five of Junlebao's factories have been recognized as national-level green factories, and two as provincial-level green factories. To save energy and reduce carbon during production, the company continuously implements projects such as steam system optimization, waste heat recovery, condensate recovery, energy-saving equipment retrofits, and automation control upgrades to lower thermal and electricity consumption. Simultaneously, the company actively deploys clean energy projects, including distributed photovoltaic power, biogas power generation, and biomass heating, propelling the low-carbon transition of its production processes.

In water resource management, Junlebao has established a management mechanism covering the entire process of water withdrawal, use, and discharge. It promotes water balance testing



and water-saving retrofits across factories, and widely implements measures such as reclaimed water reuse, cooling water recycling, concentrate recovery, and condensate recovery to continuously improve water utilization efficiency. As of now, 11 factories have been recognized as "water-saving enterprises."

In the field of green products and sustainable packaging, the company systematically advances packaging lightweighting, recyclability, and material optimization, continuously reducing packaging material usage and exploring the application of biodegradable materials in certain products. Concurrently, Junlebao collaborates with suppliers to reduce packaging material consumption and achieve low-carbon production, gradually refining its green supply chain system.

In logistics and transportation, leveraging its full-industry-chain synergy, Junlebao Dairy Group's Qizhi milk powder factory has pioneered the integrated model of "building the pasture within the grassland and the factory within the pasture." Through sealed low-temperature pipelines, fresh milk is transported with "zero transportation and zero transfer," reaching the production workshop in as fast as 98 seconds, thereby reducing energy consumption and carbon emissions from transportation at the source — making it an innovative practice case of green manufacturing in the dairy industry. Furthermore, Junlebao actively collaborates with logistics partners such as SF Express to promote low-carbon transportation services. By optimizing transportation routes, coordinating green logistics, and improving transportation efficiency, it continuously reduces the carbon footprint of the product distribution stage.





SINO LONG New Materials: From a Leader in Membrane Materials to a Zero-Carbon Enabler

(SDG Goals: 2 – Zero Hunger; 7 – Affordable and Clean Energy; 9 – Industry, Innovation and Infrastructure; 11 – Sustainable Cities and Communities; 12 – Responsible Consumption and Production; 13 – Climate Action)

Sinolong New Materials demonstrated strong momentum in sustainable development in 2025. As a globally leading, eco-integrated membrane industry technology company, Sinolong New Materials focuses on the field of functional film materials, with a particular emphasis on green sectors such as new energy films and bio-based biodegradable films. It has built a "vertically and horizontally integrated, and relatedly diversified" membrane materials industrial ecosystem. Leveraging its globally leading production scale and technological innovation capabilities, the company continuously provides green technology materials for human health and environmental safety.

Debut of High-End Capacitor Film, Expanding Green Growth Boundaries

In November 2025, Sinolong New Materials' new energy film project, with a total investment of 2.5 billion yuan, officially commenced production. Its first independently developed new-generation BOPP capacitor film product, "Changsu High-Performance Capacitor Film," was unveiled, marking the company's official entry into the technically highly demanding field of new energy capacitor films. This product precisely meets the stringent requirements of sectors such as new energy vehicles, photovoltaics, and wind power, filling a supply gap for domestically produced high-end capacitor films. The newly commissioned production line has a width of 6.4 meters, the widest line in the domestic ultra-thin new energy capacitor film sector, featuring internationally leading technology and further reduced per-unit energy consumption. Meanwhile, the company's global expansion is steadily advancing — its first overseas production base in Indonesia commenced production in the second half of 2025, becoming a strategic foothold for penetrating the



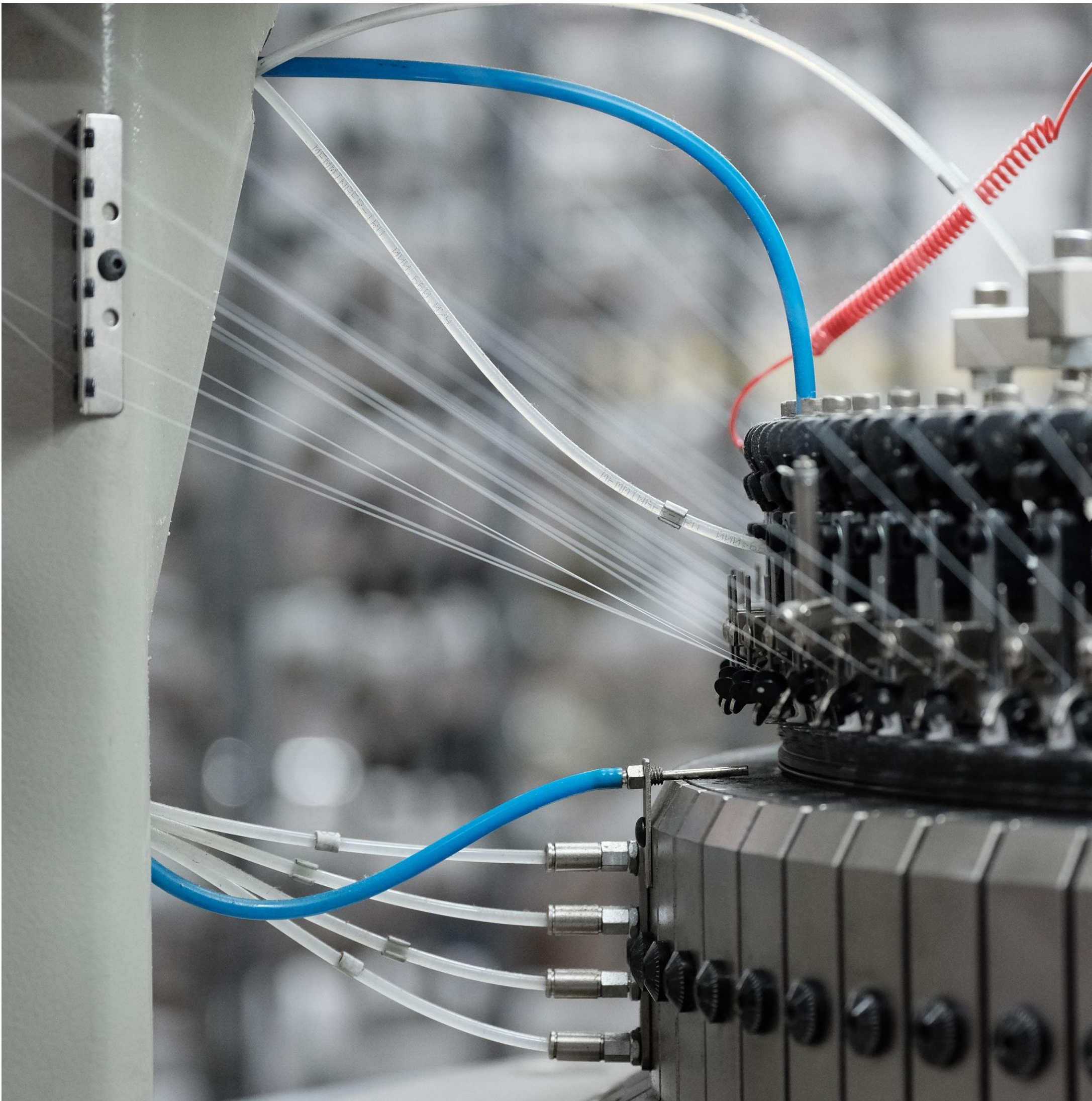
Southeast Asian market and optimizing global capacity allocation.

Overcoming "Bottleneck" Technologies, Strengthening the Foundation for Domestic Substitution

In 2025, Sinolong New Materials achieved multiple breakthroughs in technological innovation. The company is one of the very few globally that has mastered sequential stretching, mechanical simultaneous stretching, and magnetic levitation linear motor simultaneous stretching processes, and it has pioneered the fifth-generation low-carbon biaxial stretching technology. Backed by its strong technological accumulation, the company's core product, PHA lithium battery film, successfully overcame the "bottleneck" challenge posed by the nylon layer of aluminum-plastic films for pouch lithium batteries, achieving performance at the internationally leading level. It has smoothly entered the supply chains of CATL and BYD, providing critical material support for the self-sufficiency and controllability of the new energy industrial chain. In the area of intelligent manufacturing, the company focuses on energy conservation, carbon reduction, and efficient resource utilization. In 2024, it essentially achieved nearly 100% resource recycling, with per-unit product comprehensive energy consumption and greenhouse gas emissions decreasing year by year. Its overall emission control level meets the highest industry standards, and it has obtained numerous national-level certifications and honors, including "National Green Factory."

Leading the Formulation of the National Standard for BOPLA, Promoting the Standardized Development of Biodegradable Materials

On May 1, 2025, the "GB/T 44824-2024 Biaxially Oriented Polylactic Acid Film National Standard," drafted under the leadership of Changsu Industry, a subsidiary



of Sinolong New Materials, officially came into effect. This marks a new stage of standardized and large-scale development for biodegradable materials in China. As the first company in China to achieve large-scale mass production of BOPLA, Sinolong New Materials has consistently played a key driving role in the industry's green transformation — from being the first to break through industrialization bottlenecks, to cultivating diversified applications in the end-user market, and then to leading the formulation of national standards. Its bio-based biodegradable product series, "Bionli," has already been applied in sectors such as express logistics (environmental-friendly tapes for China Post) and aviation (in-flight food packaging for Air China, China Eastern Airlines, and China Southern Airlines), effectively contributing to the low-carbon transformation of downstream industries.





NEWJFPACK (Xinjufeng): Aseptic Packaging Industry Consolidator

(SDG Goals: 8 – Decent Work and Economic Growth; 9 – Industry, Innovation and Infrastructure; 12 – Responsible Consumption and Production)

NEWJFPACK specializes in the R&D, production, and sales of aseptic packaging. Its core product uses base paper as the substrate, which is formed through a multi-layer lamination process incorporating polyethylene, aluminum foil, and other materials, enabling the filling and sealing of liquid food in an aseptic environment. Compared with traditional packaging, aseptic packaging offers advantages such as requiring no refrigeration, extended shelf life, light and heat barrier properties, and being lightweight and low-carbon. It is widely used in the liquid milk and non-carbonated soft drink sectors, significantly reducing the environmental footprint of downstream cold chain transportation and end-point storage while extending the shelf life of food products.

As one of the few domestic enterprises to achieve large-scale production of aseptic packaging in China, NEWJFPACK operates production bases and complete production lines benchmarked against international standards. It is a council member of the China Packaging Federation and a corporate member of the Dairy Association of China. The company has obtained ISO 9001 quality management, ISO 14001 environmental management, ISO 45001 occupational health and safety management, and FSSC 22000 food safety management system certifications. Backed by its stable and reliable product strength, NEWJFPACK has entered the supply chains of multiple leading domestic dairy and beverage enterprises, building a solid quality reputation and market trust within the industry.



ISO 9001 Quality Management



FSSC C22000 Food Safety Management



ISO 45001 Occupational Health and Safety Management



ISO 14001 Environmental Management

In 2025, on the product front, NEWJFPACK remained committed to reducing the environmental footprint through technological R&D. Despite facing the challenge of raw material price fluctuations in 2025, the company steadfastly advanced capacity-building projects such as the "5 Billion Pack Aseptic Packaging Material Production Project," relying on advanced production processes to reduce per-unit energy and resource consumption. The aseptic packaging produced by the company effectively extends the shelf life of liquid milk and non-carbonated soft drinks, substantially reducing cold chain energy consumption and food waste in the downstream food industry — representing its greatest implicit contribution to environmental emission reduction as a packaging enterprise.

NEWJFPACK ’s sales share in China’s aseptic packaging market rose to >20%

2025 was a pivotal year for NEWJFPACK to deepen its industry leadership. The company successfully completed the controlling integration of the Hong Kong-listed company Fenmei Packaging. This major acquisition was not merely a capital market transaction, but also an embodiment of social value. Through this integration, NEWJFPACK 's sales volume share in the domestic aseptic packaging market rose to over 20%, breaking the long-standing highly monopolistic landscape dominated by international giants and significantly enhancing the self-sufficiency and controllability of China's aseptic packaging industry chain. During the integration process, the company placed great emphasis on employee stability and cultural integration, ensuring a smooth transition for Fenmei's original team through optimized promotion mechanisms and incentive measures, thereby fostering stability in the job market and the healthy flow of industry talent.

In 2025, NEWJFPACK demonstrated forward-looking strategic resolve, particularly at the corporate governance level. In response to the call for high-quality development in the capital market and the new Company Law, NEWJFPACK decisively initiated the restructuring of its governance framework during the year. The core achievement was the abolition of the board of supervisors, with the Audit Committee of the Board of Directors fully assuming supervisory functions, and the simultaneous revision of the Company's Articles of Association and 31 internal governance policies. This reform

not only streamlined the decision-making chain but also strengthened the central role of the Audit Committee in financial disclosure, internal risk control, and compliance review, reflecting its determination to align with the governance standards of mature international capital markets. Furthermore, the company further refined its compensation management system and investor communication mechanisms (such as formulating the "Internal Review System for Information Release and Reply on the Easy IR Platform"). Across governance dimension sub-items, its scores in shareholder rights and governance structure significantly outperformed the industry average, effectively safeguarding the interests of minority shareholders.



Honors And Recognition

4.1 Portfolio Company Honors

4.1 Portfolio Company Honors

Junlebao

Selected for Xinhua Net's "2025 Corporate Social Responsibility & ESG Practice Cases"

In August 2025, Junlebao stood out for its "germplasm – production – consumption" full-chain green innovation model. The judging panel recognized the company for "driving rural revitalization with new quality productive forces in the dairy industry and restructuring the industrial value chain through technology-driven carbon reduction," providing a systemic ESG solution for China's dairy sector.

Wins the "Innovation and Sustainability Award" from cls.cn

In December 2025, Junlebao received the "Innovation and Sustainability Award" from cls.cn (Cailianshe) in recognition of its systematic practices in the fields of innovation and sustainability.

Selected as a "Typical Case of Green Agricultural Development (Third Batch)" by the Ministry of Agriculture and Rural Affairs

In July 2025, Junlebao was selected as a "Typical Case of Green Agricultural Development (Third Batch)" by the Ministry of Agriculture and Rural Affairs. The company was recognized for turning its ranches' waste into resources, forming a complete ecological closed loop of "planting grass in fields, feeding cows with grass, cows producing milk, manure returning to fields, and biogas for power generation," providing a replicable and vivid model for the green transformation of agriculture.



Anjoy Foods

Honored as a National Key Leading Enterprise in Agricultural Industrialization (2025-2026) by the Ministry of Agriculture and Rural Affairs



Designated as a "Consumer Confidence Commitment Unit" by the Xiamen Consumer Protection Commission

 ANJOY FOODS

2025 Xiamen Assured Consumption Initiative

Assured Consumption Commitment Unit

★ Commitment Details ★

 **Quality Assurance**

Strictly control raw material procurement, production and processing, cold-chain storage and transportation, and finished-product inspection to ensure food safety and stable quality. We do not sell counterfeit or substandard goods, expired or spoiled products, or any unqualified food products.

 **Integrity Assurance**

Adhere to truthful publicity and clearly marked prices without misleading consumers; operate in accordance with the law, uphold honesty and integrity, and earnestly fulfill all commitments to consumers.

 **Service Assurance**

Maintain smooth consumer feedback and complaint channels; provide standardized, timely, and attentive after-sales service; efficiently handle consumer disputes; and protect consumers' lawful rights and interests in accordance with the law.

 **Other Assurances**

Proactively accept public supervision, continuously optimize the consumer experience, and actively foster a safe, trustworthy, and satisfying consumption environment.

 **Committing Entity:**

Anjoy Foods

 **Honorary Title:**

Assured Consumption Commitment Unit

 **Issuing Authority:**

Xiamen Consumer Rights Protection Committee

 **Awarded:**

2025

 **Consumer Complaint Hotline:**

12315

★ ★ ★

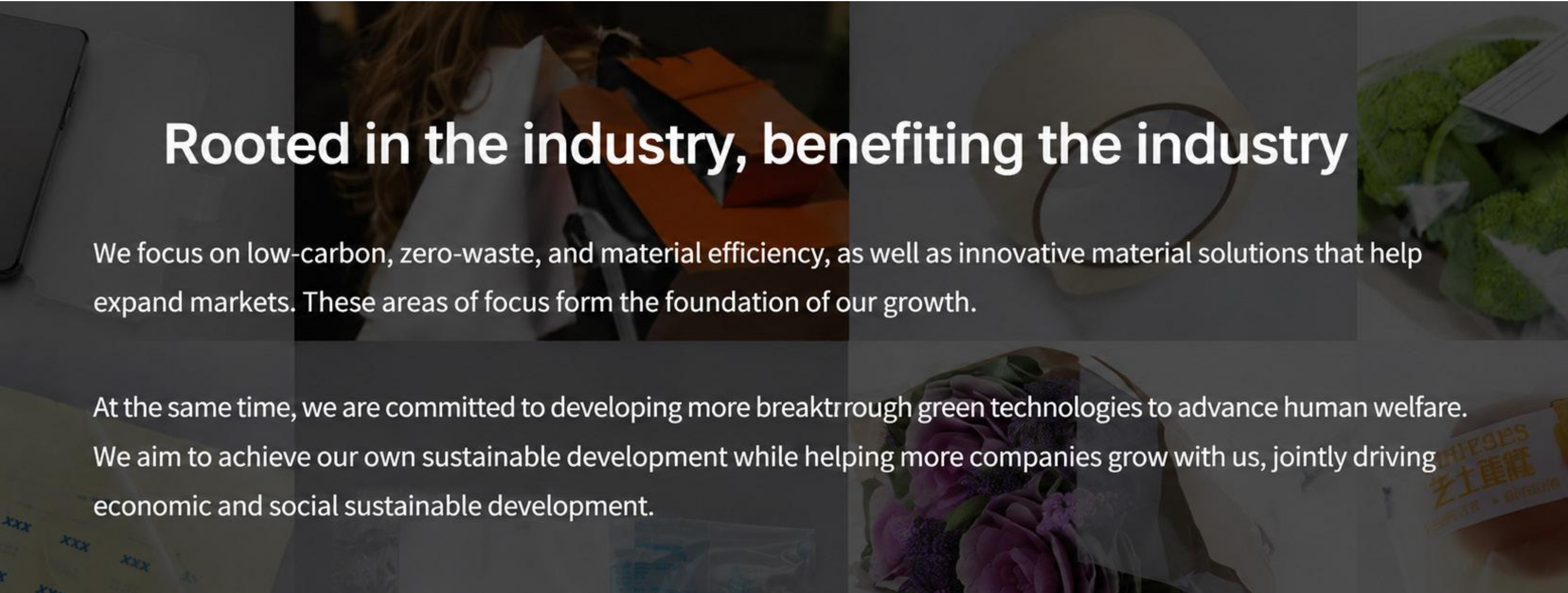
Products Win "Best Innovative Technology Award" and "Best Creative Product Award" at the Jiangnan University Innovation & Creativity Event



SINOLONG New Materials

Recognized by the Ministry of Industry and Information Technology as a "National Green Factory," "National Green Supply Chain Management Enterprise," and "National Green Design Product"

As a company contributing to the global low-carbon economy, SINOLONG New Materials has embedded the concept of sustainable development throughout its entire business chain. By upgrading production technologies for AMPS/ATBS and establishing a green production system, the company continuously reduces its environmental impact. Leveraging its specialized operations and sustainable development strategy, SINOLONG New Materials has been honored with national-level accolades including "National Green Factory," "National Green Supply Chain Management Enterprise," and "National Green Design Product."





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