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2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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About SpringSnow Food Group

Spring Snow Food Group Co., Ltd. (Spring Snow Food, 605567.SH) is located in Laiyang City, Shandong Province. It specialises in the research and development, production, processing and sales of white-feathered broiler chicken products, supported by broiler slaughter and commercial broiler breeding. The Company strives to become a leading enterprise in China's chicken prepared food segment. It owns two core brands: "Spring Snow Food" and "Shangxian", with "Shangxian" ranking first in JD.com's poultry category for seven consecutive years.

Over more than 30 years, Spring Snow Food has leveraged its geographical advantages and pursued high-quality development, becoming a leader in prepared food in Laiyang, known as "China's No.1 City of Prepared Dishes".

Adhering to a strong sense of social responsibility and mission, the Company has aligned with national development strategies since its establishment, upholding high standards and strict requirements to pursue high-quality development. It has been awarded honours including National-level Enterprise Abiding by Contracts and Valuing Credit, Top 20 Poultry Enterprises in China's Meat Industry, and Demonstration Enterprise for Export Food "Same Line, Same Standard, Same Quality". It enjoys high reputation and market share in the chicken prepared food sector and has grown into a leading processor of chicken prepared food.

Domestically, the Company is a long-term supplier to supermarkets, fast-food chains, convenience stores, e-commerce platforms, food processors and wholesalers, including Walmart, CR Vanguard, Yonghui, RT-Mart, Sanjiang Shopping, Liqun, Jiajia Yue, Beiguo, Dicos, FamilyMart, JD.com and Tmall. Its export markets cover more than 20 countries and regions including Japan, the EU, the UK, the Middle East and Central Asia.

Vision

Becoming the leader in the high-quality cooked white feather chicken product segment in China.

Core Values

Delight Customers, Empower Employees; Benefit Society, Reward Shareholders.



Strategic Positioning of the Company

Specialising in the research, development, production, and sales of white-feathered chicken-based food products, the Company is committed to becoming the market leader in China's prepared chicken products sector.



List of Honours

Nationally Qualified Products for Stable Quality Inspection

China Quality Inspection Association

2025 "China's Influential Meat Enterprise"

China Animal Husbandry Influence Organising Committee, Meat Food Network, Modern Animal Husbandry Network

2025 "China's Influential Broiler Enterprise"

China Animal Husbandry Influence Organising Committee, Meat Food Network, Modern Animal Husbandry Network

2025 "China's Influential Broiler Brand"

China Animal Husbandry Influence Organising Committee, Meat Food Network, Modern Animal Husbandry Network

2025 China Top 100 Prepared Food Enterprises

iiMedia Research

2025 China Top 500 Domestic Consumer Brands

iiMedia Research

2025 IDC China Future Enterprise Award – Excellence Award

International Data Corporation (IDC)

2025 China Top 100 Listed Companies in Governance

China Corporate Governance 50 Forum

2025 Top 50 Overseas-Listed Companies in Governance

China Corporate Governance 50 Forum

● Environment, Social and Governance

Guided by its core values of "Satisfy customers, empower employees; benefit society, reward shareholders", the Company has established transparent communication channels and mutually trusted partnerships with stakeholders. By aligning with key stakeholder expectations, it identifies material Environmental, Social, and Governance (ESG) issues, clarifies internal responsibilities, implements priority management initiatives, and drives high-quality development through positive environmental and social impacts.

Governance structure

In accordance with the *Corporate Governance Guidelines for Listed Companies* and the *Shanghai Stock Exchange Listing Rules*, Spring Snow Food continuously promotes the development of its ESG system. To ensure directors and senior executives effectively oversee ESG management, the Company integrates ESG into its governance structure, building a three-tier framework: Decision-Making – Management – Execution.



In addition, the Company has incorporated ESG KPIs into annual executive performance contracts for senior management, aligning with its business characteristics and sustainability objectives. Tailored ESG weighting is assigned to individual executives based on their governance responsibilities across ESG matters, incentivising proactive leadership in advancing corporate sustainability.

Stakeholder Engagement

To better identify ESG priorities among stakeholders, we maintain regular dialogues with internal and external parties including employees, senior leadership, investors, clients, suppliers, government bodies, and other organisations. This engagement informs the establishment of performance metrics and targets aligned with material ESG topics.

Key Stakeholders and Communication Methods

| Key Stakeholders | Key Concerns | Communication Methods |
|---|---|--|
| Investors | Corporate governance, business ethics, risk management | Shareholder meetings, financial reports, performance reports, roadshows |
| Clients/Customers | Business ethics, food safety, product quality, employee health & safety, environmental protection | Product exhibitions, customer surveys, technical seminars, B2B engagement, customer helplines, customer satisfaction surveys |
| Employees | Business ethics, talent attraction & retention, talent development, employee health & safety | Staff events, corporate intranet, employee training programmes, self-service HR systems, staff handbooks, internal newsletters |
| Government & Regulatory Bodies | Corporate governance, risk management, business ethics, food safety, product quality, employee health & safety, support for local agricultural development, environmental protection, tax practices | Official inspections, formal correspondence, policy compliance, information disclosure |
| Business Partners | Business Ethics, Supplier Management, Support for Local Agricultural Development, Environmental Protection | Public tender meetings, strategic collaboration negotiations, reciprocal visits, and related engagements |

Materiality Analysis

In 2025, in accordance with the requirements of Chapter 2 'Identification and Analysis of Material Issues' of the 'Shanghai Stock Exchange Listed Company Self-Regulatory Guide No. 4 – Sustainability Report Preparation (No. 1 General Requirements and Disclosure Framework)', and taking into account the industry characteristics and business layout of Spring Snow Food's livestock and poultry processing and global export operations, the Company developed a dual-materiality (financial materiality + impact materiality) identification process as follows:

Step 1: Business background research and stakeholder demand analysis

As the foundation of identification, the Company comprehensively reviews internal and external operating backgrounds, accurately identifies stakeholders' core concerns, and clarifies the boundaries and focus of issue identification.

| | |
|--------------------------------------|--|
| Internal business review | Analyse the Company's business plans, development strategy and financial statements, review the whole-value-chain business process of livestock and poultry breeding, processing and export, and clarify the operational characteristics and resource allocation of domestic production bases and overseas target markets. |
| External environment analysis | Track ESG regulatory policies in the food industry, overseas trade compliance rules (e.g., SEDEX, GSLR), and benchmark against peers' global ESG compliance practices to identify common and differentiated risks and opportunities. |
| Stakeholder research | Through interviews, questionnaires and discussion meetings, collect the demands of stakeholders such as investors, overseas customers, regulators, upstream and downstream suppliers, and employees, with a focus on ESG compliance, food safety and labour standards in global operations. |

Step 2: Establish an initial list of dual-materiality issues

Based on the 21 basic issues set out by the SSE guidelines, supplemented by the Company's food processing industry characteristics and global ESG compliance business features, the Company adds self-identified issues to form an initial issue list.

| | |
|---------------------------------|--|
| Basic issues inclusion | Directly include the 21 basic issues from the SSE guidelines across environmental, social and governance dimensions, focusing on issues highly relevant to the food industry such as food safety, labour rights, anti-commercial bribery, and climate change response. |
| Featured issues addition | Considering the global export business, add featured issues with financial or impact materiality such as overseas ESG compliance audits, international market access qualifications, overseas labour standards adaptation, and geopolitical compliance risk response. |
| Initial list compilation | Clearly define each issue, map its relationship with the Company's business, and exclude issues not substantially related to the Company's operations. |

Step 3: Dual-materiality assessment (financial materiality and impact materiality)

For each issue in the initial list, conduct quantitative and qualitative assessments from both financial materiality and impact materiality dimensions, considering short-term (within 1 year), medium-term (1-5 years) and long-term (over 5 years) time horizons, to determine the substantive impact on the Company.

| | |
|---|--|
| Financial materiality assessment | Impact materiality assessment |
| <p>Determine whether the issue has a significant impact on Spring Snow Food's business model, operations, financial position, operating results, cash flow, etc. Key assessment points include:</p> <ol style="list-style-type: none"> Whether the issue affects the proportion of overseas revenue, overseas order acquisition, and the pace of global market expansion; Whether the issue leads to changes in global ESG compliance costs, financing costs and financing methods; Whether the issue affects the stability of the Company's supply chain, production efficiency and brand commercial value. | <p>Determine whether the Company's performance on the issue has an actual or potential significant impact on the economy, society and environment. Key assessment points include:</p> <ol style="list-style-type: none"> Whether the issue affects labour rights, community development and industry business environment in overseas business locations; Whether the issue affects the implementation of global ESG compliance standards in the food industry and the development of the industry ecosystem; Whether the issue has a cascading impact on the sustainable development of the Company's upstream and downstream value chain. |

Step 4: Issue prioritisation and final confirmation

Based on the dual-materiality assessment results, the issues are prioritised, resulting in 8 core material issues (marked with * in the table below) and 3 general material issues. The final list is confirmed after internal review by the Company and serves as the basis for sustainability report disclosure and ESG management.

| | |
|---|---|
| Prioritisation criteria | Issues that are both financially material and impact-material are classified as core material issues; issues that have only one of the materialities with significant impact are classified as general material issues; issues with neither are excluded. |
| Internal review and confirmation | The issue prioritisation results are submitted to the Board of Directors and relevant ESG management departments for review and adjustment. |
| Disclosure and application | Core material issues are disclosed in detail according to the SSE's four elements ("Governance – Strategy – Impact, Risk and Opportunity Management – Metrics and Targets") and are included in the Company's annual ESG management priorities. General material issues are disclosed in a simplified manner as part of routine management. |

Step 5: Dynamic update and documentation

Following the SSE guidelines, the Company establishes a dynamic update mechanism for the issue list and properly retains all documents from the identification and assessment process to ensure traceability and verifiability.

Dynamic update

If there are significant changes in Spring Snow Food's business model, overseas market presence, industry regulatory policies, or stakeholder demands, the Company promptly re-initiates issue identification and assessment and updates the material issue list; if no significant changes occur, the full identification process need not be repeated annually.

Document retention

Retain background research materials, stakeholder survey records, dual-materiality assessment worksheets, internal review documents, and other relevant materials as a basis for internal information traceability and third-party verification/assurance.

Management integration

Link the final material issue list with the Company's ESG strategy, risk management system and performance appraisal system to drive implementation.

| ESG Theme | Issue Category | Specific Issue | Financial Materiality (Level + Basis) | Impact Materiality (Level + Basis) | Impact Period and Degree |
|------------------|----------------|--|--|--|---|
| Quality Products | Featured | *Antibiotic-free/ Reduced-antibiotic farming | High; antibiotic-free products have obvious premium advantages, which can significantly increase revenue. At the same time, the company can obtain special government policy subsidies; product competitiveness continues to strengthen, effectively supporting access to the high-end market, and the proportion of orders from high-quality channels such as Sam's Club and Europe is steadily increasing. | High; reduces animal-derived bacterial resistance, 6 bases have obtained EU GSLR certification, promoting the upgrading of industry breeding standards; drives the transformation of surrounding farmers, in line with green agriculture policies. | Short-term: High (premium revenue increase, high-end channel expansion); Medium-term: High (cost reduction through technological iteration, large-scale transformation of farmers); Long-term: High (output of industry standards, leading healthy consumption) |
| | Basic | *Product quality and food safety | High; it is an important support for the company's core revenue and export business, which can effectively reduce after-sales related costs, and the products have a stable premium space. | High; covers a wide range of consumer groups, participates in the formulation of group standards, and the government sampling pass rate is 100%, enhancing industry credibility. | Short-term: High (ensuring stable orders); Medium-term: High (efficiency improvement through AI quality control); Long-term: High (premium from reputation accumulation) |
| | Featured | *Consumer health and rights protection | High; the repurchase rate of core customers is significantly higher than the industry average, and a good brand reputation provides strong support for revenue growth. | High; the full-chain traceability system ensures food safety, and antibiotic-free products meet the demand for healthy consumption. | Short-term: High (increase in repurchase rate); Medium-term: Moderate (optimisation of traceability system); Long-term: High (brand value accumulation) |

| ESG Theme | Issue Category | Specific Issue | Financial Materiality (Level + Basis) | Impact Materiality (Level + Basis) | Impact Period and Degree |
|---------------------------|----------------|---|--|---|--|
| Value Chain Collaboration | Featured | *Digital and intelligent governance | High; the effect of cost reduction and efficiency improvement is remarkable, and it is one of the core driving forces for the company's net profit growth. | High; won industry-related digital transformation awards, extensively carried out digital training for employees, and promoted the process of industry digital transformation. | Short-term: High (cost reduction takes effect); Medium-term: High (scenario expansion); Long-term: High (ecological empowerment) |
| | Basic | *Supply chain collaboration | High; ensures the stable release of the company's production capacity, effectively avoids losses caused by supply chain disruptions, and the domestic supply chain has obvious cost advantages. | High; drives employment for more than 2,000 farmers, with support funds exceeding 4 million yuan, helping rural revitalisation. | Short-term: High (supply chain stabilises production capacity); Medium-term: High (cost reduction through digital collaboration); Long-term: High (ecological layout) |
| Environmental Management | Basic | *Pollution prevention and control | High; can effectively avoid large-scale environmental penalties, provide compliance support for export business, and the level of environmental protection investment control is better than the industry average. | High; emission indicators are better than national standards, awarded the title of "Yantai Green Factory", improving the regional ecology and community environment. | Short-term: High (ensuring compliant operation); Medium-term: Moderate (cost reduction through equipment upgrading); Long-term: High (establishing an industry environmental protection benchmark) |
| | | *Resource management (energy, water) | High; can significantly save various resource consumption costs, avoid potential future carbon tariff-related expenditures, and improve the convenience of corporate financing. | High; responds to the "dual carbon" goal and promotes the upgrading of the industry's efficient resource utilisation model. | Short-term: Moderate (cost savings take effect); Medium-term: High (efficiency improvement through renewable energy application); Long-term: High (valuation empowerment through carbon management) |
| | Featured | Renewable energy use and carbon emission management | Moderate; large-scale application of renewable energy in the medium term can achieve significant cost savings, and at the same time improve ESG rating to reduce financing costs. | High; the effect of carbon emission control is better than the annual target, helping the regional "dual carbon" implementation. | Short-term: Moderate (pilot application); Medium-term: High (cost reduction through scale); Long-term: High (revenue realisation through carbon trading) |
| Steady Operation | Basic | *Compliance management | High; export growth momentum in core overseas markets is strong, with outstanding foreign exchange earning capacity, and non-compliance will lead to significant order losses. | High; export filing rate is 100%, helping to stabilise foreign trade growth, promoting the upgrading of industry international compliance standards; adapting to ESG standards in different regions, integrating international compliance resources, and enhancing the company's international credibility. | Short-term: High (compliance expands market, cost control); Medium-term: High (standard localisation, gross profit margin improvement); Long-term: High (industry standard leadership, international credibility accumulation) |
| | | Labour rights | Moderate; SEDEX system compliance ensures the acquisition of overseas orders and avoids losses from compliance breaches. | High; complies with international labour standards, enhances the international image of Chinese poultry enterprises, and promotes the standardisation of international labour management in the industry. | Short-term: Moderate (obtaining orders through compliance); Medium-term: High (localisation adaptation); Long-term: High (establishing international reputation) |
| | Basic | ESG risk management | Moderate; fully covers core ESG risks such as compliance, quality, and supply chain, which can effectively reduce various potential losses. | High; establishes a full-process risk control mechanism, providing a model for industry ESG risk management. | Short-term: Moderate (risk avoidance); Medium-term: High (system improvement); Long-term: High (model output) |

Premium Products

The Company adheres to the principle of "one prevention, two controls, three tests". It has established a "Self-Inspection and Self-Control System" that strictly regulates all links of the whole industrial chain – from drug procurement and use, feed processing, management of contracted farms, slaughtering and processing, procurement of raw and auxiliary materials, cooked product processing, storage, cold-chain transportation, and inspection/testing – clearly defining tasks and responsibilities to ensure seamless coverage of food safety throughout the entire process.

| | |
|--|----|
| Antibiotic-free/Reduced-antibiotic Farming | 11 |
| Product Quality and Food Safety | 14 |
| Consumer Health and Rights Protection | 19 |



Antibiotic-free/Reduced-antibiotic Farming

| Indicator | Target | Progress in Reporting Period |
|----------------------------------|---|--|
| Antibiotic use | Reduce by 5% per year | Reduced by 7.1% |
| Farm certification | Promote EU Global GAP certification for farms | 6 farms obtained EU Global GAP certification |
| Feed conversion rate improvement | Increase by 2% | Increased by 1.3% |

Antibiotic-free products have a premium advantage and are a core driver of the Company's revenue growth. Reduced-antibiotic farming reduces veterinary drug costs and losses from excessive drug residues; some farms have been recognised as pilot 达标 farms for reduction, securing government subsidies that directly improve profitability. This farming model facilitates access to high-end markets, with the share of orders from relevant channels steadily increasing. It delivers notable short-term revenue gains, can further reduce costs and improve efficiency through technological iteration in the medium term, and can export industry standards to expand profit sources in the long term.

The Company responds to the Ministry of Agriculture and Rural Affairs' "National Action Plan for Reducing the Use of Veterinary Antimicrobials", reducing the risk of antimicrobial resistance in animals and protecting the ecological environment and public health, which aligns with the dual-materiality requirements of the environmental dimension. Six farms obtained EU GSLR certification, promoting the upgrading of broiler industry farming standards. The promotion of antibiotic-free farming technology encourages surrounding farmers to transform, supports green agriculture development and rural revitalisation, and benefits more than 5 million consumers of healthy food.

● Governance

The Company has set up an Antibiotic-free Farming Management Group, led by the production deputy general manager and comprising staff from the farming, R&D, quality inspection and procurement departments. The farming department is responsible for implementing antibiotic-free farming processes, the R&D department works on alternative technologies, the quality inspection department tests drug residue indicators, and the procurement department secures the supply of antibiotic-free feed.

The Company has formulated the "Antibiotic-free Farming Operation Specifications", providing special training and assessment for farmers. It has established a drug residue testing ledger for the farming stage, with mandatory testing for each batch of broilers before slaughter. The reduction in antibiotic use and the pass rate of antibiotic-free products are incorporated into the farming department's assessment, and a "reduction achievement reward" mechanism is implemented. Regular compliance audits of antibiotic-free farming are carried out to ensure processes are followed.

● Strategy

Through policy interpretation, technical research and market analysis, the Company systematically identifies the core risks and opportunities of this issue. Risks include increased broiler morbidity due to immature alternative technologies, cost fluctuations of antibiotic-free feed, and upgrading international antibiotic-free standards. Opportunities include the expansion of the antibiotic-free food market, government subsidies for reduction, and the commercialisation of antibiotic-free farming technology.

In response to these risks and opportunities, the Company has set phased development goals: in the short term, to promote antibiotic-free certification for more farms and increase the substitution rate of alternative products; in the medium term, to develop proprietary alternative technologies to reduce costs and raise the proportion of antibiotic-free product sales; and in the long term, to build a standardised system for antibiotic-free farming, export technology and experience to the industry, and establish a benchmark brand for antibiotic-free poultry meat.

From a financial perspective, although short-term investment in alternative products increases costs, the premium income from antibiotic-free products and government subsidies cover the expenditure and generate additional revenue. In the medium term, the application of proprietary alternative technologies effectively reduces substitution costs and further improves the gross margin of antibiotic-free products. In the long term, technology export from the standardised system can create new technical service income, helping the Company expand its profit sources.

● Impact, Risk and Opportunity Management

The Company has formulated a series of management measures, including establishing a project library for alternative technology R&D and prioritising core technologies, signing long-term agreements with feed suppliers to lock in antibiotic-free feed prices, tracking international antibiotic-free standard developments and adjusting farming plans in advance, and providing antibiotic-free farming insurance to cooperative farmers to reduce morbidity-related risks.

Feed R&D

The Company complies with Ministry of Agriculture and Rural Affairs Announcement No. 194, ensuring that feed does not contain growth-promoting antibiotics. Based on the nutritional needs of broilers at different growth stages, physiological functions and seasonal changes, it has developed specialised feed formulas, dynamically adjusting ratios according to actual raw material quality. It widely adds vitamins, amino acids, probiotics and other biotechnological products, combined with advanced fermented soybean meal technology, to effectively ensure balanced nutrition, improve disease resistance and survival rates, and thereby increase feed conversion rates.

During the reporting period, the Company developed "cracked + pellet" feed. By mixing cracked corn with pellet feed, it stimulates the development of the broiler's muscular stomach, enhances digestion and absorption, speeds up feed intake, promotes growth, reduces the feed conversion ratio to save feed costs, and also reduces pelleting energy consumption and increases gizzard added value, comprehensively improving farming economic benefits and production performance.

Farming Technology R&D

The Company focuses on building an effective biosecurity system. It has complete processes and technical specifications for chicken house construction, improving the house environment, precise feed nutrition, biosecurity measures, healthy farming management, and alternative technologies. It has mastered advanced domestic broiler farming technologies such as whole-house chick rearing in multi-tier systems, ventilation management in multi-tier systems, summer heat stress reduction in multi-tier systems, and broiler immunisation programme optimisation.

The Company adopts a "three-level veterinarian" management system: "resident veterinarians" guide and manage the farming process; "roving veterinarians" provide roving guidance, supervision and inspection of medication, immunisation, rearing and disease prevention on each farm; and the "chief veterinarian" is responsible for overall technical guidance and medication management, providing comprehensive technical support to farmers. Weekly technical meetings are held to discuss solutions to problems reported from the regions.

During the reporting period, the Company jointly carried out the Shandong Provincial Key R&D Plan (Rural Revitalisation Science and Technology Innovation Boost Action Plan) project "Integration, Innovation and Demonstration of Key Technologies for High-Efficiency and High-Value Broiler Production" with Shandong Agricultural University, Yantai University and the University of Jinan. Focusing on "precision feeding – cost saving and efficiency improvement, quality production – quality and efficiency enhancement", the expert team addressed key scientific problems and technical bottlenecks in efficient broiler farming and high-quality chicken production.



Medication Management

The Company, together with customers and third-party organisations, has established a strict control list of veterinary drugs for commercial broilers. It continuously carries out monitoring of veterinary drug residues in livestock and poultry products and surveillance of antimicrobial resistance in animal-origin bacteria, reducing and eventually stopping the use of antimicrobials (HPCIA) including enrofloxacin, erythromycin thiocyanate and ceftiofur in broiler farming. At the same time, it carries out research on antibiotic alternatives, using acidifiers, microecological preparations, etc., to reduce antibiotic use. It specifically improves feed and drinking water environments, providing animals with good living conditions and standards of living to enhance animal resistance.

During the reporting period, the Company stopped using erythromycin thiocyanate, tilmicosin and chlortetracycline, and continues to reduce the use of enrofloxacin, ceftiofur and other antimicrobials. Using two bacteriophages (against *E. coli* and *Clostridium perfringens*) as alternative products, the Company can replace more than 50% of the same class of antibiotics.

The Company has formulated a standard operating procedure for medication on farms, provides annual training on veterinary drug use, and requires all veterinarians to strictly comply with the "Animal Epidemic Prevention Law of the People's Republic of China". It conducts laboratory monitoring of veterinary drug residues on the day of slaughter and carries out harmless treatment of non-compliant broilers. The Company regularly provides training on veterinary drug-related laws and regulations, safe use standards, management of medicated broilers, and identification and screening of risky drugs, guiding farms to use veterinary drugs scientifically and properly. It also continues to promote the reduction of antimicrobial use on farms.

As of the end of the reporting period, the Company had conducted more than 30 special training sessions on veterinary drugs, covering over 500 farming practitioners. Two of its cooperative farms were awarded the title of "Shandong Province First Batch Pilot Compliance Farms for Veterinary Antimicrobial Use Reduction", and one farm was awarded the title of "Shandong Antibiotic-free Feed Product Experimental Farm".

As of the end of the reporting period

- the Company had conducted more than **30** special training sessions on veterinary drugs
- covering over **500** farming practitioners
- 1** farm was awarded the title of "Shandong Antibiotic-free Feed Product Experimental Farm"
- 2** of its cooperative farms were awarded the title of "Shandong Province First Batch Pilot Compliance Farms for Veterinary Antimicrobial Use Reduction"




Promotion of Four-Tier Stacked Farming Technology

Four-tier stacked farming is an efficient and intensive advanced farming method. By using vertical space, it increases land output per unit area, reduces environmental pollution from manure treatment and wastewater discharge, and is combined with automated environmental control and rearing management systems to maintain a stable and suitable farming environment, improving bird performance (e.g., egg production rate and growth rate), production efficiency and animal welfare. During the reporting period, the Company launched a support policy for four-tier stacked farming. Eight farmers adopted the technology, with a batch output of 1.392 million birds, an increase of 348,000 birds per batch compared with three-tier cage farming.

During the reporting period

- 8** farmers adopted the technology
- with a batch output of **1.392** million birds
- an increase of **348,000** birds per batch compared with three-tier cage farming



Research on Sex-Separate Feeding

Traditional mixed feeding cannot meet the specific needs of males and females in terms of growth rate, body size and nutritional requirements, leading to uneven resource allocation and affecting overall farming efficiency and product quality. To address this, the Company promotes a sex-separate feeding research project, adjusting feed formulas and rearing environments according to the different needs of male and female broilers, enabling more precise management of different sexes, improving feed conversion rates and production efficiency, thereby enhancing farming efficiency and product quality. During the reporting period, 16 farmers participated in the sex-separate feeding pilot project, with a farming scale of 1.316 million birds.

Exploration of Domestic Breed Farming

To gradually reduce dependence on imported breeding stock, enhance the autonomy of breeding sources, and ensure the stable development of the broiler industry, the Company continues to trial-raise new domestic broiler breeds. It records in detail data on chick growth, feed consumption and disease occurrence, analyses the trial results against other houses, and actively explores chick rearing technologies such as feed ratios, disease prevention and treatment. It also receives state subsidies for domestic chicks, providing strong support for the Company's sustainable exploration.

Product Quality and Food Safety

Product quality and food safety directly determine revenue stability and profitability. International certifications such as EU BRC and the Japanese Positive List are core to overseas market access. Quality problems leading to loss of certification would cause significant loss of overseas orders. Core customers maintain a high repurchase rate due to quality compliance, significantly above the industry average, supporting a reasonable product premium. Quality complaints are kept at a low level, effectively reducing after-sales claims and brand repair costs. At the same time, consumers' higher acceptance of a premium for healthy food further amplifies the profit contribution of quality compliance.

On the other hand, the Company participated in the development of the group standard "Prepared Meat Dishes", providing a model for quality control in the white-feathered broiler industry. In 2025, it received the "National Quality Inspection Stable and Qualified Product" certification, with a 100% pass rate in government food safety spot checks, enhancing the Company's brand credibility.

| Indicator | Target | Progress in Reporting Period |
|----------------------------------|---|--|
| Product system certification | <ul style="list-style-type: none"> Meat processing centre and food processing centre: full ISO 9001, HACCP, BRCGS, HALAL certification Meat processing centre: animal welfare certification according to EU Regulation (EC) 1099/2009 Feed mill: full ISO 9001, ISO 22000, EU Global GAP certification | <ul style="list-style-type: none"> Fully achieved as per target |
| Drug residue analysis capability | 100% of broilers tested for drug residues | Achieved |
| Spot check pass rate | 100% | 100% |

● Governance

The Company has established a three-tier structure: "Board of Directors' overall planning – Management's execution – All departments' implementation". The Board approves the quality strategy and quality control budget. Management has set up a Quality Management Department to lead the "5-level, 18-test" system covering all links from farming, slaughtering, processing, warehousing to transportation. The production, quality inspection and R&D departments work in collaboration: production sets quality control points, R&D optimises quality control technology, and quality inspection is responsible for whole-process testing and traceability management.

The Company implements a "quality veto system" – non-compliant products are not allowed to leave the factory. It has established a full-chain traceability system, from chick rearing to final sale. Monthly quality data analysis is carried out, and quality control progress is reported to the Board quarterly. Product spot check pass rates and quality complaint rates are incorporated into the KPIs of the production and quality inspection departments, directly linked to performance.

The Company has established a strict "Self-Inspection and Self-Control System" and "Product Traceability System", and has formulated food safety documents such as the "Food Safety Management Measures", "Food Safety Emergency Plan", "Food Safety Monitoring Plan" and "Broiler Animal Welfare Management Plan", with corresponding authorities and procedures. During the reporting period, the Company improved its monitoring procedures and plan for *Listeria* to better ensure the food safety of products leaving the factory.

● Strategy

Through policy tracking (food safety regulation updates), customer research, peer benchmarking and consumer feedback collection, the Company systematically identifies the core risks and opportunities of this issue. Risks include excessive drug residues in antibiotic-free products, insufficient quality control for the newly added aquatic product processing business, upgrading international quality control standards, and evolving consumer health demands. Opportunities include growing demand for antibiotic-free food, greater premium space from high-end customers, expanded application of intelligent quality control technology, and enhanced brand value from consumer rights protection.

The Company has set phased development goals around quality and consumer rights protection: in the short term, to optimise antibiotic-free product testing processes, improve traceability efficiency and speed up consumer health enquiry responses; in the medium term, to introduce intelligent quality control technology for real-time process monitoring and early warning, and to build a consumer health service system; and in the long term, to build a full-lifecycle quality service system covering product design, raw material procurement, production processing and terminal services, establishing a dual benchmark for quality and consumer rights protection in the food industry.

From a financial perspective, although short-term quality control investment increases costs, the reduction in quality complaints saves corresponding after-sales costs, generating positive returns. In the medium term, the application of intelligent quality control technology improves production efficiency and reduces waste losses, further boosting profitability. In the long term, a good reputation will increase core customers' repurchase intention, and the health service system will further amplify product premiums, ensuring sustained revenue growth.

● Impact, Risk and Opportunity Management

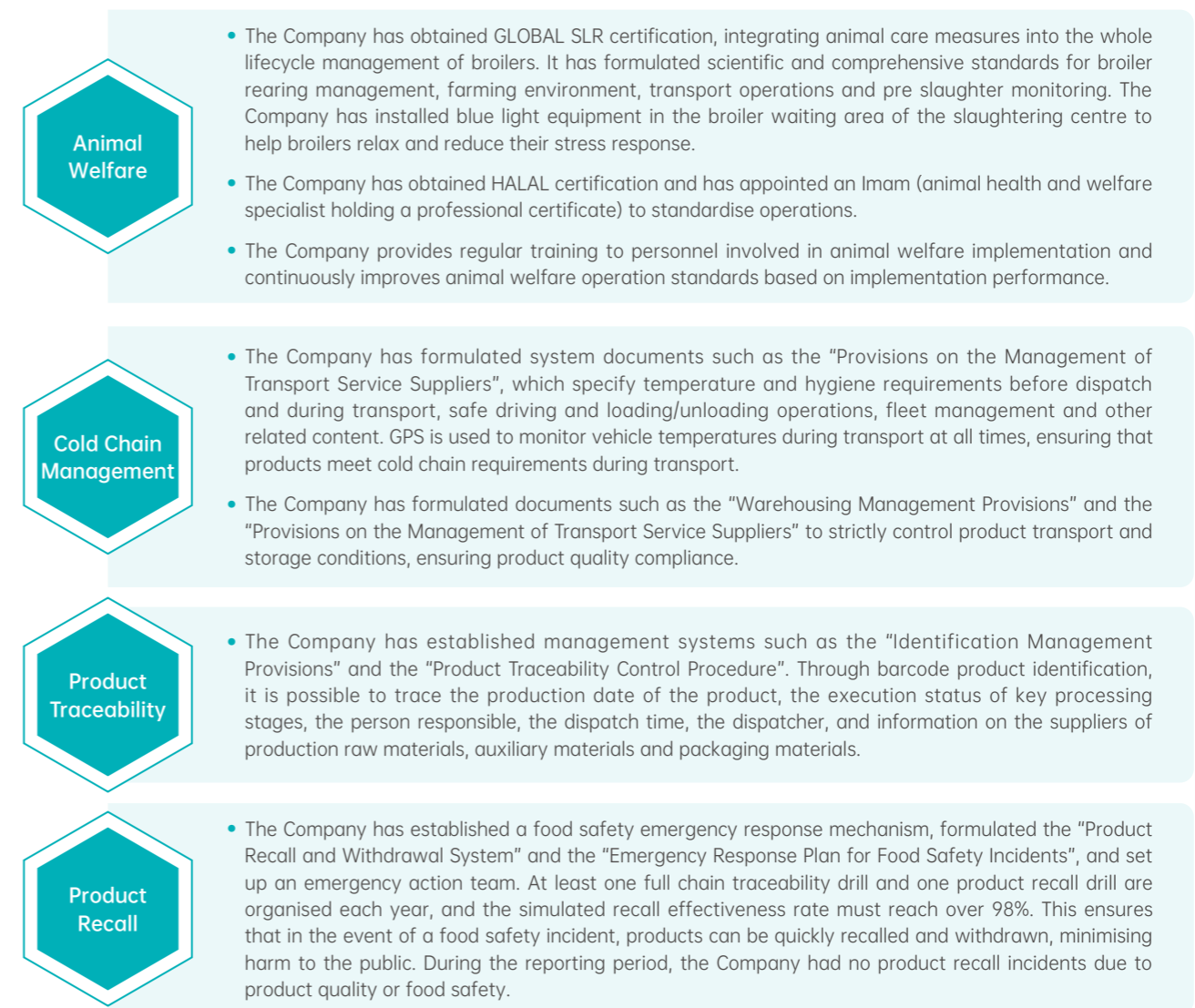
The Company has established a full-process control ledger for antibiotic-free farming, testing each batch of broilers for drug residues. It has developed a special quality control plan for the aquatic product processing business with dedicated testing equipment. It assigns staff to track international quality control standard updates and adjust production processes in advance. It collaborates with research institutions to develop efficient testing technologies and alternative solutions. It also has a rapid consumer feedback response mechanism to promptly optimise products and services.



Whole-Chain Quality Control

The Company follows the requirements of ISO 9001, HACCP, EU BRC and other food safety control systems, and complies with the State Administration for Market Regulation's "Provisions on the Supervision and Administration of Food Safety Responsibilities of Enterprises". It has formulated regulatory documents such as the "Food Safety Protection Plan", clarifying the duties and authorities of the food safety director and food safety officers. It identifies and requires food safety risk control from the perspectives of raw and auxiliary materials, products, production processes and hazard analysis worksheets, and formulates a food safety risk control list. It establishes and improves the daily control, weekly inspection and monthly dispatching mechanism, and implements these in daily operations. The Company strictly controls key links such as animal welfare, cold-chain management, product traceability and product recall. At the same time, the Company's quality control team and third-party audit institutions regularly carry out product quality and food safety audits across the Company, helping to produce safe, high-quality food and increasing the confidence of customers and consumers. During the reporting period, all the Company's products achieved quality targets, and no quality or safety accidents occurred.

During the reporting period, ISO published the international standard ISO 19599:2025 "Chicken slaughtering procedures – Specification", which is the first international standard led by China in the field of poultry slaughtering, achieving a "zero breakthrough" for Shandong's animal husbandry industry in international standard setting. The Company actively participated in the development of this standard, helping to clarify technical details throughout the chicken slaughtering chain. The scientific and standardised "China solution" has gained high global recognition, laying a solid standard foundation for Chinese chicken products to go global and win international trust.





Professional Testing Capability

The Company has developed inspection plans and control standards for the whole process – including raw and auxiliary materials, packaging material input risk monitoring, incoming goods inspection, in-process inspection, finished product warehouse entry inspection, warehouse inspection, 出厂 inspection, type inspection and shelf-life risk monitoring – based on product characteristics, actual processing conditions and risk assessment. This achieves whole-process quality control and ensures product quality meets national and industry standards.

Internal testing

- Equipped with four testing centres (pre treatment room, LC MS/MS room, GC MS/MS room and HPLC room) that have passed ISO/IEC 17025:2017 "General requirements for the competence of testing and calibration laboratories" and CNAS accreditation. Advanced testing instruments are available. During the reporting period, the Company added three instruments (high resolution mass spectrometer, GC MS/MS, HPLC), adding testing capabilities for veterinary drug residues, pesticide residues and food additives, with a cumulative total of over 540 test items.
- Following the principle of "taking the higher standard" for veterinary drug residues, pesticide residues, microbial residues and food additives, testing covers basic physicochemical indicators, quality stability indicators, nutritional indicators, characteristic indicators, mandatory food safety indicators, risk monitoring and potential hazard indicators, fully covering all major product quality and safety standards.
- Equipped with online testing equipment on production lines to improve real time control of product quality and environmental pollution.

External audit

- The Company actively introduces BRCGS flight audits. As of the end of the reporting period, all five factories had passed the flight audits.
- Production water is tested annually by a third party according to the national standard "GB5749 Drinking Water" (97 items) and the "EU Drinking Water Directive (EU) 2020/2184" (79 items).

Quality Culture Building

The Company continuously strengthens its quality and safety culture. It provides annual training on product quality and food safety to employees, embedding quality safety into daily work.

Product quality training

Specialised training on laws, regulations and standards, quality control measures, quality management systems and processes, Lean Six Sigma, total quality management, etc. During the reporting period, the Company conducted 267 quality related training sessions, with 24,126 participants and a total of 420.5 training hours.

Food safety training

Company wide food safety training covering basic food safety knowledge, new regulations and standards, good operating practices or key food safety requirements, etc. During the reporting period, the Company conducted 232 food safety training sessions, with 19,312 participants and a total of 329.5 training hours.

GMP inspection

Carried out "six sources" identification and "bright spot" improvement activities, soliciting improvement proposals from all employees regarding sources of contamination, difficult to clean sources, fault sources, waste sources, defect sources and hazard sources, encouraging all employees to participate in production equipment improvement, and rewarding outstanding proposals. During the reporting period, the Company completed the elimination of 5,448 six source items and 5,236 bright spot improvements.

Internal auditor training

48 employees received internal auditor/ vocational technical ability training in BRCGS/ HACCP/HALAL/animal welfare/food protection/pest control, strengthening the professional competence of internal audit and special position staff.

Consumer Health and Rights Protection

Consumer health and rights protection are directly linked to the Company's brand reputation and revenue stability. Core customers have a high repurchase intention due to health protection and rights services, effectively supporting a reasonable product premium. Continuously improving the rights protection system effectively reduces brand reputation losses and customer complaint-related expenses. Further extension of health services can amplify product premium returns, aligning with high-end market expansion needs and supporting the Company's steady revenue growth.

On the other hand, the Company's products directly cover the health rights of more than 20 million consumers. Its antibiotic-free products benefit more than 5 million consumers of healthy food. The Company has established a sound traceability system allowing consumers to clearly check full product process information, effectively protecting consumer rights. By making nutritional information public and responding to health demands, it fulfils its social responsibility as a food enterprise.

| Indicator | Target | Progress in Reporting Period |
|-----------------------|---|--|
| Customer satisfaction | ≥ 97% | 99% |
| Customer complaints | Raw products: ≤ 0.05 times/100 tonnes | Raw products: ≤ 0.03 times/100 tonnes |
| | Prepared products: ≤ 0.3 times/100 tonnes | Prepared products: ≤ 0.18 times/100 tonnes |

● Governance

The Company has established a three-tier structure: "Decision-maker overall planning – Management execution – Multi-department collaboration". The decision-maker reviews key matters related to consumer health and rights protection. Management has set up a special working group to coordinate R&D, quality inspection, customer service and marketing departments. The R&D department is led by a food engineering doctor and includes professionals in food science and engineering, bioengineering, cooking, packaging and fine arts, focusing on optimising product nutrition suitability. The quality inspection department ensures the authenticity of traceability data. The customer service department is responsible for responding to requests. The marketing department collects feedback on health demands.

The Company has established a sound traceability system allowing consumers to clearly check full product process information. Customer satisfaction and traceability query volume are incorporated into the KPIs of relevant departments, directly linked to performance. Quarterly self-inspections of consumer rights protection compliance are carried out.

● Strategy

Through consumer research, industry benchmarking, policy tracking and public opinion monitoring, the Company systematically identifies the core risks and opportunities of consumer health and rights protection. Risks include rapidly evolving consumer health demands, untimely updating of traceability information, improper handling of rights disputes leading to public opinion crises, and insufficient personalised service capability. Opportunities include the expansion of the healthy consumption market, greater premium space for health services, upgraded traceability technology improving service experience, and rights protection enabling brand differentiation.

The Company has set phased development goals around consumer health and rights protection: in the short term, to optimise the traceability query process for antibiotic-free products, accelerate health enquiry responses and improve customer satisfaction; in the medium term, to build a consumer health service system, introduce personalised nutrition advice, and extend the traceability system to all product categories; and in the long term, to build a dual "health protection + rights service" system, establishing a benchmark for consumer service in the food industry and developing replicable industry experience.

From a financial perspective, although short-term costs are needed for service portal setup and employee training, the increase in repurchase rates and reduction in complaints will achieve increased revenue and cost savings. In the medium term, the launch of the health service system can boost sales of high-end products and help improve gross margin. In the long term, brand value accumulation will further amplify product premiums, attract more high-end customers, and ensure sustained revenue growth.

● Impact, Risk and Opportunity Management

The Company has set up online and offline consumer health service portals, publishing product nutritional information tables and healthy eating guides. It works with a team of nutritionists to provide personalised suitability advice for different groups. It has also optimised the traceability system to support quick full-process information queries via QR code scanning and added a function to alert consumers to abnormal data. It has strengthened training for employees on health services and rights protection to enhance service professionalism.

Consumer Health

The Company has always focused on the R&D of healthy and safe food, fulfilling its quality commitment with concrete actions. During the reporting period, it launched a series of antibiotic-free chicken products that use no antibiotics, hormones or other exogenous drugs throughout the farming process, eliminating the risk of drug residues at source and meeting consumers' core demand for healthy eating.

The Company's products achieve full-chain antibiotic-free certification, with strict control from breeding, rearing to processing and testing, and a sound traceability system allowing consumers to clearly check full product process information. The Company applies the strict "same line, same standard, same quality" standard throughout the R&D process of antibiotic-free chicken, providing consumers with safe and reliable food choices and setting a benchmark for the healthy development of the industry.

▶ Food Processing and Preservation Technology R&D

The Company's R&D centre carries out technical exchanges and product collaboration with universities including Nanjing Agricultural University, Ludong University, Shandong Agricultural University, Qingdao Agricultural University, Yantai University, Shandong City Service Technician College and the University of Jinan, forming relevant technical systems and research achievements that strongly ensure the Company's leading position in technological innovation in the industry.

| Cooperation Project | Partner | Significance of the Project |
|--|--|---|
| Approval of "Shandong Provincial Engineering Research Centre for Deep Processing and Safety Control of Livestock and Poultry Products" | Yantai University | Integrate testing resources, strengthen full-chain safety research from raw materials to finished products, and promote collaborative innovation of testing technology, processing technology and risk control. |
| R&D and application of low-temperature sterilisation control technology for the whole prepared food industry chain | Nanjing Agricultural University, Yantai University | Carry out research on key equipment and technology of plasma cold sterilisation, and break through key technologies of low-temperature plasma cold sterilisation. |

In 2025, the Company applied for 6 invention patents, trained more than 30 local science and technology talents, trained 20 low-temperature sterilisation technicians, published 6 SCI papers, and applied for 2 utility model patents. Against the backdrop of Laiyang City's efforts to promote industrial talent recruitment and strengthen technological talent support to drive high-quality development of the green food industry, this has become a prominent industrial demonstration result of the "Talent-Empowered Laiyang Food Processing Enterprises – Leading High-Quality Industrial Development" special action, highlighting the leading role of talent-empowered science and technology.

Sustainable Packaging

The Company has formulated the "Sustainable Packaging Guidelines". The R&D department is responsible for researching development directions in production, technology and R&D within the same industry, including research on sustainable packaging. The packaging factory under the Company's production centre comprehensively considers production costs and packaging quality, and produces packaging materials that meet food safety requirements according to the product packaging design specifications provided by the R&D department.

To adapt to the dietary needs of consumers with different numbers of diners in different consumption scenarios (home, restaurant, travel, etc.) and to support the nationally promoted "Clean Your Plate" campaign to avoid food waste, the Company has developed product packaging in different weight specifications such as "single serving, double serving, family pack", striving to ensure that consumers can consume moderately and reasonably according to their actual needs, minimising food waste.

When designing packaging, the Company strives to make customer- and consumer-desired improvements from the perspective of product performance and sustainability, while maintaining strict control over food safety. It designs packaging solutions that reduce environmental impact while being more practical and user-friendly. For example, while fully ensuring food safety, it moderately adjusts and reduces the thickness of the inner plastic packaging material according to the actual needs of packaging performance under different storage temperature environments. In winter, it moderately reduces the strength of corrugated paper in cartons and the amount of packaging materials used, reasonably controlling the use of inner and outer packaging materials to avoid over-packaging. At the same time, the Company adds a recycling logo to its packaging so that consumers understand how to properly dispose of packaging and achieve recycling.

Consumer Rights Protection

The Company focuses on two core dimensions: consumer communication and responsible marketing. It achieves closed-loop customer complaint handling by establishing omni-channel feedback mechanisms, optimising service processes, and strengthening customer service professional capability. At the same time, it strictly complies with laws and regulations in label and marketing compliance reviews, regularly organises employee legal training, ensures information truthfulness and transparency, and effectively enhances consumer trust and satisfaction.

Consumer Communication

The Company has built a professional service team dedicated to optimising user experience, delivery processes and service quality. It has developed a customer service after-sales phrasebook to provide practical guidance for different communication scenarios, and regularly provides case-based training to customer service staff to enhance their problem-solving ability, improve service professionalism and consumer experience. During the reporting period, the customer complaint closure rate was 100%.



To improve user experience, the Company designs member-exclusive activities based on customer tags to enhance customer loyalty. For special orders such as group purchases, it provides customised transport and delivery services to meet diverse customer needs.



The Company's warehouse shelves are scientifically classified and reasonably arranged, improving the efficiency and accuracy of goods packing. At the same time, it has established cooperative relationships with several well-known express delivery companies, effectively improving pickup speed and logistics timeliness to meet consumers' demand for efficient delivery. For packaging, the Company uses strong and durable materials to protect goods from damage. During transport, it requires all partners to comply with strict safety regulations to ensure the safe arrival of goods. In addition, it conducts an in-depth analysis of logistics conditions in each region every month and adjusts strategies accordingly, ensuring that online users receive their goods within approximately 48 hours after placing an order.



The Company has set up a dedicated customer service team responsible for handling customer enquiries, complaints and suggestions. Whether it is a query about order status or feedback on delivery services, it responds as quickly as possible and provides satisfactory solutions. If a shipment is about to be delayed, it communicates with the customer in a timely manner, explains the reason and calms their concerns. At the same time, it regularly analyses customer ratings and comments, optimises service processes from the customer's perspective, and uses methods such as comparing peer scores and simulating customer experiences to continuously discover and learn best practices, helping to improve service quality and customer experience.



The Company has established multi-channel feedback mechanisms, including an after-sales customer service hotline, a customer after-sales (complaint/return request) management system, a quality reporting platform, and the national 12315 platform, to communicate efficiently with consumers and enhance customer trust and satisfaction. Consumers can also participate in communication and feedback through the Company's website, social media platforms, and consumer-specific phone lines and email accounts. Through these communication channels, the Company's team monitors direct product feedback, interacts with consumers to resolve issues or concerns, maintains a database to track trends, and provides performance reports to business department heads.

Responsible Marketing

The Company strictly complies with national laws and regulations such as the "Implementing Regulations of the Food Safety Law of the People's Republic of China", the "General Standard for the Labelling of Prepackaged Foods", the "General Standard for the Labelling of Nutrition of Prepackaged Foods", and the "Provisions on the Administration of Food Labelling". It follows internal management standards such as the "Packaging Layout Review Procedure". Multiple departments collaborate to control and review label compliance and marketing compliance, ensuring that information shared with customers and consumers is true, accurate and not misleading, and that food claims comply with relevant labelling regulations. To continuously improve its processes, the Company maintains contact with many industry associations to stay informed about the latest issues and opportunities from consumer, customer and supply chain perspectives, precisely optimising product details to ensure information accuracy and transparency, and ensuring that online product detail pages are highly consistent with actual goods, avoiding false advertising. Unless specifically exempted, all product labels and/or packaging of the Company include product name, handling statement, legend, company number, net weight, ingredient statement, signature line and (if required) nutrition facts panel. In addition, validated cooking instructions are included for prepared food products.

During the reporting period, the Company carried out a three-party review (planning, R&D, quality control) of product packaging layouts, covering information such as product name, ingredient list, nutritional content, manufacturer and seller. More than 1,500 layouts were reviewed, with a 100% coverage rate, and no label compliance issues were found. In addition, the Company engaged a third-party testing organisation to conduct independent reviews of packaging layouts for products sold online and in supermarkets, and again no label compliance issues were found.

While enhancing the effectiveness of marketing and promotional activities, the Company also strictly complies with relevant laws and regulations and never directly targets children for product sales or marketing activities. It is committed to creating genuine and effective promotional activities to enhance customer trust in the brand.

To improve employees' basic legal awareness, the Company annually provides training on basic legal knowledge of product labelling and advertising to departments such as production, quality control, R&D, marketing, procurement, storage and transportation, and human resources. During the reporting period, the Company held 2 legal training sessions on product labelling and advertising, attended by 95 employees from relevant departments.

During the reporting period

| | |
|---|---|
| the Company held | attended by |
| 2 legal training sessions on product labelling and advertising | 95 employees from relevant departments |

Value Chain Collaboration

The Company responds to the national development strategies of rural revitalisation and common prosperity, sharing development opportunities with the business value chain through mutually beneficial cooperation to promote sustainable economic growth.

Digital and Intelligent Governance

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Supply Chain Collaboration

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Digital and Intelligent Governance

Digital and intelligent governance is the core driver of the Company's cost reduction and efficiency improvement. Through various measures such as using AI to optimise feed formulas, improving order processing efficiency, and upgrading intelligent warehouse operations, the Company effectively achieves cost savings and operational efficiency improvements, providing important support for profit growth and serving as a key driver for implementing the "big food" strategy. In terms of impact, the Company's digital and intelligent practices have won important industry awards, becoming a benchmark for digital transformation in the food industry. At the same time, it carries out digital training to enhance employees' professional skills. The application of AI technology in farming and production can also reduce manual operation errors, promoting the overall digital upgrade of the industry and highly aligning with the digital economy development strategy.

| Indicator | Target | Progress in the Reporting Period |
|---|--------|----------------------------------|
| Proportion of digital investment in revenue | 8% | 10% |
| Number of digital-related awards obtained | - | 2 |

● Governance

The Board of Directors oversees the formulation of the digital strategy and approval of the budget. Management has set up a Digital Management Committee to lead the whole-chain digital projects. The IT department is responsible for system development, operation and maintenance, while the farming, production and supply chain departments cooperate with system implementation and application. A digital training team has been established to enhance employee skills.

The Company has formulated a three-year plan for digital transformation, specifying objectives and responsible departments at each stage. It has established a digital project assessment system, incorporating system application rates and efficiency improvement margins into the assessment of relevant departments. Digital progress is reported quarterly, and the Audit Committee reviews budget implementation. The Company has also established an employee digital skills certification system, requiring employees to work with certification.

● Strategy

Through technology trend tracking, industry peer research and internal assessment, the Company systematically identifies the core risks and opportunities related to digitalisation. Risks include insufficient compatibility of digital systems, shortage of core technical talent, and data security risks. Opportunities include policy support for digitalisation, the industry's demand for digital transformation, and cost advantages brought by efficiency improvement.

The Company has set phased development goals for digitalisation: in the short term, to achieve extensive coverage of AI application scenarios in core businesses and full coverage of digital training for relevant employees; in the medium term, to build a whole-industry-chain digital management platform, connecting data collaboration across farming, production, supply chain and marketing; and in the long term, to build an "AI + whole food industry chain" ecosystem, driving the Company's business innovation and development through digitalisation.

From a financial perspective, although there are corresponding digital investments in the short term, cost savings can achieve a balance between input and output. In the medium term, the implementation of the digital management platform can effectively improve overall operational efficiency and drive steady growth in net profit. In the long term, the digital ecosystem can also help the Company expand value-added services, opening up new revenue growth points.

● Impact, Risk and Opportunity Management

The Company deepens the application of existing digital systems, expands the scope of AI applications in scenarios such as precise marketing push and risk prediction, promotes the upgrading of intelligent warehousing and intelligent farming equipment, cooperates with technology companies to develop proprietary digital tools, and at the same time builds a digital talent reserve system, emphasising both talent recruitment and internal development.

AI Empowerment and Digital Integration

The Company takes the "AI + Digital Upgrade and Transformation" project as its core, deeply integrating AI technology into the whole industry chain and building an intelligent system covering multiple links. During the reporting period, the Company's digital project was recognised by the Yantai Municipal Bureau of Industry and Information Technology as a "Digital Application Benchmark Enterprise" and received the authoritative "IDC Future Enterprise Award – Excellence Award".



Spring Snow Food Group received the "IDC Future Enterprise Award – Excellence Award"



Mr Zheng Jun, President of Spring Snow Food Group, delivered a keynote speech at the summit, sharing the path of the Company's whole-industry-chain intelligent upgrade.

Feed production

AI integrates multi-source data such as broiler growth characteristics, nutrient composition of raw materials and price fluctuations. Using machine learning algorithms, it adjusts feed formulas in real time according to different growth stages – increasing the proportion of high-quality protein and vitamins during the chick stage and optimising energy feed content during the finishing stage – thereby improving feed utilisation and making broiler slaughter weights more uniform.

Broiler farming

The Company has built the “Smart Fresh Cloud” digital platform throughout the farming process. It deploys IoT sensors, and AI analyses environmental data such as temperature, humidity and air quality in real time, automatically triggering alarms and adjusting equipment when anomalies occur. Through image recognition, it monitors broiler behaviour and appearance, providing early warnings of health problems, effectively reducing the incidence of broiler diseases, improving survival rates and reducing broiler mortality.

Slaughtering and processing

The Company has introduced internationally advanced automatic slaughtering equipment, integrating automatic evisceration, intelligent cutting, intelligent quick-freezing tunnels and other facilities, with an automation level at the forefront of the industry. In this link, AI uses computer vision technology to achieve precise cutting of chicken parts to millimetre accuracy, with processing efficiency far exceeding manual labour. At the same time, it monitors temperature, microbial and other data in real time, precisely controlling preservation conditions to ensure product safety and freshness. Relying on the established Yongyou BIP platform and MES intelligent manufacturing management system, the Company breaks down data barriers across production links, achieving digital control of the whole process from raw material processing to finished product output, improving overall production efficiency and reducing energy consumption per tonne of product.

Prepared food R&D

AI analyses large amounts of consumer preference data, sales data and social media discussions, capturing trends such as spicy flavour and low fat, quickly simulating potential formulas, shortening new product development cycles and increasing the number of new products launched per year.

Warehousing and logistics

The Company has built a cold-chain intelligent warehousing system in two phases, equipped with core equipment such as low-temperature stacker cranes and four-way shuttles, enabling fully unattended operation in low-temperature environments. Relying on the WMS warehouse management system and WCS monitoring and control system, it improves inbound and outbound handling capacity, increasing space utilisation while ensuring food freshness through the “first-in, first-out” rule. At the same time, the intelligent warehousing system is combined with a channel-grid digital marketing model to promote lean operation upgrades.

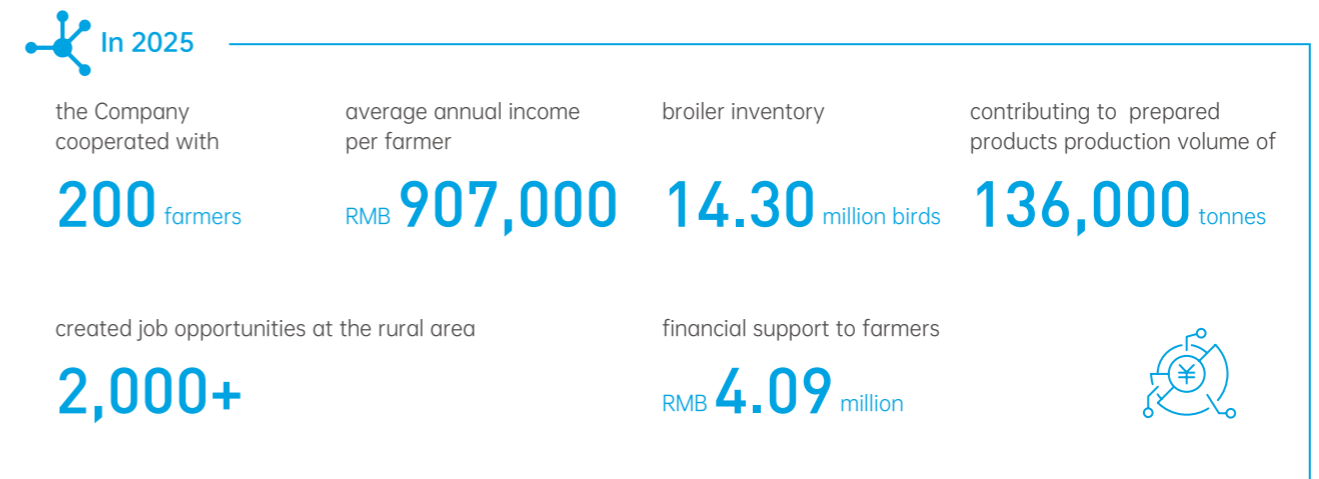
Integrated finance and operations

AI connects data flows across the whole chain, intelligently optimising procurement, production and marketing, shortening order delivery cycles and improving customer satisfaction. At the same time, with the CRM system enabling multi-department collaboration, the integrated finance and operations system compresses order processing time, increases inventory turnover and marketing personnel efficiency, significantly reducing costs and improving efficiency.

Supply Chain Collaboration

Supply chain stability is the core guarantee for the continuity of the Company's production. In 2025, the Company cooperated with 200 farmers, with an average annual income of RMB 907,000 per farmer, ensuring a broiler inventory of 14.30 million birds and meeting the production capacity demand of 136,000 tonnes of prepared products. The localised supply chain reduces costs by 1015% compared with imports, increasing gross margin by 12 percentage points.

In terms of impact, the Company has created over 2,000 job opportunities at the rural area, provided RMB 4.09 million in support to farmers, and contributed to rural revitalisation in Yantai. The signing rate of the “Letter of Commitment on Integrity” among suppliers was 100%, reducing industry-related conflicts of interest and maintaining fairness and justice in the supply chain.



| Indicator | Target | Progress in the Reporting Period |
|---------------------------------------|---------------|----------------------------------|
| Supplier annual audit rate | 100% | 100% |
| Financial support to farmers | RMB 4 million | RMB 4.09 million |
| Jobs created through the supply chain | >2,000 | >2,000 |
| Supplier integrity violation rate | 0% | 0% |

● Governance

The Company has set up a Supply Chain Management Working Group, led by the procurement vice president and comprising staff from procurement, R&D, quality, production and finance departments. The procurement department is responsible for supplier selection and cooperation management, the quality department carries out supplier audits, the production department provides feedback on raw material needs, the R&D department optimises raw material standards, and the finance department controls procurement costs.

The Company has established a comprehensive supplier evaluation system, carrying out special audits each year. It signs long-term cooperation agreements with core suppliers, specifying quality standards, delivery lead times and emergency guarantee clauses. It has set up a special fund to support farmers, providing subsidies, loans and technical guidance. It has also established a supply chain risk early-warning mechanism and carries out regular risk assessments.

● Strategy

Through supplier research, policy tracking and market analysis, the Company systematically identifies core risks and opportunities. Risks include price fluctuations of core raw materials, non-compliance of suppliers with environmental and regulatory requirements, and raw material shortages caused by farmers leaving the business. Opportunities include policy subsidies for rural revitalisation and the development opportunities brought by digital transformation of the supply chain.

The Company has set phased development goals for supply chain construction: in the short term, to maintain 100% special audits of core suppliers; in the medium term, to focus on cultivating strategic suppliers of food raw materials, build a regional supply chain network, and achieve 100% international food compliance certification for aquatic raw material suppliers; and in the long term, to build a digital management platform for the food supply chain, connecting data collaboration across chick rearing, raw material procurement, production processing and cold-chain logistics, creating a green integrated supply chain system suitable for the poultry processing industry.

From a financial perspective, although there are corresponding costs for supplier audits in the short term, the improved stability of the core raw material supply chain can effectively reduce losses from production stoppages and raw material wastage caused by supply disruptions, achieving overall revenue growth. In the medium term, the cultivation of strategic suppliers can further reduce core raw material procurement costs through large-scale centralised purchasing and direct sourcing from producing areas, steadily improving the Company's gross margin. In the long term, the implementation of digital management of the food raw material supply chain can optimise core raw material procurement efficiency, reduce inventory backlog and wastage costs, improve inventory turnover, and comprehensively enhance the supply chain's overall profitability and risk resistance.

● Impact, Risk and Opportunity Management

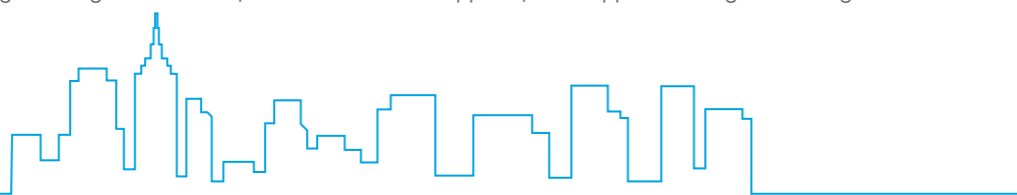
The Company optimises the geographical distribution of suppliers based on the main production areas of corn and feed and the layout of chick rearing, achieving direct sourcing from producing areas and local supply, thereby reducing raw material transport losses and logistics costs. For the core link of chick rearing, it strengthens technical training and financial support for cooperative farmers, improving the standardisation and quality of chick rearing and controlling chick quality at source. It strengthens the whole-chain raw material traceability capability, ensuring the safety and traceability of core raw materials such as corn and feed. It builds a digital system for the food raw material supply chain, enabling real-time monitoring and dynamic dispatching of orders, inventory and cold-chain logistics for corn, feed, chicks and auxiliary materials, improving the overall responsiveness of the supply chain.

Supplier Management

The Company has formulated the "Supplier Access Standards", "Procurement Management Measures for the Breeding Centre Materials Department", "Raw Material Supplier Management Plan and Quality Safety Standards", and the "Supplier Social Responsibility Management Procedure". The Planning and Procurement Department, Quality Control Section and Quality Control Department are responsible for formulating assessment plans and carrying out evaluations of partners in accordance with social responsibility standards.

Supplier Access

The Company follows the "Supplier Access Standards" and other management systems to carry out supplier access management in an orderly manner from the perspectives of supplier qualification certification, production capacity, and source of goods. It requires all potential suppliers to meet the Company's supplier evaluation requirements and to provide complete relevant test reports and quality, hygiene and import certifications issued by domestic and international authorities. It also gives preference to self-breeding and large-scale farms, bulk raw material suppliers, and suppliers with good management and social responsibility.



Supplier Routine Management

The Company continuously improves the "Procurement Centre Food Safety Risk Control System", implementing "daily control, weekly inspection and monthly dispatching" management for suppliers with potential food safety risk factors. Based on the risk level of contact between supplied materials and food, the annual cumulative purchase quantity of supplied materials, the purchase amount and the impact on the Company's costs, it carries out supplier tiered management, adopting corresponding incentives and penalties according to the tiering results, continuously improving suppliers' comprehensive capability.

Supplier Assessment and Evaluation

The Company continuously identifies, assesses, inspects and removes high-risk suppliers. It regularly carries out unannounced supplier audits and routine audits to reasonably control supply chain risks. Based on the comprehensive evaluation and scoring of the assessment team, suppliers are classified into four grades: "Excellent (long-term cooperation)", "Qualified (continued cooperation)", "Needs Improvement (cooperation alert)", and "Unqualified (ordered to rectify within a time limit)". According to the grade management requirements, further audit requirements and cooperation methods are determined. Suppliers judged as unqualified must rectify within a time limit according to the "Supplier Rectification Issue Letter", with continuous supervision of the entire rectification process to ensure the effectiveness of the rectification.

During the reporting period, the Company continuously carried out unannounced audits of raw material, auxiliary material and packaging material suppliers, with an audit rate of 100%, ensuring that the source is safe and controllable.

During the reporting period

the Company continuously carried out unannounced audits of raw material, auxiliary material and packaging material suppliers, with an audit rate of

100%

Cooperation with Farmers

The Company adopts a "company + farmer" model, establishing cooperative relationships with 200 standardised broiler farms, covering seven counties and cities in Yantai, Weihai and Qingdao. The annual contracted farming volume is 83.77 million birds, providing more than 2,000 rural jobs and generating RMB 181 million in annual income, while strongly stimulating the development of regional planting and logistics industries.



Farmer training

Provision of Policy Support

To encourage farmers to adopt the industry-common stacked farming method, the Company has introduced a stacked farming transformation support policy, providing financial support for farmers to renovate chicken houses and encouraging long-term cooperation with the Company. Since 2018, through forms such as farm construction loans, assistance with financing, and unconditional grants, the Company has provided special support for chicken house renovation and farming to a total of 256 farmers with financial difficulties.

As of the end of the reporting period, the Company had 200 contracted farmers, with total farming fees paid during the reporting period of RMB 181 million, averaging RMB 907,000 per farmer. The inventory scale reached 14.30 million birds, averaging 71,500 birds per farmer, and the annual slaughter scale exceeded 92.95 million birds, averaging 465,000 birds per farmer.

| Item | 2023 | 2024 | 2025 |
|---|-------|-------|-------|
| Annual actual slaughter volume (10,000 birds) | 7,600 | 8,104 | 8,377 |
| Year-end inventory scale (10,000 birds) | 1,300 | 1,364 | 1,460 |
| Year-end actual total inventory (10,000 birds) | 641 | 717 | 1,092 |
| Number of contracted farmers at year end | 217 | 212 | 200 |
| Annual average slaughter volume per farmer (10,000 birds) | 35 | 38 | 46.5 |
| Year-end actual average inventory per farmer (10,000 birds) | 7.12 | 8.15 | 6.80 |

Natural disasters can have a severe impact on poultry farming. To provide greater protection for farmers' investment, during the reporting period the Company agreed with China Life Property & Casualty Insurance Company on a chicken house insurance scheme to protect against losses from natural disasters such as heavy rain, typhoons, fires, collapse and mudslides. On the other hand, the Company actively responded to national financial policies by further reducing the interest rate on loans to farmers, lowering their operating costs. The Company provides systematic support in unified technical guidance (farm site selection, construction standards, efficient farming technology, etc.), insurance co-funding mechanisms (joint insurance, premium sharing), disaster assistance, and post-disaster reconstruction, upgrading the contracted farming model from "risk sharing" to "joint risk prevention", improving the ability to resist natural risks and minimising losses from natural disasters.

Enabling Scientific Farming

To improve farming efficiency and ensure farmers' motivation, the Company engages experts to provide training every quarter. For farmers with poor farming results, it conducts hardware and software assessments, renovates hardware to meet farming conditions, and provides on-site guidance for those lacking technical skills. Business supervisors provide technical guidance to their assigned farms weekly. In addition, according to the EU Global Smart Livestock Practices certification requirements, the Company provides advice on hardware and software upgrades to farmers wishing to obtain certification, helping them meet the relevant certification requirements. During the reporting period, the Company helped 6 farmers obtain EU GSLR certification and 36 complete EU export filing with Customs.

During the reporting period, the Company helped

6 farms obtain EU GSLR certification

36 farms complete EU export filing with Customs



Sustainable Supply Chain

The Company values the social responsibility performance of partners. In the "Supplier Social Responsibility Management Procedure", it clearly sets out social responsibility requirements for partners, giving priority to units that have passed BSCI audits or other social responsibility audits. Existing major partners are required to undergo at least one social responsibility review per year, and are encouraged to implement a social responsibility management system. Partners dealing with hazardous chemicals must provide proof of operating qualifications, ensuring that all products involving safety and health have product qualification certificates.

The Company has formulated the "Supplier Social Responsibility Management Procedure" and communicates the policy to suppliers through training, publicity or contract clauses. At the same time, it uses a digital online platform to systematically manage the entire supplier lifecycle, effectively controlling key nodes in the supplier lifecycle, increasing attention to suppliers' environmental and social performance. It conducts annual comprehensive capability assessments of suppliers, and adopts incentives or penalties for excellent, qualified, needs-improvement and unqualified suppliers. For deficiencies identified during management, it provides assistance and training, encouraging and guiding suppliers to jointly build a sustainable supply chain system.

The Company provides training, guidance and assistance to suppliers through mutual visits, telephone calls, written correspondence and video conferences. At the same time, it continues to implement a local procurement policy, giving priority to high-quality suppliers located near its factories, improving supply chain responsiveness and promoting local industrial development. During the reporting period, the proportion of the Company's procurement expenditure from local suppliers was 90%. The balance of the Company's accounts payable (including notes payable) was 261 million yuan, far below the threshold of 30 billion yuan, accounting for approximately 11.88% of total assets, which is below 50%. The Company pays contract fees in accordance with contract terms, and there are no overdue payables to small and medium-sized enterprises.

During the reporting period

the proportion of the Company's procurement expenditure from local suppliers was

90%

| Supplier Category | 2023 | 2024 | 2025 |
|-----------------------------|------|------|------|
| Corn | 7 | 26 | 26 |
| Feed | 2 | 2 | 1 |
| Chicks | 24 | 23 | 28 |
| Raw and auxiliary materials | 57 | 205 | 237 |
| Total | 90 | 256 | 292 |

Among which, suppliers in Shandong Province:

| | | | |
|-----------------------------|----|-----|-----|
| Corn | 6 | 18 | 18 |
| Feed | 2 | 2 | 1 |
| Chicks | 24 | 21 | 27 |
| Raw and auxiliary materials | 42 | 147 | 155 |
| Total | 74 | 192 | 201 |

Note: From 2024 onwards, the scope of raw and auxiliary material supplier statistics has been expanded.

Environmental Management

The Company adheres to the concept of symbiosis and coprosperity with the Earth's ecology. It actively applies innovative green technologies and practices sustainable operations in all aspects through climate and energy management, water management, resource recycling and air pollution prevention and control, striving to become a benchmark green enterprise.

Pollution Prevention and Control 35

Resource Utilisation 40



Pollution Prevention and Control

Environmental compliance is an important prerequisite for the Company's production operations and export business. The wastewater and exhaust gas from new production lines and the newly added aquatic product processing business are all treated in compliance, effectively avoiding environmental penalty risks and ensuring European market export qualifications, thereby laying a solid foundation for overseas business development. Moreover, the Company's environmental protection expenditure as a proportion of total investment is lower than the industry average, creating a significant cost control advantage.

In terms of environmental impact, the Company's wastewater and particulate matter emission indicators are better than national standards, effectively reducing pollution to local water resources and the atmosphere. Odour collection and treatment work has effectively improved the living environment of surrounding communities. With its excellent environmental performance, the Company has been awarded the title of "Green Factory", fully fulfilling its social responsibility as a food enterprise and highly aligning with the "dual carbon" strategy and local environmental protection policy requirements.

The Company focuses on white-feathered broiler breeding and processing, adopting green models such as modern farm breeding and resource utilisation of biological fertilisers. Its operations have not caused damage to the ecosystem nor affected biodiversity protection. During the reporting period, the Company's environmental protection expenditure was RMB 4.62 million, all pollutant emissions met the corresponding national and local emission standards, and the Company had no environmental liability accidents or major violations.

During the reporting period

| | | |
|---|--|---|
| <p>environmental protection expenditure</p> <p style="font-size: 24px; font-weight: bold;">RMB 4.62 million</p> | <p>all pollutant emissions</p> <p style="font-size: 24px; font-weight: bold;">MET</p> <p>the corresponding national and local emission standards</p> | <p style="font-size: 24px; font-weight: bold;">0</p> <p>environmental liability accidents or major violations</p> |
|---|--|---|

| Indicator | Target | Progress in the Reporting Period |
|--|---------------------------------------|--|
| <p style="color: #00a651;">Major air pollutant emission concentration</p> <p>Particulate matter</p> <p>SO₂</p> <p>NO_x</p> | <p>Better than national standards</p> | <p>Particulate matter: 53.1 kg</p> <p>SO₂: 26.3 kg</p> <p>NO_x: 88.6 kg</p> |
| <p style="color: #00a651;">Wastewater discharge concentration</p> <p>COD</p> <p>NH₃-N</p> <p>Total nitrogen (as N)</p> <p>Total phosphorus (as P)</p> | <p>Better than national standards</p> | <p>COD: 70.6 tonnes</p> <p>NH₃-N: 8.6 tonnes</p> <p>Total nitrogen (as N): 67.2 tonnes</p> <p>Total phosphorus (as P): 2.7 tonnes</p> |

● Governance

The Company has a Safety and Environment Management Centre, composed of the Company's vice president, safety director, head of the Safety Management Centre, safety supervisors of each production centre, and employee representatives. It holds a meeting every month to understand the latest progress on key environmental issues facing the Company. The head of the Safety Management Centre is responsible for day-to-day management, organising the environmental, health and safety (EHS) supervisors of each production centre to assess, prioritise and manage the Company's EHS work, supervising the environmental compliance of the Company's business, and reporting regularly to the safety director.

The Company strictly complies with the "Environmental Protection Law of the People's Republic of China", the "Regulations on the Administration of Construction Project Environmental Protection", and other relevant environmental laws, regulations, rules and technical specifications. It has formulated internal management systems such as the "Environmental Management Manual", "Environmental Objectives and Indicators Management Procedure", "Energy Saving and Consumption Reduction Control Procedure", "Water Pollution Prevention and Control Procedure", "Air Pollution Prevention and Control Procedure", "Solid Waste Prevention and Control Procedure" and "Waste Oil Pollution Prevention and Control Procedure".

The Company continuously revises and optimises the "Environmental Factor Identification and Evaluation Procedure" and the "Emergency Plan for Sudden Environmental Incidents". It has comprehensive internal control systems for all aspects of environmental management, including environmental factor identification and evaluation, water pollution prevention and control, air pollution prevention and control, solid waste pollution prevention and control, and emergency preparedness and response. It regularly organises training and drills on these plans to effectively improve its emergency response capability for sudden environmental incidents.

Based on its environmental management system and referring to the ISO 14001 environmental management model (PDCA), the Company upgrades its environmental management system annually. It updates the list of major environmental factors for each factory according to the production process, and iterates environmental risk control measures and emergency plans based on the list, continuously improving the scientific and systematic nature of the Company's overall environmental management. During the reporting period, each of the Company's production centres passed ISO 14001 environmental management system certification.

During the reporting period

each of the Company's production centres passed

ISO 14001

environmental management system certification

● Strategy

The Company carries out risk identification and opportunity capture throughout the environmental management process. It continuously tracks environmental policy trends, and uses third-party testing and community feedback to accurately identify core risks and development opportunities related to environmental compliance. In terms of risks, the Company focuses on preventing tighter emission limits due to stricter environmental policies, emission exceedances caused by equipment failure, and inadequate pollution control supporting new businesses. In terms of opportunities, it actively seizes development windows such as green factory policy subsidies, lower treatment costs from environmental technology upgrades, and enhanced brand reputation from environmental compliance.

The Company has set phased goals for environmental management: in the short term, to achieve full treatment of wastewater from aquatic product processing and improve odour collection efficiency; in the medium term, to complete environmental equipment upgrades across all production lines and further optimise emission indicators; and in the long term, to build a "zero pollution" production system and strive to become an environmental benchmark in the food industry.

From a financial perspective, although short-term investment in environmental equipment increases costs, operating costs are kept within a reasonable range. In the medium term, emission compliance effectively avoids penalty risks and saves potential losses. In the long term, building a "zero pollution" system will help improve the ESG rating, reduce financing costs and secure policy subsidies, achieving both environmental and financial benefits.

● Impact, Risk and Opportunity Management

The Company assigns dedicated staff to follow environmental policy dynamics, making overall plans for technology upgrades and fund reserves in advance. It has established a standby operation mechanism for environmental equipment, carrying out routine maintenance to prevent downtime due to failure. For new businesses, it tailors special pollution control plans and allocates dedicated treatment equipment. It deepens cooperation with environmental technology companies to continuously optimise treatment processes and reduce operating costs.

Air Pollutant Management

The Company's air pollutants include particulate matter, SO₂, NO_x and odour. The first three mainly come from the 1.2 MW, 1.5 MW and 1.8 MW thermal oil boilers in the prepared food factories, while odour comes from the slaughtering process in the slaughtering factories and the wastewater treatment process in the wastewater treatment plants. The Company has formulated documents such as the "Air Pollution Prevention and Control Procedure", "Boiler Management Procedure" and "Wastewater Treatment Equipment Management Procedure". It regularly engages third-party testing units to conduct flue tests, and has installed spray tower odour removal equipment in slaughtering factories and wastewater treatment plants to effectively control and reduce air pollutants.

The Company strictly follows its internally formulated "Odour Assessment Operation Guide". Odour treatment facilities operate at 100% capacity. Established operating areas have formed odour inspection teams. Based on factors such as topography, scale, wind direction, climatic conditions, distance to sensitive points, and government and social requirements, they comprehensively assess odour removal needs and adopt a "one site, one plan" approach. Through measures such as source emission reduction, upgrading odour removal systems, adding organised odour removal facilities, and sealing the whole process, they effectively control odour impact.

During the reporting period, the Company's air pollutant emission indicators met relevant regulatory requirements and standards, and there were no illegal emissions.

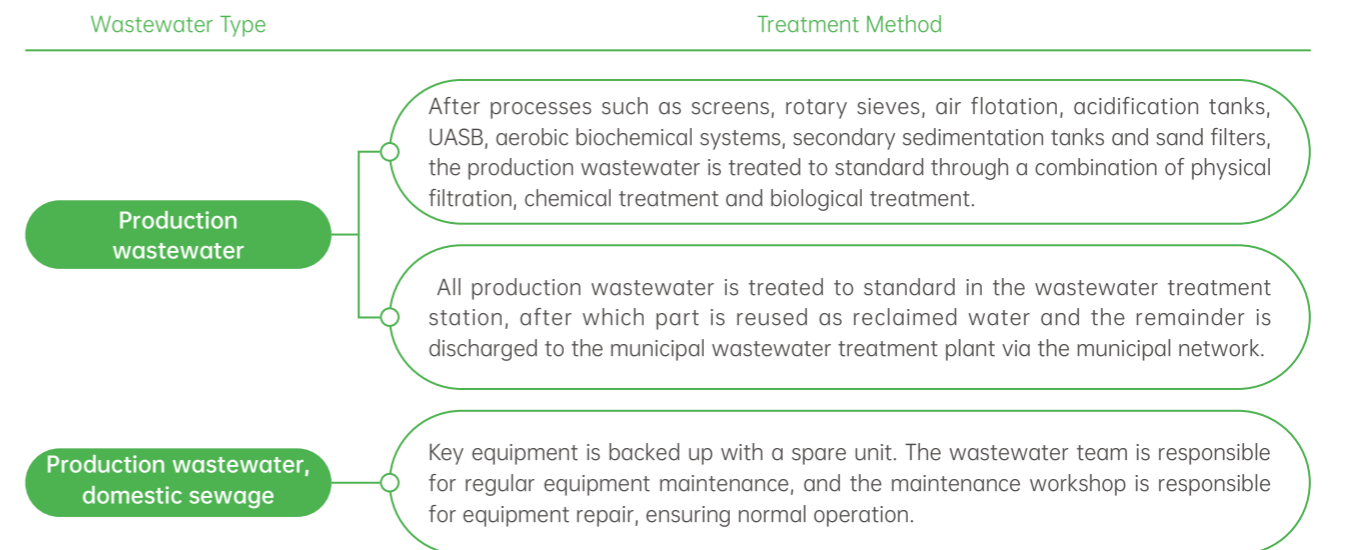
Unit: kg

| Pollutant Type | 2023 | 2024 | 2025 |
|---------------------------------------|------|------|------|
| SO ₂ (sulphur dioxide) | 17.0 | 19.0 | 26.3 |
| NO _x (nitrogen oxides) | 70.0 | 76.0 | 88.6 |
| PM ₁₀ (particulate matter) | 41.0 | 45.0 | 53.1 |

Note: The Company has set a conversion factor for air pollutant emissions based on the exhaust gas treatment equipment configured for its boilers, and has recalculated the air pollutants generated from natural gas consumption in 2023 and 2024.

Wastewater Management

The Company has built supporting wastewater treatment stations and formulated the "Water Pollution Prevention and Control Procedure" and the "Wastewater Treatment Equipment Management Procedure". It installs strainers at the drainage outlets of workshops to reduce pollutant inflow at source. It centrally treats pollutants in wastewater such as COD, NH₃-N, total nitrogen and total phosphorus. Through online monitoring systems and third-party monitoring, it monitors the operation of the wastewater treatment stations to ensure that discharges meet national and local wastewater pollutant discharge standards. During the reporting period, the Company's wastewater discharge indicators met relevant regulatory requirements and standards, and there were no illegal discharges.



Unit: tonnes

| Category | 2023 | 2024 | 2025 |
|-------------------------|-----------|-----------|-----------|
| Production wastewater | 1,360,000 | 1,270,000 | 1,400,000 |
| COD | 77.1 | 29.9 | 70.6 |
| NH ₃ -N | 6.90 | 8.2 | 8.64 |
| Total nitrogen (as N) | 54.4 | 34 | 67.2 |
| Total phosphorus (as P) | 4.59 | 2.9 | 2.7 |

Waste Management

The Company's hazardous waste comes from organic solvents used in the laboratory. It has formulated the "Chemical Management Procedure" and the "Guidelines for the Disposal of Hazardous Solid Waste". It has set up a dedicated warehouse for the collection and storage of hazardous waste, implementing centralised management of hazardous waste within the factory. After completing hazardous waste transfer manifest procedures with the local environmental protection bureau, it entrusts qualified third-party companies to transport and dispose of the hazardous waste to be transferred.

The Company's non-hazardous waste comes from waste generated during production and sludge generated during wastewater treatment. For non-hazardous waste generated during production, the Company has formulated the "Solid Waste Prevention and Control Procedure", the "Waste Oil Pollution Prevention and Control Procedure" and the "Production Workshop Waste Disposal Guidelines". It has established a solid waste storage site and maintains a solid waste management ledger, with dedicated staff recording information on the types, quantities and destinations of solid waste generated. All solid waste is handed over to qualified third-party companies for recycling and disposal, ensuring compliant disposal of solid waste.

For sludge generated by the wastewater treatment plant, the Company continuously explores effective methods to reduce sludge. By reducing the frequency of the air flotation machine's surface scraper, increasing the thickness of the mud on the water surface, and reducing the water content of the sludge, and then dewatering the sludge into dry mud using a sludge dewatering machine, it effectively reduces the weight of the sludge, making it easier to dispose of. Since August 2025, the Company has started operating a biogas station, using part of the sludge to produce biogas, reducing sludge treatment costs by approximately RMB 600,000.

During the reporting period, all the Company's waste was transferred to professional third-party service organisations in accordance with relevant regulatory requirements, and there were no illegal discharges.

| Waste Type | 2023 | 2024 | 2025 |
|--|-------|-------|--------|
| Hazardous waste transferred: organic solvents (tonnes) | 7 | 7 | 6.26 |
| Non-hazardous waste transferred: sludge (tonnes) | 5,298 | 5,050 | 12,000 |

Note: During the reporting period, due to a decrease in organic fertiliser production by the Company's subsidiary Laiyang SpringSnow Biotechnology Co., Ltd., the demand for sludge decreased, so the Company's sludge transfer volume was higher than in previous years.



Resource Utilisation

Efficient resource utilisation is a core lever for cost control. Relying on digital technology and green management methods, the Company achieves water recycling and energy consumption reduction, effectively saving production and operating costs, while simultaneously reducing carbon emissions per unit of output value and avoiding related compliance costs and trade risks.

The Company actively responds to the national "dual carbon" goals, taking multiple measures to control total carbon emissions, using water recycling to contribute to the improvement of the regional water environment, and promoting the iteration of efficient resource utilisation models in the industry through energy consumption control measures, providing a replicable practice path for the green transformation of the food industry.

| Indicator | Target | Progress in the Reporting Period |
|--|-----------------------|----------------------------------|
| Year-on-year reduction in carbon emissions per unit of revenue | 10% | 24.10% |
| Proportion of renewable energy | Increase year by year | 2.05% |

● Governance

The Company has set up a Resource Management Group, jointly led by the production deputy general manager and the environmental protection responsible person, comprising staff from production, environmental protection and equipment departments. The production department is responsible for efficient use of energy and water resources, the environmental protection department is responsible for reclaimed water reuse and carbon emission statistics, and the equipment department is responsible for the operation and maintenance of energy-saving equipment.

The Company has established a statistical system for energy and water consumption, analysing utilisation efficiency each month and proposing optimisation plans. It incorporates the reclaimed water reuse rate and energy consumption per unit of output value into the assessment of relevant departments. It regularly benchmarks resource utilisation efficiency against industry best practices.

● Strategy

Guided by the "dual carbon" policy, the Company systematically identifies core risks and opportunities in the field of green and low-carbon development through policy tracking, technical research, data analysis and supplier engagement. In terms of risks, it needs to focus on challenges such as lagging energy-saving technology iteration and adjustments to carbon trading rules. In terms of opportunities, it can seize the "dual carbon" policy dividend, upgrades in resource recycling technology, the expansion of the carbon trading market, and cost reduction and efficiency improvement from renewable energy applications, fully covering issues related to renewable energy use and carbon emission management.

In line with the "dual carbon" goals and green development strategy, the Company promotes efficient resource utilisation and energy structure transformation in phases. In the short term, it focuses on basic layout, expanding reclaimed water reuse and deploying distributed photovoltaics to consolidate the foundation for green development. In the medium term, it expands renewable energy applications and deepens energy-saving retrofits, steadily reducing energy consumption per unit of output value. In the long term, it aims to build a whole-chain resource recycling system, optimise the energy structure, deepen carbon management, and achieve sustainable development.

From a financial perspective, in the short term, cost savings are achieved through resource optimisation measures. In the medium term, the proportion of renewable energy use is gradually increased, reducing carbon tax expenditure and electricity costs, helping to improve gross margin. In the long term, building a resource recycling system reduces dependence on external resources, continuously achieves cost savings, and further amplifies financial benefits through lower financing costs brought by an improved ESG rating.

● Impact, Risk and Opportunity Management

The Company explores scenarios for renewable energy use and builds a diversified renewable energy supply system to ensure stable supply. Through large-scale procurement and formula optimisation, it stabilises fluctuations in feed raw material prices. It continuously tracks trends in energy-saving technology and introduces advanced technologies and equipment when appropriate. It actively seeks "dual carbon" policy subsidies to consolidate the foundation for green development management.

Energy Utilisation

The Company has formulated the "Energy Saving and Consumption Reduction Control Procedure". The finance department, based on the Company's overall management requirements, organises each department to formulate annual production and operation targets. After confirmation by each department and approval by the general manager, the targets are issued as company documents. Relevant departments further break down the company targets, formulating production and operation targets (indicators), control measures and assessment methods for their respective functions at different levels. At the end of each month, the equipment section and the finance department collect, summarise and analyse the actual consumption of electricity, water and gas by each department, promptly reminding departments that have exceeded their plans and requiring them to take measures to ensure the achievement of the annual targets.

During the reporting period, the Company realised a total reduction of approximately 919.5 tonnes of carbon dioxide emissions by substituting natural gas with biogas and by upgrading and optimising high-energy-consumption equipment.

| Energy Saving and Emission Reduction Pathway | Type of Energy Saved | Estimated Saving in the Reporting Period | Tonnes of CO ₂ Reduction |
|---|------------------------------|--|-------------------------------------|
| Renewable energy | Natural gas | 324,575 m ³ | 691.3 |
| Optimisation and upgrade of high-energy-consumption equipment | Municipal electricity supply | 43 10,000 kWh | 228.2 |

▶ Renewable Energy

During the reporting period, the Company completed and put into operation a biogas station, which uses sludge generated from the Company's production as raw material for resource recovery, extracting biogas through specialised processes. The biogas station currently produces 5,000 cubic metres of gas per day, replacing approximately 1.05 million cubic metres of natural gas per year. The operation of the biogas station not only achieves harmless and resourceful disposal of production sludge, effectively avoiding the environmental risks of sludge discharge, but also replaces fossil fuel natural gas with clean energy biogas, reducing traditional energy consumption and carbon emissions, and practising the concept of green and low-carbon development.

In 2026, the Company plans to promote photovoltaic installation projects at two processing factories, two prepared food factories, Taiyuan Factory and the feed mill. The total installed DC side capacity will be 7,666.39 kW, with a total installation area of 31,568 square metres. Based on local sunshine conditions, it is estimated that the total annual power generation will be approximately 9.2 million kWh, which would correspond to a reduction of 4,881.5 tonnes of carbon dioxide emissions.

▶ Upgrading High-Energy-Consumption Equipment

The Company's high-energy-consumption equipment mainly includes the roof cleaning station hot water systems and the pre-chiller Roots blowers at each factory. For the roof cleaning station hot water system, the Company recovers waste heat from the cooling evaporator of the refrigeration system to heat water, reducing steam use. For the pre-chiller Roots blowers, it replaces them with air suspension blowers, which are expected to save 40% energy per unit. The Company has four pre-chiller Roots blowers. Based on a power of 37 kW per unit and 20 hours of operation per day, it is estimated that annual electricity savings of 430,000 kWh can be achieved.

▶ Routine Management

The equipment section has formulated the "Regulations on Saving Water, Electricity and Coal" for high-energy-consumption equipment. It regularly inspects and cleans the thermal oil pipe filters, exhaust filters and heating pipes of fryers, and regularly maintains and inspects timers, sensors and other equipment to ensure that they can promptly and accurately suspend equipment operation when the time, position or point is reached, avoiding waste of equipment resources and ensuring energy saving, consumption reduction and low-cost operation of equipment.

The Company carries out TnPM (Total normative Productive Maintenance) activities for equipment management. Based on 6S in production and office areas, it improves and optimises equipment management systems. Using visual manuals, signal boards and other means, it creates simple and understandable visualisations of equipment standards and requirements, improving equipment standards and requirements. Focusing on equipment, and particularly on weak points, it improves, perfects and upgrades vulnerable parts, frequently failing parts and components that are often damaged, reducing equipment failure rates and maintenance costs, and ensuring normal production operation.

▶ Awareness Promotion

The Company's EHS department organises all employees to study policies, laws, regulations and related documents on energy saving and consumption reduction. It posts energy saving indicator labels in offices to enhance employees' awareness of resource conservation. It promotes energy saving and environmental protection principles, encourages reasonable setting of air conditioning temperatures in offices and meeting rooms, and advocates turning off relevant power supplies when offices are unoccupied for long periods.

| Resource Type | | 2023 | 2024 | 2025 | |
|---|--|-------------|-----------|-----------|-----------|
| Direct energy | Natural gas (million standard cubic metres) | 2.06 | 2.23 | 2.12 | |
| | Biogas (cubic metres) | / | / | 554,830 | |
| Indirect energy | Steam (tonnes) | 74,463 | 72,687 | 54,128 | |
| | Electricity (MWh) | 78,114 | 88,104 | 91,888 | |
| Comprehensive energy consumption (tonnes of standard coal equivalent) | Direct energy | Natural gas | 2,501.50 | 2,708.90 | 2,574.30 |
| | | Biogas | / | / | 396.10 |
| | Indirect energy | Steam | 7,021.90 | 6,854.40 | 5,104.30 |
| | | Electricity | 9,600.20 | 10,828.00 | 11,293.00 |
| Total | | 19,123.60 | 20,391.30 | 19,367.70 | |
| | Comprehensive energy consumption per RMB million revenue | 6.84 | 8.11 | 7.37 | |
| Proportion of renewable energy | | / | / | 2.05% | |
| Greenhouse gases (tonnes CO ₂ equivalent) | Scope 1 (direct energy) | 3,960.41 | 4,287.24 | 4,660.20 | |
| | Scope 2 (indirect energy) | 78,721.15 | 83,784.76 | 65,207.20 | |
| | Scope 3 (manure management) | 2,209.50 | 2,349.38 | 2,440.62 | |
| | Total (Scope 1 + Scope 2) | 82,681.56 | 88,072.00 | 69,867.40 | |
| | Emissions per RMB million revenue (Scope 1+2) | 29.57 | 35.03 | 26.59 | |

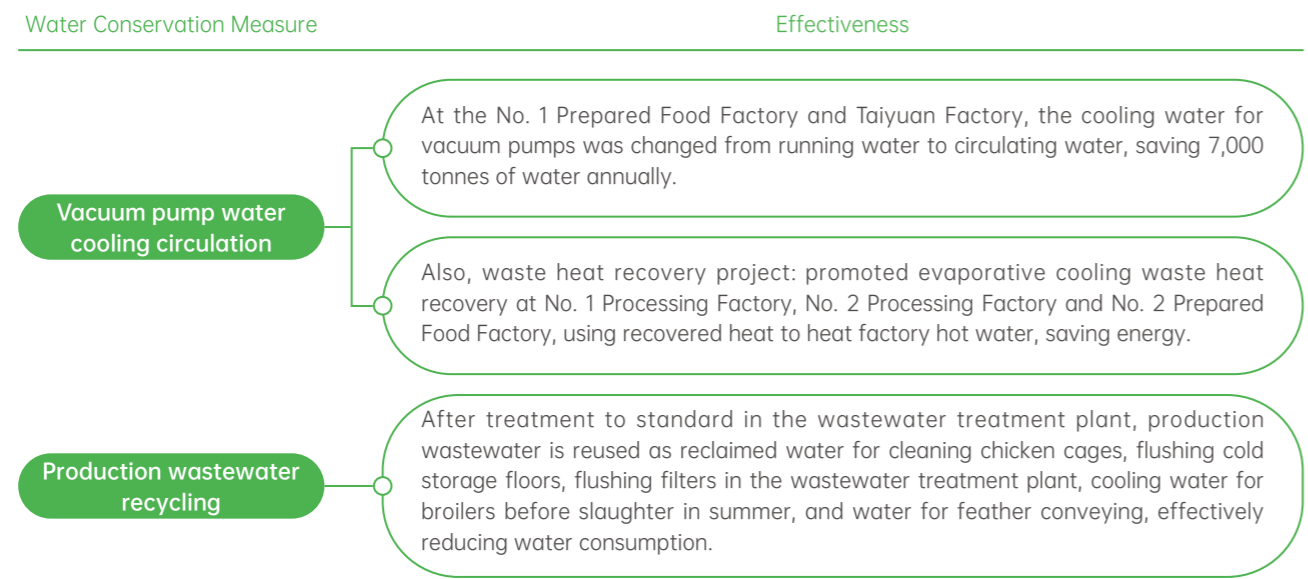
Note: The Company has corrected the amount of chicken manure disposed of in 2023-2024 and recalculated the Scope 3 greenhouse gas emissions from manure management for 2022 to 2024.

Water Resource Utilisation

The Company's water source is municipal water supply. In daily operations, the refrigeration evaporators in cold storage, the product cooling process in prepared food factories, and the cleaning and disinfection of production areas consume about 90% of production water. The Company systematically improves its water resource management efficiency by strengthening water target management, water use process control, innovative equipment application, and water conservation awareness promotion for all relevant operations.

The Company has networked the backwash, reverse osmosis and other water treatment systems of each production centre to achieve information-based management of water resources, monitoring water consumption, water quality and other conditions at each factory at any time, preventing water risks. At the same time, it regularly checks the validity of water abstraction permits at each factory and collects information on changes in water prices to promptly identify risks.

We continuously promote water-saving technologies and projects across all production centres, completing a number of typical innovative water resource conservation projects covering technical retrofits, equipment replacement and recycling, effectively saving tap water consumption.



Unit: tonnes

| Water Resource Utilisation | Description | 2023 | 2024 | 2025 |
|---|------------------------|-----------|-----------|-----------|
| Water withdrawal | Tap water | 1,668,392 | 1,414,741 | 1,160,657 |
| Water discharge | Production wastewater | 1,360,000 | 1,270,000 | 1,400,000 |
| Water consumption | Withdrawal – discharge | 308,392 | 144,741 | 0 |
| Water consumption per RMB million revenue | | 110.29 | 57.57 | 0 |

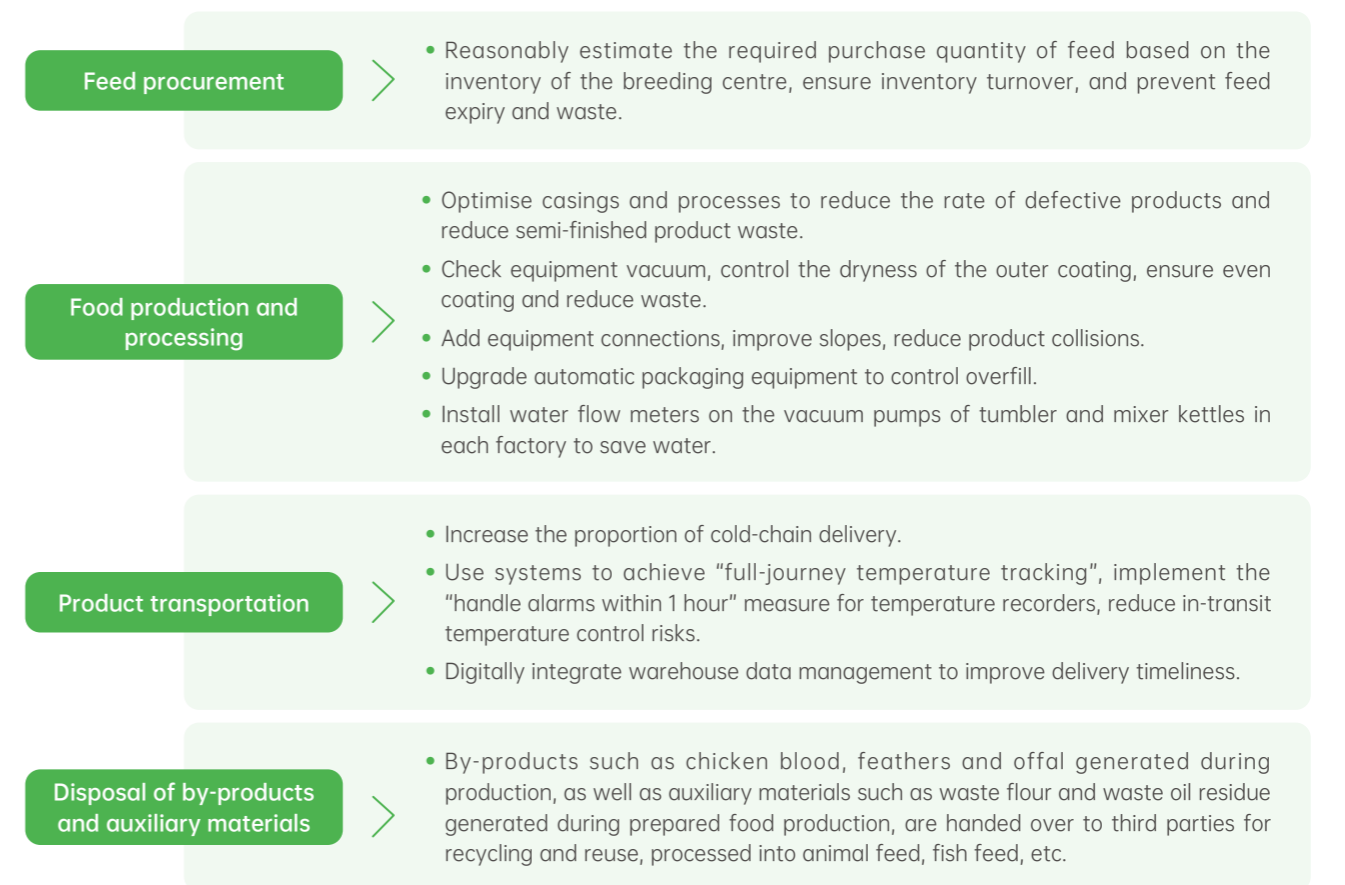
Resource Recycling

The Company strictly controls the production process, ensuring product quality while reducing waste generated during production, avoiding food waste in the processing chain. At the same time, it cooperates with other partners to recycle some byproducts of the food industry.

Reducing Food Waste

The Company actively explores innovative paths to reduce food waste, covering all operational links from feed procurement, food production and processing, product transportation to product disposal, continuously implementing measures to reduce food loss and waste. To reduce waste during production, it has set corresponding control indicators and assessment plans. The whole-year primary processing yield was 92.89%, achieving the set target of 92.8%.

Whole-process measures to reduce food loss and waste



Manure Management

The Company also pays attention to the environmental impact of emissions during the farming process. It carries out research on optimising feed conversion ratios and feed additives to reduce feed consumption, reducing manure generation at source and striving to achieve the goal of manure reduction. For chicken manure excreted by broilers during farming, the Company has formulated the "Guidelines for the Construction of Manure Resource Utilisation Facilities in Large-Scale Chicken Farms", guiding farmers to enhance the resource utilisation of chicken manure. It has also signed recycling agreements with some farmers, using the Company's self-built fertiliser production centre to ferment and process chicken manure into organic fertiliser.

| Manure Management | 2023 | 2024 | 2025 |
|---|------|------|------|
| Converted to organic fertiliser (10,000 tonnes) | 0.43 | 0.58 | 0.30 |
| Harmless treatment for fertilising fields (10,000 tonnes) | 3.08 | 3.25 | 3.44 |

Steady Operation

Spring Snow Food continuously improves its corporate governance structure and systems, ensuring that the Board of Directors and its specialised committees perform their duties in accordance with the law, guaranteeing the authenticity, accuracy and completeness of information disclosure, and effectively protecting investors' rights and interests. At the same time, the Company has established a "Business Ethics Compliance" team to actively promote anti-corruption and integrity efforts in accordance with relevant systems, fostering the healthy development of the Company.

| | |
|-----------------------|----|
| Compliance Management | 47 |
| Corporate Governance | 52 |

Compliance Management

Compliance management is the core foundation for the Company's global expansion. With authoritative certifications such as EU GSLR and HALAL, the Company has successfully gained access to the European market, achieving steady growth in prepared food exports while also obtaining market access qualifications in Southeast Asia, thereby expanding its overseas business footprint. Any compliance lapse would risk exclusion from overseas markets, directly causing loss of orders and impacting revenue growth.

In terms of social and industry impact, the Company has obtained SEDEX system certification, strictly aligning with international labour standards and environmental requirements, effectively enhancing the international image of Chinese poultry enterprises. It has fully cooperated with Yantai Customs in promoting the stable growth of foreign trade, achieving 100% export filing coverage. Moreover, through its own international compliance practices, it has helped upgrade industry standards for white-feathered broiler enterprises, providing valuable references for peer companies going global.

| Indicator | Target | Progress in the Reporting Period |
|--|--------|----------------------------------|
| Overseas market ESG compliance audit pass rate | 100% | 100% |
| Proportion of overseas revenue to total revenue | 30% | 28% |
| Number of new overseas market access qualifications obtained | 1 | 1 |
| International compliance certification coverage (target markets) | 100% | 100% |
| Overseas business labour standard compliance rate (SEDEX system) | 100% | 100% |

● Governance

The Board of Directors oversees the global compliance strategy. Management has established an International Business Compliance Team, comprising members from the international business, legal, quality, environmental and human resources departments. The international business department is responsible for researching compliance requirements in overseas markets, the legal department reviews compliance clauses, the quality and environmental departments ensure products and operations meet international standards, the finance department controls compliance costs, and the human resources department is responsible for implementing labour standard compliance for overseas business. At the same time, the Company has formed local overseas compliance teams to adapt to ESG rules in different regions.

The Company has established a dynamic tracking system for overseas market compliance, assigning staff to follow ESG regulatory updates in target markets. It has formulated a global compliance manual, standardising operations in production, procurement, sales and employment. Quarterly overseas compliance risk assessments are carried out and reported to the Board of Directors. International compliance achievement rates and labour standard compliance rates are incorporated into the assessment of the international business and human resources departments. The Company cooperates with local compliance agencies to reduce the cost of localisation.

● Strategy

The Company continuously tracks overseas policy developments, draws on mature experience within the industry, and collects customer feedback to systematically identify core risks and opportunities in advancing overseas business. Current challenges include the continuous iteration of overseas ESG-related regulations, new compliance barriers arising from geopolitical changes, and rising localisation compliance costs. Opportunities include the vast expansion potential of emerging markets, enhanced brand value from compliance advantages, and the integration of international compliance cooperation resources.

The Company has set phased goals for overseas compliance development. In the short term, it focuses on basic compliance capabilities, ensuring a 100% pass rate for overseas market ESG compliance audits, obtaining multiple overseas market access qualifications, and completing the layout in emerging markets. In the medium term, it aims to localise compliance standards in major overseas markets, build professional compliance teams, and consolidate local management foundations. In the long term, it strives to build a global compliance management system, achieving zero compliance risks in overseas business.

From a financial perspective, early-stage investment in compliance qualification processing and audits will bring significant order growth, achieving revenue gains. In the medium term, localisation of compliance effectively reduces operating costs and improves the profitability of overseas business. In the long term, a mature compliance system will provide solid support for continued overseas expansion, underpinning a steady increase in the proportion of overseas revenue.

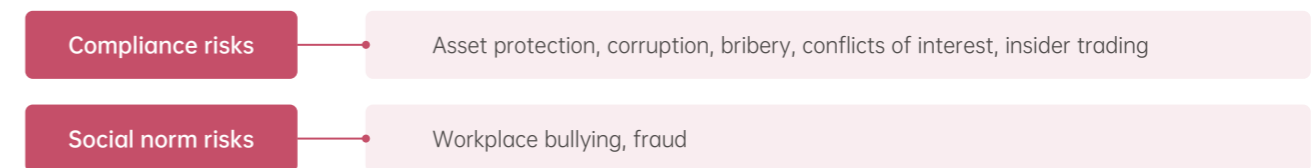
● Impact, Risk and Opportunity Management

The Company has established an early-warning system for real-time updates of overseas compliance policies, adjusting its overall compliance strategy in advance based on policy changes. It continuously optimises the regional layout of overseas markets, diversifying locations to mitigate geopolitical uncertainties. It establishes deep cooperation with local professional compliance agencies to effectively reduce localisation compliance costs. Leveraging its compliance management advantages, it precisely targets high-end customer groups and continuously enhances brand premium capacity.

Business Ethics

The Company has formulated the "Business Ethics Compliance", "Anti-Fraud System", "Provisions on Integrity Building and Work Style", and the "System for Recusal of Relatives of Management Personnel and Sensitive Position Arrangements". These establish a clean and efficient work style within the Company, clarify that all business conduct should be based on "fair transactions", and further regulate the employment system and job operations to prevent any conflicts of interest. At the same time, the Company has set up a "Business Ethics Compliance" team, with the general manager as team leader and management representatives and employee representatives as members. The team inspects employees in each department every quarter in accordance with the "Business Ethics Compliance" document.

According to the Company's "Business Ethics Compliance" management system, we focus on the following compliance and ethical risks:



Any violation of ethical, compliance or legal standards poses a significant risk to the Company's operations, which may manifest as an impact on the Company's ability to operate, or result in fines and/or reputational damage.

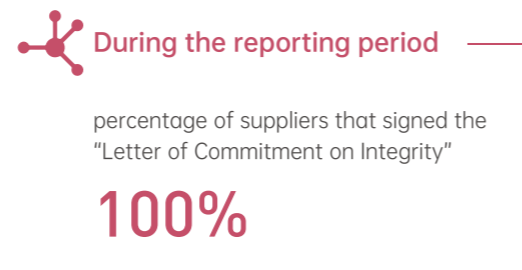
To reasonably control the above risks, the Company's "Business Ethics Compliance" team assesses the effectiveness of business ethics risk controls in each department through quarterly inspections and special inspections. Issues found during inspections are dealt with according to company rules or relevant laws, suppressing unethical conduct.

Awareness Promotion

The Company attaches great importance to compliance management and integrity building, taking multiple measures to build a strong compliance defence. At the Board level, directors regularly participate in special meetings organised by regulatory authorities to continuously follow regulatory developments and deepen their awareness of integrity. During the reporting period, all four directors participated in the entire regulatory work meeting convened by the CSRC Shandong Bureau, ensuring that the Company's management and operations are aligned with regulatory requirements.

At the employee communication level, the Company has established a dedicated communication channel, setting up a WeChat public account "SpringSnow Suggestion Box" with its QR code publicly displayed on walls, making it easy for employees to provide timely feedback on business ethics, daily management and other issues. The internal audit department regularly conducts special inspections at each factory and department to verify the posting of QR codes, ensuring full reach and no omissions, effectively opening up internal supervision and opinion expression channels.

At the supply chain integrity level, the Company has signed the "Letter of Commitment on Integrity" with all suppliers, achieving a 100% signing rate. The letter of commitment explicitly stipulates that if a supplier engages in falsification, malicious bidding, malicious breach of contract, violation of the principle of good faith or the terms of the commitment letter, or if the above actions cause significant economic, brand or reputational losses to the Company, the supplier will be directly placed on a blacklist after verification, creating a rigid constraint to secure the integrity baseline of the supply chain.



Dynamic Inspection

The Company continuously improves its internal control and compliance management system, regularly carrying out supervision and inspection as well as risk prevention and control work. It organises an internal control self-assessment every year, conducts unscheduled internal audits, and simultaneously advances social responsibility self-assessments from the perspectives of risk, control and management. During the reporting period, the Company had no major violations throughout the year, and all operational risks were effectively controlled.

Each production centre actively undergoes customer and third-party social responsibility system audits. During the reporting period, the Food Processing Centre and the Meat Processing Centre successfully passed the SEDEX social responsibility system certification and a special audit by a leading multinational fast-food chain, demonstrating continuously improving compliance management capabilities.

For internal supervision, the Company has established multiple reporting channels, with a dedicated person in the audit department responsible for receiving, recording and following up. The audit department summarises feedback on a monthly basis and reports directly to management, ensuring closed-loop internal supervision. For external collaboration, the Company signs the "Letter of Commitment on Integrity" with all suppliers and customers, clearly stating the bribery reporting path in cooperation contracts, building a mutual management, supervision and restraint mechanism. During the reporting period, a total of 78 internal reports were received. After verification, 3 cases of basic-level management negligence were found. The Company responded promptly, making corrections through process adjustments, supervision and assessment, coordination and communication.

The Company has established a "Business Ethics Compliance" special team to investigate all types of reports, verify whether they are substantiated, and impose penalties in accordance with laws and regulations. Disposal methods include termination of employment or business relationships. After verification by the special team, there were no reportable incidents requiring further follow-up during the reporting period, and the business compliance environment remained clean.

Protection of Employee Rights

The Company strictly complies with the "Labour Law of the People's Republic of China" and the "Labour Contract Law of the People's Republic of China". It adheres to legal employment, prohibits child labour and forced labour, signs labour contracts with all employees in accordance with laws and regulations, does not employ dispatched or part-time workers, and does not discriminate on the basis of gender, religion, ethnicity or political orientation.

Democratic Communication

The Company always puts people first, continuously improving the employee rights protection and communication mechanism, and striving to build harmonious labour relations. During the reporting period, the Company lawfully elected a new group of employee representatives, covering front-line employees, middle and senior managers, and female employees, with a balanced and reasonable composition. It convened the Fourth First Session of the Employee Representative Congress as scheduled, completed the election of employee directors, and reviewed and approved several important management systems and amendments to the foundation's constitution, effectively safeguarding employees' rights to democratic participation and management.

To facilitate employee appeals, the Company established an Employee Life Management Committee, with sub-groups regularly organising employee symposiums to accurately address pain points in work and life. At the same time, the trade union, together with the Human Resources Department and the Legal Department, set up consultation rooms and mediation rooms, improving the labour-management consultation and communication mechanism, ensuring that employees' reasonable demands are efficiently communicated and responded to.

In terms of factory affairs disclosure, the Company comprehensively promotes information transparency, proactively disclosing to employees major production and operation decisions, matters concerning their immediate interests, and system revisions. Key matters such as the formulation and revision of personnel systems, election of employee directors, and job competitions are fully disclosed. Amendments to the Charity Foundation's constitution were completed through the Employee Representative Congress, fully safeguarding employees' rights to information and participation.

Occupational Health and Safety

The Company has formulated a series of safety production systems, including the "Management System for Safety Production and Occupational Health Objectives", "Safety Production Reward and Punishment Management System", "Safety Education and Training Management System", and "Equipment and Facility Safety Management System". It incorporates safety production into the Company's operational target management and assessment, and through step-by-step delegation to each department, assigns assessment to individuals.

The Company has established a Safety Management Centre and appointed a Safety Director, who is responsible for assessing, prioritising and managing the Company's safety production work, supervising the compliance of the Company's business environment and activities. The daily EHS work is executed by the Safety and Environment Section Head. Each month, the Safety and Environment Section Head, together with the safety supervisors of each factory, inspects the relevant factories and requires necessary corrective actions based on the inspection results. Every quarter, a comprehensive inspection is carried out jointly with the Engineering Department and the Equipment Department to ensure all links meet safety standards.

To strengthen communication and coordination, the Safety Management Centre holds a meeting every month, inviting the safety supervisors of each factory to discuss current problems and improvement plans. If important safety information or instructions are received from regulatory authorities, they are promptly communicated through this platform to ensure smooth information flow and effective response to challenges.

Safety Risk Management

The Company refines health and safety risk management down to risk points and hazard sources. It uses scientific and reasonable methods to conduct qualitative or quantitative analysis of hazard sources included in risk points, and classifies them according to the evaluation results. The level of control is determined based on factors such as the level of the hazard source, the resources required for control, the control capability, and the difficulty of control measures.

The Company regularly carries out comprehensive safety inspections, daily inspections, specialised inspections, and seasonal and holiday inspections to promptly identify safety hazards and implement corrections. At the same time, the Company conducts internal audits annually according to the "Basic Standard for Enterprise Safety Production Standardisation" (GBT 33000), and external audits for national safety production standards every three years.

The Company has formulated emergency plans such as the "Production Safety Accident Emergency Plan" and the "Special Emergency Plan for Major Hazardous Sources of Liquid Ammonia" based on safety risk factors at production sites. These plans specify the emergency measures to be taken at the scene and the responsibilities of relevant departments when an accident occurs, ensuring that affected employees receive timely treatment and that the scope of the safety incident is quickly contained.



Safety Culture Building

The Company has for many years adhered to a people-oriented safety culture and has obtained ISO 45001 Occupational Health and Safety Management System certification. Management at all levels has the duty and responsibility to promote occupational health and safety work. Through management systems and norms, it ensures employee compliance and execution, continuously examines safety factors such as people, environment and behaviour, optimises management mechanisms, and implements occupational health and safety management objectives with consistent training and publicity.

The Company regularly carries out full-employee training and emergency drills, covering all areas, all positions and the entire chain, with participation from all relevant personnel in each unit. New employees receive pre-job "three-level safety education". Each year, employees are organised to receive special safety training in occupational health, job safety procedures, safety regulations, fire safety, etc., to enhance their safety production awareness.

During the reporting period, the Company organised various forms of safety production training, including special training, new employee training, full-employee training, emergency drills and safety knowledge competitions. In total, more than 900,000 person-times of safety production training were completed, enhancing employees' safety awareness.

| | |
|-------------------------------|---|
| Special training | <ul style="list-style-type: none"> 45 employees passed ISO 14001/ISO 45001 internal auditor training, strengthening the professional competence of internal audit personnel. Strictly enforced certification for special positions such as refrigeration workers, welders, forklift drivers, high and low voltage operators, and work at height personnel, and the system of training before posting. Organised a total of 900 person-times of various safety qualification trainings, including 150 person-times for safety management personnel, 150 person-times for special operation personnel, 100 person-times for team leaders, and more than 3,000 person-times for other employees. Completed 70 person-times of vocational skill certification training. All types of employees were certified as required by national regulations. Strictly implemented the Shandong Provincial Safety Production Committee's "Morning Meeting System", with 3,000 person-times of pre-shift training. |
| New employee training | <ul style="list-style-type: none"> Organised 1,220 person-times of new employees to receive pre-job "three-level safety education" during the year. |
| Full-employee training | <ul style="list-style-type: none"> Organised 3,000 person-times of employees each year to receive special safety training in occupational health, job safety procedures, safety regulations, fire safety, etc., to enhance safety production awareness. |
| Emergency drills | <ul style="list-style-type: none"> 6 comprehensive drills, 12 special drills. |

Health Risk Management

The Company continuously holds employee injury analysis and investigation meetings and extends relevant improvements to the entire Company. It provides occupational health training, regularly organises employee health check-ups, and purchases occupational injury insurance for employees to minimise occupational hazards.

| Health Factor | Control Measures and Progress |
|--------------------------------|---|
| Occupational diseases | <ul style="list-style-type: none"> Completed 260 occupational disease check-ups, including 260 current employees, 0 pre-employment, 0 off-duty, 0 re-examinations. |
| Common chronic diseases | <ul style="list-style-type: none"> Completed 3,500 health check-ups. Organised 3 health lectures. Shared 13 health tips via OA system, email, company WeChat, etc. |

Corporate Governance

The Company strictly complies with the "Company Law of the People's Republic of China", the "Securities Law of the People's Republic of China", the "Governance Standards for Listed Companies", the "Shanghai Stock Exchange Stock Listing Rules", the "Shanghai Stock Exchange Listed Company Self-Regulatory Guideline No. 1 – Standardised Operation", and other laws, regulations and normative documents. It has established a relatively complete corporate governance structure and various internal control systems. The Company's shareholders' meeting, Board of Directors and management perform their duties in accordance with their respective rules of procedure and working systems, operating in an orderly manner. Directors and senior management are diligent and responsible. Independent directors perform their duties faithfully. Information disclosure is true, accurate, complete, fair and timely.

● Sound Governance Structure

The Company's shareholders' meeting is the highest authority, the Board of Directors is the decision-making body, and senior management is the executive body. To meet strategic development needs, ensure scientific decision-making, enhance the Board's effective supervision of management, regulate the appointment of directors and senior management, and improve the assessment and compensation system, the Board has established four specialised committees: Strategy, Audit, Nomination, and Remuneration and Appraisal. The Company has formulated detailed working rules for each of these four committees, effectively ensuring their responsibilities. On the one hand, this promotes the professional operation of the Board; on the other hand, it more effectively utilises the Board's supervisory, balancing and decision-making functions.

To prevent and mitigate conflicts of interest, the Board has formulated the "Board Rules of Procedure", "Audit Committee Working Rules", "Nomination Committee Working Rules", "Remuneration and Appraisal Committee Working Rules" and other systems, clearly specifying the application of the recusal principle.

Board Composition and Operation

The Board of Directors consists of 9 directors, including 1 Chairman and 3 independent directors. The Board is composed of directors with different skills, experience, qualifications and backgrounds to provide effective leadership and add value. In 2025, the Company held 6 Board meetings, with an average attendance rate of 100%.

Board Member Positions

● Chairman ● Independent Director ● Executive Director ● Committee Convener ● Committee Member

| | Board Meeting Attendance | Committee Membership | Audit Committee | Remuneration and Appraisal Committee | Nomination Committee | Strategy Committee |
|----------------|--------------------------|-------------------------------|-----------------|--------------------------------------|----------------------|--------------------|
| ● Zheng Weixin | 6/6 | Strategy Nomination | — | — | 1 | — |
| ● Wang Baowei | 6/6 | Nomination Audit Strategy | 4 | — | 1 | — |
| ● Yang Kequan | 6/6 | Audit Remuneration | 4 | 2 | — | — |
| ● Li Zaijun | 6/6 | Remuneration Nomination Audit | 4 | 2 | 1 | — |
| ● Zheng Jun | 6/6 | | — | — | — | — |
| ● Chen Fei | 6/6 | Remuneration | — | 2 | — | — |
| ● Li Yanlin | 6/6 | | 4 | 2 | — | — |
| ● Sun Yuwen | 6/6 | Strategy | — | — | — | — |
| ● Huang Shimin | 6/6 | | — | — | — | — |

Board Responsibilities and Authorisation

The Board's responsibility is to lead the Company and create long-term value for shareholders. The Board is responsible for setting the Company's values and standards, ensuring they align with the Company's strategic objectives and desired business culture, and responding to the demands of shareholders and other stakeholders (including employees, suppliers, customers and the business operating environment). It approves the Company's strategic objectives and provides the necessary financial and human resources to achieve them.

The Board authorises the Company's senior management, led by the General Manager, to lead the day-to-day operational decisions of the Company, to establish effective internal control measures, and to ensure that the Company meets its commitments and expectations towards society and other related parties. The Board regularly reviews the operational management performance of senior management and evaluates them.

Director Nomination and Selection

The Company's Nomination Committee and the Board have clear procedures and criteria for the nomination, qualification and assessment of director candidates, including criteria for Board independence and diversity.

According to the "Company's Articles of Association", Board members are elected by the shareholders' meeting for a term of 3 years. If a replacement member is elected to the Board during a term, the newly elected director's term ends on the date of expiry of the current Board's term. Members of each specialised committee are elected by the Board in accordance with the rules of procedure of the respective committee, and their term is the same as that of the Board.

Board Capacity Building

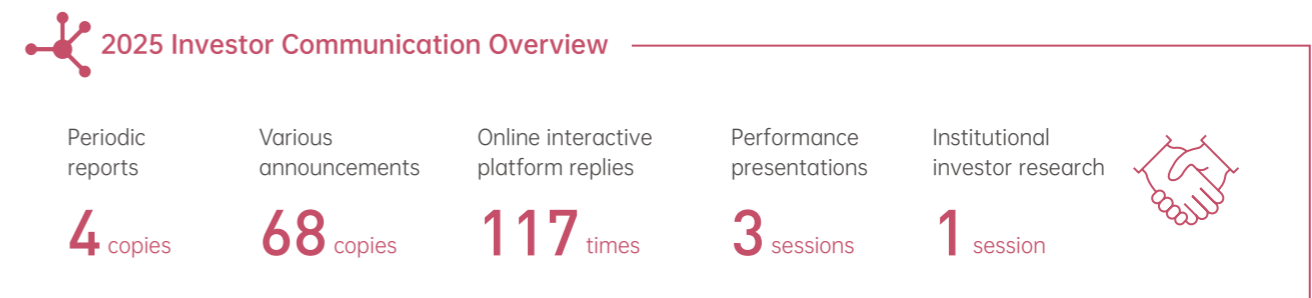
During the reporting period, the Company organised a series of training courses for directors, covering topics such as important legal and regulatory developments, anti-fraud performance, mergers and acquisitions, and market value management – issues closely related to the Company's sustainable development.

Remuneration Policy for Directors, Supervisors and Senior Management

The Company advocates a value-oriented performance culture. It implements performance appraisals for senior management, with a compensation structure of "monthly base salary + quarterly performance pay + year-end bonus". Under the authorisation of the Board, the Remuneration and Appraisal Committee is responsible for determining quarterly performance pay and year-end bonuses. The assessment is based on the performance indicators set by the Company and the assessment indicators of work performance at each stage, ensuring that performance appraisal and evaluation results fully reflect employees' true performance and ability levels, and guaranteeing the transparency of the appraisal.

Investor Relations Management

The Company has always focused on maintaining a strong and open relationship with investors. It fulfils its information disclosure obligations truly, accurately, completely and timely through periodic reports and various announcements. It communicates the Company's strategy and decisions to the market and receives feedback from investors through shareholders' meetings, investor hotlines, investor research, e-interaction Q&A, and other interactive methods.



Board members and senior management regularly communicate with investors, enabling the Board and management to receive feedback on various issues such as strategy and financial performance, operations, products, executive compensation, Board composition and leadership structure, and important environmental and social issues. The constructive insights, experiences and ideas exchanged in these activities help the Board evaluate and assess key directions for the Company's future development.

Investor Communication Involving Directors and Senior Management

| Communication Method | Frequency | Topics |
|---------------------------|------------|---|
| Performance presentations | 3 sessions | Company performance, development plans, industry situation, profitability |

● Risk Management

To meet the Company's development needs, the Company made a systematic revision and improvement of its original internal control systems this year. By improving the systems, it moves risk prevention forward, using the systems to regulate and manage daily operations.

The Company has identified seven major risk areas: strategic risk, financial risk, market risk, supply chain risk, legal and compliance risk, quality and food safety risk, and sustainable development risk. Through assigning responsible parties, formulating target strategies, improving risk alert mechanisms, and conducting annual effectiveness evaluations, it strengthens internal control. It implements full-process prevention and control in three stages: pre-incident prevention, in-incident control, and post-incident emergency response. The Risk Management Committee regularly reviews the effectiveness of risk assessment and response, addresses problems in implementation, and ensures that response measures are implemented. For key areas, the Company, from the three levels of strategy, operation and support, identifies key business areas and key management modules. Following the principle of "key control + major risk + effective coverage", it makes overall plans for key tasks and carries out audit supervision.

During the reporting period, the Company built a full-chain risk management system of "prevention – control – improvement" around the seven major risks. At the strategic level, by upgrading its diversified strategy, expanding production and going global in parallel, it broke through the limitations of a single category and enhanced development certainty. At the financial level, it adopted three measures – leveraging policies, using idle funds for wealth management, and cost optimisation – to improve solvency and profitability. For market and supply chain risks, it focused on "stabilising channels, controlling sources", laying out high-end channels and developing high-value-added products to offset competitive pressure, and using centralised procurement and inventory early-warning mechanisms to smooth raw material fluctuations. For compliance and quality risks, it focused on prevention and control, aligning with new regulations to improve processes, obtaining more than 50 authoritative certifications, and investing in a national-level testing centre to achieve full-process quality control. For sustainable development, it took digital transformation, grain-saving technology and new business track expansion as its levers, both responding to environmental requirements and cultivating growth drivers, forming a long-term development model with controllable risks.



Employee Empowerment

The Company's success begins with the success of its employees. Since its establishment, the Company has focused on providing a safe and well-managed workplace where its team members can thrive and have a better future.

| | |
|---------------------------------|----|
| Talent Attraction and Retention | 59 |
| Talent Development | 62 |



Talent Attraction and Retention

The Company has established a scientific talent selection mechanism, making good use of people and placing them where their talents can best be utilised, creating an environment that respects knowledge and talent and enables outstanding individuals to stand out.

• Diversity and Inclusion

The Company continuously provides a friendly and supportive working environment for female employees. It regularly invites psychologists from the rehabilitation centre to provide psychological counselling to female employees on issues such as family and childcare. Through seminars and other activities, it learns about the concerns of female employees. During the reporting period, the Company organised a satisfaction survey for female employees, and their satisfaction exceeded 97%. In cooperation with the local government, it organised screening for two types of cancer for female workers of childbearing age between 35 and 55.

The Company respects employees' rights to practice their beliefs and customs. It has set up a halal canteen and an independent living centre for Hui ethnic employees, and organises an annual commendation conference for outstanding ethnic minority employees. The Company's management often visits the dormitories of ethnic minority employees, having heart-to-heart talks with them to understand their feelings and needs, and doing everything possible to solve the difficulties and problems they encounter. In addition to care and help in daily life, the Company organises and participates in various cultural, recreational and sports activities, enriching the spiritual and cultural life of employees from all ethnic groups. Ethnic minority employees, who are good at singing and dancing, express their love for a better life by playing the hulusi, dancing around bonfires or running on the track, and also express their praise for national unity and harmony.

As of the end of the reporting period, the Company had 4,368 regular employees, of whom 48.95% were women. Among senior management at the level of Deputy Director and above, 29% were women. There were 175 employees from 16 ethnic minorities, including Manchu, Hui, Wa, Blang, Dai, Yi, Lahu and Bai, accounting for 4% of the total workforce. Among senior management, there was one ethnic minority employee, representing 0.57% of that group. Ethnic minority employees made up 1.5% of new hires during the reporting period.

As of the end of the reporting period



• Talent Recruitment

The Company implements a people-oriented strategy, continuously attracting and developing excellent talent. A high-quality workforce characterised by professionalism and specialisation provides strong support and backing for the Company's sales, management, R&D and production. The Company's recruitment channels include the Company website, campus presentations, campus internship programmes, industry-academia cooperation and social media. During the reporting period, it carried out recruitment activities at many colleges and universities in Shandong Province, ensuring a continuous supply of outstanding talent.

The Company signs school-enterprise cooperation agreements each year with China Agricultural University, Qingdao Agricultural University Haidu College and others, actively participates in campus recruitment, and regularly arranges for teachers and students to visit the Company for observation and learning.

During the reporting period, the Company held more than 40 lectures, courses and workshops, providing interns with rich and diverse learning experiences. Interns with outstanding performance were eligible for pre-employment offers and could join the Company immediately after graduation, creating a win-win situation for the participating students and the Company. As of the end of 2025, on average 70% of the interns from 2023 and 2024 subsequently joined the Company.

• Compensation and Benefits

The Company offers competitive total compensation, including base salary, performance pay, bonuses and benefits, to attract, develop and retain talent, and rewards employees with outstanding performance. Total employee compensation varies according to the Company's profitability, combined with factors such as the employee's professional knowledge and skills, job function, performance and contribution to the Company.



- Each year, the Company conducts a salary survey to measure the difference between its pay levels and those of representative local and industry peers, as well as the rise in the Consumer Price Index, providing a reference for salary adjustments and maintaining the Company's overall compensation competitiveness.



- Front-line production employees are paid on a piecework or hourly basis depending on the nature of the work, with pay calculated according to workload or hours worked.
- General management and logistics staff have their monthly pay linked to monthly performance achievement, settled each month.
- Management performance assessment is divided into Key Performance Indicators and Key Management Indicators. Monthly performance pay is linked to monthly performance achievement, settled each month; bonuses are linked to employees' annual performance achievement, settled at year end.



The Company provides a comprehensive benefits package based on statutory standards, including holidays, insurance, free accommodation, pension, emergency assistance, holiday benefits, etc. It also provides free annual health check-ups for female employees of childbearing age, current employees over 45, and retired employees.

The Company continues to invest in upgrading the "Staff Home", creating a one-stop comprehensive service platform. The staff children's care centre has been operating stably for a long time, effectively solving the problem of childcare for employees and benefiting many employee families. At the same time, it cultivates a "home" culture. Starting in 2025, it holds monthly collective birthday parties for residential staff, using warm measures to convey the Company's care and consolidate the Company's development cohesion.

In response to the actual need of employees to return home for the Spring Festival reunion, the Company accurately addresses the pain points of Spring Festival travel. Each year during the Spring Festival travel season, it buys air tickets for employees and arranges special vehicles to take them to the airport, solving the practical difficulties of long distances and hard-to-get tickets, and fully ensuring that employees return home safely and smoothly to reunite with their families.

At the same time, the Company has improved its supporting service facilities, creating a "Staff Home Street" with complete facilities within Yantai City, integrating bathrooms, a cinema, a library, a supermarket, a gym and other facilities with a cultural learning area, meeting employees' one-stop needs for life, leisure and learning, helping them relax and balance work and life.

In terms of assistance and relief, the Company gives full play to the role of the Compassion Fund. During the reporting period, it assisted a total of 37 employees in difficulty or in need of temporary relief, with a total relief amount of RMB 62,290, effectively solving employees' urgent needs and fulfilling corporate responsibility with concrete actions.

During the reporting period

the Compassion Fund assisted

37 employees in difficulty or in need of temporary relief

Relief funding distributed

RMB **62,290**



Talent Development

Each year, the Company formulates a demand plan for echelon talents based on key positions, determines the levels of the echelon, and builds competency models and qualification requirements for the Company's key positions. It then conducts large-scale assessments and selections among its existing employees to determine the Company's talent nine-box grid, draws up a list of reserve talents, identifies those who require urgent attention, confirms their capability gaps, and finally, based on individual circumstances, develops improvement learning plans for the talent echelon.

| Indicator | Target | Progress in the Reporting Period |
|---|------------|----------------------------------|
| Completion rate of department general manager talent pipeline status review | 90% | 90% |
| Average annual learning hours per employee | ≥ 50 hours | 52 hours |

● Experiential Learning

The Company provides employees with a complete career development framework. Through a "dual track" system that strengthens both management functions and technical professional functions, employees can achieve good development in the professional fields of management or technology according to their personal traits and expertise.

Under the Company's career development framework, line managers and employees regularly conduct performance appraisal communications, clearly and consistently linking employees' skills and abilities with business performance, providing a basis for internal talent promotion and the development of well-rounded leadership talent.

● Feedback and Guidance

The Company has a strong feedback-based corporate culture and performance management approach. Employees receive multi-dimensional, goal-based performance appraisals each year. Employees regularly have feedback and development planning conversations with their managers to encourage internal communication. We recognise that it is very important for employees to be able to negotiate with their superiors about development opportunities and future careers, receive appropriate advice, and understand their department's mission and the role they should play in the medium and long term, so that they can fully realise their potential. Furthermore, these conversations have a very positive impact on employee engagement and clarifying the Company's purpose, as they give supervisors and their subordinates the opportunity to step away from daily reporting routines and jointly discuss business development and their vision for the Company.



Employee collective birthday party



Farewell party for workers going home for Chinese New Year

● Talent Cultivation

The Company attaches great importance to the establishment and improvement of its training system, continuously strengthening employee training and career planning. Each year, in line with the Company's strategic plan, it formulates annual training plans by system and by project and carries out related training activities. Training formats, which are adapted to actual needs, include both online and offline methods. Through induction training, new hires quickly learn and integrate into the corporate culture, helping them quickly assume their roles. Through external training resources, it helps technical and business personnel continuously improve and strengthen. Through management training for middle and senior levels, internal trainer programmes and other training projects, it continuously extracts and passes on excellent internal case study experience. Through training, it continuously empowers employees across all systems, creates a learning organisation atmosphere, and continuously improves the Company's talent pipeline.

The Company carries out a reserve talent training programme, dividing candidates into three pipelines (A, B, C) corresponding to the development of department heads (deputy heads), workshop directors, section chiefs or supervisors, and various types of professional cadres.

Talent Cultivation Plan


| | C Pipeline | B Pipeline | A Pipeline |
|--------------------|---|--|---------------------------------|
| Target Audience | College and university graduates | Workshop directors, section chiefs or supervisors, and various types of professional business core members | Department heads (deputy heads) |
| Number in Pipeline | 31 | 63 | 29 |
| Training Programme | Eaglet Class | Eagle Class | Golden Eagle Class |
| Training Content | Corporate culture, execution, team management, communication skills, leadership, marketing, financial management, human resources management, management, organisational behaviour, production operations management, quality management, lean production | | |

The assessment cycle for reserve talents is one year. The assessment consists of three parts: training assessment (40%), job assessment (40%) and democratic review (20%). Those with a comprehensive evaluation score of "Excellent" are given priority for promotion and training opportunities. Those with a score of "Satisfactory" may be given appropriate training and job rotation opportunities to help them improve their capabilities. Those with a score of "Poor" will have their reserve talent status revoked.

During the reporting period, multiple rounds of thematic training and learning activities were held for middle and senior managers, marketing personnel and new employees. The total training hours exceeded 640 hours, more than 5,300 person-times participated in training and learning, and the total training cost exceeded RMB 1 million. All open courses completed satisfaction evaluations, with evaluation dimensions including course content design, lecturer, administrative services and overall course benefit satisfaction. Among these, the average satisfaction score for course benefits was 90 (out of a full score of 100). The results of the evaluations were fed back into the employee performance management and development system.

In addition, we encourage employees to obtain academic qualifications and acquire business knowledge and skills. During the reporting period, the Company continued to sponsor three employees to participate in the MBA programme at the MBA Education Centre of China Agricultural University, helping them systematically learn and master leadership knowledge and skills.

● Average Training Hours per Person

| | | | |
|-------------------|--------------------|------------------|---|
| Senior management | Indirect employees | Direct employees |  |
| 72 | 38 | 50 | |



Spring Snow Food "Spring Front" Executive Development Programme Launched to Build a HighQuality Management Team

In April 2025, the Spring Snow Food Group management cadre "Spring Front" Executive Development Programme (Phase I) was grandly launched, hailed within the industry as "Whampoa Phase I". More than 50 senior executives, mentors, industry experts and trainees participated.

With the theme "'Spring Front' Sharpness, Riding the Waves; Through Reform, Breaking the Game to Win", the programme, in cooperation with a well-known domestic management consulting organisation, set up practical courses such as supervisor positioning and human resources management. Through diverse formats such as case analysis, group discussion and scenario simulation, it achieved deep integration of theory and practice. Trainees devoted themselves enthusiastically to each two-day closed-door training session, actively exchanging ideas and colliding thoughts.

As an important initiative in the Company's talent team building, the programme aims to broaden the horizons of management cadres, update management concepts, and improve comprehensive competence, laying a solid talent foundation for the Company to cope with market competition and achieve high-quality development. In the future, Spring Snow Food will continue to deepen its talent cultivation mechanism and build more high-quality platforms for the growth of management cadres.



Appendix

● GRI Standards Index

| | |
|-------------------------|---|
| Statement of use | SpringSnow Food has reported the information cited in this GRI content index for the period January 1st, 2024 to December 31st, 2024 with reference to the GRI Standards. |
| GRI 1 used | GRI 1: Foundation 2021 |

| GRI STANDARD | DISCLOSURE | LOCATION |
|---------------------------------|--|---|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | About SpringSnow Food Group |
| | 2-2 Entities included in the organization's sustainability reporting | Report Preparation Notes |
| | 2-3 Reporting period, frequency and contact point | Report Preparation Notes |
| | 2-6 Activities, value chain and other business relationships | About SpringSnow Food Group |
| | 2-7 Employees | Talent Acquisition & Retention |
| | 2-9 Governance structure and composition | Corporate Governance |
| | 2-10 Nomination and selection of the highest governance body | Corporate Governance |
| | 2-11 Chair of the highest governance body | Corporate Governance |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Corporate Governance |
| | 2-13 Delegation of responsibility for managing impacts | Corporate Governance |
| | 2-14 Role of the highest governance body in sustainability reporting | Report Preparation Notes |
| | 2-15 Conflicts of interest | Corporate Governance |
| | 2-16 Communication of critical concerns | Compliance Management, Talent Acquisition & Retention |
| | 2-17 Collective knowledge of the highest governance body | Corporate Governance |
| | 2-18 Evaluation of the performance of the highest governance body | Corporate Governance |
| | 2-19 Remuneration policies | Corporate Governance |
| | 2-20 Process to determine remuneration | Corporate Governance |
| | 2-23 Policy commitments | Compliance Management, Talent Acquisition & Retention, |
| | 2-24 Embedding policy commitments | Pollution Prevention and Control, Resource Utilisation, Compliance Management, Talent Acquisition & Retention |
| | 2-25 Processes to remediate negative impacts | Compliance Management, Talent Acquisition & Retention |

| GRI STANDARD | DISCLOSURE | LOCATION |
|-------------------------------------|---|---|
| GRI 2: General Disclosures 2021 | 2-26 Mechanisms for seeking advice and raising concerns | Compliance Management, Talent Acquisition & Retention |
| | 2-27 Compliance with laws and regulations | Antibiotic-free/Reduced-antibiotic Farming, Product Quality and Food Safety, Consumer Health and Rights Protection, Supply Chain Collaboration, Pollution Prevention and Control, Compliance Management |
| | 2-28 Membership associations | About SpringSnow Food Group |
| GRI 3: Material Topics 2021 | 2-29 Approach to stakeholder engagement | Environment, Social and Governance |
| | 3-1 Process to determine material topics | Environment, Social and Governance |
| | 3-2 List of material topics | Environment, Social and Governance |
| GRI 204: Procurement Practices 2016 | 3-3 Management of material topics | Environment, Social and Governance |
| | 204-1 Proportion of spending on local suppliers | Supply Chain Collaboration |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | Compliance Management |
| | 205-2 Communication and training about anti-corruption policies and procedures | Compliance Management |
| | 205-3 Confirmed incidents of corruption and actions taken | Compliance Management |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Resource Utilisation |
| | 302-4 Reduction of energy consumption | Resource Utilisation |
| GRI 303: Water and Effluents 2018 | 303-3 Water withdrawal | Resource Utilisation |
| | 303-4 Water discharge | Resource Utilisation |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Resource Utilisation |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Resource Utilisation |
| | 305-3 Other indirect (Scope 3) GHG emissions | Resource Utilisation |
| | 305-5 Reduction of GHG emissions | Resource Utilisation |
| | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Pollution Prevention and Control |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Resource Utilisation |
| | 306-2 Management of significant waste-related impacts | Resource Utilisation |
| | 306-3 Waste generated | Resource Utilisation |

● **Index of Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report**

| GRI STANDARD | DISCLOSURE | LOCATION |
|---|---|---------------------------------------|
| GRI 306: Waste 2020 | 306-4 Waste diverted from disposal | Resource Utilisation |
| | 306-5 Waste directed to disposal | Resource Utilisation |
| GRI 308: Supplier Environmental Assessment 2016 | 308-2 Negative environmental impacts in the supply chain and actions taken | Supply Chain Collaboration |
| GRI 401: Employment 2016 | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Talent Acquisition & Retention |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | Compliance Management |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Compliance Management |
| | 403-3 Occupational health services | Compliance Management |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Compliance Management |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Compliance Management |
| | 403-8 Workers covered by an occupational health and safety management system | Compliance Management |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | Talent Development |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | Talent Development |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | Talent Development |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Talent Acquisition & Retention |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | Talent Acquisition & Retention |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | Talent Acquisition & Retention |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Talent Acquisition & Retention |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | Supply Chain Collaboration |
| | 414-2 Negative social impacts in the supply chain and actions taken | Supply Chain Collaboration |
| GRI 416: Customer Health and Safety 2016 | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | Product Quality & Food Safety |
| GRI 417: Marketing and Labeling 2016 | 417-1 Requirements for product and service information and labeling | Consumer Health and Rights Protection |
| | 417-2 Incidents of non-compliance concerning product and service information and labeling | Consumer Health and Rights Protection |
| | 417-3 Incidents of non-compliance concerning marketing communications | Consumer Health and Rights Protection |

| DISCLOSURE | LOCATION |
|---|---|
| Climate Change Response | Resource Utilisation |
| Pollutant Emissions | Pollution Prevention and Control |
| Waste Treatment | Pollution Prevention and Control |
| Ecosystem and Biodiversity Protection | Pollution Prevention and Control |
| Environmental Compliance Management | Pollution Prevention and Control |
| Energy Utilisation | Resource Utilisation |
| Water Resource Utilisation | Resource Utilisation |
| Circular Economy | Resource Utilisation |
| Rural Revitalisation | Supply Chain Collaboration |
| Social Contribution | Supply Chain Collaboration |
| Innovation Driven | Antibiotic-free/Reduced-antibiotic Farming, Consumer Health and Rights Protection |
| Technology Ethics | Not applicable |
| Supply Chain Security | Supply Chain Collaboration |
| Equal Treatment of Small and Medium sized Enterprises | Supply Chain Collaboration |
| Product and Service Safety and Quality | Product Quality and Food Safety |
| Data Security and Customer Privacy Protection | Not applicable |
| Employees | Compliance Management, Talent Acquisition & Retention, Talent Development |
| Due Diligence | Environment, Social and Governance |
| Stakeholder Communication | Environment, Social and Governance |
| Anti commercial Bribery and Anti corruption | Compliance Management |
| Anti unfair Competition | Consumer Health and Rights Protection |

● Report Preparation Notes

Report Scope

This report encompasses SpringSnow Food Group Co., Ltd. and its subsidiaries. Unless otherwise specified, the scope aligns with the consolidated financial statements of SpringSnow Food (Stock Code: 605567) as disclosed in its annual report.

Timeframe

This annual report covers the period from 1 January 2025 to 31 December 2025. Any textual information extending beyond this timeframe is explicitly noted in relevant sections.

Reporting Basis

Prepared in accordance with the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report, and referencing the Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards 2021) and the United Nations Sustainable Development Goals (SDGs) Corporate Action Guide.

Data Notes

All data and case studies derive from the company's operational records or financial reports. Financial figures are presented in Renminbi (RMB). In cases of discrepancy, the annual financial report shall prevail.

Terminology

For readability, SpringSnow Food Group Co., Ltd. is referred to as "SpringSnow Food", "the Company", or "we" throughout this report.

Reliability Assurance

The Company hereby affirms that this report contains no false statements, misleading information, or material omissions. The Board of Directors assumes full responsibility for the accuracy, truthfulness, and completeness of the content.

Feedback

We sincerely value your feedback. For inquiries or suggestions regarding our environmental, social, and governance (ESG) practices or this report, please contact us via:

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