



2023

Yihai Kerry Arawana Holdings Co., Ltd.

Sustainability Report



04 About This Report

- 06 Message from the Chairman
- 08 About Yihai Kerry Arawana
- 10 2023 ESG Highlights Performance
- 14 ESG Management
- 18 Corporate Governance

Topic

- 22 Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience
- 34 From Farm to Table, Activating the Sustainable Value of the Whole Rice Supply Chain

Green Operation and Development



- 62 Environmental Management for Accelerating Green Transformation
- 65 Rational Utilization of Resources and Circular Economy Development

Appendix

- 100 Appendix I: Key Performance Indicators
- 105 Appendix II: United Nations Sustainable Development Goals (SDGs) Content Index
- 107 Appendix III: GRI Content Index
- 112 Appendix IV: SASB Food Retailers and Distributors Content Index

Pursuing Excellence

- 48 Enhancing Customer Experience through Quality and Service Excellence
- 53 Igniting Innovation and Benefiting all Families
- 57 Promoting Digital Transformation and Strengthening Information Security Management

Value Co-creation and Mutual Benefit

- 76 Consolidating Value Chain Management to Ensure Responsible Supply
- 82 Encouraging a Prosperous Industry through Open Cooperation and Win-win Partnerships

Content

Benefiting People



- 86 Regulating Production Safety Management
- 88 Building an Employer Brand
- 93 Emphasizing Employee Development

Supporting Rural Areas and Community



- 96 Revitalizing Rural Areas to Achieve Common Prosperity
- 97 Participating in Public Welfare





About This Report

Overview

This is the third annual sustainability (hereinafter referred to as "the report" or "the ESG report") report of Yihai Kerry Arawana Holdings Co., Ltd. (hereinafter referred to as "Yihai Kerry Arawana", "the Group", "the Company", "we"). The purpose of this report is to disclose the Company's ESG performance and practices for shareholders, customers, partners, employees, the environment, communities and other key stakeholders. This report covers the information for the fiscal year 2023 (the "Reporting Period") from January 1st 2023 to December 31st 2023, with some information backdated to previous years or covered 2024.

Report Scope and Boundaries

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



This report was prepared referring to the Global Reporting Initiative (GRI Standards) issued by the Global Sustainable Development Standards Board (GSSB) and the Sustainable Accounting Standards Board (SASB) standards, and to the focus topics and relevant requirements of Morgan Stanley Capital International's ESG rating (MSCI ESG Rating), S&P Global Corporate Sustainability Assessment (CSA), FTSE Russell ESG rating and the Guidelines on Self-Regulation of Listed Companies No.2 --- Standardized Operation of GEM Listed Companies on the Shenzhen Stock Exchange. The content of this report is determined following a fixed procedure, which includes identifying and ranking significant stakeholders and important ESG-related issues, defining the boundaries of the ESG report, collecting relevant materials and data, preparing the report based on the information collected, and reviewing the information in the report.

Sources and Reliability Assurance

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

Report Access and Contact Information

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



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

Tel: 021-31199999

Confirmation and Approval

The Board of Directors reviewed and approved this report on March 21st, 2024.

Message from the Chairman

In 2023, amidst complex and ever-changing external circumstances, Yihai Kerry Arawana continued to deepen the presence in the Chinese market and effectively manage our various businesses. Facing challenges such as climate change, resource constraints, and market fluctuations, we upheld the vision of "To Build an Ideal Group" and continued to strengthen the integration of ESG (Environmental, Social, and Governance) strategies with business growth. We collaborated with stakeholders across the entire grain and oil food industry chain to promote green and sustainable development.

In 2023, our sustainable development efforts received high recognition from international ESG rating agencies: MSCI ESG ratings rose from BBB to A in June 2023, reaching the highest level in China's grain and oil industry. We scored 51 in S&P Global Corporate Sustainability Assessment, ranking in the top 8% globally, and were included in the "2023 S&P Global Sustainability Yearbook (China Edition)". Domestically, our ESG performance was also rated AAA by CNI and A by Wind. In 2023, pre-made food was first written into China's No. 1 central document, indicating the direction of the industry development. Our long-term Central Kitchen project has commenced operations in multiple cities nationwide, offering consumers more diverse dining options. We have further innovated in the Integrated Rice Manufacturing Model, introducing the rice processing methodology "6-Step Precision Control Technology for Fresh Rice". This not only preserves the freshness and nutrition of rice throughout the process, but also contributes to the national food security strategy with less loss. By leveraging technology, we upgraded grain and oil product sectors, launching healthy products such as "Gu Weiduo" rice bran oil, high-content buckwheat noodles, "Meadow Fresh" 6.0 high-protein & high-calcium milk, and "Xin Guanjia" phytosterol beverages, and so forth. We aim to expand the health industry by actively leading the high-quality grain, oil, and food industry development.

In 2023, our production bases received 9 new nationallevel Green Factory certifications, 81 cumulative certifications. We incorporate green development into our group vision, optimize the environmental management system, build a green and low-carbon industrial chain, and endeavour to reduce greenhouse gas emissions from daily operations. Following the announced 2050 net-zero emissions target, we actively promote the recycling of resources and achieved the first "zero carbon" product certification this year.

We always prioritize people, respecting employees and partners, and are committed to public welfare and community development. We strive to provide a harmonious working environment, ensure occupational health and safety, focus on employees' personal development, establish a comprehensive training system, and help achieving their own value. Together from upstream to downstream, we learn mutually, cooperate closely, and empower cooperatively. We aim to collaborate with the industry to build a sustainable value chain for grain, oil and food, through measures such as distributor training, supplier access, and the establishment of sustainable development standards. We actively engage in social good, continuously exploring diverse assistance models in education,



6

orphans care, support of the physically or mentally challenged, rural revitalization, and so on, making philanthropy an integral part of our group culture.

Regarding technological innovation as a driving force, we will continuously provide Chinese consumers with "more nutritious, healthier, and safer" kitchen products. We are committed to thoroughly implementing the development concept of "more environmentally friendly, lower carbon, and sustainable", promoting the sustainable development of the grain and oil industry, and pioneering a brighter future!

Chairman, Yihai Kerry Arawana Holdings Co., Ltd.

Kuok Khoon Hong



About Yihai Kerry Arawana

Yihai Kerry Arawana Holdings Co., Ltd. is a critical agricultural and food products processing enterprise in China. Its main business includes the R&D, production, and sales of kitchen food, feed ingredients, and oleochemicals. From upstream to downstream, the Company is mainly involved in industries such as oilseed crushing, edible oil refining, specialty fats, oleochemicals, sustainable multi-stage processing of rice, processing of corn, wheat and soybean, food and beverage, central kitchen, grain, and oil technology R&D. Yihai Kerry has famous brands such as "Arawana" "Olivoila" "Orchid" "Wonder Farm" "Neptune" "Fengyuan" "Golden Delicious" "Reyland" "Jiejin 100". Its products cover fields like small package edible oil, rice, flour, fine dried noodles, rice noodles, soymilk, unique grains and oils for the catering industry, raw food and supplementary materials, and oleochemicals. The Group has also established a distribution network with wide outlets, point and sphere integration, and unimpeded channels in the country to serve the consumers comprehensively.



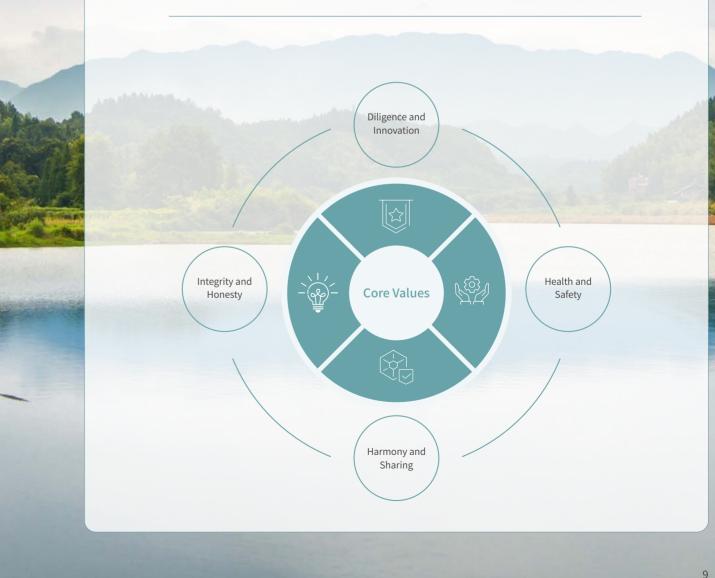
Major Products



Group vision

To Build an Ideal Group

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



Group vision & Core Values

2023 ESG Highlights Performance

ESG Rating

International ratings: MSCI ESG Rating upgraded to Α Inclusion in 2023 S&P Global Sustainability Yearbook (China Edition) S&P Global Corporate Sustainability Assessment score of 51 Ranking in the top 8% of the industry **Domestic Rating:** Received Highest Rating of AAA from CNI ESG Rating Received A

from Wind ESG Rating

17	81	36	Utilized bior
new Green Factory certifications	cumulative Green Factory certifications	National Level Green Factory	354 th Reduced gre
Implemented	Invested about	Resulting in GHG emissions reduction of	447.
158 energy-saving project		147 thousand tons	Utilized clea
			360,3
Implemented	Invested about	Resulting in water saving of	Reduced GH
77 water-saving projects	RMB 12 million	2.932 million tons	205 tr
	Complet	ted	Biogas recov
15	27	· · · · · · · · · · · · · · · · · · ·	11.85
		onal sites (production-oriented)	Reduced GH
verified as Water Savir	ng Enterprises water ba roundwater usage decreased b	alance testing y over	183 tt
verified as Water Savir			183 th Tall installed
verified as Water Savir Compared to 2022, gr	roundwater usage decreased b		

354 thousand tons Reduced greenhouse gas (GHG) emissions by approximately 447.5 thousand of CO2e Utilized clean electricity, including photovoltaic (PV) power 360,306 MWh Reduced GHG emissions by about 205 thousand tons of CO₂e iogas recovery amounted to 11.855 million m³ Reduced GHG emissions by approximately **183** thousand tons of CO_2e Tall installed capacity of photovoltaic power projects reached 81 MW Representing a year-on-year growth of over 35%

Established *Water Resources Management Procedure*, enabling unified monitoring and centralized management of water resource utilization, water pressure risk, water intensity, water efficiency, and wastewater

Conducted Water Stress Risk Assessments for all operational sites (production-oriented) at a rate of

100%

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Recyclable packaging accounted for

95.51%

Won the **Second Prize** of the 2023 China Circular Economy Science and Technology Progress Award from the project "Key Technologies and Application of Rice Husk Pyrolysis Circular System for Heat & Husk Charcoal".

Received first "Zero Carbon" certification of the product - Sania Organic Edible Vegetable Blended Oil AROPO-09YL

2023 ESG Highlights Performance

Social



Won the

Second Prize

of the China Cereals and Oils Association Science and Technology Award from the project "Key Technological Innovations and Industrial Applications of High-Quality Butter Green Deep Processing"

100%

coverage of FSSC 22000 Food Safety System Certification for food production-based enterprises

100%

coverage of production companies with ISO 9001 Quality Management System Certification

8 new factories passed AIB audits



83 cumulative passing AIB audits

By the end of 2023, the Group had

14 fields

33 laboratories

900 test items accredited by CNAS

By the end of 2023, a total of 28 business units under the Company had received

33 guality awards

municipal-level quality

Including

21

awards

4

China Quality Award nomination

provincial-level quality awards

district-level quality awards

During the reporting period, the Company received numerous awards and recognitions, including the "2023 Best Practices in ESG for Listed Companies" award presented by the China Association for Public Companies, was selected for "2022 China Corporate Social Responsibility Rankings" by Southern Weekly (ranking 38 out of 300). Additionally, the Company was honored as the "2023 Responsible Brand" and recognized as an "ESG Outstanding Contribution Enterprise". For more information about awards and award recipients, please refer to the Company's 2023 Annual Report and official website.

37.55 hours

training per employee

The Arawana Foundation donated a total of

RMB 66.5 million

The fourth time won the

"Chinese Charity Award"

Engaged 289 suppliers in SSQ assessments, covering key suppliers across all categories, accounting for

75%

ESG Management

Yihai Kerry Arawana pursues the deep integration of economic, environmental, and social values, committed to continuously improving and optimizing our operational management. We work together with stakeholders to build a healthy and harmonious development ecosystem to embrace a sustainable future.

ESG Governance Structure

The Company has established an ESG governance framework with the Board of Directors as the highest decision-maker for ESG matters, the Sustainability Committee of the Board of Directors providing leadership and oversight, the Sustainability Department coordinating and promoting, and relevant functional departments and business units implementing ESG initiatives. Each level of the organization holds specific responsibilities for the development and execution of the Company's sustainable development initiatives, closely integrating with business decisions and daily operations. This systematic approach enhances the Company's decision-making, management capabilities, and performance in ESG.

ESG Management Structure

The Board of Directors	Review and approve the Company's sustainability strategyReview and approve the annual sustainability report
Sustainability Committee of the Board of Directors	 Develop corporate ESG strategy, identify ESG-related risks, assess ESG performance, and monitor ESG implementation Lead the Company's sustainability department
Sustainability Department	• Responsible for planning, coordinating, and promoting the Group's ESG and other sustainability policies and establishing and completing the sustainability mechanism
Sustainability Working Group (Related Functional Departments and Business Units)	 Implement the Company's action plans for sustainability and improve sustainability performance

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

Stakeholder Engagement

To timely understand the opinions and expectations of various stakeholders, regarding the Company's operation and development, the Company has established a diverse communication mechanism to continuously monitor stakeholders' demands. Based on our own business and operation characteristics, we identified the significant stakeholders as following:



Our Response	Communication Channels
Comply with laws and regulations mplement regulatory requirements Help local economic development Inhance innovation capability	Regular meetingsInformation reportingThematic meetings
inhance risk control mprove corporate profitability mprove the corporate overnance system bisclose information according o the laws Protect rights and interests of small ind medium-sized investors	 Shareholder meetings Earnings release Press releases, announcements, and disclosures Roadshows and reverse roadshows
Provide high-quality products and services trictly fulfill the contract obligations	Customer satisfaction surveyRegular communication
Comply with laws and regulations Provide career development planning Provide occupational health and Imployee care	 Employee communications meetings Employee training and career development planning Employee care activities
stablish and follow open and ransparent procurement principles nd cooperation mechanisms Pursue mutually beneficial cooperation insure effective dealer management insure responsible sourcing	 Open and transparent bidding process Sign tender contracts Industry chain partner training and management Industrial communication
Participate in voluntary activities Provide disaster relief Support the rural revitalization	Charity activitiesVoluntary service
nformation disclosure	Press releases

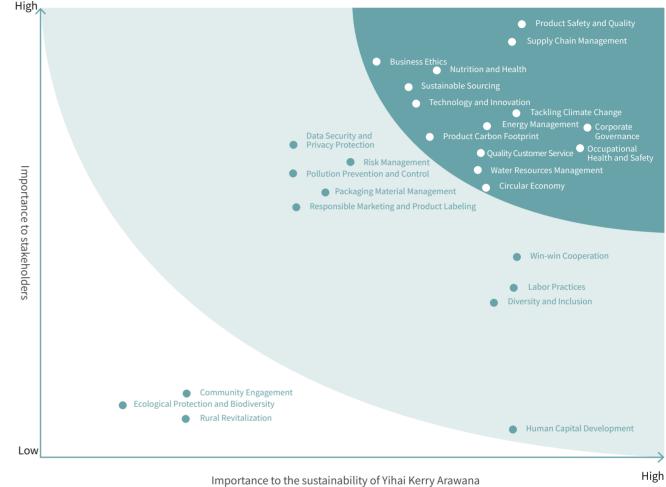
- Media interviews and communication
- ress releases
- Media communication

Materiality Assessment

The Company identifies potential ESG issues and communicates with internal and external stakeholders, meanwhile integrating communication outcomes with the operational management priorities and conducts annual review of materiality issues accordingly. In 2023, the Company established and evaluated 26 materiality issues that have substantial impacts on the society, environment, our development and long-term value creation. These issues were prioritized and confirmed based on the Company's strategic direction and stakeholder concerns. They were reviewed and approved by the Sustainability Committee and systematically disclosed in this report.

Identification of ESG potential materiality issues list	Through analysis of government and regulatory agencies requirements, peer benchmarking, policy analysis, and considering the concerns in the capital market, 26 potential materiality issues were identified and formed a list of the ESG
Stakeholder engagement	Conducted internal interviews and communicated with shareholders, investors, employees, suppliers and other partners, government and regulatory agencies, community, the public, and media, to understand the concerns of stakeholders
Prioritization of materiality issues	All materiality issues were assessed and ranked in terms of importance to the Company and importance to stakeholders and formed a materiality issue matrix
Confirmation of materiality issues	The results of the materiality matrix were submitted to management to confirm the materiality of the identified issues and their impact. We will faithfully reflect the Company's performance on the relevant topics in our report

Materiality Identification and Assessment Process





ESG Materiality Matrix of Yihai Kerry Arawana

Corporate Governance

Yihai Kerry Arawana continues to enhance the corporate governance standards, aiming to win the trust and support of all stakeholders through standardized operations and transparent management, thereby laying a solid foundation for the Company's sustainable development.

Reinforcing Risk Management

The Company has established a sound risk management system, improved risk control mechanisms and processes. We regularly conduct risk identification, internal audits, and utilize digital tools to empower risk prevention and audit work, thereby promoting the effectiveness and quality of risk management, which ends in effectively preventing operational risks.

Establishing a Sound Risk Management Framework

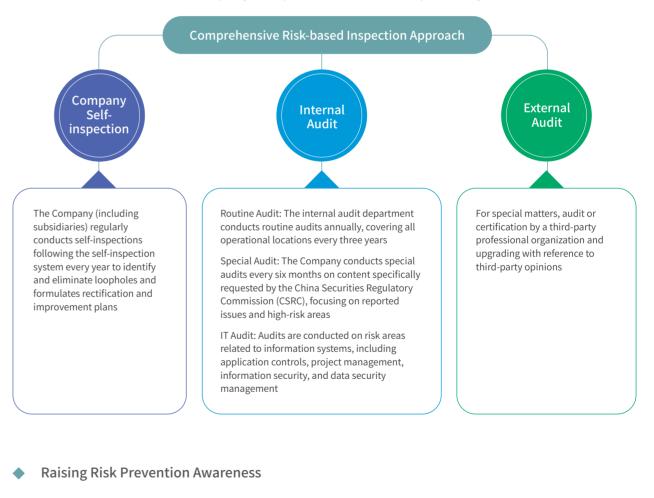
The Company has established a Risk Management Committee chaired by the Chairman of the Board of Directors, reporting directly to the Board of Directors. The internal audit department is responsible for monitoring and auditing operational-level risk management performance and reporting audit results to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



Enhancing Risk Management Processes

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

Furthermore, based on the result of materiality assessment, the Company's internal audit department incorporates major ESG risks, which have significant impacts on the Company's long-term development and value creation, as well as on the environment and society, such as environmental risks, labor risks, food safety risks, etc., into routine risk management and internal control mechanism. These risks are integrated into the risk matrix. Special inspection and corrective measures are formulated to enhance the effectiveness, quality of risk prevention and control comprehensively.



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

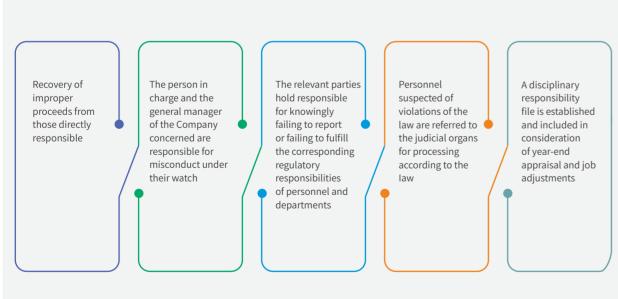
Establishing Integrity as the Bottom Line

The Company actively responds to the relevant commitments followed by the parent company (Wilmar International) as a participant in the United Nations Global Compact. It continuously deepens risk prevention and control in business ethics aspects, such as integrity, anti-corruption, anti-money laundering, and anti-unfair competition. Regular audits, oversight, and management of compliance and business ethics throughout the daily operations are conducted. Efforts are made to strengthen the construction of a clean and upright business environment both internally and externally.

Business Ethics and Anti-corruption

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

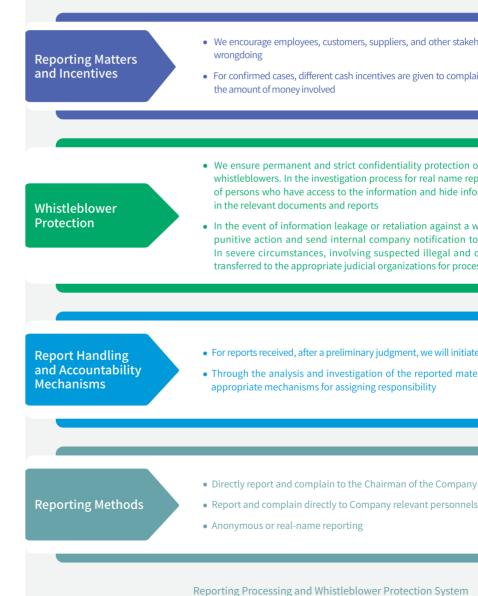
The Company also conducts regular business ethics training for all employees (including full-time and non-full-time employees) to ensure that all employees understand the policy requirements and enhance the awareness of business ethics. In 2023, incidents in relation to discrimination, harassment, customer privacy data leakage, money laundering, or insider trading were not found.



Accountability Mechanism for Misconducts Found or Confirmed Reported Matters

Whistleblowing Mechanism and Whistleblower Protection

The Company is committed to building an open and transparent compliance reporting mechanism. We have formulated and publicly disclosed the Whistleblower Protection Policy, which clarifies the reporting process. The policy encourages employees, customers, suppliers, and other stakeholders to report any violations of business ethics or illegal activities related to the Company. It ensures strict confidentiality of the whistleblower's information and covers the entire process of operations and all employees, as well as all external stakeholders that have business relations with the Company. In 2023, the Company continued to improve various reporting channels, effectively protecting the legitimate rights and interests of all stakeholders.



• We encourage employees, customers, suppliers, and other stakeholders to report any misconduct or

• For confirmed cases, different cash incentives are given to complainants and whistleblowers based on

• We ensure permanent and strict confidentiality protection of the information and identity of whistleblowers. In the investigation process for real name reports, we strictly limit the number of persons who have access to the information and hide information about the whistleblower

• In the event of information leakage or retaliation against a whistleblower, we will take severe punitive action and send internal company notification to those responsible for the leak. In severe circumstances, involving suspected illegal and criminal behavior, the cases are transferred to the appropriate judicial organizations for processing

• For reports received, after a preliminary judgment, we will initiate an investigation if appropriate

• Through the analysis and investigation of the reported materials, if confirmed, we will adopt

• Directly report and complain to the Chairman of the Company (email: kkh@wilmar.com.sg)

Topic I

Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience

Yihai Kerry Arawana is actively responding to the national Carbon Peaking and Carbon Neutrality Goals. We regularly conduct GHG emission verification and commit to achieving net-zero emissions. The Company is implementing energy-saving and carbon reduction measures in R&D, production, and operation from multiple aspects, such as circular economy, low-carbon products, green manufacturing, and sustainable packaging to promote the green and low-carbon development. We also pay close attention to the impact of climate change on our operations. The Sustainability Committee of the Board of Directors is responsible for identifying climate change-related risks and opportunities, conducting impact assessments, formulating strategies, and establishing sound emergency management mechanisms. Additionally, we develop emergency plans for potential risks to improve risk response capabilities.

Our Topics of Interest

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

Corresponding SDGs



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- will reach 200 MWp
- Actively exploring green warehousing management to reduce energy consumption and carbon emissions in the warehousing and logistics transportation



- By the end of 2023, the Company had reduced packaging materials by a total of 11,447 tons, achieving 76.31% of the *Sustainable Packaging 2025 Plan*. Recyclable packaging materials accounted for 95.51% in 2023
- Build a green and low-carbon full-chain system, actively promoting the reduction of carbon emissions in various links such as R&D, production, packaging, transportation, and consumption

Our Commitment and Goals

- We aim to achieve net-zero GHG emissions by 2050, study and develop a net-zero emissions roadmap and timeline consistent with our own development plans starting in 2023
- By 2030, the total PV power installed on the roof of the Company's factories
- We aim to raise the share of clean electricity no less than 20% by 2024
- Packaging Commitment: Based on the products and sales in 2020, we aim to reduce 15,000 tons packaging materials by the end of 2025, and strive to ensure that over 90% of our packaging materials are recyclable each year

- The 2050 Net Zero Emissions Timeline and Roadmap project was launched in 2023 and is scheduled to be completed and released by December 2024
- As of 2023, the installed capacity of PV power has reached 81 MW, with an additional 95 MW under construction
- Continuing to advance the carbon footprint verification of core products and completing the certification of the Group's first "Zero Carbon" product

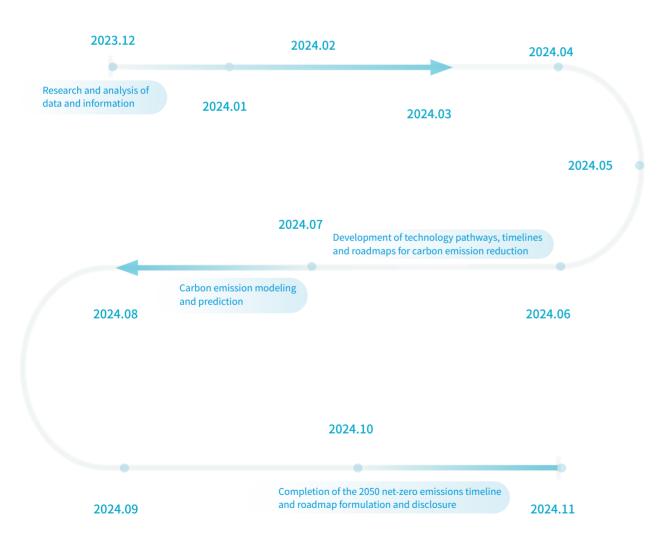
Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience

From Farm to Table, activating the Sustainable Value of the Whole Rice Supply Chain

Green Operation and Development

Setting Net Zero Emissions Goal

In the context of global warming, countries worldwide have been making carbon reduction commitments and exploring ways to mitigate GHG emissions. As a significant Chinese agricultural product and food processing enterprise, Yihai Kerry Arawana has actively responded to the national call and has officially launched the 2050 Net Zero Emission Timeline and Roadmap Project. From the Board of Directors to all business departments are actively participating in the carbon reduction project. The Company will formulate a clear timetable and technical pathway, propelling the work in accordance to the plan. The Company has set 2022 as the baseline year for the 2050 Net Zero Emissions Goal. In preparation for goal-setting assessment, the Company has begun to collect and review relevant data. In the next stage of work, we will develop a comprehensive timetable and technical path to address and reduce emissions, striving to achieve net zero GHG emissions by 2050.



Product Carbon Footprint

The Company continues to monitor the carbon footprint of the products and conducts carbon footprint verification for multiple core products. Through this measure, we try to achieve comprehensive carbon reduction and provide environmentally friendly and low-carbon products to society. The products which have obtained carbon footprint verification are as follows:

20	023	2022
	Precipitated Silica	Rice Bra
	Activated Carbon	Sebacio
	Epichlorohydrin (ECH)	Mixed A
	Refined Glycerin	Stearic
	High-purity Sodium Hydroxide	Fatty Ale
	Sania Organic Edible	Fatty Ale
	Vegetable Blended Oil	Sec-Oct
		Palmitic
	Sania 莎妮雅	有
	ECO	

CERT

1 ***

CN-BIO-154 Non-EU Agriculture

- an Oil
- c Acid
- Acids
- Acid
- Icohol FAL-0860
- lcohol FAL-1214
- tanol
- ic Acid

2021

Grease Products

Edible Oil

Edible Vegetable Oils and Grease Products

Xiangmanyuan Grade 1 Soybean Oil

Fatty Alcohol

Stearic Acid

机食用植物调和油

含1,3-二油酸-2-棕榈酸甘油三酯) 产品代码: AROPO-09YL



The First "Zero Carbon" Product from Qinhuangdao Jinhai Special Edible Oil Industry Co., Ltd.

Green Operation and Development

Addressing Climate Change

To improve the capacity to address climate change, the Company has integrated climate change risks into overall risk assessment and management system. We have established a working mechanism, led by the Board of Directors, with the Sustainability Committee in charge and other relevant departments collaborating. Additionally, we follow the disclosure methods and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to conduct annual assessments of climate change risks, including physical and transitional risks, as well as opportunities. We are committed to developing comprehensive strategies for climate risk prevention and fully supporting global climate action.

Climate Risk Identification and Response Strategies¹:

	Risks		Description of major impacts	Response strategies
Transformation Risk		Energy structure transformation	Gradually implement from the national level, transforming from an economy dependent on fossil fuels to renewable or clean energy sources.	 In production, we would actively carry out energy renovation projects and explore opportunities for the use of clean energy.
	Policies and laws	Policies and laws	With the increasing requirements of the nation in response to climate change and the Carbon Peaking and Carbon Neutrality Policy, there will be an increase in the operating cost investment, which will affect the external demand for existing products and services, and even involved in compliance risks.	• We would advance layout, lead the industry chain to carry out sustainable development planning, and accelerate green transformation.
		Carbon price change	Under the baseline scenario, the cost of carbon will rise from 89 yuan/ton in 2025 to 191 yuan/ton in 2030. In the carbon neutrality scenario, the cost will increase from 89 yuan/ton in 2025 to 204 yuan/ton ² in 2030. This will affect corporate carbon quotas and emissions trading, as surpassing the quotas will lead	 We proactively allocate and manage carbon- related assets of the Company, and actively optimize the carbon emissions along the entire chain.
		Disclosure requirements	Regulatory agencies, governments, and other authorities have higher requirements for the content and extent of disclosure by companies.	• We would disclose relevant information and data accurately and publicly in accordance with regulatory rules, laws and regulations from various countries.
	Technology innovation and product development		There is a possibility of failure in investing in new low- carbon and environmentally friendly technologies during the process of R&D, and the costs will also increase.	 We would integrate the concept of green and low-carbon into the R&D. We would increase the research, promote the use of energy-saving and emission- reduction technologies, and continuously expand the utilization rate of clean energy.
	Changes in market supply and demand		If a company fails to respond to the increasing consumer awareness of green consumption and meets the preferences for green and low-carbon products, it will lead to a decrease in product demand and impact their revenue.	 We would pay close attention to consumer preferences and trends in the market, and focus on the development of green and low- carbon products. We would prepare raw material reserve in advance according to the markets.
		n the evaluation eputation	With the increasing concern of climate change from the stakeholders, if a company fails to make timely improvements or enhancements, its reputation will be affected accordingly.	 We would disclose climate-related risks and opportunities and their mitigation plans in ESG reports. We would strengthen communication with stakeholders in the capital market, such as investors, rating agencies, consumers, etc. We would enhance the overall ESG governance level of our Group and provide ESG-related training for employees.

¹According to identification, there were no significant changes in climate-related entity risks in 2022, as detailed in the 2022 report. In 2023, the Company further identified transformation risks.

² Data source: Lufthansa China's Long-term Carbon Price Forecast Update Lufthansa Financial Consulting - Business New Knowledge (shangyexinzhi. com). In the baseline scenario, China is expected to contribute to the global 2-degree Celsius warming target and achieve carbon neutrality around 2070. The carbon neutrality scenario assumes that China will strictly fulfill its 30/60 commitments, reaching peak carbon emissions before 2030 and achieving carbon neutrality before 2060.

In response to physical risks, the Company takes proactive measures. For chronic risks like increasing temperatures and rising sea levels, we improve energy efficiency by retrofitting air conditioning and ventilation systems in the production plants and offices. We also closely monitor geographical climate information and develop relocation plans for the facilities in areas at risk of dangerous sea level rise. For acute risks:

Beforehan	d:	During the event:	Afterwards:
It is important to closely monitor weather changes, conduct safety checks, pre-install protective devices and emergency equipme for climate disasters, arrange employee commuting schedules in advance, and plan production and delivery in advance to ensur- smooth operation.		afetyon the same day, prohibit outdooreoperations, stop work as requiredpmentin a timely manner, prioritizeepersonnel safety, and ensurelulessufficient emergency supplies totionminimize the impact of the disast	or loss assessment work, learn from d experience, reduce losses, and expedite production recovery. It also important to regularly analy supplier supply risks and develo
		es Identification and Response Strategies:	
Opport	unities	Opportunity descriptions	Response strategies
Resource efficiency		By adopting more efficient operational and production methods, we will improve resource efficiency, reduce GHG, pollutant and waste emissions, practice sustainable development and circular economy, and reduce the Company's medium- and long-term operating costs.	 We strive to reduce energy consumption an carbon emissions across the entire value chai (R&D, production, storage, transportatior and consumption). We continuously improv the operational efficiency and increase th proportion of clean energy in our operations. We also promote scraps recycling, as well a the use of recycled water in our facilities. We prioritize the construction of eco-friendl factories and leasing of green buildings a office spaces.
Efficiency, Resilience, Innovation, Market Opportunities	Source of energy	By introducing more renewable energy into the production and operation process, we can enhance their ability to cope with the risks of energy supply changes, obtain supportive policy incentives, gain advantages in the carbon market, and reduce long-term operating costs. This not only benefits the Company, but also contributes to a more sustainable future.	 We ensure that each production facility construct photovoltaic power generation and biomas gasification projects, while exploring othe applicable and feasible clean energy sources.
	Product and services	Continued innovation in green and low-carbon products ensures that the Company can provide a diverse range of products while meeting the needs of customers. This also promotes low-carbon transformation among business partners, collectively enhancing the competitive of the entire supply chain in the industry.	 We integrate the ethos of low-carbon into our research and development. We try to create new technologies that align with market preferences and eco-friendly product categories.
	Resilience	Developing green technologies and low-carbon products can effectively enhance the adaptability of our products, create a new revenue growth, and extend the value of low-carbon emissions reduction to partners. This improves the reliability of the value chain and operational capabilities under different conditions.	 We incorporate the concept of low-carbon an green into our research and development cultivating new technologies. We adopt energy-saving and carbon emissio reduction measures. We also collaborate with stakeholders across the entire supply chain to enhance sustainable development efforts.

Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience

From Farm to Table, activating the Sustainable Value of the Whole Rice Supply Chain

Green Operation and Development

Constructing a Low-Carbon Value Chain

Yihai Kerry Arawana is dedicated to constructing a green and low-carbon value chain. The Company assess the environmental impact of the products from a life cycle perspective, and work towards achieving national carbon peak and carbon neutrality goals to mitigate the impact of climate change.

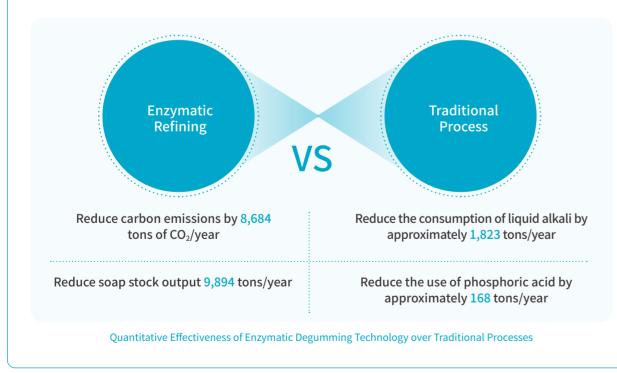
Research Development

The Company integrates environmental protection and circular economy principles into the R&D process, with the aim of continuously optimizing resource utilization, reducing energy consumption, and promoting sustainable development. By 2023, we continued to strengthen our exploration of new circular economy industrial models, such as Integrated Rice Manufacturing Model, wheat deep processing, soybean deep processing, corn deep processing, palm oil deep processing, and green processing and utilization of oil by-products. These efforts will increase the added value of agriculture and extend the industrial chain.



Innovative Research and Development of Biotechnology, Promoting High-quality **Green Products**

The Company is dedicated to overcoming technological barriers and innovating in the field of green and white³biotechnology to create high-nutrition, low-environmental-impact products. We have developed a new process called enzymatic degumming technology for oil refining. This process not only preserves the nutritional components of edible oil more effectively and improves production efficiency, but also reduces the consumption of chemicals, energy, water, and other resources, and minimizes GHG emissions.



³ White biotechnology mainly includes the use of enzyme preparations, which are more efficient and environmentally friendly than traditional technologies.

Operations & Production

The Company has always adhered to the principles of environmental sustainability and low-carbon in the operation and production. We continuously strive to improve the energy efficiency through management improvements and technological innovations, while exploring new measures to reduce energy consumption. Additionally, we actively optimize our energy structure by increasing the proportion of clean energy, thereby reducing GHG emissions.

The Company strictly complies with the relevant laws and regulations of the operating locations, and the internal Environmental Policy. We have implemented a standardized, systematic, and visual resource management system through a data management platform. Our energy management team regularly analyze and evaluate energy data, providing improvement suggestions to the factories. We also encourage all factories to establish energy management systems in accordance with ISO50001.

Reduce Emissions and Energy Conservation

The Company continuously mandates all factories to increase the investment in energy conservation and emission reduction projects. This includes technological innovation, process optimization, equipment renewal, waste heat recovery, centralized control, energy efficiency improvement, frequency conversion regulation, and other methods.

Green Factory Certification, Building High-quality Production

Case

In response to the national policy of promoting green manufacturing, the Group has made energy saving, emission reduction, and efficiency improvement as goals. We continue to carry out the construction of green manufacturing system and promote the Group's factories to actively declare the selection of green factories at the provincial, municipal and national levels. As of the end of 2023, we have obtained a total of 81 Green Factory honors, including 36 at the national level, 35 at the provincial level, and 10 at the municipal level. These honors demonstrate our strength and confidence in lowcarbon, green, and high-quality development.

By the end of 2023

The energy consumption monitoring coverage of Yihai Kerry Arawana factories have reached

100%

By the end of 2023

A total of

with a combined investment of



RMB 166 million

energy conservation and emission reduction projects have been implemented

which can reduce GHG emissions by approximately

147 thousand tons

By the end of 2023

The Company had received a total of

81 Green Factory honors

Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience

From Farm to Table, activating the Sustainable Value of the Whole Rice Supply Chain

Clean Energy

The Company develops distributed PV power generation systems based on the operational situation and regional conditions. We aim to increase the installed capacity of these systems and optimize the energy structure through various measures, such as air compressor transformation, biogas recovery, procurement of renewable energy, and comprehensive utilization of rice husk.

Case

Multiple Measures to Improve Energy Efficiency

Application of Magnetic Levitation Chiller

Yihai (Guanghan) Oils, Grains & Foodstuffs Co., Ltd has replaced the original, outdated, inefficient, highenergy-consuming, and frequently malfunctioning screw chillers with more efficient magnetic levitation chillers to improve energy efficiency, reduce electricity consumption, and decrease carbon emissions. This move not only annually reduces electricity consumption by 39% but also lowers process steam consumption by 5%, while simultaneously reducing GHG emissions by 188 tons.



Yihai (Guanghan) Oils, Grains & Foodstuffs Co., Ltd Magnetic Levitation Chiller

Biogas Recovery and Utilization

The Company is committed to enhancing and promoting the biogas recovery and utilization system, which not only curbs the consumption of fossil fuels, but also mitigates the greenhouse effect caused by the direct release of biogas into the environment. As of the end of 2023, a total of 11.855 million cubic meters of biogas has been recovered and utilized, replacing fossil energy consumption, such as coal and natural gas, by 9,729.5 tons of coal equivalent (TCE), and reducing GHG emissions by 183 thousand tons of CO_2e .

Biomass Utilization

The Company actively utilizes biomass, primarily rice husk, as a substitute for coal in the boilers to generate steam and electricity for production and operations. In 2023, the Company utilized a total of 354 thousand tons of biomass energy, with 335 thousand tons being rice husk. This is equivalent to replacing 161.2 thousand tons of fossil fuels and reducing GHG emissions by 447.5 thousand tons of CO₂e. Additionally, biomass (rice husk) boiler projects are currently under construction in Changsha, Yancheng, Taizhou, Lianyungang, and other locations.

Photovoltaic Power Generation

The Company has introduced cooperative institutions to actively install solar photovoltaic power generation facilities on the roofs of its factories, aiming at replacing traditional energy with renewable energy, reducing energy consumption and GHG emissions.

In 2023, the total installed capacity of PV power has increased by over 35% compared to the previous year, reaching 81 MW. The total installed capacity of the under construction projects is 95 MW, bringing the total installed capacity to 176 MW.

During the reporting period

Using solar renewable energy total of

55,239 MWh

this represents an increase of 44.12% compared to 2022

Resulting in a GHG emissions reduction of

31,503 tons of CO₂e

Cleaner Electricity Use

Apart from constructing PV power projects on-site, the Company proactively sources and utilizes green electricity and nuclear power through various channels.

In 2023

We procured and utilized a total of

360,306 MWh

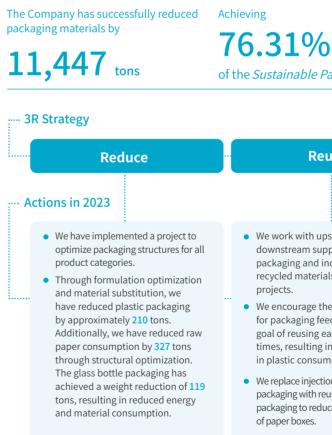
green electricity which is 15% increase from 2022

Green Operation and Development

Packaging

The Company is dedicated to reducing the environmental impact of packaging throughout the production, distribution, and recycling stages. We follow the national standard GB/T16716 Packaging and Environment as a guide and continue to implement the Sustainable Packaging 2025 Plan⁴, which prioritizes reduction, reuse, and recycling.

As of the end of 2023



⁴ Sustainable Packaging 2025 Plan: Based on the products and sales volume in 2020, we aim to reduce the use of packaging materials by 15,000 tons by the end of 2025. We are committed to achieving an annual recycling rate of over 90% for packaging materials.

This can potentially reduce GHG emissions by approximately

205 thousand tons of CO₂e

of the Sustainable Packaging 2025 Plan

Recyclable packaging materials has accounted for



euse	- Recycle
upstream and uppliers to reduce increase the use of rials in packaging the reuse of ton bags feed products, with a geach bag at least 10 g in a 90% reduction umption. tion molded reusable crate duce the consumption	 We optimize the packaging of lightweight materials from multilayer composite materials to a single homogeneous material structure, making the new packaging meet the requirements of easy recycling. We promote sustainable packaging design and use recycled plastics in non-food contact packaging to reduce the consumption of virgin plastics. For example, adding a certain proportion of recycled plastics in packaging materials for feed ingredients, in compliance with national packaging regulations, can promote the annual recycling of 15,000 tons of plastics.

The <i>Sustainable Packaging 2025 Plan</i> has been completed 76.31%.			
Year	Number of new packaging reduction projects	Weight of packaging material reduced by new projects in the current year/tons	Weight of packaging material was reduced by continuing the previous year's project/tons
2021	11	2,795	/
2022	17	646	2,978
2023	30	714	4,314
Total	58	1	1,447

Case

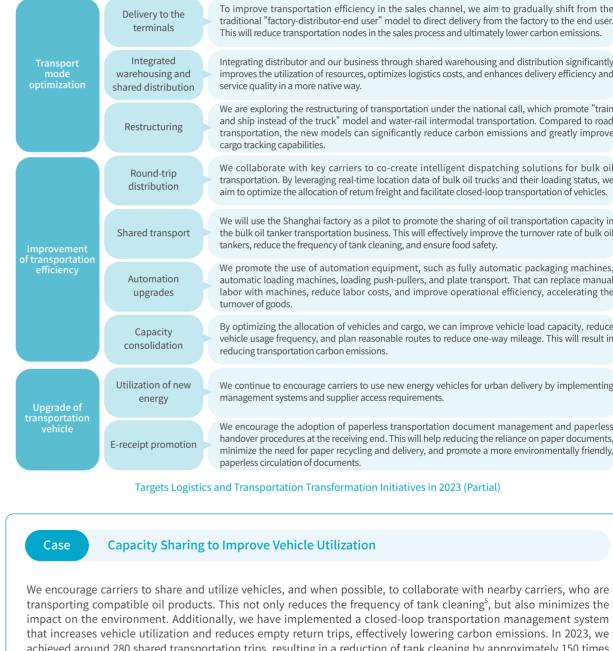
Promoting Reusable Packaging to Reduce Cardboard Consumption

The traditional packaging for B2B plastic injection products between factories, such as pipe fittings and bottle caps, is mainly cardboard boxes. However, to reduce the use of disposable packaging materials and minimize the risk of foreign objects, the Company has partnered with upstream and downstream supply chain to promote the use of foldable reusable crates as an alternative to disposable cardboard boxes. This initiative has resulted in a reduction of over 8 million cardboard boxes used annually and has saved more than 6,400 tons of paper materials.



Warehousing and Transportation

The Company is dedicated to promoting the green transformation of warehousing and transportation. We prioritize the stable operation of logistics operations while also paying close attention to the responsible use of energy and resources. We continuously optimize and upgrade the practices to reduce the environmental impact of our products during the warehousing and logistics stages.



⁵There are two types of tank cleaning. One is steam cleaning, which requires burning coal to generate steam; the other is water washing, which consumes about 500 kilograms of water each time. At the same time, both steam cleaning and water washing tanks require treatment of wastewater and waste oil.

To improve transportation efficiency in the sales channel, we aim to gradually shift from the traditional "factory-distributor-end user" model to direct delivery from the factory to the end user. This will reduce transportation nodes in the sales process and ultimately lower carbon emissions.

Integrating distributor and our business through shared warehousing and distribution significantly improves the utilization of resources, optimizes logistics costs, and enhances delivery efficiency and

We are exploring the restructuring of transportation under the national call, which promote "train and ship instead of the truck" model and water-rail intermodal transportation. Compared to road transportation, the new models can significantly reduce carbon emissions and greatly improve

We collaborate with key carriers to co-create intelligent dispatching solutions for bulk oil transportation. By leveraging real-time location data of bulk oil trucks and their loading status, we aim to optimize the allocation of return freight and facilitate closed-loop transportation of vehicles.

We will use the Shanghai factory as a pilot to promote the sharing of oil transportation capacity in the bulk oil tanker transportation business. This will effectively improve the turnover rate of bulk oil tankers, reduce the frequency of tank cleaning, and ensure food safety.

We promote the use of automation equipment, such as fully automatic packaging machines, automatic loading machines, loading push-pullers, and plate transport. That can replace manual labor with machines, reduce labor costs, and improve operational efficiency, accelerating the

By optimizing the allocation of vehicles and cargo, we can improve vehicle load capacity, reduce vehicle usage frequency, and plan reasonable routes to reduce one-way mileage. This will result in

We continue to encourage carriers to use new energy vehicles for urban delivery by implementing management systems and supplier access requirements.

We encourage the adoption of paperless transportation document management and paperless handover procedures at the receiving end. This will help reducing the reliance on paper documents, minimize the need for paper recycling and delivery, and promote a more environmentally friendly,

achieved around 280 shared transportation trips, resulting in a reduction of tank cleaning by approximately 150 times and an increase in closed-loop transportation by approximately 80 trips.

Topic II

From Farm to Table, Activating the Sustainable Value of the Whole Rice Supply Chain

Rice, as one of the staple foods of the Chinese people and an important crop to ensure national food security, is faced challenges such as resource waste and GHG emissions during the planting and processing. Yihai Kerry Arawana relies on years of scientific research investment in rice processing, benefiting a new sustainable development path that integrates economic, environmental, and social effect, meanwhile, ensuring food safety and rice quality.

Our Topics of Interest

- Product Quality and Safety
- Nutrition and Health
- Addressing Climate Change
- Supplier Management
- Win-win Cooperation

Corresponding SDGs





Our Commitment and Goals

Continuously developing nutritional products through technological

• Deepening the practice of circular economy and actively respond to climate

• Linking upstream and downstream industry chains and partners, complementing advantages, sharing technology, and jointly building a

rice varieties with high added value, empowering with technology, and

• Innovative technology leads the sustainable development of the rice Model, and boosts the transformation and upgrading of industries towards

In 2023, the agricultural planting area of the Company's rice orders reached 702,100 mu, with an expected yield of 350,000 tons; The proportion of scientific and large-scale planting increased to 50%

• We carried out strategic cooperation with Sinochem MAP to provide technical guidance and agricultural inputs to farmers, helping them choose the right varieties, grow good quality and sell at good prices, increasing Carbon Neutrality Strategy and Enhancing Climate Resilience

From Farm to Table, activating the Sustaina Value of the Whole Rice Supply Chain Green Operation and Development

"6-Step Precision Control Technology for Fresh Rice" Bringing Sustainable Value and Freshness Together

Fresh Harvesting

Farmer

Yihai Kerry Arawana collaborated with us on a 6-step fresh rice cultivation order, provided us with DNA detection technology for rice varieties, taught us to use data monitoring and other technological means to monitor the growth of crops in real time, and shared years of research results with us. It is recommended that we start harvesting water rice at around 90% yellow maturity to avoid rice grains falling into the field due to over ripening and being wasted. The yield of Fresh Harvesting increased by 1% - 4%, which invisibly increased our income.

Fresh Storage

Grain Storage Engineer

We have upgraded our grain storage technology in the grain storage industry, using temperature and humidity precision control technology to store rice at low temperatures. Low temperature dormancy inhibits rice respiration, reduces dry matter consumption, and maintains the fresh quality and germination rate of rice for a long time. At the same time, combining with the insect egg test strip detection method, the entire process is able to detect the risk of rice pest damage, achieving precise maintenance, locking, and protection of the freshness and vitality of each grain of rice, with a rice germination rate of over 90%. Based on the quality of rice and consumer demand, Yihai Kerry Arawana sorted out every processing step from rice fields to dining tables and pioneered the "6-Step Precision Control Technology for Fresh Rice". In the six key stages of "Fresh Harvesting, Fresh Grain, Fresh Storage, Fresh Milling, Fresh Packaging, and Fresh Food", the Company fully protects the freshness and taste of rice. In addition to allowing consumers to eat fresh rice all year round, this empowers farmers, and collaborates partners to achieve resource conservation, emission and carbon reduction, so that the sustainable value of every stage in the entire rice industry chain is in line with "Freshness".

Fresh Milling

Production Staff

We use multi-level light milling and low-temperature rising milling technology to precisely control the processing accuracy, thereby avoiding excessive and high-temperature processing of rice, reducing waste, and retaining more nutrients. Compared to centralized milling, it is prone to damage, fragmentation, and loss of flavor due to temperature rise. Multi-level light milling can increase the whole rice yield by 0.4% and avoid loss of rice flavor.

Fresh Grain

Collecting and Storing Staff

Compared to traditional single rapid drying with a crushing rate of over 2%, we adopt a low-temperature circulating drying technology to divide rice drying into multiple stages and achieve gradual temperature change drying, controlling the crushing rate at 0.5%. At the same time, precise control of the drying rate of rice ensures that the freshness of rice is above 85 points, further reducing grain loss on the basis of Fresh Harvesting.



36



Packaging Supplier

We collaborate with Yihai Kerry Arawana to develop the vacuum rice brick packaging with "Less Plastic", which reduces the thickness of ordinary rice bags by 11%, with stronger performance. Combined with vacuum low oxygen freshness locking technology, it isolates oxygen and avoids light, locking in the nutrition, taste, and freshness of the rice.

5 Fresh Food

Consumer

Yihai Kerry Arawana broadcasts the scientific method of cooking rice through various platforms, allowing ordinary people to make better tasting rice in simple ways at home, achieving a good balance between nutrition, taste, and freshness, and eating fresh rice every day.



om Farm to Table, activating th Value of the Whole Rice Sup



In addition, the Company actively responds to the national call for "Storing Grain in Technology", timely harvesting at Fresh Harvesting, saving grain and reducing losses, safeguarding national food security, and fulfilling the responsibilities of major grain and oil enterprises. According to relevant data, Fresh Harvesting can reduce field losses by about 5% and increase rice yield by 1%-4%. Based on an estimated rice yield of approximately 47 million tons in the northern monoculture area, if Fresh Harvesting is widely adopted, it is expected to reduce field losses by approximately 2.35 million tons.



Case

- Award of the Chinese Cereals and Oil Association
- and Health Action in the Food Industry" Directory of the China Food Industry Association
- Award
- and Oil Industry
- National Division
- ٠ High-Quality Agricultural Products List
- Yihai Kerry Arawana "Innovative Technology Full Chain Fresh 6-Step Fresh Rice" was selected as a case of "2023 National Consumer Industry Iterative Innovation" by People's Daily Online

Honors for "6-Step Precision Control Technology for Fresh Rice" and its Products

"6-Step Precision Control Technology for Fresh Rice" won the Special Prize of the Science and Technology

"6-Step Precision Control Technology for Fresh Rice" was selected in the "Iconic Achievements of Nutrition

"6-Step Precision Control Technology for Fresh Rice" received the "Green Dot China - 2023 Green Pioneer"

Arawana 6-Step Fresh Wuchang Rice won the third "Golden Valley Award" for Product Quality in the Grain

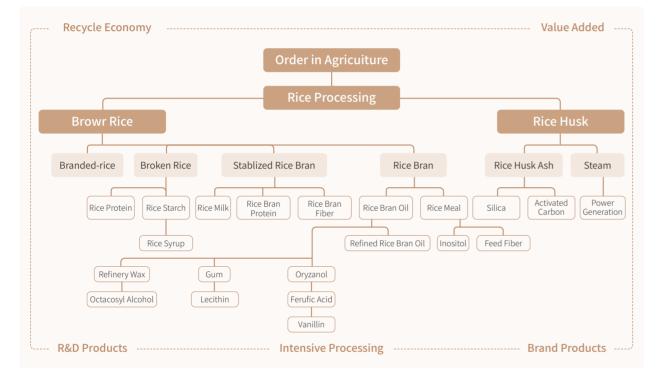
Arawana 6-Step Fresh Wuchang Rice (Wuyou Rice No. 4) won the Gold Award in the High-quality Production Area Group at the 4th International Contest on Rice Taste Evaluation in 2023 Summary Tournament of

Arawana 6-Step Fresh Wuchang Rice was awarded the Three-star Product on the 2023 Panda Guide China's

Implementing the Integrated Rice Manufacturing Model of "Fully Eaten and Utilized"

In the traditional extensive industrial model, rice processing is normally only for obtaining rice. The Company actively explores the Integrated Rice Manufacturing Model, transforming rice husks, rice bran and other by-products, generated from rice processing, into high value-added products such as rice bran oil, rice bran wax, and precipitated silica. This not only improves resource utilization efficiency, but also effectively reduces environmental pollution. The extension of the rice processing industry chain and the added value by-products also profit the rice product R&D and innovation, providing consumers with high-quality and affordable rice, and achieving economic, ecological, and social benefits.





Rice Husk Pyrolysis Circular System for Heat & Husk Charcoal Achieving Improvements in Economic and Environmental Benefits

The comprehensive utilization level of rice husks in our country is limited, and direct combustion has low energy utilization efficiency, moreover, it causes environmental pollution. The Company has innovatively launched a Rice Husk Pyrolysis Circular System for Heat & Husk Charcoal, which gasifies rice husks to form biomass gas for power and heat supply in the production and operation process, achieving carbon heat cogeneration and greatly improving the added value of comprehensive utilization of rice husk resources. The emission of smoke pollutants after combustion is lighter and easier to deal, making it a clean energy with industrialization prospects.

The rice husk charcoal produced after rice husk gasification can not only be used as a renewable and green heat-insulation covering agent, but also as a raw material for producing high-end and environmentally friendly precipitated silica and activated carbon products. The products are mainly used in automotive tires, water quality purification, etc., and will continue to be applied in downstream industries. Rice husk charcoal cogeneration does not generate solid waste, but truly achieving a cross-border win-win situation for the rice processing industry and downstream industries.

In December 2023, the "Key Technologies and Application of Rice Husk Pyrolysis Circular System for Heat & Husk Charcoal" won the second prize of the 2023 China Circular Economy Science and Technology Progress Award (Technology Development Category). This technology has been put into operation in multiple factories under the Company and is planned to be promoted to all new and expanded rice circular economy projects.

ESG Effectiveness of Rice Husk Carbon Cogeneration and Recycling System

According to calculations, if the 40 million tons of rice husks produced by the annual production of 200 million tons of rice in China are all used for combustion, it can achieve energy savings of 19 million TCE and reduce carbon dioxide emissions by about 53 million tons (calculated based on 5000 kcal/kg of raw coal).

Technological Breakthroughs, Tapping into the Nutritional Gold in Rice Paddies

Most micronutrients in rice are lost during the rice refining process as the rice bran falls off. If fresh rice bran is used properly, it can be processed to produce rice bran oil. However, rice bran is easy to deteriorate and difficult to preserve. Technological barrier was one of the reasons that hindered the development of rice oil in China for many years. To solve the freshness problem of raw materials, the Company has independently innovated and cooperated with international scientific research institutions to develop more than 50 technologies, i.e., enzymatic degumming, achieving a technological breakthrough in rice oil refining. The produced rice oil is not only of high quality, but also rich in natural active ingredients, such as oryzanol, phytosterols, and vitamin E, meeting the health needs of consumers. The entire production process also adopts various green technologies, filling an important part of the Integrated Rice Manufacturing Model.

ESG Effectiveness in Rice Oil Production

If the rice bran of 200 million tons of rice annually nationwide, is used to extract oil, the rice oil production is equivalent to 13 million tons of soybean oil, same as saving 110 million acres of soybean cultivation land for the country.

Deep Processing and Innovation, Achieving the World's First Large-scale Production of Rice Precipitated Silica

Traditional silica is produced using non-renewable quartz sand as raw material, resulting in over-consumption and shortage of highquality silicon resources, and a large amount of energy consumption during the processing. The Company uses rice husk ash as raw material to convert rice husk incineration into precipitated silica and activated carbon. According to calculations, 1 ton of rice husks can produce 0.03 tons of high value-added precipitated silica and 0.01 tons of activated carbon, which not only solves the environmental pollution problem of rice husk processing waste, but also provides renewable resources and innovative plant charcoal resources for industrial development. In addition, precipitated silica from rice husks can significantly enhance the strength of rubber, and its application in the tire industry can reduce rolling resistance and improve vehicle fuel economy and driving safety, making it the best raw material for producing green tires.

ESG Effectiveness of Silica and Activated Carbon from Rice

According to the LCA evaluation report of precipitated silica products issued by SGS, the Global Warming - Carbon Footprint Environmental Impact Potential of our rice husk precipitated silica produced is -0.395 kgCO₂e/kg (2023 accounting data). Compared with the Global Warming - Carbon Footprint Environmental Impact Potential of traditional mineral silica, which is +2.054 kgCO₂e/kg ("ecoinvent v3.9.1" from Switzerland), meaning producing 1 ton of rice precipitated silica reduces 2.449 tons of carbon dioxide in comparison to mineralone.

As demonstrated in the LCA evaluation report of activated carbon products issued by SGS, the Global Warming - Carbon Footprint Environmental Impact Potential of rice activated carbon produced is -0780 kgCO₂e/kg, which not only equipped the advantage of low-carbon, but also saves 1.6 million tons of wood if all the rice husks produced annually in China are used to burning and preparing for activated carbon.

From Farm to Table, activating the S Value of the Whole Rice Supply

Adhering to Sustainable Concepts from the Source of Rice Cultivation

The Company leverages the industrial driving role of the own agricultural enterprises to carry out the model of "Four Excellence" contract agriculture, indicating "Excellent Varieties, Excellent Production Areas, Excellent Optimized Technology, and Excellent Barging Power in Procurement". Based on traditional contract agriculture, the Company has established a full-process assistance system for small-scale farmers with partners in the entire industry chain. We allocate planting, provide suggestions and support for seed selection, and conduct agricultural scientific training and market guidance to farmers, achieving an organic combination of economic, environmental, and social benefits.

Excellent Varieties

• In terms of the selection of rice varieties, the Company selects high-quality rice varieties that combine the taste and flavor of rice according to market demands and are also suitable for the climate of the planting area. We guide local farmers to scale up their planting, enabling us to obtain high-quality product sources, and benefiting farmers at the same time.

Excellent Optimized Technology

· The Company and its partners work together to provide advanced agricultural technology training for farmers, leading them from traditional extensive planting to precise and scientific planting. By implanting new equipment and technologies and providing scientific guidance throughout the entire process from seeds to field management, the quality and yield of rice have been greatly improved. The intelligent, digital, and traceable smart agricultural production method has led to a 71.17% increase in the quality rate of agricultural products, creating more economic benefits for farmers.

Excellent Production Areas

 While selecting planting areas with natural advantages, the Company conducts in-depth cooperation with partners, introduces third-party authoritative full traceability quality control, provides full process management guidance for planting, and strictly controls soil and water testing. Besides, we have reduced production costs, improved product quality, and promoted a 5.12% increase in land production efficiency through the deep application of high-tech such as the Internet of Things, big data, and artificial intelligence.

Excellent Procurement in Good Price

 To help farmers solve the problems of middlemen reselling and blocked market channels during the grain sales process, the Company tutors farmers in self delivering grain, allowing their grain to be directly delivered to the Company's rice processing plant, and the funds to be directly returned to the farmers, achieving the price difference of the grain broker to be returned to the farmers. This model not only enables enterprises to obtain stable and high-quality raw materials, but also provides guarantees for farmers and increases their income

Model of "Four Excellence" Contract Agriculture

In addition to the "Four Excellence", during the planting, the Company collaborates with industry experts to provide farmers with on-site training on sustainable planting, reduce fertilizer usage, and popularize ecological planting methods, such as crab field rice, shrimp field rice, and duck field rice, combining planting production activities with environmental and ecological protection.

Rice Field Butler, Creating Green Ecological Rice

Based on local characteristics, the Company has introduced a natural rice ecosystem and adopted ecological planting methods, such as "duck-rice symbiosis", "shrimp-rice symbiosis", and "crab-rice symbiosis" in some rice planting bases. This not only produces a series of high-quality products, such as Arawana Duck Field Previous Valley Wuchang Rice, Arawana Crab-Rice Coexistence Panjin Rice, Arawana Shrimp Sweet Rice, etc., but also meets consumer taste needs and increases farmers' income. In addition, while ensuring that rice production does not decrease, the use of chemical fertilizers and pesticides has been reduced, diminishing agricultural environmental pollution, improving the environment, and achieving a positive development of the agricultural ecosystem.





Efficiency Enhancement

The Company also actively promotes green planting models in contract agriculture through cooperation with Sinochem MAP. In some rice fields, green fertilizers such as Astragalus Sinicus are introduced, and a rotation planting model of one rice and one green fertilizer is adopted. The use of Astragalus Sinicus and other green fertilizers can provide crops with relatively complete nutritional elements, increase soil effective nutrients and organic matter content, improve soil physical and chemical properties, increase soil microbial and enzyme activity, reduce fertilizer use and environmental pollution, improve grain yield and agricultural product quality, and promote green ecological development in agriculture.

The Company uses contract agriculture as a link to form a community of interests among enterprises, farmers, and partners. While promoting the common prosperity of farmers and rural areas through agricultural supply-side reform, it not only brings significant economic benefits to enterprises, but also contributes to national food security. At the same time, innovative technologies in the rice industry chain strive to reduce resource waste and environmental pollution, and further promote energy conservation, emission reduction, and sustainable development. Carbon emissions have decreased by 16.21% year-on-year, achieving a comprehensive creation that combines economic, social, and environmental value.

Collaborating with Partners to Reduce Carbon and Plastic Emissions for rice Products

In addition to emphasis on the environmental impact of rice cultivation, we also collaborate with suppliers and partners to promote emission reduction in the rice industry chain. Through measures, such as optimizing warehousing and developing sustainable packaging, the Company further reduces the carbon footprint of rice product lifecycle.

In the low-carbon transformation for warehousing, the Company focuses on setting warehousing goals around "Green Grain Storage" and "Grain Pest Control". It has successively formulated institutional documents such as 6-Step Precision Control Technology for Fresh Rice - Fresh Storage and Fumigation Operation Manual to establish the management mechanism for the implementation and effectiveness verification of factories in various regions. At the same time, the Company continues to deepen energy-saving technology in storage. Similarly, while ensuring the quality of rice storage, the Company also aims to enhance storage efficiency, leading to losses, waste, and carbon emissions reduction.

Grain Saving and Loss Reduction

The Company has pioneered

a multifunctional warehouse

for "cooling/precipitation/

insecticide" in the industry,

applying new technologies

which saves 30% of electricity

for green and fresh rice,

compared to traditional

storage; Simultaneously

reducing the loss of 4,600

tons of rice, equivalent to the

farmland and a loss reduction

vield of 8,000 acres of good

by 12 million yuan.

Energy Conservation and **Emission Reduction**

In thermal insulation and scientific temperature control processes, energysaving of 1.8 million kW, converted to 221 tons of standard coal, is equivalent

to 1,240 tCO₂e emissions.



Case

Introducing Astragalus Sinicus into Rice Fields Achieving Less Input of Fertilizer and

Chemical Emission Reduction

The Company scientifically applies fumigation and insecticidal technology to control grain pests, reducing the amount of aluminum phosphide by 1,600 kg in 23 years, which is equivalent to a chemical emission reduction of 200,000 m³ phosphine gas.



New Technology for Emission Reduction of Low Carbon Rice Barn

Low Temperature and **Emission Reduction**

The Company promotes low-temperature circulating drying equipment for rice, reduces heat loss under high temperature conditions, and improves heat source utilization. Steam consumption was reduced from 180 kg to 120 kg for drying rice with the same moisture content.

From Farm to Table, activating the Value of the Whole Rice Supply

For reducing plastic in rice packaging, the Company has taken multiple measures, such as in-house innovation, design optimization, and collaboration with suppliers, to develop greener and more impact resistant packaging materials. We have continuously promoted research on lightweight packaging technology and successfully developed soft handle packaging, "less plastic" rice vacuum rice brick packaging, reduced plastic formula woven bags, three-layer cardboard boxes, etc., providing effective assistance for energy conservation, emission reduction, and carbon reduction in the entire rice industry chain.

Case Handle Replacement, Implementing Packaging Carbon Reduction from Details To improve our rice bag handles' comfort and reduce plastic use, we switched from hard, injection-moulded handles to softer, PE handles, maintaining strength while cutting plastic use by 21% for 5kg bags and 16% for 10kg bags, earning a national patent in the process. By 2023, we have successfully switched all suitable rice bags to these softer handles, saving around 1,099 tons of plastic. For products still needing hard handles, we have redesigned the packaging to achieve a 33% handles plastic reduction. ANAMUAN 17 INTIMUTIN BB

For 5kg bags cutting plastic use by

21%

By 2023, we have successfully switched all suitable rice bags to these softer handles, saving around

1,099 tons of plastic





For 10kg bags cutting plastic use by

Raising the Accessibility of High-quality Rice Products

The Company is committed to promoting more high-quality rice to the tables, and actively expands online marketing and promotion. By expanding the catalogs and in-depth cooperation with e-commerce platforms, innovating online marketing, and precising layout of live streaming platforms, as well as collaborating with offline consumers to experience and conducting public welfare activities, we provide healthy, nutritious, and high-quality rice products to the public.

E-commerce Channel Cooperation	•	We collaborate with major e-commerce part Rice Festival. Through precise marketing me high-quality rice products and enable consur platforms We have jointly released the country's firs e-commerce platforms to guide consumers of
Online Dealer Linkage	•	We lead dealer stores to conduct integrated r and customize different brand activities for d
Live Streaming Platform Layout	•	We layout live streaming influencers to furthe We combining the promotion of rice product the live broadcast room, vividly presenting th consumers
		Online Promotion Meth



In order for consumers to have a more comprehensive understanding of the advantages and characteristics of different types of rice and help consumers choose high-quality, valuable and preferable rice through e-commerce platforms, Arawana collaborated with major e-commerce platforms to hold The Rice Harvest Festival, allowing consumers to visit major ecological bases personally. The consumers can deeply understand 6-Step Precision Control Technology for Fresh Rice, learn the taste, nutrition, best cooking methods, and how the Company contributed social value to national food conservation and loss reduction.



rtners to carry out the E-commerce Rice Harvesting and Fresh nethods and comprehensive logistics services, we recommend imers to easily find products that suit their own on e-commerce

rst Selection Guide for High Quality Rice in the South with on how to select more good southern rice

marketing, including but not limited to various field gameplay, diverse production lines

her expand product brand awareness

ts with public welfare festivals and health knowledge classes in the sustainable and healthy nutritional value of the products to

hods for Rice Products

Rice Harvest Festival Creating Diverse Fresh Rice Experiences for Consumers

O Pursuing Excellence

Yihai Kerry Arawana builds upon years of accumulated technology, products, services, and experience as its foundation. We continuously deepen product innovation, empower operational management through digital innovation, and provide people with healthier and more nutritious products and more considerate services with outstanding quality. This leads the high-quality development of the grain and oil food processing industry.

Our Topics of Interest

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







Ø

- violations



Our Commitment and Goals

• Committed to "Creating a World Safe Dining Tables", the Company strives to provide customers with healthier products, superior services, and a wider range of choices

• Leveraging technological innovation and process improvement, the Company continuously develops nutritional products to meet consumers' nutritional and health needs

• Digitization Empowers daily operations to achieve full coverage of digitalization across the front, middle, and rear ends

• All marketing materials for the products undergo 100% compliance and responsible marketing review, with no significant marketing compliance

• Customer satisfaction no less than 90%

• Continuously strengthening nutritional technology research, consistently enriching the matrix of nutritional and healthy products, enhancing product accessibility, and providing consumers with diverse nutritional choices

• Deeply implementing the "Five Strengths and Four Zero" quality strategy to safeguard safety at the tip of the tongue

• Continuously improving the digital management system of the entire value chain to enhance operational efficiency

• Adhering to responsible marketing principles, safeguarding consumer rights, and promoting fair consumption

• Customer satisfaction reached 94.26% in 2023

Enhancing Customer Experience through Quality and Service Excellence

The Company leverages the brand and scale advantages to continuously improve quality and safety management system and practices responsible marketing, providing consumers with high-quality grain and oil products and services.

Consolidating Quality Management

The Company always prioritizes product quality and food safety. Based on the quality management strategy, we continuously optimize the quality management model through an access threshold system, basic management system, external assurance system, and selfimprovement system. We also adopt a series of quality commitments and regulatory measures to ensure product quality and safety.

Quality Management Strategy

Guided by the quality culture of "Excellence in Quality, Health Sharing", the Company implements the "Five Strengths and Four Zero" quality strategy, continuously consolidating standards, metrology, testing, verification, and other quality foundations. We set goals for product quality, process management, and regulatory standards, such as 90% coverage rate of AIB unannounced inspections, 100% effective resolution rate for customer complaints, 90% customer satisfaction, and 100% domestic regulation recognition and conversion rate. The Company regularly evaluates and adjusts the quality strategy and objectives, based on changes in the internal and external environment and the achievement of decomposed objectives. With a robust professional talent training system, international leading grain and oil processing technologies, industry-leading standards, multi-level management system, and full-process quality and safety oversight, we provide consumers with nutritious, healthy, safe, and delicious foods.



"Five Strengths and Four Zero" Quality Strategy

The Company adopts advanced management methods, systems, and standards by benchmarking against domestic and international standards and the advanced levels of the food industry. With smart manufacturing as a key focus, we emphasize quality, cost, and efficiency, introducing advanced production processes and technologies. We also establish a comprehensive supply chain quality and safety management model, ensuring seamless integration from farm to table and strict oversight of the entire quality and food safety control process.

Quality and Safety Management System

The Production Construction Management Department coordinates comprehensive management of quality, food safety, production technology, and engineering construction in all factories, ensuring product quality from hardware facilities and production technology, etc.

To manage the quality throughout the product lifecycle systematically, the Company has constructed a model which revolves around the product, covering every stage, process, and key node from product development, factory design, processing technology design, product realization, transportation, storage, and delivery. It integrates risk assessment, comprehensive process systematization and effective management, based on scientific principles to predict, monitor, and control risks at each stage.

Front

At the front end, strict control over supply risks is enforced by establishing

material and supplier admission

systems. The Company's quality and

food safety management principles are

control, stage performance evaluations.

and regular thematic training sessions,

among other methods.

communicated to suppliers through daily



The Company has established a comprehensive and efficient management model, covering supplier management, production and processing management, storage and transportation management, and customer end service. This ensures full

Collaborative Quality Management across Upstream and Downstream Industrial Chains

By the end of 2023

The Group has a total of 14 domains, 33 laboratories, and 900 test items accredited by CNAS, making the Group as the most accreditations in the industry. Additionally, 28 organizations under the Group have received a total of 33 guality awards including 1 nomination for the China Quality Award, 4 provincial quality awards, 21 municipal guality awards, and 7 district-level guality awards.



coverage rate for ISO 9001 **Quality Management System** Certification of all productionoriented enterprises

Digitization Empowers Quality Management Improvement

The Company has initiated the leading domestic Laboratory Information Management System (LIMS) combined with Quality Management (QM) project, aiming to promote the standardization and automation of testing processes, achieve global quality data statistical analysis, and enhance management efficiency through standardized management, risk control, and cost reduction measures.

Standardized management

is achieved through the standardization and automation of workflows, making it a norm to avoid work omissions, irregular records, difficulty in tracing information, and excessive manual inspections.

Risk control is achieved through standardization and automation of control processes, reducing human-induced risks, and avoiding issues such as missed detection. deviation from standards, incorrect judgments, and loss of release control.

In terms of product quality testing, the Company has developed unique methods with independent intellectual property rights for identifying rice varieties, purity, and aroma genes, to enhance food safety and risk monitoring requirements. These methods enable precise quantitative detection of rice genetic purity. By employing advanced detection technologies and methods such as GC-MS/ MS, HPLC-MS/MS, LC-GC, and PCR, the Company enhances the efficiency of detecting harmful substances and contaminants during the production process, ensuring consumer safety at the dining table. Additionally, through the ISO 17025 management system, the Company cultivates professional inspection technicians to ensure the reliability and accuracy of the test results. In 2023, the Company conducted specialized instrument analysis training, with over 150 laboratory technicians participating in, to support the continuous improvement of technicians' technical capabilities. 10 new laboratories were established, and 964 pieces of equipment were purchased, with a total investment of approximately RMB 35 million in 2023.

traceability of products and effective risk control throughout the entire process.

Fnd

Obtaining customer needs comprehensively, providing professional technical services. guiding customers to achieve the optimal usage methods and best results, and continuously promoting the improvement of quality throughout the industrial chain.

100%

100%

food production enterprises have certified to FSSC 22000 Food Safety Management System

Cost reduction and efficiency

improvement are achieved through standardization of data, automation of reports, and integration of systems, reducing paper records and manual statistics. This enhances the efficiency of information transmission, data analysis, controls quality costs, optimizes resource allocation, and improves management efficiency.

Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience

From Farm to Table, activating the Sustainable Value of the Whole Rice Supply Chain

Green Operation and Development

Food Safety Process Control

The Company strictly controls food safety by establishing corresponding requirements and systems. We have developed a food safety risk checklist and implemented process control measures such as daily control, weekly inspections, and monthly scheduling to ensure food safety.

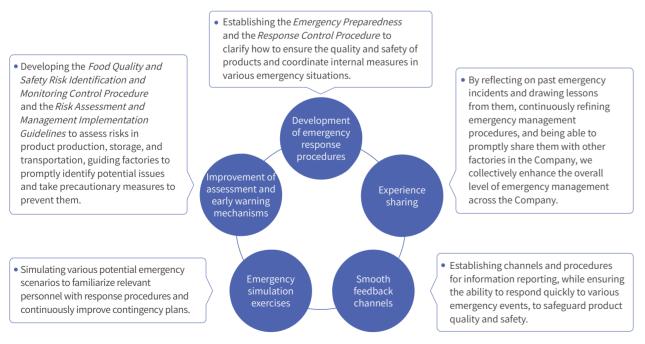
- The factory conducts self-checks, regular checking of compliance and improvement in accordance with the Group's requirement
- The Company conducts occasional audits and spot checks of factories on food safety and daily practices

• We conduct annual food-related audits through third parties in the form of unannounced inspections

For the front of supply chain, the Company manages suppliers in accordance with the Group's requirements, and carries out corresponding risk assessment and evaluation review for new suppliers and newly purchased materials

Food Safety Process Control

In addition, the Company has established a comprehensive product recall and emergency mechanism. Corresponding recall and emergency plans will be initiated immediately according to actual circumstances, and comprehensive post-analysis and improvements will be conducted to safeguard customers' rights while minimizing safety risks to the greatest extent.



Product Recall and Emergency Mechanism

Quality Safety Culture Construction

To enhance employees' awareness of quality management, we continuously strengthen the construction of a quality and safety culture. This is achieved by conducting regular training sessions on related laws and regulations, management systems and procedures, and food safety throughout the Group. These efforts aim to encourage all employees to participate actively and improve quality and safety management. In 2023, we conducted 2,627 quality-related training sessions and 2,250 food safety training sessions, covering all employees (including full-time and part-time employees). The monthly random inspections of the training effectiveness were implemented this year, covering 69 factories, over 80% of the total food factories. Through video inspections to test the knowledge factory employees hold on food safety, the implementations of training have become more practicable and detailed. The OA (Quality Assurance) personnel can independently inspect the effectiveness of the training, resulting in a significant improvement in training effectiveness.

In 2023

The Company conducted

2,627 quality-related trainings 61,271 participants in attendance

The Company conducted

330,170

food safety trainings

participants in attendance

Case

2,250

Conducting GMP Global Training to Enhance Food Safety Management Standards

GMP (Good Manufacturing Practice) is an operating standard for enterprise production site, as well as a normative and standard requirement for management concept. In 2023, to ensure that the production sites of global factories meet standardized norms, the Company, under the leadership of the Global Quality Control Director and the Global Food Safety Director of Wilmar International, conducted GMP global training for relevant personnel from all factories. The training had five sessions, each lasting five days, involved the Group Quality Control Department and Wilmar International's Vietnam team. It combined professional knowledge, including specific provisions of AIB (American Institute of Baking) highrisk findings from all Wilmar International factories worldwide from 2021 to 2022, interpretation of AIB standards and audit concepts guidance for employees. Additionally, trainees were led to conduct audit practices in the production sites, and the training outcomes were reinforced through timely summary of issues. This GMP global training significantly enhanced the food safety management capabilities of subsidiary food production enterprises.

The total training hours were

139,249

The total training hours were

564,002



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From Farm to Table, activating the Sustainable Value of the Whole Rice Supply Chain

Green Operation and Development

Providing Quality Services

The Company has always valued stable development and the relationship with customers, adhering to the principles of mutual benefit, mutual progress, and sustainable development. To this end, we have designed comprehensive system guarantees in terms of access, cooperation, classification, empowerment, optimization, and renewal of cooperating clients, and continues to improve customer service management.

Efficient Customer Complaint System

The Company has formulated the Marketing Company Customer Complaint Management Policy. By establishing an efficient customer service system, the Company builds a professional customer service team, and implements multi-channel feedback mechanisms. including a 400 hotline, a global customer management system, a terminal quality reporting platform, e-commerce channel specific work groups, and the national 12315 platform. We maintain efficient communication with consumers to enhance customer trust and satisfaction. Given the higher time-sensitive requirements for e-commerce complaints, the Company has developed the Guidelines for Responding to Common Quality Complaints in E-commerce and provided training support to online customer service teams to optimize service quality and improve consumer experience in 2023.

In addition, each factory conducts satisfaction surveys towards all customer groups, including distributors, marketing subsidiaries, retail stores, industrial customers, etc., containing multiple dimensions such as product quality, service conditions, post-sales support and opinions and suggestions on products. Continuous improvements of products and services, based on survey results are undertaken to meet customer needs and enhance customer satisfaction. Apart from survey analysis, a long-term feedback mechanism has been established to improve product technology and service quality. Moreover, regular customer satisfaction surveys are conducted to optimize the survey and indicators. In 2023, the customer satisfaction rate reached 94.26%, the completeness rate of customer complaints reached 100%, and the satisfaction rate of complaints handling reached 99.62%, with no arbitration cases related to customer complaints.

Privacy Protection

The Company has formulated the User Privacy Policy which includes protecting the privacy of customers and consumers as essential clauses in contracts. Strict control of the use of customer personal information is exercised through measures such as signing privacy agreements, obtaining user consent in advance, informing users, encrypting sensitive information, dedicated management of operation and maintenance, and regular vulnerability scanning to ensure the security of user privacy. In the case of personal privacy breach, the Company will promptly inform users of the background information and possible impacts of the incident, measures taken or to be taken, suggestions on user selfprevention and risk reduction, etc., and report the incident disposal situation according to regulatory requirements.

Responsible Marketing

The Company strictly complies with relevant laws and regulations, such as the Advertising Law of the People's Republic of China, the General Rules for Prepackaged Food Labels (GB 7718-2011), and the General Rules for Nutrition Labels of Prepackaged Foods (GB 28050-2011), and has formulated documents, including the Product Responsibility Policy, Marketing Company Product Packaging Management Process, the Guidelines for Classification of Risk Levels of Label Advertisements, and Frequently Asked Questions on Advertising. The Company tracks changes in regulations, participates in the revision of regulations and standards, implements responsible marketing through internal and external professional audits. External image and content of marketing are reviewed and confirmed by the legal, quality management, and design departments of the project initiating department to ensure the compliance, rationality, and authenticity of marketing.

In addition, based on challenges we faced, marketing relevant training is conducted for employees, and internal audits are optimized based on business characteristics. Regular self-inspections are conducted on e-commerce descriptions, labels, and markings to ensure compliance with regulatory requirements. In 2023, the Company conducted an online training on Responsible Marketing for all marketing personnel and distributors, aiming to promote the concept of ESG and responsible marketing, and popularize related knowledge.

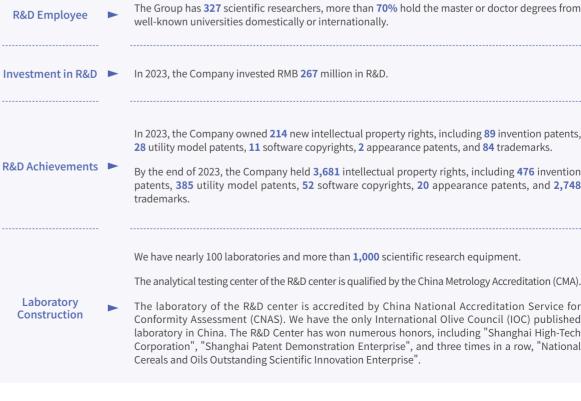
Igniting Innovation and Benefiting all Families

We regard innovation as an important driving force to achieve sustainability, continuously enhancing the innovation system, innovative our industry layout, and product research and development, and delivering healthy, nutritious, and diverse products to all families.

Deepening Research and Development

With the vision of leading the future of food industry, the Company's research and development center focuses on innovative research and development in areas such as cooking oils and fats, specialty oils and fats, grains, foods, and oil and fat technology, aim at improving current grain and oil food processing technologies and product quality, developing green and white biotechnologies, leading advanced consumption concepts, and supporting a healthier lifestyle. At the same time, the research and development center focuses on providing transformation and upgrading solutions for grain and oil enterprises to achieve the sustainable development goal of continuously optimizing resources, reducing energy consumption, and being environmentally friendly.

To support clinical research and technological assistance for specific people's health and nutrition benefits, improve residents' nutritional and health status, and enhance China's original research capabilities in nutrition science, the Company has set up the assistance for "Healthy China 2030" program and jointly established the "National Nutrition Research Fund" with the Chinese Nutrition Society. As of 2023, the project had entered its fourth phase, focusing on the health effects of oils and fats and fatty acids, dietary management and application, food and nutrition intervention research, and the construction of a nutrition information sharing platform.





The Group has 327 scientific researchers, more than 70% hold the master or doctor degrees from

In 2023, the Company owned 214 new intellectual property rights, including 89 invention patents, 28 utility model patents, 11 software copyrights, 2 appearance patents, and 84 trademarks.

By the end of 2023, the Company held **3,681** intellectual property rights, including **476** invention patents, 385 utility model patents, 52 software copyrights, 20 appearance patents, and 2,748

The laboratory of the R&D center is accredited by China National Accreditation Service for Conformity Assessment (CNAS). We have the only International Olive Council (IOC) published laboratory in China. The R&D Center has won numerous honors, including "Shanghai High-Tech Corporation", "Shanghai Patent Demonstration Enterprise", and three times in a row, "National

Enriching Nutritious and Healthy Products æ

The Company actively implements a strategy for nutritious and healthy products, establishing a dedicated department responsible for related initiatives. We integrate the concept of nutrition and health into every aspect of product development, production, marketing, and promotion. The Company's main products, such as edible oil and rice, do not contain added sodium, sugar, artificial additives, or other harmful ingredients. To further enhance the matrix of nutritious and healthy products, the R&D Center focuses on innovative research and development in this area. Considering recommendations from authoritative organizations, such as the World Health Organization and the Chinese Nutrition Society into consideration, the Company introduces high-nutrient-retention vegetable oils, low-GI grain products, and other nutritious and healthy products. Additionally, by optimizing technology and processes, we reduce the use of sodium, sugar, fats, and artificial additives in processed products. The Company also pays attention to the health of vulnerable groups, such as the elderly, children, pregnant, and junior students, developing and promoting more targeted healthy nutrition products to improve nutritional accessibility. Furthermore, in the stage of raw material cultivation, the Company collaborates with suppliers to reduce the use of fertilizers and minimize environmental pollution.



 Liangfen Five-year Vinegar Zero addition of preservatives and colorants



- 无意糖甜片油
- Sugar-free Sweet Sheet Margarine Using natural sweeteners instead of sugar to



 Golden Delicious Premium Filling Margarine Low-fat, Low saturation





Vitamin A fortified with 500mg of retinol equivalent



 Organic MLCT Ingredient of infant formula

Value Co-creation and Mutual Benefit

Nutrition Fortification



• Phytosterol Ester Soy Milk

Each box contains 3.4g of Phytosterol Ester (with an effective Ester content of 2g per box) and a minimum of 4% protein

Organic Food



• Organic Pure Soybean Milk Powder

Green Operation and Development

Case

Independent R&D Brings New Breakthroughs to the Infant Formula Food Industry

To change the current situation that the core ingredients of domestic infant formula oils mostly rely on imports, the Company developed synthetic technology, which utilizing lipase to produce medium and long-chain triglycerides (commercially known as "Sania MLCT") instead of chemical catalyst methanol sodium. This innovation makes infant formula more similar to breast milk (this product cannot replace breast milk or breast milk ingredients), providing infants and toddlers with more compatible and suitable nutrition. It vigorously promotes the high-quality development of the dairy industry in China.

Case

Phytosterol Ester Products Enrich Consumer Health Food Choices

To ensure products combine nutrition, good taste, and convenience of consumption, the Company innovatively develops products, such as phytosterol ester phospholipid solid beverages, phytosterol ester jellies, and phytosterol ester soy milk. Phytosterol ester can effectively reduce levels of low-density lipoprotein cholesterol*. Additionally, the sugar-free phytosterol ester jelly contains dietary fiber that will provide more choices for people pursuing a healthy and high-quality lifestyle.



Phytosterol ester phospholipid solid beverages and phytosterol ester jellies

*Reference: Demonty et al. J Nutr 2009; Ras et al. Br J Nutr 2014



Promoting Digital Transformation and Strengthening Information Security Management

The Company continues to drive the deep integration of digital technology with business scenarios, gradually implementing the digital transformation strategy through construction and deployment of digital marketing, digital manufacturing, and digital management, etc. In 2023, closely aligned with business transformation, the Company focuses on digital innovation at the frontend, midstream, and backend, promoting integration and interaction between systems to achieve synergy across the entire value chain, including marketing, production, logistics, supply chain, finance, and human resources.

The Company prioritizes information security and privacy protection, strictly adhering to relevant laws and regulations, such as the Cybersecurity Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and the Data Security Law of the People's Republic of China. Members of the Board of Directors directly oversee the overall information security and cybersecurity governance of the Group, with the supervision from the Chief Information Officer about the implementation of information security work.

Information Security Management System

The Company has adopted industry best practices, such as ISO 27001 and NIST CSF methodologies, to establish a comprehensive information security defense system encompassing pre-, during, and post-incident phases and ensure the implementation of technology from management. Information Security Management System, Information System Vulnerability and Patching Regulations, Penetration Testing Management Regulations, and Application System Classification Management Regulations have been formulated and periodically revised to comply with national laws and business protection requirements. Annual IT audits are conducted to enhance risk monitoring and emergency response for information security, implementing measures to safeguard the security of the information security management system. Through conducting regular training sessions, employees' understanding of the information security policies and management is deepened. In 2023, the Company did not experience any information security incidents.

Access Certification

The entire Group has implemented network access authentication for IT, strengthened the authentication of terminal devices, covering both wired and wireless networks, and implemented shutdown of idle ports through automated scripts.

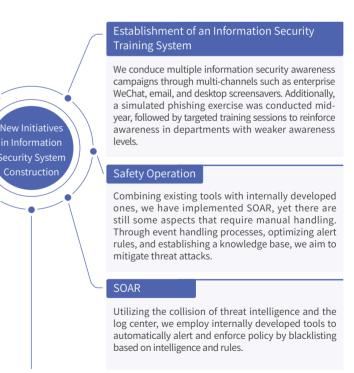
AD Safetv

By using AD security to identify if user terminals are abnormal, and by alerting on abnormal user behavior through built-in big data models, the Company helps establish the first line of defense for security in application systems and infrastructure.

PAN

To further enhance the control over production servers and networks, and achieve periodic password changes, permissions will be automatically granted after process approval, enhancing workforce efficiency. This year, a transformation of the privileged access management system will be conducted to strictly control access to and changes in production network permissions.

We are in the process of procuring asset mapping tools. On one hand, it identifies shadow assets within the intranet, and on the other hand, it further enhances the data of the asset management platform through the capability of asset discovery software, providing asset protection for subsequent information security risk assessments and automation.



Asset Discovery

Green Operation and Development

Information Security Risk Management

The Company focuses on information security risk monitoring and periodically verifies risk monitoring system. We categorize risk events into four levels and take corresponding response measures based on the severity. Additionally, the Company pays attention to vulnerabilities in external components, systems, and products, conducting at least one emergency plan and incident response procedure test each year to ensure that emergency response is carried out quickly, efficiently, and in an orderly manner. Targeted preventive measures are also formulated. In 2023, the Company enhanced the information security risk prevention and control capabilities of all personnel. We established a knowledge base for handling similar types of alerts or threats and implemented rule linkage through existing XDR or firewalls to block commonly occurring threat attacks and proactively mitigate the risks of such attacks.

0	Alarms	System alarms: WAF, honeypot, XDR, brute force cracking Personnel report: event feedback
0	Assessment	Preliminary sorting out the causes of safety incidents and evaluating the potential impact scope
	Control	Quickly find stop-loss methods to minimize the impact of events
	Elimination	Identify the root causes of security incidents, propose and implement radical solutions
0	Recovery	Ensure that all affected systems and application services are restored to safe status
0	Summary and Review	Summarize and sort out the safety incident timeline and response plan, review the root causes of the incident, and form a summary document

Information Security Risk Monitoring Process

Training and Promotion æ

The Company has improved the information security training system by organizing Information Security Awareness Week, phishing simulation exercises, and offline training to enhance employees' awareness.





Daily Information Security Knowledge Sharing

Internally, information security awareness is promoted through desktop screen sharing, corporate WeChat notifications, email notifications, and dissemination of information security awareness materials.

Phishing simulation exercises are conducted within the Company, and departments are ranked based on their performance. Departments with weaker awareness undergo further security awareness training.

The Group's IT department conducts information security training for subsidiaries, covering topics, such as daily phishing prevention, safe internet usage, information protection, and intellectual property rights.

Security Incidents as Part of IT Employee Performance Evaluation

Phishing simulation results and security incidents are included in employee

Establishing a Phishing Email Reporting Process

Promotions of relevant information security content, such as software copyright, online meeting security, virus attack cases, security advisories, and methods for setting strong domain account passwords are conducted.

Information Security Related Trainings

O2 Green Operation and Development

Yihai Kerry Arawana always takes the environmental protection as our responsibility. We have implemented the concept of green development and continuously improved the environmental management capabilities. We persist in responding to new environmental issues and challenges by reducing emissions, conserving resources, and preventing pollution, so as to achieve a virtuous cycle of symbiotic development between the Company and the environment, and create a green ecological circle.

Our Topics of Interest

- Water Resources Management
- Energy Management
- Pollution Prevention and Control
- Ecological Prevention and Biodiversity

Corresponding SDGs







Environmental Management for Accelerating Green Transformation

The Company is dedicated to environmental protection and strictly adheres to environmental laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Regulations on the Administration of Discharge Permits, and the Law of the People's Republic of China on Energy Conservation. We have also established the Environmental Policy, the Comprehensive Environmental Management Guidelines, and the Environmental Compliance Management Guidelines etc., covering all employees, contractors, suppliers, partners, and other stakeholders.

During this reporting period, the Company did not receive any significant environmental violation penalties*. The emissions of waste gas and wastewater were in compliance after treatment or reuse. There were no instances of environmental monitoring exceeding legal limits, and no illegal activities were detected. All waste materials were disposed of or recycled in accordance with regulations.

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

Environmental Management System

The Company adheres to ISO 14001 Environmental Management System to enhance internal management. We also strengthen the environmental risk prevention and control capabilities.

As of the end of 2023

65.05%*

of subsidiaries/factories have obtained ISO 14001 Environmental Management System Certification.

*Note: The certification coverage rate decreased during the reporting period due to the operation of newly constructed factories.

Environmental Management Structure

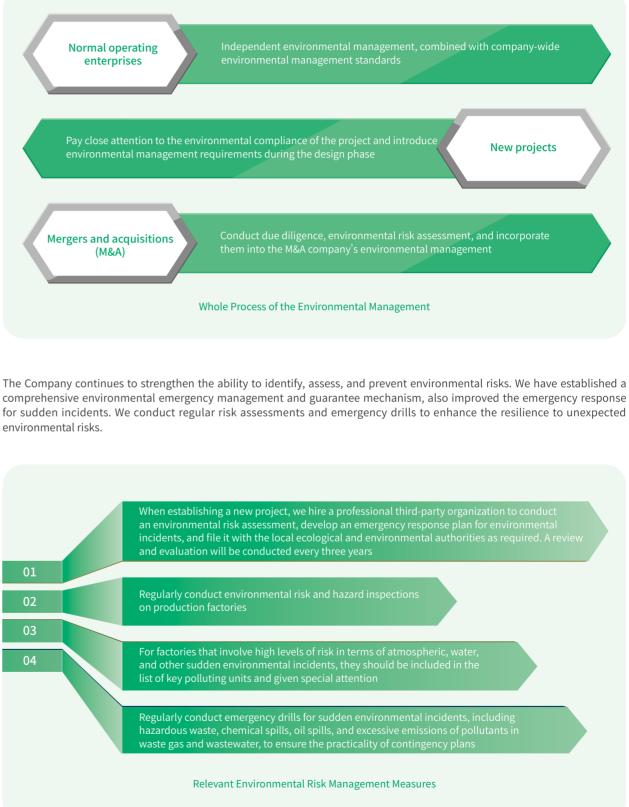
The Company has established a top-down environmental management structure. Environmental Health and Safety (EHS) Committee, which supervised by the Board is responsible to the environmental management work. The EHS Committee, along with technical teams, provides support and oversight for factories environmental management work to ensure the effectiveness. We collect and update relevant national and local laws and regulations monthly and share environmental related information through the "Monthly Environmental Protection Newsletter". The Company strictly adheres to legal requirements and rules, and promptly revises the environmental management system and regulations to ensure compliance and leadership requirements of environmental management.

Environmental Management Process and Risk Management

The Company has established a database that covers national-level laws and regulations, as well as technical standards that are applicable to the factories. During the reporting period, the Company issued regulations on environmental management, such as the Environmental Management throughout the Construction Project Process and the Environmental Compliance Management. We also conduct compliance analysis on all production factories and projects to achieve standardized environmental management throughout the process. To monitor the compliance of the factories, the Company conducted monthly and quarterly reviews, self-reviews, and periodic video inspections. Additionally, we organize comprehensive environmental management trainings among all employees. By the end of 2023, all factories have completed and passed the internal audits conducted by the headquarters experts.



environmental risks.



Rational Utilization of Resources and Circular Economy Development

The Company continues to increase the investment in environmental protection and incorporates the concept of sustainability into the production and operation. We protect biodiversity and the ecological environment by implementing effective energy conservation, emission reduction, pollution prevention, and waste management measures in various stages, striving to minimize the impact on the environment.

& Water Management

The Company utilizes municipal water, surface water, and groundwater. To implement water conservation action, we strictly follow internal Water Resources Management Procedures and carry out various water management improvement projects to reduce water consumption. Additionally, we obtain water resources assessment reports, water extraction permits, water balance test reports, and statistics on water consumption to promote the construction of our water resources management system. We also organize water conservation awareness activities to protect the water resources and environment in the areas where subsidiaries and factories operate. During the reporting period, the Company did not violate any regulations related to water withdrawal or discharge.

Water Risk Assessment and Management

To identify the potential risks of water resources acquisition in subsidiaries and factories, the Company refers to the database of the World Resources Institute (WRI) and combines with the daily water intake data of each subsidiary to classify water stress risks into five levels⁶.



⁶Average daily water withdrawal = (culvert grade data + average daily water intake grade) / 2

Advocating Environmental Protection Concepts

The Company values the harmonious coexistence of enterprise operation and the nature. We actively implement green production, green office, green living and other related measures. Through various methods, we promote the concept of sustainable development and encourage employees to protect the environment through their own actions to gather environmental protection forces.

Green Office

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



Environmental Awareness Promotion

The Company carries out various trainings and awareness activities to promote environmental protection concepts among employees. In 2023, the coverage rate of environmental protection training in the Company reached 100%, with the training plan being fully implemented. The training sessions covered topics, such as environmental performance management, automatic monitoring facility management, hazardous waste management, energy efficiency improvement, regulatory updates, compliance management, government inspection case studies, water, gas, noise, soil and groundwater management, water conservation promotion, waste reduction, etc. A total of 9 sessions were conducted, with 1,098 participants in attendance.

Water stress risk level		
Low risk(<10%)		
Mid and low risk (10-20%)		
Mid and high risk (20-40%)		
High risk (40-80%)		
Extremely high risk (>80%)		

risks were identified for each subsidiary:

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From Farm to Table, activating the Sustainable Value of the Whole Rice Supply Chain



We conduct annual water risk assessments for all the production and operating sites, and in 2023, the following water stress

	Water stress risk level	2022	2023
1	Low risk (<10%)	42.4%	54.9%
2	Mid and low risk (10-20%)	9.1%	8.5%
3	Mid and high risk (20-40%)	45.5%	36.6%
4	High risk(40-80%)	3%	0%
5	Extremely high risk (>80%)	0%	0%

		2023		
Operation areas	Unit	Water withdrawal - freshwater quality(TDS ≤ 1,000mg/L)	Water withdrawal - other water quality(TDS>1,000mg/L)	Total water withdrawal
All areas (excluding water stress areas)	tons	16,645,756	2,360,080	19,005,836
Water stress areas	tons	18,051,879	117,764	18,169,643
Total water withdrawal	tons	34,697,635	2,477,844	37,175,479

		2023		
Operation areas	Unit	Water discharge - freshwater quality(TDS ≤ 1,000mg/L)	Water discharge - other water quality(TDS>1,000mg/L)	Total water discharge
All areas (excluding water stress areas)	tons	6,194,597	5,007,589	11,202,186
Water stress areas	tons	1,935,433	7,102,368	9,037,801
Total water discharge	tons	8,130,030	12,109,957	20,239,987

During the reporting period, we assessed the water stress risk based on the previous year's results and the water consumption in each operating site. We implemented targeted measures to reduce the corresponding water stress risks. Additionally, we improve the water resource management level of each operating area by conducting water balance testing, detecting leakage in pipelines, and establishing water-saving enterprises. Compared to 2022, the operating areas with high water stress risk have been eliminated, and the proportion of operating areas with medium to high risk has decreased by 8.9%.

Water Conservation Targets

The Company's edible oil refining production line actively explores water-saving potential. we set water resources management goals through process analysis and benchmarking with peers, and track annually.

The target for water consumption in the edible oil refining production line:

Reduce by

1% compared to 2022, in 2023

Water Conservation Measures

The Company is committed to investing in water recycling projects and implementing advanced technologies or processes to reduce freshwater consumption and improve water use efficiency. It is achieved through various measures, such as regulating process water, promoting the use of recycled and concentrated water. In early 2023, the Sustainability Committee and Production and Operation Department established a water resource management strategy and performance plan for the year. We set annual water consumption target for each section and production line, and monitor progress on a monthly basis. For ungualified factories, communication and analysis are conducted to jointly develop correction plan and promote the special water-saving plans. Each factory's production line steadily progresses towards achieving the annual targets. In daily work, we maintain various water-consuming equipment and facilities and encourage employees to actively participate in water-saving activities.

During the reporting period, the Company invested approximately RMB 12 million in completing 77 water-saving projects, resulting in a water saving of 2.932 million tons. 15 production-oriented sites have obtained water-saving enterprise verification, and 27 production-oriented sites have completed water balance testing.

During the reporting period

The Company invested approximately	Completing
RMB 12 million	77 water





Resulting in a water saving of

er-saving projects

2.932 million tons



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Case

Water Reuse Project Implemented to Help Achieve Water Conservation Goal

In 2023, the Company initiated water reuse projects in multiple places. The Bangiao factory invested in a project for reusing treated wastewater. The Wilmar Surfactant Material (Lianyungang) Co., Ltd implemented a project for forced circulation heating reaction system in the epoxy chloropropane saponification tower to save water. The Shanhaiguan factory adopted measures, such as RO concentrated water reuse (saving 112,237m³ of water per year) and recycled water to reduce water withdrawal.

To achieve water reuse, the Banqiao factory project has established a complete treatment line consisting of sedimentation tank, multimedia filter, electro-adsorption system, activated carbon filter, etc. This ensures that the treated water can be reused within the factory directly.

Through process improvement, Wilmar Surfactant Material (Lianyungang) Co., Ltd has successfully increased the conversion rate of dichloropropanol, reduced the consumption of raw material glycerol, and implemented gas separation for epoxy chloropropane. This helps avoid direct steam injection into the saponification tower, resulting in a 20% reduction in wastewater. Our efforts have been listed in the "Catalog of Industrial Water-saving Processes, Technologies, and Equipment Encouraged by the State (2023)".



Before remodeling



After remodeling

Before the renovation, the Shanhaiguan factory discharged the treated primary reverse osmosis (RO) concentrate as wastewater. Later, the factory found that the water quality indicators are relatively good and can be reused as RO concentrate. After investing in renovation and verification, it is officially put into production.



Before remodeling



After remodeling

Case

In 2023, the Company organized a water-saving project competition and collected 129 outstanding water-saving cases from factories, with a total water saving of over 1.97 million m³. The outstanding cases selected in this evaluation were commended and rewarded, and the water-saving project plans were introduced and promoted throughout the Company.

Pollution Prevention and Waste Management

The Company strictly adheres to the laws and regulations related to the prevention and control of pollutants and continuously improves the internal management system. We take strict and scientific measures to control and dispose various pollutants, such as exhaust gas, wastewater, solid waste, and noise, ensuring compliant pollutants treatment and standard discharge. During the reporting period, we have issued the Whole Process Environmental Management of Construction Projects Policy and the Environmental Compliance Management Policy. Additionally, we have updated policies, including the Solid Waste Management Policy, the Rainwater and Wastewater Management Policy, the Exhaust Gas Management, Noise Management Policy, the Soil and Groundwater Management Policy to standardize the emission and disposal processes. We conduct regular monitor of emissions and continuously optimize processes and technology to meet emission standards and reduce the volume of emissions, which effectively reduces the impact of emissions on the environment.

Wastewater Treatment

The Company strictly complies with the Water Pollution Prevention and Control Law of the People's Republic of China and other relevant laws and regulations. We formulate and implement the Rainwater and Wastewater Management Policy and other policies to strengthen management and to ensure wastewater discharge compliance. Additionally, we strive to increase the wastewater reuse to reduce our consumption of fresh water. To improve wastewater discharge, we primarily employ the following measures:

- different indicators to reduce chemical consumption
- treatment standards
- improves treatment efficiency

Furthermore, we have installed online monitoring equipment at wastewater discharge spots in key polluting enterprises to monitor and disclose the relevant discharge data of treated wastewater in real time, and accept public oversight. Additionally, we have set alert values to realize early warning of total pollutant amounts and concentrations in wastewater discharge, and dynamically monitor the compliance of wastewater discharge through an information management platform.



Zero Waste Factory: Wilmar (Wuhan) Grain and Oil Industry Co., Ltd.

Water-saving Activities to Explore the Potential for Water-saving

• Source reduction: We differentiate wastewater at the source, based on its quality, then processing respectively with

• Process control: In the process of wastewater discharge, automated detection equipment is used to achieve precise control of chemical consumption, avoiding excessive use of chemicals, and discharging after meeting comprehensive

• Technological improvement: The application of new treatment processes, such as anaerobic ammonia oxidation process, reduces infrastructure construction investment, lowers energy consumption, reduces sludge volume, and Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience

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Exhaust Gas Management

The Company complies with the national and local laws and regulations, as well as internal policies, such as Exhaust gas Management Policy. We explore approaches for preventing and controlling atmospheric pollution, and effectively mitigate the harm to the atmosphere. To ensure the implementation of waste gas reduction and treatment, the following measures are mainly taken to improve the discharge of waste gas:

- Source reduction: Utilizing new processes and equipment, such as process optimization of the oil pressing section using air-toair heat exchange, DT energy-saving layer transformation, decolorization and condensation processes
- Process control: Implementing measures, such as waste gas collection, heat recovery, condensation recovery, and raw material screening. We also use low-volatile materials in packaging printing to reduce the VOCs generation
- End-of-pipe treatment: Adopting technologies, such as sealed collection, spray washing, bio-spray, resin adsorptiondesorption, activated carbon adsorption, non-contact low-temperature plasma, wet electrostatic precipitator, RTO, etc., to achieve exhaust gas emission compliance

Waste Management

The Company adheres to laws and regulations of the country and the localities where we operate, and has formulated and implemented the Solid Waste Management Measures to comprehensively manage the disposal of household waste, non-recyclable industrial waste, recyclable industrial waste, and hazardous waste. We actively explore applicable technologies to improve the comprehensive utilization rate of solid waste and upgrade the process and equipment for waste disposal, promoting waste reduction, resource recovery, and harmlessness. We also reduce waste generation from the source by improving production processes, adjusting product structures, and implementing clean production measures. For hazardous waste, we strictly adhere to environmental management requirements, from generation to disposal. We have upgraded and transformed the temporary storage sites for hazardous waste in accordance with the law and entrusted qualified third-party for resource utilization or harmless disposal, minimizing the impact on the environment. As of the end of 2023, two Zero-waste Factories have been established, and two subsidiaries are currently under the process of applications.





市经济和信息化局 市生态环境局 关于发布第一批市级"无废工厂"名单的通知

序号	公司名称	区域 东西湖区
24	益海嘉里(武汉)粮油工业有限公司	



The Company has implemented a comprehensive set of measures to reduce the generation of solid waste sludge throughout the entire process:

- Source control: By treating sewage at the front end, acidic and oily wastewater are separated and mixed respectively to replace the use of and flocculation, therefore, the sludge generated from lime flocculation is reduced.
- sludge by 2023. Additionally, the use of phosphorus removal agents is reduced by more than 2,800 tons.
- total amount of sludge co-combusted by the two factories is approximately 7,572 tons.

Reducing Food Loss and Waste

As a responsible food processing company, we have placed great importance on and promoted the sustainable utilization of grain resources throughout the years. We have taken various measures to address grain loss and food waste at every stage of the value chain, and implemented initiatives and measures to reduce food waste and loss in all relevant aspects of our business.

In the product development, we explore the path of a circular economy by using the by-products generated during production to extend the lifecycle of raw materials. In the raw material procurement, we predict raw material demand to adjust production volume and estimate the optimal supply quantity to meet demand. This improves the accuracy of procurement plans and reduces the risk of raw material surplus. In the production, we adopt a lean production mode, optimize process flow, and allocate equipment and manpower reasonably to improve raw material utilization rate. In the storage and transportation, we use advanced grain and oil storage and transportation facilities to ensure the safety and integrity of raw materials and products. We adopt a recycling model to convert by-products and residual waste materials from the production process into high value-added products, achieving zero waste in the production process. Additionally, we actively carry out employee education activities to raise awareness of food conservation among all employees.



Certification or Publicity of Zero-waste Factories

Strengthening the Overall Control of Solid Waste Treatment Process to Achieve Sludge Reduction

demulsifiers like sulfuric acid. This improves demulsification and oil removal efficiency and reduces the time required for neutralization

• Process control: The new technologies, such as precise phosphorus removal, denitrification, anaerobic ammonia oxidation, and high sulfate wastewater treatment has led to sludge reduction. At the Kaiyuan, Fuyu, and Shanhaiguan factories, the addition of chemicals like phosphorus removal agents is precisely controlled, resulting in a reduction of approximately 6,586 tons of phosphorus removal

• End-of-pipe treatment: New types of dewatering equipment, such as high-pressure diaphragm filter presses, vacuum negative pressure filter presses, and hollow screw sludge dryers are used to reduce the moisture content of transported sludge, thereby reducing the amount of sludge discharged into the environment. In 2023, 19 factories operate sludge reduction equipment. reducing the amount of sludge generated by approximately 51,000 tons. The Fuyu and Kaiyuan factories also co-dispose the dewatered sludge with coal in boilers for co-combustion, reducing the environmental impact of external landfilling. In 2023, the

"Clean Your Plate" Campaign in ESG Activity Week

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Case

Technological Breakthroughs to Achieve Grain Saving and Loss Reduction

Yihai (Tai Zhou) Oils & Grains Industries Co., Ltd. has revolutionized the traditional rice processing by implementing cutting-edge techniques, such as "shriveled grain extraction", "rice husk carbonization", "rice bran preservation", "oil extraction", and "saponin carbonization hydrolysis". These advanced processes have enabled us to expand and diversify the rice processing industry chain while minimizing grain loss. The "shriveled grain extraction" process, which is carried out during the initial stage of rice processing, through layer screening by multi-stage devices, accurately separate shriveled grain from rice. This process not only enhances the purity of rice husk, but also provides farmers with shriveled grain as natural feed, and significantly transforms shriveled grain from solid waste incineration to feed.

In July 2023, the Ministry of Agriculture and Rural Affairs of China selected this series of processes as a "Typical Cases of Loss Reduction and Efficiency Increase in National Grain and Oil Processing Sector".

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Biodiversity

The Company upholds the NDPE (No Deforestation, No Peat, No Exploitation) policy of parent company, Wilmar International, and places significant emphasis on conserving biodiversity and protecting forests. In the Environmental Policy and the Biodiversity Conservation Policy, we require ourselves, including our supply chain, to implement biodiversity conservation in accordance with international and national standards, and minimize the impact on animals, plants, and the ecological environment during operation. Additionally, we actively protect, restore, and promote the sustainable use of terrestrial ecosystems, integrate biodiversity considerations into the entire project life cycle, and contribute to the construction of an ecological and environmental community. We are committed to maximizing the realization of harmonious coexistence between humans and natural resources.

When selecting sites for construction projects, the Company steers clear of ecologically sensitive areas, including ecological red lines, protected areas for rare animals, and nature reserves. In the environmental impacts assessment, we evaluate the potential impact of the project on surrounding biodiversity and propose preventive measures. In the case of merger and acquisition projects, the Company will conduct environmental risk investigations and assessments to ensure that the projects comply with relevant requirements for biodiversity conservation.



Value Co-creation and Mutual Benefit

Yihai Kerry Arawana is actively seeking a sustainable development path for the grain and oil industry chain. We strengthen procurement and supplier management, and integrate environmental and social responsibilities into various aspects of supply chain management. Additionally, we drive the sustainable transformation of the entire industry chain through empowerment, improvement, and collaborative communication, aiming to create a responsible, green, and harmonious value chain.

Our Topics of Interest

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









Our Commitment and Goals

- We ensure that our business and supply chain do not contribute to
- We are committed to achieving 100% RSPO Certification for the palm oil processing plant
- By 2024, we aim to achieve 100% traceability of palm oil to the mill

- Practicing sustainable sourcing commitments and strengthening traceability of raw materials
- Strengthening supply chain ESG management, strictly controlling the whole process from admission to exit, and building a sustainable value
- Carrying out supply chain risk identification and response work to minimize supply chain risks to the greatest extent
- Mutually beneficial cooperation with value chain and industry partners to promote industry development through collaboration

From Farm to Table, activating the Sustainable Value of the Whole Rice Supply Chain

Green Operation and Development

Consolidating Value Chain Management to Ensure Responsible Supply

The Company has established a transparent supply chain management strategy that prioritizes sustainable procurement and traceable raw materials. We are committed to monitoring the suppliers' performance in areas, such as business ethics, environmental protection, human rights, and labor. We carefully manage the entire supplier selection process, including admission, performance evaluation, and portfolio management. We conduct regular assessments and prioritize deep cooperation and value creation with suppliers to continuously improve our supply chain resilience.

Sustainable Sourcing

The Company adheres to the principle of sustainable procurement and strictly complies with the Sustainable Sourcing Policy and the Supplier Code of Conduct in the procurement process. We are committed to preferring suppliers who commit to NDPE (No Deforestation, No Peat, No Exploitation) policy in response to the parent company's call. Relevant procurement policies are developed according to different raw materials categories to continuously reduce the risk of deforestation. We prioritize the use of sustainably certified materials and strengthen traceability management of raw materials to ensure the safety and sustainability of our products. Additionally, we actively practice sustainable agriculture and collaborate with suppliers to implement sustainable farming. With guidance from professionals, we assist farmers in adopting scientific planting methods, controlling the use of chemicals, such as pesticides or fertilizers, and reducing resource consumption. This helps to minimize the impact of fertilizer use on soil, water, local ecosystems, and greenhouse gas emissions.

Sustainable Sourcing of Palm Oil

- Institutional Building: The Company has issued a Responsible Palm Oil Procurement Policy to all suppliers, who provide palm oil, palm kernel oil, and palm oil derivatives. We require suppliers to provide certified palm oil and encourage them to practice sustainable methods, such as no deforestation, no development on peatlands, no exploitation of labor, as well as product traceability. We also conduct regular monitoring, evaluation, and audits of their performance to ensure compliance.
- Management System: We share the sustainable palm oil management information of our parent company, Wilmar International, and improve the management system through satellite monitoring, supplier compliance and due diligence, complaint mechanisms, and other means. We also regularly compile and organize traceability information of the palm oil procurement.

2023 Performance

100%

of palm oil suppliers are not involved in deforestation activities

A procurement volume of

115,732 tons

of RSPO-certified palm oil and derivatives

100%

of palm oil processing enterprises under the Company have obtained RSPO (Roundtable on Sustainable Palm Oil) Certification

We also strive that

92.9%

of palm oil can be traced back to the mill

83.2%

can be traced back to the plantation

Sustainable Sourcing of Soybeans

compliance with these policies.

2023 Performance

We purchased

11,260 tons

of domestically produced soybeans that can be traced back to the farm and obtained SGS IP Certification

SSAP Certification

ℜ Value Chain ESG Management

The Company strictly complies with the Company Law of the People's Republic of China, the Bidding Law of the People's Republic of China, and other relevant laws and regulations, and combines internal management systems, such as the Supplier Code of Conduct and distributor management policies. Led by the supply chain management department, the Company strictly controls the entry threshold for suppliers, distributors, and other partners, meanwhile, conducts regular audits to reduce supply chain risks. At the same time, we provide institutional training for supplier management personnel to fully understand ESG policies, such as the Supplier Code of Conduct and Sustainable Procurement Policy, and communicate these policies to suppliers through training promotion or contract terms to ensure the sustainable development of production and operation.

Supply Chain Whole Process Management

The Company continues to optimize its supplier management system and other related systems, and introduces relevant clauses in procurement and contract requirements, including occupational health and safety standards, personnel protection, environmental oversight and evaluation, etc. It is committed to integrating ESG concepts into the entire process of supplier management and strictly controlling the entire process of suppliers from admission to exit. The Company adopts a distributary management mechanism for nontrade suppliers, bulk raw material suppliers, central kitchen suppliers, and logistics and warehousing service providers, nevertheless, all suppliers and service providers are required to sign an Anti-commercial Bribery Agreement and comply with the Supplier Code of Conduct. This guideline constrains all supplier behavior from five dimensions, including environmental management, product quality and safety, labor rights, information protection and intellectual property, and business ethics and integrity, supplemented by regular supplier review and overseeing activities, such as on-site visits, unannounced inspections, cost investigation, third-party testing agency reviews, and Supplier Sustainability Questionnaires (SSQs). At the same time, we use digital online platforms as the starting point to systematically control the entire lifecycle of suppliers and improve management efficiency.

• The Company introduces the Responsible Soybean Sourcing Policy for all soybean suppliers. This policy requires suppliers to provide certified soybean products, improve the traceability of the soybean supply chain, and promote sustainable soybean cultivation. This means that suppliers cannot cause damage to the ecological environment or exploit indigenous people and local communities. We also maintain effective communication with suppliers to ensure

> 20% of imported soybeans purchased have obtained

100% of imported soybeans purchased can be traced back to the port of origin



Supplier Management Process

Whole Process of Nontrade Supplier Management

• Admission Management:

In the Supplier Lifecycle Management (SLP) System, the Company requires potential suppliers to complete the reporting of multiple ESG indicators, including Company basic information, financial status, economic status, product status, environmental and social responsibility, etc., and submit relevant qualification certificates. At the same time, suppliers need to sign the Yihai Kerry Sustainability Policy Supplier Recognition and Commitment Letter. Subsequently, the Company adopts a three-level admission assessment to conduct a step-by-step review of the compliance and legality, financial operations, ESG performance, and system verification of suppliers. After the approval, qualified suppliers can be included in the Company's supplier database and cooperation can be carried out.

• Performance Evaluation Management:

The Company has established the Supplier Performance Management Policy to unify the methods and standards for supplier performance evaluation. It mainly sets different evaluation standards and weights for various suppliers and raw materials, based on evaluation dimensions, such as quality, delivery, cost, and service, and forms a Supplier Evaluation Form to evaluate the performance of suppliers. To collaborate with suppliers to improve their ESG management, this year we have included supplier ESG management bonus points in our supplier performance evaluation, including:

- >> Possessing ISO14000 Certification;
- Cooperating with Yihai Kerry to complete supplier sustainability survey questionnaires or fill in carbon emission data on guarterly basis;
- Initiating, participating, and sharing sustainable development communication or activities.

The Company generates an annual comprehensive capability evaluation of suppliers, based on their performance evaluation rankings, combined with on-site audits and category strategic evaluations. The performance is divided into four levels, excellent, qualified, in need of improvement, and unqualified, and targeted incentive or punishment mechanism is adopted. We provide assistance and training for any deficiencies found during the management process. However, for suppliers, who violate the Company's relevant procurement regulations, warnings, order rectification, or terminate cooperation will be issued, and other punitive actions will be adopted to optimize the supplier structure and resources. During the reporting period, the Company conducted audits and evaluations on 623 Class A food grade nontrade suppliers, with 100% review rate. Nontrade procurement suppliers with order cooperation records participated in performance evaluations at a rate of 100%.

Strengthening Process Control and Ensuring the Safe Operation of Suppliers

The Company adheres to the principle of people-oriented and synchronously controls the safety of supplier employees throughout the entire process. For example, for employees of warehouse service providers, we require them to participate in safety knowledge and business skills exams when joining the companies. Only after passing the exams, they can start working. We regularly organize safety training to enhance the awareness of supplier employees. At the same time, we also conduct safety management unannounced inspections for each distribution center in accordance with the standardized requirements of warehouse allocation management, including but not limited to safety management, operation standards, and service quality, for our own employees, warehouse service provider employees, and transportation contractor employees. We promptly notify the relevant service providers of any issues discovered, provide rectification plans within a specified period, and provide feedback and tracking of the rectification results.

In addition, the Company analyzes and identifies key suppliers, based on their material characteristics, cooperation amount, reliability, and other dimensions. At the same time, it strengthens performance review of key suppliers in food safety, environmental management, and human rights management.

Supply Chain Risk Management

The Company conducts comprehensive supply chain risk identification, evaluation, and control to minimize supply chain risks, and classifies them, based on supplier risk levels to develop targeted warning mechanisms, preventive measures, and risk management plans, thus continuously ensuring the stability and security of the supply chain and reducing systemic risks.

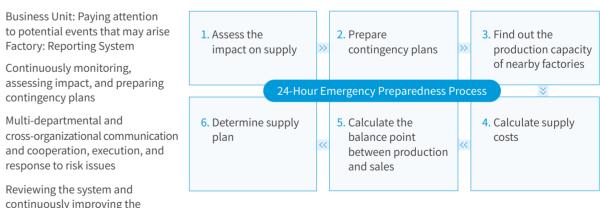
Supply Chain Risk dentification	Countermeasures
Delivery Risk	 Multiple departments jointly calculate prosupply, production capacity and investme Ensure that there are 2-3 qualified suppli
Quality Risk	 Strengthen management during the suppholding necessary certificates and qualifi Carry out supplier review and overseeing
Geophysical and EHS Risks	 Set up primary, secondary, and backup si stability risks caused by factors, such as for supply capacity
Financial Risk	 Supply chain finance personnel participa evaluating supplier admission risks from and tax rating indicators Conduct regular and irregular assessmen covering aspects, such as operations and
Dependency Risk	• Actively develop new suppliers, avoid exc

Supply Chain Risk Identification and Countermeasures

Company and business units, with multiple departments participating to ensure the stable operation of the supply chain.

01

04



Emergency Supply Management Mechanism

Strengthening Distributor Management

ability to respond to risks

The Company continuously improves the distributor management system and has introduced and updated policies, such as the Distributor Performance Assessment and Evaluation System, and the Distributor Grading Management, to protect the legitimate rights and interests of distributors. In terms of compliance management for distributors, the Company focuses on building a sense of integrity among them. Before cooperation, it is necessary to sign an Anti-commercial Bribery Agreement to ensure that they understand our policies and business practices. During the reporting period, we updated and optimized the red and yellow light system for distributors, and adopted a one vote veto system for distributors, who engaged in dishonest operations and false reimbursements.

- roduction capacity and bulk material demand, and carry out ent planning
- liers from different regions for each material
- plier admission stage, such as all Class A qualified suppliers fications g work effectively
- supplier warehouses for key materials to prevent supply chain
- force majeure and regional material shortages affecting supplier
- ate in inspections, provide financial inspection reports, and dimensions, such as debt repayment, operations, profitability,
- nts and research on the general business situation of suppliers, d finance
- clusive supply, and optimize the layout of supply chain
- In response to emergency supply events, we have established an emergency response plan process, coordinated by the

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Empowering Value Chain Partners æ

To improve the resilience of the supply chain, we have established a multi-channel communication mechanism with our value chain partners. This allows us to guickly identify, communicate, and resolve any issues or difficulties that arise during the cooperation. We provide training in various areas, such as product quality, efficiency improvement, business ethics, energy conservation, and emission reduction through regular visits, online and offline communication, interviews, phone calls, and meetings with suppliers. We also focus on improving the management and capacity of our partners, and work towards achieving sustainable development together. By empowering our partners, we enhance their overall capabilities.

In 2023, we conducted



involving approximately

570 suppliers

Non-trade Suppliers

- Carrying out end-to-end projects to systematically help suppliers improve ESG capabilities in six modules: planning, sourcing, production, quality control, logistics, and finance
- Utilizing our advanced operation and management experience and resource advantages to help suppliers and improve their management ability
- Building a supplier ecosystem and sharing the resources of general category material with suppliers, and carrying out project cooperation

Central Kitchen Suppliers

- Oversight on validity of qualifications, supply capacity, ability to solve quality and safety issues, etc.
- Strengthening suppliers capacity of end-to-end coordination, further empowering suppliers' delivery and collaboration, and improving supply chain effectiveness

Grain and Oil Raw Material Suppliers

- Leveraging their regions and resources to help suppliers expand their business direction and develop their own husiness
- Collaborating with the external professional team to provide scientific and advanced planting technology guidance for contract agriculture farmers

Logistics and Warehousing Service Providers

- Conducting compliance and professional skills training
- Providing new project capability enhancement training in conjunction with the continuous updating of business products
- Holding regular safety training to enhance safety awareness

Distributors

- Assignment assistance: Conducting special assistance training every month to help distributors improve performance and market indicators, consolidate basic operations, and enhance coverage and promotion of multiple production lines and new products
- Capacity empowerment assistance: Conducting monthly training on-site to provide training for distributors' business personnel and enhance the organizational capacity and excellent operation ability of the distributors
- Digital empowerment assistance: Providing beneficial distribution tools for distributors, helping them effectively manage the business personnel, and improving the operational efficiency
- Financial financing assistance: Providing financing platforms and channels for distributors, helping them obtain loans for effective financing, better operation, and solving cash flow shortages

Initiatives to Empower Partners (Partial)



Building Business Alliances and Creating New Growth Engines

The Company has been providing distributors with excellent operation trainings under the theme of "Building Business Alliances and Creating New Growth Engines" to enhance their operational management capabilities. This training also encourages manufacturers and distributors to learn together, effectively improving the organizational capabilities and business quality.

Since this training program launched, participating distributors have achieved significant growth in sales performance, product structure, and per capita profit, compared to non-participating distributors. During the reporting period, the Company conducted a total of 5 training sessions, targeting 31 branches, with approximately 300 distributors participating.

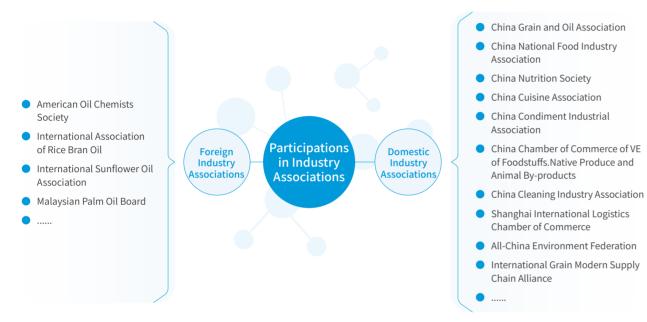




Distributors Excellence Operations Training

Encouraging a Prosperous Industry through Open Cooperation and Win-win Partnerships

The Company places great emphasis on collaborative innovation and strives to enhance the transformation of collaborative achievements. We actively participate in industry-related activities, and promote industry innovation and development through various means, such as technology sharing, university cooperation, and policy promotion, which helps to build a harmonious industry ecosystem with our value chain partners.



Major Industrial Societies and Associations in which the Company Participates

- 2023 China International Fair for Trade in Services---International Forum on the Development and Investment of Modern Food Supply Chains
 - Imported Food Enterprise Roundtable Forum
 - The sixth China International Import Expo (CIIE)
 - China (Heilongjiang) International Green and National Soybean Industry Expo
 - 2023 Consumption Creativity Conference
 - Belt and Road Modern Agriculture and Food Security Development Cooperation Summit Forum
- China Grain and Oil Wealth Forum

Industry Events Host or Participation in 2023 (partial)

Case

2023 China International Fair for Trade in Services—International Forum on the Development and Investment of Modern Food Supply Chains was held at the National Convention Center in Beijing. The forum's theme was "Adhering to Green Innovation, Promoting the Sustainability of the Grain Supply Chain". Tu Changming, Director of Public Affairs at Yihai Kerry Arawana, was invited to deliver a speech. Tu Changming emphasized that Yihai Kerry Arawana, as a grain and oil food processing company at a leading position in China's agricultural resources and consumer market that relies on the global agricultural industry chain, will continue to implement green initiatives in operations. These initiatives will provide effective support for energy conservation, emission reduction, and environmental responsibility in the grain and oil industry, and further promote the implementation of the national Carbon Peaking and Carbon Neutrality strategy.

Case

Advocating Industry Self-discipline, Promoting Sustainable Development of the Industry

During the 2023 China High-quality Development Conference for Premade Food, Yihai Kerry Arawana, together with representatives from the Chinese Cuisine Association, China Quality Certification Center, Xinhua Net, and other enterprises, jointly released the Initiative for Highquality Development of China's Pre-made Food Industry. This initiative covers nine major topics, including industry self-discipline, consumer services, quality and safety, technological innovation, cultural heritage, market development, and talent cultivation. It helps to promote the highquality and healthy development of the pre-made food industry. We call for collaborative efforts from all stakeholders to create a favorable environment for the industry's development.

Case

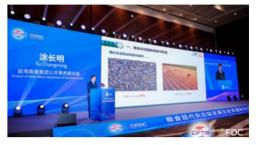
Deepening University Cooperation and Actively Exploring New Development Ideas

In recent years, the Company has placed great emphasis on establishing close partnerships with universities to jointly promote technological innovation and create a favorable environment for industry development. This year, we are focusing on the following projects:

- those used in chocolate and milk powder, as well as new developments in edible oil safety.
- these toxins.

The Company collaborates with many leading academic and research institutions, including the Chinese Academy of Agricultural Sciences, the Chinese Center for Disease Control and Prevention, East China University of Science and Technology, Jiangnan University, Peking Union Medical College Hospital, Shanghai Jiao Tong University, Zhejiang Academy of Agricultural Sciences, and Zhejiang University.

Promoting Sustainable Development to Support National Food Security



Tu Changming, Director of Public Affairs Department of Yihai Kerry Arawana Made a Speech at the Meeting



Launch of the Initiative for High-Quality Development of China's Pre-made Food Industry

• Future Oil Research Institute Phase II Project: This project is a collaboration between our Research and Development Center and the Jiangnan University. The second phase of the project began this year and will primarily focus on basic research into the relationship between oil and human health. Specifically, we will explore the physiological and health benefits of specific structured fats, such as

• Fungal Toxin Degradation Project: Through collaboration with universities and equipment manufacturers, we aim to explore solutions for degrading harmful substances, such as aflatoxin and ochratoxin in corn. We have employed various treatment methods to degrade

• Arawana Scholarship Program: In 2023, we piloted the transformation of the original scholarship funding into special awards to support students' innovative practical activities at selected universities. This program aims to stimulate students' innovative vitality. Additionally, the Arawana Foundation has established a research platform at Xiamen University and plans to establish research platforms at Harbin Medical University and Henan University of Technology to support scientific research development at universities.



Yihai Kerry Arawana always take the improvement of safety management process as the priority to ensure employees' safety and health. We attach importance to human resources management, including the attraction of potential talents, the retention of existing talents and the continuous care of employees. Meanwhile, with a diversified talent system, we are committed to improve our working environment, where people can develop and work more harmoniously.

Our Topics of Interest

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



Corresponding SDGs





Our Commitment and Goals

• Improving the safety management system with the goal of 0.11 incident rate in 2024, establishing accident prevention plans and accident rate reduction targets to improve workplace safety

• Caring for employees and continuously increase the proportion of female employees in manager teams and striving to achieve a proportion of women in STEM related positions of no less than 50% by 2026

Improving the safety production process, system construction and management, based on the security management mechanism nationally

talents and retain existing talents

• Paying attention to female employees and establishing a friendly company

• Optimizing welfare policies and promoting talent development with a

Green Operation and Development

Regulating Production Safety Management

The Company takes the principle of "Safety is the First Productivity" and pays attention to the construction of safety management system to ensure employees' safety during the production process.

Safety Management

To ensure refined and unified management of the Company and subsidiaries, we have constructed the Environmental, Health and Safety Committee (EHS Committee) at the headquarters level, which composed of the executive managers, professional technical leaders and employee representatives at all levels. The EHS Committee is responsible for guiding and assisting the practical activities related to environmental protection, occupational health, safety and fire protection of the Company and the subsidiaries. In addition, the Company has formulated policies such as the Responsibility for Safety in Production and the Workplace Health and Safety Policy in accordance with local laws and regulations and ISO 45001 Occupational Health and Safety Management System Certification, which are applicable to the Company's entire operations/employees and contractors or individuals under the supervision of the Company.

During the reporting period, the Company revised and updated the incident reporting and investigation standards to further clarify the definition and scope of incidents, and emphasize the responsibilities of subsidiary/plant-level management personnel (especially the senior management) in the incidents reporting and investigation process. Under the guidance of the EHS Committee, the Company formulates and publishes EHS objectives annually, which cover EHS management indicators, such as accident rate, emission and pollutant prevention, occupational health, occupational disease prevention, as well as the content of EHS compliance management. The Company and its subsidiaries prioritize the safety management action plan, based on the achievement of final objective. Meanwhile, we regularly track and review the progress of EHS action plan

The coverage rate of Company's manufacturing enterprises that have obtained ISO 45001 Occupational Health and Safety Management System Certification reached

65.05%

* Note: During the reporting period, the increase in newly built factories that have just started operations led to a decrease in the certification coverage rate.

and objective, based on relevant national security, fire safety and other relevant regulations to deal with a series of safety risks.

Additionally, the management team values communication with the grassroots and actively talks with workers and labor union representatives of subsidiaries. The communication is regularly covered with topics like potential issues affecting employees' health and safety, to ensure the availability of communication mechanism for representatives and unions to reflect potential dangers, in the meantime, allowing the management team to perfect safety management processes and measures in a targeted manner. By the end of 2023, the Company had updated ten major systems related to the prevention of major potential dangers and occupational health and safety, and organized subsidiaries to updates their internal safety operating procedures simultaneously.

Safety Management Initiatives

We take safety management and incident prevention as main purposes in the management of the design, construction and commissioning of each plant, and regard the safety and health of employees as one of the most important considerations. In accordance with the Safety and Health Guidelines, Safety and Health Standards and other systems, we have built a sound emergency management system with comprehensive plans, special plans and on-site disposal plans for various emergencies. We also established full-time and part-time emergency response teams and equipped with sufficient emergency equipment and materials to respond to emergency situations rapidly.

Whole Process Safety Management

- Preliminary safety security investment: The Company invests sufficient funds in facilities, systems, management, the potential operational locations and projects are put into production and use.
- reduction equipment, and actively promoting automatic production to reduce the labor intensity of projects.
- site, the Company provides employees those working in noisy areas with protective equipment, such as earplugs and earmuffs.

Cultivating Employees' Safety Awareness

The Company pays attention to the employees' safety awareness cultivation, carrying out occupational health and safety training for all employees, to further reduce the accident rate and protect the personal safety. During the reporting period, the lost-time incident rate for employees and contractors was 0.09, decreasing 18% from the target of 0.13 in 2022.

Occupational Health and Safety Training

In combination with the implementation of the "company-workshop-team" three-level safety education system, the Company actively carried out online and offline safety production education and training. Each factory has carried out diversified training according to its own situation, effectively enhancing employees' safety and health awareness and responding ability.



training, and other aspects of safety management and production to ensure the perfection. We conduct due diligence on safety risks for newly developed operational locations or related projects in the early stage, minimizing safety risks before

• Design and construction stage: The Company monitors all aspects from building structure to equipment procurement. For example, we prior to use healthy and safe building materials during construction, purchase shock absorption and noise

• Subsequent hazard factor monitoring: Workplace occupational hazard factor detection for factories is regularly conducted to ensure that the working environment meets national requirements. In response to the various hazardous factors at the operation

Occupational Disease Prevention and Control Training

Green Operation and Development

Building an Employer Brand

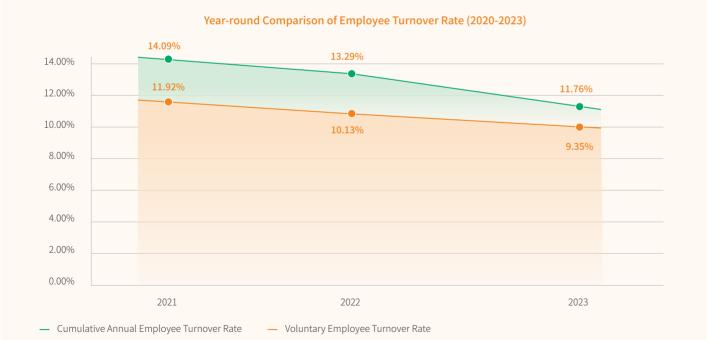
We believe that paying attention to the well-being of employees and assisting talents to realize value are important to the stability and long-term development for our Company. We provide support for employees in different positions and development stages and pay attention to employees' rights and interests by optimizing the remuneration incentive plan and promotion system.

Talents Attraction and Retention æ

The Company concerns about the attraction of high-quality talents and the retention of existing talents, constantly improves the human resource management system. In addition, we take respecting and caring for talents as the cornerstone, and cultivating and retaining talents as the guideline to achieve a win-win situation for talents and the Company.

Talent Attraction

The Company implements relevant regulations of the employee recruitment, continuously improves the talent recruitment mechanism and provide a solid foundation through regulation promotion, organization training, annual assessment, to attract more talents.

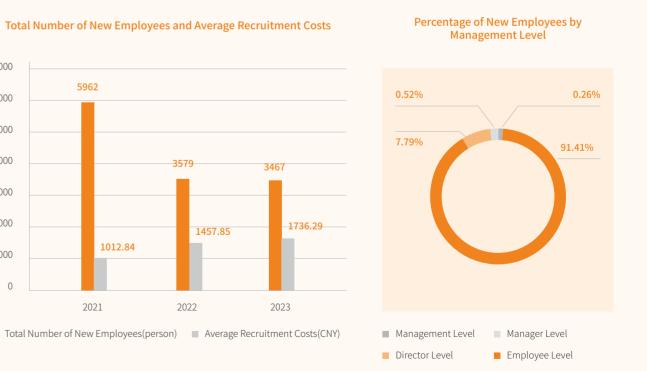


Talent Retention

The Company is committed to retaining high-quality talents, who have been serving for long time, by continuously optimizing the personnel management system to improve employees' satisfaction and sense of belonging through various measures. During the reporting period, both the total employee turnover rate and voluntary employee turnover rate decreased.

Optimizing Recruitment Process

We are committed to provide equal opportunities for all employees. The Company systematically trains interviewers, who participate in the recruitment process, to improve the professionalism of interviewers, ensure accurate implementation of requirements and avoid risks in the recruitment process. The Company uniformly certifies the HR, who newly undertakes recruitment work, and, the interviewers of regional business departments, to improve the ability of the recruitment team.





Green Operation and Development

Employee Rights and Benefits

During the reporting period, we had

34,514

0 17% foreign employees

2.32% minority employees

24.14% female employees

30.53%

were female employees among managers (including director level, manager level and management level)



director level

15.18% female employees at the management level

female employees of STEM (Science, Technology, Engineering and Mathematics) - related positions

26.20%

50.48%

manager level

female employees at the

25.56%

female employees of all managerial positions in revenuegenerating sectors (e.g. sales)



Protection of Human Rights

In accordance with the United Nations Declaration of Human Rights and the International Labour Organization's Core Labour Standards Convention and other laws and regulations, the Company has formulated the Chinese and English versions of the Human Rights Policy, so that all departments have a legal basis to protect employees' rights. To make the policy more effective, the Company has also launched relevant training courses on workplace discrimination and harassment on its internal training platform, which are accessible for all employees to study at their own pace. The human resources department has also strengthened the promotion of the Human Rights Policy internally and actively cooperated with the Group to establish a fair and favorable environment.

The Company has established a sound communication system that allows employees to exchange ideas and suggestions equally and feedback their opinions and suggestions in freedom. We have also formulated a Whistleblower Protection Policy to avoid, prevent and mitigate human rights issues. The Company encourages employees to promptly report any improper or illegal behavior discovered and supports them to directly report complaints to the Chairman of the Board of Directors. While the whistleblower is protected by the Whistleblower Protection Policy, specifically, the identity and information of the whistleblower are permanently and strictly confidential, and the retaliation against the whistleblower will be investigated for the corresponding judicial responsibility according to the law. The Company requires the management at all levels to maintain an objective and independent attitude when dealing with relevant malicious incidents. The Company clearly stipulates in the Employee Reward and Punishment System that the labor contract shall be terminated for those, who commit violent threats, intimidation, sexual harassment or disrupt group order. In 2023, no incident of human rights, harassment and discrimination was noted.

Caring for Female Employees

We value the protection of female employees' rights and interests. The Company also resolutely eliminate gender discrimination in employment. We require that all public recruitment information must be reviewed by three departments of public affairs, legal affairs, and group recruitment to ensure the legality and compliance of the released content.

uilding a "Female Employee-friendly Enterprise"				
ystem nprovement	Within the trade union, established a position for Company's female employees and protect their leg			
	Signed the General Labor Union Special Collec Employees, and formulated corresponding protect			
ustomized Care	Provide Paid Maternity Leave, Nursing Rooms, and			
ustomizeu Care	Two cancer screenings for female employees were a			
Frowth and Development	Regularly recognize and reward female employe or outside the Company, and enhance the fem environment by recognizing their performance			

Respecting Diversity

To continuously foster an open, inclusive, respectful and diverse working environment, guided by the Company's development goal, we respect and embrace diversity, and encourage the complementary personalities. The Company actively provides necessary life care and cultural exchange activities for female, foreign and ethnic minority employees. We encourage them to participate in activities in the Company, trade union and party organizations. We offer special holiday scheduling, preferential treatment of annual leave or shift arrangement to show the respect for minority employees' folk culture and habits, to make minority employees feel the care and warmth of the Company.

Compensation, Benefit and Care for Employee

We are always optimizing the remuneration and welfare system and sincerely hold the management concept of "people-oriented" by providing advantageous and competitive remuneration for our employees. Besides, our employees are provided with the salary that is higher than the social average minimum wage standard. Besides, suppliers and contractors are applicable as well.

Optimizing the Remuneration and Performance System

The Company keep working on better the remuneration and performance system. Under the fair, just and reasonable situation, we take the actual internal condition and external environment into consideration in setting the remuneration and performance, so that the compensation and performance can better reflect the value of employees.

Performance Target	Emphasize the consistency between organ
Performance Overview	Adopt corresponding models to differen includes monthly appraisal, quarterly eval
Performance Management	Motivate managers at all levels to play the r goals, communication and coaching of per individual and organizational performance t
Performance Incentive	Set up differentiated incentive models acc Provide long-term incentives for employee

for Women's Union Committee member to voice the concerns of the egal rights and interests

ctive Contract for the Protection of Rights and Interests of Female ction measures for the basic rights and interests of female employees

nd Baby-care Rooms

added to the physical examination and related lectures were arranged

yees, who have achieved significant accomplishments either within male employees' sense of belonging and achievement in the work

anizational performance and individual performance

nt businesses, levels and positions, and the main evaluation model aluation, and 360° comprehensive evaluation

roles of "Mentor, Coach and Referee". From the decomposition of certain rformance, regular evaluation and feedback, we help employees achieve through resource coordination and problem solving

cording to the business requirement of each department

es below senior management level, with a coverage rate of 3.8%

Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience

From Farm to Table, activating the Sustainable Value of the Whole Rice Supply Chain

Green Operation and Development

Opening up Communication Channels

The Company has established a three-dimensional communication network, enabling employees to provide feedback more effectively and further enhance their engagement and motivation. At the same time, the Company enriches communication channels, encouraging employees to actively communicate issues, managers to promptly guide the issue, and relevant departments to provide solutions.



Optimizing Employee Welfare

92

The Company has formulated correspondent employee support programs and welfare systems to effectively protect the interests of employees and enhance their satisfaction and sense of belonging.

Emphasizing Employee Development

We value employees' development, actively expand employee promotion channels and enrich employee training content, so as to grow with employees together.

Employee Promotion Channel

Based on the business development needs of the Company, we designed targeted main career development channel and job level sequence to improve evaluation criteria and promotion conditions continuously, ensuring qualified employees can gain deserved promotion.

Employee Training System

Progress of Differentiated Training Programs in 2023

The Company's talent cultivation strategy takes internal cultivation as the core, focuses on echelon construction to gradually achieve the trend of younger talents acquisition and specialization. The HR and Administration Department has released the Trial Version of Group Training Guidelines and positioned the training work to serve business and support project. We continuously integrated resources of the group and the Company to promote the solid implementation of training. The average training hours per employee are 37.55 hours, an increase of 4.98% year-on-year. The average training investment per employee is RMB 192.57, with an increase of 4.93% year-on-year in the average training hours per female employee.

al managers transition from operators to all-around talents, the "Unity and Cohesion, Win lanager Management Improvement Project implemented in 30 branches.

nagers from across the country participated in the training, which provided comprehensive nagement capabilities through on-site learning, co-creation discussions, and visits to

empowerment platform to meet the Group's requirements for training talents at the The Group's Training Center launched the lesson transmission work in May, and worked business departments jointly to create a high-quality lesson transmission schedule. In ansmission trainees was 3,293.

r 200 trainees have joined the team, and 15 general courses have been completed.

in various business lines, we continued to promote the training programs of flour division, neer and other professionals. In 2023, more than 280 students were registered in each

nt program can also effectively integrate and link to the new employee training system and ng system to promote project operation and training from top to bottom.



Yihai Kerry Arawana actively engages in the implementation of national rural revitalization strategy and promotes high-quality development of agriculture and rural areas through industrial revitalization and other actions. We also aid children and vulnerable groups in underdeveloped areas and respond to disasters and emergencies in the first instance to help people in need overcome difficulties, actively undertaking our social responsibility.

Our Topics of Interest

- Community Investment and Development
- Rural Revitalization







Our Commitment and Goals

• Continuously supporting the revitalization of rural areas • Continuing to invest in social good activities

- Industrial revitalization drives rural revitalization
- Developing characteristic agriculture, based on superior resources
- Extending industrial chain to empower agricultural modernization
- Relying on group resources to care for vulnerable groups
- Developing student aid programs and paying attention to the development
- Compassionate assistance to areas affected by the disaster

From Farm to Table, activating the Sustainable Value of the Whole Rice Supply Chain

Green Operation and Development

Revitalizing Rural Areas to Achieve Common Prosperity

The Company plays a leading role in demonstrating and driving the development of the industry, taking "industrial revitalization" to carry out contract agriculture, processing of special agricultural resources, and continue to extend the industrial chain to drive the development of agricultural modernization, and help all-round rural revitalization.

Activating Rural Revitalization with Contract Agriculture

As an important Chinese agricultural products and food processing enterprise, Yihai Kerry Arawana combines serving rural revitalization with its business strategy, persisting in exploiting local characteristic agricultural resources in many areas of the country. The Company continuously promotes the construction of order planting bases for high-quality raw material to boost agricultural efficiency and the increase of farmers' incomes



Developing Several Contract Agriculture Initiatives, Driving Higher Efficiency and Income

Rapeseed Contract Agriculture Base

Sichuan Province: Since 2017, Yihai (Guanghan) Food, Oil and Feed Co., Ltd. has established a rapeseed raw material base by signing a three-party order agreement with the local Agricultural and Rural Affairs Bureau and professional cooperatives. Currently, it has established an order base of 11,000 acres in Guanghan and Chengdu to purchase rapeseed at a price no lower than the market benchmark. By the reporting period, a total of 2,089 tons of rapeseed have been purchased from the order base, directly benefiting more than 1,500 farmers. This order has driven the planting of rapeseed in Sichuan and surrounding areas to exceed 2.2 million acres, successfully lead the Company to be selected as one of the first batch of key enterprises promoting rural revitalization in Sichuan's agricultural product processing industry.

Xinjiang Province: Since 2016, Yihai (Changji) Grain and Oil Industry Co., Ltd. has carried out rapeseed contract agriculture in Zhaosu, Xinjiang Province, focusing on building high-quality black rapeseed raw material base with strong flavor. By the reporting period, the annual average area of order rapeseed planting was about 50,000 acres, benefiting over 2,000 households.

• Wheat Order Planting Base

Yihai Kerry (Yanzhou) Food and Oil Industry Co., Ltd. in Shandong has established a high-quality wheat production base which implements a contract agriculture model of "Company + Cooperative (Association) + Farmer (Farm)". By the reporting period, the Company's contract agriculture had promoted planting on a scale of 80,000 acres, with a total output of about 40,000 tons.

Continuously Extend Industrial Chain Based on Resource Advantages

Yihai Kerry Arawana invests and builds its industrial parks in areas near thecharacteristic agricultural resources. We process local raw materials into affordable and high-quality diversified grain and oil products through advanced digital technology to assist the transformation and upgrading of the food-processing industry, and ensure the national food security. While advancing its main business, the Company promotes the extension of agricultural industry chain to vitalize the development of rural revitalization and agricultural modernization.



In September, 2023, the Company's first chicken breeding project was officially put into operation in Nanning. In December, we laid a foundation for the 3 million chicken breeding industrial park in Chongqing and commenced construction. Entering the chicken breeding industry is an attempt by Yihai Kerry Arawana to extend its industrial chain, which is complementary to the existing business. Based on the effective use of existing raw materials and channel advantages, it further integrates the upstream and downstream industries. This not only provides consumers and customers with better products and services, but also promotes the diversified development of agricultural and rural economy.

Participating in Public Welfare

We always take the fulfillment of our responsibility as a social citizen as an important mission and are committed to building a model of charity that can be used for reference and replicable. We jointly promoted the development of charity and public welfare undertakings with more social caring resources, with the original intention of "helping a lame dog over a stile, volunteer-led, low-key and pragmatic, building platforms, continuous assistance, and focusing on helping projects have sustainable development capabilities". In 2023, the Company donated over RMB 66.5 million to the Arawana Foundation and won the highest government award in the field of charity in China - "China Charity Award" for the fourth time.



Real Caring for the Disadvantaged, Delivering Warmth and Kindness

The Company cares for the plight of vulnerable groups, covering from initially helping patients obtain prosthetic fittings to providing patients with equal employment opportunities. Combining the recipients' employment intention, we actively publicize relevant recruitment information to create possible employment opportunities.

Case

Since 2015, we, in collaboration with the Arawana Foundation and the Shanghai Prosthetics Factory, have been implementing the "Arawana Prosthetics Walking Aid" project. We have been focusing on the needs of impoverished people with disabilities and helped many of them restore their confidences of life, integrate into the society and improve the living conditions of their families. Our employees have also actively participated in the volunteer work of the project, providing disabled people with maximum convenience. Volunteers have been involved in screening suitable candidates, coordinating and dispatching on-site assembly plans, visiting and following up with recipients to understand their experiences, and assisting with after-sales services. In 2023, we carried out prosthetic walking aid project in Chongqing, Guigang, Jiamusi, Qinhuangdao, Kunming and Taiyuan, with a total donation of RMB 3.193 million. We have sponsored 407 prosthetic limbs and helped 385 impoverished disabled patients fulfill their wish to walk.



Yihai Kerry Arawana Won the 12th"China Charity Award'

Prosthetics Walking Aid, Assisting Patients to a Better Future

From Farm to Table, activating the Sustainable Value of the Whole Rice Supply Chain

Green Operation and Development

Contributing to Education Development

The Company engages in educational initiatives actively, focusing on the growth of children and the development of higher education. As the most important philanthropic project of the Foundation and the Company, the Yihai Kerry Student Project lays the cornerstone for the development of quality education. In 2023, the Company supported the Arawana volunteers around the world to carry out regular school aid and other activities in over 30 Yihai schools to enrich the spare time of teachers and students: supported engineering and maintenance for over 10 Yihai schools to optimize their environment and facilities. Additionally, the Company initiated teacher award programs at 10 schools to improve the motivation and professional capabilities of Yihai teachers.

The Company aims at realizing the goal of "Love, Home and Future" by combining the local governmental livelihood projects with the concept of orphan assistances and donated money to construct the Yihai Education Support Center, as an innovated orphan's aid mode, where orphans can have a family environment and educational atmosphere conducive to their physical and mental development. By the end of 2023, three Yihai Student Centers nationwide had collectively helped 414 orphaned and disadvantaged children, of which 25 realized their dream becoming a university student, 84 entered high school or vocational schools, 3 joined the military, and 66 entered the workforce and stepped into a new path of life. In addition, the Arawana Foundation established the Arawana Scholarships, Teaching Awards, and Innovation Funds at 26 universities to encourage outstanding students and scientific researchers.



Chairman Went to Guanyun Yihai Student Center to Visit the Children

Case

Several Students of Arawana Cooking Class Achieve their Dreams in Chengdu

2023 "China Cuisine Association- Arawana Cooking Class" opening ceremony of Chengdu Project was successfully held in Business School of Sichuan Province. 36 freshmen of the project were recruited with the caring arrangement from the Arawana volunteer team in Sichuan. Several students of Chengdu Project have won the prize in national, provincial and municipal vocational skill competitions and obtained opportunities for higher level learning and promotion. In 2023, the Arawana Cooking Class totally enrolled 110 students in Yangzhou, Kunming and Chengdu.



Sichuan Cuisine Master Lan Minglu Giving On-site Lecture to Students of Arawana Cooking

Overcoming Difficulties together with Warm-hearted Assistance

The Company cares for the whole society, actively fulfills our social responsibility by engaging in the disaster relief work. We take advantage of the Company's industrial layout in the country to cooperate with the government in relieving the pressure of the disaster area, stabilizing people's emotions, restoring people's livelihood conditions and solving people's practical difficulties.

Case

Affected by typhoon "Doksuri", Bazhou, Hebei suffered severe floods. Yihai Kerry Arawana donated 600 tons of food and oil supplies through Arawana Charity Foundation and organized Bazhou and Tianjin Arawana volunteers to deliver materials to several resettlement sites for sending care and warmth to people in Bazhou City affected by the disaster.

The Company also donated food and oil supplies worth RMB 1 million through the Arawana Charity Foundation to the earthquake-stricken area of Jishishan County in Linxia, Gansu Province, delivering essential supplies to the front lines of the disaster area to provide immediate support for the people affected.







The Group Donated Materials to Support Bazhou, Hebei

Appendix I: Key Performance Indicators

Environmental

KPIs	Unit	2021	2022	2023
Water Use ¹				
Water withdrawal from taps/municipal water ²	Tons	19,776,069	17,452,898	20,329,510
Water withdrawal from groundwater	Tons	_	5,455,831	1,492,236
Water withdrawal from natural water bodies	Tons	11,217,691	9,285,113	15,353,503
Water withdrawal from harvested rainwater	Tons	0	0	231
Water withdrawal from external wastewater	Tons	0	0	0
Others	Tons	0	0	0
Total water withdrawal	Tons	30,993,760	32,193,842	37,175,479
The intensity of water withdrawal	Tons/10 thousand revenue	1.37	1.25	1.48
Water withdrawal of areas with water stress	Tons	-	-	18,169,643
Water reuse	Tons	5,738,637	16,601,686	2,949,686
Process water	Tons	-	-	809,559
Total water consumption ³	Tons	36,732,397	48,795,528	40,125,166
Water discharge to the ocean	Tons	-	749,846	1,620,064
Water discharge to surface water	Tons	_	1,980,212	2,731,298
Water discharge to groundwater	Tons	0	0	324
Water discharge to other destinations	Tons	-	15,252,385	15,888,301
Total water discharge	Tons	14,460,682	17,982,443	20,239,987
The intensity of water discharge	Tons/10 thousand revenue	0.64	0.70	0.80
Total water consumption	Tons	16,533,078	14,211,399	16,935,493
The intensity of water consumption	Tons/10 thousand revenue	0.73	0.55	0.67
Water consumption of areas with water stress	Tons	-	-	9,037,801
Recyclable Packaging ⁴				
Percentage of plastic packaging	%	39.97	42.37	40.22
Percentage of paper packaging	%	48.65	45.57	48.30
Percentage of metal packaging	%	2.13	2.18	2.32
Percentage of glass packaging	%	5.66	5.90	4.67
Percentage of recyclable packaging	%	96.41	96.01	95.51
Non-recyclable Packaging ⁴				
Percentage of non - recyclable packaging	%	3.59	3.99	4.49
Non-hazardous Waste⁵				
Total discharge	Tons	577,868	885,863	760,971
Recycling volume	Tons	526,524	875,249	689,083
Waste disposed of - landfill	Tons	46,384	6,792	3,269
Waste disposed of - incineration	Tons	4,960	3,822	3,736

KPIs	Unit	2021	2022	2023	
Waste disposed of - compost	Tons	_	-	37,145	
Waste disposed of - others	others Tons		-	27,738	
Emissions intensity	Tons/10 thousand revenue	0.0023	0.0004	0.0003	
Hazardous Waste					
Total discharge	Tons	1,031.99	928.20	1,731.99	
Recycling volume	Tons	398.48	334.73	448.37	
Waste disposed - landfill	Tons	392.52	365.96	460.49	
Waste disposed - incineration	Tons	240.99	227.51	612.31	
Waste disposed - others	Tons	0	0	210.80	
Emissions intensity	Kg/10 thousand revenue	0.028	0.023	0.043	
Greenhouse Gases ⁶					
Direct emissions (Scope 1) ⁷	10 thousand tons of CO_2e	218.2	261.4	261.7	
Indirect emissions (Scope 2) ⁸	10 thousand tons of CO_2e	208.6	228.3	271.6	
GHG emissions (Scope 1+2)	10 thousand tons of $\rm CO_2e$	426.8	489.7	533.3	
Other indirect emissions (Scope 3) ⁹	10 thousand tons of CO_2e	4,116	-	-	
The intensity of GHG emissions (Scope 1+2) ¹⁰	Tons CO₂e/10 thousand revenue	0.19	0.19	0.21	
GHG reduction ¹¹	Tons of CO ₂ e	783,006	958,585	1,016,495	
Energy ¹²					
Energy consumption	10 thousand GJ	4,402.88	4,927.15	5,470.34	
Non - renewable energy	10 thousand GJ	3,752.84	4,330.71	4,818.53	
Renewable energy	10 thousand GJ	650.04	596.44	651.82	
The intensity of non - renewable energy consumption	GJ/10 thousand revenue	1.95	1.91	2.17	
Exhaust Gas					
Total Nitrogen Oxides emissions	Tons	807	899.09	948.09	
Total Sulfur Oxides emissions	Tons	318	298.82	258.99	
Total VOCs emissions	Tons	_	_	422.44	
Emissions intensity of exhaust pollutants	Kg/10 thousand revenue	0.05	0.05	0.05	
Wastewater ¹³	Wastewater ¹³				
Annual COD emissions	Tons	_	—	1,863.30	
Annual Ammonia Nitrogen emissions	Tons	-	-	52.94	
Wastewater discharge intensity	Tons/10 thousand revenue	0.64	0.70	0.80	

Note:

1. In 2023, a large number of new factories were put into operation, leading to an increase in water consumption due to rapid business growth. At the same time, the revenue in 2023 decreased.

2. The water withdrawal statistics from tap water/municipal water include only the Company's subsidiaries in regular operation.

3. Total water consumption = Total water intake + Water reuse.

4. The 2023 percentage of recyclable packaging is based on the estimated weight of packaging, and the 2021-2022 percentage of recyclable packaging is based on the purchasing volume of the smallest purchasing unit of packaging materials.

5. The scope of statistics for non-hazardous waste and hazardous waste only includes the Company's subsidiaries under normal operation.

6. In 2023, the Company commissioned an independent third-party agency to verify the GHG emissions for 2022 and 2023.

7. The scope 1 GHG emissions in 2022 supplements with data from operating sites (non-production).

8. The scope 2 GHG emissions for 2021 have been updated based on the 2021 electricity emission factors published by the government of China. The scope 2 GHG emissions for 2022 have been updated based on the 2022 electricity emission factors.

9. The main categories include Category 1 - Raw material procurement (including packaging materials) and transportation emissions, Category 3 - Fuel and energy-related activities not included in Scope 1 and Scope 2, Category 5 - Waste generated during operations, and Category 6 - Business travel.

10. The main reason for the increase in GHG emissions intensity in 2023 is the operation of a large number of newly built factories, which has led to an overall increase in emissions. At the same time, the total revenue of the Company decreased in 2023.

11. For the emissions factors involved in the calculation of GHG emissions reductions, refer to the *Greenhouse Gas Emissions* Accounting Methodology and Reporting Guidelines for Food, Tobacco and Wine, Beverages and Refined Tea Enterprises (for trial implementation), Greenhouse gas Emissions Accounting Methodology and Reporting Guidelines for Chemical Production Enterprises in China (for trial implementation), Greenhouse Gas Protocol issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), and Average CO2 Emission Factors for Regional Power Grids in *China in 2011 and 2012.*

12. Renewable energy is no longer included in the energy intensity of consumption, and the data for 2021 and 2022 are revised accordingly.

13. The total volume of wastewater discharge and the total amount of ammonia nitrogen include only the key pollution discharge units of the Company.

Social

KPIs	Unit	2021	2022	2023
Suppliers				
Percentage of deforestation-free palm oil suppliers	%	100	100	100
Percentage of palm oil processing companies with RSPO certification	%	100	100	100
Quantity of soybeans purchased with SGS IP certification	Tons	6,039	8,425	11,260
Employee				
Total number of employees	Person	34,389	34,457	34,510
Employees who sign non-fixed term employment contracts	Person	15,304	15,880	19,087
Employees who sign fixed-term employment contracts	Person	19,085	18,577	15,423
New Employee				
Total number of new employees	Person	5,962	3,579	3,467

KPIs	Unit	2021	2022	2023			
New employee rate	%	17.34	10.39	10.05			
Number of New Employees by Age							
< 30 years old	Person	3,691	2,216	2,147			
30-50 years old	Person	2,253	1,350	1,311			
> 50 years old	Person	18	13	9			
Iumber of New Employees by Gender							
Male employees	Person	4,343	2,634	2,701			
Female employees	Person	1,619	945	766			
Number of New Employees by Management Level							
Management Level	Person	7	9	9			
Manager Level	Person	61	41	18			
Director Level	Person	515	223	270			
Number of New Employees by Place							
Domestic (including Hong Kong, Macao and Taiwan)	Person	5,959	3,575	3,466			
Overseas	Person	3	4	1			
Internal Hires							
Percentage of open positions filled by internal candidates	%	19.05	38.42	36.38			
Full - time Employee							
Male employees	Person	25,885	25,900	26,181			
Female employees	Person	8,504	8,557	8,329			
Percentage of employees with disabilities	%	0.16	0.15	0.15			
Percentage of Employees by Level							
Management Level	%	1.04	1.04	1.07			
Manager Level	%	4.20	4.26	4.46			
Director Level	%	16.40	17.23	17.79			
Staff Level	%	78.36	77.47	76.68			
Percentage of Employees by Age							
< 30 years old	%	28.25	28.38	26.27			
30-50 years old	%	68.40	67.67	69.12			
> 50 years old	%	3.35	3.95	4.61			
Percentage of Employees by Nationality							
Domestic (including Hong Kong, Macao and Taiwan)	%	99.83	99.83	99.83			
Malaysia	%	-	-	0.046			
Singapore	%	-	-	0.090			
Denmark	%	-	-	0.006			
France	%	-	-	0.003			
Netherlands	%	-	-	0.003			
Canada	%	-	-	0.003			
Tanzania	%	-	-	0.012			
Nigeria	%	-	-	0.003			

KPIs	Unit	2021	2022	2023
Percentage of Foreign Employees of Management Level				
Malaysia	%	-	-	0.137
Singapore	%	-		0.273
Denmark	%	-	-	0.025
France	%	-	-	0.012
Netherlands	%	-	-	0.012
Canada	%	-	-	0.012
Nigeria	%	-	-	0.012
Employee Turnover				
Total employee turnover rate	%	14.09	13.29	11.76
Voluntary employee turnover rate	%	11.92	10.13	9.35
Percentage of Employees Turnover Rate by Age				
< 30 years old	%	7.83	6.76	5.98
30-50 years old	%	6.06	6.21	5.40
> 50 years old	%	0.20	0.32	0.37
Percentage of Employees Turnover Rate by Gender				
Male employees	%	10.64	9.95	8.80
Female employees	%	3.45	3.34	2.95
Percentage of Employees Turnover Rate by Management Lev	vel			
Management Level	%	0.03	0.05	0.05
Manager Level	%	0.17	0.17	0.25
Director Level	%	1.61	1.58	1.44
Employee Training				
Average amount spent per employee on training and development	CNY	291	159.44	192.57
Average hours per employee of training	Hours	31.83	35.77	37.55
Average Hours per Employee of Training by Age				
< 30 years old	Hours	38.46	40.07	41.91
30-50 years old	Hours	28.29	33.13	34.96
> 50 years old	Hours	49.41	50.09	51.47
Average Hours per Employee of Training by Gender				
Male employees	Hours	31.72	35.73	37.51
Female employees	Hours	32.15	35.89	37.66
Average Hours per Employee of Training by Management Lev	vel			
Management Level	Hours	62.93	63.41	63.86
Manager Level	Hours	28.79	31.58	32.76
Director Level	Hours	34.59	36.97	39.10
Health and Safety				
Number of work-related fatalities for employee and suppliers	Person	0	0	3
Lost-time incident rate	Per 200,000 hours worked	0.11	0.11	0.09

Appendix II: United Nations Sustainable Development Goals (SDGs) Content Index

United Nations Sustainable Development Goals	Our Topics of Interest	Chapter Index
1 [№] ₽¥₩₩₩₩	 Community Investment and Development Rural Revitalization 	Supporting Rural Areas and Community - Revitalizing Rural Areas to Achieve Common Prosperity Supporting Rural Areas and Community - Participating in Public Welfare
2 ZERO HINDER	 Nutrition and Health Community Investment and Development Rural Revitalization 	Pursuing Excellence - Igniting Innovation and Benefiting all Families From Farm to Table, Activating the Sustainable Value of the Whole Rice Supply Chain - "6-Step Precision Control Technology for Fresh Rice" Bringing Sustainable Value and Freshness Together Pursuing Excellence - Igniting Innovation and Benefiting all Families Supporting Rural Areas and Community - Revitalizing Rural Areas to Achieve Common Prosperity Supporting Rural Areas and Community - Participating in Public Welfare
3 GOOD HEALTH AND WELEBEING 	 Nutrition and Health Occupational Health and Safety Labor Practices Community Investment and Development Rural Revitalization 	From Farm to Table, Activating the Sustainable Value of the Whole Rice Supply Chain - "6-Step Precision Control Technology for Fresh Rice " Bringing Sustainable Value and Freshness Together Pursuing Excellence - Igniting Innovation and Benefiting all Families Benefiting People - Regulating Production Safety Management Benefiting People - Building an Employer Brand Supporting Rural Areas and Community - Revitalizing Rural Areas to Achieve Common Prosperity Supporting Rural Areas and Community - Participating in Public Welfare
4 QUALITY EDUCATION	 Community Investment and Development 	Supporting Rural Areas and Community - Participating in Public Welfare
5 GENDER	• Diversity and Inclusion	Benefiting People - Building an Employer Brand
6 CLEAN WATER AND SANITATION	 Water Resources Management Pollution Prevention and Control 	Green Operation and Development - Rational Utilization of Resources and Circular Economy Development
7 AFFORDABLE AND DEAN DEERV	• Energy Management	Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Constructing a Low-Carbon Value Chain Green Operation and Development - Rational Utilization of Resources and Circular Economy Development
8 EEENT WORK AND EEDNOME GROWTH	 Human Capital Development 	Benefiting People - Building an Employer Brand Benefiting People - Emphasizing Employee Development

United Nations Sustainable Development Goals	Our Topics of Interest	Chapter Index
9 NOUSTRY INVOLUTION ANDIVERSITIEUTURE	 Technology and Innovation 	Pursuing Excellence - Igniting Innovation and Benefiting all Families Cultivatin Pursuing Excellence - Promoting Digital Transformation and Strengthening Information Security Management
10 REDUCED NEQUALITIES	 Diversity and Inclusion 	Benefiting People - Building an Employer Brand
	 Community Investment and Development Rural Revitalization 	Supporting Rural Areas and Community - Revitalizing Rural Areas to Achieve Common Prosperity Supporting Rural Areas and Community - Participating in Public Welfare
12 RESPONSEIC CONSIMPTION AND PRODUCTION	 Circular Economy Product Safety and Quality Quality Customer Service Responsible Marketing and Product Labeling Data Security and Privacy Protection Sustainable Sourcing 	Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Constructing a Low-Carbon Value Chain From Farm to Table, Activating the Sustainable Value of the Whole Rice Supply Chain - Implementing the Integrated Rice Manufacturing Model of "Fully Eaten and Utilized" Development - Rational Utilization of Resources and Circular Economy Development Pursuing Excellence - Enhancing Customer Experience through Quality and Service Excellence Pursuing Excellence - Promoting Digital Transformation and Strengthening Information Security Management Value Co-creation and Mutual Benefit - Consolidating Value Chain Management to Ensure Responsible Supply
13 CLIMATE	 Tackling Climate Change Product Carbon Footprint 	Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Setting Net Zero Emissions Goal Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Product Carbon Footprint Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Addressing Climate Change Green Operation and Development - Environmental Management for Accelerating Green Transformation
15 UTE OF LAND	 Ecological Protection and Biodiversity 	Green Operation and Development - Rational Utilization of Resources and Circular Economy Development
17 PARTNERSIRPS FOR THE GOALS	 Packaging Material Management Supply Chain Management Win - win Cooperation Community Investment and Development Rural Revitalization 	Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Constructing a Low-Carbon Value Chain From Farm to Table, Activating the Sustainable Value of the Whole Rice Supply Chain - Collaborating with Partners to Reduce Carbon and Plastic Emissions for Rice Products From Farm to Table, Activating the Sustainable Value of the Whole Rice Supply Chain - Adhering to Sustainable Concepts from the Source of Rice Cultivation Value Co-creation and Mutual Benefit - Consolidating Value Chain Management to Ensure Responsible Supply Value Co-creation and Mutual Benefit - Encouraging a Prosperous Industry through Open Cooperation and Win-win Partnerships Supporting Rural Areas and Community - Revitalizing Rural Areas to Achieve Common Prosperity Supporting Rural Areas and Community - Participating in Public Welfare

Appendix III: GRI Content Index

Statement	nt of use Statement of use Yihai Kerry Arawana has reported the information cited in this GRI content index for the period from January 1, 2023 to December 31, 2023 with reference to the GRI Standards.			
GRI 1 used		GRI 1: Foundation 2021		
GRI				
Standard		Disclosure	Chapter Index	Page
GRI 2: Genera	l Disclosures	s 2021		
The organiza	tion and its r	eporting practices		
2-1	Organizatio	onal details	About this Report	04
2-2	Entities inc	luded in the organization's	About this Report	04
2-2	sustainabil	ity reporting		
2-3	Reporting	period, frequency and contact point	About this Report	04
2-4	Restateme	nts of information	No restatements involved	
2-5	External as	surance	No external assurance	
Activities and	l workers			
2-6	Activities, v relationshi	value chain and other business ps	About Yihai Kerry Arawana	08
2.7	Constant of the second		Benefiting People	86-93
2-7	Employees		Appendix I: Key Performance Indicators	100-104
Governance				
2-9	Governanc	e structure and composition	ESG Management - ESG Governance Structure	14
2-10	Nomination governance	n and selection of the highest e body	Please refer to the annual report information for details	
2-11	Chair of the	e highest governance body	Please refer to the annual report information for details	
2-12		highest governance body in the management of impacts	ESG Management - ESG Governance Structure	14
2-13	Delegation of	of responsibility for managing impacts	ESG Management - ESG Governance Structure	14
2-14		highest governance body in ity reporting	ESG Management - ESG Governance Structure	14
2-15	Conflicts of	finterest	Corporate Governance - Establishing Integrity as the Bottom Line	20-21
2-16	Communic	ation of critical concerns	Corporate Governance - Establishing Integrity as the Bottom Line	20-21
2-17	Collective governance	nowledge of the highest body	Please refer to the annual report information for details	
2-18	•	of the performance of the highest	Please refer to the annual report information for details	
2-19	Remunerat	ion policies	Please refer to the annual report information for details	
2-20	Process to	determine remuneration	Please refer to the annual report information for details	
Strategy, poli	cies and pra	ctices		
2-22	Statement	on sustainable development strategy	Message from the Chairman	06-07
2-23	Policy com	mitments	Corporate Governance - Establishing Integrity as the Bottom Line Value Co-creation and Mutual Benefit - Consolidating Value Chain Management to Ensure Responsible Supply Benefiting People - Building an Employer Brand	20-21 76-81 88-92
			Corporate Governance - Establishing Integrity as the Bottom Line	20-21
2-24	Embedding	g policy commitments	Value Co-creation and Mutual Benefit - Consolidating Value Chain Management to Ensure Responsible Supply	76-81
			Benefiting People - Building an Employer Brand	88-92

GRI Standard	Disclosure	Chapter Index	Page		
		Corporate Governance - Establishing Integrity as the Bottom Line	20-21		
2-25	Processes to remediate negative impacts	Pursuing Excellence - Enhancing Customer Experience through Quality and Service Excellence	48-52		
		Pursuing Excellence - Promoting Digital Transformation and Strengthening Information Security Management	57-59		
	Machanisms for socking advise and raising	Corporate Governance - Establishing Integrity as the Bottom Line	20-21		
2-26	Mechanisms for seeking advice and raising concerns	Pursuing Excellence - Enhancing Customer Experience through Quality and Service Excellence	48-52		
2-27	Compliance with laws and regulations	No significant instances of non-compliance with laws or regulations occur during the Reporting Period			
2-28	Membership associations	Value Co-creation and Mutual Benefit - Encouraging a Prosperous Industry through Open Cooperation and Win-win Partnerships	82-83		
Stakeholder e	engagement				
2-29	Approach to stakeholder engagement	ESG Management - Stakeholder Engagement	15		
GRI 3: Materia	al Topics 2021				
3-1	Process to determine material topics	ESG Management - Materiality Assessment	16-17		
3-2	List of material topics	ESG Management - Materiality Assessment	16-17		
Economic					
GRI 201: Econ	omic Performance 2016				
3-3	Management of material topics	ESG Management - Materiality Assessment	16-17		
201-2	Financial implications and other risks and opportunities due to climate change	Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Addressing Climate Change	26-27		
GRI 203: Indir	ect Economic Impacts 2016				
3-3	Management of material topics	Supporting Rural Areas and Community - Revitalizing Rural Areas to Achieve Common Prosperity	96		
203-1	Infrastructure investments and services supported	Supporting Rural Areas and Community - Revitalizing Rural Areas to Achieve Common Prosperity	96		
203-2	Significant indirect economic impacts	Supporting Rural Areas and Community - Revitalizing Rural Areas to Achieve Common Prosperity	96		
GRI 204: Proc	urement Practices 2016				
3-3	Management of material topics	Value Co-creation and Mutual Benefit - Consolidating Value Chain Management to Ensure Responsible Supply	76-81		
GRI 205: Anti-	GRI 205: Anti-corruption 2016				
		Corporate Governance - Establishing Integrity as the Bottom Line	20-21		
3-3	Management of material topics	Value Co-creation and Mutual Benefit - Consolidating Value Chain Management to Ensure Responsible Supply	76-81		
205-1	Operations assessed for risks related to corruption	Corporate Governance - Establishing Integrity as the Bottom Line	20-21		
205-2	Communication and training about anti- corruption policies and procedures	Corporate Governance - Establishing Integrity as the Bottom Line	20-21		
205-3	Confirmed incidents of corruption and actions taken	Corporate Governance - Establishing Integrity as the Bottom Line	20-21		
GRI 206:Anti-	competitive Behavior 2016				
3-3	Management of material topics	Corporate Governance - Establishing Integrity as the Bottom Line	20-21		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Governance - Establishing Integrity as the Bottom Line	20-21		
Environmenta	al				
GRI 301: Mate	rials 2016				
		Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Constructing a Low-Carbon Value Chain	28-33		
3-3	Management of material topics	From Farm to Table, Activating the Sustainable Value of the Whole Rice Supply Chain - Collaborating with Partners to Reduce Carbon and Plastic Emissions for Rice Products	43-44		
		Value Co-creation and Mutual Benefit - Consolidating Value Chain Management to Ensure Responsible Supply	76-81		

GRI Standard	Disclosure	Chapter Index	Page
301-1	Materials used by weight or volume	Appendix I: Key Performance Indicators	100-10
	Recycled input materials used	Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Constructing a Low - Carbon Value Chain	28-33
301-2		From Farm to Table, Activating the Sustainable Value of the Whole Rice Supply Chain - Implementing the Integrated Rice Manufacturing Model of "Fully Eaten and Utilized"	40-41
		From Farm to Tables, Activating the Sustainable Value of the Whole Rice Supply Chain - Collaborating with Partners to Reduce Carbon and Plastic Emissions for Rice Products	43-44
	Reclaimed products and their packaging materials	Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Constructing a Low-Carbon Value Chain	28-33
501-5		From Farm to Table, Activating the Sustainable Value of the Whole Rice Supply Chain - Collaborating with Partners to Reduce Carbon and Plastic Emissions for Rice Products	43-44
GRI 302: Ener	rgy 2016		
3-3	Management of material topics	Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Setting Net Zero Emissions Goal	24
5-5	Management of material topics	Green Operation and Development - Rational Utilization of Resources and Circular Economy Development	65-73
302-1	Energy consumption within the organization	Appendix I: Key Performance Indicators	100-10
302-3	Energy intensity	Appendix I: Key Performance Indicators	100-10
302-4	Reduction of energy consumption	Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Constructing a Low-Carbon Value Chain	28-33
Green Operation and Development - Rational Utilization	Green Operation and Development - Rational Utilization of Resources and Circular Economy Development	65-73	
GRI 303: Wate	er and Effluents 2018		
3-3	Management of material topics	Green Operation and Development - Rational Utilization of Resources and Circular Economy Development	65-73
303-1	Interactions with water as a shared resource	Green Operation and Development - Rational Utilization of Resources and Circular Economy Development	65-73
303-2	Management of water discharge-related impacts	Green Operation and Development - Rational Utilization of Resources and Circular Economy Development	65-73
303-3	Water withdrawal	Appendix I: Key Performance Indicators	100-10
303-4	Water discharge	Appendix I: Key Performance Indicators	100-10
303-5	Water consumption	Appendix I: Key Performance Indicators	100-10
GRI 304: Biod	liversity 2016		
3-3	Management of material topics	Green Operation and Development - Rational Utilization of Resources and Circular Economy Development	65-73
GRI 305: Emis	ssions 2016		
3-3	Management of material topics	Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Constructing a Low-Carbon Value Chain	28-33
	management of material topics	Green Operation and Development - Rational Utilization of Resources and Circular Economy Development	65-73
305-1	Direct (Scope 1) GHG emissions	Appendix I: Key Performance Indicators	100-10
305-2	Energy indirect (Scope 2) GHG emissions	Appendix I: Key Performance Indicators	100-10
305-4	GHG emissions intensity	Appendix I: Key Performance Indicators	100-10
305-5	Reduction of GHG emissions	Appendix I: Key Performance Indicators	100-10
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Appendix I: Key Performance Indicators	100-10
GRI 306: Wast	te 2020		
3-3	Management of material topics	Green Operation and Development - Rational Utilization of Resources and Circular Economy Development	65-73
306-1	Waste generation and significant waste-related impacts	Green Operation and Development - Rational Utilization of Resources and Circular Economy Development	65-73

GRI Standard	Disclosure	Chapter Index	Page
306-2	Management of significant waste-related impacts	Green Operation and Development - Rational Utilization of Resources and Circular Economy Development	65-73
306-3	Waste generated	Appendix I: Key Performance Indicators	100-104
306-4	Waste diverted from disposal	Appendix I: Key Performance Indicators	100-104
306-5	Waste directed to disposal	Appendix I: Key Performance Indicators	100-104
GRI 308:Supp	lier Environmental Assessment 2016		
3-3	Management of material topics	Value Co-creation and Mutual Benefit - Consolidating Value Chain Management to Ensure Responsible Supply	76-81
308-1	New suppliers that were screened using environmental criteria	Value Co-creation and Mutual Benefit - Consolidating Value Chain Management to Ensure Responsible Supply	76-81
Social		0 1 113	
	loyment 2016		
3-3	Management of material topics	Benefiting People - Building an Employer Brand	88-92
401-1	New employee hires and employee turnover	Appendix I: Key Performance Indicators	100-104
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefiting People - Building an Employer Brand	88-92
401-3	Parental leave	Benefiting People - Building an Employer Brand	88-92
	upational Health and Safety 2018	Servering recepter Building un Employer Blund	50 52
3-3	Management of material topics	Benefiting People - Regulating Production Safety Management	86-87
403-1	Occupational health and safety management system	Benefiting People - Regulating Production Safety Management	86-87
403-2	Hazard identification, risk assessment, and incident investigation	Benefiting People - Regulating Production Safety Management	86-87
403-3	Occupational health services	Benefiting People - Regulating Production Safety Management	86-87
403-4	Worker participation, consultation, and communication on occupational health and safety	Benefiting People - Regulating Production Safety Management	86-87
403-5	Worker training on occupational health and safety	Benefiting People - Regulating Production Safety Management	86-87
403-6	Promotion of worker health	Benefiting People - Building an Employer Brand	88-92
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Benefiting People - Regulating Production Safety Management	86-87
403-9	Work-related injuries	Appendix I: Key Performance Indicators	100-104
403-10	Work-related ill health	Benefiting People - Regulating Production Safety Management	86-87
GRI 404:Train	ing and Education 2016		
3-3	Management of material topics	Benefiting People - Emphasizing Employee Development	93
404-1	Average hours of training per year per employee		100-104
404-2	Programs for upgrading employee skills and transition assistance programs	Benefiting People - Emphasizing Employee Development	93
GRI 405:Diver	rsity and Equal Opportunity 2016		
3-3	Management of material topics	Benefiting People - Building an Employer Brand	88-92
405-1	Diversity of governance bodies and employees		100-104
	discrimination 2016		
3-3	Management of material topics	Benefiting People - Building an Employer Brand	88-92
406-1	Incidents of discrimination and corrective actions taken	Benefiting People - Building an Employer Brand	88-92
GRI 408: Child			
3-3	Management of material topics	Benefiting People - Building an Employer Brand	88-92
	ed or Compulsory Labor 2016		
3-3	Management of material topics	Benefiting People - Building an Employer Brand	88-92
	Communities 2016	Series and a copie - Series and Employer Stand	50 52

GRI Standard	Disclosure	Chapter Index	Page
3-3	Management of material topics	Supporting Rural Areas and Community - Revitalizing Rural Areas to Achieve Common Prosperity	96
		Supporting Rural Areas and Community - Participating in Public Welfare	97-99
413-1	Operations with local community	Supporting Rural Areas and Community - Revitalizing Rural Areas to	96
	engagement, impact assessments,	Achieve Common Prosperity	07.00
	and development programs	Supporting Rural Areas and Community - Participating in Public Welfare	97-99
GRI 414: Supp	olier Social Assessment 2016		
3-3	Management of material topics	Value Co-creation and Mutual Benefit - Consolidating Value Chain Management to Ensure Responsible Supply	76-81
414-1	New suppliers that were screened using social criteria	Value Co-creation and Mutual Benefit - Consolidating Value Chain Management to Ensure Responsible Supply	76-81
GRI 416: Cust	omer Health and Safety 2016		
3-3	Management of material topics	Pursuing Excellence - Enhancing Customer Experience through Quality and Service Excellence	48-52
416-1	Assessment of the health and safety impacts of product and service categories	Pursuing Excellence - Enhancing Customer Experience through Quality and Service Excellence	48-52
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Pursuing Excellence - Enhancing Customer Experience through Quality and Service Excellence	48-52
GRI 417: Mark	eting and Labeling 2016		
3-3	Management of material topics	Pursuing Excellence - Enhancing Customer Experience through Quality and Service Excellence	48-52
417-1	Requirements for product and service information and labeling	Pursuing Excellence - Enhancing Customer Experience through Quality and Service Excellence	48-52
		Pursuing Excellence - Igniting Innovation and Benefiting all Families	53-56
417-2	Incidents of non-compliance concerning product and service information and labeling	No significant incidents occurred during the Reporting Period	
417-3	Incidents of non-compliance concerning marketing communications	No significant incidents occurred during the Reporting Period	
GRI 418:Custo	omer Privacy 2016		
2.2	Management of material topics	Pursuing Excellence - Enhancing Customer Experience through Quality and Service Excellence	48-52
3-3		Pursuing Excellence - Promoting Digital Transformation and Strengthening Information Security Management	57-59
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pursuing Excellence - Enhancing Customer Experience through Quality and Service Excellence	48-52

Appendix IV: SASB Food Retailers and Distributors Content Index

Topic/Code	Accounting Metric	Chapter Index	Page		
Energy Management					
FB-FR-130a.1	(1) Operational energy consumed	Appendix I: Key Performance Indicators	100-104		
Data Security					
FB-FR-230a.1	(1) Number of data breaches				
	$(2) \ {\sf Percentage\ involving\ personally\ identifiable\ information\ ({\sf PII})}$	Pursuing Excellence - Promoting Digital Transformation and Strengthening Information Security Management	57-59		
	(3) Number of customers affected				
FB-FR-230a.2	Description of approach to identifying and addressing data security risks	Pursuing Excellence - Promoting Digital Transformation and Strengthening Information Security Management	57-59		
Food Safety					
FB-FR-250a.1	High - risk food safety violation rate				
	(1) Number of recalls	recalls Pursuing Excellence - Enhancing Customer Experience			
FB-FR-250a.2	(2) Number of units recalled	through Quality and Service Excellence	48-52		
	(3) Percentage of units recalled that are private-label products				
Product Health	& Nutrition				
FB-FR-260a.2	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns	From Farm to Table, Activating the Sustainable Value of the Whole Rice Supply Chain - "6-Step Precision Control Technology for Fresh Rice" Bringing Sustainable Value and Freshness Together	36-39		
	among consumers	Pursuing Excellence - Igniting Innovation and Benefiting all Families	53-56		
Product Labeli	ng & Marketing				
FB-FR-270a.1	Number of incidents of non - compliance with industry or regulatory labeling and/or marketing codes	No incidents occurred during the Reporting Period			
FB-FR-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices				
Labor Practices	5				
FB-FR-310a.3	(1) Number of work stoppages	No major downtime occurred during the Reporting Period			
FD-FK-310d.3	(2) Total days idle				
	(1) Total amount of monetary losses as a result of legal proceedings associated with labor law violations	No legal proceedings associated with labor law violations			
FB-FR-310a.4	(2) Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	employment discrimination occurred during the Reporti	ng Period		
Management o	f Environmental & Social Impacts in the Supply Chain				
FB-FR-430a.2	(1) Percentage of revenue from eggs that originated from a cage - free environment	Not applicable			
	(1) Percentage of revenue from eggs that originated from pork produced without the use of gestation crates	Not applicable			
FB-FR-430a.3	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	Value Co-creation and Mutual Benefit - Consolidating Value Chain Management to Ensure Responsible Supply	76-81		
FB-FR-430a.4	Discussion of strategies to reduce the environmental impact of packaging	Guided by Carbon Peaking and Carbon Neutrality Strategy and Enhancing Climate Resilience - Constructing a Low-Carbon Value Chain	28-33		
	inipact of packaging	From Farm to Table, Activating the Sustainable Value of the Whole Rice Supply Chain - Collaborating with Partners to Reduce Carbon and Plastic Emissions for Rice Products	43-44		









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