



四川德康農牧食品集團股份有限公司

DEKON FOOD AND AGRICULTURE GROUP

(A joint stock company incorporated in the People's Republic of China with limited liability)

STOCK CODE : 2419



2025

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT



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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

This report is the third Environmental, Social and Governance (ESG) report published by Dekon Food and Agriculture Group (“Dekon Group”, “Dekon”, “the Group”, “the Company” or “we”). It provides the Company’s efforts in environmental protection, social responsibility and corporate governance in 2025, and responds to the expectations and concerns of stakeholders.

Time Scope

This report mainly includes our ESG performance from 1 January to 31 December 2025, while some information is out of this period.

Organisational Scope

This report covers Dekon Food and Agriculture Group and its branches and subsidiaries.

Preparation Standards

This report is prepared in accordance with Appendix C2 Environmental, Social and Governance Reporting Code of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

Reporting Principles

This report follows the principles of materiality, quantitative, balance and consistency in accordance with the requirements of the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange:

- **Materiality:** Identify key issues of the ESG Report through communication with stakeholders and disclose them in this report;
- **Quantitative:** Objectively evaluate the Company’s ESG report through quantitative information;
- **Balance:** Demonstrate our ESG management status in a fair and objective manner;
- **Consistency:** The disclosure standards and statistical methods used in the preparation of the ESG Report are consistent.

Except where otherwise stated in this report, the professional terms, abbreviations of institutions, data standards and disclosure expressions used herein are consistent with those in the Company’s prospectus and the annual report for the corresponding period.

Data and Currency

The ESG Report gives a true view of our ESG activities. The information and data in this report are derived from our official documents and statistical reports, as well as the compilation and analysis of data from our subsidiaries.

Part of the financial data in this report is extracted from the 2025 annual financial report. Unless otherwise specified, the monetary figures presented in this report is denominated in RMB.

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Language Version

This report is available in both Traditional Chinese and English. In the event of any discrepancy or conflict between the two language versions, the Traditional Chinese version shall prevail.

Availability of the Report

This report is published in electronic version, and the electronic version is available on the Company's website.

BOARD STATEMENT

The Board of the Company is the highest responsible and decision-making body for ESG matters, taking full responsibility for the Company's ESG strategy and reporting, and overseeing ESG-related matters that may affect the Company's business or operations, shareholders, and other stakeholders.

The Company attaches high importance to ESG governance and continuously carries out the construction of the ESG governance system. Based on factors such as the internal and external development environment and the results of communication with stakeholders, we regularly conduct materiality assessments of ESG issues. The Board reviews and determines the Company's material issues, managing and supervising them as key tasks to ensure that ESG principles are integrated into the Company's development strategy and to continuously enhance the Board's oversight and participation in ESG matters. The Company has also established an EHS (Environment, Health, and Safety) Committee at the management level to strengthen supervision of environmental protection, occupational health, safety, and other functions. This committee is responsible for policy-making, management systems, regulatory compliance, training, and performance supervision to effectively manage environment, health, and safety efforts and to promote the Company's economic development, social equity, and environmental sustainability.

The Company has established an ESG indicator system covering carbon emissions, pollutant emissions, energy consumption, water resource management, health and safety, etc. and has set management targets for key areas such as food safety and quality, occupational health and safety, comprehensive resource utilization, and response to climate change. The Board of the Company reviews the progress of these targets annually. The Company incorporates ESG indicators into the assessment system for relevant management personnel and their respective working companies, continuously promoting the achievement of the Company's ESG goals and enhancing its overall ESG performance.

This report provides a detailed disclosure of the progress and achievements of the Company's ESG work in 2025, which was reviewed and approved at the Board meeting on 20 March 2026.

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MESSAGE FROM CHAIRMAN

—Keeping pace with the times, achieving win-win with partners

Dear Shareholders, Partners, and Fellow Farmers,

Greetings to all! As time elapses and a new chapter unfolds, we look back on the journey of 2025 with gratitude, and look forward to the blueprint of 2026 with confidence. In 2025, amidst a complex and ever-changing macroeconomic environment and industry cycle fluctuation, our entire company united with concerted efforts and pursued a long-term vision. By focusing on the large-scale implementation of the “No. 2 Farm Model,” we comprehensively drove high-quality development. During the Year, the Company’s stock performance was remarkable. As the market reevaluated our value and our valuation continued to normalize, our share price reached a peak of over HKD110. This is a clear manifestation of the capital market’s highest recognition of our strategic focus and operational achievements.



As a veteran who has navigated the agricultural and animal husbandry industry for over three decades, I am well aware that agriculture is a track with “thick snow on a long slope”—offering immense potential but also a journey fraught with “raging waves.” In 2025, the industry continued to advance amidst the deep waters of its cycles. Disease risks and price volatility loomed like two towering mountains, making the path arduous for many of our peers. Yet, the more turbulent the waters, the steadier the helm must be. Over the past year, Dekon did not follow suit, nor did it engage in reckless expansion. Instead, we chose to “calm our minds and focus on strengthening our core capabilities,” delivering solid and substantive performance.

This achievement belongs to our shareholders and partners that put trust on us, to every enterprising Dekon employee and farmer partner, and most importantly, to this remarkable era. To all of you, we extend our sincerest gratitude!

Looking back at 2025, we delivered a report card of “breaking through against the odds”

During the Year, although the overall industry suffered from pressure due to the macro environment, we achieved an annual operating revenue of RMB23.16 billion and a net profit of RMB1.42 billion. More importantly, our net operating cash flow remained robust, demonstrating strong “blood-making” capabilities and resilience against risks.

This confidence stems from the “substantial strength” of our core business

The hog segment continued to be our cornerstone. The number of cooperative farmers and the volume of hogs marketed under our No. 2 Farm Model continued to rise, while the full cost per hog kept declining. Behind these targets lies a decade of persistence and deep cultivation of our unique No. 2 Farm Model, a model built on “teaching farmers to raise sows.”

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Our original “No. 2 Farm Model” is transforming from a “showpiece” into “forest”

2025 marks a critical year for the accelerated large-scale implementation of the No. 2 Farm Model. Through unified breed supply, unified epidemic prevention, unified technology, unified management, and unified procurement, we have transformed farmers from traditional “solo fighters” into modern “industrial workers”. In 2025, the PSY (Piglets Weaned per Sow per Year) on No. 2 Farms remained stable at over 27 pigs, far exceeding the industry average. The average annual income per settlement entity of partner farmers in the No. 2 Farm program increased significantly. In Yibin, we invested RMB50 million in building a hog farming technology training center, which can train over 300 new-type farm owners annually, injecting strong talent momentum into the “Hundred Villages and Million Pigs” Project.

We have been firmly convinced that only by enriching farmers can the industry become strong. This win-win “Company + farmer” model keeps our fixed asset investment per pig at a low level within the industry. Many farmers who once left home to work in cities have returned to their hometowns to start businesses. With the Company’s support and empowerment, they have built standardized pig sheds, mastered professional breeding techniques, achieved stable income increases, and are enjoying increasingly prosperous lives. This is the best practice of our original aspiration to “link and drive agriculture, and help farmers increase income”, and it also constitutes Dekon’s most core competitive edge.

This leadership also stems from our relentless pursuit of the “seed industry chip”

Since initiating whole-genome breeding in 2019, we have completed genomic testing on more than 60,000 heads in total and established a database with millions of reproduction records and tens of millions of performance records. In 2025, the deep integration of “big data + biotechnology” turned our breed source advantages into the core driver for cost reduction and efficiency enhancement, reinforcing the foundation for future high-quality development.

Looking Ahead to 2026, the Direction is Clear

The release of the Central Government’s No. 1 Document in February 2026 clearly proposed enhancing agricultural quality and efficiency and promoting farmers’ income growth. This aligns perfectly with Dekon’s “No. 2 Farm Model”. We will continue to uphold our corporate philosophy of “No Challenge, No Achievement”, giving fullest play to this farmer-partnership model. We aim to achieve the social values of “enhancing efficiency, increasing value, saving grain, saving land, and reducing emissions”.

Dekon’s are deeply rooted in the fertile soil of China’s agriculture and rural areas. We are fully aware that only by taking root in the countryside and connecting with farmers can we achieve stable and lasting success. We will continue to embrace an open attitude, joining hands with our vast network of farmers and partners.

Once again, we extend our gratitude to all our shareholders, partners, and farm owners for your trust, support, and companionship! Dekon Food and Agriculture Group will continue to keep pace with the times, writing a new chapter in the high-quality development of the agricultural industry through solid action and dedicated effort. We will strive forward on the journey of rural revitalization, marching with firm strides toward the goal of building a strong agricultural country!

Mr. Wang Degen

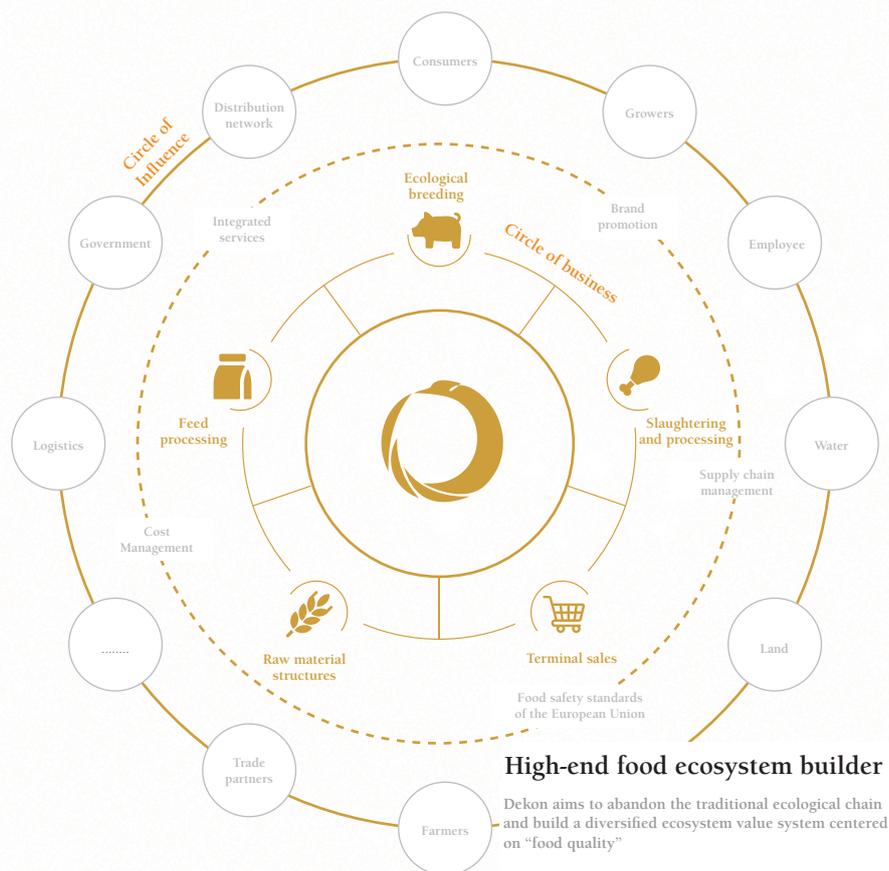
Chairman of the Board of Dekon Food and Agriculture Group

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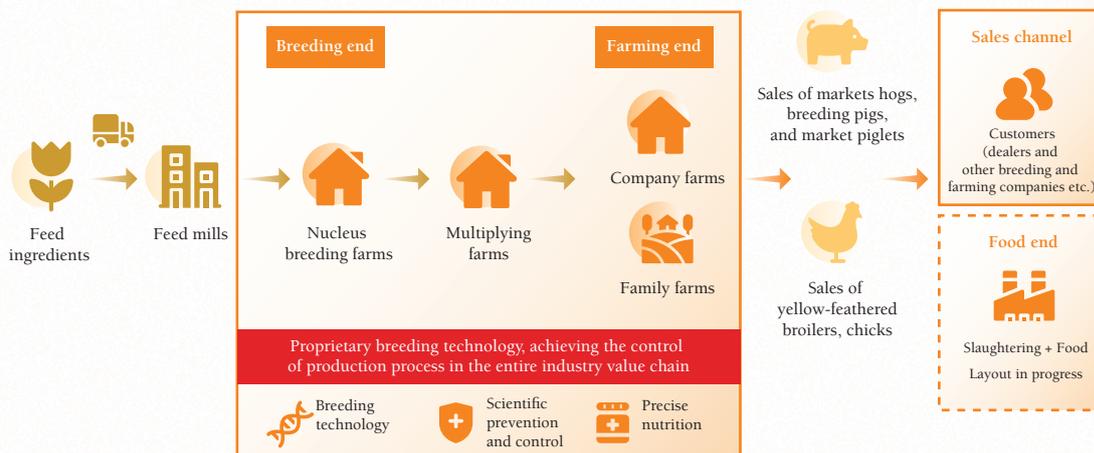
ABOUT US

Dekon Food and Agriculture Group has always adhered to the business philosophy of “operating with a mindset of farming for food and producing food for health”, and deeply cultivates in the modern agricultural and high-end food industry. As of the end of 2025, as the only enterprise in China that simultaneously holds two national key leading enterprises in agricultural industrialization and two national core breeding farms for pigs, Dekon Group’s business involves pig farming, high-quality broilers breeding, food processing and digital agriculture, with over 160 enterprises in 14 provinces, cities and autonomous regions across the country. We have become a highly competitive and high-growth agricultural and livestock enterprise in China.

We firmly believe that the source of food lies not only in food processing workshops but also in farming, planting, and even in water, soil and air. Therefore, on one hand, we are committed to providing safe and efficient feed products, establishing healthy and ecological breeding bases, and offering high-quality food, steadily consolidating and penetrating the value chain of premium and high-end food. On the other hand, with a focus on the “county economy”, we introduce genetic breeding technologies, disease prevention and control technologies, animal nutrition technologies, and production management technologies. Through innovative implementation and application of new planting-breeding integration models and the “company + family farm” model, combined with the actual breeding conditions of thousands of households, we have fostered a range of efficient and ecological smart breeding models and industrial poverty alleviation demonstration models. This approach organically integrates farmers with the development of modern agriculture, promotes rural development, increases farmers’ income, and drives industrial prosperity, forming an efficient, sustainable, and mutually beneficial ecological agriculture and animal husbandry model.



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Caption: Our Business Model

Our Strategy

<p>Steadily develop the core business</p>	<p>We steadily develop family farms, build an industrial ecosystem, and adhere to an appropriate scale of operation. By increasing investment in technology and enhancing breeding efficiency, we continuously improve our market position and cost advantage, building core competitiveness. Meanwhile, we will continue to expand and steadily develop the production business of yellow-feathered broilers, achieving a dual-wheel drive in the pig and poultry sectors.</p>
<p>Strengthen industrial chain collaboration and expand the high-end food landscape</p>	<p>We improve the layout of the entire industrial chain covering “breeding — slaughtering — processing — cold chain”, achieving the slaughtering of 844 thousand pigs in 2025. We advance the branded operation of “Dekon Tonnies” and expand into high-end supermarket and catering channels. Through the implementation of the second phase of Yibin Dekon Food, we aim to build a high-end food ecosystem.</p>
<p>Deepen technological empowerment and build a smart breeding ecosystem</p>	<p>Centered on the “smart breeding cloud platform”, we promote the penetration of AIoT (Artificial Intelligence & Internet of Things) technology throughout the entire breeding process. Through the development of a “digital supply chain” system, we aim to achieve the full-link visualization of feed procurement, hog marketing, and slaughtering and processing.</p>

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Continue to benchmark against international advanced standards and push forward with aggressive cost reduction	Through the nutrition improvement project, feed formula optimization, and precise feeding, we will be able to reduce breeding costs while meeting the necessary conditions for optimal growth of pigs. Meanwhile, we will continuously enhance breeding standards and product quality through genetic improvement, health management, and disease prevention, thereby improving breeding efficiency and cost-effectiveness.
Continue to strengthen biosecurity prevention and control to ensure production safety and effective operations	We continuously integrate preventive measures against major animal epidemics, such as African swine fever, into our daily operations. This approach has enabled us to establish a long-term, effective prevention and control system, as well as normalized management practices. By implementing measures such as purifying breeding sources to prevent vertical virus transmission, managing livestock health, and adopting reasonable health care protocols, we have strengthened our biosecurity management system. This, in turn, enhances our level of precise management, helps narrow efficiency gaps within farms, and consolidates our core competitive advantages.
Continue to invest in ESG plans	By implementing the “Hundred Villages and Million Pigs” (百村百萬) project for the planting and breeding cycle, and for sustainable agricultural development, we will adhere to the national fertiliser reduction action plan, practice the planting and breeding cycle, and establish a benchmark for sustainable agricultural development.

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Our Culture

Dekon's Mission	Doing real work to provide high-quality food for consumers
Dekon's Vision	Become a high-end food ecosystem builder
Core Value	Great Giving, Great Gain No Challenge, No Achievement Strive and Persevere
Dekon Spirit	Resolve with conviction Aspire to lofty goals Envision broadly Achieve greatness
Business Philosophy	Conduct breeding with a food mindset Produce food with a health mindset
Management Philosophy	Lead with self-discipline, align with best practices, defend core values, drive to completion, and managing exceptions
Talent Philosophy	Expertise with dedication Competence with rigor Authority with accountability
Quality Philosophy	Focus on product quality as if it were your own child Focus on customer value as if it were a matter of life
Code of Conduct	<p style="text-align: center;">Manifesto of Dekon</p> <p style="text-align: center;">Why do we embrace hardship? To rise as pioneers of our craft.</p> <p style="text-align: center;">Why do we endure exhaustion? To leave no room for regret in this fleeting life.</p> <p style="text-align: center;">We are ordinary people, yet we dare to dream the extraordinary;</p> <p style="text-align: center;">We are common individuals, yet we act where others hesitate.</p> <p style="text-align: center;">Don't ask why</p> <p style="text-align: center;">Strive relentlessly, fight fiercely, triumph decisively.</p> <p style="text-align: center;">The answer burns within us:</p> <p style="text-align: center;">We must transcend ourselves and achieve greatness.</p>

Major Events in 2025

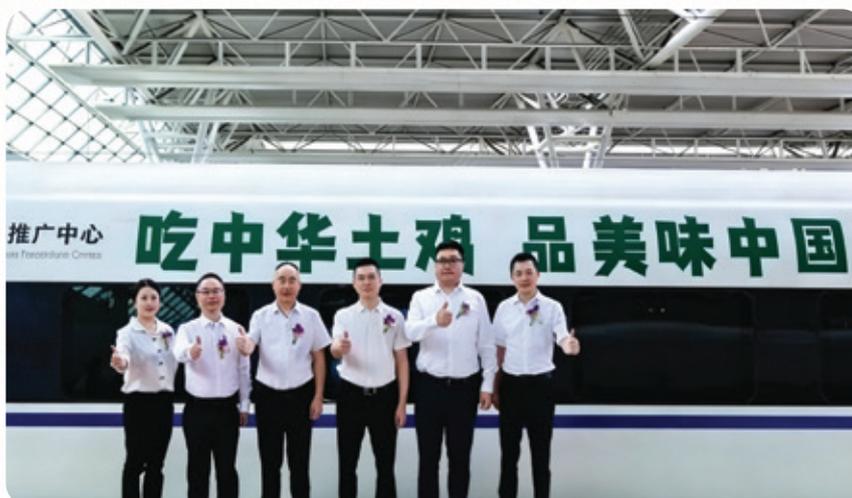
- *2025 Industry Standard Contribution*

September 2025 Dekon Group, together with peers, jointly issued the “Action Plan for the High-Quality Development of the Chinese Native Chicken Industry”, discussing the path to high-quality development of the native chicken industry with industry peers.



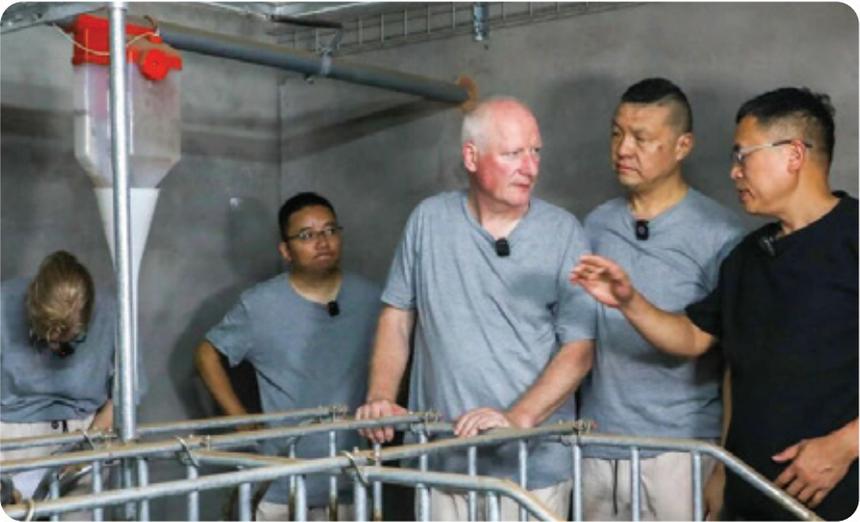
- *2025 Scientific Research Collaboration and Platform Development*

April 2025 The jointly named high-speed train launch ceremony themed “Taste Chinese Native Chicken, Savor Flavors of China” was successfully held in Shanghai Hongqiao Station, leveraging the influence of the “national calling card” to promote Chinese native chicken and injecting strong momentum into enterprise development with “China Speed”.



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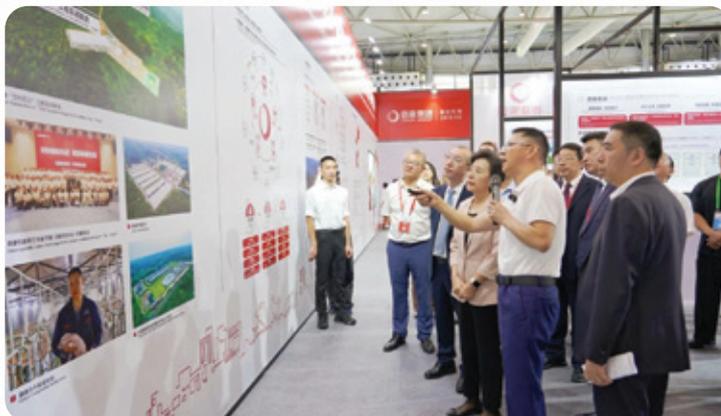
June 2025 Dekon Group specially invited Dutch pig farming experts, to visit the Yilu Regional Company to deliver a special lecture on “Pig Signal” and provide on-site guidance. This initiative aimed to accelerate the quality and efficiency improvement of Dekon’s “Hundred Villages and Million Pigs” project through the introduction of international advanced experience, aligning with the world’s best farm management practices, and injecting new momentum into rural revitalization.



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September
2025

At the 11th Sino-German Agricultural Week, Dekon Group comprehensively showcased its innovative achievements and practical experience in establishing mechanisms for linking and driving agricultural development for farmers, Sino-German agricultural cooperation, and sustainable livestock development, receiving high recognition.



September
2025

Dekon Group, together with key domestic universities and research institutions, jointly established the Sichuan Provincial Key Laboratory of Animal Nutrition and Feed Efficient Utilization. As a co-constructing unit, the Group attended the laboratory launch meeting, collaborating with universities and scientific research institutions to contribute to the sustainable development of the animal husbandry industry.



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September 2025 Representatives of Dekon Group were invited to attend the first “927 Chinese Native Chicken Festival” and the Forum on High-Quality Development of the Chinese Native Chicken Industry, conveying a firm belief in industrial collaboration and common development, and injecting strong momentum into rural revitalization and agricultural modernization.



December 2025 Dekon Group has been approved to establish a National Postdoctoral Research Station. Meanwhile, Dekon Industrial Research Institute has been recognized as a high-tech enterprise, marking that Dekon Group has been highly acknowledged for its scientific research platform construction and technological innovation capabilities.



December 2025 The “Empowering Talent Growth, Serving the Development of Agriculture, Rural Areas and Farmers, Boosting Rural Revitalization — Joint Action for Cultivating a New Generation of Farmers & Launch Ceremony of Dekon’s ‘Hundred Villages and Million Pigs’ Project Training Base” was grandly held in Nanxi, Yibin, injecting new momentum into the high-quality development of the Yibin pig breeding industry and rural revitalization.



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Social Recognition

Award	Year	Awarder Organisation(s)
National-level African Swine Fever Free Zone (國家級非洲豬瘟無疫小區) (3 newly added)	2025	Ministry of Agriculture and Rural Affairs
National-level animal disease purification sites (2 newly added)	2025	Ministry of Agriculture and Rural Affairs
The Sichuan Provincial Key Laboratory of Animal Nutrition and Feed Efficient Utilization, jointly established by Dekon Group and Sichuan Agricultural University among other institutions, was officially included in the sequence of optimized and restructured provincial key laboratories	2025	Science & Technology Department of Sichuan Province
2025 China's Top 500 Private Enterprises (Ranked 294th)	2025	All-China Federation of Industry and Commerce (ACFIC)
Selected as one of Sichuan Province's first batch of Full-capability Headquarters Enterprises	2025	Sichuan Provincial Development and Reform Commission, etc.
2025 Top 100 Sichuan Enterprises (Ranked 41st)	2025	Sichuan Enterprise Confederation
2025 Top 100 Chengdu Enterprises (Ranked 25th)	2025	Chengdu Enterprise Confederation
2025 Hurun China Food Industry Top 100 List (Ranked 44th)	2025	Hurun Research Institute
2025 Hurun China Unicorn Graduates List (Ranked 263rd)	2025	Hurun Research Institute
Newcomer of the Year of Hong Kong Stock Connect	2025	Digital Intelligence International (數智國際) and Cailianshe (財聯社)
Best Stock Connect Company Award	2025	Zhitong Caijing (智通財經)
Best IR Team Award	2025	Zhitong Caijing (智通財經)
Tianma Award for Hong Kong Stock Investor Relations Management	2025	Securities Times
2025 Best Investor Relations Management Award	2025	"ESG and Enterprise Value Growth" Summit Forum

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Award	Year	Awarder Organisation(s)
“Best Institutional Coverage Award” on the 2025 Annual IR Data List of Listed Companies	2025	Comein Finance
JDM Top 100 IRM Companies	2025	JDM Public Welfare Platform
2025 Top 100 Enterprises in the Catering Supply Chain	2025	Organizing Committee of the 5th China Catering Industry Red Bull Awards
2025 Top 10 Most Popular Branded Pork in the Guangdong-Hong Kong-Macao Greater Bay Area	2025	Organizing Committee of the 52nd Pig Industry Conference (Guangzhou)
Second Prize in the National Pig Production Capacity Regulation and Production Labor Competition	2025	Department of Animal Husbandry and Veterinary Affairs, Ministry of Agriculture and Rural Affairs; China Union of Agricultural, Forestry, Water Conservancy, and Meteorological Workers
Wind ESG Rating A	2025	Wind

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG STRATEGY AND MANAGEMENT

Dekang adheres to the path of green and sustainable development, committed to building a corporate development model that combines market competitiveness with green ecological advantages, diligently fulfilling our environmental, social and governance responsibilities, and constructing a modern ecological agricultural and animal husbandry system that is multi-party win-win, efficiently coordinated, and long-term sustainable.

ESG Governance

Dekang has established a comprehensive ESG governance structure, requiring the Board to participate in the formulation of ESG strategies and objectives, and to coordinate with management to jointly identify and manage ESG-related risks and opportunities. To continuously enhance our ESG performance, we closely monitor ESG-related standards, proactively collect, analyze and disclose ESG performance indicators, and actively communicate the progress of our ESG practices to stakeholders.

The Board	Its responsibilities include supervising and actively engaging in ESG matters, identifying and evaluating the Company's ESG risks and opportunities, formulating the Company's ESG strategies, policies and targets, monitoring and evaluating the Company's ESG practices, reviewing ESG reports and evaluating the effectiveness of ESG initiatives.
ESG Working Group	<p>Its responsibilities include coordinating and developing the ESG agenda, identifying and managing ESG risks, leading the preparation of ESG reports, and presenting relevant matters as proposals to the Board for deliberation and discussion.</p> <p>The ESG Working Group, headed by the Chairman and assisted by the Vice Chairman and the Board Secretary, is responsible for managing ESG initiatives. The ESG Working Group maintains regular communication with the Board, keeps the Board informed about significant ESG matters, actively participates in discussions, and provides annual progress reports to the Board at least once a year to report to the Board of Directors.</p>
EHS Committee	Its chaired by the Vice President, with department heads and contact persons serving as members. The committee is responsible for overseeing functions related to environmental protection, occupational health, and safety, as well as formulating policies, management systems, regulatory compliance, training, and performance supervision, to achieve effective management of environmental, health, and safety work and enhance the Company's overall competitiveness and sustainable development capabilities.

We have continuously optimised our ESG governance system, regularly submitted ESG reports to the Board detailing the annual ESG initiatives, risk status and management recommendations, and consistently followed up on the implementation of ESG practices in key areas, thereby fostering the continuous improvement of our ESG management capabilities.

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ESG Focus Areas

- *Food Safety and Quality*

The Company will strictly implement relevant food safety laws and regulations, and establish a multi-level food safety management system to ensure food safety.

2025 Target	Progress in 2025	2026 Target
Maintain a food safety standard of “zero accidents” and “zero recalls”.	All relevant targets have been achieved: During the reporting period, there were zero occurrences of major food safety incidents; zero occurrences of products failing official random inspections.	Continue to maintain the food safety standard of “zero accidents” and “zero recalls”.

- *Occupational Health and Safety*

Abiding by the principle of people-oriented, safe development through continuous improvement in the occupational health and safety assurance system, and prevention and avoidance of potential accidents.

2025 Target	Progress in 2025	2026 Target
Continuously improve the wellness management and emergency guarantee mechanism of employees, strengthen the care for ‘health’ and risk warning, and effectively ensure the physical and mental health and life safety of employees.	During the reporting period, two employees of the company died unexpectedly due to personal healthy issues. The Company deeply regrets and mourns this, and has promptly comforted the family and assisted in the aftermath work.	The Company will continue to strengthen employee wellness care, improve emergency response and wellness protection measures.

- *Integrated Resources Utilization*

Enhancing the cycling of planting and farming of “breeding-biogas fertiliser-ecological agriculture”; recycling animal manure resources.

2025 Target	Progress in 2025	2026 Target
Achieve innocuous treatment rate of 100%.	The annual innocuous treatment rate reached 100%. The treated materials are either transported to organic fertilizer plants as raw materials for organic fertilizer production, or used as base fertilizer after innocuous treatment in cooperation with growers.	Continue to maintain innocuous treatment rate of 100%.

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- *Respond to Climate Change*

Actively monitoring carbon emission; enhancing efficiency of energy utilisation; supporting the national “carbon peaking and carbon neutrality”.

2025 Target	Progress in 2025	2026 Target
Plan to achieve a decrease in energy consumption intensity by 2.8% from 2022 to 2025, and a decrease in greenhouse gas emissions intensity by 2.8% from 2022 to 2025.	Achieved: Benefiting from the improvement in farming efficiency and the energy saving and emission reduction initiatives adopted, our intensive farming energy consumption intensity (in MWh/RMB million) and our greenhouse emission intensity (in tonnes of CO ₂ equivalent/RMB million) are significantly lower than those in 2022, and we have achieved this target.	Strive to maintain a downward trend in greenhouse gas emission intensity (Scope 1 and Scope 2)

Communication with Stakeholders

Dekang places high importance on stakeholders including shareholders, investors, government and regulatory authorities, customers, employees, suppliers and partners, and local communities. We have established normalized, multi-dimensional communication mechanisms, actively respond to the concerns and demands of stakeholders, comprehensively identify sustainability-related risks and opportunities, and continuously improve the ESG management system and practical outcomes.

Stakeholders	Communication Channels
Shareholders and investors	<ul style="list-style-type: none"> • General meetings • Conducting surveys and communications with investors • Daily communication and feedback
Government and regulators	<ul style="list-style-type: none"> • Studying and implementing relevant policies • Daily reporting and approval • Relevant research and discussion meeting • Regular information disclosure
Customers	<ul style="list-style-type: none"> • Official website, WeChat and other interactive platforms • Customer complaint hotline • Product promotion and services • Daily communication

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Stakeholders

Communication Channels

Employees	<ul style="list-style-type: none"> • Interviews with employees • Communication on employees' performance • Suggestions and complaints from employees
Suppliers and Partners	<ul style="list-style-type: none"> • Procurement and tendering • Supplier inspection • Holding meetings to facilitate communication • Daily communication
Local communities	<ul style="list-style-type: none"> • Charity • Construction of community projects • Volunteer service activities

Materiality Analysis

The Company implements a materiality assessment procedure on a two-year cycle, conducting a comprehensive assessment of materiality issues in the first year and verifying the assessment results in the second year to determine whether adjustments are necessary. In 2025, the Company identified and screened a list of ESG topics relevant to the Company according to established work procedures. These issues were evaluated from two dimensions: “degree of impact on stakeholders” and “degree of impact on Dekang”, forming a materiality matrix. Subsequently, the material issues were selected and submitted to the Board of Directors for review and approval, serving as the objectives and action direction for our ESG management work.

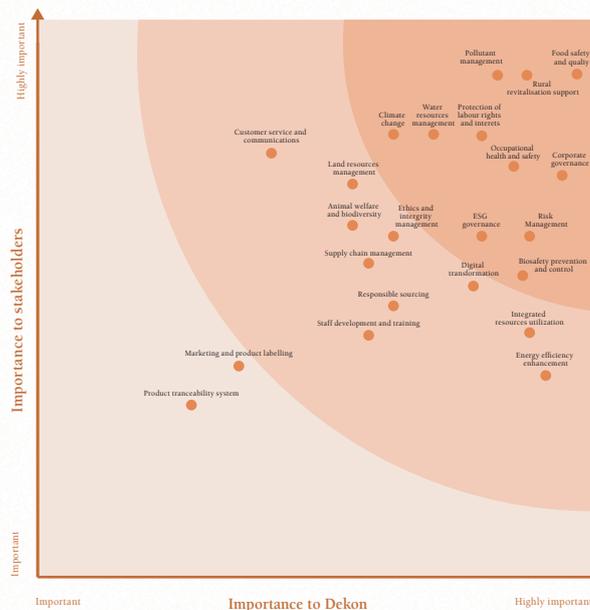


Figure: Matrix of Materiality Issues

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

I. FOUNDATION FOR GOVERNANCE, SAFEGUARDING HIGH-QUALITY DEVELOPMENT

Dekon continuously improves the level of corporate governance by focusing on the key factors in corporate governance, refining the compliance operation mechanism on all fronts, strengthening risk management and control, and is committed to building a high-standard corporate governance structure to effectively protect the rights and interests of shareholders, and secure the high-quality development with robust operation.

1.1 Perfecting Corporate Governance

We continuously improve the corporate governance structure and constantly enhance the standardization and effectiveness of corporate governance. We have established a governance structure composed of the General Meeting, the Board of Directors, the Board of Supervisors, and senior management. All levels have clear powers and responsibilities, perform their respective duties, operate in coordination, fulfil their responsibilities in accordance with laws and regulations, and effectively safeguard the rights and interests of the Company and all shareholders. For the year 2025, we revised the articles of association and supporting systems in accordance with the new listing rules, including the rules of procedure for the Nomination Committee.

Board of Directors	The Board of Directors is accountable to the General Meeting, assumes the ultimate responsibility for the Company's operations and management, and convenes meetings in accordance with legal procedures to exercise its functions and powers.	It consists of nine Directors, including five executive Directors, one non-executive Director, and three independent non-executive Directors.
Board of Supervisors	The Board of Supervisors maintains close contact and communication with the Board of Directors and the management with an attitude of being accountable to all shareholders, conducts the appraisal on the duty performance of Directors and Supervisors, and effectively fulfills their powers and obligations to supervise.	It consists of three Supervisors.
Senior Management	It performs its duties and conducts business operation and management in accordance with the decisions of the Board of Directors, and is responsible for managing our daily operations.	It consists of five members.

As at the end of the Reporting Period, the Board of Directors of the Company consists of nine Directors, including five executive Directors, one non-executive Director and three independent non-executive Directors. The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. Each special committee strictly performs its duties, provides opinions and recommendations on relevant work, and assists the Board in making scientific decisions.

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Board Independence

The Company strictly complies with the requirements of relevant laws and regulations, and appoints qualified independent Directors to ensure that they can fairly perform their respective duties. The Board of Director includes a balanced composition of executive Directors and independent non-executive Directors, which enable the Board of Director to have strong element of independence to make independent judgments effectively. As at the end of 2025, the proportion of independent Directors on our Board was 33.3%.

Effectiveness of the Board

The Company has established an evaluation mechanism for the effectiveness of Board performance, set up the Board of Supervisors and conducted performance evaluation of Directors and Supervisors. Meanwhile, the Board has established the Audit Committee, which assists the Board in providing independent opinions on the effectiveness of the financial reporting system, risk management and internal control systems, and supervises the audit process, so as to provide supervisory support for the effective performance of the Board. The Remuneration Committee and Nomination Committee have also been established to perform professional functions respectively on remuneration management, nomination and selection of Directors and senior management, thereby safeguarding the effectiveness of the Board.

Board Diversity

We have established a board diversity policy that explicitly takes into account a range of factors, including but not limited to talent, skills, gender, age, ethnicity, experience, independence and expertise, in order to achieve diversity on the board. The diversity and balance of the Board of Directors are important components of our corporate governance structure, which help enhance the quality and efficiency of decision-making, and promote the Company's long-term stable development. We will constantly commit to maintaining and enhancing the diversity of the board to adapt to the ever-changing business environment and market demands.

Remuneration of Directors and Senior Management

To drive continuous improvement of the Company's ESG performance, we have established an ESG indicator system covering carbon emissions, pollutant emissions, energy consumption, water resource management, health and safety, and set management objectives for key areas including food safety and quality, occupational health and safety, comprehensive utilisation of resources, and climate change response. ESG indicators have been integrated into the performance and remuneration assessment systems for relevant management personnel and affiliated entities.

The Board conducts an annual review of progress against targets, and continuously promotes the achievement of the Company's ESG objectives and enhances the Company's ESG performance through performance linkage. Among these, indicators relating to safety, environmental protection and quality are incorporated into the assessment as core ESG categories.

1.2 Strengthening Risk Management

We insist on promoting the construction of a risk management system, improving the effectiveness of risk management, identifying emerging risks, and enhancing the ability to respond to various risks, so as to ensure the sound operation and sustainable development of the Company. We have formulated and implemented the Business Risk Management System of Dekon Group (《德康集團企業風險管理制度》), which clearly sets out the risk control points of the Group headquarters, regional companies and corporate companies, as well as the three lines of defense for risk management and control.

Three lines of defense for risk control

We have established a three-tier defense system comprising all departments of the Company (the first line of defense), the Audit and Supervision Department (the second line of defense), and the Board of Directors and General Meeting (the third line of defense), achieving full-process and closed-loop management of risks.



Our risk management system sets out procedures for identifying, analyzing, classifying, mitigating and monitoring various types of risks and reporting levels related to the risks identified in our operations. Each business unit and functional department is responsible for identifying and assessing risks related to its business scope, and implementing risk management and internal control systems. Our Audit Committee is responsible for assessing and supervising the management's implementation of the overall risk management and internal control system. At present, we have established a system framework covering various areas including finance, operations and compliance, which is dynamically updated through annual risk assessments.

ESG Risks

We attach importance on complexity and diversity of ESG risks, and has established the process of ESG risks identification and management that require its departments and subsidiaries to highlight environmental and social risks during the course of their operations, identify events that may cause effects and the corresponding risk factors, and adopt appropriate risk mitigation measures.

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ESG Risk Management

Risk Factors	Potential impact	Actions taken
Climate Change	Physical risks (such as rainstorms, floods and other extreme weathers) may lead to loss of breeding facilities and biological assets and trigger secondary disasters such as environmental pollution, occupational safety and other incidents. Transition risks including “limiting electricity and limiting production” measures and rising energy prices may also lead to higher energy expenses or business interruptions.	Establish a management mechanism in whole process for early identification, rapid response and precise response to extreme weather risks; based on meteorological warnings, we implement prevention and control measures in advance against weather events such as cold waves, high temperatures, heavy rain, and typhoons. We specify requirements for winterization, heatstroke prevention, flood control and typhoon preparedness, and strengthen the management of emergency supplies and operations, thereby continuously enhancing our climate risk response and emergency response capabilities.
Use of Water Resources	Strengthened control by the government over the total amount and intensity of water use may result in the increase in water consumption quota or higher water use costs.	Strengthen monitoring and analysis of water use. By establishing a breeding-circular agriculture system integrating “breeding — sewage treatment — farmland irrigation”, applying treated sewage effluent to prepare environmental protection agents, and adding deodorisation water circulation tanks, we have realised the resource utilisation of wastewater, reduced sewage discharge and freshwater consumption.
Waste & pollution	Improper or delayed treatment or leakage of odour, biogas and wastes biogas slurry may cause adverse impacts on surrounding environment, resulting in complaints and environmental penalties.	Strengthen the control of livestock and manure in whole process. Implement strict source control over manure retention time and reduce sewage concentration through solid-liquid separation. Biogas generated from anaerobic reaction during wastewater treatment is collected, purified, and reused as a resource for power generation, heating and equipment operation. Enhance treatment efficiency through standardized operating procedures and professional training. Promote the black film fermentation technology and vigorously advance the planting and farming cycle and resource utilization of manure to achieve carbon sequestration, emission reduction and circular development.

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Risk Factors	Potential impact	Actions taken
Antibiotics misuse	<p>Incompliant use of antibiotics and veterinary drugs may have an impact on public health and subject us to regulatory penalties and consumer resistance.</p>	<ul style="list-style-type: none"> • In terms of health management, we adhere to the principle of “epidemic prevention first and precise treatment”, implement a dual-track approach to vaccination and promote “one strategy for each farm” for precise medication based on epidemiological investigations. By strictly controlling drug residues, we effectively reduce the use of therapeutic antibiotics and medication costs. • In terms of nutrition and feed, we have completely banned the addition of antibiotics in feed since July 2020. Through precise nutrition, pre-digestion of raw materials, functional additives and specialized nutritional programs, we reduce the occurrence of diseases and antibiotic dependence at the source, ensuring breeding safety and product quality.
Work conditions	<p>There are occupational health and safety risk related to confined space operation, biogas use, fire protection and mechanical operation in our production and operation process. If the relevant protective measures are not implemented properly, the protective equipment is insufficient or the safety awareness of employees is weak, it may lead to occupational wellness safety incidents.</p>	<p>Establish a tiered management and control mechanism for safety and build a three-tier safety management system; proactively identify safety risks and conduct safety drills and training to enhance safety awareness among employees, and provide workers and employees with adequate protective equipment and conduct annual health check for employees, and engage professional health consulting doctors to form a service team.</p>

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Risk Factors	Potential impact	Actions taken
Business ethics and compliance	Violation of business ethics by our employees or suppliers may damage our business interests and image.	Improve the anti-corruption and compliance systems, under which all employees are required to sign Integrity and Self-discipline Commitment, which is incorporated into their labor contracts, and any violation of rules and regulations will be seriously investigated and dealt with; provide corruption and anti-bribery trainings, and actively participated in business ethics and anti-fraud activities to enhance the awareness of ethics among employees and suppliers; publicize supervision channels by displaying “transparent publicity” posters in all partner farms; improve the whistleblowing mechanism and take measures to protect whistleblower privacy.

1.3 Integrity and Compliance in Operation

We strictly comply with national laws and regulations, insist on regulating our own production and business practices, foster a culture of risk awareness and compliance across the Group, fully practice business ethics during the course of business transactions, and conduct business activities in a fair, honest, trustworthy and transparent manner. In 2025, there were no non-compliance incidents that have a material impact on our operational or financial conditions.

In 2025, the Company comprehensively optimized our supervision system, establishing the supervision department under the Group to be responsible for oversight, which is dedicated to fraud investigation and integrity cultivation. With a clarified organizational structure and responsibilities, we have enhanced the independence and efficiency of supervision, as well as the Company’s governance level and business ethics standards through multi-dimensional measures including organizational optimization, supervision practices, system improvement and risk management.

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1.3.1 Internal Control

We have established a three-tier structure comprising decision-making level, management level, and implementing level, forming an internal control and compliance governance system with clear responsibilities and coordinated linkages. We have clarified control objectives, principles and a comprehensive risk management process. Meanwhile, we also stipulated anti-commercial bribery measures and established safety baseline requirements as a conduct code for all employees. We have engaged professional compliance advisers to provide advice on the ongoing compliance with the Hong Kong Stock Exchange Listing Rules and other applicable securities laws and regulations in Hong Kong. Our various policies comply with the Hong Kong Stock Exchange Listing Rules, including but not limited to aspects related to corporate governance, connected transactions, and securities transactions by directors.

Internal control manual	Formulated an internal control manual involving the corresponding systems and standards, flow charts, risk control matrix, etc. for key business procedures of our various business segments and elaborates on the risk and control points of the key procedures. Internal control standards for business operations are formed based on the above and executed and promoted via training on the internal control manual. In the meantime, we engage professional agencies to formulate an internal control plan and review the status of internal controls on a semi-annual basis.
Authority system	Developed a manual of rights and responsibilities, which clearly specifies the authorised persons, conditions, scopes and limits, etc. for various posts involved in our internal controls. No organisation or individual is allowed to make any risk decision which exceeds the relevant limits of authority.
Internal audit	The internal audit department regularly monitors internal controls and procedures in order to report to the management and Board on the internal management. The internal audit department is also responsible for monitoring the reporting management.
Tax compliance	Formulated and issued the Tax Management Operation Manual of Dekon Group and developed a Intelligent Tax Assistant, and relevant personnel can inquire about tax-related matters on the office software platform. The Company strictly complied with relevant national tax laws and regulations, paying taxes in accordance with applicable requirements. It had been rated as a Class A taxpayer for seven consecutive years from 2018 to 2024.

In 2025, the Company's audit department conducted annual operational results audits with full coverage for its subsidiaries with operating business, issuing a total of 70 audit reports. In addition, it also performed strict resignation audits for managers and responsible individuals in key positions who were re-designated or resigned, and conducted special audits on anomalies identified during business audits in a timely manner and issued special audit reports.

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1.3.2 Integrity and Anti-corruption

We strictly follow the laws and regulations of the place where we operate, and after taking into account operation of the Company and insights from supervision, have refined the Code and Standards for Supervision (《監察行為準則規範》), the Measures for Whistleblowing and Complaints Management of Dekon Group (《德康集團舉報·投訴管理辦法》) and the Integrity Management Standards of Dekon Group (《德康集團廉潔管理標準》), which effectively increase the quality of whistleblowing, strengthen whistleblower trust and deepen the culture of integrity.

We require our employees to sign integrity regulations, which explicitly prohibit them from soliciting or accepting undue benefits from suppliers and offering bribes to related personnel. We have signed anti-corruption and integrity commitment letters with general managers and above executives of purchasing, sales, engineering, finance, and regional companies, and all matters involving anti-corruption cases will be reported to the regional companies and the Board of Directors at the first time after they are verified. The Company regularly conducts business ethics and anti-corruption training for board members, management, employees and suppliers, and requires suppliers to similarly comply with integrity requirements.

Anti-corruption Measures

We sign an “Integrity and Self-discipline Commitment” with all employees and incorporates it into labor contracts. All suppliers are required to undergo background checks during the admission process and are bound by contractual terms to ensure their integrity. “Sunshine Disclosure” posters are posted at all partner farms, publicizing supervision channels. The Company strictly investigates and addresses all types of violations of rules and disciplines. The related personnel who cross the Group’s bottom line will be dismissed in accordance with regulations, and if suspected of illegal or criminal activities, such personnel will be referred to judicial authorities for criminal responsibility, with all involved persons included in the Anti-Fraud Alliance blacklist.

During the year, among the various case clues involving infringement of the Group’s interests accepted by the Company’s supervision department, a total of 8 cases were transferred to public security authorities for case filing and investigation upon preliminary inquiry. During the Reporting Period, the Company was not involved in any verified material¹ illegal or non-compliance incidents such as corruption and bribery.

Whistleblowing Mechanism

We have improved our reporting acceptance and incentive mechanisms, achieving full acceptance and complete handling of all types of reports without any omissions. Positive incentive measures for reporting rewards have been implemented to fully mobilize the supervisory enthusiasm of all staff. Relying on reporting clues and professional supervision and verification strategies, we conduct precise investigations, effectively recovering direct economic losses, and truly achieving a dual improvement in supervisory effectiveness and value creation.

Relevant systems	The Company has established systems such as the Measures for Whistleblowing Management and Reward and the Punishment Management Regulations to secure integrity operation.
Reporting Channel	To encourage both internal and external supervision, the Company has established multiple channels, including a dedicated reporting email address, mini programs, a 24-hour hotline, and on-site reporting options, to ensure smooth communication and confidentiality.
Incentive mechanism	Divided into 4 major categories, with 4 criteria per category, totaling 16 incentive categories

¹ Confirmed major events or illegal activities refer to the events recognized by judicial authorities as major illegal activities or events that result in direct losses greater than or equal to 1% of the consolidated operating income.

Whistleblower Protection

We have set forth the principle of confidentiality for all whistleblowing information in systems such as the Audit and Supervision Reporting System of Dekon Group (《德康集團審計監察舉報制度》) and the Measures for Whistleblowing Management to ensure the personal safety of whistleblowers. The Company allows anonymous reporting, stipulates that the personal information of the whistleblower shall not be verified without authorisation for the anonymous reports, and meanwhile, any form of retaliation is strictly prohibited and a follow-up tracking mechanism is established to ensure that the rights and interests of whistleblowers are fully protected. For the intentional leaking of the whistleblower's information or retaliating against the whistleblower, we will take serious actions once verified.

Integrity Culture Building

We emphasize the integrity culture building and conduct integrity promotion and training for all employees. In 2025, we invited economic crime investigators from the public security department to provide on-site anti-corruption training, with over ten thousand employees participating. In 2025, the Company launched the “Dekon Supervision” official WeChat account and regularly published posts on knowledge and cases related to integrity and anti-corruption, reaching over 6,000 users, with an average of more than 2,600 views per post. At the same time, the Company participated in anti-fraud summits and forums, sharing experiences in anti-fraud practice, and promoting the implementation of business ethics and anti-fraud work.

Cases

Organizing Specialized Integrity Training

In 2025, we organized a total of more than 35 integrity education training sessions, covering key scenarios and core positions such as onboarding, promotion, young cadres, and senior management training. Over 4,500 participants were involved in the training sessions for pig, poultry and other sectors.



Caption: Specialized Integrity Training

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1.3.3 Intellectual Property Protection

We strictly comply with the Civil Code of the People's Republic of China, the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China and other relevant laws and regulations relating to the protection of intellectual property rights, fully implements the protection of intellectual property rights, attaches importance to the establishment of intellectual property rights management norms, and strictly protects our intellectual property rights. In 2025, we are not aware of any intellectual property rights infringement that has a significant impact on the Company.

In 2025, we actively pursued scientific and technological innovation and safeguarded our intellectual property through patent applications and other measures. During the year, the Company obtained authorization for 3 new utility model patents, and participated in 15 national and local scientific and technological research projects.

1.4 Investor Interests Protection

We attach great importance to protecting the legitimate rights and interests of investors, always ensuring a transparent, efficient, and diverse communication mechanism to safeguard investors' right to be informed, right to participate, and right to supervise, continuously building a sound investor relations management system.

We have established comprehensive and multi-level channels for investor communication, covering information disclosures on the Hong Kong Stock Exchange and the Company's official website, dedicated investor relations phone lines and email addresses, annual general meetings, results briefings, online and offline investor conferences, one-on-one communication with institutions, broker strategy meetings, on-site research visits, and other diversified approaches to ensure smooth and timely interaction with all types of investors.

In 2025, the Company published a total of 93 announcements, organized and participated in 216 investor communication meetings, connected with more than 410 investment institutions including private equity funds, public funds, foreign funds, insurance capital, family offices, and industry capital, and organized 15 on-site visits for investors to the business frontlines to conduct field research, fully listening to investors' demands and conveying the Company's development concept and operational situation.

1.5 Optimizing Value Chain Management

To strengthen the management and supervision of the supply chain, we have formulated and implemented the "Supplier Management Standards", "Supplier ESG Assessment Mechanism Standards", "Supplier Product Quality Assessment and Requirements", and the "Statistical Mechanism for Establishing Local Procurement Indicators". Combined with the business structure, we conduct precise management in key areas such as procurement and farmers.

Supplier Admission Mechanism

We strictly regulate the admission process for suppliers, with the entire supplier lifecycle management being completed through the SRM (Supplier Relationship Management) system. Before admission, suppliers are required to complete registration in the said system, and relevant departments will assess suppliers in terms of finance, R&D, services and other aspects, and score them from three dimensions: procurement, technology, and quality management. After passing the assessment, suppliers shall submit relevant information for platform admission review. Only upon successful review can they proceed with transactions.

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During the supplier qualification review process, we categorize selection indications into three tiers: mandatory, important, and reference.

Mandatory indicator	The qualifications of suppliers and the materials supplied must comply with the requirements of national laws and regulations. Those do not meet the requirements of this tier will be excluded
Key indicators	Including technological advancement, quality stability, safety assurance, production safety and environmental protection
Reference indicators	Supplier's financial status, service capability, industry influence, and business reputation, etc.

Meanwhile, we pay close attention to the performance of suppliers in three aspects: product quality, biosafety, and integrity in cooperation.

Product quality	The products shall be free from any adulteration or counterfeiting and shall be within their shelf life, and their quality shall strictly comply with the quality requirements agreed upon in the contract between both parties. The products, packaging and labels shall conform to the relevant national laws and regulations.
Biosafety	The supplied products shall be effectively disinfected during our procurement, production, storage and other links, so as to ensure that the factory environment and materials themselves are free from African swine fever virus. The cartons of the supplied products shall be coated with no less than three layers of film upon factory release to ensure the integrity of the plastic film upon arrival.
Integrity in cooperation	No cash (such as intermediary fees, service fees, etc.), other in-kind items, travel, banquets, services or activities in any other forms, or commercial benefits and conveniences of any kind shall be provided to the relevant personnel of the Company, as well as their family members.

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Supplier Assessment Mechanism

We established an ESG assessment mechanism for suppliers, focusing on the assessment of suppliers from eight aspects. During the year, the Company conducted investigations on the environmental and social performance of suppliers through various means such as information search and on-site inspections, and basically realized full coverage.

Assessment Aspects	Assessment Indicators
Resource Utilization Efficiency	<ul style="list-style-type: none"> • Energy • Water resources • Raw materials
Pollutant Emissions and Treatment	<ul style="list-style-type: none"> • Waste water • Waste gas • Waste
Environmental Management System	<ul style="list-style-type: none"> • Certification status • Environmental policy
Labor Rights	<ul style="list-style-type: none"> • Employment relationship • Working conditions • Wages and benefits
Human Rights and Community Development	<ul style="list-style-type: none"> • Protection of human rights • Community participation
Product Responsibility	<ul style="list-style-type: none"> • Quality and safety • Consumer rights
Governance Structure	<ul style="list-style-type: none"> • The Board of Directors • Decision-making mechanism
Compliance Management	<ul style="list-style-type: none"> • Laws and regulations • Business ethics

We conduct an annual performance evaluation for all our active suppliers. The evaluation assesses and scores suppliers based on indicators such as corporate qualifications, product quality, technology, service, and cost-effectiveness, with the results being documented and retained. In addition, we specify quality management certification standards and conduct regular on-site spot checks of relevant supplier qualifications. For potential suppliers who have not yet obtained the target certifications, we provide necessary certification guidance and support, share relevant standards and requirements, and assist them in establishing or improving their quality management systems.

Supplier Communication and Coordination

We have established a regular communication mechanism with suppliers, maintaining contact at least once a month through various online and offline methods to promptly resolve issues arising from the collaboration. In terms of supplier training, we conduct systematic training on a quarterly basis to introduce the Company's culture and values to our partners. The training covers areas such as selection and evaluation, relationship management, performance management, risk management, social responsibility, and procurement contract management. In 2025, we conducted multiple training sessions for suppliers on topics including system usage and biosecurity, achieving 100% supplier training coverage.

Case:

The Company Conducts Training on the New SRM-ERP System Operation for Suppliers

In July 2025, to enhance the efficiency of supplier management, we launched the SRM (Supplier Relationship Management) and ERP (Enterprise Resource Planning) systems. To support the implementation and supplier-side operations, we conducted both on-site and live online training sessions for all suppliers of the Group. These sessions addressed and resolved queries raised by suppliers, facilitated smooth supplier-side operations, and steadily advanced the rollout of the new systems.



Caption: On-site Training for Suppliers on the New System

Case:

Jiang'an Dekon Conducts Biosecurity Training for Logistics Suppliers

In September 2025, to address the summer ASF prevention efforts, Jiang'an Dekon, a subsidiary, conducted systematic biosecurity training for high-risk logistics suppliers. The training covered processes from cleaning and disinfection to transportation routes. Suppliers were strictly required to carry out logistics operations in accordance with Dekon's biosecurity requirements, maintaining rigorous vigilance to prevent any issues during logistics that could lead to risks. Following the training sessions, all suppliers strictly complied with the requirements, deeply cooperated with the Group's biosecurity control efforts, and achieved zero risk incidents.



Caption: On-site Biosecurity Training for Suppliers

Procurement Quality Control

In 2025, we focused on four core areas: raw material quality control, enhancement of supplier certifications, deepening of on-site audits, and implementation of handover improvements, to build a full-chain procurement quality control system. Through initiatives such as promoting system certifications, conducting tiered audits, and implementing targeted improvements, we achieved a dual enhancement in both supplier quality capabilities and supply chain stability.

Raw Material Quality Control

Our raw materials primarily consist of feed, feed ingredients, and veterinary drugs and vaccines. We have adopted a centralized procurement strategy, with most raw materials procured in bulk by headquarters to achieve economies of scale and quality control, and have entered into strategic cooperation framework agreements with key partners.

We have established a four-dimensional access mechanism of “qualification review + sample evaluation + on-site inspection + dynamic assessment”, strictly verifying suppliers' business licenses, production permits, product approvals, and third-party test reports. We implement an acceptance process of “batch-by-batch inspection + random sampling inspection”, returning non-compliant raw materials and simultaneously adjusting the procurement proportion for the relevant supplier.

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On-site Audit	We strengthen process control by establishing a three-dimensional audit mechanism of “regular audit + unannounced inspection + special audit”. The audit scope covers all aspects of supplier operations, including production workshops, raw material/finished goods warehouses, laboratories, and quality control processes. Audit standards are aligned with the requirements of the Feed Quality and Safety Management Regulations and ISO systems, with a focus on verifying the compliance of production equipment, testing capabilities, traceability systems, and the disposal of non-conforming products.
Supplier Improvement Initiatives	<p>In response to pain points in the supplier handover process, such as complex procedures, information asymmetry, and interruptions in quality traceability, we have launched supplier improvement initiatives covering the entire process, including raw material procurement, order delivery, inspection and acceptance, logistics warehousing, and after-sales feedback.</p> <p>In 2025, in accordance with the Company’s biosecurity prevention and control requirements, we supported suppliers in upgrading their production facilities and provided advanced technical guidance to empower their transformation and development. During the reporting period, the Company facilitated over 20 special improvement initiatives for feed suppliers, covering key link in the suppliers’ production processes such as vehicle cleaning and disinfection, material disinfection, site prevention and production process control.</p>

Promoting Localized Procurement

We have refined supplier segmentation, expanded the geographical procurement footprint, strengthened information system development, and deepened collaboration with both new and existing suppliers. Our efforts to promote localized procurement have achieved significant results, not only enhancing supply stability, reducing transportation and procurement costs, strengthening quality control, and accelerating response times, but also fostering regional economic development and building a sound industrial ecosystem.

In 2025, the Company continued to optimize its supplier structure and diversify its procurement channels, with inclusion of 3,421 new suppliers. As at the end of 2025, our total number of suppliers was 5,333, all based in Chinese Mainland.

Among them, there are 2,548 local suppliers, accounting for 47.78%. The development of new partner businesses will create more employment opportunities, drive the growth of related industries, and contribute to local economic growth.

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Supporting Small and Medium-sized Local Suppliers

In 2025, in the procurement of feed and raw materials, we adhered to the principles of “prioritising local sourcing, supporting SMEs and pursuing coordinated development”. Through four key measures — preferential procurement allocation, financial and technical empowerment, process optimisation and supply chain co-development — we supported local small and medium-sized suppliers in improving quality and efficiency while promoting their stable development.

<p>Access and Preferential Procurement</p>	<ul style="list-style-type: none"> • “Green channel” for local/SME suppliers, lowering entry barriers. • Prioritising locally sourced products that meet quality standards when prices are comparable or slightly higher.
<p>Financial and Funding Support</p>	<ul style="list-style-type: none"> • For small and medium-sized local suppliers, the Group has appropriately shortened the standard payment cycle to effectively alleviate their liquidity pressure. • For seasonal raw materials (such as locally sourced corn and wheat), the Group makes prepayments in advance to assist suppliers in securing supply and reducing procurement costs.
<p>Technical and Management Support</p>	<ul style="list-style-type: none"> • Technical personnel are dispatched to provide on-site guidance to assist local suppliers in improving warehouse management and production processes. • The Group promotes the integration of small and medium-sized local suppliers into its procurement collaboration platform, enabling the full digitalisation of order placement, shipment, acceptance and settlement processes. The Group also shares market information and price trend updates to assist suppliers in planning production and mitigating price risks.

Integrity Supervision of Suppliers

In 2025, the Company established institutional documents including the Administrative Measures for Procurement Integrity (《關於採購廉潔管理辦法》) and the Dekon Group Whistleblowing and Complaint Management Measures (《德康集團舉報投訴管理辦法》). These documents clearly stipulate disciplinary requirements, precautions, and other standards governing interactions and cooperation between employees and suppliers. At the same time, qualified suppliers are required to sign the Dekon Group Integrity Management Agreement (《德康集團廉潔管理協議》), and relevant integrity provisions and liabilities for breach are specified in contractual agreements.

When selecting business partners, the Company conducts comprehensive background checks. In addition, employees involved in business dealings with business partners are provided with integrity training to ensure that they understand the Company's policies and requirements and are equipped with the knowledge to identify and prevent corruption and bribery risks. The Company has also established whistleblowing channels and encourages employees, business partners and other relevant parties to report suspected corruption or bribery. We also protect whistleblowers to ensure their safety and confidentiality. Where a business partner is confirmed to have engaged in corruption or bribery, the Company will take disciplinary actions in accordance with contractual agreements and relevant policies. Such measures may include, but are not limited to, termination of cooperation, pursuit of economic compensation and inclusion on the Company's blacklist.

1.6 Customer Service Management

We has formulated relevant management systems such as the Commercial Pig Sales File Management Standard of Dekon Group, the Commercial Pig Sales Supervision Management Standard of Dekon Group, the Commercial Pig Sales Control Process, etc., revised the Feed Customer Complaint Handling System during the year, and actively established standard processes to standardize customer management services, and improve service quality and service level of the Company. In 2025, our customer complaint response rate and customer complaint case closure rate both reached 100%.

Customer information management

- The Company primarily engages in the sale of live pigs and poultry. Leveraging product characteristics and market demand, it has established a comprehensive sales and customer management system. The poultry business utilizes the CRM (Customer Relationship Management System) to standardize customer information management. New customer data, including identity information, business licenses, contact details, and bank account numbers, are uniformly entered by regional sales personnel. These records are then reviewed and archived by the headquarters' marketing department to ensure the customer files are authentic, complete, and traceable.
- For the feed supply chain, the Company employs the digital Yida platform to establish communication channels with customers. This ensures the security, completeness, and compliance of information while streamlining customer data and sales orders, thereby delivering a more efficient and precise service experience to customers.

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<p>Sales order management</p>	<ul style="list-style-type: none"> • The Company implements strict application and approval procedures for key processes such as slaughter plans, new customer acquisition, price management, and order planning, ensuring clear responsibilities and standardized processes. • On the farming side, feed is produced on demand to ensure stable supply and avoid excessive accumulation. • Sales orders in the poultry business are managed and controlled through the CRM (Customer Relationship Management System) to ensure complete and standardized order information. Strict application and approval procedures are followed for slaughter plans, new customer acquisition, guideline pricing, order planning, and price adjustments, ensuring process standardization.
<p>Customer complaints management</p>	<ul style="list-style-type: none"> • When receiving complaints from farming clients, the matter shall be reported to the plant manager within 2 hours. The plant manager is responsible for overseeing the complaint handling process, organizing relevant personnel or departments to conduct root cause analysis, approving corrective measures, and following up on implementation. After the complaint is resolved, the head of the plant's Quality Management Department is responsible for conducting a complaint follow-up and completing the Customer Complaint Handling Record, while continuously tracking product usage, service, and improvements. • Each company and the Marketing Department of the Poultry Business Unit shall designate designated personnel to receive customer complaints. These personnel are responsible for accepting complaints and forwarding them to the appropriate responsible parties based on the complaint classification and handling requirements. • According to the content of the appeal and the degree of influence, the complaints are divided into complaints, general complaints, major complaints, and implemented graded acceptance and graded disposal. Ensure timely response and proper resolution to safeguard the legitimate rights and interests of customers. The company requires that general complaints be replied to customers within 2 days; Major complaints should be handled by the company's responsible person and the head of the marketing department, and the customer should be replied to within 5 days. • Each business unit's marketing department sets up a customer complaint handling person, responsible for accepting customer complaints, providing feedback to the corresponding handling responsible person based on complaint classification and customer demands, and registering the "Customer Complaint Handling Record". • Upon receiving a complaint from a customer at the breeding end, the recipient shall report it to the factory manager within 2 hours. The factory manager shall coordinate the handling of the complaint, organize relevant personnel or departments to analyze the reasons, approve disposal measures and track their implementation. After the complaint is processed, the recipient is responsible for complaint follow-up and continuous tracking of product use, service, and improvement. The person in charge of factory quality management is responsible for organizing relevant functional departments to conduct root cause analysis, develop corrective and preventive measures, establish a continuous improvement mechanism, and continuously improve the quality of factory products and services.

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Customer privacy protection

We strictly abide by the Cyber Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and other relevant information security laws and regulations, promises that the collected customer information will only be used for business cooperation, and actively responds to the principle of "minimizing collection" to avoid contact with unnecessary or sensitive information beyond the necessary scope. The Company has formulated corresponding access rights and confidentiality measures, provided information security awareness training for its employees to make every effort to prevent customer information from being leaked.

II. INNOVATION-DRIVEN INDUSTRIAL UPGRADING

Dekon upholds the philosophy of "a mindset of farming for food and producing food for health", aligning with the trend of industrial transformation and upgrading to comprehensively advance its digital transformation, carries out in-depth digital transformation, promotes the visualization of the whole process from production to marketing through a high degree of integration with digital technology and advanced management, so as to realize the full traceability, safety and controllability of food supply chain. The Company adheres to building a world-class genetic resource and breeding system, constantly optimizes our breeding and farming system, in order to boost overall breeding efficiency, continuously improve the food ecosystem from source to the end, and promote the high-quality development of the agriculture and animal husbandry industry.

2.1 Technological innovation empowering development

Dekon places high importance on and encourages technological innovation, continuously increasing investment in research and development. The Company focuses on building a replicable, efficient, and standardized technological innovation management system to facilitate the effective transformation of technological achievements, thereby consistently creating value for the Company and its cooperative farmers. In 2025, the Company's research and development investment amounted to RMB280 million.

2.1.1 Technology innovation management

We deepened the integration of industry, academia, research, and application, improved our R&D management mechanisms, removed barriers between laboratories and frontline farming operations, and established a "1+N" collaborative R&D system; We deepened collaboration with domestic and overseas top-tier agricultural universities and research institutions, establish postdoctoral workstations, and encourage researchers to engage directly with production lines to ensure that R&D initiatives are aligned with actual production needs; and we established an expert technical committee to conduct rigorous project evaluation and phased assessments for new technologies, new products, and new solutions, ensuring precise and efficient allocation of R&D resources.

As of the end of the reporting period, Dekon owned 2 national core pig breeding farms, 1 national core broiler breeding farm, and 1 national Huiyang bearded chicken conservation farm. It also had 15 African swine fever-free zones at the national level and 10 national pseudorabies-free farms. Dekon breeding pigs have also been widely recognized in the market. During the reporting period, the Company added 3 national African swine fever-free farming zones and 2 national animal disease-free farms.

2.1.2 Science-based Production Management

We emphasize the science-based management of production. Through a series of management measures such as intelligence-enabled approach and lean management, we strive to improve the efficiency and quality of breeding production. We stay focused to the key links of production, make key control over the source of feed and the operation of family farms in all respects and in a strict manner, to ensure the safety and efficiency of production.

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Control over the Source of Feed

We have implemented standardized and systematic management as key measures to establish a comprehensive quality control and institutional assurance system across the entire process, continuously enhancing operational standardization and the capacity to safeguard feed safety.

- Develop a comprehensive institutional management system by preparing a white paper on management system of feed sector for production, biosecurity, supervision, nutrition application, administrative integration, finance, quality management, procurement and other aspects, thereby providing full institutional support for the production safety and quality management of feed.
- Establish whole-process quality control standards covering the whole chain of raw material procurement, production processing, and transportation and distribution. Strictly comply with national regulatory requirements, proactively align with advanced international standards, and develop an internal quality control system that is more stringent than national standards with comprehensive inspection, testing, and process control procedures.
- Advance the integration and upgrading of the institutional framework, with the Feed Quality and Safety Management Regulations, group policies, and the quality management system as the core pillars. Three core standards and 39 quality management regulations have been revised, published, and fully implemented.
- Strengthen the factory quality system construction, with feed factories strictly implementing the Feed Quality and Safety Management Regulations; The Songtao factory obtained ISO 9001 certification, while the Luoding factory completed a gap analysis for ISO 9001 certification and has now entered the phase of benchmarking its system documentation.
- Improve the raw material quality collaborative management mechanism, establish scientific and standardized raw material quality control standards, and achieve multi-department collaboration in quality assessment and risk control to enhance the quality governance level of the supply chain.

Supplier Screening and Raw Material Management	Establish a comprehensive supplier evaluation system and select high-quality suppliers through on-site inspections of production areas; implement strict quality control standards and full-process traceability management, standardize the warehousing and use of raw materials, and ensure that the quality and safety of raw materials are controllable.
Supply Chain Quality Improvement	Strengthen source and process prevention and control, and implement full-process biosecurity management and control; achieve closed-loop quality control and continuous improvement by carrying out special quality improvement actions, establishing a collaborative mechanism of “separation of three powers” for technology, procurement and quality, and building an information management platform.
Feed Formula Optimization	Continuously optimize formulas, promote low-protein and low-soybean meal diets, develop and use local raw materials according to local conditions, apply high-efficiency enzymes to improve diet digestibility, and design formulas based on the precise needs of different species and growth stages.
Feed Production Process Control:	Implement a system of dedicated production lines, strict site cleaning, precise batching and double-person review; carry out refined management in terms of job responsibilities, equipment operation and maintenance, and safe production to ensure the standardization and efficiency of the production process.

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Raw and Auxiliary Materials Acceptance

Focusing on the entire industry chain, the Company has shifted risk management upstream to the origin and supply side. We conduct mandatory on-site inspections and routine unannounced audits for high-risk raw material suppliers, and strictly enforce the supplier blacklist system to ensure feed safety at the source. In the acceptance process for raw and auxiliary materials, we have comprehensively promoted the Enzyme-Linked Immunosorbent Assay (ELISA) rapid testing technology, ensuring that before products of raw and auxiliary materials leave the factory, batch-by-batch testing is implemented.

Acceptance Standard	Establish a full-range acceptance standard and formulate the Acceptance Standards for Bulk Feed Raw Materials, specifying the main component indicators and hygiene indicators for 10 categories of raw materials, with strict limits on mycotoxins, heavy metals and other parameters specified in the hygiene indicators.
Acceptance Procedure	Strictly implement the acceptance management process of “Five Inspections and Two Tests”. Raw and auxiliary materials shall undergo five inspections: qualification documents, packaging, labels, quantity and organoleptic properties, as well as physical, chemical and hygiene indicator testing. Non-conforming products shall be re-inspected, returned or claimed in accordance with procedures to prevent them from entering production.
Audit and Improvement	The Company continuously strengthens the supplier audit integration, and incorporate the acceptance pass rate and frequency of non-conformance into supplier tiered assessments. Grade A suppliers (with a pass rate $\geq 99.5\%$) are eligible for priority purchasing and allocation preference. For unqualified products, an “Unqualified Raw Material Disposal Ledger” was established to specify procedures for returns, exchanges, and claims, thereby forcing suppliers to improve delivery quality.

Family Farm Management and Services

Guided by our original aspiration of serving agriculture, rural areas and farmers, and connecting with and supporting farmers, we have enhanced the stability and technical competence of cooperative farmers through professional technical services and innovative organizational models, helping small and medium-sized breeders become modern farmers equipped with advanced technologies and management capabilities, and achieving sound and mutual development between the enterprise and farmers.

Selection	<ul style="list-style-type: none"> We have established a comprehensive evaluation standard to select farmers by assessing their financial resources, educational background, credibility, family farm conditions, as well as their knowledge and technical capabilities.
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<p>Management</p>	<ul style="list-style-type: none"> • We assist farmers with farm site selection and design. Production management specialists regularly visit family farms to supervise and provide guidance, inspect key production links on site including immunization, breeding, farrowing, weaning, and marketing, and verify the quantity and health status of live pigs. • For abnormal deaths or illnesses of pigs/poultry, the company implements a strict “immediate reporting on-site verification compliance disposal” process. The specialist must confirm on site after receiving the report, and then carry out harmless treatment in accordance with regulations to cut off the transmission route of the disease from the source and ensure regional biological safety. • We require farmers to comply with applicable laws and regulations, advocate a compliance culture among them, and cooperate with internal control measures to ensure their compliant operations. • A strict withdrawal period management system is implemented to ensure that all live pigs and broilers complete the mandatory withdrawal period before sampling for drug residue testing. We have also established a dedicated drug residue testing system, and provide regular training and supervision on testing personnel’s operations to guarantee the accuracy and stability of testing results.
<p>Supervision</p>	<ul style="list-style-type: none"> • Regular inspections are conducted to verify whether family farm operations meet required standards, and to assess and document the status and quantity of biological assets at family farms. • The internal audit department maintains and regularly reviews records of biological assets, including those held at family farms. • A comprehensive inventory of each family farm is required on a monthly basis.
<p>Training</p>	<ul style="list-style-type: none"> • We attach great importance to farmers’ professional competence and practical skills. In 2025, the company provided over 82,000 specialized training sessions for cooperative farmers, with a total of over 210,000 empowerment training sessions in the past three years (2023–2025). • We issue feeding management standards and manuals to farmers, and assign regional technical managers to provide small-group and one-on-one technical coaching courses.

2.2 Food Safety and Quality

Based on the industrial chain, supported by leading technologies, and guided by a sound food safety management system and standards, we take food safety culture as the guarantee. We implement the main responsibility of food safety, and ensure food safety throughout the whole chain from farm to table.

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2.2.1 Whole-Chain Quality Control System

The Company regards product quality and safety as its lifeline. In strict compliance with relevant laws and regulations, including the Food Safety Law of the People's Republic of China and the Law on Quality and Safety of Agricultural Products of the People's Republic of China, as well as international standards, we have established and continuously refined a systematic quality management system covering the entire industrial chain. This ensures that every stage, from raw materials to finished products, is under strict control, thereby providing consumers with safe and premium products.

Institutionalized Management and Standard Upgrades

- We have established 54 quality management protocols covering the entire industrial chain. In 2025, we introduced new policies such as the Quality Control and Assessment Plan (Trial) and initiated the revision of 31 quality management documents. During the year, two of our food processing plants obtained nine certifications, including ISO 22000, ISO 9001, HACCP, and FSSC22000.
- We implement rigorous quality control and food safety management systems. By fully leveraging laboratory resources for food safety testing, actively collaborating with external agencies for product sampling, and strengthening employee training on biosafety and food safety, we ensure that food safety requirements are comprehensively integrated into every stage of our operations.
- We launched the “Weekly Quality Improvement Initiative”, covering areas such as effluent control, trimming quality, foreign object management, and workshop hygiene. Through weekly tracking and monthly reporting, we drive continuous quality enhancement.

Control Measures for Critical Stages

Physical Segregation and Process Control	Facility layouts ensure the separation of clean and contaminated zones. Personnel and material flow channels are distinct to prevent cross-contamination. Production processes are rationally designed to eliminate crossover and reverse flows.
Temperature and Time Control	We adopt a “low-temperature, rapid-transfer” approach to inhibit microbial growth. Full-process temperature monitoring is implemented during storage and transportation for products requiring temperature control.
Cleaning and Disinfection	Upon completion of production, equipment, tools, and premises undergo thorough cleaning and effective disinfection. Standardized handwashing and disinfection facilities are provided. Employees are supervised to strictly adhere to hygiene protocols, with sampling and testing conducted to verify effectiveness.
Metal Foreign Object Control	Metal detection equipment is installed at critical process stages (e.g., post-cutting and pre-packaging) and calibrated regularly. Any detected products are isolated for analysis.
Hygiene Monitoring	Regular microbiological monitoring is conducted on the production environment (including air, equipment surfaces, and contact points), processing water/ice, and employees' hands to assess hygiene status.

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Product Inspection and Release	Every batch of ex-factory products undergoes inspection and testing. Release is authorized only upon confirmation of compliance with food safety standards and customer requirements.
Labeling and Protection	Product packaging features clear and accurate labeling in compliance with regulatory requirements. Appropriate protective measures are taken during storage and transportation to prevent contamination and damage.
Informatization Management	We actively utilize digital tools, including quality management software, traceability systems, and temperature data loggers, to enhance management efficiency and precision.

2.2.2 Food Safety System Upgrading

The Company strictly abides by the latest national laws and regulations concerning food safety, takes the initiative to implement policy update requirements, and achieved zero occurrences of major food safety incidents, batch quality accidents, issues related to mandatory labeling and supporting certificates, and product quality accidents throughout the year. The qualified rate of official random inspections reached 100%, effectively ensuring food quality and safety.

- **Quality Culture Development:** An annual training plan has been formulated, and activities such as “Quality Month” and “Weekly Training” have been carried out to enhance employees’ professional competence and quality awareness. A total of 49 training sessions were held throughout the year, fostering a sound atmosphere where all employees attach importance to quality;
- **Management System Certification Upgrade:** Cooperated with a number of authoritative third-party certification bodies to complete various system certifications including ISO9001, ISO22000, HACCP and FSSC22000, supporting food safety control with high-standard systems.
- **Professional Prevention and Control & Environmental Management:** Entrusted professional third-party institutions to implement pest and rodent control, further improving the food safety protection capability and management standardization of the factory area.
- **Supply Chain and Risk Control:** Strictly managed the supplier access process, implemented batch-by-batch inspection and whole-process traceability for externally purchased materials and live pigs, dynamically updated laws, regulations and standards, and formulated risk monitoring plans to achieve dual control over the source and process.
- **Normalized Safety Control:** The food safety team regularly conducted self-inspections, emergency drills and system audits. Full-item testing of production water and products was entrusted to third parties annually, strictly adhering to the bottom line of food safety.
- **Continuous Quality Improvement:** Promoted QC teams and special improvement actions to targetedly resolve key quality pain points, continuously optimize operation procedures, and consolidate the foundation of whole-chain quality and safety.

2.2.3 Product Traceability Management

We have constructed a traceability system covering breeding pigs, commercial finishing pigs, commercial piglets, yellow-feathered broiler chicks and commercial broilers, realizing the whole-process tracking of product flow and downstream information. We also conduct traceability management of chicks, feed, vaccines, pharmaceuticals and suppliers through information systems.

- In accordance with relevant regulatory requirements, a feed and food recall system has been established, implementing the mechanism of “Emergency Initiation and Traceability → Notification and Withdrawal → Disposal and Improvement”. Simulated recall drills are carried out regularly with records retained;
- Feed factories are gradually promoting the online feed quality management project, and food factories are steadily advancing digital systems to achieve whole-process traceability;
- Focusing on the digital upgrade of the entire industrial chain, we have broken down data silos in breeding, processing, sales and other links. Relying on the information-based MS production management system, real-time collection, dynamic tracking and online monitoring of production process data are realized, forming a closed-loop whole-chain traceability from the consumer end to the breeding end, and achieving accurate and real-time traceability information.

2.3 Animal Health and Biosafety Management

The Company regards animal health as the source and key to food safety, adhering to the philosophy that “management is more important than breeding, breeding is more important than prevention, and prevention is more important than treatment”. By constructing a stringent biosecurity system, scientific disease eradication technologies, and strict veterinary drug and antibiotic management, we are committed to building a resilient organization, ensuring excellent quality from the farming end to the consumer’s table.

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2.3.1 Biosecurity Prevention and Control System

We deeply integrate biosecurity into our corporate operations. By shaping the cultural concept of “three all-staff approaches” and building a hardcore “four-in-one” prevention and control system, we systematically build a resilient organization to enhance our ability to resist disease risks.

“Three all-staff approaches”: We strive to make biosecurity a conscious action for all employees, laying a solid foundation by unifying understanding, empowering skills, and clarifying responsibilities.

All-staff awareness	Through continuous advocacy and leadership by example, ensure all employees deeply understand that biosecurity is the lifeline of the business, establishing a unified sense of risk awareness.
All-staff skills	Provide systematic training and standardized tools (such as SOPs) to ensure employees at all levels possess the ability to translate awareness into correct actions.
All-staff responsibility	Clearly include safety responsibilities in job descriptions and link them to performance appraisals, creating a binding constraint to ensure implementation.

“Four-in-one” prevention and control network: Driven by cutting-edge technology, we have constructed a three-dimensional prevention and control system covering hardware, processes, early warning, and response.

Hardware barrier	By establishing site selection standards for pig farm, three-level protection zones, and multi-level disinfection stations, we achieve structured physical isolation of pathogens.
Process control	We develop full-chain standardized operating procedures for key flows such as “people, vehicles, materials, and pigs”, and leverage IT systems and mobile terminals to achieve digital and visualized management.
Risk early warning	We establish multi-dimensional early warning standards covering the environment, seasons, and regions, enabling dynamic risk assessment and data-driven decision support.
Anomaly response	We establish standardized mechanisms for anomaly tracing and rapid remediation to ensure risks are eliminated promptly, maximizing operational continuity.

Case

In the first quarter of 2025, we launched a special campaign for all-staff training and proactive prevention and control of biosecurity in rainy season. This initiative involved conducting an “online special management empowerment session” for management cadres across various lines and regional companies. On the basis of reaching a management consensus, standardized online training and assessment on “basic biosecurity prevention and control during the rainy season” were rolled out for all employees. Simultaneously, four special plans, including the “2025 Biosecurity Management Plan for High-Incidence Disease Seasons”, were optimized and upgraded, establishing an efficient management model of “risk identification — targeted breakthroughs — effect verification — closed-loop management”. This effectively transformed phased prevention and control actions into a replicable long-term management system.

2.3.2 Precise Prevention and Control of Animal Diseases

We have formulated differentiated health management strategies based on the different business characteristics of pigs and poultry, and continue to promote epidemic purification.

Pig Health Management

We have established a “trinity” health management system, with veterinary technology as the core, biosecurity as the barrier, and laboratory testing as the support. In 2025, by deepening the matrix management model of “functional center + regional execution” and implementing the operation mechanism of “vertical management + project system”, we have effectively bridged the “last mile” of technology implementation.

Veterinary technical system	A health management system covering the entire lifecycle has been established, implementing a strategy of “prevention first, precision treatment”. Through a “project-based” model, special task forces have been formed to address major diseases in the industry, enabling cross-regional technical collaboration.
Biosecurity system	A four-tier vertical prevention and control network at the “Group-Region-Cluster-Farm” level has been established, forming an “iron-bucket” defense system centered on physical isolation and process control.
Laboratory testing system	The three-tier testing network of “Headquarters Center — Regional Level — On-site Rapid Testing” has been refined, achieving full coverage from environmental monitoring to pathogen confirmation.

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We have established a sound disease prevention and control system and pig herd health inspection mechanism, formulated detailed disease prevention and control plans, adopted normal prevention and control measures for major diseases such as African Swine Fever (ASF), diarrhea and Porcine Reproductive and Respiratory Syndrome (PRRS), and actively carried out disease purification projects for core breeding and multiplication farms.

Diarrhea	Dekon Group has established a structured “PEDV Prevention and Control System”, encompassing three core modules: training and empowerment, surveillance and monitoring, and emergency response. This system is designed to form a standardized and replicable comprehensive prevention and control solution, aiming to comprehensively enhance the overall capability to manage and control diarrheal diseases.
PRRS	In 2025, the Group’s PRRS prevention and control project achieved an industry-leading level of control through systematic technological development and optimization. During the year, the project focused on enhancing the early warning and management system, supported by comprehensive monitoring, training, and review efforts. These initiatives ultimately led to significant results in wild virus elimination and production stability.

Case:

All-round Skill Improvement for Full Prevention of “African Swine Fever”

In 2025, to enhance the ASF prevention and control capabilities of the veterinary department, we launched a skill improvement initiative at the departmental level across three key areas: ASF prevention education, ASF response drills, and case reviews conducted by veterinarians within each region. This initiative covered 14 regional companies across the entire group. The overall plan was structured with the headquarters department formulating the teaching plans and models, developing relevant materials, and auditing both processes and results. Meanwhile, the veterinary departments of the regional companies produced regional instructional videos, uploaded them to the platform, and organized frontline staff to study them comprehensively. They promoted unified prevention awareness, conducted regional ASF response drills, provided mentorship on key skills, and produced regional case reviews.

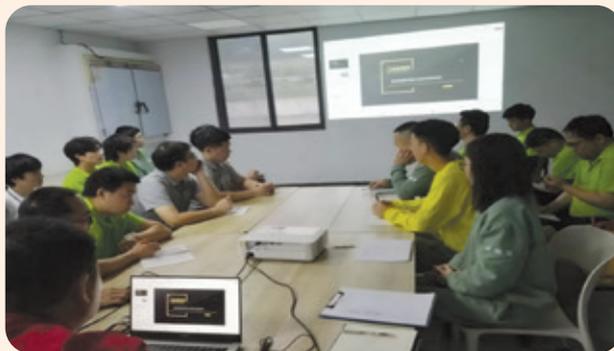


Figure: Organizing emergency response drills

Our health testing center is equipped with 44 laboratories at different levels, which continuously develop innovative testing methods and continuously optimize testing costs under the premise of ensuring the accuracy and reliability of test results. In 2025, leveraging its quality management system, software and hardware equipment and facilities, and inspection and testing technical capabilities that conform to international standards, the Company further enhanced its animal health monitoring level.

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Poultry Health Management

In the poultry production process, the Company strictly implements the responsibility system for animal health management, establishes and improves the disease prevention and control system, and formulates and implements scientific immunization procedures, disease monitoring plans, medication standards, and veterinary drug control processes. We have adopted the following strict biosecurity and quality control measures to reduce the risk of disease introduction and spread, and to ensure the health and quality of the chicken flock.

Site Selection and Planning of Breeding Farms	Risk assessments on water quality, air, pathogens and other aspects are conducted during the site selection phase. Chicken houses are planned and constructed in strict accordance with the requirements of biosecurity, breeding zoning, ventilation and lighting, so as to build a solid biosecurity foundation from the source.
Environmental Control	The environmental control equipment of chicken houses has been comprehensively upgraded to stabilize the indoor temperature, humidity and air quality, reducing the risk of epidemic diseases. Environmental control renovation has been carried out for hatcheries. Monthly monitoring of environmental microorganisms and water quality is implemented to strictly control pathogen transmission. The environmental hygiene management of the farm area is standardized, equipped with automated environmental control facilities to provide a comfortable and stable growth environment for the chicken flocks.
Immunization Management	Immunization procedures are formulated based on seasonal and regional characteristics, and immunization operations are standardized. Laboratories have been established for each subsidiary to conduct antibody monitoring and evaluate immunization efficacy, achieving precise prevention and control.
Management Systems for Personnel, Disinfection, etc.	Closed management is adopted for breeding farms, with strict disinfection procedures for the entry and exit of personnel, vehicles and supplies. On-site inspections and disinfection process assessments are conducted monthly to ensure the full implementation of various biosecurity measures.
Other Control Measures	Strict access management is enforced for the farm area, prohibiting the entry of foreign poultry and related products. The management of personnel patrols and inter-house movement is standardized, and the priority patrol sequence is adjusted according to the health status of the chicken flocks.

Starting from healthy chicks, we are committed to reducing the level of pathogens in chicks, such as leukaemia, salmonella, mycoplasma, etc. In 2025, there had been no material animal disease outbreak in our self-operated and family poultry farms.

2.3.3 Antibiotic Reduction and Veterinary Drug Management

We strictly comply with applicable laws and regulations on antibiotic usage, and comprehensively regulate and control antibiotic usage throughout our breeding and production processes. During the year, we recorded zero instance of failed official random inspections, zero case of missed disease detection at pig slaughter, a continuous reduction of antibiotic usage intensity on the farming end, the qualification rate and various detection indicators of drug residue sampling meet the national food safety standards.

Hog Antibiotic Management

We strictly require that market hogs comply with national regulations before sale, undertake pre-market drug residue testing, and retain test reports. Antibiotic use in pigs must strictly observe the withdrawal period for each drug, and no pig should be sold during the withdrawal period. No prohibited drugs are used throughout the entire rearing process. Prohibited drugs and drug residues are under strict control before pigs are marketed; only pigs whose test results meet the required standards may be sold.

Health Management	<p>The Company has established the core principle of “prevention first, targeted treatment”.</p> <ul style="list-style-type: none"> • Through a dual-track vaccine and drug prevention and control programme, common bacterial diseases such as Streptococcus suis and Haemophilus parasuis records a decreased detection rate, and therapeutic antibiotic usage for core diseases is reduced by half. • Based on regional bacterial epidemiology data, a “one farm, one strategy” targeted medication scheme is implemented, reducing drug usage and ensuring that products comply with national standards.
Nutrition and Feed	<p>Since 2020, the Company has fully banned the use of antibiotics in feed and ensured the health of livestock through optimized nutrition programs:</p> <ul style="list-style-type: none"> • By implementing precise staged nutrition and pre-digestion treatment of raw materials to improve the intestinal health of pigs; • By enhancing basic nutrients, adding functional raw materials and providing specialized nutritional support for special physiological stages to boost immunity, thereby effectively reducing dependence on antibiotics.

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Poultry Antibiotic Management

In poultry antibiotic management, we continuously optimise production processes and hardware to safeguard flock health, reduce medication intervention, and improve flock quality.

- In terms of drug selection, we are continuously carrying out experiments on non-antibiotic products such as plant essential oils and herbal extracts to systematically reduce drug use. During production, drug usage is supervised through a rigorous drug requisition and approval mechanism, ensuring compliant and reduced use.
- With regard to flock quality, we implement full-process batch-by-batch monitoring, conducting on-site sampling before each flock goes to market, carrying out laboratory testing before authorising sale, and ensuring compliance with withdrawal periods and drug residue standards. The entire sampling process employs video recorders, machine-printed coded seals, and laboratory surveillance to ensure a closed-loop, traceable testing process and to guarantee the effectiveness of testing.
- In 2025, we fully implemented the “one chicken, one insemination syringe” artificial insemination operation to improve health and egg quality of breeding chickens. Hatcheries conduct weekly sampling quality inspections of breeding eggs from parent farms to promptly feed back quality status and address any quality issues. Breeding eggs from similar farms are incubated centrally according to breed and age, improving the quality of the hatched chicks.

Drug Residue Control and Raw Material Acceptance and Review

In 2025, guided by the principle of “source prevention, process supervision, and end-point detection”, we established a risk prevention and control system covering raw material acceptance, production and processing, and finished product storage across the entire process to strengthen drug residue control. We conduct regional cross-testing monthly, conduct quarterly random inspections of drug residues, hygiene indicators, and other product risk indicators, all of which comply with national standards. The headquarters laboratory has obtained CNAS certification. We continue to train, empower and carry out benchmarking to improve the risk identification and detection skills of frontline business and strengthen internal control measures. Risks have been effectively eliminated timely by identifying abnormal high risks of raw materials. The raw and auxiliary material acceptance specifications are explained by implanting strong information control in business flow, and the problems caused by human factors are avoided.

We strictly implement the medicine withdrawal period management system. All chickens must reach the medicine withdrawal period before sampling for medicine residue testing. We have established a special medicine residue testing system that regularly trains and evaluates the execution of testing personnel to ensure the accuracy of execution and stability of testing. We have established a comprehensive drug residue testing system, using law enforcement recorders to ensure full-process compliance in sampling. Every batch must undergo drug residue testing before slaughter, ensuring that all marketed poultry meets national food safety standards.

In addition, we pay close attention to the updates of residue detection methods and projects from relevant government departments and the industry, and update our medicine residue detection methods in a timely manner. The staff of our production department must provide the medicine residue test report, the status of the medicine withdrawal period of the chickens, the status of the feed withdrawal period, and the sales staff may market the chickens only after all the criteria are met.

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Veterinary Drug and Vaccine Application

We strictly implemented relevant regulations on veterinary drugs and vaccines, guided by the core objective of antibiotic reduction and targeted medication. We roll out a “one farm, one strategy” veterinary drug and vaccine application system and spares no effort to achieve targeted disease prevention and control, and reducing drug residue risks.

Precision Selection, Antibiotic Reduction at Source	Based on the epidemiological characteristics of different regions, we carry out routine monitoring and resistance testing. In accordance with the annual resistance analysis report, we prohibit the use of prohibited drugs, expired vaccines, and highly resistant medications. We prioritize the selection of residue-free, low-resistance products, and establish a three-tier selection list tailored to the actual needs of each farm.
Differentiated Formulation, Precision Execution	Based on farm scale, growth stage, and prevention and control capabilities, differentiated application plans are formulated with clear standards and processes for each farm, eliminating blind and excessive medication.
Full Archiving, Traceable Management	Dedicated files are established for each farm and each household (“one farm, one file; one household, one file”), with dedicated personnel conducting dynamic management to ensure full traceability and support performance evaluation.
Dynamic Optimization, Continuous Improvement	Through continuous optimization, the plans are kept in line with actual prevention and control needs and antibiotic reduction requirements, promoting more scientific, precise, and environmentally-friendly medication use, and effectively reducing residue and antibiotic resistance risks.

2.3.4 Industry Chain Collaboration and Co-creation

In the field of biosecurity, we believe that the effectiveness of prevention and control depends on the coordination of the entire farming ecosystem. Guided by the philosophy of “open collaboration, technology dissemination, and value sharing”, we practise our “co-creation and co-sharing” concept together with industry chain partners and farmers, jointly innovating, validating, and promoting standardized outcomes to build an industry safety community featuring “joint risk prevention, co-created solutions, and shared outcomes”.

Technology Co-opetition with Industry Peers	We take the initiative to benchmark against other leading enterprises in the industry on key aspects such as biosecurity zoning and cleaning-disinfection procedures, conduct joint verification, and promote the clarification and popularization of industry standards to reduce implementation loopholes.
Building a “Community of Development” with Farmers	<ul style="list-style-type: none"> We regard farmers as innovation partners. By inviting technicians and experienced farmers, we optimize prevention and control procedures, fully integrating frontline experience with systematic knowledge. <p>All newly developed biosecurity technical protocols are field-tested and iterated at “benchmark farmers” to ensure scientific feasibility.</p>
Encouraging “Micro-Innovations” among Staff	We encourage employees to propose “micro-innovations” for biosecurity. Such proposals are submitted through an internal platform, evaluated and verified, then quickly integrated into procedures with rewards provided, driving the continuous self-evolution of the system with a culture of “co-creation and sharing”.

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2.4 Active Layout of Smart Farming

Dekon actively deploys smart farming and vigorously promotes the application of AIoT (Artificial Intelligence of Things) technology, continuously enhancing the intellectualization of production processes and data-driven management decision-making. By building the “Smart Farming Cloud Platform”, we have achieved remarkable breakthroughs in disease prevention and control, biosecurity, data collection and other fields, with large-scale application implemented in Sichuan, Chongqing, Jiangsu and other regions.

Relying on the “Company + Family Farm” model, we promote the popularization of intelligent equipment and digital upgrading. A total of 200 automated testing stations have been deployed, and intelligent systems such as pig house environmental monitoring and precise feed feeding have been widely adopted to realize refined management from breeding to farming, effectively improving production efficiency and management standardization.

2.4.1 Digital Transformation Achievements

Digital platform	In 2025, building on the unified digital platform across the Group and the integration of business and finance, the Company further deepens its digital transformation and business process re-engineering, thereby promoting the effective synergy of the whole industry chain.
Customer management platform and pig auction-based sale platform	We streamline the customer development and management process, establish a multichannel sales model primarily driven by auction-based sales from business opportunities and clue to cooperative order placement, and create a one-stop sales business management platform.
Smart pig farming cloud platform	Based on Kingdee Skyland digital platform, we streamline the business process of the whole pig industry, and open up the whole process to help the process and standardized production of the pig industry, and build a highly competitive production management service platform.
New Environment Control and Feeding Equipment Upgrades	Focusing on promoting the application of environment-controlled pig houses in Southwest China, independent IoT early warning devices have been deployed to ensure production safety and significantly improve flock weight stability in summer. On the production side, feed conversion ratios are improved to reduce costs; on the sales side, quality is enhanced for greater efficiency. In terms of water quality management, new slow-release water purification agents are promoted to reduce the difficulty of on-site water purification operations and improve flock water hygiene.

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Supplier Management Platform Integration	Integrate the Company’s full-industry procurement business to realize online operation of the entire business chain for procurement of production materials and non-production materials. Transform from traditional category management to process node management, streamline fragmented business processes and standardize them, thereby significantly improving work efficiency.
Intelligent Collaborative Office Platform	Build a group collaborative office platform to effectively enhance office efficiency, ensure that information and data from business communications are not leaked, and enable the transfer of the formed knowledge base.
Poultry Smart Farming Cloud Platform	Establish a poultry production business system and develop standardized, regulated and process-based business systems and management systems for poultry farming, making business processes more efficient and streamlined.
Dekon Swine Deyu Cloud Platform	The Company’s independently developed intelligent pig breeding platform has been officially put into operation, breaking down data silos from breeding, production to slaughtering, realizing real-time automatic data synchronization, and achieving a historic leap from reliance on key tools to full independent control.

Biosecurity Intelligentisation

In 2025, guided by the strategy of “technology-based defense is superior to human-based defense”, we are committed to advancing the intelligence, standardization, and digital orientation of epidemic prevention work, and systematically building a full-chain intelligent management and control system. By the end of 2025, the qualified rate of the Company’s fully automatic washing, disinfection and drying equipment reached 100%. The washing and disinfection time for a single feed truck was shortened to 15 minutes, and the daily processing capacity of the material disinfection channel increased by 300%. Meanwhile, a prevention and control management platform was built based on IoT technology, which uploads and integrates operational data of all links in real time to realize full traceability of epidemic prevention procedures.

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2.4.2 Smart Pig Farming Cloud Platform

Through technological innovation and digital transformation, we actively promote the intelligent upgrading of the pig production process. Relying on AIoT (Artificial Intelligence & Internet of Things), cloud computing and big data, we empower key links including feeding management, breeding, epidemic prevention and genetic improvement, optimize production processes and management models, significantly improve work efficiency and reduce costs, while ensuring pig health and production safety.

Feeding	Through big data and AI technologies, the age, parity and growth stage of breeding sows and finishing pigs are accurately recorded and analyzed, and the feeding program is automatically adjusted.
Breeding	Big data, image recognition, acoustic characteristics and thermal imaging temperature measurement technologies are used to monitor the estrous cycle of pigs and accurately determine the optimal timing for breeding.
Epidemic Prevention	The biosecurity management platform has been upgraded to standardize and systematize the flow of feed, materials and personnel, realizing full IT-based management.
Pig Breeding	On the basis of the combination of industry, academia, and research, utilizing joint research to optimize the breeding process based on genomic genetic evaluation.

2.4.3 Smart Farming Platform for Uniting with and Supporting Farmers

We are committed to empowering thousands of cooperative family farms by comprehensively promoting digital upgrading with the core of “Smart Farming Alliance for Agriculture and Agriculture”. Based on the existing industrial system, the company is focusing on building an integrated digital central platform that integrates data aggregation, intelligent analysis, and visual decision-making functions. Through six major application scenarios — production guidance, disease warning, traceability management, operation optimization, market forecasting, and nutritional regulation, the company will provide lightweight and standardized digital tools for farmers. The intelligent feeding system has achieved an increase in feeding efficiency of more than 10%, and is released more than 10 days in advance, Reduce the mortality rate by about 3%; AI warning significantly enhances biosafety. The promotion of this platform will effectively shorten the breeding cycle and accelerate the release process; At the same time, relying on the AI epidemic warning mechanism can effectively enhance the active defense ability and abnormal response speed of biosafety, effectively reducing the risk of pig loss during the breeding process.

This model breaks down data silos by integrating small-scale farmers into the company’s digital system, establishing a community of shared interests of “enterprise + farmers”. It not only strengthens Dekon’s foundation for refined operations, but also drives stable income growth for cooperative farms. By upgrading the digital platform from a mere “tool carrier” to a “service ecosystem”, it truly achieves “strong connectivity, effective empowerment and good sustainability”, providing solid support for the large-scale replication and high-quality development of smart farming models. Additionally, it fills the gap in regional high-quality husbandry data sets, promotes the deep integration of artificial intelligence with animal husbandry, creates a replicable smart farming model, and strongly supports rural revitalization and high-quality industrial development.

2.5 Continuous Improvement of Breeding Techniques

In recent years, relying on our strong research and development advantages, advanced genetic resources, and breeding system, we have undertaken more than 50 national, provincial and ministerial major scientific research projects, such as National 863 Program, 948 Major Special Program, achieved a number of scientific and technological achievements, and won many awards and recognition. Our key pig breeding indicators are at the international leading level, and we have become one of the largest export suppliers of high-quality parental breeding chickens in China.

Optimization of Breeding Research and Development Platform

We continue to increase investment in research and development to enhance scientific and technological support and innovation capabilities, and have fairly well-developed agricultural technology research and development strength. In the field of smart breeding, the Company has established a core platform named “Deyu Cloud”, successfully integrating key functions such as genetic evaluation, genomic selection and data management. This platform supports multi-site joint breeding and customizable evaluation models, significantly enhancing the precision and efficiency of breeding decision-making. It has gradually been implemented across the entire breeding system, marking the Company’s entry into a new stage of intelligent and platform-based breeding operations.

Breeding resources	We have built the National Key Laboratory Innovation Base for Pig and Poultry Seeds Industry, the Southwest Key Laboratory for Pig Breeding and Expanding Propagation of the Ministry of Agriculture and Rural Affairs, the Key Laboratory for Poultry Genetics and Breeding of the Ministry of Agriculture, the Technology Innovation Center of Leading Enterprise the National Spark Plan, the National Pig Technology Innovation Center — Breeding Technology Research and Development Center, the Southwest Branch of National Pig Health Collaborative Innovation Center, 2 national core pig breeding farms, 1 national core broiler breeding farm, and 1 national Huiyang Beard Chicken breeding farm, and is honored as a national livestock and poultry breeding formation enterprise.
R&D team	In 2025, we built a talent matrix of “young core professionals + top experts”, introduced high-level young talents, and specially engaged domestic and foreign industry experts as consultants to continuously strengthen scientific research strength and innovation capacity.
Experimental platform	We deepened cooperation with professional research institutions and carried out key technology research and development relying on national-level experimental platforms, covering breeding, nutrition, disease control, food safety, production optimization, data analysis and other fields, supporting high-quality industrial development through scientific and technological innovation.

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- *Poultry Breeding*

Optimization and standardization of breeding processes	<ul style="list-style-type: none">• The breeding weighing equipment has been upgraded to enable automated recording of individual wing band numbers and body weights, resulting in improved weighing efficiency and a reduction in data error rates.• An automated process for generating and validating data on egg production, feed intake, pedigree and so on has been established, significantly enhancing data organization efficiency and reducing error rates.• The process for attaching individual wing band numbers and conducting quality checks has been improved, leading to a decrease in the rate of wing band loss and a substantial reduction in the number of chickens eliminated due to non-genetic factors.
Optimization of selection methods and enhancement of genetic progress	<ul style="list-style-type: none">• The correction method for mixing genetic and fixed effects has been improved, improving the accuracy of breeding value estimation.• A process for estimating breeding values across multiple traits and stages, as well as calculating a comprehensive selection index, has been established, enabling the simultaneous improvement of body weight and egg production performance.

- *Genomic Selection and Breeding Techniques*

We vigorously promote the large-scale application of genome selection technology, establish an independent reference group covering over 60,000 individuals, build a full process technology system for genome selection, and achieve a 40% improvement in comprehensive evaluation accuracy.

By balancing strategy of breeding and considering growth rate, feed conversion rate, meat quality, slaughter rate and other multi-dimensional traits, the company cultivates competitive breeding pigs. For example, the total litter size per litter of the independently cultivated Dekang II line sows by our group reaches 18.5 heads, and the corrected daily age of the terminal male parent is within 123 days with a weight of 100kg.

III. GREEN LEADERSHIP, PROMOTING ECOLOGICAL CO-PROSPERITY

Dekon actively implements the national “dual carbon” strategy, adheres to the sustainable development path of ecological priority, green and low-carbon, and continuously improves the level of environmental governance with an ecofriendly business philosophy and professional environmental protection measures to promote ecological co-prosperity.

3.1 Strengthening Environmental Management

We implement environmental risk prevention and control, and strengthen environmental management actively to minimize impacts of production and operations on the environment. We formulate relevant policies, guidelines and SOPs, and standardize the environmental protection management system as well as the treatment process and procedures of pollutants. The annual environmental protection expenditure in 2025 was approximately RMB204 million, including expenses for environmental engineering, reagents, electricity, labor, absorption and land leasing, pipeline networks, facility operation and maintenance, materials, permit processing, etc.

Environmental Management System

We strictly comply with the Law of People’s Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》), the Measures for Public Participation in Environmental Impact Assessment (《環境影響評價公眾參與辦法》), the Classified Management Catalogue for Environmental Impact Assessment of Construction Projects (《建設專案環境影響評價分類管理名錄》), and other relevant laws and regulations, and implement a sound protection management system. We further define the environmental protection management goals at all levels, and promote the standardization of the Company’s environmental protection management.

In 2025, we revised and formulated environmental management related policies such as the Detailed Rules for Daily Work Inspection of Environmental Protection Zones in Breeding Farms (《養殖場環保區日常工作檢查細則》), Reference Standards for 6S Management of Environmental Protection Zones in Breeding Farms (《養殖場環保區6S管理參考標準》), Water Quality Testing Policy for Self-managed Breeding Farms’ Environmental Protection Zones (《自營養殖場環保區水質檢測制度》), Guidance Standards for Fine Operation of Equipment in Self-managed Breeding Farms’ Environmental Protection Zones (《自營養殖場環保區設備精細化運行指導標準》), Environmental Operation Standards (《環保運營標準》), System for Safety, Environmental Protection and Management of Family Farms (《家庭農場安全環保管理制度》), and Compliance Operation Requirements for Fecal Fertilizer Recycling (《糞肥資源化利用合規操作要求》).

Environmental Risk Identification and Management

This year, we adhered to source prevention and control, process control, and closed-loop management, comprehensively strengthened environmental risk identification, monitoring and handling, and established a standardized, specialized and intelligent environmental risk management system. There was no out-of-standard water quality incident or environmental safety accident in the year, and significant progress was made in risk prevention and control.

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- *Strengthening full-process water quality control*

We strictly implemented the quarterly water quality monitoring policy, entrusted a CMA-qualified third-party agency to conduct full coverage testing on key indicators such as COD (Chemical Oxygen Demand), ammonia nitrogen, total phosphorus, and pH value, established an early warning and correction mechanism for out-of-standard incidents, and experienced no out-of-standard incident throughout the year. We deployed portable water quality detectors for regional branches, conducted special training, and established standardized testing ledgers to enhance independent monitoring capabilities; we also promoted the construction of water quality testing laboratories, and completed policy formulation and site planning, strengthening the foundation of professional testing constantly.

- *Implementing closed-loop management in environmental supervision*

We established a closed-loop environmental inspection and correction mechanism, conducted regular compliance and hazard supervision, defined correction responsibilities, measures and deadlines, implemented weekly tracking, onsite verification, and interviews on overdue actions, mitigating various potential environmental risks effectively.

- *Improving emergency prevention and control measures for severe weather events*

We established an early warning response mechanism for rainstorms, typhoons, cold waves and other severe weather events, issued prevention and control notices timely, supervised and urged facility protection, pipe network dredging and emergency preparedness, and organized special plan drills. No environmental event arising from extreme weather events occurred throughout the year.

- *Strictly adhering to the bottom line of environmental compliance*

We collected environmental compliance materials specially, sorted out key materials such as environmental impact assessments, pollutant discharge permits, acceptance reports, and hazardous waste contracts comprehensively to ensure that the procedures are complete and effective. We strictly implemented the “three simultaneities” system of environmental protection, and appointed a third party to conduct acceptance testing, ensuring that newly constructed, reconstructed and expanded projects were put into operation lawfully and compliantly.

- *Intelligent prevention and control of key risks*

Regular inspections of waste gas, wastewater and noise are carried out, with focused control over sensitive indicators such as odor and VOCs (volatile organic compounds). For sensitive areas surrounding the project, an innovative linked control mechanism has been implemented between fans and external odor feedback. Intelligent monitoring equipment has been installed to enable automatic fan start-stop based on external odor feedback, improving treatment efficiency and effectively reducing the risk of environmental complaints and pollution.

Environmental Inspection and Supervision

We assigned professional personnel to carry out special environmental protection assistance and supervision at our farms. Through onsite supervision and assistance, we inspected the implementation effectiveness of the Group's safety and environmental protection management policies and standards, as well as safety and environmental protection requirements by subsidiaries. We carried out correction and professional guidance timely, promoted the standardization and normalization of the Group's safety and environmental protection work constantly, and practiced the corporate ESG development concept through solid operational management.

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The Group continued to deepen its environmental supervision mechanism for self-operated farms, conducting over 82 supervision sessions throughout the year and achieving full-coverage inspections of key operational sites. Regarding issues identified during supervision, strict “list-based” management was implemented, and correction measures and plans were issued item by item to define responsible parties, correction paths, and completion deadlines, ensuring that every matter is addressed and every issue is resolved.



Picture: Environmental Supervision Summary and Reporting Meeting



Picture: Onsite Environmental Supervision

Environmental Culture Building

We actively carried out external environmental inspections, benchmark learning, and in-depth industry exchanges.

- We actively carried out external environmental protection inspections and benchmark learning, organized 5 environmental protection field visits throughout the year, and conducted onsite learning of industry-leading environmental governance processes, facility operation and maintenance, and standardized management experience;
- We actively participated in the China Animal Husbandry Expo, and captured frontier environmental technologies, equipment and industry development trends accurately;
- We were invited to attend more than 10 environmental protection industry exchange conferences, in-depth discussions with industry experts and outstanding enterprises on core issues such as environmental compliance and green development to keep learning advanced concepts and practical achievements;

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- We joined the Building Pig Farm Environmental Innovation Alliance, participated deeply in environmental technology seminars in the industry, and promoted the quality improvement and upgrading of the Group's environmental protection work through opening-up and cooperation.



Picture: Industry Exchanges

This year, we have earnestly carried out thematic activities, environmental protection publicity and training to consolidate the Group's environmental protection foundation from multiple dimensions.

- We launched the themed month activity titled “Maintenance of Environmental Protection Zone Facilities and Equipment and 6S Special Rectification” from July to August, and the themed month activity “Special Rectification on Maintenance of Environmental Protection Zone Facilities and Equipment” from November to December. During these periods, we conducted maintenance on all facilities and equipment in the environmental protection zones of respective breeding farms, and strengthened practical operation training and skill guidance for operators;
- In terms of publicity, we prepared and published 6 special tweets on Dekon Headlines with focus on policy interpretation, key points for practical operation, etc. to convey environmental protection concepts extensively and strengthen the environmental awareness of all employees.
- In terms of training, we revised and issued standardized environmental protection training courseware, organized 507 professional skills training sessions for frontline personnel, and conducted quarterly environmental protection skills examinations for all employees to promote learning, test the effectiveness of training, and improve our teams' professional skills comprehensively.

3.2 Practicing Green Operations

We have deeply integrated the concept of green and low-carbon into the whole process of business operation, and established an energy conservation and carbon reduction practice system covering the whole chain of routine office work, production and operations. On the one hand, we promote efficient resource utilization through digital office and refined management. On the other hand, we control energy consumption and carbon emissions strictly in the production process, keep optimizing energy and resource allocation efficiency, and integrate the green development responsibility into every aspect of business operations to accelerate the development of the circular economy.

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Energy Usage

The Company has established a comprehensive energy management system, where the Safety and Environmental Protection Department is responsible for energy management, energy conservation and carbon reduction, and full-time ESG specialists are appointed to take unified responsibility for energy management, energy conservation and carbon reduction and coordinate tasks related to energy conservation technology transformation, energy consumption control, low-carbon operations, etc. thereby improving energy utilization efficiency constantly, and reducing energy consumption in production and operations effectively.

Innovation in heat exchange system	Introduce heat exchange technology to realize the recovery and reuse of waste air heat, improve air quality in barns, and reduce energy consumption.
Upgrading of precision ventilation and environmental control system	Upgrade the precision ventilation system to automatically adjust environmental parameters according to the growth needs of livestock and poultry, reduce the accumulation of harmful gases, and lower equipment energy consumption.
Photovoltaic power generation system layout	Develop distributed photovoltaic projects using building roof resources to exploit solar energy, increase the self-sufficiency rate of clean energy, and reduce the consumption of traditional energy.
Breeding energy conservation	<ul style="list-style-type: none"> Promote high-efficiency and energy-saving temperature control equipment, optimize the thermal insulation performance of barns, and improve energy efficiency. Encourage the use of renewable fuels, support the upgrading of old equipment at breeding sites, and continuously promote energy conservation and carbon reduction.
Storage energy conservation and emission reduction	<ul style="list-style-type: none"> Structural energy conservation: Promote the optimization of storage structure and layout integration to reduce basic energy consumption; Management energy conservation: Strengthen inventory management, improve turnover efficiency, and reduce resource occupation; Technical energy conservation: Apply digital management tools to enhance operational efficiency and reduce paper and labor consumption; Tool energy conservation: Implement standardized on-site management, promote recyclable utensils, and advance the clean energy transformation and automated upgrading of equipment.
Fleet operations	<ul style="list-style-type: none"> Continuously optimize the structure of transport vehicles, phase out old high-emission vehicles, and replace them with China VI and new energy vehicles to reduce emissions at the source. Establish an intelligent logistics management system to realize intelligent scheduling and route planning, improve transportation efficiency, and reduce empty-load rates and ineffective mileage.

In addition, we strictly implement energy management and safety electricity related regulations during the R&D process, and have established a standardized and institutionalized energy usage management system. The research institutes and laboratories implement hierarchical management, regular inspection and personal accountability policies for electrical equipment in accordance with the Management Regulations for Safe Office Electricity Usage of Dekon Industrial Research Institute (《德康產業研究院辦公安全用電管理規定》), and the Laboratory 6S Management Manual (《實驗室6S管理手冊》), standardize the start/stop process of experimental equipment, and avoid unnecessary energy waste. We prioritize the use of energy-saving experimental equipment, focus on control over high energy consuming equipment, and ensure that equipment operates efficiently and safely through the Management Measures for Laboratory Equipment Maintenance (《實驗室設備維護管理辦法》).

Case

Upgrading of the precision ventilation and environmental control system

In 2025, we carried out air filtration and precise ventilation environmental control in the backup sow conversion project in Andong, Sihong, reducing ventilation energy consumption by about 60% compared to traditional longitudinal ventilation systems. The system can adjust the ventilation rate automatically according to the temperature and humidity demand curve of pigs in different growth stages, stabilize the micro-ecological environment of the piggery, improve the health level of the pig herd from the source, and then optimize growth and breeding performance, so as to create a comfortable growth environment for pigs throughout the growth cycle.

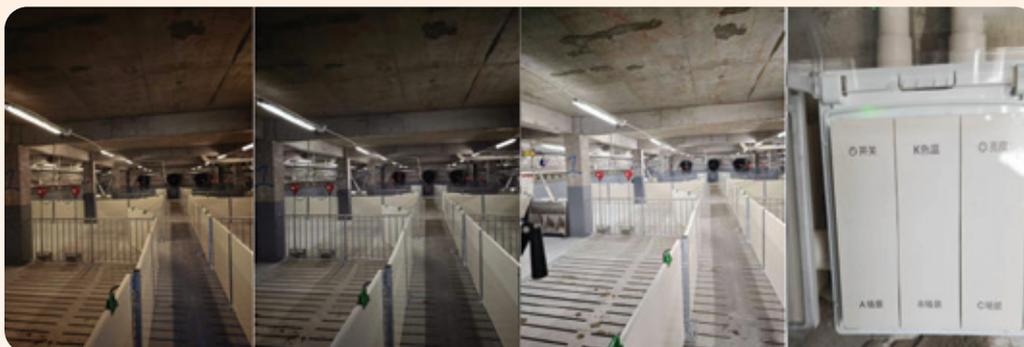


Picture: Precision Ventilation and Environmental Control System

Case

ZPCL IoT light environment reducing energy consumption effectively

In 2025, the Company launched the ZPCL IoT light environment pilot transformation project at the Liujia training base in Nanxi, creating a new breeding lighting control model that integrated fully digital LED light source systems, intelligent lighting management systems, and internet technology. The project adopts high-efficiency and energy-saving fully digital LED light sources, with interfaces compatible with conventional specifications, eliminating the need to change the original design and use habits. It can achieve brightness, color temperature and scenario modes, induction adjustment, remote control, and remote centralized control, comprehensively improving the fine management level of breeding light environment, more than 50% comprehensive power savings compared to traditional lighting methods, effectively reducing energy consumption and operating costs.



Picture: ZPCL IoT Light Environment

Indicator	Unit	2025
Direct energy usage		
Natural gas	10,000 m ³	996.93
Liquefied petroleum gas	Ton	209.76
Diesel	Ton	2,409.37
Gasoline	Ton	757.76
Coal	Ton	525.58
Indirect energy usage		
Electricity consumption	MWh	402,777.23
Total comprehensive energy consumption	Ton of standard coal	67,646.23
Total energy consumption of intensive farming	MWh	337,016.55
Energy consumption density of intensive farming	MWh/RMB million	14.55

Notes:

- (1) The above figures only include our intensive farming, which is the Company's self-managed farms under the self-managed farm model.
- (2) Given the large number of our family farms, we have not gathered energy consumption statistics for all of them.

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Waste Management

Waste generated during our operations mainly includes manure generated in production, as well as remains of sick and dead livestock and poultry. We strictly follows the Discharge Standards of Pollutants for Livestock and Poultry Breeding Industry (《畜禽養殖業污染物排放標準》) and other local regulations on waste discharge, and actively implement the “planting and farming cycle model” (種養迴圈模式) and recycling.

We have established a sound biosafe disposal system for waste. Through advanced facilities, we reduce, harmlessly treat and resource-utilize livestock and poultry manure, promoting the circular development of planting and breeding. We properly dispose of breeding waste and dead livestock and poultry, converting them into organic fertilizer resources. Wastewater that meets discharge standards is reused for farmland irrigation, and domestic waste is uniformly handed over to municipal sanitation for treatment, fully realizing green, low-carbon and ecologically circular breeding production.

We have set “100% utilization of waste” as the waste management goal, transporting harmlessly treated discharge and dry manure from the sewage treatment system to organic fertilizer factories as raw materials. Alternatively, we collaborate with farmers to use these harmlessly disposed products as base fertilizers for planting, contributing to the development of the circular economy.

We have deployed dry manure storage rooms and wastewater treatment equipment according to local governments' requirements. All chicken manure generated during the breeding process of commercial broiler chickens has been 100% sold and utilized for farmland fertilization; chicken manure produced by chicken farms is processed into organic fertilizers through processing equipment for circular agricultural production. Daily pen flushing water is absorbed through surrounding landscaping and agricultural planting, achieving onsite absorption without producing pollutants in the entire production process.

In daily environmental protection work, we always implement the concept of green development, encourage employees in environmental protection zones to reuse and recycle waste, save energy, and reduce costs. Employees in environmental protection zones use small tools, informal methods and creative ideas to transform old frame waste steel into testing platforms, waste insulation pads into weeding pads, waste medicine containers into tool storage boxes, idle IBC tanks into sedimentation tanks, plastic bottles into homogenizers, etc., not only reducing the amount of solid waste generated, but also reducing purchase costs of production materials, achieving both environmental and economic benefits.

Classification	Indicator	Unit	2025
Non-hazardous waste	Livestock and poultry manure	Ton	166,766.38
	Domestic waste	Ton	1,244.25
	Non-hazardous waste emission intensity	Ton/RMB million	7.25
Hazardous waste	Total amount of hazardous waste generated	Ton	238.47
	Hazardous waste emission intensity	Ton/RMB million	0.01

Notes:

- (1) The above figures only include our intensive farming, which is the Company's self-managed farms under the self-managed farm model.
- (2) Given the large number of our family farms, we have not gathered waste discharge statistics for all of them.
- (3) Hazardous waste primarily consists of materials used in animal vaccines, disease prevention and control, and breeding research. The Company has established strict management processes to ensure the proper and safe disposal of hazardous waste.

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Pollutant Management

Our waste gas emissions, mainly being compound containing sulfur, nitrogen and oxygen and hydrocarbons, primarily come from malodorous gases generated from piggeries, composting sites and sludge tanks. We strictly implement the Regulations on the Prevention and Control of Pollution from Large-scale Farming of Livestock and Poultry (《畜禽規模養殖污染防治條例》), the Discharge Standards of Pollutants for Livestock and Poultry Breeding Industry (《畜禽養殖業污染物排放標準》), Odor Pollutant Discharge Standard (《惡臭污染物排放標準》), and other relevant pollutant emission standards and local regulations, keep strengthening the integrated management of odorous gases, implement targeted control for different scenarios to improve the production and living environments practically.

- For the odor problem in dormitory areas, special water traps have been installed to block the backflow of odor from sewer pipes through a water seal structure effectively, improving the living environment of employees from the source; such facilities are easy to maintain and has long-term stability;
- Odor in environmental protection zones is subject to full process treatment through an integrated process of ceiling closure, centralized collection through air ducts, treatment in sprinkling deodorization towers, and compliant discharge from 15-meter chimneys, achieving efficient odor control and compliant discharge.

Indicator	Unit	2025
SO ₂ emissions	kg	6,280.63
SO ₂ emissions density	kg/RMB million	0.27
NOx emissions	kg	996.93
NOx emissions density	kg/RMB million	0.04
Smoke and dust emissions	kg	2,392.62
Smoke and dust emissions density	kg/RMB million	0.10
Total waste gas emissions	kg	9,670.18
Total waste gas emissions intensity	kg/RMB million	0.42

Notes:

- (1) The above figures only include our intensive farming, which is the Company's self-managed farms under the self-managed farm model.
- (2) Given the large number of our family farms, we have not gathered pollutant emission statistics for all of them.

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Water Resource Management

The Company has established a sound water resource management framework, where the Safety and Environmental Protection Department coordinates the implementation of water resource management responsibilities, and full-time ESG specialists are appointed to be responsible for water resource conservation, water efficiency improvement, water-saving measure implementation, and routine supervision and management, promoting the intensive and efficient utilization of water resources throughout the production and operation process.

Our water resources are mainly consumed as drinking water for animals, water for feed processing, water for washing livestock and poultry pens as well as water consumed by employees in factory areas. We have installed individual water meters in each key area to monitor water usage and have taken various water-saving measures starting at the source.

- Construct rain-sewage diversion and wastewater treatment facilities to reduce rainwater mixing and lower the pressure and cost of wastewater treatment.
- Promote water-saving drinking equipment and anti-waste devices, which can save 20%–30% of water compared with traditional models.
- Fully adopt automatic drinking water systems in breeding to achieve on-demand water replenishment and precise supply, and reduce water resource losses arising from water storage and replacement.
- Breeding farms and hatcheries implement monthly counting, analysis, and benchmarking management of water and electricity consumption to promote water conservation and consumption reduction through data control.
- Standardize water quality management and cleaning & disinfection procedures to improve cleaning efficiency, and reduce water consumption and wastewater generation.
- Centralize disinfection of drinking water and recycle treated wastewater to enhance water resource efficiency.
- Construct rainwater collection and utilization systems to collect rainwater for irrigation and dust reduction for farm roads.
- Breeding wastewater is transported to regional manure treatment centers uniformly for centralized disposal, and recycled or used for farmland irrigation when meeting the standard after treatment, achieving recycling and compliant discharge.

Case:

Carrying out the pilot transformation of anti-seepage and stain resistant coatings to improve water usage efficiency effectively

In 2025, we carried out the pilot transformation of anti-seepage and stain resistant coatings for walls and floors at the Liujia training base in Nanxi. Smooth and pore-free coating surfaces on walls and floors enabled the even coverage of disinfectants, which are not easily absorbed or degraded by floors, thus maintaining effective contact concentration and action duration, and achieving efficient disinfection. During high-pressure water gun flushing, dirt was easily detached from smooth surfaces, and cleaning efficiency was improved by over 50%, saving substantial manpower and water resources.



Picture: Anti-seepage and Stain Resistant Coatings on Walls and Floors

Indicator	Unit	2025
Water consumption in intensive farming	million m ³	10.41
Water consumption density in intensive farming	m ³ /RMB million	449.48

Notes:

- (1) The above figures only include our intensive farming, which is the Company's self-managed farms under the self-managed farm model.
- (2) Given the large number of our family farms, we have not gathered water consumption statistics for all of them.
- (3) The major sources of our water supply are municipal tap water, surface water and groundwater.

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We always adhere to the bottom line of water quality safety, strictly implement the quarterly water quality monitoring system, define the monitoring scope to cover all subsidiaries, and monitor key environmental parameters such as COD, ammonia nitrogen, total phosphorus, and pH value. By appointing a CMA-qualified third-party testing agency for testing, the authority and accuracy of monitoring data are ensured. Detailed monitoring reports are prepared every quarter, the early warning mechanism is activated instantly for out-of-standard events, and relevant units are urged to make correction within a specified period. There was no out-of-standard water quality risk throughout the year, ensuring water environment safety effectively.

Case

Sewer network open installation reconstruction project of Fushan Farm

In 2025, Fushan Farm invested RMB2.8 million in the sewer network reconstruction project, and replaced all underground concealed pipes with aboveground open pipes, and completed precise design and construction based on the terrain of the factory area. The project realizes the visual control of sewer lines, and eliminates problems such as rainwater and wastewater mixing, pipeline leakage, and difficulty to identify potential hazards from the source, reducing the wastewater treatment load and ineffective water volume effectively, improving water environment governance efficiency, and ensuring local ecological security practically.



Picture: Sewer network of Fushan Farm

Indicator	Unit	2025
Waste water discharge volume	m ³	540,115
Waste water discharge density	m ³ /RMB million	23.32
COD emissions	Ton	67.25
COD emissions density	kg/RMB million	2.90
Ammonia nitrogen emissions	Ton	2.73
Ammonia nitrogen emissions density	kg/RMB million	0.12

Notes:

- (1) The above figures only include our intensive farming, which is the Company's self-managed farms under the self-managed farm model.
- (2) Given the large number of our family farms, we have not gathered waste water discharge statistics for all of them.

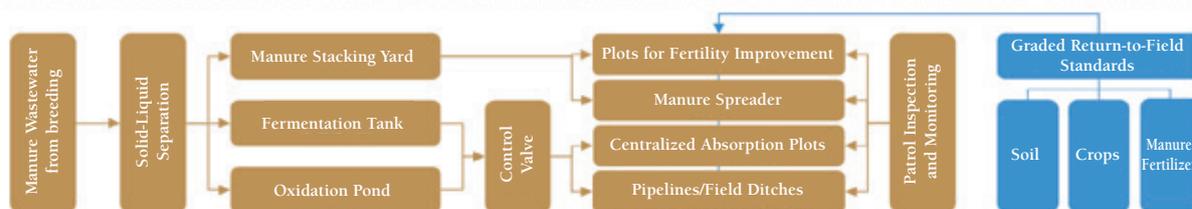
3.3 Promoting Circular Planting and Breeding

We advocate the harmonic unity of economic, ecological and social benefits, and keep creating an ecofriendly and sustainable farming model. By collectively leasing idle land from villagers in the nearby villages and towns, we provide such land to nearby villagers to conduct centralized planting. We also provide biogas slurry to villagers to jointly explore and build an ecological circular agricultural technology model combining planting and farming. This allows us to achieve a virtuous planting and breeding ecological chain of pig breeding, rice planting and residue return to fields, thereby creating responsible and sustainable industry practices while reducing environmental impacts constantly.

Circular Technical Model for Planting and Breeding

With focus on “manure recycling — crop planting — soil improvement”, we have established a complete ecological closed loop by breaking the boundary between breeding and planting. Through technological innovation and management upgrading, a green transformation has been achieved from “breeding alone” to “integrated planting and breeding, and unification of economic, social and environmental benefits”.

Manure treatment and recycling	The model begins with breeding manure and implements a “solid-liquid separation” strategy, which deeply treats both solid and liquid phases separately. It is mainly used for fertilization and soil improvement, as well as precise biogas slurry application in combination with irrigation systems (water channels, pipelines, drip irrigation, etc.).
Crop planting	Differentiated farmland return technical standards have been developed for the two major grain and oil crops of rice and wheat to ensure a high match degree between nutrient supply and crop demand.
Closed-loop management	To ensure the efficient operation of the model, strict grading standards for farmland return, and an inspection and monitoring system have been established. The amount of farmland return is adjusted dynamically based on three dimensions — soil fertility, crop growth stage, and manure quality — to prevent excessive fertilization. Treatment facilities such as manure stacking yards and fermentation tanks are subject to full-process monitoring to ensure conforming harmless treatment; soil and crops on absorption plots are tracked and utilization efficiency evaluated.



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This model has had a significant positive impact in the environmental dimension and is the core manifestation of corporate environmental responsibility. This model achieves multiple benefits such as zero direct discharge of pollutants, improved soil fertility, and reduced carbon emissions, and is a typical practice for promoting the green and low-carbon transformation of agriculture. By building a green, low-carbon, and circular industrial chain, the Company has achieved both economic and environmental benefits, providing a replicable foundation for the sustainable development of modern agriculture.

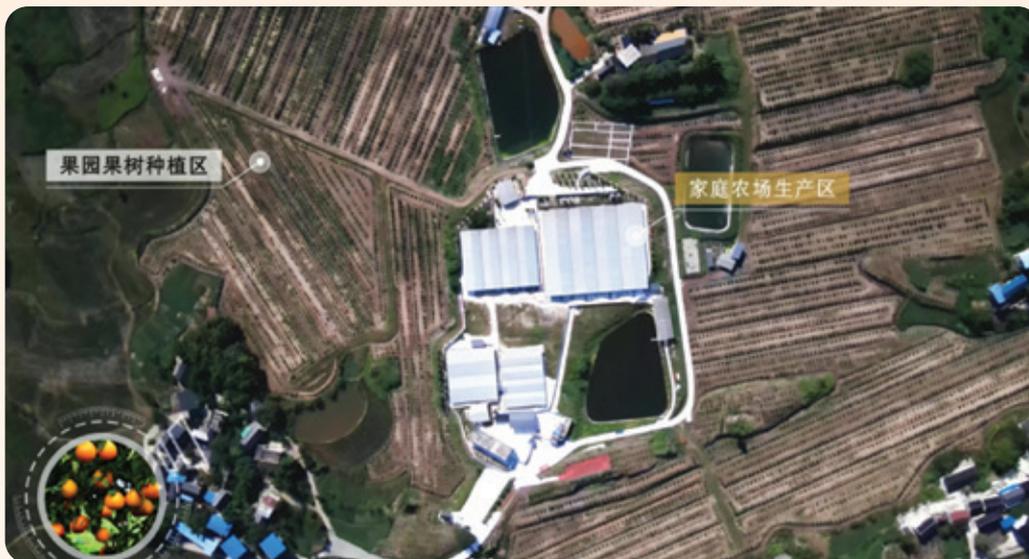
Environmental benefits and impacts

Reducing non-point source pollution and improving the water environment	Through the “solid-liquid” and anaerobic fermentation techniques, we have removed harmful substances from manure effectively, and prevented the direct discharge of breeding wastewater from polluting surface water and groundwater. The pipeline transport and precise irrigation of biogas slurry have replaced conventional flood irrigation, reducing nitrogen and phosphorus losses significantly, and lowering the risk of agricultural non-point source pollution.
Reducing greenhouse gas emissions and contributing to carbon neutrality	<p>Replacing chemical fertilizers with organic fertilizers: By applying compost and biogas slurry, the production and use of synthetic nitrogen fertilizers are reduced, thereby reducing energy consumption and carbon emissions in the fertilizer production process.</p> <p>Methane recycling: The anaerobic treatment process of fermentation tanks and oxidation ponds controls and converts greenhouse gases such as methane produced by the decomposition of manure, avoiding direct discharge into the atmosphere.</p>
Improving soil quality and enhancing ecosystem resilience	<p>The long-term application of organic fertilizers increases soil organic matter content, improves the soil aggregate structure, and enhanced soil water and fertilizer retention capacity significantly.</p> <p>A healthy soil ecosystem reduces dependence on chemical pesticides and promotes biodiversity in agricultural ecosystems.</p>
Recycling resources and saving natural resources	<p>The 100% recycling of breeding waste has been achieved, transforming this “pollution source” into a “resource pool”.</p> <p>The reuse of biogas slurry for irrigation saves agricultural water and fertilizer resources, and improves resource utilization efficiency.</p>

Case

“Modern Nordic farm” in Xiyangchun, Hechuan Chongqing

In 2025, we established a new model farm of “pig — biogas — orange” circular agriculture combined with mechanized land transformation in hilly areas in Xiyangchun, Hechuan, Chongqing, realizing automatic breeding, mechanized planting, and self-production and self-use of organic fertilizers, and achieving both economic and environmental benefits. There is a modern breeding farm with a floor area of over 15 mu, with an annual output of 7,500 heads and a good yield; there is also an orchard with a floor area of over 500 mu and an annual output of up to 750,000 kilograms. The farm does not use chemical fertilizers, its soil is rich in organic matter, and it produces ecological and organic melons and fruits.



Picture: Xiyangchun New-type Farm in Hechuan, Chongqing

3.4 Addressing Climate Change

We practice the concept of sustainable development, respond actively to climate change, identify climate-related risks and opportunities proactively, and take measures to enhance our resistance to climate risks.

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Climate Risks and Opportunities

We have conducted an assessment by reference to Part D: Climate-related Disclosures of the HKEX Environmental, Social and Governance (ESG) Reporting Code, and actively identified and assessed the potential impacts of factors associated with climate on current and future periods, which will allow us to take comprehensive actions and measures to enhance our resilience against climate risks.

Type	Climate factor	Description	Time horizons/ extent of impact	Mitigation measures
Physical risks	Extreme weather events	Increase in frequency of disastrous weather such as typhoon, rainstorms, snowstorms and drought may cause a disruption of our operation and secondary disasters that result in various incidents such as personal safety and environment pollution.	Medium/Low	We pay close attention to early warning of climate events, and establish a full-process control mechanism for earlier identification, quick response and targeted handling for extreme climate events.
	Medium- to long-term natural disasters	Medium- and long- term natural disasters such as movements in rainfall and higher average temperatures may have impacts on our business continuity and business costs or expenses. For example, control on temperatures of a farming unit may cause a change in energy costs or expenses.	Long-term/ Medium	We track the Survey of Agro-climatic Resources and Agro-climatic zones of the PRC, and assess the local climate conditions and the foundation of agro-planting in planning and development of our new projects.

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Type	Climate factor	Description	Time horizons/ extent of impact	Mitigation measures
Transition risks	Demand for energy management and control	Any regional power outage or limiting electricity measures may result in a disruption of our operation or higher investment in transformation of energy facilities and maintenance costs.	Short-term/ Low	We fully utilize biogas resources around the sites and explore opportunities of developing photovoltaic power generation projects in farming zones.
	Changes in market demand	As the concept of green consumption become popular, some consumers may increase their demand for ingredients such as plant-based proteins, which may have an effect on the sales of our meat products.	Long-term/ Low	We have been expanding our high-quality food processing business and enhancing the layout of our whole food industry chain.

We also pay close attention to the potential opportunities that may be brought about by climate change, including: promoting the reduction of operating costs through measures such as increasing the proportion of clean energy and improving energy efficiency; the impact of climate change on the growing of agricultural products in the northern region, etc.; and emissions reduction and carbon sequestration promoted by government authorities may help better utilization of the waste from livestock and poultry.

In response to physical risks, the Group has preliminarily assessed the potential impacts of extreme weather events such as floods, droughts and typhoon by reference to the operating revenue and fixed assets in key operational locations, as well as climate risk databases and peer comparative studies. Taking into consideration the climate response measures we have already implemented, the anticipated financial impact of extreme weather events on the Group is expected to be relatively minor in the short to medium term (representing an impact of less than 0.05% on total operating revenue). Over time, we will gradually enhance our foundational capabilities for climate risk analysis, and will consider further assessing the expected financial impacts of transition risks, including policy and regulatory, technological, and market factors, as appropriate.

Greenhouse Gas Emission Management

With reference to the Greenhouse Gas Protocol, we classified our greenhouse gas emissions into the following scopes:

- For direct greenhouse gas emissions (Scope 1), the emissions are mainly generated from burning and emissions of fossil fuels such as gasoline, diesel and natural gas for our consumption. We have been striving to fully utilize the biogas generated from anaerobic reaction during wastewater treatment of livestock manures and wastewater, so as to reduce the use of fossil fuels.

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- For indirect greenhouse gas emissions (Scope 2), the emissions are mainly generated from the consumption of power acquired from external parties. We attach great importance to energy use efficiency, and have fully identified movements in energy consumption and abnormal fluctuations through statistics and monitoring of energy consumption, thereby managing power consumption and the corresponding indirect greenhouse gas emissions in a reasonable manner.
- For other indirect greenhouse gas emissions (Scope 3), the emissions are mainly generated from employee travel, upstream transport and delivery and downstream transport and delivery. Due to the difficulty of measurement, we have not made statistics on Scope 3 emissions. We will consider preparing statistics and controlling greenhouse gas emissions (Scope 3) in due course in the future.

Indicator	Unit	2025
Greenhouse gas emissions (Scope 1)	Ton of CO ₂ equivalent	11,686.14
Greenhouse gas emissions (Scope 2)	Ton of CO ₂ equivalent	213,713.60
Intensive farming — total greenhouse gas emissions	Ton of CO ₂ equivalent	225,399.74
Intensive farming — greenhouse gas emission intensity	Ton of CO ₂ equivalent/RMB million	9.73

Notes:

- (1) The above figures only include our intensive farming, which is the Company's self-managed farms under the self-managed farm model.
- (2) Given the large number of our family farms, we have not gathered greenhouse gas emission for all of them.

Improving Climate Resilience

We have fully integrated climate change risks into our R&D and safety management systems, and continuously enhanced our capacity to respond to extreme weather by improving systems and emergency plans. In accordance with relevant management specifications, we implement unified operation and maintenance of laboratory infrastructure, ventilation, drainage, emergency power supply and other systems, ensuring the safe and stable conduct of R&D during high temperatures, rainstorms, cold waves and other weather conditions.

For various extreme climate events, we have formulated special emergency plans to optimize experimental arrangements, strengthen facility protection, and ensure the supply of key resources, effectively mitigating the impact of climatic factors on research and development. At the same time, we continue to conduct research on energy-saving and low-carbon technologies in food processing, cold-chain preservation and other fields, supporting the green and low-carbon transformation and sustainable development of the enterprise through technological innovation.

- *Poultry breeding*

Combining breeding needs with climatic characteristics, we scientifically plan barn construction and continuously upgrade hardware facilities, and formulate special management plans for heatstroke prevention and cooling, thermal insulation and ventilation according to seasonal changes. By issuing weather early warnings in advance, we guide farms to make preventive preparations, and ensure a stable and controllable breeding environment through online inspections, environmental monitoring, on-site verification and other methods.

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To address low temperatures in winter, we optimize the environmental control system and heating facilities to maintain suitable temperature and humidity in chicken houses, reducing the impact of cold stress on livestock and poultry health and production performance. In response to high summer temperatures, we continuously improve cooling facilities and emergency support capabilities, strengthen the management of breeding egg storage, and equip backup power supply equipment to effectively respond to extreme weather and power fluctuations, ensuring the safe and stable operation of breeding and hatching.

- *Pig breeding*

We attach great importance to the impact of typhoons and other extreme weather on the epidemic prevention system for pig breeding, systematically sort out transmission risks, and establish a full-process response mechanism to effectively prevent the occurrence and spread of animal diseases. We closely monitor typhoon early warning information, promptly activate emergency responses, clarify post responsibilities, reinforce breeding and epidemic prevention facilities, dredge drainage systems, protect water source safety, and stock up on emergency supplies. Meanwhile, we strengthen the health management of live pigs, optimize environmental control in barns, strictly manage personnel and vehicles, upgrade barn building materials, and improve thermal insulation, heat insulation and energy-saving effects.

In 2025, we carried out tracking management for persistent high temperatures in Sichuan-Chongqing, Jiangsu and other regions, implemented physical cooling and operational optimization at boar stations, effectively alleviated the impact of heat stress, stabilized the barn environment, and ensured the health of boars and the smooth progress of breeding production.

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3.5 Safeguarding Animal Welfare

We place emphasis on animal welfare and are committed to providing a reasonable and humane treatment to animals during our production, from farm design to actual operations.

Animal Welfare Principle

Environmental equipment	<ul style="list-style-type: none"> Reasonable spatial layout: Scientifically plan breeding spaces to ensure animals have sufficient and appropriate activity areas. Comfortable environmental conditions: Precisely regulate the breeding environment, maintain suitable temperature, humidity, ventilation and lighting, and reduce animal stress. Complete supporting facilities: Improve supporting breeding facilities, keep barns clean and hygienic, and provide comfortable growth conditions for animals.
Feed and water	<ul style="list-style-type: none"> Balanced nutrition: Provide nutritionally balanced feed according to animals' growth needs to ensure healthy growth. Clean drinking water: Continuously supply clean and safe drinking water, regularly maintain drinking facilities, and strictly prevent water source pollution.
Health management	<ul style="list-style-type: none"> Disease prevention and control: Establish a sound disease prevention and control system, conduct immunization, monitoring and environmental disinfection to reduce disease risks. Timely treatment: Equip with a professional veterinary team to promptly treat sick and injured animals and reduce their suffering.
Production	<ul style="list-style-type: none"> Appropriate stocking density: Reasonably control stocking density, optimize feeding management, and avoid animal stress and fighting. Gentle management: Implement scientific and gentle breeding methods and practice the concept of animal welfare.
Transport and slaughtering	<ul style="list-style-type: none"> Transportation management: Standardize animal transportation management, optimize transportation conditions, and reduce stress during transportation. Humane slaughter: Implement humane slaughter procedures to minimize animal fear and discomfort.

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Animal Welfare Measures Taken

Following the two core concepts of “catering for animal nature” and “implementing targeted intervention”, we have established a set of scientific and normative welfare management measures around key aspects such as newborn piglet nursing, and implemented them extensively at various breeding farms, forming the standard operating procedure of delivery room management, creating favorable conditions for the early-stage survival and growth of newborn piglets, and improving the welfare level in the breeding process effectively.

Catering for animal nature	<ul style="list-style-type: none"> Optimize barn layout and environment to provide sufficient space for pigs to move around, respecting their natural behaviors and growth instincts. Improve the farrowing house environment to create safe and comfortable conditions for newborn piglets and support their healthy growth.
Implementing targeted intervention	<ul style="list-style-type: none"> Establish standardized nursing procedures for newborn piglets to ensure timely access to adequate nutrition. Strengthen care for weak piglets through scientific supplementary feeding to improve overall survival rate and growth uniformity.
Other supporting measures	<ul style="list-style-type: none"> Continuously optimize the breeding environment and improve ventilation, temperature control and other facilities to enhance animal comfort and health. Formulate scientific diets, ensure clean drinking water, establish timely and standardized diagnosis and treatment mechanisms, and use veterinary drugs rationally. Adopt gentle breeding practices and prohibit rough handling of animals. Apply humane slaughtering techniques to minimize animal suffering during the slaughter process.

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Full-chain Management System for Feed Production

We ensure the health and feed safety of, and create a comfortable living environment for farm animals scientifically through a comprehensive technology and management system that focuses on precise nutrition and runs through the entire feed production chain.

Scientific breeding	Targeted nutrition regulation is implemented to match the physiological demand of animals, and the animal health and welfare levels are improved directly by nutritional means.
Feed safety guarantee	<ul style="list-style-type: none"> • Establish a full-process feed safety control system, strictly select suppliers and implement incoming inspection of raw materials. • Conduct full-process quality monitoring relying on professional laboratories, and establish risk assessment and product traceability mechanisms. • Strictly control quality at all links to ensure feed is safe, stable and fresh, and safeguard the feeding safety of animals.
Improving the living environment of animals	<ul style="list-style-type: none"> • Optimize diet structure and improve nutrient utilization rate to reduce the discharge of breeding waste from the source. • Apply biological fermentation technology to improve intestinal health, reduce harmful gases in barns, and enhance environmental comfort. • Scientifically configure drinking and feeding facilities to reasonably match the number of animals and the needs of different growth stages. • Continuously promote the upgrading of barn environmental control, implement winter warmth preservation and summer cooling measures to create a comfortable growth environment. • Environmental control transformation: winter — cold prevention and heating (heating equipment inspection: heat lamps, floor heating, boilers, air energy, etc.); summer — heatstroke prevention and cooling (cooling equipment inspection: fans, water curtains, spray cooling, sun shading nets, etc.) to improve the comfort of pigs' microenvironment.

3.6 Biodiversity Conservation

As a leader in the agricultural field, Dekon has always been committed to promoting ecological sustainability while rapidly developing its business. We firmly believe that “clear water and green mountains are invaluable assets”, and we must hold the ecological bottom line in the process of development. To this end, we have taken a series of practical protection measures during site selection, planning, design and construction of farms, feed mills and food processing plants to ensure our balanced development in ecological, economic and social responsibilities.

While promoting efficient production, we actively participate in and support local ecological protection activities and raise public awareness towards ecological protection through cooperation with local communities. We always follow the sustainable development principle, integrate environmental protection into all aspects of planning, design and construction, and are committed to improving the animal husbandry production efficiency through technological innovation and environmental protection measures. We strive to achieve safety, quality, ecology and green goals, assisting in achieving double harmony of economic benefit and ecological environment. In the future, Dekon will continue to innovate and make efforts to promote the intelligent upgrading of green agriculture, and make greater contributions to biodiversity protection and rational use of resources.

Case:

Case of an ecofriendly training base

In 2025, the Dekon “Hundred Villages and Million Pigs” project training base was opened and put into operation officially in Nanxi District, Yibin City. During the construction of the base, we always followed the principle of sustainable development. Its site is not in an environmentally sensitive area, and the surrounding farmer settlements are over 200m away, all blocked by mountains and without rivers. In addition, environmental impact registration was carried out.

Wastewater from the base is treated by dry-wet separation, fermentation, oxidation, ammonia nitrogen reduction, and static precipitation before returning to farmland. A planting and breeding cycle mode is implemented. Waste gases are treated by acid washing, and air filtration facilities are provided for acidification, absorption and discharge. We also implement a vegetation restoration fee mechanism, which is paid to the forestry bureau at a rate of RMB20/m². During the construction process, we chose low energy consumption and ecofriendly building materials, installed photovoltaic panels, and set up a deodorization system outside piggeries to ensure that there was no negative impact on the surrounding ecological environment.



Picture: Gas dust removal and deodorization system



Picture: Roof-mounted Photovoltaic Panels

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IV. PEOPLE-ORIENTED, FOR A CO-PROSPERITY FUTURE

Dekon always adheres to the concept of being people-oriented, serving society, and pursuing synergetic development, integrating employee growth, rural revitalization, and social welfare into the corporate development strategy, and fulfilling the corporate mission with responsibility.

4.1 Protecting Employee Rights and Interests

We strictly comply with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), and other laws and regulations. We have established a register of employees and maintained personnel archives of all employees, with detailed records of age verification upon official hiring, which are reviewed on a regular basis. By the end of the reporting period, the labor contract signing rate of our employees was 100%. Our Recruitment Management Regulations (《招聘管理辦法》) expressly stipulates that it is prohibited to hire personnel under the age of 18, and we adopt a zero-tolerance attitude towards any form of child labor and forced labor. If any illegal employment incident is found, we will report to competent authorities immediately, terminate the employment relationship with the person concerned, and also review and streamline our internal management processes. In 2025, we had no law or regulatory violation related to child labor, forced/compulsory labor, freedom of association or disrespect for collective bargaining rights, or infringement of employee privacy.

In the recruitment process, we adhere to the principle of gender equality and focus on competencies of applicants, rather than factors such as gender, age and educational background. We accept campus and social recruitment extensively to enhance the diversity of talents.

Indicator	Unit	2025
Total number of employees		
Contract employees	Person	11,363
Trainees	Person	780
Others ^{Note 1}	Person	351
Employees by gender^{Note 2}		
Male employees	Person	8,029
Female employees	Person	3,334
Employees by age		
Employees aged 18–29	%	42
Employees aged 30–50	%	50
Employees aged 51 or above	%	8
Employees by education level		
Proportion of employees with associate degree	%	34.3
Proportion of employees with bachelor's degree	%	20.4
Proportion of employees with master's degree	%	2.7
Proportion of employees with doctor's degree	%	0.1

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Indicator	Unit	2025
Employees by region		
Proportion of employees in Sichuan and Chongqing ^{Note 3}	%	49
Proportion of employees in other regions	%	51
Number of new employees during the reporting period ^{Note 2}	Person	3,269
Number of ethnic minority employees	Person	1,575
Employee turnover rate		
Overall employee turnover rate		
		17.32
Turnover rate of male employees	%	16.93
Turnover rate of female employees	%	18.26
Turnover rate of employees aged 18–29	%	22.85
Turnover rate of employees aged 30–50	%	13.43
Turnover rate of employees aged 51 or above	%	8.88
Turnover rate of senior management	%	0
Turnover rate of mid-level management	%	5.51
Turnover rate of other employees	%	17.79
Turnover rate of employees in Sichuan and Chongqing	%	15.91
Turnover rate of employees in other regions	%	18.61

Notes:

- Others include labor service contractors, contract workers and dispatched labors.
- Based on contract employees.
- The number of employees in Sichuan and Chongqing includes employees of the Company's headquarters and subsidiaries located in Sichuan and Chongqing.

Remuneration, Benefits and Care

This year, in accordance with the Employee Welfare System, we continued to provide employees with holiday benefits, wedding gifts, cash grants for illness and bereavement, birthday condolences, and other benefits. We also offered annual physical examinations and consultation services for interpreting examination reports. We established an employee incentive system covering short-, medium- and long-term periods, providing an annual profit-sharing plan, an equity incentive plan, etc., to enhance the initiative, enthusiasm and creativity of all employees.

We participate in social insurance programs administered by relevant local government authorities, and provide employees with mandatory pension contribution plans, medical insurance, work-related injury insurance, unemployment insurance, housing fund contributions and maternity insurance. We have also purchased supplementary commercial insurance for employees, including critical illness insurance, accidental death and disability insurance, and accidental medical insurance, to provide protection for employees.

Case

Diversified cultural and recreational activities for employees

In 2025, we organized recreations and competitions for employees such as basketball and billiards, and prepared competition prizes for them. We also carried out employee team building activities, and provided facilities such as basketball courts, billiard tables, gyms and KTV on site for exercises and recreation. Every gathering of employees is not only shows their sincere mutual support and encouragement, but also reflects of our concern for their physical and mental health, and our determination to grow together with them with one mind.



Picture: Employee team building activities

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We attach great importance to employee care, and care for groups such as pregnant women, disabled employees, ethnic minority employees, and disadvantaged employees.

Pregnant employees	We have established a pregnancy archiving and tracking mechanism, transfer pregnant employees to less physically demanding jobs, reduce their night shifts and heavy physical labor, and provide benefits such as pregnancy health checkups and maternity subsidies.
Disabled employees	We assign disabled employees to less physically demanding jobs such as cleaning, security, and market research according to their disability levels and characteristics.
Ethnic minority employees	We respect ethnic customs (e.g., diet and festivals), ethnic cultures, and freedom of belief.

Case

Assistance for employees suffering from major diseases

In September 2025, an employee of the Biosafety Department was diagnosed with a major illness, which imposed immense mental stress and a great financial burden on her and her family. The Company granted a consolation money to her in accordance with the applicable rules and regulations, and assigned colleagues to visit her.



Picture: Assistance and consolation for employee with difficulties

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Employee Communication

In 2025, with the aim of “serving employees, promoting cohesion, and boosting development”, we performed our four functions of maintenance, construction, participation and education, maintained smooth communication channels for employees, and protected their rights and interests actively.

Trade union establishment	<ul style="list-style-type: none"> The Company has established an independent and normative trade union in accordance with national laws and regulations, which holds employee congresses regularly, and practices democratic elections and management; The trade union participates actively in the Company’s democratic decision-making and supervision on behalf of employees, and has established a normalized communication mechanism between management and employees, playing its role as a bridge effectively.
Routine work of the trade union	<ul style="list-style-type: none"> We focused on tasks in five dimensions: democratic management and factory affairs disclosure, employee rights protection and assistance, labor competition and skills training, ideological education and culture building, and standardized management of trade union funds, fully leveraging its role as a bridge.
Employee discussions and opinion collection	<ul style="list-style-type: none"> In 2025, multiple special symposiums for employee opinion collection were organized, with 123 opinions on benefits, logistics, etc. collected and responded to. The relevant suggestions have provided a basis for the Company’s scheduling optimization, environmental improvement, and other decisions, and the relevant issues have been included in the correction and feedback process.
Complaint channels	<ul style="list-style-type: none"> Establish a diversified online and offline communication and appeal mechanism through channels including online appeal via the enterprise’s digital-intelligent office platform, audit hotline (028-81512012), on-site appeal, email appeal, and appeal via the dedicated mailbox (dekangsj@dekanggroup.com).
Organizational atmosphere and compliance supervision	<ul style="list-style-type: none"> We would conduct an anonymous organizational atmosphere survey in every July to identify employee needs through 38 key indicators in 8 aspects; the compliance of employment policies is assessed along through routine supervision, regular auditing, and manpower auditing by the trade union, and confirmed issues are urged for practical correction.

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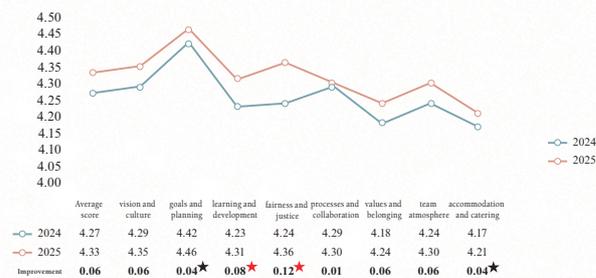
Picture: Disclosure boards posted at the headquarters and subsidiaries

Employee Satisfaction Survey

We conduct engagement and satisfaction surveys for all employees of the company on an anonymous basis every year, including 6 dimensions (out of 5) of “fairness and justice, vision and culture, learning and development, team atmosphere, process and collaboration, value and belonging”, to comprehensively diagnose the wellness of the organization.

In 2025, we distributed 12,345 questionnaires, and the overall employee satisfaction index of the company continued to optimize on the basis of high operation, with a year-on-year increase of 0.06 points. The human resources department of the company will distribute the collected opinions to various functional lines for rectification, and track the results of the rectification. For example, regarding the problem of accommodation and food, we will carry out special rectification around the dining environment of the cafeteria, the speed of food supplement, and the taste matching of the dishes, and the rectification results will be announcement on the cafeteria bulletin board.

Overall Results - Year-on-year increased by 0.06 points. Fairness and justice saw the most significant increase of 0.12 points
 Top 2 dimensions with above-average improvement: fairness and justice, learning and development
 Bottom 3 dimensions with below-average improvement: processes and collaboration, goals and planning, accommodation and catering



Picture: Analysis of Results of the 2025 Satisfaction Survey

4.2 Empowering Talent Development

We attach great importance to the sustainable development of employees, and incorporate the ESG concept into the whole process of talent recruitment, training and evaluation. We improve the training and promotion mechanism, and provide multi-dimensional support for employees at different career stages to help realize their career goals.

We attach great importance to the career development of employees. We have set up a dual-channel development path of management and professionalism, and strengthened the construction of the talent echelon to promote the succession plan of officers at all levels so as to maximize the initiative, enthusiasm and creativity of all employees; we have added ESG-related training courses, and increased weights of ESG indicators in performance evaluation to promote the implementation of the ESG concept. In 2025, 1,795 employees were promoted (including job and rank promotion).

Talent Development Path

Manage Channels	The preliminary opinions are mainly given through candidates answering questions, nomination and other methods, and then according to the division of powers and responsibilities, the appointment will be granted after the AT (Administrative Management Team) resolution at the corresponding level (the main responsibilities of the AT organization are discussing the people and incentives). After the probation period of 3 months, the salary may be adjusted.
Professional Path	Matching qualifications helps staff to grow. When the qualification is met, the staff can be promoted to a suitable position through answering questions, examinations, nomination and other methods. After promotion, there will be a probation period of 3 months, and the salary can be adjusted after the probation period (currently mainly implemented by the pig business department). Other business divisions and headquarters of the Group are mainly conducted through competitive recruitment.
Officer Succession	We will increase efforts in echelon building, take the succession plan of officers as the lead and promote the succession plan of officers at all levels. Qualified reserve echelons are required to reach at least 1:2. In addition, through job rotation and burden-bearing, we promote the long-and Z-shaped officer selection and development path, and cultivate the compound ability of officers. Eventually, we can also reduce the organization's dependence on capable staff and strengthen the safety of the Company's operations.

We also place great importance on talent training. We provide continuing education and training programs to employees to improve their skills and develop their potential in order to help them achieve career development and hold key positions in the future.

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Training System

Formulating training policies and processes	The Company has systems such as the Internal Trainer System (《內訓師制度》), the Training Management Standards (《培訓管理標準》) and the Dekon External Learning Application (《德康外派學習申請》), as well as supporting online forms and processes.
Formulating training programs	In November each year, the training institute will formulate targeted training plans after interviews with the employing departments, and plan various training programs and budget for the coming year in advance. For example, for middle and senior management, we offer training programs such as Saturday management study sessions, young officer training, and senior management training.
Developing serial exclusive courses	A series of exclusive courses such as Corporate Culture, General System, Professional Literacy, Production Skills, Professional Knowledge and General Management Ability were developed for different training programs for all levels such as newcomers, lower cadres, middle cadres and senior cadres through a combination of internal development + domestic and foreign excellent external brain + external courses, forming a unique training system of Dekon, and a series of classic training programs such as “Coach Workshop”, “Field Leader Training Camp”, “General Manager Training Camp” and “Star Gathering” were carried out.
Establishing a dedicated training team	Full-time trainers are assigned to be responsible for the overall operation of training projects, an internal trainer team is established to ensure the qualifications of teaching staff, and large-scale projects will be assisted by trainers assigned temporarily from branches to implement specific training projects.
Training status tracking by dedicated personnel	Dedicated personnel regularly track the implementation of each training project, supervise the implementation of various training projects and follow up the achievement of various online learning objectives.

Case:

Special training for employees

This year, we established a diversified online and offline training system around the core of labor rights protection, and organized multiple special training sessions on labor employment related policies to explaining key points such as employees' statutory labor rights, the Company's supporting protection rules, and channels to claim rights systematically. This aims to make employees to master knowledge related to their own labor rights comprehensively and clearly, and build a solid knowledge base for labor rights protection.



Picture: Training on the Work Attendance Policy at the Headquarters



Picture: Training on the Work Attendance Policy at a Branch

Indicator	Unit	2025
Number of training programs conducted	Session	12,596
Person-times of employees trained	Person-time	312,980
Training coverage rate of employees	%	100
Training coverage rate of male employees	%	100
Training coverage rate of female employees	%	100
Training coverage rate of senior management staff	%	100
Training coverage rate of mid-level management staff	%	100
Training coverage rate of other employees	%	100
Average training duration of employees	Hour	275.07
Average training duration of male employees	Hour	274.78
Average training duration of female employees	Hour	275.76
Average training duration of senior management staff	Hour	256.74
Average training duration of mid-level management staff	Hour	280.91
Average training duration of other employees	Hour	274.83
Total training investment in the reporting period	RMB	41,701,398

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Industry-University-Research Joint Talent Training

Adhering to the spirit of “advantage complementation, joint development, mutual benefit, and honest cooperation”, we have established strategic cooperation with more than 20 universities and scientific research institutions such as Huazhong Agricultural University, Sichuan Agricultural University, and Northwest A&F University. We cooperated with them to carry out strategic cooperation in educating people, realize the organic combination of teaching and production, strengthen the knowledge of the profession, effectively promote the development of students’ off-campus and social practice activities, and help train composite talents with high professional practice skills.

We actively invited students from different higher education institutions for an immersive experience of the Company’s culture and business, attracting a large number of potential high-quality candidates. In 2025, we received 310 person-times of teachers and students from 18 higher education institutions for visits and exchanges. Through forms such as “Dekon Program Summer Camp”, “Dekon Open Day”, university-enterprise cooperation class, and industry-university-research cooperation, we locked potential talents in advance and laid a solid foundation for campus recruitment.



Picture: Postgraduate Practice Missions from the Business School, Sichuan University and the Chengdu Institute of Biology, Chinese Academy of Sciences Making Exchanges at the Dekon Headquarters



Picture: Summer Camp Students Visiting Tonnies

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We apply a three-dimensional recruitment model of “online and offline integration, university-enterprises in-depth interactions, and targeted strategies for breakthroughs on core jobs”. By participating in course co-building, internship base setup, etc., we advance the recruitment chain and further explore the transformation from “talent screening” to “joint talent training”.

- **Offline Precise Outreach:** A total of 54 campus presentations were held throughout the year, with participation in 80 dual-career fairs. A cumulative total of 37,679 resumes were received (including online submissions), and over 6,000 interviews were organized. The target achievement rate for key positions reached 100%, realizing an effective transformation from extensive outreach to precise selection.
- **Online Brand Communication and Conversion:** New media platforms were actively utilized, with the total readership of recruitment articles and posters exceeding 100,000. A total of 58 university-enterprise cooperation events were held, attracting 6,104 participants and expanding recruitment channels.

Performance Evaluation

Evaluation system framework

Evaluation principle	Fair, just and open, evaluated in multiple dimensions including performance, competencies and attitude.
Hierarchical and classified evaluation	Differentiated evaluation schemes are formulated for senior management (strategic goal achievement, and ESG performance), mid-level management (team performance, and management skills), technical personnel (R&D achievements, and technological breakthroughs), production personnel (production indicators, and safety compliance), and administrative personnel (service efficiency, and process optimization).

Evaluation method, scope and frequency

Method	We adopt a combined approach of “organizational performance + individual performance” and “quantitative + qualitative” assessment, including KPI (Balanced Scorecard), individual PBC (for executives and middle & back-office staff), collective evaluation, etc.
Scope	Core indicators cover business outcome indicators (production efficiency, revenue contribution, etc.), management process indicators (market share, personnel efficiency, phased costs, team collaboration, etc.), organizational capability building indicators (cadre reserve ratio, process development, etc.), strategic/key tasks, and ESG-related indicators (safety compliance, green production, etc.).
Frequency	KPIs are assessed monthly, semi-annually and annually, while PBCs are assessed quarterly and annually.

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- *Performance Feedback and Appeal*

The Company has formulated and continuously optimized the Performance Evaluation Measures of Dekon Group (for Trial Implementation) (Dekon Zong Ren Zi [2020] No.25) (《德康總人字〔2020〕25號德康集團績效考核辦法(試運行)》), and other policies, which define appeal channels and times for employee performance evaluation results, and specify that appeals should be closed within 10 days after receipt, ensuring the fairness of performance evaluation effectively.

Talent Introduction

This year, we introduced a number of top-notch talents and expert teams in the fields of breeding, nutrition and health systematically through the composite talent introduction model of “full-time introduction + team cooperation”, strengthening the building of our internal talent echelon, absorbing global wisdom through open cooperation, and injecting strong momentum into technological innovation and industry upgrading.

Health management field	Targeted talent recruitment was carried out for key universities, and introducing one PhD, 12 masters, and one bachelor were introduced successfully from domestic top universities such as China Agricultural University, Huazhong Agricultural University, Sichuan Agricultural University, South China Agricultural University, and Shanghai Jiao Tong University, enriching our frontline scientific research forces in disease prevention and control, and biosafety R&D.
Nutrition field	<ul style="list-style-type: none"> • We strengthen exchanges and cooperation with well-known domestic and overseas experts in the field of animal nutrition in response to the transformation trend of “efficient grain conservation” and “precise nutrition” in the animal husbandry industry. In 2025, the Company engaged two doctoral experts in the field of animal nutrition successfully. • We contacted domestic and overseas top scientific research resources actively, This year, we established cooperation with expert teams from higher education institutions such as the Chinese Academy of Engineering, the Chengdu Institute of Biology, Chinese Academy of Sciences, Sichuan Agricultural University, Northwest A&F University, the Guangdong Academy of Agricultural Sciences, and the University of Sydney. Through industry-education integration and other means, we kept promoting in-depth university-enterprise cooperation and the transformation of technological achievements. • During the reporting period, the Company also had in-depth exchanges with a team of senior pig nutrition experts from the U.S., promoting the further establishment of a three-dimensional expert network covering basic research, application development and industry conversion.

Breeding field	<p>We have successfully built a talent matrix of “young backbone talents + top experts”:</p> <ul style="list-style-type: none">• In terms of full-time personnel recruitment, 8 young backbone talents were introduced by 2025, including two PhDs and 6 masters, all of whom graduated from top domestic agricultural and forestry universities such as China Agricultural University, Huazhong Agricultural University, Zhejiang University, and Sichuan Agricultural University.• We have specially engaged a team of authoritative experts from home and abroad as breeding consultants. Leveraging the cutting-edge vision and practical experience of top domestic and international experts, we promote the development of a core germplasm resource bank for local breeding pigs and the in-depth application of whole-genome selection technology.
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4.3 Protecting Employee Health

We strictly comply with the Work Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》), the Occupational Disease Prevention Law of the People’s Republic of China (《中華人民共和國職業病防治法》), and other regulations and ordinances, and have formulated work safety management control procedures, work safety management standards and processes, and established a comprehensive occupational health and work safety management system. We keep improving our work safety performance to prevent and reduce accidents, and ensure personal safety and health, and orderly production. In 2025, we invested RMB26.53 million in work safety.

In 2025, the Company established the safety management module officially, further improved the organizational structure, institution and standard system, and management tools for safety management, and promoted the implementation of the Group’s safety key tasks. The Company established a weekly and monthly safety meeting mechanism, and a regular training policy for safety management personnel of subsidiaries to keep strengthening safety management efforts; in addition, we conducted safety training, and identified and corrected potential safety hazards at our subsidiaries to improve our work safety supporting capabilities comprehensively.

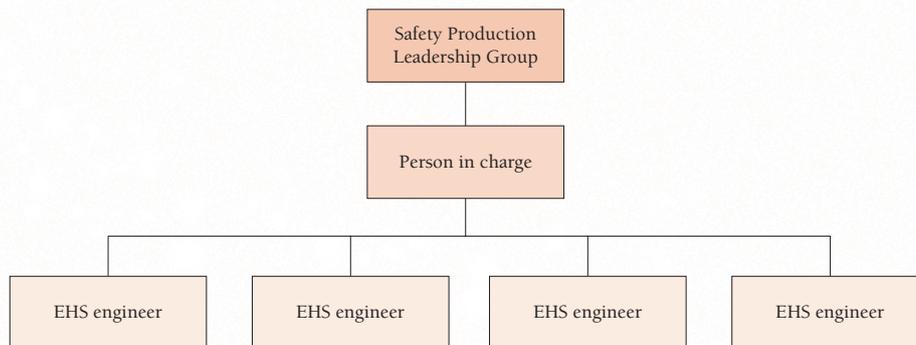
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4.3.1 Work Safety Management

In 2025, the Company established a hierarchical safety control mechanism at the organizational structure level and a three-level safety management system, which included the Work Safety Committee at the company level, work safety leading groups at the regional branch level, and work safety execution teams at production units such as breeding farms and feed factories, forming a safety management network with a clear hierarchy and clearly defined responsibilities.

The Company always adheres to the core principle that production and safety go in parallel. The Work Safety Committee is responsible for the Company's overall safety work, coordinates the formulation of the safety strategic policy and management policies, and implements national work safety policies, laws and regulations strictly. The Work Safety Committee includes safety work in the Company's agenda of important management tasks, and is responsible for issuing major decisions on safety work, approving important work safety matters, safety rules and regulations, key safety technical measures, and emergency plans for safety accidents in production, and providing sufficient resource support for the efficient operation of the safety management system, strengthening the foundation of the Group's work safety comprehensively.

Grading mechanism for institutional management	We have established the General Principles for Safety Management Policies of Dekon Group (《德康集團—安全管理制度總則》) as the overall outline of safety policies to guide subsidiaries to carry out work safety tasks. In addition, corresponding safety policies have been formulated for safety education, occupational health, special operations, mechanical, electrical, inspection and repair operations, special equipment, accident emergency response and investigation, etc. for the refined implementation of the general principles.
Grading mechanism for accident management	The Group's safety accidents are divided into four levels based on severity, namely ordinary, major, severe and particularly severe safety accidents, and corresponding reporting, investigation and punishment mechanisms are established for different accident levels.



Picture: Safety Management Framework

We have established a hierarchical and classified safety risk control mechanism for our subsidiary regional branches, breeding farms, feed factories, and food factories. Based on the scale, workforce and accidents that occurred in the past 4 consecutive years of each unit, they are assigned safety risk levels A, B, C and D in ascending order. Differentiated safety management measures are implemented for different risk levels to ensure the targeted, efficient and orderly implementation of safety management. In addition, based on the characteristics of the breeding industry and historical safety experience, the Group has defined confined space operations, working at height, vehicle driving operations, inspection and repair operations, and power outage alarm system operation as high-risk redline operations, and requires all breeding farms to comply with them and stick to the safety bottom line strictly.

Case

Deepening the safety enhancement of subsidiaries

This year, in order to implement the national serial decisions and arrangements on work safety thoroughly and improve the intrinsic safety level of our subsidiaries comprehensively, we organized them to carry out systematic safety enhancement with hierarchical safety risk control and identification at the core.

We actively promote safety visualization, and various industrial and trading subsidiaries have drawn four-color distribution diagrams of safety risks for their factories, workshops and key areas carefully based on the risk grading results. In addition, for key positions and key equipment with specific risks, we have produced and posted standardized position safety risk disclosure cards, and equipment safety risk disclosure cards in a unified manner.



Picture: Four-Color Distribution Diagram of Safety Risks



Picture: Position Safety Risk Disclosure Card

Safety Risk Identification and Response

In 2025, we issued auxiliary safety guidance data such as the Work Safety Management Manual for Breeding Farms and the Regulations on Work Safety Redline Management. In addition, we issued the Family Farm Safety and Environmental Protection Management Policy of Dekon Group in order to assist family farms in better carrying out safety management, help self-operated farms and family farms search safety-related laws and regulations, and the safety organizational structure, policies, relevant standards and tools issued by the Group quickly, and reduce the incidence of severe and above safety accidents at breeding farms.

Based on the work safety characteristics of the industry and a statistical analysis of past safety accidents of different types, we established a fishbone diagram of annual safety management ideas and tasks to identify safety risks in production and operations, covering risk factors such as fires, poisoning and suffocation, electric shock, vehicle injuries, pig bites, falls, and slips. We established targeted safety training, potential hazard investigation, and emergency drill mechanisms for accidents of the above types, and conducted regular safety inspections on breeding farms and feed factories every month to identify safety hazards, and collect information on potential hazard correction.

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To improve the safety awareness of all personnel of the Group, we have established a multi-level and full-coverage safety training system, and carried out various targeted safety training and drill activities. In 2025, the group established a multi-level safety training network covering the headquarters, regions, and production units. Over 200 group-level special and all-personnel training sessions were conducted throughout the year, covering new employees, peripheral personnel, and various breeding/feed production units. On this basis, subordinate units conducted 2,420 safety training sessions, and organized over 2,800 special meetings, potential hazard screening sessions, and emergency drills independently, improving the safety awareness and emergency response capabilities of all personnel comprehensively.



Picture: Safety Training

Work Safety Accident Management

We attach great importance to the management of work safety accidents. We have set up a work safety leadership team and local executive sub-teams to strengthen work safety management at all levels in six areas: safety management mechanisms, safety inspections, workplace safety measures, potential hazards investigation and correction, safety training, and employee health management, and clearly defined work safety management responsibilities level by level to prevent work safety accidents. We have established normative emergency response procedures to respond to sudden work safety incidents efficiently, ensure timely response, disposal, investigation, proper follow-up, and comprehensive correction of occupational hazards.

To achieve precise safety control, we have established a work safety management fishbone diagram based on industry characteristics and historical accident statistics. The working idea is to focus on confined space safety management (high-risk, prone to mass fatalities), with vehicle and electrical safety being secondary bones (prone to fatal accidents), and high-frequency risks such as falls, mechanical safety, pig operation safety, working at height, and object strike safety as fine bones. We also use safety training, potential hazard screening, warning signs, and key tasks as supporting measures to form a safety management system with clear highlights and priorities.

In 2025, under the existing safety organizational structure, we implemented hierarchical management for various regions and factories, formulated special assistance plans, carried out targeted safety advocacy, and prepared and issued a monthly work safety magazine based on the accident prevention and control idea with focus on the redline management of confined space operations, vehicle operations, and electrical safety. We produced and distributed 33 safety advocacy materials for publicity, and published 12 issues of the safety monthly magazine; conducted 143 safety supervision and assistance visits to subordinate units, resulting in 143 correction measure forms, including 94 visits to pig farms, 31 visits to chicken farms, 16 visits to feed factories, and 2 visits to food factories. In this way, we keep promoting the effective implementation of various safety management requirements.

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Indicator	Unit	2025
Number of safety production injuries	Person	27
Number of lost workdays in safety production	Day	1,746
Safety production injury rate per million working hours	/	1.19

4.3.2 Occupational Health and Safety

We have established a comprehensive occupational health and safety management system, and a comprehensive protection network that covers employees and partners, and extends to the production environment based on the business characteristics of the agricultural and animal husbandry industries, especially pig farming and R&D, with the ISO 45001 standard being the general framework. In 2025, the social insurance coverage rate of our employees was 100%.

The Company strictly complies with national and local regulations such as the Work Safety Law (《安全生產法》), the Occupational Disease Prevention and Control Law (《職業病防治法》), and the Biosafety Law (《生物安全法》), and has established a full-process mechanism and a three-level management structure of “risk identification — control — review”. In addition, we have developed a large number of internal policies and training courses based on business scenarios, covering four dimensions systematically: personal safety (e.g., new employee orientation, laboratories, production, accommodation, and intern safety), biosafety (for breeding farms, feed factories and laboratories), quality safety (raw material inspection standards), and employee health benefits (annual physical examination, commercial insurance, and online consultation).

Under the uniform security management framework, all departments carry out targeted and strengthened management based on their own business risks, forming a specialized and contextualized safety control system.

Health Dept.	<ul style="list-style-type: none"> Based on the concept of “general health”, we have established a characteristic prevention and control system for zoonotic diseases, complied strictly the Management Policy for Zoonotic Disease Prevention and Control (《人畜共患病防控管理制度》), and implemented onboarding and annual health monitoring for frontline employees; We strengthen the biosafety management of veterinary laboratories, standardize the disposal of hazardous chemicals and waste, and provide hierarchical personnel training; implement standardized protective procedures for onsite operations such as dissection and sampling; We extend safety management to “company + family farm” partner farmers, and ensure breeding safety and farmers’ health through training and standardized output.
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Breeding Dept.	With focus on pig breeding scenarios, we incorporate key risks such as animal contact injuries, dust and gas pollution, and equipment operations into the core of routine management, and ensure the effective implementation of safety management based on policies such as the Biosafety Management Measures (《生物安全管理辦法》), and the Safe Operation Manual for Facilities and Equipment (《設施設備安全操作手冊》), as well as regular emergency drills.
Nutrition Dept.	We carry out safety management around the whole process of feed R&D and production, and strengthen safety control throughout the chain of raw material purchase, production, and product quality to achieve controllable safety in all aspects.

We pay attention to the occupational health and safety of our employees, invite professional health consulting physicians to form a service team, and establish a full-scenario health support system. Through the online office software platform, employees can initiate health consultation at any time, and receive popular health science knowledge regularly; physicians are assigned to provide face-to-face health consultation services for employees at the Company every month, thereby protecting their physical health in multiple dimensions, demonstrating the Company's humanistic care for employees, and building a solid defense line for employee health and well-being.



Picture: Onsite Health Lecture by a Physician

4.4 Rural Revitalization Efforts

Dekon continues to increase investment in rural revitalization, carry out the “Hundred Villages and Million Pigs” project, observe the national action plan for fertilizer reduction, put into practice the cycling of planting and farming, and create a benchmark for sustainable agricultural development. In response to the national initiatives on scaled farming and “homecoming farm owners (返鄉農民創業)”, we deepen the family farm model, work with farmers to get rid of poverty and become better off while continuing to expand business scale, contributing to rural revitalization.

Promoting the “Hundred Villages and Million Pigs” Project

In response to the “Opinions on Comprehensively Promoting Rural Revitalization and Accelerating the Modernization of Agriculture and Rural Areas” (《關於全面推進鄉村振興加快農業農村現代化的意見》), we have actively integrated our development into the national rural revitalization strategy and observe the guiding principle of “accelerating the construction of a modern farming system, protecting the basic production capacity of pigs, and improving the long-term mechanism for the stable and orderly development of the pig industry” to explore innovative development models for the livestock and poultry farming and planting industries. We are committed to practicing our strategy of promoting rural revitalization and contributing to the construction of a strong agricultural country (推進鄉村振興，建設農業強國), working with the government to create a benchmark for sustainable agricultural development and vigorously promoting the “Hundred Villages and Million Pigs” project. Through measures such as “localized employment” and “direct rural recruitment”, we aim to attract labor from surrounding rural areas, provide training on breeding skills, and support the implementation of the “Hundred Villages and Million Pigs” project.

The “Hundred Villages and Million Pigs” project is a public welfare program extended and upgraded on the basis of Dekon’s existing industrial model, which will further benchmark us against the international leading level, practice the Dekon model of “uniting with and supporting farmers, helping farmers increase their income, industrial ecology, and helping rural revitalization”, and promote the high-quality development of local pig industry in Yibin. In the future, taking Yibin’s “Hundred Villages and Million Pigs” project as a model, Dekon will keep improving the layout of the project, so as to form a demonstration effect, help more family farmers become rich, and achieve the development and upgrading of the pig industry in more regions.



Picture: Real Photo of the 1,000-sow Self-breeding and Self-raising Standard Farm under the “Hundred Villages and Million Pigs” Project

Case

Yibin training base for the “Hundred Villages and Million Pigs” project

In December 2025, the training base for the New Farmer Training Joint Action and the Dekon “Hundred Villages and Million Pigs” Project was put into official use in Nanxi District, Yibin City, Sichuan Province, with a gross investment of RMB50 million. It specializes in the pig breeding industry, provides professional practical training to family farmers, and helps to solve the problem of talent shortage in the industry.

The base focuses on advanced technology and management knowledge output, bridges the “last mile” of technology landing, trains new-type composite agricultural talents, further consolidates the “company + family farm” interest sharing model, enhances farmers’ development capabilities, and boosts rural revitalization and agricultural modernization.



Picture: Real Aerial Photo of the Yibin Training Base

Case

The Yunnan branch increases farmers' income by purchasing products from their farms directly

In 2025, the Dongsheng Wholesale Department of Agricultural and Sideline Products in Eshan County cooperated with Eshan Dekon Agriculture and Animal Husbandry Co., Ltd. as a local business entity in Eshan County, which can bring about an annual income increase of RMB40,000–50,000; employees of Eshan Dekon will not only have access to high-quality agricultural and sideline products, but also provide employment opportunities and improve income for local farmers; for local farmers, it is a gratifying thing; in future development, Eshan Dekon Agriculture and Animal Husbandry Co., Ltd. will stay true to its original aspirations and make due contributions to local development wholeheartedly.



Picture: Wholesale of Agricultural and Sideline Products by Du Dongsheng, the Owner of the Dongsheng Wholesale Store in Eshan County

Mutually Beneficial Family Farm Model

Rural areas prosper when industries thrive. As a large-scale agricultural industrialization enterprise, by leveraging our industrial advantages and rich resource, and by increasing our support for family farms, we have developed our core business into a pillar for rural revitalization, striving to become an important entity to drive the high-quality development of rural industries, and making positive contributions to the sustainable development of regional economy, society and the environment.

In order to improve professional and hands-on skills of farmers comprehensively, our farm team conducted special training for over 82,000 person-times of partner farmers in 2025, and empowerment training for over 210,000 person-times in the past three years. By working together with and empowering famers, and increasing their income, we have improved the stability and skills structure of partner farmers significantly, provided solid talent and industry support for rural revitalization, and boosted their transformation toward standardization and intelligence.

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4.5 Public Welfare Actions

As we continue to grow our business, we remain attentive to societal needs. We are committed to improving people’s lives through our development achievements and giving back to society with concrete actions. We actively leverage our business strengths and fulfill our social responsibilities to help more people in need. In 2025, we donated RMB10.6 million for charitable or other purposes.

Donations for educational cooperation	<ul style="list-style-type: none"> • We made an education donation to Education Development Foundation of Nanjing Agricultural University • We donated scholarships to the 2022 Apprenticeship Class of Yibin Vocational and Technical College • We made a donation to Education Development Foundation of South China Agricultural University • We made a donation to Sichuan Agricultural University
Donations for students	<ul style="list-style-type: none"> • We made donations for the renovation of Shushugou Primary School and the exterior wall renovation of the Qianqi Education Center • We made a donation to Mayue Primary School in Taiping Town • We donated commendations prizes to students excelling in both character and learning in Daying Town • We donated a Children’s Day condolence money to Weibian Primary School • We made donations to the Management Committee of Yantan High-tech Industrial Park in Zigong City for college students’ education, and impoverished college students in Rong County, Zigong City
Rural revitalization assistance	<ul style="list-style-type: none"> • We made a donation to the Sihong County Charity Federation for the county’s “Becoming Rich 100” insurance assistance program • We made a donation to the special account for assistance funds of the Rural Revitalization Bureau of Songtao Miao Autonomous County • We made a donation for the installation of tap water for 51 households at Fujia Farm in the Fujiaheyan Village Committee • We made a donation to the Wusheng County Pig Industry Association • We donated construction costs for the peripheral highway of Yongheng Breeding Farm to the Rural Collective “Three Funds” Entrusted Agency Service Center of Tianchi Town, Xuyong County

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HONG KONG STOCK EXCHANGE “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE” CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Location
General Disclosure		3.2 Practicing Green Operations
KPI A1.1	The types of emissions and respective emissions data	3.2 Practicing Green Operations
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.2 Practicing Green Operations
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.2 Practicing Green Operations
KPI A1.5	Description of emissions targets set and steps taken to achieve them.	ESG FOCUS AREAS; 3.2 Practicing Green Operations
KPI A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.	ESG FOCUS AREAS; 3.2 Practicing Green Operations
General Disclosure		3.2 Practicing Green Operations
KPI A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	3.2 Practicing Green Operations
KPI A2.2	Total water consumption and intensity (e.g., per unit of production volume, per facility).	3.2 Practicing Green Operations
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	ESG Focus Areas; 3.2 Practicing Green Operations
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, and the water use efficiency target(s) set and the steps taken to achieve them.	3.2 Practicing Green Operations
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, the consumption per production unit.	Not applicable

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Subject Areas, Aspects, General Disclosures and KPIs		Location
General Disclosure		3.1 Strengthening Environmental Management; 3.3 Promoting Circular Planting and Breeding
KPI A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them.	3.1 Strengthening Environmental Management; 3.3 Promoting Circular Planting and Breeding
General Disclosure		4.1 Protecting Employee Rights and Interests 4.2 Empowering Talent Development
KPI B1.1	Total workforce by gender, employment type (for example, full or part time), age group and region.	4.1 Protecting Employee Rights and Interests
KPI B1.2	Employee turnover rate by gender, age group and region.	4.1 Protecting Employee Rights and Interests
General Disclosure		4.3 Protecting Employee Health
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.3 Protecting Employee Health
KPI B2.2	Lost days due to work injury.	4.3 Protecting Employee Health
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.3 Protecting Employee Health
General Disclosure		4.2 Empowering Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.2 Empowering Talent Development
KPI B3.2	The average training hours completed per employee by gender and job category.	4.2 Empowering Talent Development

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Subject Areas, Aspects, General Disclosures and KPIs		Location
General Disclosure		4.1 Protecting Employee Rights and Interests
KPI B4.1	Description of measures to review recruitment practices to avoid child and forced labor.	4.1 Protecting Employee Rights and Interests
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Protecting Employee Rights and Interests
General Disclosure		1.5 Optimizing Value Chain Management
KPI B5.1	Number of suppliers by region.	1.5 Optimizing Value Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	1.5 Optimizing Value Chain Management
KPI B5.3	Description of practices relating to identifying environmental and social risks at each stage of the supply chain, and how they are implemented and monitored.	1.5 Optimizing Value Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	1.5 Optimizing Value Chain Management
General Disclosure		2.2 Food Safety and Quality
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable
KPI B6.2	Number of complaints received regarding products and services and how they are dealt with.	Not Applicable
KPI B6.3	Description of the practices relating to observing and protecting intellectual property rights.	1.3 Integrity and Compliance in Operation
KPI B6.4	Description of quality assurance process and recall procedures.	2.2 Food Safety and Quality
KPI B6.5	Description of customer data protection and privacy policies, and how they are implemented and monitored.	1.6 Customer Service Management

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Subject Areas, Aspects, General Disclosures and KPIs		Location
General Disclosure		1.3 Integrity and Compliance in Operation
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.3 Integrity and Compliance in Operation
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.3 Integrity and Compliance in Operation
KPI B7.3	Describe the anti-corruption training provided to directors and employees.	1.3 Integrity and Compliance in Operation
General Disclosure		4.4 Rural Revitalization Efforts; 4.5 Public Welfare Actions
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	4.4 Rural Revitalization Efforts; 4.5 Public Welfare Actions
KPI B8.2	Resources contributed to the focused area (e.g. money or time).	4.4 Rural Revitalization Efforts; 4.5 Public Welfare Actions

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CLIMATE-RELATED DISCLOSURES

Disclosure Requirements	Location
(a)	
(i) How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	ESG GOVERNANCE
(ii) How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	ESG GOVERNANCE
(iii) How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	ESG GOVERNANCE
(iv) How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and	ESG GOVERNANCE
(b)	
(i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	ESG GOVERNANCE
(ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	ESG GOVERNANCE
(a) Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	3.4 Addressing Climate Change
(b) Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	3.4 Addressing Climate Change

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Disclosure Requirements	Location
(c) Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	3.4 Addressing Climate Change
(d) Explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	3.4 Addressing Climate Change
(a) A description of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain; and	3.4 Addressing Climate Change
(b) A description of where in the issuer’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	3.4 Addressing Climate Change
(a) Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	ESG Focus Areas; 3.4 Addressing Climate Change
(i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;	
(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer’s transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	
(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)); and	

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Disclosure Requirements	Location
(b) Information about how the issuer is resourcing, and plans to resource.	3.4 Addressing Climate Change
(c) Disclose information about the progress of plans disclosed in previous reporting periods.	ESG Focus Areas
(a) An issuer shall disclose qualitative and quantitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	3.4 Addressing Climate Change
(b) The climate-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	3.4 Addressing Climate Change
(a) The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	3.4 Addressing Climate Change
(i) its investment and disposal plans; and	
(ii) its planned sources of funding to implement its strategy; and	
(b) How the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	3.4 Addressing Climate Change
(a) The issuer shall provide qualitative and quantitative disclosures about the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	3.4 Addressing Climate Change
(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	

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Disclosure Requirements	Location
<p>(b) how and when the climate-related scenario analysis was carried out, including:</p> <ul style="list-style-type: none"> (i) information about the inputs used; (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out. 	Not applicable
<p>(a) An issuer shall disclose the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p> <ul style="list-style-type: none"> (i) the inputs and parameters the issuer uses; (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks; (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; 	3.4 Addressing Climate Change
<p>(b) The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and</p>	3.4 Addressing Climate Change
<p>(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.</p>	3.4 Addressing Climate Change
<p>(a) An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as:</p> <p>Scope 1 greenhouse gas emissions;</p> <p>Scope 2 greenhouse gas emissions; and</p> <p>Scope 3 greenhouse gas emissions.</p>	3.4 Addressing Climate Change

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Disclosure Requirements	Location
(b) An issuer shall measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	3.4 Addressing Climate Change
(c) Disclose the approach it uses to measure its greenhouse gas emissions;	3.4 Addressing Climate Change
(d) For Scope 2 greenhouse gas emissions, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	Not applicable
(e) For Scope 3 greenhouse gas emissions, disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Not applicable
(a) An issuer shall disclose the amount and percentage of assets or business activities vulnerable to: <ul style="list-style-type: none"> <li data-bbox="304 1112 732 1138">(i) climate-related transition risks; and <li data-bbox="304 1177 667 1203">(ii) climate-related physical risks 	Not applicable
(b) An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Not applicable
(a) An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	3.1 Strengthening Environmental Management
(b) An issuer shall disclose: <ul style="list-style-type: none"> <li data-bbox="304 1511 1099 1612">(i) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and <li data-bbox="304 1651 1070 1720">(ii) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Not applicable

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Disclosure Requirements	Location
(c) An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	Not applicable
(d) In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Not applicable
(a) An issuer shall disclose (i) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (ii) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	ESG Focus Areas
(b) An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	ESG Governance
(c) An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Not applicable
(d) For each greenhouse gas emissions target disclosed: <ul style="list-style-type: none"> <li data-bbox="256 1175 831 1200">(i) which greenhouse gases are covered by the target; <li data-bbox="256 1233 999 1302">(ii) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; <li data-bbox="256 1334 1023 1403">(iii) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target; <li data-bbox="256 1435 970 1504">(iv) whether the target was derived using a sectoral decarbonisation approach; and <li data-bbox="256 1537 991 1606">(v) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. 	3.4 Addressing Climate Change

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

READERS' FEEDBACK

Thank you for reading this Report. In order to continuously improve the preparation of the report, we particularly hope to listen to your opinions and suggestions. Please complete the relevant questions in the feedback form and send us via:

Email: sichuandekang@dekanggroup.com

Tel: 028-62588308

Personal information

Name:

Work unit:

Position:

Contact number:

Fax:

Email:

Selection questions (Please click ✓ in the corresponding position)

Option	Very good	Good	Fair	Poor	Very poor
1. The Report reflects our significant economic, social and environmental impacts in a comprehensive and accurate manner	<input type="checkbox"/>				
2. The Report responds to and discloses issues of concern to stakeholders	<input type="checkbox"/>				
3. The information, indicators, and data disclosed in the Report are clear, accurate, and complete	<input type="checkbox"/>				
4. Readability of the Report, i.e., the logic, content design, language and text, and layout design of the Report	<input type="checkbox"/>				

Open questions

1. What other information you need to know is not reflected in this report?
2. What are your suggestions for us to prepare ESG reports in the future?

Thank you for your care and support for Dekon!



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DEKON FOOD AND AGRICULTURE GROUP