



China Youran Dairy Group Limited

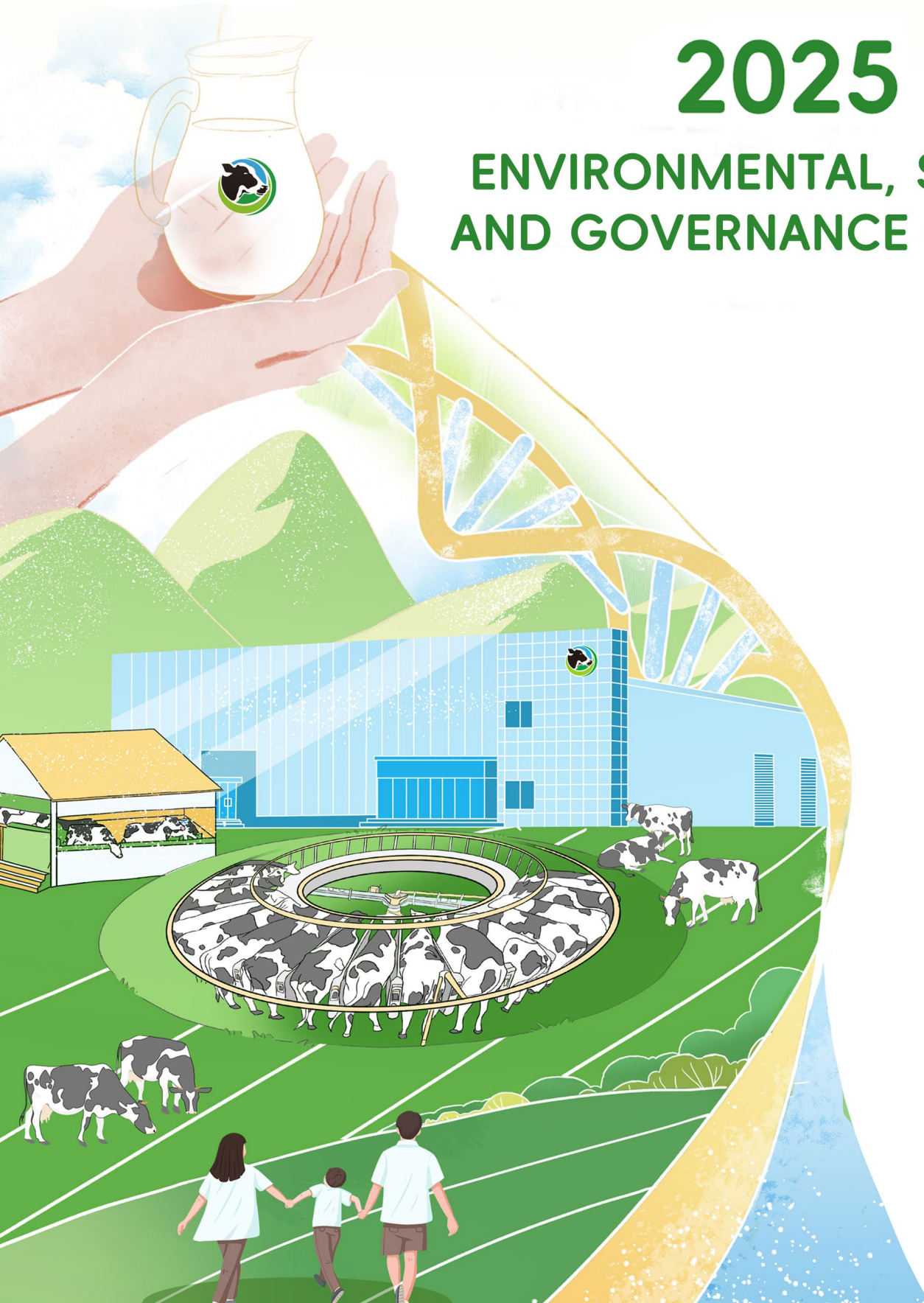
中國優然牧業集團有限公司

(A LIMITED COMPANY INCORPORATED IN THE CAYMAN ISLANDS)

STOCK CODE : 9858.HK

# 2025

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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# About This Report

## Reporting Scope

Data and facts involved herein cover China Youran Dairy Group Limited and its subsidiaries. For the convenience of expression, in this report, "the Group", "we", "the Company" or "Youran Dairy" refers to China Youran Dairy Group Limited together with its subsidiaries.

## Reporting Period

This is an annual report. The Reporting Period is from January 1, 2025 to December 31, 2025 (the "Reporting Period" "Fiscal Year" or "2025"). To make this report more comparable and forward-looking, some of its contents may be beyond the above Reporting Period.

## Basis of Preparation

This report is prepared in accordance with the Environmental, Social and Governance Reporting Code (the "ESG Code") under Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). It also references the GRI Sustainability Reporting Standards issued by the Global Sustainability Standards Board ("GSSB"), the S&P Global Corporate Sustainability Assessment and the MSCI (formerly known as Morgan Stanley Capital International) ESG Rating. The content related to addressing climate change is developed with reference to Section D of the ESG Code on climate-related disclosures and the IFRS Sustainability Disclosure Standards S2 Climate-related Disclosures published by the International Sustainability Standards Board ("ISSB").

## Data Explanation

Unless otherwise stated, the scope of statistics herein covers China Youran Dairy Group Limited and its subsidiaries.

All monetary amounts stated in this report are in Renminbi ("RMB") unless otherwise stated.

## Reporting Principles

The preparation of this report adheres to the principles of materiality, quantitative, balance and consistency.

**Materiality:** The materiality of the Group's ESG matters was determined by the board of directors of the Company (the "Board"), and communications with stakeholders, the process of identifying substantive issues and the substantive issues matrix were disclosed in this report.

**Quantitative:** The statistical standards, methodologies, assumptions and/or calculation tools of quantitative key performance indicators as well as sources of conversion factors were detailed in the "Definitions" section in this report.

**Balance:** This report provides an unbiased presentation of the Group's performance during the Reporting Period by preventing choices, omissions and forms that may cloud the users' decision or judgment of this report.


**Consistency:** Unless otherwise specified, the statistical methods and standards of data disclosed in this report are consistent.


## Form of Publication

This report is published in electronic form. The electronic version can be downloaded on the HKEXnews website of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") (<http://www.hkexnews.hk>) and the Group website ([https://www.yourandairy.com/zh/info\\_5.html](https://www.yourandairy.com/zh/info_5.html)).

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# Message from the Chairman of the Board

As time moves on, a new chapter unfolds.

2025 marks the final year of the 14<sup>th</sup> Five-Year Plan period, as well as a year of dedication and achievements as Youran Dairy celebrates the 10<sup>th</sup> anniversary of its spin-off and independent development. During the year, guided by policies including "Rural Revitalization" and "Dairy Industry Revitalization", the Group fully tapped into its strengths and potential in technology, platforms, markets, talent and the industry chain. We stayed committed to green operation, technological innovation, cost reduction and efficiency enhancement, pursuit of excellence in quality and improvement in per-unit yield, enhancing the value and competitiveness of the industry chain. We safeguarded national dairy supply security and continued to contribute to the high-quality development of China's animal husbandry and the modernization of agriculture. In 2025, Youran Dairy attained a series of accomplishments. The year-on-year annualized average milk yield per milkable cow (excluding Jerseys) in the raw milk business increased by 1.6%. The feed business maintained steady and positive growth, with concentrated feed sales reaching 845,804 tons.

China Youran Dairy Group Limited  
Chairman of the Board and the President  
**Hao Haijun**



## Low-Carbon Transition, Green Empowerment for Sustainable Corporate Development

Guided by the principle of "Ecology First, Green Development", the Group places addressing climate change and protecting ecosystems and biodiversity at the core of its sustainable development. We have deeply advanced the green transition across the entire industry chain and promoted the sustainable operation model of "from a blade of grass to a glass of milk". In 2025, we implemented the "Dual Carbon" strategy and continued to carry out the "Eight Core Emission Reduction Measures" for carbon neutrality. We persisted in the research and application of comprehensive technologies for biogenic carbon and fossil carbon reduction in large-scale dairy farming, and deepened the development of "Ecological Circular Dairy Farm Construction". Our carbon emission intensity continued to decline, and we obtained China's first carbon-neutral certified dairy farm as well as the highest carbon credit issuance for a single dairy farm in China. We optimized land use, forest conservation and water source protection, strengthened pollution control and waste recycling, and drove the industry chain toward environmental protection, ecological balance and low-carbon circular development.

## Steady Operation, Technology-Driven Innovative Corporate Development

With the vision to "Lead China's Animal Husbandry to March Forward to the Most Trustworthy World-class Animal Husbandry Group", the Group has continuously consolidated the foundation of corporate governance and internal control risk management, upheld business ethics, and fostered a transparent, standardized and integrity-based corporate culture. In addition, the Group has long adhered to the long-term goal of "becoming the global leader in the digital development of animal husbandry", and established a digital transformation strategy that is "oriented toward enhancing industry chain development, rooted in value creation, and centered on customer service". We vigorously promoted the construction of intelligent dairy farms, empowered dairy farming and management with advanced artificial intelligence and information technologies, and built an efficient industry chain service platform. In 2025, the Group's "Intelligent Dairy Farming Solution" was selected in the *2025 Typical Cases of Smart Agriculture Construction* of the Ministry of Agriculture and Rural Affairs of the People's Republic of China as the only dairy industry entire-chain solution, providing valuable experience for the digital and intelligent transformation of the industry and adding strong technological impetus and support for the development of agricultural modernization.

## Talent Foundation, Community Synergy for Harmonious Corporate Development

The Group has always adhered to a people-oriented approach, regarding talent as the primary productive force of the enterprise, and actively promoted exchanges and communication between the enterprise and local communities. In 2025, we further deepened the strategic layout of the talent strategy of "establishing an efficient talent supply chain", respected labor and human rights, fostered a diverse, equal and inclusive working environment, continuously improved employee benefits and care, and refined the "Trinity" talent training system. We built a dual-wheel-driven talent development and training model to realize high-quality talent output. Furthermore, the Group attaches great

importance to fulfilling social responsibilities, strengthened community exchanges and communication, committed to aligning corporate development with community progress, and continuously enhanced overall social well-being.

## Open Collaboration, Industrial Synergy for Win-Win Corporate Development

The Group actively joins hands with upstream and downstream partners, integrating the concept of sustainable development into every link of industry chain development. In 2025, through in-depth green supply chain management, friendly and active industrial technical exchanges, and integration of information and resources, we mapped the sustainable supply chain map of core raw materials for the first time, boosting the coordinated development of the entire industry chain. Together, we built a new green, harmonious and win-win sustainable industrial ecosystem, enhanced industrial competitiveness, and contributed wisdom and strength to promoting the high-quality development of agriculture and animal husbandry.

## Quality as the Foundation, Ingenuity Safeguarding Excellent Corporate Development

The Group remains committed to the corporate mission of "creating the source power of human healthy life by its high-quality products", and has always integrated quality management into every link of all industry chains. In 2025, we fully implemented the "3342 Quality Management Strategy", upgraded the product quality management system, and obtained multiple food safety and quality-related certifications including SQF (Safe Quality Food Certification), ISO 9001 (Quality Management System Certification) and China GAP (China Good Agricultural Practices Certification). We also continuously increased innovative R&D on formulas and technologies for raw milk and feed products, enhancing product nutrition and health on the basis of ensuring safety. We are committed to providing the market with high-standard, high-value and high-quality dairy products and services. Youran Dairy Farms have passed stringent quality audits on dairy upstream suppliers conducted by several well-known leading domestic retail enterprises.

With strong winds filling our sails, we forge ahead to embark on a new journey. Going forward, Youran Dairy will continue to uphold the core values of "Excellence, Undertaking, Innovation, Win-win and Respect", anchor its strategic direction, take steady and solid steps along the path of high-quality and sustainable development, and strive toward the vision of "Lead China's Animal Husbandry to March Forward to the Most Trustworthy World-class Animal Husbandry Group". We will contribute more to the healthy, low-carbon and innovative development of China's dairy industry, and join hands with global partners and industry peers to create a bright future for the development of animal husbandry!

## Board Statement

The Group's Board strictly adheres to the *Corporate Governance Code* ("Corporate Governance Code") under Appendix C1 to the Listing Rules, the ESG Code and other relevant requirements. We actively establish a standardized and effective ESG governance system, management processes and information disclosure mechanism, ensuring the orderly development of the Group's sustainable growth initiatives.

The Board bears the ultimate responsibility for the ESG governance. The Board supervises and makes decisions on ESG-related matters, evaluates and determines the Company's ESG risks and opportunities by taking into account operational management and demands from stakeholder communications, identifies the priorities of the Group's ESG efforts and sets ESG objectives. It regularly reviews the formulation of ESG management policies and strategies, the achievement of objectives and ESG performance, so as to better fulfill its sustainable development obligations. The Board is also responsible for reviewing disclosures in the Company's Environmental, Social and Governance Report. This report has been reviewed and approved for release by the Board.



## About Youran Dairy

### Company Overview

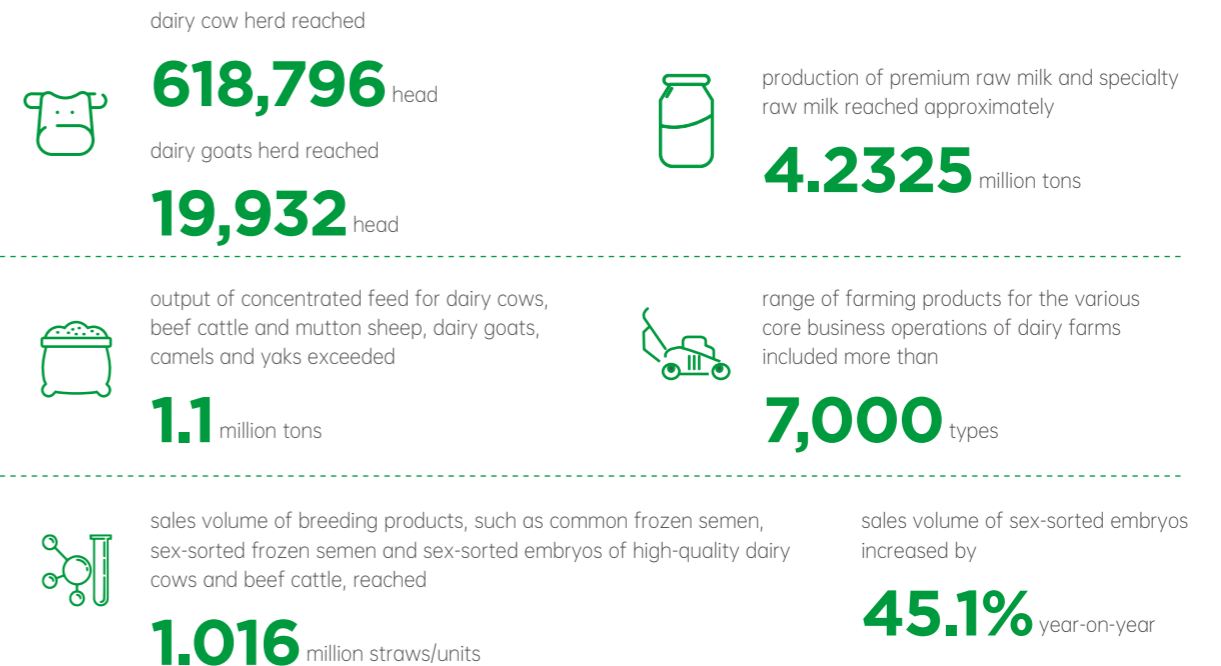
#### Company Profile

Youran Dairy was listed on the Hong Kong Stock Exchange on June 18, 2021 (stock code: 9858.HK). As a leader in China's upstream dairy market, the Group has a full business coverage of the entire upstream dairy industry chain from breeding to feed and raw milk production, and has maintained an industry-leading position across all business segments.

As of December 31, 2025, the Group operated 100 large-scale modern dairy farms, 15 feed mills, 16 forage grass plantation bases, 4 world-leading key dairy cow breeding bases, 1 bull station and an online dairy farming industry chain platform "Jumuc.com", with 618,796 dairy cows and 19,932 dairy goats. For the year ended December 31, 2025, the Group's production of premium raw milk and specialty raw milk reached approximately 4.2325 million tons, with specialty raw milk covering Jersey milk, DHA milk, A2 milk, organic milk, organic A2 milk, selenium-rich milk, organic Jersey milk, goat milk and other varieties. The Group's output of concentrated feed for dairy cows, beef cattle and mutton sheep, dairy goats, camels and yaks exceeded 1.1 million tons. Through its online platform and 23 offline pick-up stores, the Group provides more than 7,000 types of farming products for various core business operations of dairy farms. The sales volume of the Group's breeding products, such as common frozen semen, sex-sorted frozen semen and sex-sorted embryos of high-quality dairy cows and beef cattle, reached 1.016 million straws/units, among which the sales volume of sex-sorted embryos increased by 45.1% year-on-year, making us one of the dairy breeding enterprises in China that pioneered the large-scale production and commercial application of high-yield dairy cow embryos.

Going forward, the Group will fully deepen technology empowerment, take high-quality development as the core engine to lead the industrial upgrading of China's dairy farming industry, and stay committed to the R&D and supply of high-quality products, cutting-edge technologies and professional services. We will steadily enhance our comprehensive competitiveness, repay the trust of customers and shareholders with outstanding performance and quality, and contribute greater strength to the healthy, low-carbon and sustainable development of China's dairy industry.

#### For the year ended December 31, 2025, the Group's

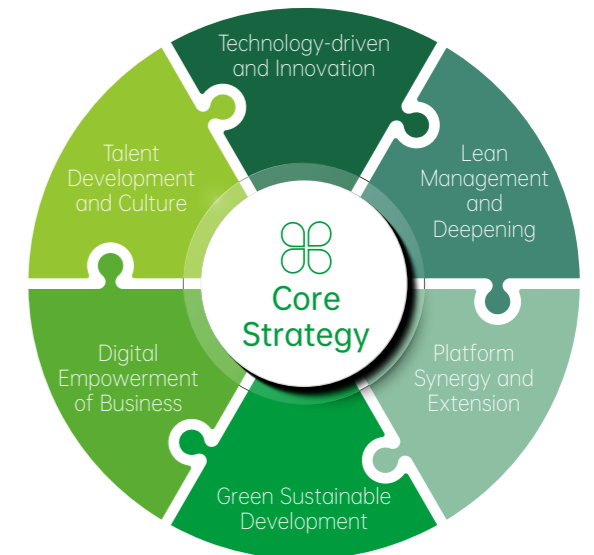


## Corporate Culture



## Core Strategies

Based on the strength of the industry chain, and deepening the engagement in the ruminant sector, the Group promotes the four strategic orientations in all respects, namely, being customer value oriented, corporate value oriented, employee value oriented, and social value oriented, and becomes driven by the six core strategies to realize the high-quality development of Youran Dairy along its transformation toward a technology-based animal husbandry group and a new benchmark for the industry.

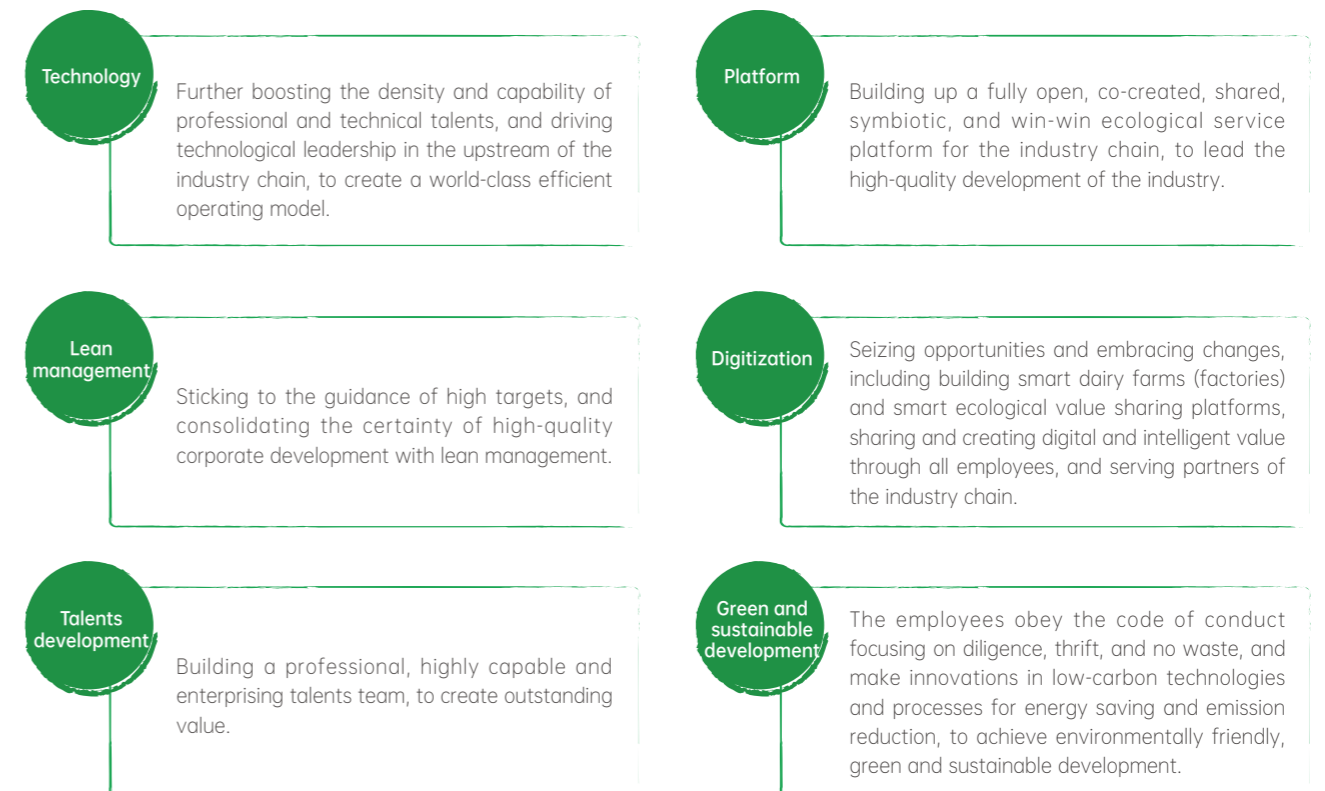


Core Strategies of Youran Dairy

## Business Philosophy

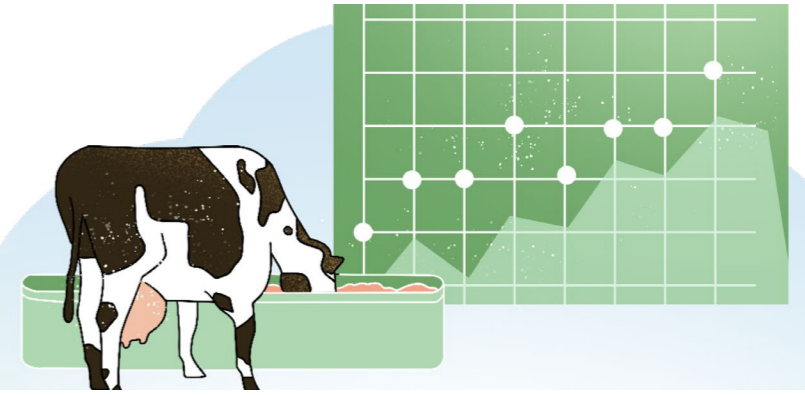
Youran Dairy focuses on six strategic dimensions: "Technology", "Platform", "Lean Management", "Digitalization", "Talents Development", and "Green Sustainability" and strives to empower the entire industry chain with science and technology. Meanwhile, we have been expanding high-tech and high-value-added businesses of the industry chain to comprehensively promote Youran Dairy in terms of technological value and to enable the transformation from high speed development to high-quality development.

### Youran Dairy's Six-Dimensional Business Philosophy



## The Path to Sustainability

2025 marks the 10<sup>th</sup> anniversary of Youran Dairy's spin-off and independent development. It is also a decade of taking sustainability as the foundation and ESG philosophy as the guidance, deeply cultivating the responsible value of the full industry chain "from a blade of grass to a glass of milk". Having forged ahead through ten years of trials and hardships, Youran Dairy has always deeply integrated environmental friendliness, social responsibility and compliant governance into corporate strategy and operations. We have continuously built a modernized agricultural and animal husbandry industry featuring low-carbon circularity, intelligence and efficiency, and forged a high-quality sustainable development path with both industrial competitiveness and social value.



### Preliminary Preparation Stage 1984-2014

Starting from Hohhot Combined Feed Factory in 1984, the Group deeply engaged in the basic upstream links of the dairy industry. From 2000 to 2014, through mergers, acquisitions and strategic layout, the Company gradually expanded into core fields such as feed production, livestock breeding and alfalfa planting, establishing an integrated industrial structure covering "forage-feed-livestock" and laying the foundation for sustainable development capabilities.

### Foundation and Initial Development Stage 2015-2021

In 2015, Youran Dairy completed business spin-off and embarked on independent development, marking the start of building a foundation for modern and sustainable agricultural and animal husbandry. We established the development tone of "Green breeding, Quality priority" and shaped a standardized, large-scale and ecological business model. The Company simultaneously explored the integrated planting and breeding model, practiced resource recycling, constructed a dairy source quality and safety system, and laid out green production standards, consolidating the foundation for the subsequent full-industry-chain sustainable development.

- In June 2021**  
Youran Dairy was listed on the main board of the Hong Kong Stock Exchange.
- In September 2021**  
Youran Dairy was included in the "Southbound Trading Link".
- In November 2021**  
Youran Dairy was included in the MSCI Global Standard Index Constituents – China Small Cap Index.

### System Construction Stage 2022-2023

During this stage, Youran Dairy systematically planned its sustainable development path, explicitly put forward the long-term net-zero goals of "Achieving carbon peaking by 2030 and carbon neutrality by 2050", formulated and implemented the *Zero-Carbon Future Plan Implementation Scheme*, and continuously improved its sustainable development governance system. We officially established the Environmental, Social and Governance Committee (the "ESG Committee"), deeply integrating ESG philosophy and management requirements into the entire process of corporate strategy formulation, operational decision-making and daily operations, significantly enhancing sustainable governance capabilities.

- In March 2022**  
Youran Dairy strategically took a stake in China Zhongdi Dairy Holdings Company Limited, fully introducing sustainable standards such as low-carbon breeding, circular planting and breeding, and intelligent farms, improving resource utilization efficiency and dairy supply stability.
- In April 2022**  
Youran Dairy released its first *Environmental, Social and Governance Report*.
- In September 2022**  
Youran Dairy officially joined the United Nations Global Compact (UNGC).
- In May 2023**  
Inner Mongolia Youran was awarded the title of National Key Leading Enterprise in Agricultural Industrialization.
- In July 2023**  
Youran Dairy was included in the MSCI ESG rating for the first time and awarded Grade BB.
- In September 2023**  
Inner Mongolia Youran won the first prize of the Science and Technology Progress Award of Inner Mongolia Autonomous Region with the project "Standardization and Key Technology for Intelligent Dairy Farms".
- In September 2023**  
Youran Dairy was included in the FTSE Global Equity Index Series – China Index.
- In September 2023**  
Inner Mongolia Youran was ranked 11<sup>th</sup> among the Top 100 Private Companies in Inner Mongolia 2023.
- In December 2023**  
Inner Mongolia Youran was ranked 60<sup>th</sup> among the Top 500 Chinese Agricultural Companies 2023.

### Rapid Development Stage 2024-2025

Youran Dairy continued to improve its sustainable development management system. On the basis of regularly issuing the *Environmental, Social and Governance Report*, we separately compiled and released special ESG reports including the *Climate Information Disclosures Report* and *Biodiversity Conservation Report*, steadily promoting climate risk management and green low-carbon development, achieving remarkable sustainable development results.








- In February 2024**  
Youran Dairy ranked in the top 15% of the industry in the S&P Global Corporate Sustainability Assessment (2023 CSA).
- In March 2024**  
the industry's first Verified Carbon Standard ("VCS") carbon credit project developed by Youran Dairy was issued, serving as high-quality carbon assets available for external sales and internal carbon offset.
- In May 2024**  
Youran Dairy built the first low-carbon dairy farm in China.
- In July 2024**  
Youran Dairy's Chilechuan Ecological Intelligent Dairy Farm became the first in China to commit to using 100% zero deforestation soybeans.
- In October 2024**  
Youran Dairy participated in the formulation of the national standard *GB/T 44903-2024 Greenhouse Gases—Carbon Footprint Quantification Method and Requirements for Livestock Products*.
- In November 2024**  
Youran Dairy established China's first top-graded "four-star low-carbon" dairy farm.
- In April 2025**  
Youran Dairy released the *Climate Information Disclosures Report* and *Biodiversity Conservation Report*.






### Strategic Upgrade Stage 2025 and Beyond

Youran Dairy continues to leverage the leading role of ESG value, optimizes and improves the three-tier ESG governance structure, and further clarifies ESG governance responsibilities. The Company has innovatively established the "EARTH (Guard Ecology, Lead Health)" sustainable development strategic model, comprehensively elevated its sustainable development strategic positioning, clarified strategic vision, long-term goals and five major implementation directions, promoting more systematic and refined ESG practices.

In 2025, Youran Dairy reached new heights in sustainable development and received numerous honors and recognitions:

2025 Sustainable Development Honors of Youran Dairy

Time	Awards	Awarded by	Photos
May 2025	AAA Well-known Trademark Brand Evaluation Certificate	China Trademark Association	
May 2025	Bayannur Green Manufacturing Demonstration Unit (Green Factory) 2025	Bureau of Industry and Information Technology of Bayannur City	
June 2025	Inner Mongolia Autonomous Region agriculture and animal husbandry industrialization key leading enterprise	Department of Agriculture and Rural Affairs of Inner Mongolia Autonomous Region	
July 2025	Inner Mongolia Youran was ranked among Top 100 Private Companies in Inner Mongolia (ranked 11 <sup>th</sup> ).	Federation of Industry and Commerce of Inner Mongolia Autonomous Region Bureau of Private Economy Development Service of Inner Mongolia Autonomous Region	
August 2025	Wind ESG Rating AA	Wind	
October 2025	Youran Dairy Bayannur Feed Production Base was recognized as an "Autonomous Region-level Green Factory"	Department of Industry and Information Technology of Inner Mongolia Autonomous Region	
November 2025	Officially approved as "Inner Mongolia Autonomous Region Industrial Technology Engineering Center for Dairy Cow Nutrition and Intelligent Farming"	Development and Reform Commission of Inner Mongolia Autonomous Region	

Time	Awards	Awarded by	Photos
November 2025	Achieved the highest carbon credit issuance of 91,300 tons for a single dairy farm in China	Verified Carbon Standard (VCS)	
November 2025	Recognized as the industry's first "carbon neutral" dairy farm	China International Inspection and Testing Group Holdings Co., Ltd.	
December 2025	S&P Global Corporate Sustainability Assessment (2025 CSA) score of 71, selected in the Sustainability Yearbook (Global Edition) 2026, ranked among the top 15% in the S&P Global CSA industry	S&P Global	
December 2025	The 9 <sup>th</sup> Excellent ESG Rising Star Award	Excellent IR, a brand under Roadshow China	
December 2025	Youran Dairy was awarded a B rating (management level) in the CDP questionnaire for Climate Change, Water Security, and Forest Risk.	Carbon Emission Rating Agency—Carbon Disclosure Project (CDP)	



## Sustainable Development Management

Building on its past sustainable development practices and cutting-edge strategic trends, Youran Dairy has established and improved a strategic management system for sustainable development, comprehensively consolidating the foundation for the Group's sustainable development efforts and supporting the upgrading of future sustainable development actions.

### Youran Dairy "EARTH" Sustainable Development Strategic Model



## Sustainable Development Strategy

Since 2021, Youran Dairy's sustainable development undertakings have gradually achieved many results from scratch. However, with changes in the social environment and the Group's continuous development, further clarification of strategic priorities is required to enhance sustainable development. In 2025, following detailed internal and external research, analysis and summarization, Youran Dairy established the "EARTH" Sustainable Development Strategic Model, with the strategic vision of "Become a Sustainable Nutrition Partner Living in Harmony with Nature and Winning Together with the Industry" and the sustainable development mission of "Protect the Green Foundation, Achieve Health and Trust". The Model comprises five strategic pillars: Green Ecology, Responsible Governance, Respect and Recognition, Win-Win Cooperation, and Nutrition and Health, fully responding to the 17 United Nations Sustainable Development Goals.

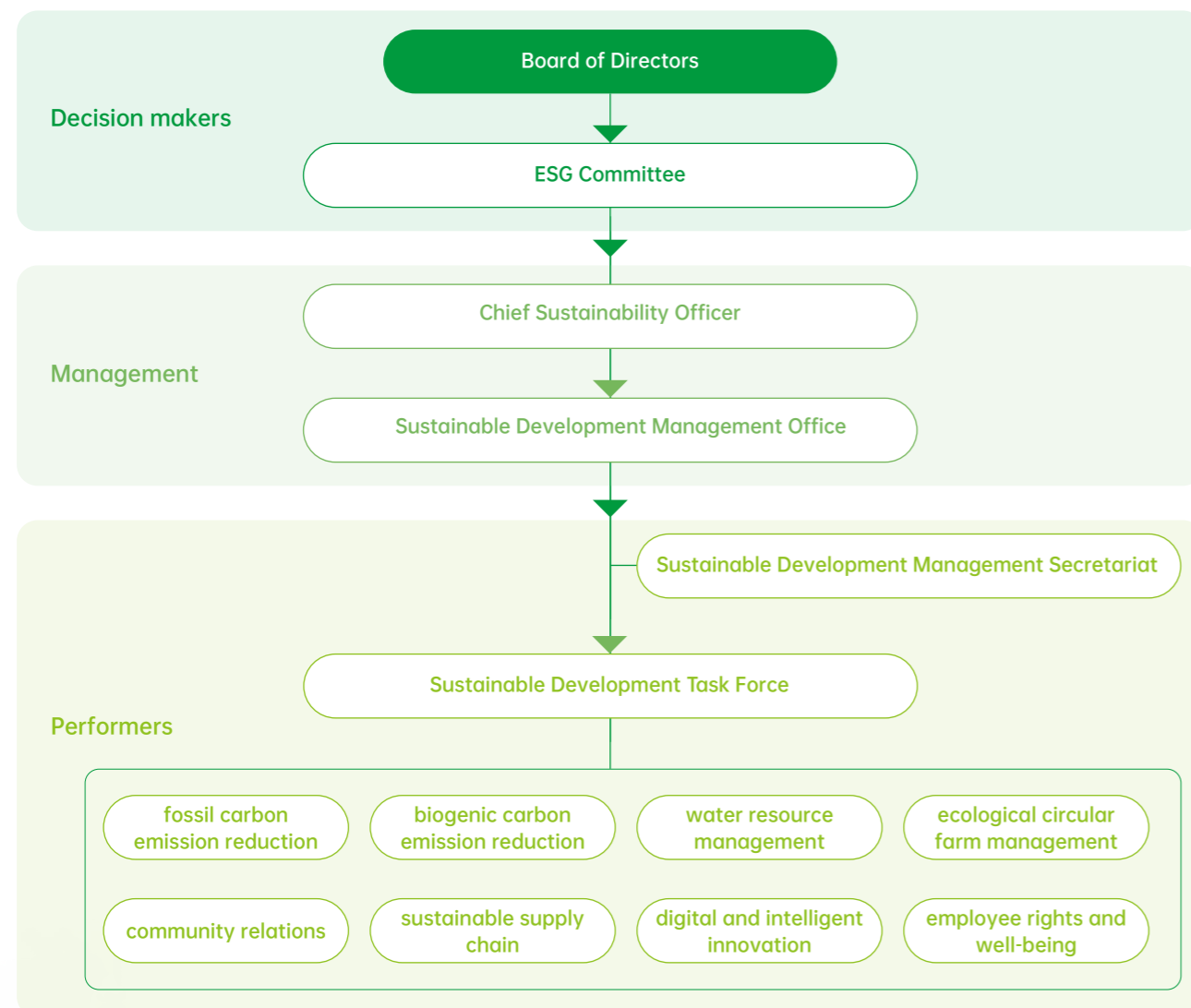
## Sustainable Development Governance

Youran Dairy continues to deepen and improve the Company's ESG governance system, providing solid support for the implementation of the EARTH Sustainable Development Strategy.

To more effectively support the advancement of the sustainable development initiatives, the Group has optimized and adjusted its ESG governance structure and operating mechanism. Following a period of implementation with sound results, the Group has publicly issued [Updated Sustainable Development Governance and Operating Mechanism of Youran Dairy](#).

In terms of governance structure, the Group further clarified the specific composition and responsibilities of the decision-making level, management level and implementation level within the three-tier ESG governance structure. We appointed a "Chief Sustainability Officer" as the senior executive overseeing and supervising ESG affairs, established a Sustainable Development Office and a Sustainable Development Secretariat, and set up eight implementation teams aligned with specific ESG tasks. This ensures that ESG management is integrated into every operational link from top-level planning to grassroots implementation.

### Youran Dairy's Sustainable Governance Structure



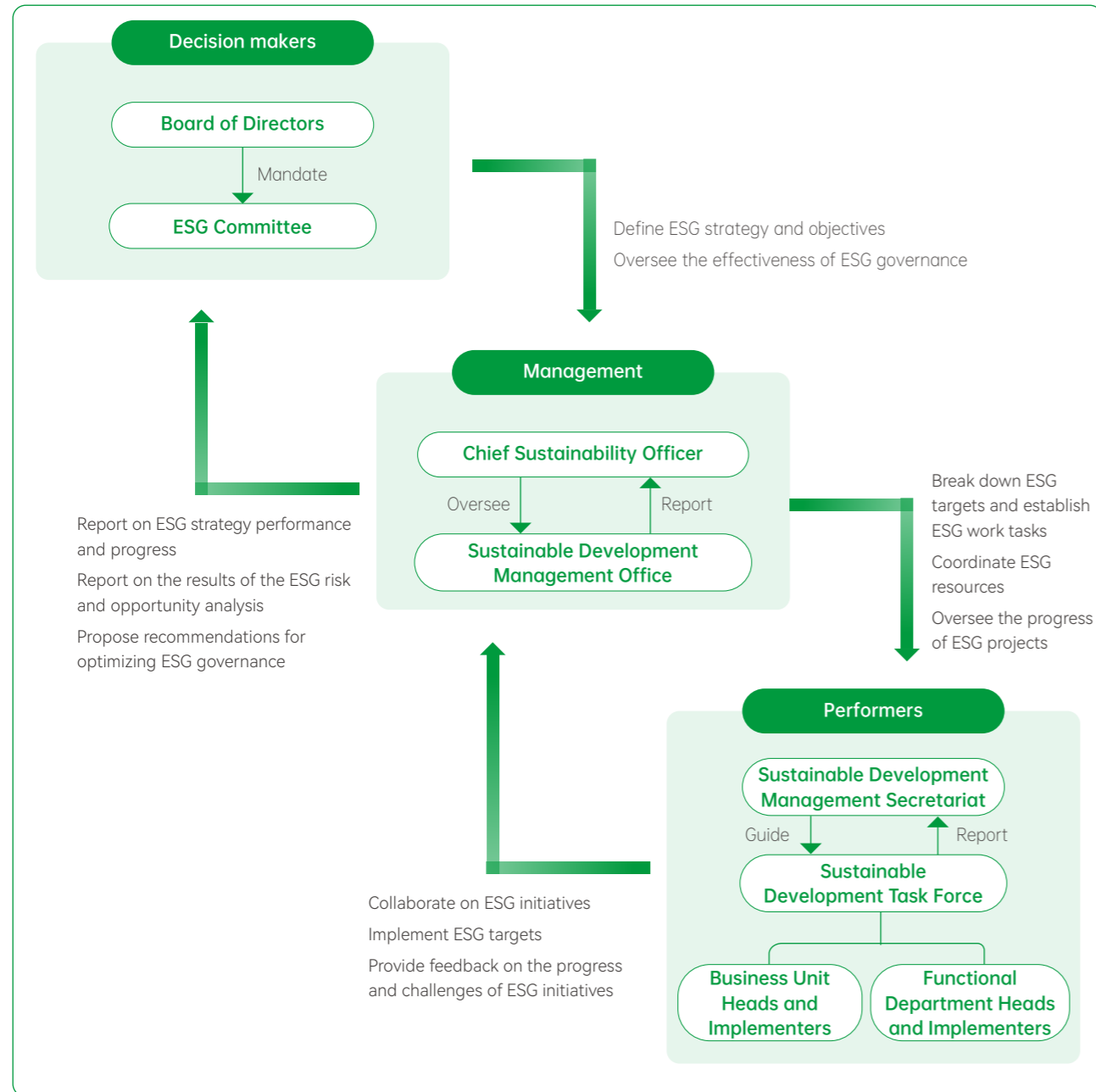
### Responsibilities of Youran Dairy's Sustainable Development Governance Structure

Decision makers	<p><b>Board of Directors</b></p>	<p>Composed of the Chairman, Executive Directors, Non-Executive Directors and Independent Non-Executive Directors with diverse backgrounds, it is responsible for:</p> <ul style="list-style-type: none"> <li>Making final decisions on the overall strategic direction and long-term goals of the Group relating to the environment (e.g. climate change, biodiversity, water resource management), society (e.g. employee safety, labor rights, community engagement, supply chain) and governance.</li> <li>Conducting ultimate approval and supervision of annual ESG information disclosure.</li> </ul>
	<p><b>ESG Committee<sup>1</sup></b></p>	<p>Authorized by the Board, it is responsible for:</p> <ul style="list-style-type: none"> <li>Deciding the Group's ESG strategic framework, establishing ESG performance incentive mechanisms, supervising progress on ESG targets and commitments, and reporting regularly to the Board.</li> <li>Continuously monitoring domestic and international ESG policies and trends, approving identified ESG risks and opportunities and corresponding response strategies covering resource utilization, climate change, biodiversity, water resource management, labor rights, supply chain management, risk management, information security and other key topics.</li> </ul>
Management	<p><b>Chief Sustainability Officer</b></p>	<p>Held by the Group's Vice President, a senior management member overseeing ESG, responsible for:</p> <ul style="list-style-type: none"> <li>Overseeing the operations of the Sustainable Development Office, promoting the implementation of corporate sustainable development plan, receiving ESG-related reports from the Sustainable Development Management Office and the Secretariat, and reporting regularly to the ESG Committee.</li> </ul>
	<p><b>Sustainable Development Management Office</b></p>	<p>Headed by the head of the ESG competent department as Office Director, with support from other department heads, responsible for:</p> <ul style="list-style-type: none"> <li>Planning and advancing the implementation of ESG strategic targets, coordinating and allocating resources to support ESG work.</li> <li>Regularly identifying and analyzing the Group's ESG risks and opportunities, formulating response strategies, integrating assessment results into the overall risk management system, and reporting to the ESG Committee.</li> <li>Leading the coordination of key annual ESG initiatives and developing ESG capability enhancement programs.</li> </ul>
Performers	<p><b>Sustainable Development Management Secretariat</b></p>	<p>Headed and coordinated by the ESG Lead, responsible for:</p> <ul style="list-style-type: none"> <li>Breaking down ESG strategic goals and tasks to various departments and guiding the execution of specific ESG activities.</li> <li>Organizing annual ESG information disclosure and responses to relevant ESG ratings.</li> <li>Convening regular ESG meetings, promptly identifying key ESG issues in daily operations and escalating them accordingly.</li> </ul>
	<p><b>Sustainable Development Task Force</b></p>	<p>Composed of heads and responsible officers of all functional departments and business units, with cross-departmental coordination and organization by the Sustainable Development Management Office and the Secretariat, responsible for:</p> <ul style="list-style-type: none"> <li>Forming eight specialized task forces in line with ESG strategies and requirements of the Sustainable Development Office, covering fossil carbon emission reduction, biogenic carbon emission reduction, water resource management, ecological circular farm management, community relations, sustainable supply chain, digital and intelligent innovation, and employee rights and well-being, to support the delivery of key tasks in material ESG topics.</li> </ul>

<sup>1</sup> For details on the ESG Committee's responsibilities, please refer to the [ESG Committee's Terms of Reference](#).

In terms of sustainable development mechanism, the Group has formed a complete closed-loop ESG working mechanism featuring top-down supervision and bottom-up reporting. With close collaboration among all parties, regular sustainable development meetings are held to discuss and deliberate on ESG target setting and decomposition, material ESG topic identification, ESG risk management, and ESG performance evaluation.

◎ Youran Dairy's Sustainable Development Mechanism



In terms of ESG Performance and Compensation Linkage, the Group incorporates key ESG indicators including environmental protection, health and safety, product quality and technological innovation into the compensation and performance assessment systems for core executives, heads of business departments and units, and heads of branches. For negative ESG incidents such as production accidents, product quality incidents and environmental pollution incidents, performance and bonus sanctions will be imposed on responsible executives based on severity. Correspondingly, cash bonuses and incentives are granted for outstanding ESG performance. This effectively embeds sustainable development responsibilities into daily operations at all levels and promotes the achievement of ESG goals.

## Sustainable Development Performance

SDGs	Youran Dairy's Initiatives and Performance in 2025
	<ul style="list-style-type: none"> <li>Annual charitable donations totaled RMB <b>727,500</b>.</li> <li>The local employment rate reached <b>78.35%</b>. A single 10,000-head dairy farm generates an average of over <b>200</b> jobs, and dairy farms nationwide provide nearly <b>20,000</b> jobs for farmers and herders.</li> <li>The "enterprise + qualified enterprise/cooperative + farmer" model was adopted to encourage surrounding farmers to engage in silage cultivation. Dairy farms across the country purchased an average of <b>3</b> million tons of silage annually, driving a silage planting area of approximately <b>2</b> million mu for farmers.</li> </ul>
	<ul style="list-style-type: none"> <li>The number of specialty raw milk categories increased to <b>8</b>, comprehensively enhancing the nutritional and health value of products.</li> <li>Raw milk production reached <b>4,232,451</b> tons, representing a year-on-year increase of <b>12.9%</b> compared with 2024.</li> <li>The annual yield per adult cow (excluding Jerseys) was <b>12.8</b> tons, representing a year-on-year increase of <b>1.6%</b> compared with 2024.</li> </ul>
	<ul style="list-style-type: none"> <li>Upgraded the Quality Assurance Critical Control Point (QACP) quality assurance system and established <b>285</b> quality control standards across the entire chain, realizing full-process quality management and monitoring.</li> <li>A total of <b>25</b> farms in the dairy farming unit passed Good Agricultural Practices (GAP) certification.</li> <li>The Group continued to apply the Total Productive Maintenance (TPM) system, widely implemented lean management, and strictly enforced Standard Operating Procedure (SOP) for feeding management to improve the health and quality of dairy cows.</li> <li>The self-developed intelligent farm management system "Intelligent Farm Cloud" was applied to realize precise monitoring and healthcare of dairy cow health and intelligent control of the living and production environment of dairy cows, continuously improving dairy cow welfare in all aspects.</li> </ul>
	<ul style="list-style-type: none"> <li>Adhered to the strategic positioning of "building an efficient talent supply chain" for talent development. A total of <b>18,246</b> employee training sessions were held, with training expenses of approximately RMB <b>4.5</b> million.</li> <li>Continued to optimize learning resources, sorting out <b>310</b> standardized courses and <b>28</b> standardized courseware for new employees during the Fiscal Year.</li> </ul>
	<ul style="list-style-type: none"> <li>A total of <b>1,014</b> new female employees were recruited during the year, and <b>16</b> female employees were promoted to management positions through internal job promotion.</li> <li>The proportion of female members on the Board of Directors rose to <b>44.4%</b> during the Fiscal Year.</li> </ul>
	<ul style="list-style-type: none"> <li>Water consumption per million RMB of revenue was <b>1,200</b> tons, representing a year-on-year decrease of <b>0.06%</b> in water usage per ton of milk compared with 2024.</li> <li>Continued to promote key projects such as AI visual precision spraying system and CIP cleaning water reclamation and reuse in key areas including source water conservation, water quality improvement and recycling, with <b>100%</b> coverage of production and operation sites.</li> </ul>
	<ul style="list-style-type: none"> <li>A total of <b>11</b> photovoltaic dairy farms, <b>1</b> photovoltaic feed mill and <b>21</b> biogas power generation dairy farms have been built.</li> <li>The cumulative photovoltaic power generation reached <b>78.94</b> million kWh in the Fiscal Year.</li> <li>The cumulative biogas power generation reached <b>51.77</b> million kWh in the Fiscal Year.</li> <li>The volume of purified biogas for external sales reached <b>1.72</b> million Nm<sup>3</sup>.</li> </ul>
	<ul style="list-style-type: none"> <li>The coverage rate of employee supplementary insurance reached <b>100%</b>.</li> <li>Operating revenue in 2025 increased by <b>2.8%</b> year-on-year.</li> <li>Continued to improve employees' accommodation, dietary health and other welfare benefits.</li> </ul>

**SDGs Youran Dairy's Initiatives and Performance in 2025**



- The testing center maintained accreditation by the China National Accreditation Service for Conformity Assessment (CNAS).
- All farms awarded SQF certification, the highest global standard for safety and quality systems in the food industry, achieved excellent scores.
- During the Fiscal Year, the Group was granted **22** new patents, bringing the total number of core patents to **113**, covering all business sectors. Meanwhile, the Group participated in the formulation and issuance of **11** national, association and local standards.



- Publicly released the *Human Rights Policy* and *Anti-harassment and Anti-discrimination Management Measures* to protect employees' rights and interests.
- The coverage rate of collective bargaining agreements reached **100%**.



- Publicly released the *Principles of Sustainable Operations* to create a driving force for healthy living for mankind through continuous improvement.
- Continued to carry out strategic cooperation with suppliers, and a total of **18** suppliers participated in capacity building programs or projects during the Fiscal Year.
- Promoted the use of eco-friendly canned and bulk packaging products. Annual packaging materials consumption was **389** m<sup>3</sup> per million RMB of revenue.



- Publicly released the *Code of Conduct for Suppliers* to promote the development of a sustainable supply chain.
- Formulated a supplier risk assessment plan and conducted annual risk assessments on **59** key tier-one suppliers.
- Continued to promote organic product certification for corn, alfalfa, Chinese rye grass and other forages, with the proportion of organic product procurement reaching **33.3%** during the year.



- Fully established the overall strategic goal of "carbon peak by 2030 and carbon neutrality by 2050", formulated the *Zero-carbon Future Plan Implementation Scheme*, and clarified phased goals, implementation paths and carbon reduction measures.
- Greenhouse gas emissions were reduced by approximately **186,900** tCO<sub>2</sub>e during the Fiscal Year.
- The Group's Pingdingshan Farm was certified as China's first carbon-neutral dairy farm in the dairy industry.
- The biogas utilization project of the Group's Zhumadian Farm was approved with **91,300** tons of carbon credits, the highest single amount in the industry.
- Carried out the 2025 greenhouse gas verification and obtained third-party certification.



- Publicly released the *Dairy Cow Welfare Principles*.
- Collaborated with Yili to implement the animal welfare principle of "One Health, One Welfare".



- Linked the compensation of senior management to ESG indicators including environmental protection, health and safety, quality and technological innovation.
- Publicly released the *Business Code of Conduct*, achieving a **100%** signing rate of anti-fraud commitment letters among personnel in key positions (team leaders and above).
- Covered **1,136** key position personnel through online and offline training during the year, and carried out 4 special inspections of the "Clean Wind Action".
- Organized **37** anti-corruption training sessions covering all employees during the Fiscal Year.






- Continued to support the Ten Principles of the United Nations Global Compact (UNGC) and contributed to the achievement of the 17 United Nations Sustainable Development Goals.

**Communications with Stakeholders**

Youran Dairy always pays attention to the expectations and demands of internal and external stakeholders. By establishing an effective communication mechanism and diversified communication channels and platforms, the Company actively responds to key ESG issues of concern to stakeholders and integrates them into daily operational decision-making.

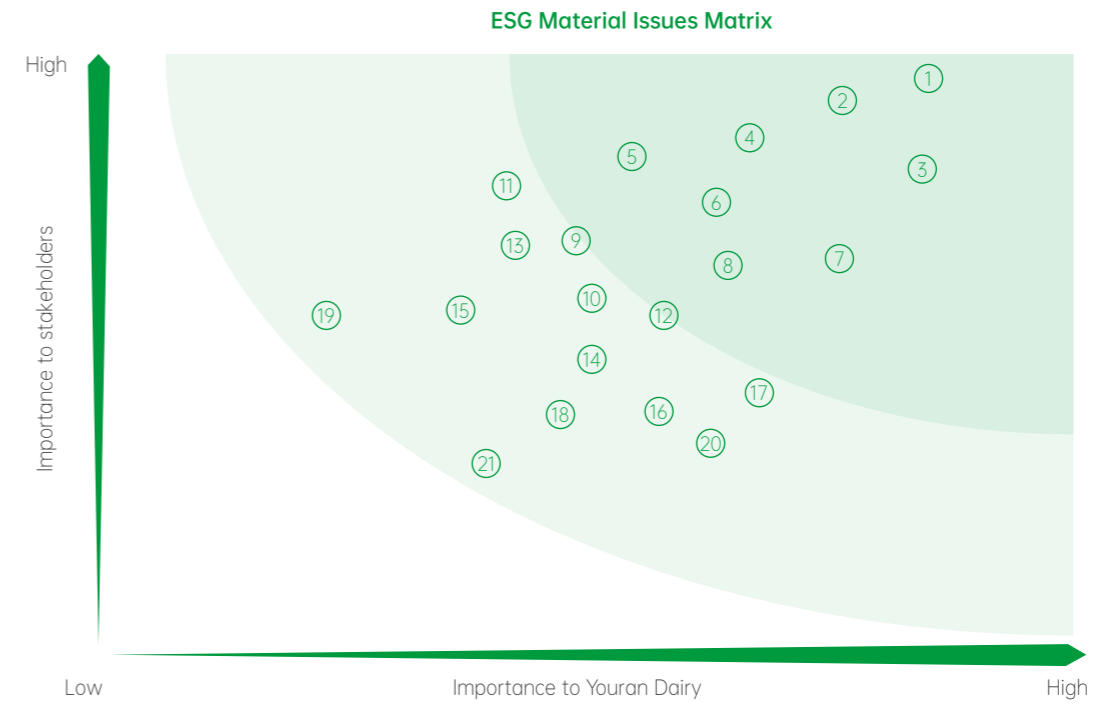
**Stakeholder Communications and Responses**

Stakeholders	Expectations and demands	Communication mode	Our responses
<p><b>Shareholders/ Investors</b></p>	<ul style="list-style-type: none"> <li>• Stable operation with reasonable and sustainable investment returns</li> <li>• Timely disclosure of operation and material matters</li> <li>• Strengthened risk and compliance management, to prevent operational risks</li> </ul>	<ul style="list-style-type: none"> <li>• General meetings</li> <li>• Interim and regular announcements published on the websites of the Hong Kong Stock Exchange and the Company</li> <li>• Investor roadshows and earnings conferences</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous improvement of operation abilities</li> <li>• Timely disclosure of operation and material matters</li> <li>• Proactively communicating with investors through various channels and strengthen investor management</li> <li>• Strengthen risk management</li> </ul>
<p><b>Government/ Regulators</b></p>	<ul style="list-style-type: none"> <li>• Lawful and compliant operation</li> <li>• Abiding by the Listing Rules and other relevant requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Policy consultation</li> <li>• Site inspection</li> <li>• Meetings with government authorities</li> <li>• Information disclosure</li> <li>• Contact through agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Be strictly in accordance with regulatory policies and requirements</li> <li>• Disclosing operation and material matters in time</li> <li>• Compliant operation</li> </ul>
<p><b>Consumers/ Customers</b></p>	<ul style="list-style-type: none"> <li>• High-quality, safe products</li> <li>• Nutritious products</li> <li>• Proper and compliant marketing</li> <li>• Good service experience</li> <li>• Privacy information security</li> </ul>	<ul style="list-style-type: none"> <li>• Telephone, email and other communication channels</li> <li>• Company's official website</li> <li>• Customer satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>• Quality assurance</li> <li>• Marketing according to the law</li> <li>• Customer satisfaction analysis</li> <li>• Protecting the rights of consumers and customers</li> </ul>
<p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>• Equal and compliant employment</li> <li>• Rights protection</li> <li>• Benefits</li> <li>• Growth and development</li> <li>• Occupational health and safety</li> <li>• Caring and communication</li> </ul>	<ul style="list-style-type: none"> <li>• Diversified training and communication</li> <li>• Internal activities and communications</li> <li>• Internal communication channels, such as telephone and email</li> <li>• Employees' congress</li> <li>• Democratic communications</li> <li>• Labor contract</li> </ul>	<ul style="list-style-type: none"> <li>• Compliant recruitment and improvement of employment system</li> <li>• Protection measures of occupational health</li> <li>• Optimizing career development path</li> <li>• Enhancing remuneration and benefit packages</li> <li>• Conducting various activities for employees</li> <li>• Continuously carrying out activities to collect employees' suggestions</li> <li>• Employee training</li> </ul>
<p><b>Suppliers</b></p>	<ul style="list-style-type: none"> <li>• Fair and open procurement</li> <li>• Contract fulfillment with integrity</li> <li>• Stable business relationship</li> <li>• Supply chain building</li> <li>• Common development and progress</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier evaluation</li> <li>• On-site inspection</li> <li>• Industry exchange</li> </ul>	<ul style="list-style-type: none"> <li>• Sticking to fair and open procurement</li> <li>• Improving the full life cycle management of supply chain</li> <li>• Paying attention to supply chain environmental and social risks</li> <li>• Strengthening supply chain communication and interaction</li> <li>• Selecting low-carbon, environment-friendly and energy saving products</li> </ul>

Stakeholders	Expectations and demands	Communication mode	Our responses
 <b>Environment</b>	<ul style="list-style-type: none"> <li>Adhering to green and low carbon operation</li> <li>Responding to climate change</li> <li>Application of energy saving equipment and technologies</li> <li>Ecology and biodiversity conservation</li> </ul>	<ul style="list-style-type: none"> <li>Environment inspection</li> <li>Disclosure of environmental information</li> </ul>	<ul style="list-style-type: none"> <li>Setting guidance for carbon neutrality and actively responding to climate change</li> <li>Energy saving and emission reduction, optimization and transformation</li> <li>Setting environmental goals</li> <li>Strengthening ecological protection</li> <li>Construction of recycling dairy farms</li> <li>Welfare of dairy cows</li> </ul>
 <b>Communities</b>	<ul style="list-style-type: none"> <li>Carrying out charity activities</li> <li>Contributing to local development</li> <li>Supporting rural areas development</li> </ul>	<ul style="list-style-type: none"> <li>Paying visits to communities</li> <li>Formulating plans for community services</li> </ul>	<ul style="list-style-type: none"> <li>Conducting public service activities</li> <li>Facilitating local employment</li> <li>Supporting the improvement of life quality in poor rural areas</li> </ul>
 <b>Media</b>	<ul style="list-style-type: none"> <li>Actively engaging with media</li> <li>Strengthening media publicity</li> </ul>	<ul style="list-style-type: none"> <li>Participating in sustainable development activities</li> <li>Official communication channels of the Company</li> </ul>	<ul style="list-style-type: none"> <li>Accumulating materials for sustainable development</li> <li>Actively participating in public events on sustainable development</li> </ul>

## Results of the Materiality Assessment

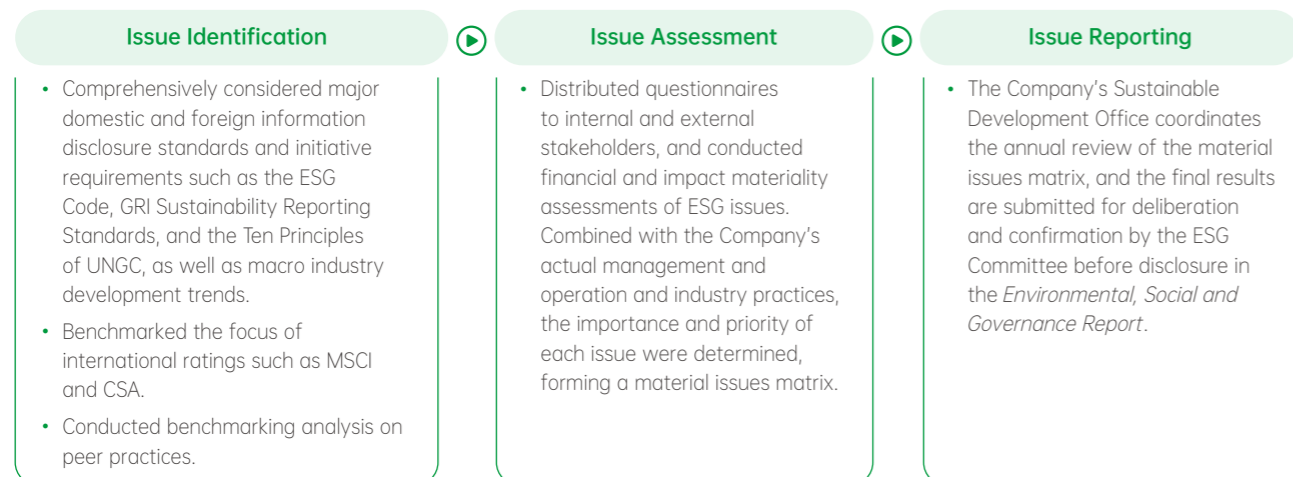
In 2025, Youran Dairy identified a total of 21 ESG material issues, including 8 issues deemed highly material.



## Assessment of Material Issues




Youran Dairy conducts a comprehensive assessment of material issues on an annual basis. In 2025, based on its operational reality, and with reference to international and domestic standards, macro industry analysis and peer practices, the Company carried out surveys of internal and external stakeholders. From the two dimensions of the importance of issues to stakeholders and the importance of issues to the Group, the Company sorted out and updated the key points of ESG management and disclosure for the Fiscal Year, conducted material issues assessment, and integrated the results of materiality assessment and analysis into the Group's overall risk management process.

## Material Issues Assessment Process





Materiality	Rank	Dimension	ESG material issue
High importance	1	Environment	Response to Climate Change
	2	Social	Superior Quality
	3	Social	Research and Development
	4	Social	Community Relations
	5	Environment	Ecological Circular Dairy Farm
	6	Social	Intelligent Dairy Farm Construction
	7	Environment	Water Resources Management
	8	Social	Employee Rights and Development
Moderate importance	9	Governance	Sustainable Risk Management
	10	Environment	Biodiversity Conservation
	11	Social	Animal Welfare
	12	Environment	Environmental Compliance Management
	13	Environment	Waste and Pollutant Management
	14	Environment	Energy Management
	15	Social	Occupational Safety and Health
	16	Governance	Business Ethics and Anti-Corruption
	17	Social	Sustainable Supply Chain Management
	18	Governance	Compliance and Risk Management
	19	Social	Marketing and Customer Management
	20	Social	Data Security and Privacy Protection
	21	Social	Industry Development

Based on the results of the materiality assessment, Youran Dairy conducted detailed financial risk and opportunity analysis on the three material issues that most affect the Company's long-term value creation, and developed corresponding response strategies.

Issue	Definition	Description of Risk Impact	Description of Opportunity Impact	Strategic Measures
 <p><b>Response to Climate Change</b></p>	Measures taken to reduce greenhouse gas emissions, enhance climate resilience, etc.	Extreme weather may lead to production suspension, energy price volatility, reduced production capacity and revenue. Stricter global net-zero policies require the development, investment and implementation of clean technologies and equipment, resulting in increased short-term operating costs.	Investment in renewable energy and energy efficiency technologies helps reduce long-term energy costs and access government subsidies or tax incentives related to carbon peaking and carbon neutrality. Developing low-carbon products and sustainable services helps explore new markets and diversify revenue streams.	Formulate and continuously implement the <i>Zero-carbon Future Plan Implementation Scheme</i> , clarify carbon reduction targets, manage climate risks, and promote low-carbon transformation.
 <p><b>Superior Quality</b></p>	Measures to ensure product quality, safety, nutrition and health.	Dairy product quality is the bottom line of business operations. Any quality and safety incident may lead to heavy compensation, administrative penalties, even criminal liability, and cause devastating damage to brand revenue, orders and sales volume.	Establish a quality control system exceeding industry standards, stably supply high-nutrition or special raw milk sources, and build a brand image of "safety, quality and traceability", which can win long-term customer trust and purchase premium, and increase sales revenue.	Implement the quality-leading "3342" strategy, establish a quality risk prevention and control system with international standards such as SQF and ISO 9001 as the core framework, and strengthen full life-cycle product quality management.
 <p><b>Research and Development</b></p>	Measures to lead technological change and build future-oriented core competitiveness.	Innovation projects face risks of R&D failure or underperformance, which may cause resource waste and investment losses. High uncertainty in R&D investment may lead to lower-than-expected returns and reduced corporate profits.	Technological innovation helps develop low-cost, low-environmental-impact breeding and processing models and high value-added products, maintain core competitiveness, expand market share, reduce operating costs and drive steady growth in sales revenue.	Continuously deepen technology-driven and innovation-oriented strategies in core business areas such as animal husbandry, forage industry, feed and seed industry. Continuously research, develop and promote new raw materials, new processes and new technologies to reduce costs and improve efficiency.

In addition, Youran Dairy conducted specific impact assessment and measurement on the two material issues with the most significant external stakeholder impacts, aiming to clarify the extent of its operational impact on the external environment and society.

Issue	Source of Impact	Scope of Impact	Description of External Impact	Impact Measurement Indicators	Impact Assessment
 <p><b>Superior Quality</b></p>	Control procedures for product quality and safety and improvement of nutritional performance during production and operation	Downstream consumers / End users	Providing high-quality and nutritious raw milk is the foundation of dairy safety. Quality problems may trigger public concerns about food safety, directly endanger consumers' health and even cause public health incidents.	Qualified rate of raw milk products	By maintaining a high qualified rate of products, the Company actively protects consumers' health, helps them avoid additional medical expenses and improves social quality of life.
 <p><b>Community Relations</b></p>	Frequency of communication with communities, community investment and dispute handling in production and operation.	External environment  Local residents	The Company's emphasis on and maintenance of community relations directly affects local environmental governance, public safety and economic development. Sound enterprise-community relations directly improve residents' well-being; otherwise it will harm social development.	Community satisfaction  Amount of community investment	The Company continuously invests in communities, promotes regional economic growth and employment by supporting local education, infrastructure and public welfare, increases community household income and improves community well-being. In 2025, Youran Dairy achieved a local employment rate of 78.35%, and its farms nationwide provided nearly 20,000 jobs for farmers and herdsmen. The Company promoted local procurement with a proportion exceeding 30%, driving local economic development.



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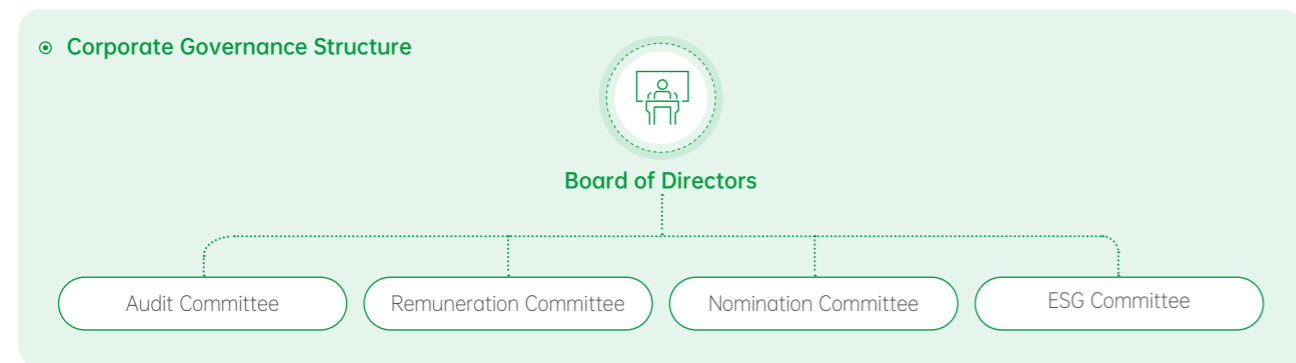
**Solidifying Governance,  
Safeguarding Compliant  
Operations**

# Strict Control of Governance Risks

## Corporate Governance

### Governance Structure

The Company complies with the relevant provisions of the *Corporate Governance Code* and continuously refines its governance structure. The Company builds a three-level governance structure consisting of shareholders' meetings, the Board, board committees, and management, effectively implementing the supervision and balance mechanism of ownership and management rights, and steadily enhancing the effectiveness of corporate governance. The Board has four specialized committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, and the ESG Committee, which are responsible for fulfilling the management and supervision responsibilities within their terms of reference and providing professional support for major decisions. To deepen the effectiveness of ESG governance, the ESG Committee coordinates and promotes the implementation of ESG strategic planning, system development, target frameworks, and execution paths formulated by the Board, and conducts regular supervision and review, establishing a closed-loop management system for ESG work from decision-making to execution.



### Diversity and Independence of the Board

The Company regards the diversity and independence of the Board as the cornerstone of governance for achieving strategic goals and sustainable development. Through systematic development, the Company realizes the in-depth integration of a diverse structure and governance effectiveness, effectively safeguarding the decision-making autonomy of directors and the independence of their professional judgment.

At the institutional level, the *Board Diversity Policy* has been formulated and publicly announced on the official website. The Nomination Committee regularly conducts policy assessments and full-process compliance monitoring. The selection process for Board members strictly adheres to the principle of focusing on both competence standards and moral integrity. The composition of the Board is determined from multiple dimensions, including gender, age, culture, educational background, professional experience, skills, knowledge, ethnicity, and length of service, to ensure the diversity of the Board. The Board makes all appointments based on the principle of "meritocracy". The Nomination Committee simultaneously considers the structural characteristics of the current Board and its strategic coordination needs during the candidate selection process, and forms scientific recommendations through multi-dimensional benchmarking. For detailed information on the specific qualifications and professional profiles of Board members, please refer to the "Biographical Details of Directors and Senior Management" section in the Annual Report 2025.



As of December 31, 2025,

the proportion of female directors in the Company has increased to

**44.4%**

As of December 31, 2025, the proportion of female directors in the Company has increased to 44.4%, significantly higher than the global average of 27.3% for listed companies (data sourced from the MSCI "Women on Boards and Beyond – 2025 Report"). Board members have professional experience in different fields such as dairy production management, economic management, investment management, legal and compliance, external relations, financial audit, internal risk management, securities supervision, information security and information technology, and have obtained corresponding professional degrees and qualification certificates. In 2025, the number of directors with professional experience in digital innovation and network information security management has increased.

In addition, the Company strictly complies with the regulatory requirements regarding the independence of the Board in the Listing Rules. The current Board consists of 9 directors, including 3 executive directors, 3 non-executive directors, and 3 independent non-executive directors, with independent non-executive directors accounting for one-third. Except for the Nomination Committee, the chairs of the Audit Committee, the Remuneration Committee, and the ESG Committee are all independent non-executive directors. All members of the Audit Committee and the ESG Committee are independent non-executive directors, and independent non-executive directors are in the majority in the Nomination Committee and the Remuneration Committee. The Company has defined its regular governance work. Starting from 2026, the performance evaluation of the Board will be conducted every two years, and the re-election of Board members will be implemented every three years.



The current Board consists of

**9** directors

executive directors    non-executive directors

**3**

**3**

independent non-executive directors

**3**

with independent non-executive directors accounting for

**1/3**

### Senior Management Compensation Policy

To ensure the authenticity, accuracy and compliance of the Company's financial reports and prevent financial risks arising from managerial misconduct, the Group has formulated a compensation clawback mechanism. If the Company is required to carry out a financial restatement due to serious violations of the legal and regulatory requirements related to financial reports, including correcting significant errors in previously issued financial statements, whether such errors are corrected in the current period or remain uncorrected in the current period, resulting in a material misstatement (collectively referred to as "Financial Restatements"), the Group shall, within a reasonable scope and in a timeframe, demand the recovery or forfeiture of the excess compensation paid to "Covered Executives" starting from the date of assuming the position of "Covered Executive", during the period covered by the incentive compensation, within the three full fiscal years prior to the Company being required to conduct a financial restatement, or during any subsequent transition period (resulting from changes in the Company's fiscal year).



## Risk Management

### Risk Management System

In accordance with the *Basic Standards for Enterprise Internal Control* and regulatory requirements, the Group has formulated internal management measures such as the *Risk Management and Internal Control System* and *Self-Inspection and Self-Correction Management Measures*, which define guarantee mechanisms including annual risk assessment, dynamic process monitoring and governance effectiveness audit, so as to consolidate the institutional foundation of the risk management system.

The Group has established a clear and standardized risk appetite review and assessment framework, which systematically defines the Company's acceptable risk level, risk tolerance and key risk thresholds throughout the whole process of risk identification, risk assessment and risk response. The Company has set up a multi-tiered risk management and internal monitoring structure consisting of the Audit Committee of the Board, the Internal Control and Risk Management Committee of the management, functional supervision and support departments, and operating business departments, so as to achieve normative transmission at the policy level, real-time monitoring of process management and multi-dimensional evaluation of governance effects. The Company determines risk appetite through strategic alignment, risk assessment and a combination of qualitative and quantitative methods, defines acceptable risk boundaries and control orientations in light of overall objectives, sets graded and quantitative thresholds for identified risks, integrates them into daily management upon approval, and dynamically optimizes them according to internal and external environments, forming a complete risk appetite setting and iteration framework. In addition, the Company fully integrates risk management requirements into daily management and business processes, actively considers risk factors in product and business development, and realizes accurate identification, scientific assessment, dynamic monitoring and effective response to various risks in all scenarios of corporate operations.

The core duties and work of each entity are as follows:

#### Board of Directors

Comprehensively reviews and ensures the effectiveness of the Company's risk management and internal control mechanisms, leads risk assessment, and discloses relevant information in the annual report.

#### Audit Committee

Reviews the construction, implementation and supervision of the risk management and internal control systems by the management on a semi-annual basis on behalf of the Board; it also reviews the effectiveness of the risk management and internal control systems annually.

#### Internal Control and Risk Committee

Under the authorization of the Board, exercises overall control, guidance and decision-making on the Company's internal control and risk management affairs, covering culture cultivation, strategic planning, policy review, risk ranking, risk preference and tolerance setting, business continuity assurance, research and decision-making on major risks and defects, and budget approval, and regularly reports the status to the Board.

#### Audit Department

Formulates and implements internal control evaluation and risk assessment plans, organizes various business and functional departments to systematically carry out risk identification and assessment in strategic, market, financial, operational and legal fields. It focuses on special risk control, coordinates with the committee to formulate response strategies and urges responsible departments to implement contingency plans and improvement measures, simultaneously optimizes the risk management framework, improves process construction and regular assessment mechanisms, regularly assesses and reports risk status, effectively prevents and controls the potential impact of major risks on the Group's strategic goals and sustainable development, and continuously strengthens the risk control awareness and cultural identity of all employees.

The Company has 3 directors on the Board with professional knowledge in risk management. During the Reporting Period, the Company conducted risk management training for all directors. Deputy general manager in charge of various business units and heads of various functional departments have been required to sign the annual risk management-related responsibility letter, and the policy of reward and punishment has been developed accordingly.

In addition, the Group has instituted an internal risk control system encompassing division of responsibilities, approval authorization, and business process standardization, thereby fortifying governance foundations through institutionalized policies and full employee communication. The Internal Audit Department has formulated the standardized tool of the *Evaluation and Testing of Internal Control at Key Control Points* to guide various business units and functional departments in conducting internal control self-assessment, collect, review and summarize internal control evaluation results, and determine the company-level internal control evaluation results based on problems identified by the internal audit department. The Group also conducts independent supervision and evaluation on the overall operation of the Group's internal control system, tracks the rectification of implementation deficiencies in internal control, and verifies the improvement and implementation of systems and processes involved in design deficiencies of internal control.

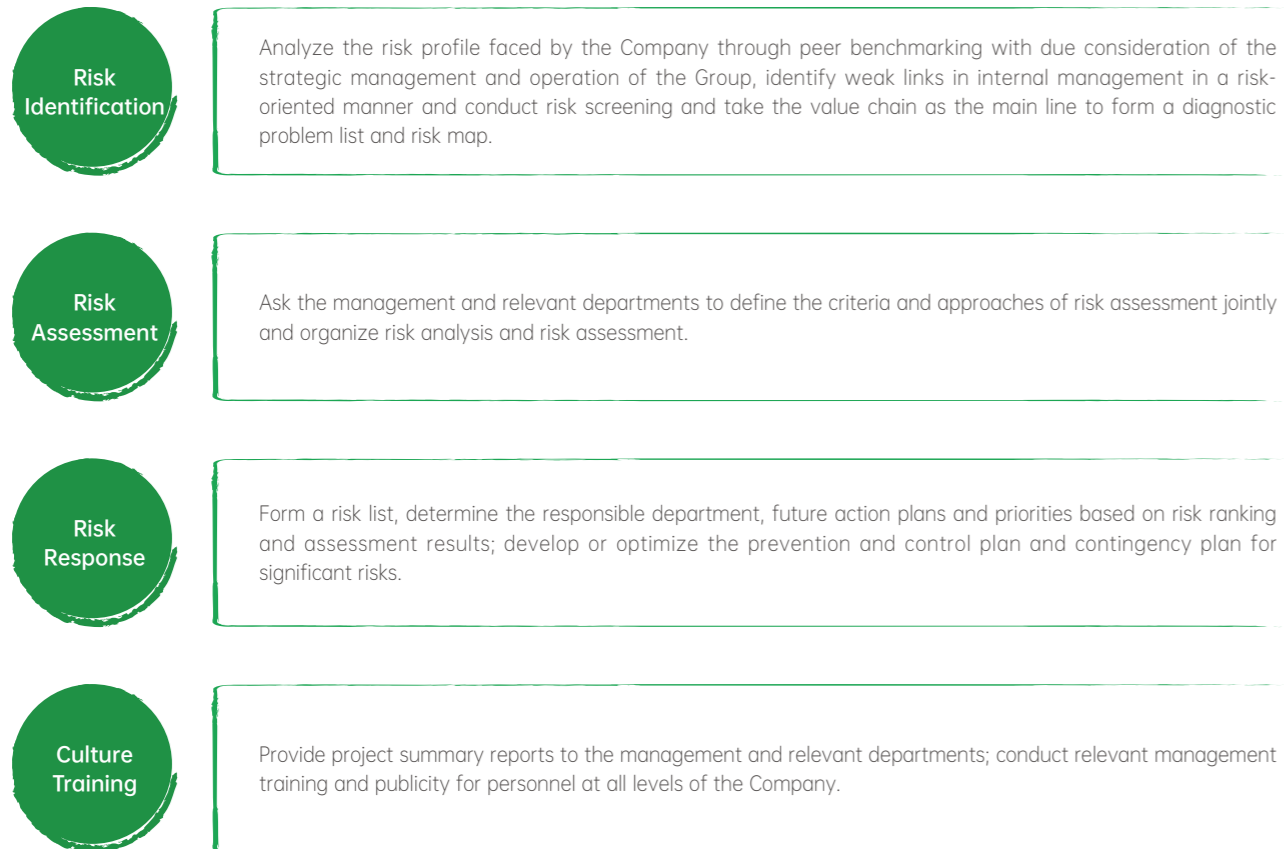
### Emerging Risks

The Group attaches great importance to emerging risk challenges brought by changes in the internal and external environment. By building a closed-loop management system of "identification-assessment-response-cultivation" and supporting routine and annual risk assessment mechanisms, the Group realizes forward-looking prevention and dynamic response to various potential risks, ensuring the steady progress of the Group's strategic goals.

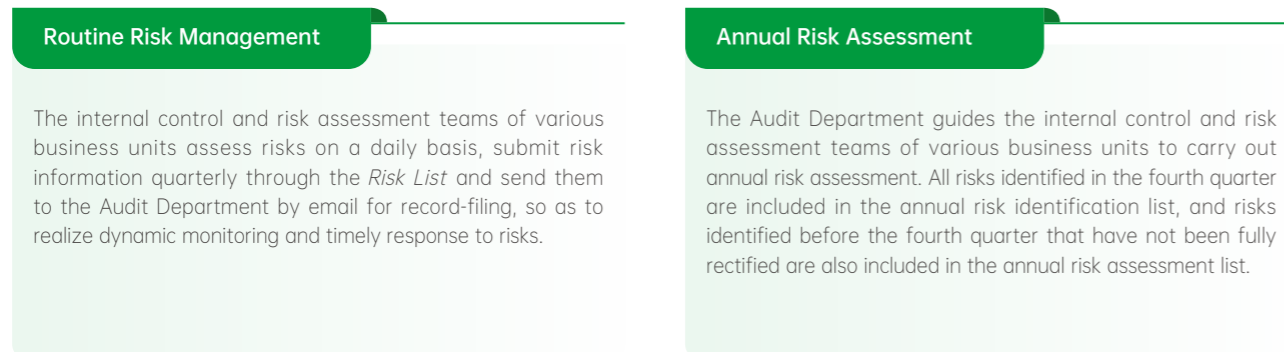
During the Reporting Period, the Group mainly faces the following emerging risks:

Risk Title	Risk Description	Risk Mitigation Measures
Policy Regulation Risk	Tightened national control over "non-grain conversion" of cultivated land and water resource policies have increased difficulties in constructing new large-scale forage bases and raised operating costs.	<ul style="list-style-type: none"> <li>The forage business segment has formulated an integrated planting and breeding plan to improve the operation of supporting land for pastures and carry out planting in coordination with the animal husbandry industry.</li> <li>Promote business transformation by refraining from direct land leasing, providing services and building a forage trade platform.</li> <li>Track the dynamics of industry on a monthly basis to quickly seize market share.</li> </ul>
Potential Information Security Risk Arising from Digitalization	With the increasing number of systems and online data in the process of digitalization, weak terminal protection systems are vulnerable to external attacks leading to data leakage or tampering; non-standard management of outsourced business poses risks of information leakage and infringement of intellectual property rights.	<ul style="list-style-type: none"> <li>Strengthen terminal security protection and procure enterprise-grade protection products to ensure data security.</li> <li>Standardize outsourcing management, clarify information management requirements and breach clauses, and regularly inspect the behavior of outsourcing personnel.</li> <li>Improve relevant systems, prohibit contract manufacturing of new products and core products, and establish a strict information management mechanism for contract manufacturing when necessary.</li> </ul>

For emerging risks, the Group has enhanced its risk response capability through risk identification, risk assessment, risk response and culture training to prevent risks before they occur.



To ensure the long-term effectiveness and practicality of emerging risk management, the Group has established a dual assessment mechanism combining routine and annual management:



## Upholding Business Responsibilities

### Business Ethics and Anti-Corruption

The Group strictly adheres to high-standard business ethics and is committed to building a clean and fair business environment. The Company continuously advances the construction of the anti-corruption system, improves internal and external complaint and whistleblowing mechanisms, conducts regular business ethics audits, and actively implements relevant policies and standards through various anti-corruption publicity activities, firmly opposing all forms of corruption. In addition, the Company actively encourages all employees to uphold integrity and ethical values, and integrates the concept of integrity into daily work and codes of conduct. This ensures that employees adhere to ethical principles in business activities and safeguards the Company's sound reputation.

### Governance of Business Ethics and Anti-Corruption

In strict compliance with the *Company Law of the PRC*, the *Civil Code of the PRC*, the *Criminal Law of the PRC* and other laws and regulations, the Group has formulated and continuously improved internal management policies related to business ethics and code of conduct, such as *Youran Dairy's Measures for Anti-Fraud Administration*, *Youran Dairy Employee Reward and Punishment Mechanism* and *Business Code of Conduct*. By improving the business ethics management system, strengthening the audit and supervision mechanism, embedding response channels for reporting violations across the entire chain, and enhancing the culture of anti-corruption and integrity, the Group has continuously refined its business ethics compliance management system, effectively improved the effectiveness of preventing and controlling anti-unfair competition acts and the compliance performance capabilities of all employees, laying a solid foundation for the Group's steady development.

The Group adopts a "zero-tolerance" attitude towards any violation of business ethics, including all forms of corruption and bribery. All business conduct and matters are subject to the supervision of the Board and the Audit Committee, with the Audit Department acting as the executing body. The Audit Department takes overall charge of anti-fraud work across the Group, with core responsibilities including: establishing an anti-fraud prevention and control system, accepting and investigating reported cases and putting forward punishment suggestions, regularly evaluating the effectiveness of anti-fraud work in various units, establishing a reporting handling and cross-departmental linkage mechanism, and ensuring timely feedback of handling results to the decision-making level.

All managers at all levels are required by the Group to sign the *Anti-Fraud Commitment Letter*. The cooperative distributors, suppliers and agents are required by the Company to sign the *Sunshine Agreement*, abide by relevant regulations during the cooperation process, comply with the prevailing ethical standards in the industry, strictly implement the anti-corruption and anti-bribery policies and integrity requirements of Youran Dairy, and establish upright and honest cooperation.

### Business Ethics and Anti-Corruption Audits

Based on routine audit work and clues from complaints and whistleblower reports, the Audit Department of the Group focuses on conducting special business ethics audits on core business processes including human resources management, procurement and payment management, management of biological assets, stock management, business outsourcing management, engineering project management, sales and payment collection management. The audit scope covers all operating regions and entire business links of the Company. Business ethics audits are managed on a regular basis, with full coverage of all businesses completed every three years. In 2026, the Company plans to achieve full audit coverage of business links involving all cadres and management personnel.





During the Reporting Period, the Group found no instances of violations of business ethics, including corruption, bribery, discrimination, harassment, privacy breaches of customers, conflicts of interest, money laundering or insider trading, no lawsuits arising from corruption, and neither participated in nor was involved in any form of political donations.

## Whistleblowing and Complaints

The Audit Department of the Group has formulated the *Measures for Anti-Fraud Administration*, continuously improves the whistleblowing and complaint mechanism, opens internal and external whistleblowing channels, encourages all employees and external stakeholders to report any actual or suspected improper acts related to the Company, and supports anonymous whistleblowing. We have published our whistleblowing channels on our official website and strongly advise our employees, partners, and the public to promptly report any violation and fraud they discover through various channels, including email, mail, or telephone. The Group encourages complaints and reports of fraudulent activities and rewards those who provide valuable reporting clues and those who participate in investigations.

### Whistleblowing Channels

The Group provides training for all employees on the use of whistleblowing channels and relevant procedures to ensure that employees fully understand and properly apply the whistleblowing mechanism.

-  **Complaint mailbox:** yrmymb@163.com, yrmymb@yourandairy.com
-  **Phone number:** 0471-3393387
-  **Mailing address:** The Audit Department of China Youran Dairy Group Limited, No. 169, Hexi Road, Saihan District, Hohhot, Inner Mongolia, China.
-  **Postcode:** 010010
-  **WeChat Official Account whistleblowing:** Youran Dairy Official Account – Contact Youran – Clean Youran

### Whistleblowing Acceptance Procedure

Once a report is received, the Audit Department will assess the matter and either initiate an investigation or refer it to the relevant department for resolution. For reports submitted with real names, the Audit Department will respond within 24 hours and initiate an investigation process within 5 working days. For the employees and partners who have been proved to have violations and frauds after investigation, the Group will punish the person in charge or related parties in accordance with the Company's relevant systems, and the punishments include but are not limited to leave for inspection, suspension, demotion, transfer, salary reduction, termination of labor relations or blacklisting, etc.

### Whistleblower Protection System

The Group formulates the *Business Code of Conduct* and *Anti-Corruption Policy*, and soundly implements the whistleblower protection mechanism. We investigate complaints and reports following the principles of fairness, impartiality, and confidentiality. Complaint handling shall be based on objective facts and severely punished in accordance with laws and regulations to create a fair and impartial corporate ecological environment.

The Company has established a strict whistleblower confidentiality mechanism. The Audit Department is responsible for the confidential management of complaint and whistleblowing information, and conceals private information such as the whistleblower's name and contact information when transferring information. Investigators who need to access relevant confidential information shall go through approval procedures and bear corresponding confidentiality responsibilities.

## Business Ethics and Anti-Corruption Training

The Group continues to deepen the construction of a culture of integrity and compliance, and is committed to creating a good corporate atmosphere of integrity, self-discipline, and positivity.

- Conducted integrity culture construction, covering 1,136 employees in key positions through online and offline training, including 119 person-times in sensitive positions and 854 persons at manager level and above. Both the hierarchical coverage and number of personnel have increased compared with previous years. Through four special inspections of the "Clean Breeze Initiative", screening of related-party relationships and the establishment of a police-enterprise service station, the Group has systematically improved all employees' compliance awareness and risk prevention and control capabilities.
- Innovatively built the "Clean Youran Publicity Platform", integrated typical historical violation cases and the core of the Company's anti-fraud culture, planned a matrix of visualized columns for integrity culture, and promoted the normalized and three-dimensional communication of compliance publicity and education.
- Distributed integrity questionnaires to all suppliers; sent integrity reminders to all employees and cooperative suppliers during traditional festivals such as the Spring Festival and Mid-Autumn Festival.

Indicators	Unit	2025
Total anti-corruption training sessions	sessions	37
Total anti-corruption training for employees	times	33
Total anti-corruption training for directors	times	4
Total person-times covered by the anti-corruption training	person-times	2,379
Total directors covered by anti-corruption training	person-times	33
Total employees covered by anti-corruption training	person-times	2,379



Natural Sources

Optimal Quality

02

## Addressing Climate Challenges, Preserving Ecological Farms



Special Topic

# Ecological Circular Dairy Farms, a New Green Low-carbon Model

The Group is committed to building ecological recycling dairy farms, and implements the principle of green sustainability throughout the entire operation process of dairy farms. Guided by "source reduction, process control, and end utilization" as its management core, the Group follows principles of "harmlessness, reduction, and resource utilization", and adheres to the guideline of "determining the plantation based on the land, and determining the dairy farming practices based on the plantation", promoting the integrated planting and breeding model in light of local conditions. Relying on the comprehensive upstream industry chain integrating forage grass plantation, dairy cow breeding, feed production, as well as the manufacturing of high-quality raw milk and specialty raw milk, the Group realizes efficient resource recycling and business collaboration, and promotes the synchronous improvement of ecological benefits, production efficiency of dairy farms and high-quality development of the entire industry chain.

## Establish a Development Model Integrating Planting and Breeding

The Group adheres to adopting the "integration model of plantation and dairy farming" to advance the construction of ecological recycling dairy farms, and achieves efficient collaboration and resource sharing among dairy farms, forage grass industry and feed business. The Group operates 16 forage grass plantation bases nationwide with a forage grass plantation area of approximately 240,000 mu, which can guarantee the forage grass supply for nearby dairy farms. Meanwhile, through the resource utilization of manure, a closed-loop system of "bedding material recycling + fertilizer returning to the field" has been formed, which improves soil fertility and reduces the use of chemical fertilizers, and realizes the efficient recycling of internal energy and waste in dairy farms.

To further promote the green development model of integrated planting and breeding, in accordance with the climatic characteristics of the north and south of China, the Group has developed the high-temperature aerobic fermentation model for northern regions and the biogas anaerobic fermentation model for southern regions respectively. Through intelligent control and energy recovery, we achieve coordinated benefits including harmless manure treatment, energy self-sufficiency and carbon emission reduction, and form a sustainable ecological recycling development paradigm featuring green and low-carbon attributes.

Model	Operation Mode	Outcome
"Solid-liquid separation + aerobic fermentation + returning liquid fertilizer to fields" model	<p><b>Applicable to northern cold climates</b></p> <ul style="list-style-type: none"> <li>The collected manure is first subjected to solid-liquid separation. The separated solid matter is processed via high-temperature aerobic fermentation and backfilled for barn bedding, while liquid fertilizer enters multi-stage oxidation ponds for harmless treatment and is directionally applied to farmland, realizing closed-loop resource utilization of "bedding reuse + fertilizer returning to fields".</li> </ul>	<ul style="list-style-type: none"> <li>The core technologies of intelligent integrated aerobic fermentation include "robotic autonomous operations, automated oxygen supply, automatic dehumidification and dehydration, high-temperature aerobic sterilization, and year-round stable operation".</li> <li>Taking a 10,000-head dairy farm in northern China as an example, it annually produces over 54,000 tons of high-quality barn bedding; liquid fertilizer returned to fields improves soil fertility and reduces chemical fertilizer application, with an annual carbon emission reduction of over 7,000 tons.</li> </ul>
"Biogas fermentation + solid-liquid separation + low temperature drying + biogas residue backfilling for bedding + biogas slurry returning to fields" model	<p><b>Applicable to southern regions</b></p> <ul style="list-style-type: none"> <li>Collected manure is delivered to the anaerobic biogas fermentation system. Biogas residue is dehydrated and processed into barn bedding for internal recycling within the ranch; biogas slurry is directionally applied to surrounding farmland as organic fertilizer; biogas is used for ranch heating and generator operation, forming a three-in-one sustainable operation paradigm of "pollution reduction - carbon reduction - efficiency improvement".</li> </ul>	<ul style="list-style-type: none"> <li>The core technologies of fully mixed anaerobic biogas fermentation adopt "diversion for concentration and dilution, multi-stage sand removal, efficient fermentation at a constant temperature of 38 degrees, intelligent online monitoring, and central control operations".</li> <li>A single 10,000-head dairy farm can annually produce approximately 5.7 million cubic meters of biogas, over 20,000 tons of biogas residue; the total self-generated green electricity from biogas and photovoltaic power reaches approximately 7.8 million kWh, achieving an annual carbon reduction of about 17,000 tons.</li> </ul>

## Jinan Youran Dairy 10,000-head Dairy Cattle Breeding Demonstration Ranch

Integrating fresh milk production, improved dairy cattle breeding, high-quality forage planting, technical training and sightseeing experience, the Jinan Youran Dairy 10,000-head Dairy Cattle Breeding Demonstration Ranch is a benchmark modern comprehensive ranch in North China.



Integrated water and fertilizer irrigation for tens of thousands of mu of off-site land via field returning pipelines

The ranch adopts a systematic process of "pretreatment — anaerobic fermentation — biogas purification — heating and temperature increase and advanced treatment" for manure disposal. After mechanical collection and homogenization, dry and wet manure as well as bedding straw are delivered to medium-temperature continuously stirred tank reactor (CSTR) anaerobic fermentation tanks equipped with stirring, heating and thermal insulation devices, to ensure efficient degradation of fermented materials under optimal conditions. The generated biogas is purified through desulfurization and dehydration before storage, and applied to biogas combined heat and power generation as well as boiler heating to realize energy self-sufficiency. The biogas residue after anaerobic fermentation is dried and reused as barn bedding; biogas slurry undergoes advanced treatment for integrated water and fertilizer application in the ranch and surrounding farmland. This builds a waste recycling circulation system, forms an ecological circulation model of "pollution reduction — carbon reduction — efficiency improvement", and promotes waste recycling and ecological circulation management in the ranch.

Through biogas power generation and waste resource utilization, the ranch annually produces approximately 5.475 million cubic meters of biogas and generates approximately 3 million kWh of electricity, while significantly reducing sewage discharge. Biogas residue and biogas slurry are returned to farmland as organic fertilizers to improve soil structure, enhance soil fertility, increase crop yield and quality, and cut the application of chemical fertilizers and pesticides. This turns livestock waste into valuable resources, promotes rational water resource utilization and creates a virtuous cycle of the ecological environment.

## Patents Fuel the Advancement of Ecological Agriculture

To further consolidate the sustainable development model of integrated planting and breeding, Youran Dairy gives full play to the industry leadership. Focusing on key areas including manure treatment, resource recycling and ecological sustainability, the Company continuously promotes the research and development of patented technologies. We address practical production pain points and common industry challenges, optimize internal production processes, and expand low-carbon circular development pathways.



Integrated Planting and Breeding Model (Illustration)

The Group has formulated standards including *Quality Standards for Fermented Manure Bedding*, *Operational Procedures for Fermentation of Manure Bedding*, and *Technical Specifications for Fermentation of Recycled Manure Bedding*, to guide the production and application of manure residue bedding on farms. Meanwhile, the Group has jointly formulated three industry standards for quality evaluation and quality grading of agricultural crops. These standards solve the problems of difficult indicator evaluation and weak guidance in original methods, and realize the evaluation of silage quality through simple and highly operable comprehensive indicators. They support the upgrading of silage quality indicators to more accurate big data modeled nutritional indicators, helping ranches achieve precise nutrition management. In addition, the Group has obtained authorization for 9 invention patents, 4 design patents and 5 utility model patents, and applied for the 3A intellectual property certification from industry associations, providing solid technical support for the development of low-carbon, green and ecological agriculture.

Adopting the integrated planting and breeding model of "promoting planting through breeding and boosting breeding via planting", the Group integrates internal and external resources and gives full play to the synergies between animal husbandry and roughage planting sectors. We have arranged 16 forage bases around domestic ranches, promotes water-fertilizer integration and efficient utilization of liquid fertilizer, realizes the resource utilization of manure, and forms an ecological virtuous cycle of "raising superior cattle with quality feed to produce excellent milk". The Group continuously contributes to improving the industry's overall resource allocation efficiency and driving industrial upgrading.

# Response to Climate Change

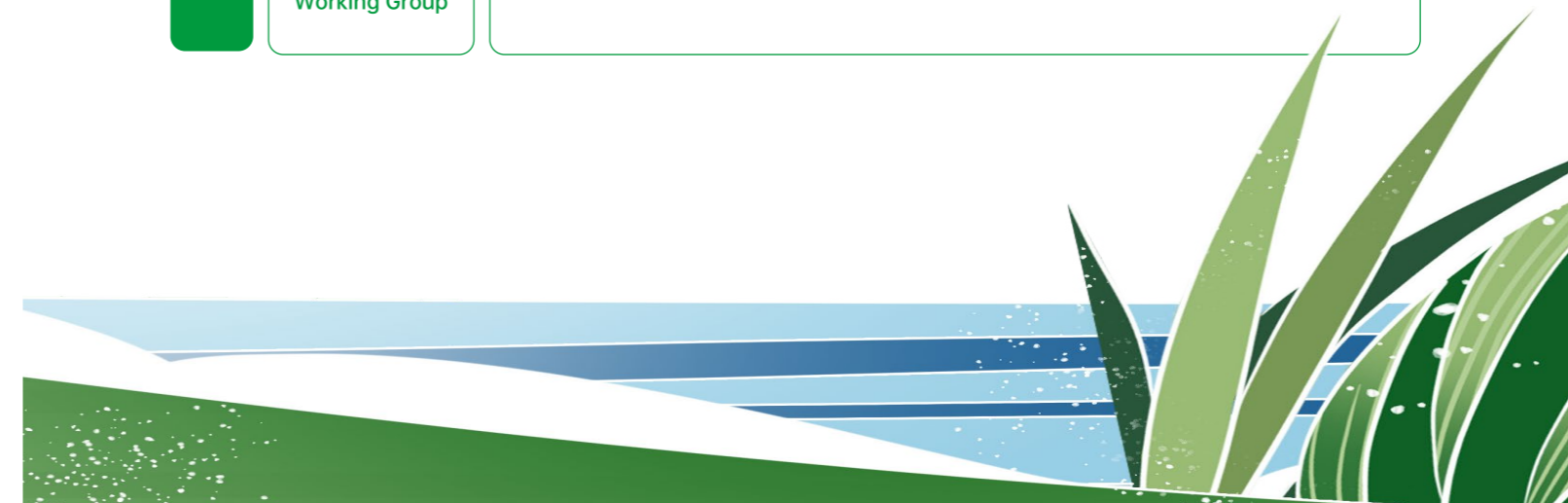
Against the backdrop of accelerating global climate governance, addressing climate change has become a core priority for enterprises to achieve high-quality and sustainable development. Recognizing the *Paris Agreement* as the core framework for global climate governance and acknowledging the scientific necessity and urgency of the 1.5°C temperature control target, Youran Dairy integrates climate action into corporate governance and long-term development strategies. Complying strictly with the latest climate-related regulatory requirements of the Hong Kong Stock Exchange, the Group has established a sound climate governance framework, built a systematic mechanism for climate risk identification and management, advanced diversified low-carbon innovative practices, and set clear emission reduction targets. In 2025, the Group voluntarily submitted the climate change questionnaire to CDP (Carbon Disclosure Project) and obtained a Grade B rating (management level). Its capabilities in climate risk prevention and response have been continuously enhanced, while the transparency and standardization of information disclosure have been further improved.

## Climate Governance

The Group's climate governance framework is aligned with the three-tier ESG governance system of "decision makers – management – performers", enabling in-depth integration of climate strategies with daily operations. As the highest decision-making and supervisory body, the Board of Directors and the ESG Committee have incorporated climate-related topics into the Board agenda. At least two special meetings are held each year to review key matters including the Group's climate strategy, target progress, and layout of core technologies.

In addition, the Group includes ESG indicators in the performance appraisal system for senior management responsible for relevant business areas, which are linked to compensation with a weighting of 10%. Environmental control indicators cover climate change mitigation, energy consumption reduction and greenhouse gas emission cuts, effectively motivating active participation and accountability at all levels, and ensuring the steady advancement of carbon peaking and carbon neutrality goals.

To ensure effective delivery of environmental management responsibilities, senior management ESG indicators are further decomposed into each business unit and functional department. The performance appraisal scheme for leaders of all units includes corresponding environmental management indicators, and their annual performance is directly linked to incentive compensation. For those failing to meet ESG targets, the Group adopts restrictive measures such as disqualification from annual honors and cancellation of annual operational incentives, forming an effective constraint mechanism.



## Climate Strategy

### Strategic Blueprint for a "Zero-carbon Future"

To fully implement the national dual carbon goals and the requirements of the "1+N" policy framework, the Group adheres to the long-term vision of achieving "carbon peak by 2030 and carbon neutrality by 2050". We fully integrate climate-related risks and opportunities into the Group's strategic planning and business decision-making system, and continuously carry out forward-looking research and pathway exploration for carbon neutrality. Focusing on the core direction of low-carbon transformation, the Group has formulated the *Zero-carbon Future Plan Implementation Scheme*, clarified the "three-step strategy" for green development and the "Eight Core Emission Reduction Measures" for carbon neutrality. The Group coordinates and promotes the optimization of energy structure, improvement of resource utilization efficiency and collaborative emission reduction across the value chain, gradually enhances climate resilience, and steadily advances the high-quality green and low-carbon transformation of business operations.

#### "Zero-carbon Future" Plan Roadmap

**Goal<sup>2</sup>: Achieving carbon peak by 2030 and carbon neutrality by 2050<sup>2</sup>**

**Base Year for Emission Reduction: 2022**

Phase Targets	<b>Phase 1:</b> Exploration and Transformation (2022–2030)	Green and low-carbon development model: Initial formation Greenhouse gas emissions per unit of raw milk: 9% reduction by 2025 and 19% reduction by 2030 Construction of low-carbon and zero-carbon dairy farms: A number of low-carbon dairy farms will be established by 2025
	<b>Phase 2:</b> Acceleration (2031–2040)	Green and low-carbon development model: Notable results Greenhouse gas emissions per unit of raw milk production: 25% reduction by 2035, and reach international leading levels by 2040. Construction of low-carbon and zero-carbon dairy farms: A number of zero-carbon dairy farms will be established by 2040
	<b>Phase 3:</b> Decisive Victory in Achieving Carbon Neutrality (2041–2050)	Green and low-carbon development model: Efficient operations Greenhouse gas emissions per unit of raw milk production: Continuously maintain an international leading position Construction of low-carbon and zero-carbon dairy farms: All dairy farms will achieve "zero carbon" emissions by 2050

#### 2025 Target Achievement Status

Greenhouse gas emissions per ton of raw milk reached 0.86 tCO<sub>2</sub>e, representing a 21.1% decrease from 2022, meeting the 2030 target ahead of schedule<sup>3</sup>.

To date, one carbon-neutral certified dairy farm and four low-carbon certified dairy farms have been established.

- The Group's greenhouse gas emission targets and the associated target-setting methodology have not yet been verified by a third party. Third-party verification will be conducted in due course as emission reduction practices and management systems are further improved.
- The carbon neutrality goals are set based on Scope 1 and Scope 2. At the same time, the Group is also advancing efforts to reduce Scope 3 emissions. In the future, the Group will further optimize its emission reduction goals by incorporating the progress of Scope 3 reduction initiatives.
- The targets were achieved ahead of schedule mainly due to two reasons. Continuous investments in resource utilization and fossil carbon reduction by establishing new biogas systems, covering oxidation ponds, increasing renewable electricity use, converting fuel-powered equipment to electricity, and upgrading existing systems for energy efficiency. These measures contributed about 60% of the emission reduction. The use of updated carbon emission factors contributed the remaining 40%.

#### Carbon Reduction Actions

Scope 1	Scope 2	Scope 3
<b>Biological carbon emission reduction</b> <ul style="list-style-type: none"> <li>Researching and introducing core technologies and products for reducing carbon emissions in ruminants, thus decreasing methane emissions from the intestines</li> <li>Using breeding biotechnology to breed a core herd of low-carbon, high-yield, and long-living dairy cows</li> <li>Expanding the application of low-carbon manure treatment technologies to achieve carbon reduction and efficiency improvement</li> <li>Developing and applying manure composting technology for soil fertilization to create an ecological circular agriculture system</li> <li>Researching and introducing agroforestry carbon sequestration technologies to achieve carbon fixation through no-till farming</li> </ul>	<b>Fossil carbon emission reduction</b> <ul style="list-style-type: none"> <li>Introducing photovoltaic renewable energy to achieve self-consumption of green electricity</li> <li>Promoting the use of electric power equipment and speeding up the transition of the energy structure</li> <li>Intensifying energy-saving renovations to improve energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Adapting to local conditions and expanding the cultivation of raw materials near the production site</li> <li>Prioritizing low-carbon transportation methods for bulk raw materials, raw milk, and feed products</li> <li>When selecting sites for a new dairy farm, considering the proximity to milk and feed factories and surrounding resources to reduce fossil fuel consumption during transportation</li> <li>Prioritizing those with carbon certification or who use clean energy when selecting suppliers</li> <li>Promoting green and low-carbon travel to minimize greenhouse gas emissions on business trips</li> </ul>

#### Youran Dairy Hosts National Event for Leading Livestock Farming Enterprises, Leading Low-carbon Development Across the Industry and Value Chain

In November 2025, Youran Dairy, together with the National Dairy Industry Technology System and the Livestock Waste Recycling Branch of Beijing Low-Carbon Agriculture Association, jointly hosted the national event "Fulfilling Dual Carbon Commitments, Promoting Green Development" for leading livestock farming enterprises in China. Focusing on the transformation, upgrading and high-quality development of the livestock industry, the event invited technical experts from various sectors and representatives of 11 leading dairy enterprises to conduct in-depth discussions on key topics including precise emission reduction in agriculture and animal husbandry, resource recycling, and technological innovation. Participants jointly studied and reviewed the current status and trends of green and low-carbon development in the global livestock industry, as well as technological pathways for emission reduction in dairy farming. In addition, the Group organized a visit to Youran Dairy's Chilechuan Ecological Intelligent Dairy Farm, actively sharing innovative practices and achievements in climate-smart agricultural transformation with industry partners, providing important references for the green transformation of the industry.

With its fruitful outcomes, this exchange event has become an annual benchmark event in the industry. It has not only publicized Youran Dairy's low-carbon development philosophy to the outside world and further consolidated the Group's brand image as a "leader in China's animal husbandry", but also advanced the sustainable development process of the entire industry.



## Climate Impact, Risk and Opportunity Management

The Group places great emphasis on the systematic management of climate-related risks and opportunities, integrating them into its overall risk management system. Through scientific identification, assessment and response mechanisms, the Group continuously enhances business resilience and capacity for green transformation. Combining domestic and international climate scenario analysis methods with its business layout, the Group has comprehensively assessed the potential physical risks and transition risks brought by climate change, analyzed their potential financial impacts, and taken the results as important references for strategic decision-making and operational planning.

### Risk Management System

The Group has established a multi-level and comprehensive climate risk management system covering the entire process of identification, assessment, response, supervision and improvement to ensure effective control of climate risks.



## Identification, Assessment and Response to Climate Risks and Opportunities

During the Reporting Period, the Group continued to identify, assess and analyze climate-related risks and opportunities. Based on operational resilience, strategic adaptability under different climate change scenarios and the high relevance to core businesses, the Group conducted structured analysis of climate-related risks and opportunities using climate scenarios aligned with the latest international climate change agreements such as the Paris Agreement. The scenario analysis assumes that future climate trends follow the relevant scenario pathways, that dual-carbon related policies and market conditions remain relatively stable, and that no material changes occur to the Group's existing business model.



For the Group's 100 dairy farms, 16 forage grass plantation bases and supplier bases (mainly for soybean meal and corn), 16 cities with the largest number of bases are selected. Combined with climate scenarios issued by the IPCC (Intergovernmental Panel on Climate Change), namely the high-emission scenario (IPCC RCP 8.5) and the low-emission scenario (IPCC SSP1-2.6)<sup>5</sup>, the Group focuses on 12 indicators including annual average temperature, extreme high-temperature days and extreme rainfall days. We have formulated short-, medium- and long-term<sup>6</sup> response measures, including optimizing dairy farm location, adjusting herd structure, upgrading temperature control facilities and improving drainage systems, so as to reduce the potential impact of extreme weather on operations.



With reference to the below 2°C transition scenario issued by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), and in combination with the national dual carbon policy and the Group's strategy, the Group assesses the potential impacts of policies and regulations, market changes, technological innovation, reputational risks and other factors on its business. Through identifying and assessing transition risks such as global climate policies, carbon pricing, changes in raw material costs, shifts in market preferences, electricity price fluctuations, energy efficiency investments and market awareness, the Group has formulated measures including increasing the proportion of renewable energy application, strengthening low-carbon management of the supply chain, promoting research and development of decarbonization technologies, establishing an energy efficiency investment evaluation mechanism and enhancing the influence of sustainable brands, so as to ensure sustained competitiveness in the low-carbon transition.



Based on the Below 2°C transition scenario published by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), the Group has analysed climate-related opportunities by taking into account national dual-carbon policies and dairy industry trends, as well as the characteristics of the livestock sector and the Group's own business layout. The Group actively seizes low-carbon development opportunities. By promoting renewable energy, applying low-carbon technologies, developing low-carbon products and carbon assets, the Group enhances product added value and market competitiveness, supporting sustainable development.

During the Reporting Period, there were no material changes in the overall landscape and qualitative assessment of climate-related risks and opportunities. Accordingly, the assessment and analysis results of such risks and opportunities as described in the [Youran Dairy Climate Information Disclosure Report](#) remain applicable. For detailed assessment, identification and response measures for climate change risks and opportunities, please refer to Sections 2.1 Climate Scenario Construction, 2.2 Physical Risk Analysis and 2.3 Transition Risk Analysis in [Youran Dairy Climate Information Disclosure Report](#). Meanwhile, based on the results of scenario analysis, the Group has continued to conduct quantitative analysis on the financial impacts of key risks and opportunities, as well as business activities affected by material climate-related risks and opportunities. As the relevant analysis is still being refined to ensure the accuracy and rigour of the data, it is not disclosed in this report. Timely disclosure will be made upon completion of the relevant work.

<sup>5</sup> Under the IPCC SSP 1-2.6 low-emission scenario, assets located near Anhui and Gansu will face more significant physical risks by 2030, with the proportion of assets affected by climate-related physical risks being 6.11%. The proportion of assets affected by climate physical risks is calculated based on the ratio of the number of affected operating locations to the total number of the Group's operating locations.

<sup>6</sup> Time horizon: Short-term: 2026–2030; Medium-term: 2030–2040; Long-term: 2040–2050, consistent with Youran Dairy's Zero Carbon Future Roadmap and external macro policies.



## Climate Risk Mitigation Actions

### Greenhouse Gas Emission Management System

To ensure scientific, standardized, quantifiable and traceable management of greenhouse gas emissions, the Group has established a three-pillar system supported by "accounting, monitoring and management", covering the entire process of energy use and greenhouse gas emissions across the Group. Meanwhile, the Group has systematically formulated and issued a series of greenhouse gas emission reduction management plans, including the *Zero-carbon Future Plan Implementation Scheme*, *Energy Consumption Target Assessment Plan*, *Energy Conservation and Emission Reduction Incentive Plan*, and *Comprehensive Water Control and Consumption Reduction Plan*, to achieve precise and effective control of carbon emissions across the Group in an orderly manner.

In 2025, we continued to conduct carbon inventories, verifications and certifications covering all production units of the Company and its subsidiaries, further optimized the carbon neutrality action plan, refined the greenhouse gas emission reduction management scheme, tracked carbon reduction targets, and ensured the solid progress of carbon neutrality initiatives.

#### Youran Dairy Participates in Developing the National Methodology for Voluntary Greenhouse Gas Reduction Projects – Agriculture and Forestry Waste

The application of China's voluntary greenhouse gas reduction mechanism in agriculture and animal husbandry had been suspended for many years. Youran Dairy has participated in the development of the latest voluntary emission reduction methodologies for agriculture and animal husbandry. In December 2025, the *Methodology for Voluntary Greenhouse Gas Reduction Projects – Agriculture and Forestry Waste* (CCER-15-002-V01) was officially released by the Ministry of Ecology and Environment. This reflects the active role of Youran Dairy as a leading enterprise in influencing national low-carbon policies and standards.

The project "Research and Application of Best Control Technologies for Environmental Protection and Greenhouse Gases in Livestock and Poultry Farming" was nominated for the National Science and Technology Progress Award. With frontline practices, the Group helps improve the national greenhouse gas emission reduction methodology system, earnestly fulfills its carbon reduction responsibilities, and demonstrates industry leadership and social responsibility.

#### Three-Pillar System

##### Carbon Accounting System

The Group has continuously optimized the greenhouse gas accounting methodology for the entire industrial chain, covering dairy farming, feed production, raw material transportation and other links. Accounting is conducted in accordance with ISO 14064, ISO 14067, IPCC guidelines, *GB/T 44903-2024 Greenhouse Gases—Quantification Methodologies and Requirements for Carbon Footprint of Products—Livestock Products* and other national standards to ensure scientific, consistent and comparable data.

##### Carbon Monitoring System

A greenhouse gas monitoring system covering the rumination process and key operational links has been established. The Group has introduced mature monitoring technologies in cooperation with research institutions, and realized real-time data collection and analysis through digital management tools, providing decision support for emission reduction strategies.

##### Carbon Management System

Integrating the ISO 14001 Environmental Management System, ISO 14064, ISO 14067, ISO 14068 and ISO 50001 energy management requirements, the Group has built a carbon neutrality management system with industry characteristics. The system covers institutional development, responsibility division, process standardization and supervision & assessment, providing standardized and operable support for the Group's greenhouse gas management.

Based on domestic and international carbon asset development methodologies, the Group has mapped out its current carbon asset status, established a carbon asset development project library, developed diversified carbon assets, and formulated trading strategies in response to dynamic carbon market conditions to realize asset appreciation.

### Greenhouse Gas Emission Management

To strengthen greenhouse gas emission management, the Group has continuously improved the implementation mechanisms for greenhouse gas management on the basis of the three-pillar system, covering data management, verification and capacity building to ensure the implementation of the carbon neutrality strategy.

#### Optimized Internal Inventory and Third-Party Verification Mechanisms

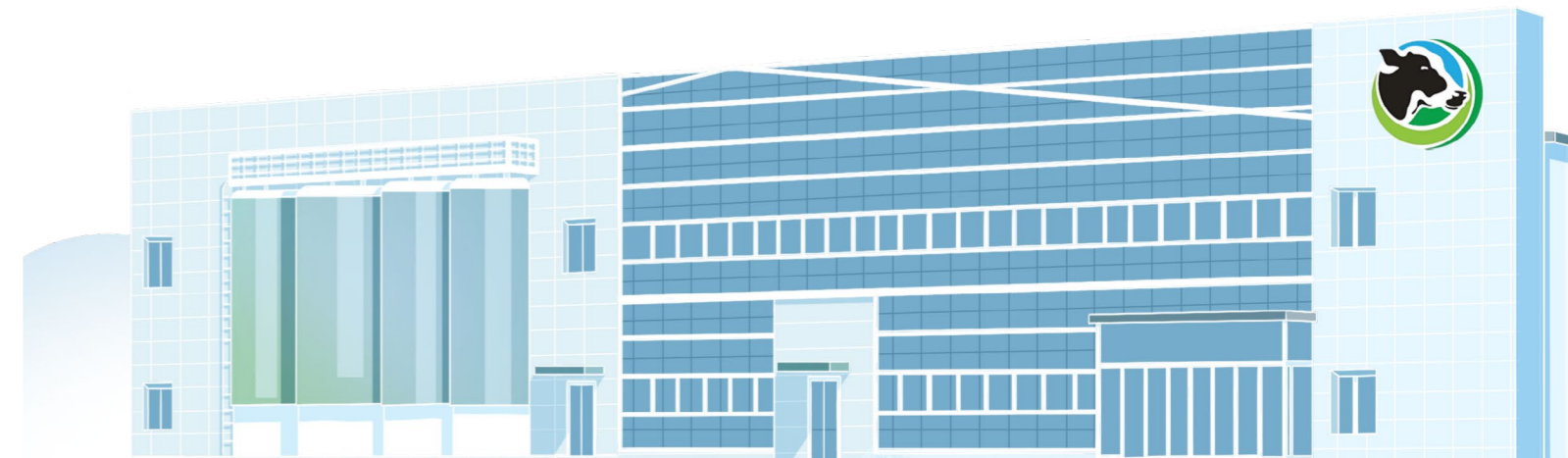
- **Internal inventory:** Each business unit and the quality management department regularly conduct inventories of basic greenhouse gas accounting data, including activity data, sources of emission factors, monitoring methods, recording frequency and accounting methods, to ensure data authenticity and integrity.
- **Third-party verification:** Qualified third-party institutions are regularly engaged to conduct verification and issue verification reports, covering the production and operation units of the Group and its subsidiaries.

#### Clarified Verification Standards and Scope

- **Verification standard:** ISO 14064 Greenhouse Gas Verification Specification, covering direct emissions (Scope 1), energy indirect emissions (Scope 2) and other indirect emissions (Scope 3).
- **Coverage:** All production and operation units of the Group and its subsidiaries, including the dairy farming unit, feed unit, forage unit and SKX.

#### Strengthened Greenhouse Gas Management Capacity Building

- The Group organizes annual training on greenhouse gas management for farm managers and relevant departments to enhance management capabilities and implementation performance, ensuring the effective application of systems, processes and digital tools.



## Energy Management

To implement the carbon neutrality strategy, the Group has continuously improved its energy management system. During the Reporting Period, we formulated and issued the *Measures for the Management of Low-Carbon Energy Reduction and Sustainable Development* to ensure efficient, low-carbon and sustainable energy use.

### Improved Energy Management System and Assessment Mechanism

- In accordance with *GB/T 23331-2020 / ISO 50001:2018 Energy management systems — Requirements with guidance for use*, the Group has developed its energy management measures to standardize energy use, monitoring and management processes.
- Energy consumption target assessment and audit are implemented, with energy indicators incorporated into the management assessment system of all basic units, and relevant incentive indicators set up to ensure the achievement of energy management goals.
- Energy conservation and emission reduction systems have been formulated covering major energy types such as electricity, natural gas and steam, with clear responsible entities and assessment standards.

### Improved Energy Measurement and Monitoring System

- A three-level energy consumption measurement system has been established, equipped with appropriate energy measuring instruments and meters to achieve accurate recording and real-time monitoring of energy consumption.
- Energy data of various business units are aggregated through the Group's information system to form a unified energy data management and analysis platform, providing data support for energy management decisions.

### Promotion of Energy Structure Optimization

- An energy structure optimization plan has been formulated to coordinate the proportion of traditional energy and clean energy, supporting the introduction and distributed application of clean energy.
- Based on energy management data and business layout, the Group optimizes energy supply and consumption structure, improves energy efficiency and reduces energy waste.

### Strengthened Management Capacity and Culture Development

- Regular energy management training and experience sharing sessions are organized to enhance the energy management capabilities of persons-in-charge and operators of all basic units.
- The concept of energy conservation and green operation is promoted, integrating energy management into daily operation processes and encouraging full participation.

## Product Carbon Footprint Management

The Group has continued to advance product carbon footprint management, committed to achieving full-process carbon reduction through scientific quantification. In accordance with *ISO 14067-2018 Greenhouse Gases—Carbon Footprint of Products—Requirements and Guidelines for Quantification*, the Company has conducted carbon footprint surveys and calculations at key dairy farms for major raw materials including silage, flaked maize, alfalfa and Chinese ryegrass, as well as the transportation and production of raw milk products. This has enabled a full understanding of carbon emissions from raw material procurement to transportation and production, providing a scientific basis for subsequent carbon management and optimization.



### Digitalized Dairy Cow Carbon Footprint

The Group measures methane emissions from dairy cows through the GreenFeed system, and establishes a prediction model for dairy cow methane emissions using machine learning and deep learning combined with milk composition and mid-infrared spectroscopy (MIR) data, enabling rapid batch screening of low-carbon dairy cows. The model features high reliability in practical application, can be used for Dairy Herd Improvement (DHI) testing, and has been granted a patent authorization. By applying advanced digital tools and scientific methods to production, the Group achieves precise measurement, data-driven carbon reduction and low-carbon cow selection, providing replicable experience for carbon emission optimization in the raw material stage.

## Greenhouse Gas Emission Reduction Action

The Group upholds the carbon management philosophy of "Value-Driven, Technology-Led, Efficient Use, and Green Development". Based on regional characteristics, we advance eight core emission reduction initiatives from the two dimensions of fossil carbon reduction and biological carbon reduction, and steadily develops "zero-carbon dairy farms". Since the implementation of the "dual-carbon" strategy, the Group has achieved nine low-carbon and sustainable results across the full industry chain, realizing scientific carbon reduction and improved sustainable development capabilities, accelerating the green transformation of the entire industrial chain, and contributing to a sustainable future.

### Nine Groundbreaking Low-Carbon Achievements

Established batch rapid detection technology for dairy cow methane and screened <b>1,308</b> heads of cattle with low-carbon emission genes	Applied the "PV supplement in dairy farms" model, with total PV green power exceeding <b>75</b> million kWh	Continued to apply electric power equipment such as straw cutters and loaders to promote clean energy substitution
Built China's <b>first</b> carbon-neutral dairy farm	Developed the largest tradable VCS carbon credits for a single dairy farm in the industry and reserved the highest carbon credit quota in the sector	Applied no-tillage carbon sequestration technology to enhance agricultural and forestry carbon sequestration
Participated in compiling <i>Research, Development and Application of Synergistic Control Technologies for Environment and Greenhouse Gases in Livestock and Poultry Farming</i> , a project nominated for the National Science and Technology Progress Award	Successfully developed the dairy cow "Breeding No.1 Chip" to accelerate genetic improvement, fostering localized "Chinese dairy cows" with five excellent genotypes: high yield, high reproduction, disease resistance, low carbon, and long production life	Continued to develop a green and low-carbon feed base – "Bayannur Factory"

### Birth of China's Dairy Industry's First "Carbon-Neutral" Dairy Farm

During the Reporting Period, the Pingdingshan Ranch in Henan, under Youran Dairy, was awarded a carbon neutrality certificate by CTC Group, becoming the first carbon-neutral dairy farm in China's dairy industry. This certification marks that Youran Dairy has successfully explored and formed an implementable and replicable pathway and practice model for achieving carbon neutrality at dairy farms, setting a benchmark for the industry's low-carbon initiatives.

Pingdingshan Ranch has actively deployed clean energy applications. Based on the Group's self-developed total mixed anaerobic digestion technology, it innovatively adopted a "medium-high temperature anaerobic fermentation process with dual-path gas production", which not only realizes harmless treatment of manure but also significantly increases biogas output for clean power generation. The ranch has also promoted the application of low-carbon feed, put new energy equipment into use such as electric milk delivery trucks, electric loaders and feeding robots, and continuously reduced fossil energy consumption. Through technological innovation and low-carbon practices, the ranch took the lead in achieving carbon neutrality in dairy farming in the industry, providing a replicable demonstration model for the green and low-carbon transformation of China's animal husbandry.

### Fossil Carbon Emission Reduction

The Group's fossil energy carbon emissions mainly come from biomass boiler fuel, vehicle fuel and purchased electricity consumption. The Group has continuously deepened the "PV supplement in dairy farms" model, steadily promoted the transformation and upgrading of the energy structure, vigorously developed clean and renewable energy such as photovoltaic and biogas, and continuously improved energy efficiency. Relevant low-carbon measures have covered 100% of production and operation sites and core facilities, solidly advancing all work on fossil energy carbon reduction.

**During the Reporting Period**  
 the Group obtained **1** additional carbon-neutral dairy farm certification and **1** dairy farm low-carbon breeding certification, and participated in the formulation of the group standard *Technical Specification for the Low-Carbon Assessment of Large-Scale Dairy Farms*.



Pingdingshan Youran Dairy Co., Ltd. was certified as a low-carbon dairy farming ranch.

### Action Plan for Fossil Carbon Emission Reduction

**Introducing PV, biogas and other clean energy to realize self-generation and self-use of green electricity**

**Promoting the use of electric power equipment and speeding up the transition of the energy structure**

**Intensifying energy-saving renovations to improve energy efficiency**

### Key Achievements

- Through PV, biogas and other clean energy power generation, dairy farms and factories realize self-generation and self-use of green electricity, gradually replacing fossil energy:
  - PV power generation at dairy farms can meet approximately 40% of the operational electricity demand.
  - Biogas recovery systems realize the resource utilization of biogas for heating and power generation; the annual biogas output of a 10,000-head dairy farm can meet approximately 60% of operational electricity demand.

- Gradually phasing out fuel vehicles and coal-fired boilers, introducing electric milk delivery trucks, electric straw cutters and other equipment to optimize the energy structure in production and transportation links.
- Accelerating the electrification and intelligent transformation of equipment to improve energy efficiency and reduce direct fossil carbon emissions.

- Improving the whole-process management of energy consumption, conducting indirect energy audits through third-party greenhouse gas verification to ensure goal achievement and identify opportunities for energy performance improvement.
- Renovating refrigeration systems and boilers to achieve coal-free production and operation at all business premises.
- Implementing waste heat recovery renovation for ranch refrigeration units, with recovered heat used for preheating CIP cleaning water at dairy farms, which now covers all old ranches.
- Equipping newly built ranches with energy-saving fans, optimizing lighting and automatic control to achieve energy conservation and consumption reduction.

**By the end of the Reporting Period, the Group has**

- 11** PV ranches, **6** of which realize self-use of green electricity.
- 1** PV feed factory realizes self-use of green electricity.
- 1** dairy farm realizes biogas purification and external sales.

**In 2025, the Group**

- generated photovoltaic power approximately **20.50** million kWh, bringing its cumulative total to approximately **78.94** million kWh.
- generated biogas power approximately **24.14** million kWh, bringing its cumulative total to approximately **51.77** million kWh.
- reduced GHG emissions by approximately **28,395** tCO<sub>2</sub>e through biogas and solar PV projects, with a cumulative emission reduction of approximately **87,580** tCO<sub>2</sub>e.
- purified and externally sold approximately **1.72** million cubic meters of biogas.

SKX has completed the diesel-to-electric conversion of straw cutters at **8** ranches, saving a total of approximately **116,800** liters of diesel annually.

### Bayannur Feed Production Base Awarded "Autonomous Region-Level Green Factory"

During the Reporting Period, the Department of Industry and Information Technology of Inner Mongolia Autonomous Region announced the "List of 2025 Green Manufacturing Demonstration Units". With outstanding performance in green production, energy conservation, emission reduction and sustainable development, Youran Dairy's Bayannur Feed Production Base was successfully awarded the title of "Autonomous Region-Level Green Factory".

As one of the first batch of green factories in the autonomous region, the base has fully implemented a green and low-carbon model from production technology, equipment and facilities to operation and management based on its own production characteristics:

- Introduced a micro-ingredient system and high-precision dosing scales, with dosing accuracy up to ±10g, a tenfold improvement, effectively reducing resource loss.
- Completed boiler technology upgrading and renovation, reducing nitrogen oxide emissions by more than 90%.
- Put new energy equipment such as electric forklifts into use to promote energy conservation and consumption reduction in production.

Through systematic low-carbon practices, the base has achieved remarkable results in fossil carbon reduction and energy efficiency improvement, providing replicable and promotable practical experience for the Group to promote low-carbon manufacturing models at the factory level.

### Biological Carbon Emission Reduction

The Group's biological carbon emissions mainly come from manure management, dairy cow ruminant digestion and agricultural planting. To continuously reduce biological carbon emissions, the Group has deepened technological innovation and practical application around four core technologies: ruminant carbon reduction, biological breeding, low-carbon manure treatment and agroforestry carbon sequestration, building a sustainable biological carbon emission reduction system.

Action Plan for Biological Carbon Emission Reduction	Key Achievements
<p><b>Researching and introducing core technologies and products for reducing carbon emissions in ruminants, thus decreasing methane emissions from the intestines</b></p>	<ul style="list-style-type: none"> <li>• Developed key technologies such as low-carbon feed, nitrogen balance and enzyme engineering nutritional regulation to improve feed digestibility and reduce emissions from rumen fermentation.</li> <li>• Using plant-based raw materials, developed China's first ruminant carbon-reducing and yield-increasing feed "LvMuYouJia", which can reduce methane emissions per dairy cow by more than 20% and accelerate source carbon reduction.</li> </ul>
<p><b>Using breeding biotechnology to develop a core herd of low carbon, high-yield, and long-living cattle</b></p>	<ul style="list-style-type: none"> <li>• Promoted biological breeding technology in ranches nationwide to optimize herd structure, selected frozen semen with high feed efficiency and long production life, and increased the proportion of cows with high-conversion rates and low-consumption rates.</li> <li>• A breeding database for dairy cows focused on carbon emissions has been established to explore and analyze crucial genes or molecules responsible for low methane emissions, utilizing our proprietary dairy cow breeding technologies to cultivate a core herd of low-carbon cattle.</li> </ul>
<p><b>Expanding the application of low-carbon manure treatment technologies to achieve carbon reduction and efficiency improvement</b></p>	<ul style="list-style-type: none"> <li>• Independently developed and promoted a full-mix anaerobic digestion process and a fully automated intelligent aerobic fermentation process according to the climatic characteristics of northern and southern regions in China, combined with biogas power generation to realize harmless treatment of manure and energy recovery.</li> <li>• All of the Group's dairy farms nationwide have achieved 100% harmless manure treatment.</li> </ul>
<p><b>Developing and applying manure composting technology for soils fertilization to create an ecological circular agriculture system</b></p>	<ul style="list-style-type: none"> <li>• Promoted precision injection returning tank trucks and integrated water and fertilizer drip irrigation systems, applied the integrated water and fertilizer liquid manure returning model, continuously optimized technical standards for the integration of planting and breeding, and realized efficient use of liquid manure and increased crop yields and efficiency. In 2025, solid and liquid manure from ranches replaced approximately 35,000 tons of nitrogen fertilizer when returned to fields, achieving an annual emission reduction of approximately 150,000 tCO<sub>2</sub>e.</li> </ul>

### Action Plan for Biological Carbon Emission Reduction

**Researching and introducing agroforestry carbon sequestration technologies to achieve carbon fixation through no-till farming**

### Key Achievements

- Continued no-tillage carbon sequestration, researched alfalfa no-tillage planting technology and alfalfa-oat no-tillage mixed sowing technology to reduce soil disturbance and carbon emissions. The total no-tillage area reached 55,000 mu, including 46,400 mu of summer corn no-tillage and 8,600 mu of alfalfa and oat no-tillage.
- Used biological processes of natural ecosystems to achieve carbon capture and storage. Relying on organic carbon from crop root exudates and above-ground parts returning to the field after decomposition, the soil organic carbon content has been increased by 15%–20% cumulatively, enhancing long-term carbon storage capacity.

### Synergistic Pollution and Carbon Reduction Governance at Hanting Ranch

Hanting Ranch has actively responded to Weifang's green development policies and promoted synergistic governance of pollution reduction and carbon reduction, fully demonstrating the practical effect of combining biological carbon reduction with circular agriculture. It has been rated as a typical case of government-led synergistic innovation in pollution and carbon reduction, providing a demonstration for other ranches and regional promotion.

- **PV supplement in dairy farms:** Making full use of cowshed roof space, a building-integrated photovoltaic (BIPV) solar PV system was built with a total installed capacity of 11.86 MW and an annual power generation of approximately 14.637 million kWh. It can save 1,798.9 tons of standard coal annually, reduce CO<sub>2</sub> emissions by approximately 12,587.82 tons, particulate matter by 1.4637 tons, SO<sub>2</sub> by 2.1956 tons and NO<sub>x</sub> by 1.9028 tons.



- **Manure resource utilization and integration of planting and breeding:** Adopting China's advanced high-concentration total mixed CSTR mesophilic anaerobic fermentation system and the process of "scraper dry manure cleaning + anaerobic fermentation + solid-liquid separation + low-temperature drying of biogas residue", it realizes "squeezed" utilization of manure and converts manure wastewater into biogas, biogas residue and biogas slurry. Annual biogas output reaches approximately 9 million cubic meters and is used for power generation or purification to produce natural gas. Annual high-quality biogas residue output totals approximately 26,000 tons and is used as organic bedding for cow beds. Annual biogas slurry output amounts to approximately 210,000 tons and replaces part of chemical fertilizers for feed crop planting. Annual CO<sub>2</sub> emission reduction reaches approximately 124,500 tons. The ranch has established a new agriculture-animal husbandry model featuring the integration of planting and breeding, with zero pollutant discharge.



- Built a digital-intelligent precision feeding integrated technology and a TMR "Central Kitchen" for dairy cows. Through the TMR Central Kitchen system, automatic preparation, automatic control and full-process monitoring of dairy cow feeding formulas are realized, improving the precision, standardization and consistency of feed intake and reducing labor costs. Powered mainly by electricity, the technology reduces fuel consumption and exhaust emissions. Compared with the traditional TMR preparation and feeding model, it saves approximately 4,900 tons of feed annually and reduces energy costs by more than 75%.



- Purchases approximately 105,000 tons of whole-plant corn silage and wheat straw annually, which not only increases the income of local rural residents but also avoids the cost of returning wheat and corn straw to the field and the risk of incineration, realizing full-crop utilization.



**9** million cubic meters

Annual biogas generation



**14.637** million kWh

Annual power generation



**4,900** tons

Annual feed savings



**105,000** tons

Annual purchase of corn and wheat straw

## Carbon Asset Development

To achieve the strategic goals of the "Dual Carbon" initiative and further support the realization of net-zero targets, the Group focuses on emission reduction development and carbon sink development. We explore transforming greenhouse gas emission reduction outcomes into certifiable and tradable carbon assets. Using carbon credits as a supplementary measure for emission reduction activities, the Group offsets certain hard-to-abate greenhouse gas emissions from operational processes while gradually establishing a carbon asset management and operation mechanism.

In accordance with domestic and foreign carbon credit development rules such as CCER (China Certified Emission Reduction), VCS (Verified Carbon Standard) and GS (Gold Standard), the Group has formulated the *Youran Dairy Carbon Asset Development Plan*, which clearly defines manure emission reduction, dairy cow enteric emission reduction and soil carbon sequestration as key development directions, providing methodological support for the reserve and implementation of carbon asset projects.

The Group's carbon credit development strictly adheres to the principles of additionality, verifiability, permanence and avoidance of double counting under standards such as VCS and CCER, ensuring the credibility and integrity of carbon credits. We gradually develop carbon credit types including technical emission reduction projects and nature-based carbon removal, and continuously disclose project progress and carbon credit usage.



### Continuously Optimizing Carbon Source Management

Responding to carbon asset development needs, the Group strengthens the systematic management and collection of emission reduction data based on existing fossil carbon and biological carbon reduction, improving the measurability and verifiability of emission reductions.

Relying on the greenhouse gas emission management system and data management system, the Group calculates emission reductions and archives data for projects such as biogas power generation utilization, equipment electrification renovation, and ruminant carbon reduction technology application, providing basic data support for carbon asset development.



### Accelerating Carbon Sink Construction

Relying on the layout advantage of the full upstream dairy industry chain, the Group organically integrates dairy farming with forage planting, continuously promotes the "integration of planting and breeding" resource recycling model, and improves soil organic carbon content and agroforestry carbon sequestration capacity through manure returning and crop no-tillage planting.

On this basis, the Group explores methodological pathways in line with international standards, promotes the verification and issuance of emission reductions and carbon sequestration, and actively participates in the carbon market mechanism to transform emission reduction achievements into carbon assets, realizing the coordinated improvement of ecological and economic benefits.



### Youran Dairy Approved with the Highest VCS Carbon Credit Quota for a Single Ranch in the Industry

During the Reporting Period, the VCS official technical review of the biogas utilization project at the Group's Zhumadian Ranch was passed, successfully obtaining 91,300 tons of carbon credits, the highest issued quota for a single ranch project in China.

Zhumadian Ranch adopted the "medium-high temperature anaerobic fermentation with dual-path gas production" process to improve biogas production efficiency. The generated biogas is used for power generation and heating, realizing self-production and self-use of renewable energy and reducing fossil energy use and greenhouse gas emissions. The verified carbon credits can be traded in the voluntary carbon market, realizing the asset transformation of emission reduction achievements.

The successful issuance of this project marks that the Group has formed methodological pathways and project development capabilities in line with international standards in the field of manure emission reduction, laying a foundation for the large-scale promotion of carbon asset development in the future.



## Climate Metrics and Targets

The Group's greenhouse gas emission reduction targets are formulated based on the national "Dual Carbon" policy orientation and the decarbonisation pathway of the livestock industry, in accordance with the livestock emission accounting and mitigation framework set out in the IPCC Guidelines for National Greenhouse Gas Inventories. By benchmarking against the Implementation Plan for Emission Reduction and Carbon Sequestration in Agriculture and Rural Areas and the industry Technical Guidelines for Methane Emission Reduction in Large-Scale Dairy Farms, the Group has established a target-setting methodology tailored to the characteristics of the livestock sector.

The Group has set the goals of achieving peak carbon emissions by 2030 and carbon neutrality by 2050, and fully integrated them into the Group's strategic management system, conducting regular tracking of the implementation progress of the goals. The Company conducts a review and evaluation of the completion of climate goals and relevant indicators each year, and dynamically optimizes implementation pathways and key measures in light of external policy guidance, technological innovation and industry development trends, so as to ensure that the goals are scientific, feasible, effectively implemented and steadily advanced. Meanwhile, the Group continues to deepen communication and exchanges with stakeholders, actively responds to all parties' concerns about climate action and emission reduction performance, and forms a multi-stakeholder collaborative low-carbon governance pattern.

Currently, Youran Dairy has not been incorporated into the domestic carbon trading market, and the necessity for internal carbon pricing is not imminent. Nevertheless, we have initiated the exploration of internal carbon pricing methodologies and intend to implement such measures in the next two years. By establishing an internal carbon pricing mechanism, we endeavor to mitigate carbon emissions within the Group and facilitate the achievement of the carbon neutrality target.

## Targets for Energy Saving and Greenhouse Gas Emission Reduction

### Key Environmental Indicators

#### Energy Consumption

#### Greenhouse Gas Emissions

### Target Setting

- It is planned to reduce energy consumption per million RMB of revenue by 2% in 2025 compared to 2024.

- Using 2022 as the base year, it is targeted to reduce greenhouse gas emissions per ton of raw milk by 9% by 2025.

### Target Achievement

- In 2025, the comprehensive energy consumption was 7.46 tons of standard coal per million RMB of revenue, representing a year-on-year decrease of 5.8% compared with 2024; the electricity consumption per million RMB in revenue was 47,200 kWh.

- In 2025, the direct greenhouse gas emissions per million RMB of revenue were 151.57 tCO<sub>2</sub>e; the direct greenhouse gas emissions per ton of raw milk in 2025 decreased by 2.3% compared with 2024.

## Energy Use and Greenhouse Gas Emission Indicators

Our key performance in energy use and greenhouse gas emissions in 2025 is as follows:

Indicator	Unit	2025	2024
Fossil energy	Coal consumption	tonnes	0
	Natural gas consumption	10,000 m <sup>3</sup>	80.87
	Gasoline consumption	10,000 L	0
	Diesel consumption	10,000 L	2,551.80
	Purchased electricity consumption	10,000 kWh	99,461.04
	Purchased steam consumption	tonnes	6,609.54
Renewable energy	Biomass fuel consumption	tonnes	849.05
	Recycled amount of biogas <sup>7</sup>	10,000 m <sup>3</sup>	6,702.39
Comprehensive energy consumption	tce	154,080.63	
Comprehensive energy consumption per million of revenue <sup>8</sup>	tce/million RMB	7.46	
Total greenhouse gas emissions <sup>9,10</sup>	tCO <sub>2</sub> e	3,659,619.19	
Direct greenhouse gas emissions in Scope 1	tCO <sub>2</sub> e	3,131,585.24	
Indirect greenhouse gas emissions in Scope 2 <sup>11</sup>	tCO <sub>2</sub> e	528,033.95	
Direct greenhouse gas emissions per million of revenue	tCO <sub>2</sub> e/million RMB	151.62	
Greenhouse gas emissions in Scope 3 <sup>12</sup>	tCO <sub>2</sub> e	203,670.64	
Greenhouse gas emissions in Scope 3 - Upstream Transportation and Distribution	tCO <sub>2</sub> e	155,976.58	
Greenhouse gas emissions in Scope 3 - Downstream Transportation and Distribution	tCO <sub>2</sub> e	41,980.25	
Greenhouse gas emissions in Scope 3 - Waste from Operations	tCO <sub>2</sub> e	1,937.06	
Greenhouse gas emissions in Scope 3 - Business Travel	tCO <sub>2</sub> e	1,122.76	
Greenhouse gas emissions in Scope 3 - Employee Commuting	tCO <sub>2</sub> e	2,653.99	

In 2025, the capital investment amount of Youran Dairy used for addressing climate change was 12,393.56 yuan.

No.	Investment Project Type	2025 Annual Investment Amount (10,000 yuan)
1	Energy structure transition investment <sup>15</sup>	4,170.25
2	Environmental protection facilities and technological transformation investment <sup>14</sup>	8,223.31

- <sup>7</sup> The biogas is derived from the anaerobic fermentation of dairy farm manure in the Group and is self-produced.
- <sup>8</sup> For energy conversion standard coal data, refer to the *General Principles for Calculation of Total Production Energy Consumption (GB/T2589-2020)*.
- <sup>9</sup> The greenhouse gas accounting covers the Group's feed, forage grass, and dairy farming operations. During the Reporting Period, four new dairy farms were put into operation. The calculation method for greenhouse gas emissions is based on the *Fifth Assessment Report* issued by the Intergovernmental Panel on Climate Change (IPCC), *GB/T 44903-2024 Quantification Method and Requirements for Carbon Footprint of Agricultural and Livestock Products*, and *DB11/T 1565-2018 Guideline for Greenhouse Gas Emission Accounting for Livestock Products*. For the grid emission factor applied to the calculation of purchased electricity in Scope 2, reference is made to the *Announcement on Issuing the 2023 Power Carbon Dioxide Emission Factors* issued by the Ministry of Ecology and Environment on December 31, 2025. The average national carbon dioxide emission factor for electricity in 2023 is 0.5306 kg CO<sub>2</sub>e/kWh.
- <sup>10</sup> Total greenhouse gas emissions are the sum of emissions in both Scope 1 and Scope 2, excluding Scope 3.
- <sup>11</sup> During the Reporting Period, the Group did not purchase green electricity or renewable energy certificates. Accordingly, the scope 2 GHG emissions results calculated under the market-based approach are consistent with those under the location-based approach.
- <sup>12</sup> The Group has continuously optimized the Scope 3 accounting methodology. To improve data accuracy, certain categories have not yet been disclosed.
- <sup>13</sup> Including fossil energy substitution (e.g., biogas projects).
- <sup>14</sup> The retrofitting projects include integrated water and fertilizer systems, installation of precision sprinkler facilities, renovation of liquid fertilizer return-to-field facilities, upgrading of manure treatment systems, maintenance of oxidation ponds, etc.

## Green Operations

The Group adheres to the concept of green and environmentally friendly operations, integrates environmental management deeply into the entire production and operation process, continuously optimizes water resource utilization, packaging materials management, waste and pollutant reduction and recycling, adopts multiple measures to reduce food waste, effectively lowers the environmental impact of operations, improves resource utilization efficiency, and provides solid support for the Group's sustainable development.

### Environmental Compliance Management

The Group upholds the principle of ecological priority, establishes and improves the environmental management system, clarifies the division of responsibilities, builds a closed-loop environmental management mechanism, continuously strengthens the development of environmental compliance capacity, and fully promotes the coordinated development of environmental protection and ecological balance. Over the past four years, the Company has not been involved in any litigation cases arising from environmental issues, has not violated any environmental-related legal obligations or provisions, and has not paid any significant fines related to the environment and ecology.

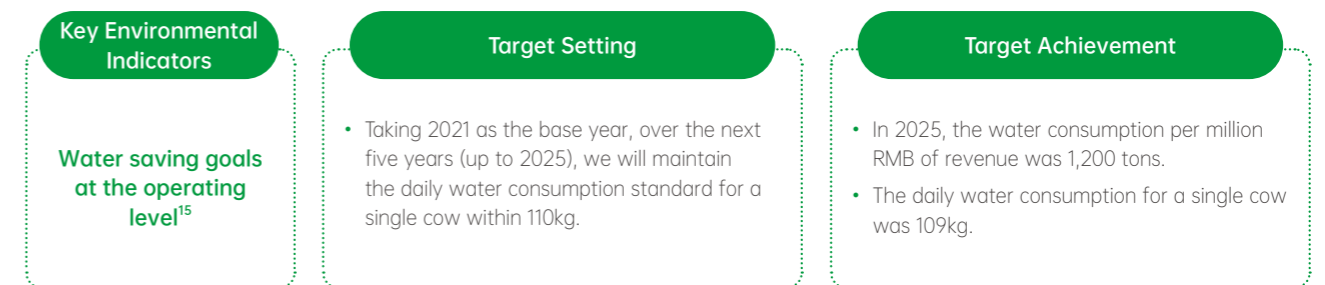
### Environmental Policies and Strategies

The Group abides by the environmental management policy of "culture-led, technology-driven, efficient utilization, low-carbon circularity and green development", systematically promotes the reduction of inputs, cleaner production, waste recycling and ecological operation, continues to strengthen pollution control, improves resource utilization efficiency, and fully accelerates green and low-carbon transformation and upgrading.

To ensure the effective implementation of environmental management, the Group has formulated and issued policy documents including the *Youran Dairy Environmental Statement* and *Principles of Sustainable Operations*. These policies cover the Group headquarters, subsidiaries, suppliers and other key partners, clarify environmental protection goals, strategies and action plans, provide an institutional basis for daily management, and drive the Group to reduce its environmental impact and uphold environmental responsibilities.

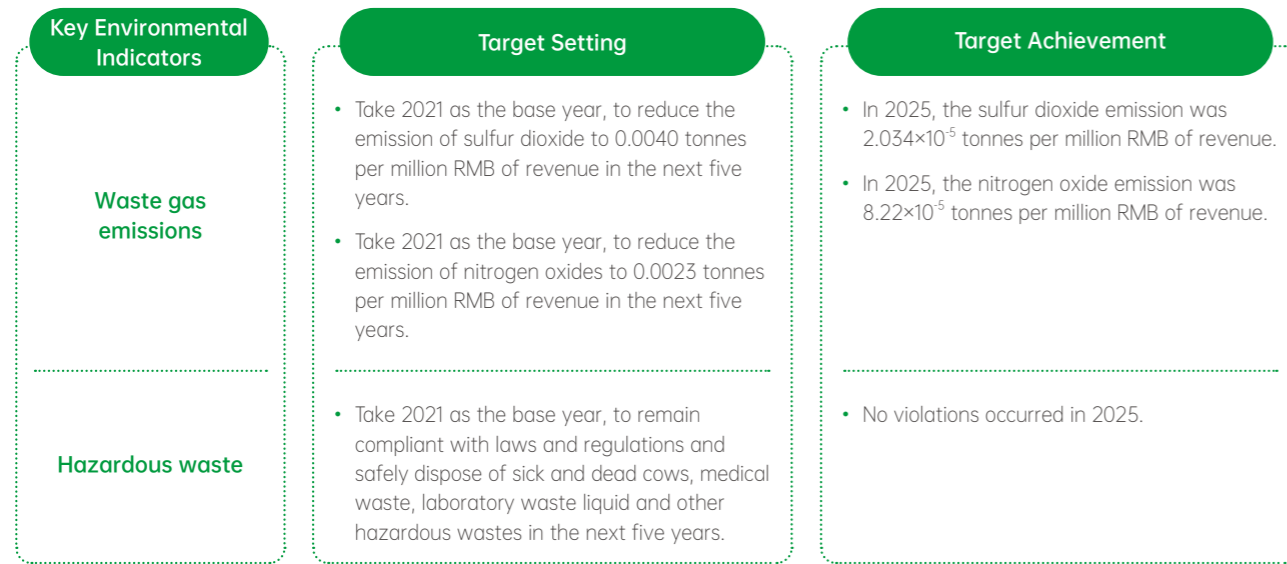


#### Water resource management goals



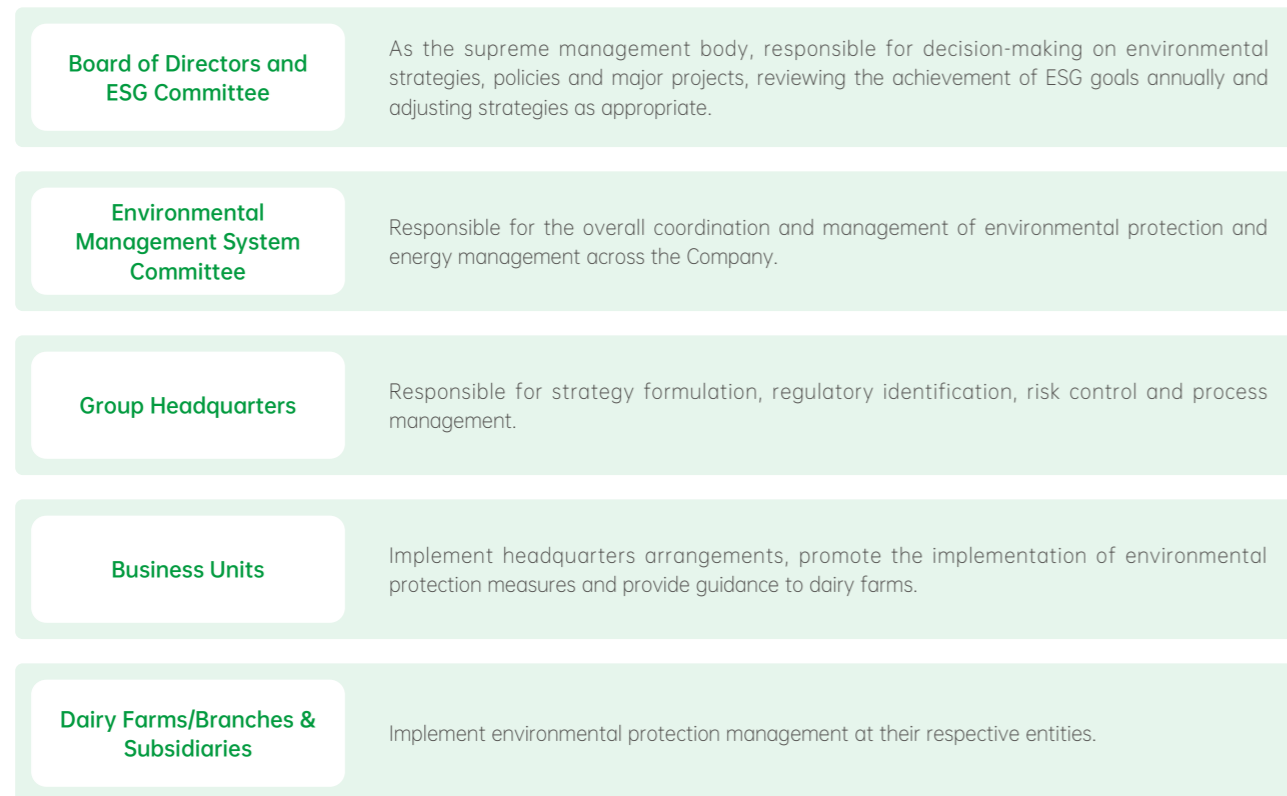
- <sup>15</sup> To improve the precision and comprehensiveness of our data, the Company has clarified quantitative statistical requirements for this goal, ensuring higher efficiency and quality in water resource management.

Waste management goals



### Environmental Management Responsibilities

The Company has established a three-tier environmental management structure composed of decision makers, management and performers, forming an all-round management network. Its main responsibilities are as follows:



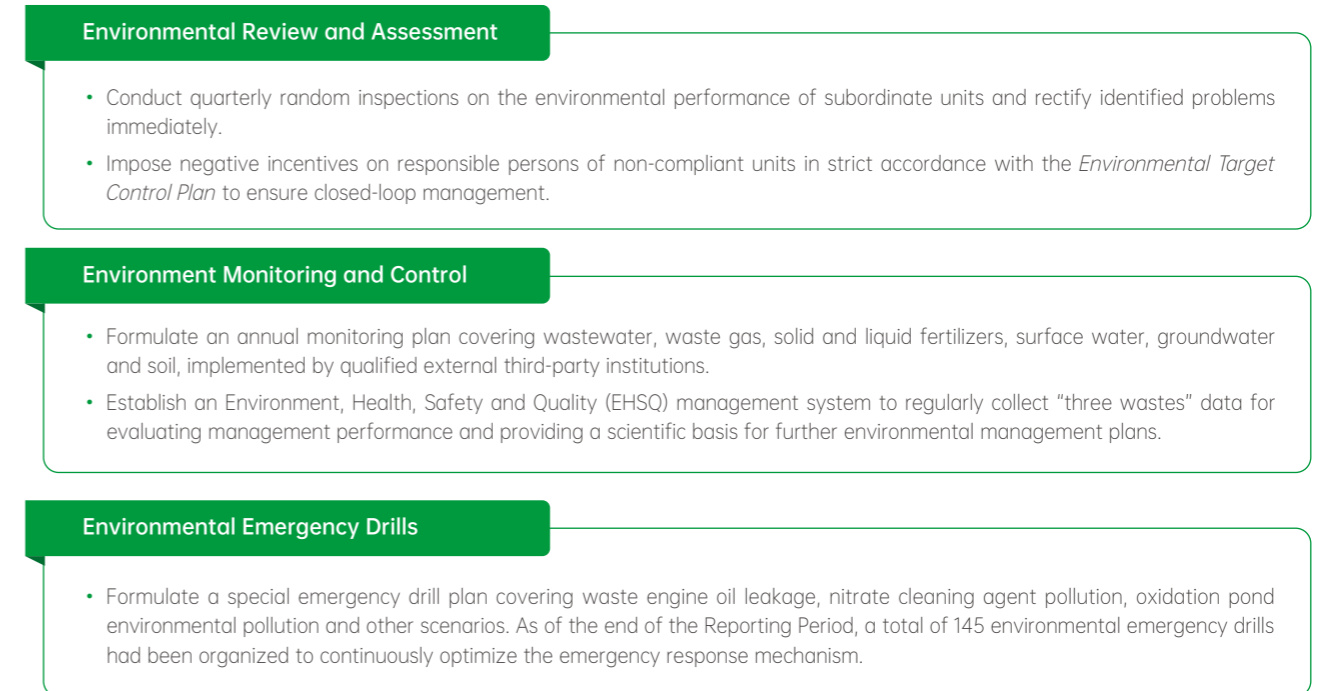
To strengthen the implementation of environmental management responsibilities, the Group incorporates environmental indicators into the annual performance appraisal of management through the *Letter of Environmental Protection Responsibility*, linking them with performance and evaluation, effectively enhancing management accountability, improving environmental management efficiency, and driving the achievement of environmental goals.

### Environmental Management Mechanism

The Group has established a scientific environmental management system in accordance with the ISO 14001:2015 standard, and formulated systems including the *Measures for Environmental Protection Management*, *Environmental Protection Responsibility System* and *Specification for Environmental Archives Management* to ensure the efficient, reliable and stable operation of the system. As of the end of the Reporting Period, the headquarters and 9 dairy farms had obtained ISO 14001 certification.

Indicator	Unit	2025
Coverage of ISO 14001 environmental management system certification <sup>16</sup>	%	9
The internal certification/audit/verification coverage rate of the environmental management system by the experts from the Company headquarters	%	100

Youran Dairy Environmental Management Measures



### Cultivation of Environmental Awareness

The Group carries out systematic environmental training and publicity on an ongoing basis, promotes the implementation of grid-based environmental management at grassroots units, enhances employees' environmental awareness and ability to identify environmental issues across all departments, and achieves full participation in environmental management. The Group continuously collects, reviews and shares excellent cases on energy-saving renovation, resource recycling and risk elimination, forming a closed-loop management model of "case sharing – experience replication". As of the end of the Reporting Period, 6 best practices had been shared to help improve environmental management. In addition, the Group holds special training and sharing sessions on environmental protection, water conservation, climate change response and biodiversity conservation, deepening employees' understanding of the implementation of environmental measures, mitigating the negative impacts of climate risks on the Company and employees, and fostering a low-carbon, environmentally-friendly atmosphere of "learning from each other".

In 2025, the Group organized 15 special training sessions focusing on environmental laws and regulations, core environmental risk control, hazardous waste management and EHSQ system application, with a total of 998 participants covering key personnel such as dairy farm directors and environmental managers, significantly improving the core risk control capacity of grassroots units.

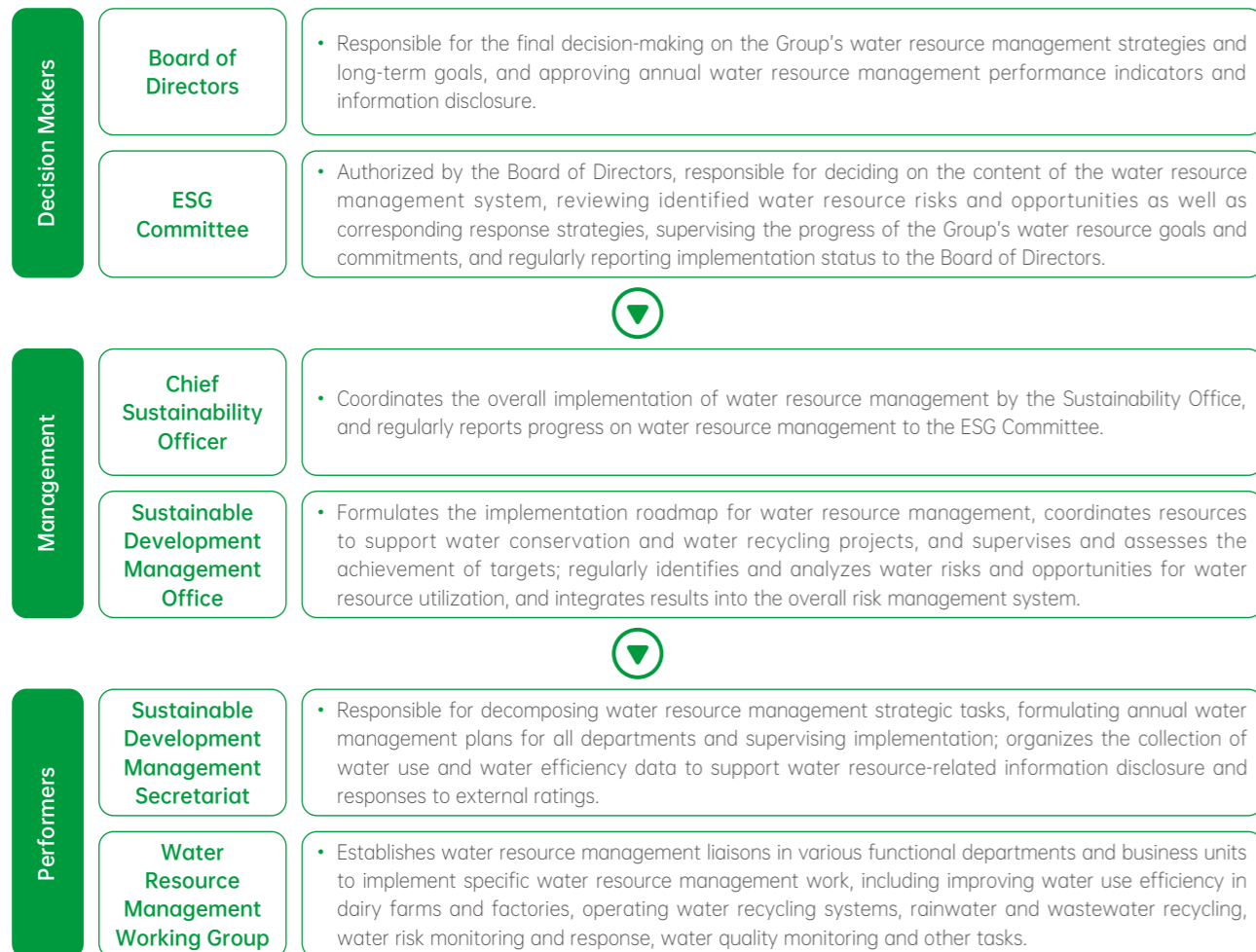
<sup>16</sup> The ISO 14001 environmental management system is third-party certified by a professional certification body.

## Water Resource Management

As a leading animal husbandry enterprise, the Group has precisely focused on water resource management as a critical link. The Group strictly abides by the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Urban Drainage and Sewage Treatment Regulations* and other relevant laws and regulations, and upholds the water resource management policy of "conservation first, spatial balance, systemic governance, and dual approach". Focusing on key areas including water resource use, risk identification and efficiency improvement, the Group has continuously improved its water resource management framework and mechanism. On this basis, through conducting water resource risk assessments, promoting the application of water-saving technologies and refined management measures, the Group integrates water risk identification results with project layout, process optimization and operation management, and has gradually established a water resource management system driven by both management and technical measures on the basis of risk identification, providing support for ensuring stable production and operation and promoting sustainable use of water resources. Over the past four years, the Group has not experienced any major water-related impact events, nor any violations of water-related legal obligations or provisions, nor paid any major fines or penalties related to water.

### Water Resource Management Framework

The Group's water resource management framework and staffing are consistent with the three-tier ESG structure of "decision makers, management and performers". The Group has continuously advanced refined water resource management covering key links such as water resource allocation and use, risk prevention and control, water quality management and ecological maintenance, forming a management system with clear responsibilities and coordinated collaboration, providing organizational guarantee for the orderly progress of water resource management.



## Water Resource Management Mechanism

The Group is committed to the intensive use of water resources, strives to reduce water consumption, and simultaneously strengthens the construction of a recycled water system. Based on systems and management specifications including the *Comprehensive Plan for Water Control and Consumption Reduction of Dairy Farms*, the *Energy Consumption Target Assessment Plan*, and the *Standards for the Construction and Management of Groundwater Observation Wells*, the Group has continuously refined water resource management requirements and defined key control links and nodes in light of actual production and operation, providing institutional support for water resource management.

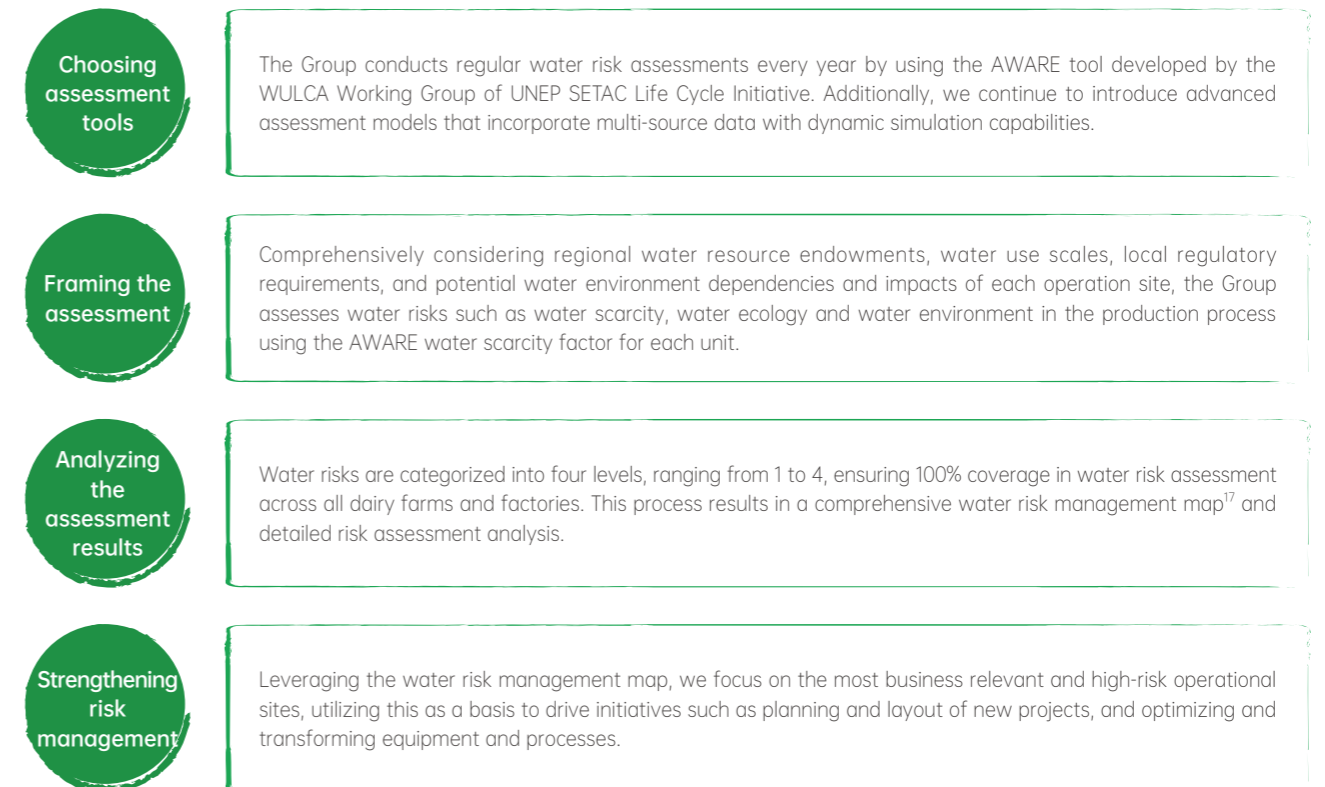
In terms of mechanism operation, the Group continuously monitors and analyzes water use conditions of various business units with a focus on water metering, facility operation and water use efficiency. Community-level units identify water use structures and potential loss links by tracking water consumption data in various regions, operation parameters of water treatment and water use facilities, and combining water balance analysis, providing a basis for formulating targeted water-saving and improvement measures.

In response to problems identified in monitoring and analysis, the Group urges all units to formulate improvement plans in a timely manner, and conducts continuous tracking and evaluation of the rectification process to ensure effective implementation of management requirements, forming a closed-loop management mechanism of "monitoring – analysis – rectification – tracking". By incorporating water resource management requirements into daily operation and management, the Group has continuously consolidated the foundation for the operation of the water resource management mechanism. As of the end of the Reporting Period, the Group faces no risks related to water intake difficulties.

### Water Resource Risk Assessment

#### Water risk assessment methodology

The availability and stability of water resources are key factors affecting the continuity and sustainable development of the Group's production and operation. To systematically identify, assess and manage water resource-related risks, the Group has established a relatively mature and continuously iterative water risk assessment method, and takes assessment results as an important basis for water resource management and operational decisions.



<sup>17</sup> The assessment covers 100 dairy farms, 15 feed branches, and 16 forage bases of Youran Dairy.

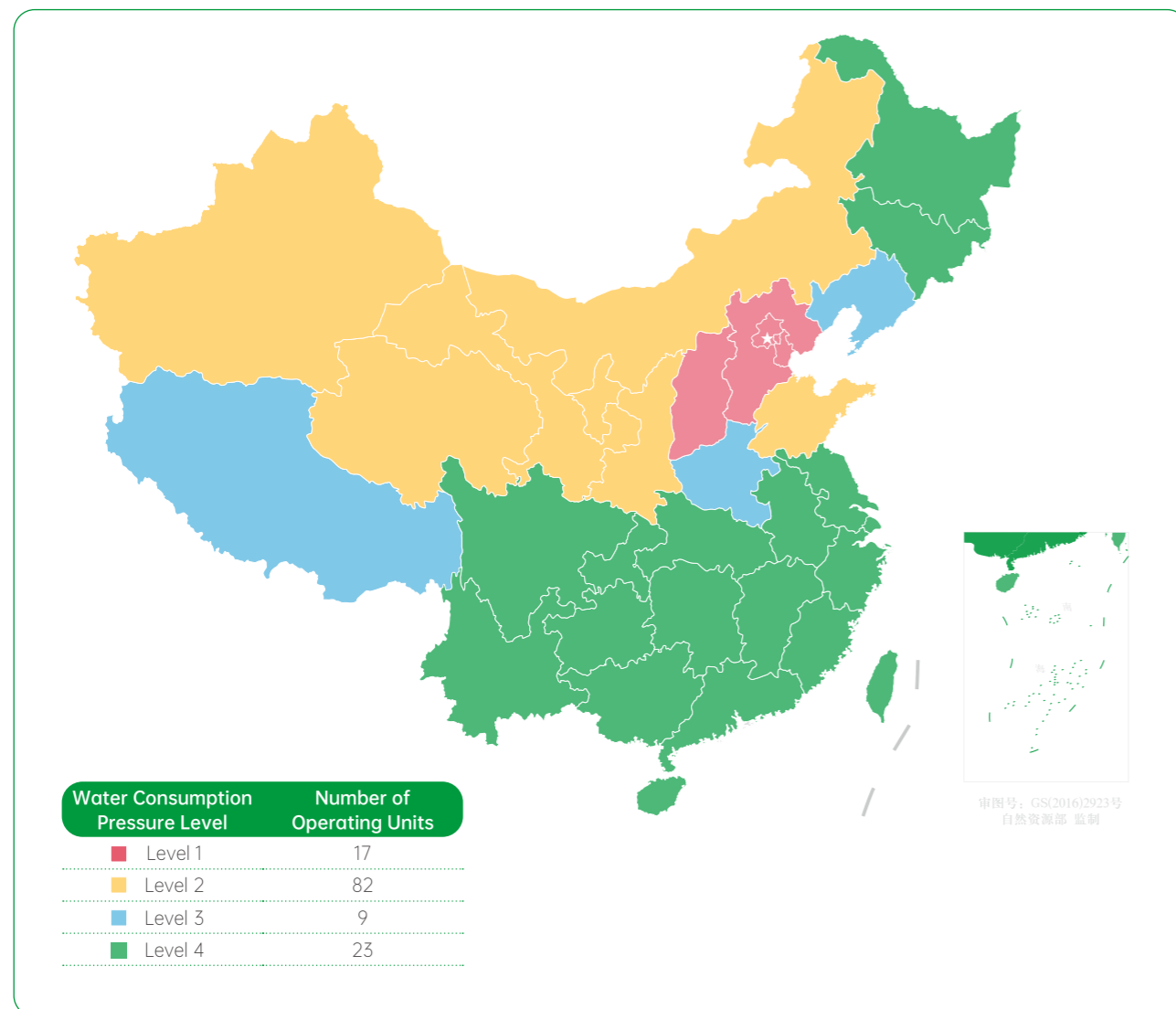
## Water risk assessment results

Based on annual water risk assessment results, the Group fully grasps the water stress levels and potential risk distribution of regions where each operating unit is located, and embeds assessment conclusions into key decision-making links such as project planning, technology selection and operation management.

In the stage of new project and capacity layout, the Group fully refers to water risk assessment results, and generally avoids ecologically sensitive areas or areas with extremely high water stress, giving priority to areas with certain water resource guarantee capacity or where water supply conditions can be improved through engineering measures. In equipment selection and process configuration, the Group rationally deploys water treatment facilities and water-saving equipment in light of local water resource conditions, water quality characteristics and fluctuations in available water volume, improving the matching degree between production systems and regional water resource carrying capacity. Meanwhile, assessment results also provide a quantitative basis for the formulation of subsequent water-saving renovations and risk mitigation measures.

In addition, community-level units of the Group regularly entrust qualified third-party testing institutions to test the quality of production water in accordance with the *Standards for Drinking Water Quality* and issue testing reports, providing external verification support for water resource risk identification and continuous monitoring.

In 2025, the Group submitted a water security questionnaire to the Carbon Disclosure Project (CDP) and achieved a B rating (management level), systematically demonstrating the Company's phased achievements in water risk identification, assessment and management, reflecting the continuous progress and standardized level of the Group's water resource risk management.



## Product Water Footprint Management

The Group has continuously focused on the goal of efficient resource utilization across the entire upstream dairy industry chain, gradually extended water resource management requirements to the product level, focused on water use efficiency and water footprint performance in key links such as feed cultivation, and explored the application of low-water footprint production models in the front-end of the dairy industry.

In product water footprint management, the Group takes feed production as the starting point, applies advanced precision irrigation technology and soil moisture monitoring systems, dynamically adjusts irrigation volume in light of crop growth cycles and climatic conditions, reduces unnecessary water consumption, and lowers the water footprint in feed planting. Meanwhile, in planting layout and variety selection, the Group prioritizes forage varieties adaptable to local climate and soil conditions and with certain drought resistance characteristics, improving water use efficiency per unit output on the premise of ensuring production needs, and leading the entire upstream dairy industry chain towards a low-carbon, green and low-water footprint sustainable direction.

## Water Resource Risk Mitigation Actions

Centered on water resource risk assessment results, the Group has systematically promoted water resource risk mitigation measures in terms of water quality monitoring, source water conservation, process optimization and recycling.

In water quality management, the Group follows the principle of "one plan for one region, one standard for one site", sets up water quality monitoring wells in each operation area, establishes a multi-level water quality monitoring network, and regularly entrusts qualified third-party institutions to test and evaluate the quality of production water and surrounding water sources, continuously tracking potential water environment risks. Meanwhile, combining the characteristics of animal husbandry and forage grass businesses, the Group continuously promotes water-saving technologies and management measures adaptable to different production scenarios, drives the effective application of best available water-saving technologies, and implements a number of key projects in key areas such as source water conservation, water quality improvement and recycling. Relevant measures have achieved 100% coverage of production and operation sites, providing basic support for improving water use efficiency and water risk management capabilities.

### Dairy Farming Business

Combined with dairy farm production processes and high-frequency water use links, the Group has continuously promoted water-saving measures in terms of source water use control, production process water management and recycling, reducing the dependence of dairy farming business on water resources.

#### Source water control

- Promotes AI precision spraying renovations and implements targeted spraying according to seasonal and actual needs to reduce unnecessary water use. During the Reporting Period, 36 dairy farms completed precision spraying system upgrades and renovations.
- Conducts monthly inspections and adjustments of drinking trough water levels in cowsheds to reduce cleaning water use. For a 10,000-head dairy farm, this saves approximately 17.5 tons of trough cleaning water per day.
- Adopts plate-type pasteurizers to achieve cooling through heat exchange; adjusts waste heat recovery in milking parlors from water cooling to air cooling; installs infrared sensing devices in rotary milking machines to realize precise rinsing of milking cups, and equips pressurized fan nozzles to improve flushing efficiency and enhance utilization per unit of water.

#### Production process optimization

- Optimizes equipment configuration and process flows in milking parlor operation and cleaning to improve water accuracy and efficiency, including precise rinsing of milking equipment and optimization of cleaning pressure and procedures to reduce repetitive or inefficient water use.
- Standardizes operation and management requirements for soft water systems to ensure brine concentration, salt absorption and flushing pressure comply with process standards and avoid extra water use due to improper operation.
- Promotes automatic cleaning brush renovations for rotary weirs at dairy farms to reduce water waste in manual flushing.

### Dairy Farming Business

#### Wastewater treatment and water quality improvement

- Some southern dairy farms adopt the A<sup>2</sup>O wastewater treatment process to address high ammonia nitrogen, dark chroma and elevated Chemical Oxygen Demand (COD) in dairy farm wastewater after conventional treatment. The system performs phosphorus release and organic degradation in the anaerobic zone, denitrification in the anoxic zone, and further organic degradation and phosphorus uptake in the aerobic tank. Featuring strong shock load resistance and good sludge settling performance, the system ensures stable effluent quality meeting the *Pollutant Discharge Standard for Livestock and Poultry Breeding Industry*.
- Gradually advances renovations of trough fermentation systems at old dairy farms by adding a "hot air aeration + intelligent temperature control" system. High-temperature air is evenly injected into fermentation tanks through aeration pipelines, with optimized stirring frequency to enable precise control of aerobic fermentation conditions, resolving low manure treatment efficiency and poor leachate quality in winter.

#### Water recycling and reuse

- Continues to promote CIP cleaning systems in milking parlors to achieve tertiary reuse of CIP wastewater. A single 10,000-head dairy farm saves 60 tons of water per day and 21,900 tons per year, reducing freshwater intake.
- Launches pilot projects at selected dairy farms to treat and reuse drinking trough cleaning water for cowshed spraying, verifying project feasibility and economic viability to expand alternative water use scenarios.
- Tracks water-saving effects continuously in connection with spraying system renovations to reduce resource consumption in wastewater transfer and treatment.

### Forage Grass Business

Given the high water dependence of forage production and concentrated irrigation water use, the Group systematically advances water-saving and water risk mitigation measures covering site selection, irrigation optimization, intelligent management and alternative water use.

#### Site selection and proactive water risk control

- Prioritizes sites in regions with relatively abundant water resources and strong policy support for new bases, comprehensively assessing regional water resource carrying capacity and long-term water use compliance to reduce water scarcity risks.

#### Irrigation and water use optimization

- Develops tailored plans based on crop growth stages, water demand characteristics, plot area and growth periods to avoid over-irrigation and improve water productivity per unit use.
- Continues to upgrade irrigation methods by transitioning from traditional flood irrigation to efficient water-saving modes such as sprinkler irrigation and drip irrigation, reducing unaccounted-for water loss in conveyance and distribution.

#### Empowering precision water management with smart technology

- Promotes intelligent sprinkler irrigation systems at forage bases, enabling refined digital control of sprinkler start/stop, operating speed and positioning to enhance controllability and stability of irrigation.
- Deploys integrated water-fertilizer systems to obtain real-time soil moisture data and dynamically adjust irrigation strategies based on crop needs and weather changes, reducing ineffective water use.

### Forage Grass Business

#### Water recycling and alternative water use

- Promotes recycled water models such as biogas slurry application to farmland for grassland irrigation, reducing groundwater extraction and improving the sustainability of agricultural water use.
- Reduces reliance on single water sources through standardized management of alternative water use scenarios, enhancing the resilience of forage production to water resource risks.

#### Water-efficient varieties and structural optimization

- Conducts continuous crop variety screening and evaluation through field trials, selecting water-efficient, drought-tolerant and high-yield forage varieties to provide technical support for lowering water use per unit output.
- Optimizes planting structure and product layout to improve effective output per unit land resource and enhance water use efficiency.



### Integrated Water-Fertilizer and Smart Irrigation Management at the Forage Grass Unit

For the forage grass unit, the Group has systematically applied integrated water-fertilizer equipment and smart irrigation technologies. By combining subsurface drip irrigation facilities, soil sensors and automatic control systems, we achieve synchronized and precise supply of water and nutrients, with a water saving rate of over 40%. The system dynamically adjusts irrigation and fertilization plans based on soil moisture, nutrient status and weather changes, reducing water evaporation and nutrient loss while improving water-fertilizer use efficiency. Meanwhile, remote monitoring and digital management reduce manual intervention, further enhancing resource use efficiency and stability in forage production, providing technical support for mitigating water resource risks in the forage segment.

Key Water Use Performance of the Group in 2025:

Indicator	Unit	2025
Water withdrawal - total municipal water supply (fresh water)	ten thousand tonnes	1,184.61
Water withdrawal - total groundwater (fresh water)	ten thousand tonnes	1,283.32
Total water consumption (fresh water)	ten thousand tonnes	2,467.93
Water consumption per million RMB of revenue	ten thousand tonnes / million RMB	0.12
Water recycling volume (recycling water reuse)	ten thousand tonnes	40.19
Total water consumption (fresh water) in water-scarce areas	ten thousand tonnes	336.45

## Packaging Materials Management

While ensuring product quality, safety and market circulation needs, the Group continuously promotes the reduction and recycling of packaging materials to minimize the environmental impact of packaging. The Group strictly abides by applicable laws and regulations including the *Standardization Law of the People's Republic of China*, the *Food Safety Law of the People's Republic of China*, and the *Measures for the Metrological Supervision and Administration of Quantitatively Packed Commodities*. Guided by the circular economy principles of "reduce, reuse and recycle", the Group has continuously optimized its packaging management model starting from packaging design, material selection and application methods. We promote the use of reusable, recyclable and recycled packaging, gradually phases out single-use plastic packaging, and enhances resource utilization efficiency.



- No additional packaging materials are used in raw milk transportation.
- Specialized milk tankers are used for transportation in strict compliance with the *Milk Tanker (QC/T 23-2014)* standard.
- The tanker body is made of food-safe, durable and easy-to-clean materials that support repeated long-term use, reducing the need for single-use packaging.



- Packaging materials are mainly used in the Group's feed business. The Group actively develops targeted feed tower subsidy programs to guide customers in adopting recyclable bulk feed storage systems, reducing reliance on outer plastic packaging.
- Through product price gradients and subsidy policies, the Group vigorously promotes the sales of bulk feed, encouraging customers to purchase bulk finished products instead of bagged products to cut packaging consumption.

### In 2025

Plastic packaging and ton bags accounted for **40.3%** of total packaging

Bulk materials accounted for **59.7%**



Based on bulk material usage, annual packaging consumption decreased by approximately **480** tonnes. Plastic packaging accounted for **0.4%** of cost of goods sold.

In 2025, to improve measurement accuracy in plastic packaging usage, the Group adopted dual statistical metrics of weight (tonnes) and area (square meters) and carried out digital upgrading of the statistical process.

Indicator	Unit	2025	Unit	2025	YoY Change vs 2024
Plastic packaging materials usage	tonnes	774.24	m <sup>2</sup>	8,042,082.74	-3.0%
Packaging materials usage per million RMB of revenue	tonnes/million RMB	0.037	m <sup>2</sup> /million RMB	389.38	-5.6%

## Waste and Pollutant Management

During production and operation, the Group strictly complies with laws, regulations and standards including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Water Pollution Prevention and Control Law of the People's Republic of China*, committed to minimizing environmental impact and achieving systematic management of waste and pollutants. Adhering to the principles of reduction, harmlessness, resource utilization and efficiency, and the concept of ecological priority, the Group incorporates solid waste, wastewater, waste gas, deceased cattle and other wastes into full-process management and promotes their conversion into usable resources. Through sound internal systems and processes, the Group continuously improves management standardization and risk prevention capabilities. In 2025, we continued to invest in technological innovation and R&D for waste resource utilization, promoting the application of key technologies such as cow dung anaerobic biogas fermentation and rain-sewage separation. These efforts have effectively improved resource conversion efficiency, reduced resource waste, and strengthened innovation support for high-quality operation and environmental compliance.

### Waste Management

The Group continuously improves its waste management system and strengthens compliant full-life-cycle management of waste. The Company has formulated and implemented systems and procedural documents including the *Youran Dairy Environmental Management Manual*, *Youran Dairy Compliance Obligation Identification and Evaluation Management Procedure*, *Youran Dairy Solid and Liquid Fertilizer Return to Field Specifications*, and *Youran Dairy Recycled Manure Bedding Fermentation Technical Specifications*. These documents cover key areas such as emergency preparedness and response, solid waste management, animal manure treatment, and groundwater management, providing an institutional basis for the standardized disposal of waste gas, wastewater and solid waste by all business units and promoting the conversion of waste into usable resources. Meanwhile, regular internal waste audits are conducted on a routine basis to continuously enhance waste management and achieve green and low-carbon operations.

For hazardous waste and solid waste, the Group strictly abides by the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, the *Measures for the Transfer of Hazardous Wastes* and other laws and regulations, and has formulated supporting standards including the *Technical Standards for Solid Waste Disposal and Management Specifications for Hazardous Waste*. These standards clearly stipulate the classification, storage, transfer and disposal procedures for hazardous waste, general solid waste, construction waste and domestic waste to ensure full compliance with legal and regulatory requirements.

With regard to special wastes such as deceased cattle, the Group has established a closed-loop management process for the innocuous treatment of dead cattle in accordance with the *Animal Epidemic Prevention Law of the People's Republic of China*, the *Measures for the Disposal of Died and Unexplained Death Animals (for Trial Implementation)* and other regulations. This ensures that the disposal process complies with animal epidemic prevention and environmental protection requirements, and safeguards against related environmental and biosafety risks.



### Resource Utilization of Manure in Dairy Farming Business

The Group has continuously promoted the construction and management optimization of manure resource utilization facilities at key dairy farms. Cow dung, urine, cowshed spraying wastewater and milking parlor washing wastewater are integrated into a unified treatment system. Through the process of "manure collection – anaerobic fermentation – solid-liquid separation – liquid fertilizer returning to field – solid fertilizer processing into organic bedding – biogas utilization", the Group realizes the harmless treatment and resource utilization of manure.

In terms of operation and management, the liquid portion after treatment is used for farmland fertilization following standardized monitoring. The solid portion is reused as cattle bed bedding or applied to farmland after drying. Biogas produced during fermentation is treated and used for on-farm power generation, heating or external sales, improving comprehensive resource utilization on the premise of meeting environmental protection requirements.

To further improve system operation efficiency and treatment capacity, the Group has equipped farms with box-type fermentation tanks, electric drying equipment and trough aeration systems, and continuously optimized facility operation management to synergistically enhance manure treatment efficiency and production operation.

In 2025, the Group promoted rain-sewage separation system renovations at farms including Ershijia and Wuzhong, reducing wastewater generation. Each farm saved approximately 1,200 tonnes of water per year, lowering flushing and treatment loads. Anaerobic biogas systems were built at farms including Xianyang and Xianxian, with an annual biogas output of over 6 million cubic meters used for on-site power generation, enhancing the energy utilization of manure. Surplus biogas at farms including Pingdingshan and Weifang was sold externally, with a peak daily purified biogas volume of over 10,000 cubic meters, further expanding resource utilization scenarios.

## Waste Reduction Measures

### Waste Gas

Waste gas mainly consists of sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>) and fly ash emitted from the combustion of natural gas boilers and biomass boilers at production and operation sites.

- Waste gas from biogas boilers is treated with supporting desulfurization and denitrification facilities, with emissions complying with relevant national emission standards.
- Clean energy transformation is promoted by replacing coal-fired boilers with air source heat pumps and biogas boilers, reducing SO<sub>2</sub>, NO<sub>x</sub> and fly ash emissions and achieving source pollution control.

### Wastewater

Wastewater mainly comes from dairy farming and feed businesses. Wastewater from dairy farming mainly includes cowshed manure, spraying wastewater and milking parlor washing wastewater, all of which are collected for harmless treatment and then used for farmland fertilization. Wastewater from feed operations is mainly domestic wastewater, which is treated harmlessly in septic tanks before being discharged into the municipal pipe network up to standard, with no discharge into the natural external environment.

- Farm wastewater is treated by high-efficiency anaerobic reactors or aerobic fermentation to produce liquid fertilizer, which is monitored in accordance with relevant national standards. All qualified liquid fertilizer is used for farmland fertilization with no external discharge.
- Domestic wastewater from feed operations is treated harmlessly in septic tanks and discharged into the municipal pipe network up to standard. Bottom solid waste is regularly disposed of by sanitation departments.

### Hazardous Waste

Hazardous waste mainly includes medical waste, laboratory waste liquid, used engine oil, waste batteries and other materials.

- Hazardous wastes such as medical waste, laboratory waste liquid, used engine oil and waste batteries are collected by classification, with special temporary storage established, and contracted to qualified third-party companies for compliant disposal.
- Regular training is provided to employees on hazardous waste management to enhance awareness and capabilities in safe disposal.
- Deceased cattle are disposed of harmlessly in strict accordance with relevant laws, regulations and standards under full-process closed-loop management to avoid pollution to the surrounding environment.

### Non-hazardous Waste

Non-hazardous waste mainly includes general solid waste and domestic waste.

- A paperless contract platform is applied, and employees are encouraged to adopt paperless office to reduce paper waste.
- General solid waste and domestic waste are managed by classification, centrally collected and entrusted to sanitation departments for safe disposal.
- Resource utilization of manure is promoted. Through the integrated planting-breeding model, manure is treated via anaerobic fermentation, solid-liquid separation and drying of biogas residues. Part is reused as cattle bed bedding, and the rest is used for farmland fertilization, achieving harmless and resource-based waste utilization.



## Training and Capacity Building

To strengthen institutional implementation and risk control capabilities in waste and pollutant management, the Group has continuously improved relevant training arrangements based on business characteristics and environmental compliance requirements, with training serving as important support for the operation of the environmental management system.

In 2025, the Company formulated a monthly environmental protection training plan. Focusing on key contents including environmental protection laws and regulations, core environmental risk control, standardized hazardous waste management and EHSQ system application, 15 special training sessions were organized for key personnel such as farm directors and environmental principals, with a total of 998 participants. These sessions improved participants' understanding and implementation capabilities regarding waste classification, compliant disposal and ledger management, providing personnel and management guarantees for the steady implementation of waste and pollutant management measures.

Key Pollutant Emission Performance of the Group in 2025:

Indicator	Unit	2025	2024
Emissions of NO <sub>x</sub> in waste gas <sup>18</sup>	kg	1,698.10	4,288.45
NO <sub>x</sub> emissions per million RMB of revenue	ton/million RMB	8.22×10 <sup>-5</sup>	2.13×10 <sup>-4</sup>
Emissions of SO <sub>2</sub> in waste gas	kg	420.54	622.67
SO <sub>2</sub> emissions per million RMB of revenue	ton/million RMB	2.034×10 <sup>-5</sup>	3.09×10 <sup>-5</sup>
Emissions of fly ash in waste gas	kg	8.89	9.16
Generation amount of hazardous waste <sup>19</sup>	ton	476.68	538.823
Generation amount of hazardous waste per million RMB of revenue	ton/million RMB	0.0231	0.0268
Generation amount of non-hazardous waste <sup>20</sup>	ton	535.18	803.30
Generation amount of non-hazardous waste per million RMB of revenue	ton/million RMB	0.026	0.039

<sup>18</sup> The emission calculation coefficients for waste gases are based on the *Manual of Industrial Pollution Source Production and Emission Coefficients of the First National Census of Pollution Sources*.

<sup>19</sup> Hazardous waste data is sourced from the statistical records of hazardous wastes, which are outsourced to a third-party for compliant disposal by the Group's production and operation units in 2024.

<sup>20</sup> In 2025, non-hazardous waste of the Group mainly consisted of domestic waste, which was accounted for with reference to the *Urban Living Source Production and Discharge Coefficients of the First National Census of Pollution Sources* as issued by the State Council.

## Reduction of Food Waste

The Group strictly abides by the *Anti-food Waste Law of the People's Republic of China* and other relevant laws and regulations, and earnestly implements the national *Action Plan on Saving Food*, the *Action Plan for Grain Conservation and Anti-Food Waste* and relevant requirements of the Ministry of Agriculture and Rural Affairs. We have established a full-chain mechanism for grain conservation and loss reduction, and systematically promote anti-food waste measures throughout the product life cycle to improve resource utilization efficiency and support the development of sustainable production and consumption models. In 2025, the Group's total food loss and waste<sup>21</sup> amounted to 352 tonnes. To further reduce food loss and waste, an annual reduction target has been set, aiming for a 2% decrease per year.

### Raw material control

#### Optimize standards to control surplus material, thereby reducing waste and loss

- Develop control standards for the amount of leftover feed for various cattle categories, such as new-born, high-yield, dry dairy cows, and perinatal cattle, to manage waste and loss.

#### Advocate low-protein diet technologies to reduce soybean meal usage

- Low-protein rations are formulated based on precise matching of limiting amino acids, which improves feed efficiency and reduces resource waste while maintaining production performance.

#### Develop alternative raw materials for reduction and substitution purposes

- Actively respond to the initiative of "Soybean Meal Reduction and Substitution" and develop local alternative raw materials based on local conditions. On the premise of ensuring feed quality and safety, the consumption of scarce raw materials and grain waste is reduced.

### Production process control

#### Control raw milk production to achieve zero raw milk loss

- Optimize full-process control of raw milk, upgrade milking equipment and operating procedures, and conduct regular maintenance to reduce raw milk loss caused by operation or equipment issues.
- Establish a cold chain and transportation management system and cooperate with the upstream and downstream supply chain to control raw milk loss during transportation and storage.
- Rationalize the use of milk-water mixture produced in the early stage of milking to feed calves, achieving efficient resource recycling.
- Conduct employee training to strengthen professional skills and accountability, eliminating man-made waste.

### Operation process control

#### Launch the "clean your plate" campaign to boost environmental consciousness

- Implement the Clean Your Plate Campaign internally to encourage employees to cherish food and eliminate waste.
- Strengthen the implementation of conservation concepts in daily operations through internal publicity, information pushes and on-site guidance.

<sup>21</sup> The Group's total food loss and waste mainly came from kitchen food loss. Relying on a sound production management system and refined control, food waste in the production process was less than one ten-thousandth.

## Biodiversity Conservation

The Group fully integrates biodiversity conservation into its corporate development strategy and implements it throughout the full life cycle of business operations. We continue to improve relevant strategies and actions in the fields of land use, water resource management, forest protection, sustainable procurement, animal genetic resource conservation, and technological innovation empowerment, promotes the construction of an eco-friendly animal husbandry system, and actively addresses biodiversity-related risks and challenges.

In 2025, the Group submitted a forest questionnaire to the Carbon Disclosure Project (CDP) and received a B rating, marking that our biodiversity conservation practices and management performance have been externally recognized.

### Policies and Commitments

The Group strictly adheres to the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China* and other laws and regulations. With reference to policy requirements such as the *Opinions on Further Strengthening Biodiversity Conservation*, the Group has formulated and implemented the *Biodiversity Conservation Policy* based on its business characteristics to ensure the effective implementation of biodiversity conservation requirements in operation and management.

Focusing on the preservation, enhancement and protection of biodiversity and ecosystems, the Group has made clear commitments on key relevant topics and set quantifiable and traceable management objectives for some topics:

Topic	Commitments	Goals
Biodiversity Conservation	<ul style="list-style-type: none"> <li>• Adhere to the principles of avoidance, minimization, restoration and offsetting to minimize disturbances to the ecosystem, and refrain from production and operation activities in the habitats of species classified as "critically endangered", "endangered" or "vulnerable" by the International Union for Conservation of Nature (IUCN) and Regional Conservation Biodiversity (RCB), as well as species protected under the <i>Wild Animal Conservation Law of the People's Republic of China</i> as "Grade I", "Grade II" and terrestrial wild animals with important ecological, scientific and social value, and in the core and buffer zones of nature reserves, wetlands of international significance, world natural heritages and national parks.</li> <li>• When operating in areas of critical biodiversity, strive to reduce the impact of business activities on endangered species and protected areas.</li> <li>• Strengthen communication and cooperation with external stakeholders to jointly advance biodiversity conservation and ecological environment restoration.</li> <li>• Procure and use natural resources and raw materials in a sustainable manner to reduce damage caused by raw materials to biodiversity and ecosystems.</li> </ul>	<ul style="list-style-type: none"> <li>• Strive to achieve no net loss (NNL) in biodiversity by 2030</li> <li>• Strive to achieve net positive impact (NPI) by 2050</li> </ul>
Land Use	<ul style="list-style-type: none"> <li>• Protect and restore native or indigenous vegetation on managed land, maintain soil health, prevent water loss and soil erosion, and increase carbon sink.</li> <li>• Conduct land reclamation on a regular basis to restore damaged or disturbed land and ensure the compliance of land development, utilization and reclamation activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete land reclamation within three years upon expiration of the temporary use period of land</li> </ul>

Topic	Commitments	Goals
<b>Water Resource Management</b>	<ul style="list-style-type: none"> <li>Attach importance to water resource protection and strengthen water resource management during operation.</li> </ul>	<ul style="list-style-type: none"> <li>Taking 2021 as the base year, over the next five years (up to 2025), we will maintain the daily water consumption standard for a single cow within 110kg.</li> </ul>
<b>Forest Protection</b>	<ul style="list-style-type: none"> <li>Strictly comply with relevant local laws and regulations during operation, avoid deforestation and protect forest resources.</li> <li>Continuously enhance the traceability of suppliers' raw materials, track product origins and reduce deforestation.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve "zero deforestation" in our own operation</li> <li>Strive to achieve 100% "zero deforestation" in supply chain procurement by 2030</li> </ul>

With reference to the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and its LEAP approach (Locate, Evaluate, Assess and Prepare), the Group conducted a biodiversity status analysis of 100 self-operated dairy farms (supplementary analysis has been performed for new farms added this year). Combining the Biodiversity Impact Assessment Tool (BIA), the "Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE)" database, and the "Biodiversity Risk Filter (BRF)" launched by the Worldwide Fund for Nature (WWF), the Group identified potential impacts of its own operations and value chain activities on biodiversity, providing a basis for formulating relevant management measures. For detailed information on the LEAP approach for biodiversity, please refer to Chapter 2 "Biodiversity Conservation Strategy" in the [Youran Dairy Biodiversity Conservation Report](#).

## Biodiversity Impact and Risk Management

The Group incorporates biodiversity-related risks into the Company's overall risk management and actively addresses relevant impacts and risks through systematic risk identification and management measures. The Group identifies and assesses potential short-term, medium-term and long-term biodiversity-related risks and opportunities from multiple dimensions, including policy risk, technology risk, market risk, reputation risk, acute physical risk, chronic physical risk, resource efficiency improvement and market opportunities, and integrates relevant results into biodiversity management.

Based on the results of risk and opportunity identification, the Group adopts corresponding management and improvement measures in line with its business activities, focusing on land use improvement, germplasm resource conservation, forest protection, sustainable procurement and water resource management. We continuously enhance the traceability of suppliers' raw materials, reduce the negative impact of business activities on biodiversity, mitigate relevant risks, and steadily advance biodiversity conservation and restoration.

In 2025, the Group operated a total of 131 self-operated sites. Supplementary analysis has been conducted for the 4 new operational sites added this year:

Indicator	Unit	2025
Number of operational sites	number	131
Total area of operational sites	hectares	23,163.7
Number of operational sites with biodiversity impact assessment <sup>22</sup>	number	100
Total area of operational sites with biodiversity impact assessment	hectares	7,120
Number of operational sites with significant impact on biodiversity or adjacent to critical biodiversity areas (assessed sites)	number	3
Total area of operational sites with significant impact on biodiversity or adjacent to critical biodiversity areas (assessed sites)	hectares	171.84
Number of operational sites with biodiversity management plans (among sites with significant impact on or near critical biodiversity)	number	3
Total area of operational sites with biodiversity management plans (among sites with significant impact on or near critical biodiversity)	hectares	171.84

For detailed information on the identification, assessment and response to physical risks, transition risks and related opportunities regarding biodiversity, please refer to Chapter 3 "Biodiversity Risk Management" in the [Youran Dairy Biodiversity Conservation Report](#).

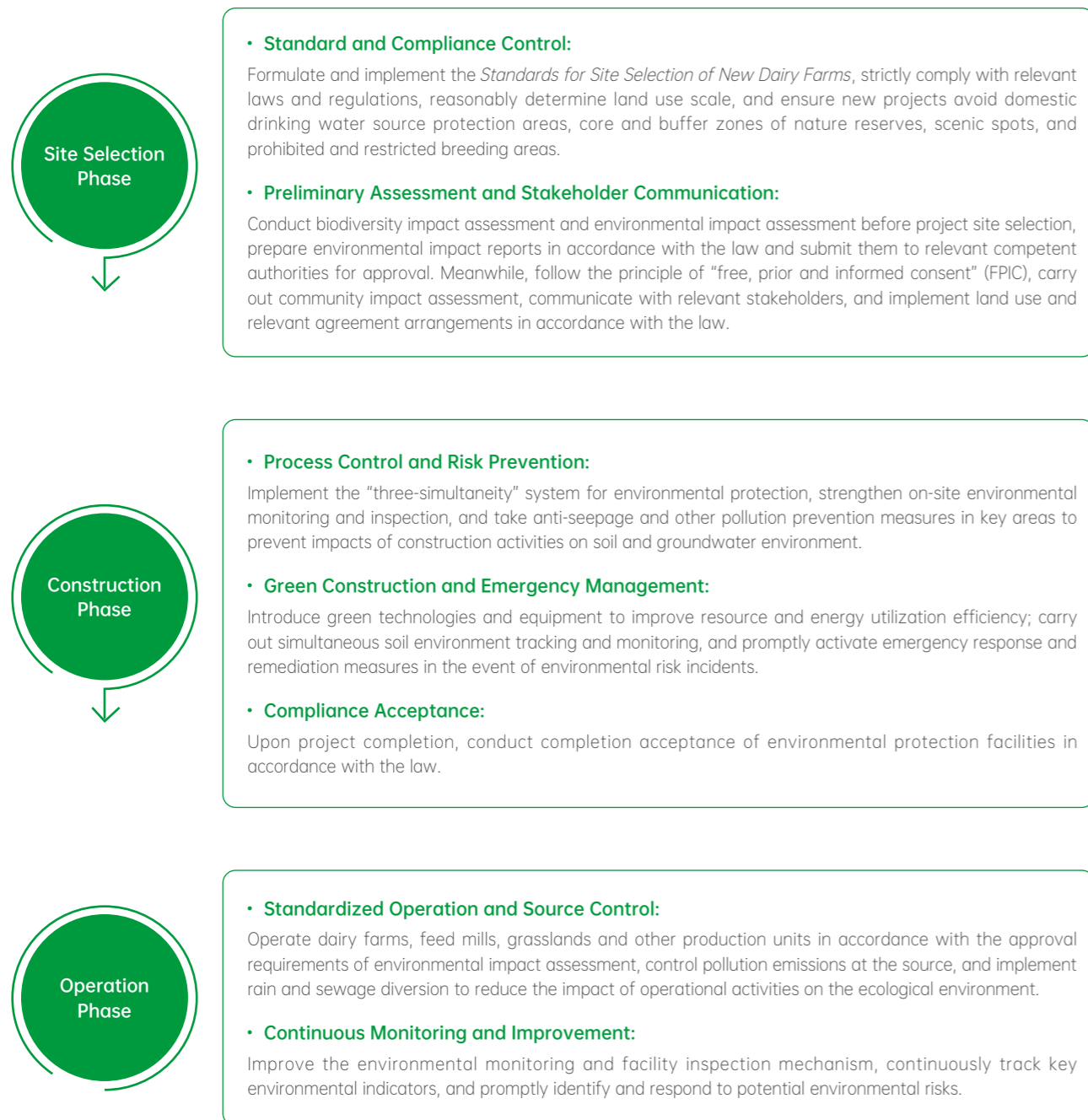
<sup>22</sup> Refers to the total number of operating sites that have completed biodiversity impact assessments over the past two years.



## Biodiversity Conservation Actions

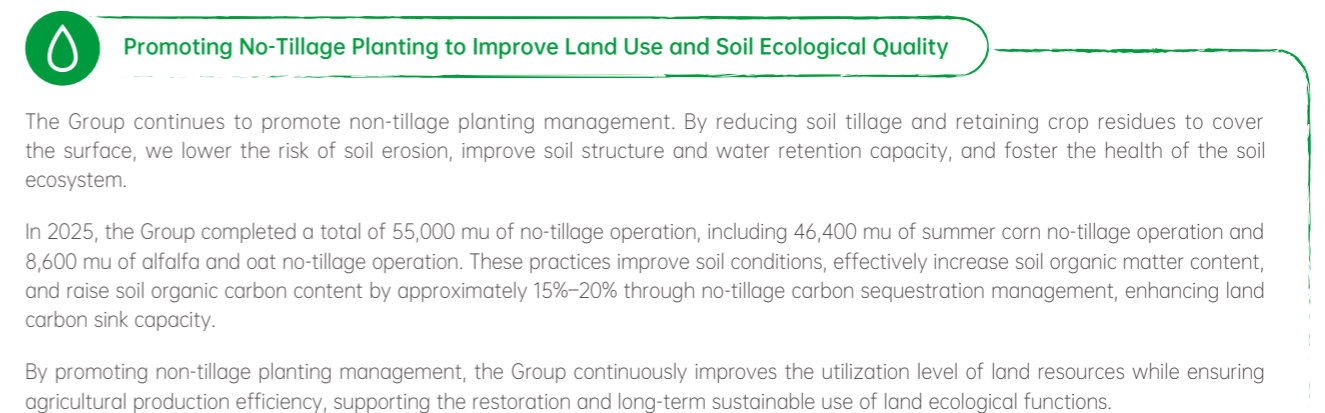
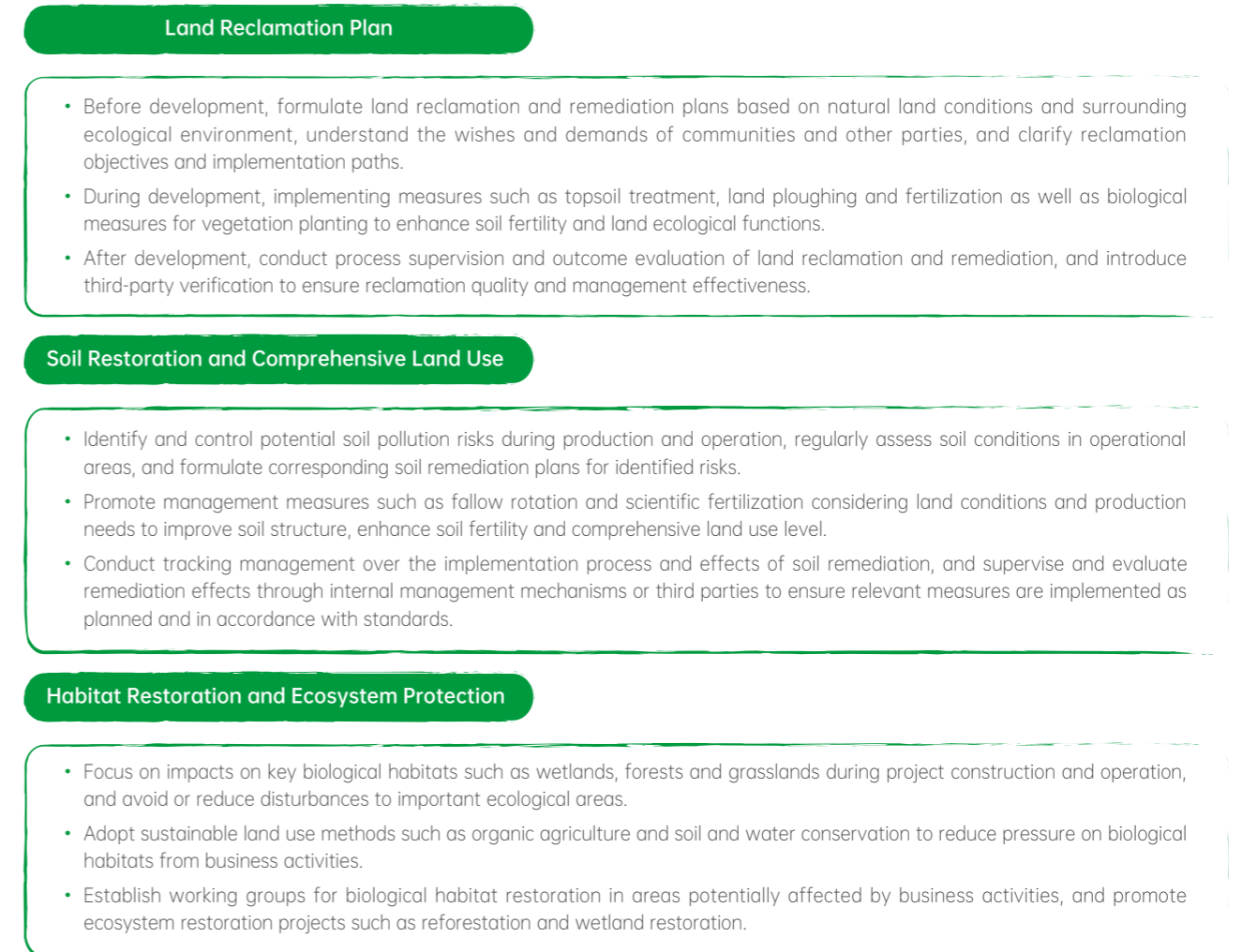
Based on identifying biodiversity-related risks and opportunities in business activities, the Group adopts corresponding management and protection measures focusing on key areas such as land use, germplasm resource conservation and forest protection considering its business characteristics, to prevent and remediate the impacts of production and operation activities on the ecological environment and surrounding communities.

### Whole-Project Lifecycle Management



## Improvement of Land Use Level

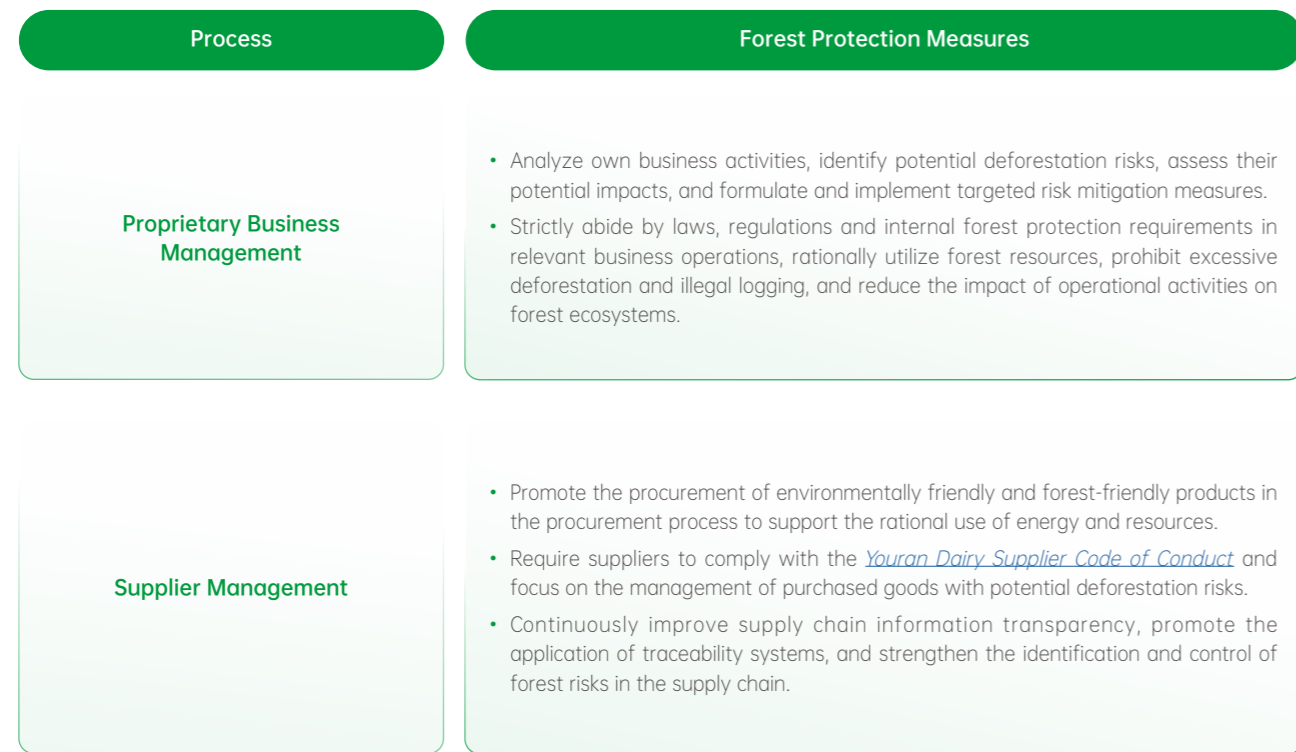
To reduce the impact of business activities on land resources and ecosystems, the Group has formulated and issued the *Land Use Improvement Policy* in strict accordance with national laws and regulations such as the *Soil Pollution Prevention and Control Law of the People's Republic of China*, the *Land Reclamation Regulations* and the *Land Administration Law of the People's Republic of China*, so as to fully regulate its land use behaviors. In addition, combined with its business characteristics, the Group continues to optimize land use management and promote the sustainable use of land resources by improving land use efficiency through land reclamation, soil remediation and biological habitat protection.



## Forest Protection

During business operation, the Group strictly complies with the *Forest Law of the People's Republic of China*, the *Regulations for the Implementation of the Forest Law of the People's Republic of China* and other relevant laws and regulations. Meanwhile, with reference to the *Implementation Guidelines for the Procurement and Risk Prevention of Forest-Friendly Products* jointly issued by WWF and the China Chain Store & Franchise Association, the Group has formulated and implemented the *Forest Conservation Policy* based on its business characteristics to regulate relevant business activities involving forest resources and prevent potential deforestation risks.

In specific management and practice, the Group implements forest protection requirements through proprietary business operation and supply chain management.



## Conservation and Development of Germplasm Resources

During business development, the Group continues to advance the conservation and rational use of animal germplasm resources by improving the breeding management system and applying modern breeding technologies considering the characteristics of animal husbandry, supporting the conservation and long-term development of species genetic diversity.

In practice, the Group has gradually established an independent breeding system for breeding bulls based on production performance testing and body type identification, combined with whole-genome sequencing and other technologies. In 2025, the Group continued to carry out gene blocking and high-yield herd expansion, with approximately 12,000 embryo transfers. Gene blocking was implemented for low-yield cattle, with 30,000 cattle times annually for cows with annual parity yields less than 8.5 tonnes, providing support for improving the genetic stability and long-term production resilience of the herd. Meanwhile, SKX successfully developed the dairy cattle "Breeding No.1 Chip". Featuring high throughput, high sensitivity and high specificity, the chip covers indicators for dairy cattle reproduction, milk production and health, explores genetic genes for low carbon emissions, heat stress resistance and special flavor, effectively shortens the generation interval, accelerates the process of dairy cattle genetic improvement, and speeds up the targeted breeding of localized "Chinese dairy cattle" with excellent traits and genotypes of "high yield, high reproduction, disease resistance, low carbon and long production period".

In addition, the Group has jointly built the Animal Genetic Resource Database and Information Platform of the Mongolian Plateau with Inner Mongolia University, systematically collecting and preserving genetic resource samples of endemic livestock breeds and some wild animals represented by the Mongolian Plateau region (including somatic cells, semen, embryos, etc.). The platform has focused on collecting and breeding more than 20 endemic livestock breeds such as Mongolian cattle, Mongolian sheep and Mongolian horses, providing basic support for the conservation of regional animal genetic resources and related breeding research, and promoting the long-term preservation and rational use of animal genetic resources.



Mongolian Plateau Animal Genetic Resource Database





Natural Sources

Optimal Quality

03

Pursuing Excellence,  
Leading Nutrition

## Strict Control of Product Safety

The Group attaches great importance to product quality and safety management. Guided by the principle of "continuously surpassing, breaking through, and striving for excellence", the Company takes the "3342 Quality Management Strategy" as its framework and the "Three-pronged Comprehensive Quality Management System" as its guidance to enhance quality control capabilities in an all-round way. This ensures the achievement of the quality objective of "zero deficiencies, zero defects and zero risk" for products. Meanwhile, the Group keeps pace with the times, continuously adapts to market demand, and strives to win wide market recognition and long-term consumer trust.

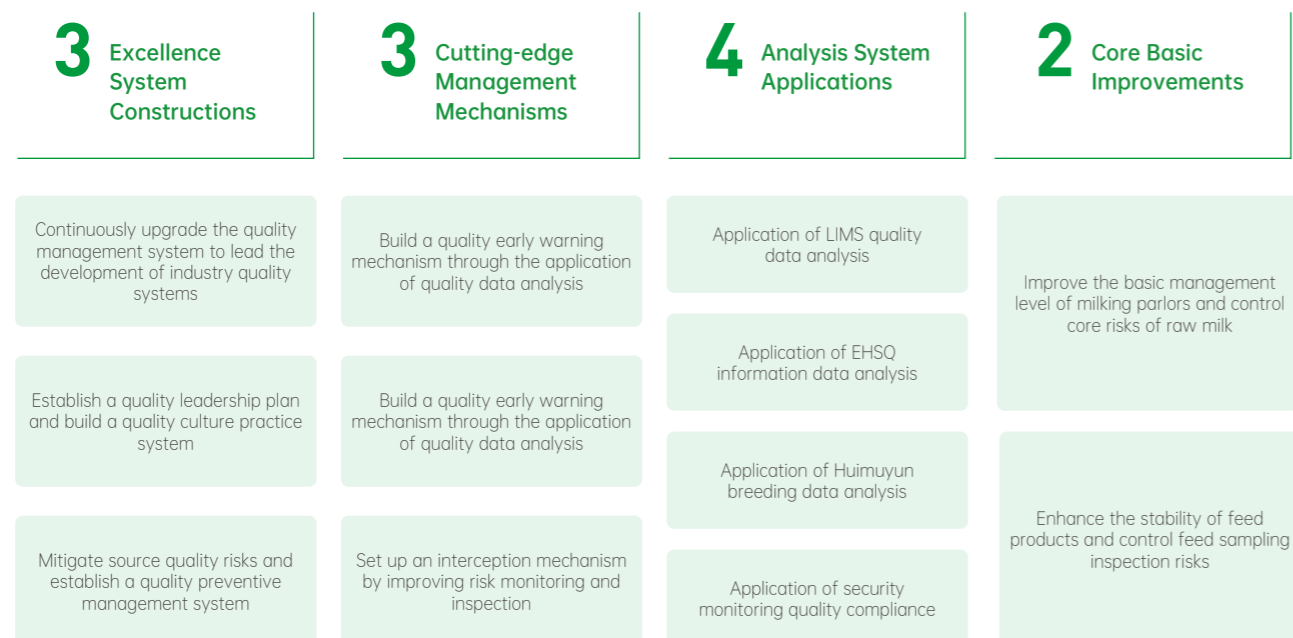
### Key Raw Milk Quality Indicators

Key Indicator	Control Target in Next 2 Years (Highest Requirements from Dairy Enterprises)	EU Standard	US Standard	Youran Dairy 2025 Performance
Total Bacterial Count (10,000 CFU/mL, lower is better)	< 3	< 10	< 10	< 1.5
Somatic Cell Count (10,000 cells/mL, lower is better)	< 20	< 40	< 75	< 18

## Quality Management Strategy

The Group has established the quality-leading "3342 Quality Management Strategy", which adheres to the development of "3" excellence systems, "3" cutting-edge management mechanisms, application of "4" analysis systems, and improvement of "2" core foundations. Through systematic and scientific management measures, the Group fully guarantees the excellent quality and safety of products.

### "3342" Quality Management Philosophy



## Quality Management System

The Group strictly complies with national laws, regulations and policies including the *Food Safety Law of the People's Republic of China*, *Animal Husbandry Law of the People's Republic of China*, *Code for Quality and Safety Management of Feed*, and *Regulations on Supervision and Administration of Dairy Product Quality and Safety*. Guided by advanced international standards, the Group continuously optimizes and upgrades its quality management system and actively obtains multiple management system certifications, including SQF (Safe Quality Food), ISO 9001 (Quality Management System), ISO 22000 (Food Safety Management System), China GAP (China Good Agricultural Practices), and FAMI-QS (European Feed Additives and Pre-Mixtures Quality System). We have become the first comprehensive animal husbandry and feed processing enterprise in China to pass the SQF certification audit, effectively promoting the development of the industry's quality management system. In 2025, the Company upgraded the QACP Quality Assurance System, established a normalized inspection and verification mechanism for key quality control points, and formulated 285 full-chain standards covering from raw material procurement to product delivery. We fostered a quality control atmosphere where all employees "understand standards, abide by standards and apply standards", realizing full-process quality management and monitoring.

### "Three-pronged Comprehensive Quality Management System"



Under the "Three-pronged Comprehensive Quality Management System", the Group has formulated a series of quality management policies and systems including the *Management Measures for Quality Targets* and *Supplier Quality Management Measures*, which further strengthen full life cycle quality management of products and form a full-process closed-loop management system. This ensures strict quality control and supervision over every link of products. In addition, internal audit of the management system centers on "overall planning annually, implementation monthly, and closed-loop rectification", fully implementing the four stages of "planning – implementation – rectification – review". An internal audit team is established to conduct on-site assessments to ensure the system is compliant, effective and continuously optimized. During the Reporting Period, the Group had no quality and safety incidents, and all its products achieved a 100% passing rate in random inspections by national supervision and inspection authorities at all levels. Furthermore, the Group formulates an annual quality training plan at the beginning of each year, provides empowerment training for quality supervisors and team leaders at all farms focusing on core risk control, and invites industry experts to carry out special empowerment training camps for quality management personnel, continuously improving the Group's internal independent quality management capacity.

### Dingzhou Feed Production Base Innovatively Introduces QACP Management Mechanism to Improve Quality Control

Relying on the "Three-pronged Comprehensive Quality Management System", Youran Dairy Dingzhou Feed Production Base innovatively introduced the QACP management mechanism, setting 220 key production quality control points and 137 finished product inspection items. Supported by an intelligent central control system, high-precision equipment and an accurate nutrition system, the base has built a comprehensive quality defense line.

The Dingzhou Feed Production Base benchmarks the production process standards of infant formula milk powder and adopts an advanced computer full-screen control central control system. Through data interconnection, the system monitors key production indicators such as formula, material consumption, batching accuracy and raw material error in real time, and automatically conducts intelligent scheduling based on production plans. This greatly reduces human intervention and significantly improves inventory management efficiency. In addition, high-precision batching scales are equipped to ensure quality. Relying on the accurate nutrition system for ruminants and the independently developed near-infrared nutrition database, the base achieves precise nutritional production.

## Quality Management System Certifications

The Group is committed to producing high-quality products, ensuring excellent product quality from source to end, and continuously carrying out quality management system certification.

In 2025, 25 farms in the Group's dairy farming unit completed GAP on-site audits, further improving the food safety management level of the farms. All farms awarded SQF certification achieved excellent scores, fully demonstrating the Company's high-quality control standards for feed production. Meanwhile, Ulanqab Branch of the Group's feed unit passed the FAMI-QS (European Feed Additives and Pre-Mixtures Quality System) certification audit. This certification underscores the Company's outstanding performance in meeting international quality standards, while also demonstrating Youran Dairy's active contribution to advancing the sustainable development of the industry. In 2025, the proportion of Youran Dairy's farms with China GAP certification reached 25%.



## Multiple Production Bases Under Youran Dairy Successfully Passed Quality Audits by Pang Dong Lai and Sam's Club

In 2025, multiple entities under the Group, as front-end raw milk suppliers, successfully passed strict supplier qualification audits conducted by Pang Dong Lai and Sam's Club. The audits covered online qualification review, on-site production verification and social responsibility assessment, covering the whole process of raw material acceptance, breeding and processing, inspection and delivery, as well as employee welfare management. All these entities passed the audits on the first attempt, fully reflecting the Company's high level in quality control, systematic management and employee care. This successful audit not only supports customers' access to high-end channels but also further enhances the brand reputation of the supply chain, facilitating the high-quality development of the Company's business.

## Quality Control Measures

As a leader in the upstream sector of China's dairy industry, the Group's business covers the entire upstream dairy industry chain, including key links such as breeding, feed and raw milk production. We always adhere to strict quality standards, build an integrated quality assurance system covering the whole industry chain, strictly control from the source, strengthen management throughout the process, and build a comprehensive quality defense line for products.

## Selective Breeding

The Group abides by laws, regulations and technical standards including the *Administrative Measures for the Implementation of the Genetic Improvement Program on National Livestock and Poultry and Frozen Bovine Semen (GB 4143-2022)*. We have formulated the corporate standard *Holstein Core Breeding Cow Selection Standard Q/SKXYJY 001-2023* and internal process systems such as *Control Points for Key Indicators and Core Management Elements of the Holstein Bull Breeding Technology System and Operation Procedures and Systems for Bovine Genomic Testing*. Driven by technological innovation, the Group continuously improves the quality of dairy cattle breeding.

## Construction of Dairy Cattle Breeding and Reproduction Platforms

- **Academician and Expert Workstation of Livestock Germplasm Resources and Embryo Engineering Technology:** Co-built by Youran Dairy Research Institute with Inner Mongolia University and Inner Mongolia Agricultural University, relying on the team and R&D platform of Academician Zhang Yong of Northwest A&F University to develop new dairy cattle strains with enhanced gene functions of high reproduction, low carbon, disease resistance and stress resistance.
- **Key Laboratory of Cattle Germplasm Creation and Breeding Engineering Technology, Ministry of Agriculture and Rural Affairs:** Operated by Youran Dairy, focusing on core needs of dairy cattle breeding and improved variety reproduction, conducting R&D on bioengineering technologies including animal cloning, sex-controlled embryo production and stem cell technology, providing core technical support for dairy cattle breed improvement and precise selection.



## Five Core Biological Technologies for Independent Breeding and Reproduction

- Relying on the Group's large cattle herd and centered on the SKX breeding platform, the Group has implemented five core biological technologies for breeding and reproduction. Using high-yielding cows as donors, oocytes are obtained through superovulation and transvaginal ovum pickup, and in vivo and in vitro fertilization is carried out with frozen semen from top breeding bulls to cultivate high-quality embryos, which are then transferred to the uteri of low-yielding cows for gestation and development. This technological path enables rapid breeding of high-quality breeding bulls, rapid expansion of high-yielding core cow herds, accelerated optimization of herd structure at farms, and improved overall efficiency of improved variety breeding.



### "Breeding No.1 Chip" Breaks Through Technical Bottlenecks in Dairy Cattle Breeding

SKX of Youran Dairy successfully developed the dairy cattle "Breeding No.1 Chip", which features high throughput, high sensitivity and high specificity, filling the gap in domestic dairy cattle genetic evaluation technology using gene chips. Compared with whole-genome sequencing, its detection efficiency is more than 4 times higher, while the cost is only one-fifth. The chip helps shorten the generation interval of dairy cattle, accelerate the process of genetic improvement, and directionally cultivate localized "Chinese dairy cattle" with excellent traits and genotypes, realizing controllable dairy cattle germplasm. It can also identify characteristic genetic genes such as low carbon emission and heat stress resistance, providing core technical support for the independent and efficient development of domestic dairy cattle breeding.

## High-Quality Raw Milk

With full-process quality control as the core, the Group has established internal quality management procedures and specifications covering key links from raw material management to product transportation, realizing full-chain closed-loop protection of raw milk quality and safety. Meanwhile, the Group has identified key points for raw milk quality control based on the life cycle of dairy cattle and the whole process of raw milk production, and formulated corresponding control measures to further ensure raw milk quality.

### Strict selection of raw material supply

- Prioritize suppliers ranking among the top 5 in the industry with quality assurance capabilities.
- Select high-quality imported alfalfa.
- Source high-quality raw materials from global production areas.
- Implement full-process GPS tracking for core raw materials.
- Conduct testing on 155 indicators upon arrival to ensure 100% safety.

### Industry-leading breeding technology

- Industry-leading operation standards: More than 650 SOPs support stable "stress-free" production.
- Industry-leading health management: Customized formula feeding to meet nutritional needs of different body conditions and growth stages; 17 health monitoring items to continuously care for cows and calves.
- Industry-leading automated equipment: Introduction of intelligent equipment such as automatic milking, automatic teat disinfection, automatic cleaning and automatic feed pushing to realize refined farming.
- Industry-leading information system: Establishment of a big data platform covering core data such as dairy cattle production performance, herd formula nutrition, estrus, treatment and milking, enabling real-time monitoring, abnormal alarm and proactive improvement.
- Industry-leading quality assurance capability: Promotion of industry-applicable quality assurance systems; regular quality audits to drive continuous improvement.

### Strict quality inspection standards

- Our laboratory is the first CNAS-certified lab within the animal husbandry industry.
- We are equipped with an array of globally sourced, high-grade, precision, and advanced testing equipment, such as the inductively coupled plasma mass spectrometry (ICP-MS) instrument, amino acid analyzer, and ultra-high performance liquid chromatography triple quadrupole mass spectrometer.
- Our industry-leading testing capacity covers over 300 items.
- We are committed to 100% quality control, ensuring zero-defect delivery.

### Full-process transportation monitoring

- Accurate positioning monitoring: Via the raw milk logistics and transportation control platform, we implement real-time monitoring over the transportation routes of each delivery truck.
- Precise time monitoring: From the completion of milking to the delivery of milk at the factory, we maintain strict controls over milk freshness.
- Thorough milk protection: Each entrance of every raw milk transportation truck is securely sealed with a disposable lead seal, providing robust protection. Furthermore, stringent temperature control measures are in place to guarantee that milk temperature is maintained at  $\leq 6^{\circ}\text{C}$  throughout transportation, thereby ensuring milk quality and safety.

## Scientific Feeding

The Group has formulated management standards including the *Internal Control Standards for Finished Feed Quality and Raw Material Procurement and Acceptance System*, implementing full-process feed quality control. We are among the first in China to obtain SQF certification, a global food safety and quality system standard, giving full play to the synergy between dairy farming and feed businesses. This ensures that dairy cattle receive high-quality feed and forage, producing high-quality and healthy milk.

### Feed Quality Management

#### Strict Internal Control Standards

- Formulated the *Internal Control Standards for Finished Product Quality*, listing two sensory indicators (color and odor) as mandatory pre-delivery inspection and veto items. Products failing to meet sensory standards are strictly prohibited from leaving the factory, building the first line of defense for quality and preventing unqualified products from entering subsequent links.
- Formulated internal control standards stricter than national standards for key physical, chemical and hygienic indicators including moisture, mixing uniformity, mycotoxins and metal pollutants, taking them as rigid basis for product release. Early warning standards are set simultaneously to realize dual control of "process early warning and strict release", ensuring 100% qualification of products launched in 2025.

#### Special Control of Crude Protein

- Carried out special stability control on crude protein indicators of feed products to fully ensure consistent product quality. The internal control value for finished product crude protein release is already stricter than national standards, and the actual allowable deviation of testing is strictly controlled within 20% of the specified value in GB/T 18823.
- Set the internal control standard for crude protein as "enterprise standard specified value +1%". Any value beyond this range is regarded as abnormal protein fluctuation, to continuously meet customers' high standards with stable product quality.

#### Full-Item Testing Before Delivery

- Formulated the *Product Release Management System*, implementing batch inspection requirements for conventional indicators and toxin items of feed products. Products can be released only after all indicators pass testing. The "proportion of full-item indicator testing before delivery" is included in monthly quality objectives for key monitoring. In 2025, the proportion of conventional indicator testing before delivery reached 98.87%, and that of toxin indicator testing reached 100%, resolutely implementing zero-tolerance control for unqualified products.

## Youran Dairy Launches World's First Special Feed for Forest Musk Deer

Xi'an Branch of Youran Dairy's feed unit established a joint R&D team to achieve precise nutritional supply through scientific formulation, successfully developing special feed for forest musk deer. This feed can effectively improve the health of forest musk deer and support their stable high yield, providing professional nutritional solutions for the special breeding industry and demonstrating the Company's technical strength in the segmented feed sector.

## Food Safety Risk Prevention and Control

The Group has built a full-chain quality risk prevention and control system based on international authoritative standards including SQF, ISO 9001, ISO 22000 and GLOBAL-GAP. The system realizes full-cycle closed-loop management of food safety risks across 7 dimensions and 23 aspects: risk identification, monitoring, early warning, early warning elimination, control, traceability and recall, and risk communication.

We implement strict "three-line management" of food safety standards, formulating enterprise product standards, internal control lines and early warning lines that are stricter than national and international standards. Products are released in accordance with internal control lines, and early warnings and improvements are made in accordance with early warning lines. Relying on the quality assurance and risk prevention and control system, combined with "one-vote veto" and "red line management", the Group fulfills full-chain control responsibilities. A "three-level management" system for food safety risk monitoring covering raw materials, feed products and milk has been established, taking the lead in realizing full-chain risk monitoring and prevention. No food safety issues occurred during the Reporting Period.

## Product Recall Management

The Group strictly abides by the *Food Safety Law of the People's Republic of China*, *Food Recall Management Measures* and other laws and regulations. Led by a senior management-led Quality and Safety Committee, the Group has formulated procedural documents including the *Product Recall Management System* and *Labeling and Traceability Management Procedures*, clearly specifying the conditions, scenarios and processes for product recall. Meanwhile, the Group regularly organizes annual simulation drills on product traceability and recall. Through a series of management processes including setting recall objectives, implementing recall plans, verifying recall results, handling and filing recalled products, and summarizing recall experience, the Group continuously improves the standardization and timeliness of quality abnormality handling. During the Reporting Period, the Group received no major complaints about product quality, nor did any product disputes or recall events occur that may have a material adverse impact on the Company's financial position or operating results.

## Raw Milk Quality Upgrade

### Key Technological Innovation

The Group has formulated the *Youran Dairy All-Staff Innovation and Improvement Target Management Plan* and *Innovation Process Management Mechanisms for Various Innovation Fields and Employee Innovation Platforms* to conduct overall planning of the Company's innovation activities. In core business sectors including animal husbandry, forage, feed and breeding, the Group continues to deepen its technology-driven and innovation-oriented development strategy. Innovation layout covers key dimensions such as nutritional regulation, animal health care, breeding improvement, and process equipment, comprehensively promoting R&D breakthroughs and application of new raw materials, new processes, new equipment, new technologies and new products. During the Reporting Period, the Group's R&D investment reached RMB 157.504 million. R&D investment is targeted to increase by 10% annually in the next three years.

#### Technological Innovation Measures

##### Precision Nutrition and Formula Technology

- Relying on professional AMTS formula software, accurately formulate rations based on dairy cattle's different physiological stages, milk production levels, body condition differences and raw material nutritional components. Simultaneously build a localized raw material nutrition database, rapidly detect silage and other bulk feeds through near-infrared spectrometers, dynamically iterate formulas, reduce errors caused by raw material nutrition fluctuations, and ensure precise matching of rations.

##### Nutritional Balance and Complementation Technology

- Focus on efficient protein utilization, promote amino acid balance regulation, and address nutritional shortcomings through raw material compounding or synthetic amino acid supplementation according to amino acid differences among protein raw materials such as soybean meal and cottonseed meal.
- Optimize the ratio of rumen degradable protein (RDP) to rumen undegradable protein (RUP), dynamically adjust the ratio according to dairy cattle production stages (e.g., peak lactation) to ensure stable supply of small intestine absorbable amino acids. Adopt physical, chemical and biological triple treatment of anti-nutritional factors to improve phosphorus and amino acid utilization, ultimately achieving the dual goals of higher protein raw material utilization and lower consumption.

##### Organic Trace Element Replacement Technology

- Partially replace traditional inorganic trace elements with organic zinc, manganese, copper and selenium in dairy cattle premixes to improve hoof health, reproductive performance and immunity, increase key nutrients such as fat, protein and vitamins in milk, and reduce copper and zinc excretion in manure by 30%–50%. This lowers environmental risks and achieves a win-win situation of nutritional efficiency and green environmental protection.

Through comprehensive empowerment by technological innovation, the Group injects strong impetus into the sustainable development of various business segments. Meanwhile, the Group strives to build an all-staff innovation system. Through the two-way linkage of grassroots innovation from bottom to top and strategic guidance from top to bottom, the Group fully promotes the implementation of technological innovation and fosters a sound atmosphere of participation, collaboration and innovation among all employees. In addition, the Group cooperates with research institutes such as the Chinese Academy of Agricultural Sciences and the Chinese Academy of Environmental Sciences, participates in a number of national and provincial major special research projects, and outputs a number of national, local and group standards, patents and academic papers, promoting technological progress in the industry.

## Nutrition and Health R&D

The Group has always adhered to a dual-track strategy in the R&D of raw milk nutrition and health. By optimizing dairy cattle nutrition and formulas and introducing new technologies, raw materials or additives, the Company comprehensively improves the basic nutritional content of raw milk. Meanwhile, the Company is committed to developing specialty raw milk and launching differentiated products with unique nutritional value to meet market demand for high-quality and personalized dairy products.

### Improving Raw Milk Nutrition

The Group has a leading scale and rich portfolio of specialty raw milk products in China, including organic milk, Jersey milk, organic Jersey milk, DHA milk, A2 milk, organic A2 milk, selenium-enriched milk and goat milk. During the Reporting Period, the Group's specialty raw milk categories increased to 8, and the proportion of milk volume with organic certification<sup>23</sup> reached 25.7%.

Improvement of Basic Milk Nutrients

To enhance the basic nutritional content of milk, Youran Dairy has adopted various measures:

- **Optimize feeding and quality SOPs:** Reduce the number of microorganisms and somatic cells in milk to ensure purity and quality.
- **Environmental management:** Implement heatstroke prevention and cooling in summer and cold protection and ventilation in winter to mitigate the impact of heat and cold stress on milk fat and milk protein.
- **Raw material and additive R&D:** Actively explore and apply high-quality protein raw materials, develop additives that promote protein utilization and conversion, and ensure continuous improvement of milk protein content.
- **Raw milk health standard improvement:** Increase specific health-beneficial active ingredients such as DHA and Omega-3 fatty acids through technological innovations including algal meal quality improvement and coating processing.

Raw milk product portfolio

The Group has innovated its raw milk product portfolio and launched a variety of high-quality milk products

- **Organic milk:** We raise dairy cows according to the organic milk production standards, and produce organic milk that can pass the strict certification by a third party. In production, we prohibit synthetic chemicals and strictly abide by the standards on packaging, storage and transportation of organic food.
- **Organic A2 milk:** Breed more dairy cows carrying the A2-β-casein gene by optimizing the gene screening technology, so as to produce A2 milk, which is easier to digest and absorb for the human body.
- **Jersey milk:** Introduce high-quality jersey cows and adopt customized nutrition programs, thus not only increasing milk production but also achieving excellent nutritive quality of milk.
- **DHA functional milk:** Develop functional milk containing more than 14 mg/100ml of primary DHA by feeding cows with algae rich in DHA, which offers high-quality nutritious milk for consumers.
- **Selenium-enriched functional milk:** Through unique nutrition techniques such as raw material screening, nutrition regulation and intensive feeding, produce functional milk rich in primary selenium to provide antioxidant and anti-aging effects.
- **Goat milk:** Introduce Saanen dairy goats. They have a high-quality amino acid composition in their milk protein similar to that of breast milk. Their milk is rich in nutrients, containing a large amount of high-quality protein, vitamins, minerals, and more than 200 other natural nutrients. The nutrients it contains are balanced and reasonable, and the nutritional elements are rich and diverse, so it is called a "complete nutrition product".

<sup>23</sup> It refers to the proportion of raw milk that has obtained organic product certification.

## Focusing on Basic Nutrient Absorption of Dairy Cattle to Optimize Nutrient Utilization Efficiency

Youran Dairy's R&D team focused on basic nutrient absorption of dairy cattle and optimized nutrient utilization efficiency by improving rumen digestion, small intestine absorption and in vitro fermentation technology.

Technically, high-quality roughage and scientifically formulated rations are used to reduce crude protein content in rations, enhance rumen microbial activity and rumen degradation rate of ration nutrients. Rumen buffers and other additives are applied to improve rumen environment. Combined with metabolic protein and rumen-bypass nutrient regulation, the absorption of amino acids and other key nutrients in the small intestine is promoted. Appropriate organic trace elements are added to enhance absorption and utilization of minerals, reducing emissions of carbon, nitrogen, phosphorus and other pollutants. In vitro fermentation technology is used to evaluate the fermentation potential of ration combinations and screen efficient formulas. With feed conversion rate and feed intake as core evaluation indicators, results show that the optimized technical scheme significantly improves feed conversion rate, stabilizes feed intake, reduces nutrient waste, and provides theoretical support and functional practical research for improving dairy cattle digestion.

## Optimizing Dairy Cattle Energy Feed Balance to Support Cow Health

The Group promotes systematic optimization of energy feed balance for dairy cattle, breaking through the traditional single "high starch" feeding mindset and building a comprehensive, dynamic energy feed optimization system. On the one hand, we optimize energy feed sources and structure, promotes diversified and refined management of starch sources, attaches importance to fiber energy value, and rationally matches fat supplements. On the other hand, we strengthen refined feeding and nutrition management, implements group feeding and staged nutritional supply, improves dry matter intake, ensures physical effectiveness and uniformity of rations, and adds functional additives to precisely improve energy metabolism, realizing efficient utilization of energy nutrition and steady improvement of breeding efficiency.



Example of Organic Milk Certification Certificate

## Intellectual Property Protection

The Group attaches great importance to intellectual property protection, strictly abides by the *Patent Law of the People's Republic of China*, *Trademark Law of the People's Republic of China* and other relevant laws and regulations, and is committed to safeguarding the legitimate rights and interests of its own intellectual property achievements while actively preventing infringements. The Company has formulated the *Regulations for Management of Intellectual Property Rights* and established dedicated intellectual property management positions responsible for overall monitoring of the registration and licensing of trademarks, patents, trade names and other intellectual property rights, ensuring standardized and effective IP management. In addition, the Company regularly organizes internal training covering legal knowledge and management systems to enhance employees' awareness of IP protection.

During the Reporting Period,

**22** new patents were granted, bringing the total number of core patents to **113**, fully covering various business segments.



The Group also participated in the formulation and issuance of **11** national, group and local standards.

### Youran Dairy Participated in Formulating Three Agricultural Industry Standards

In 2025, Youran Dairy, together with research institutions and industry enterprises, participated in formulating three agricultural industry standards for silage including NY/T 4469-2025, issued by the Ministry of Agriculture and Rural Affairs. Abandoning the drawbacks of multi-indicator evaluation, the standards adopt a single comprehensive index to assess silage quality, which is simple and easy to operate, promoting the upgrading of silage nutritional indicators to big data modeling. Relying on its 600,000-head national dairy cattle breeding resource base, proprietary near-infrared nutrition database and accurate nutrition data, Youran provided core support for the accuracy of the standards. Implementation of the standards ushered in a new era of standardized silage quality assessment, supporting farms in precise ration formulation, cost reduction and efficiency improvement, and injecting technological momentum into the revitalization of the dairy industry.



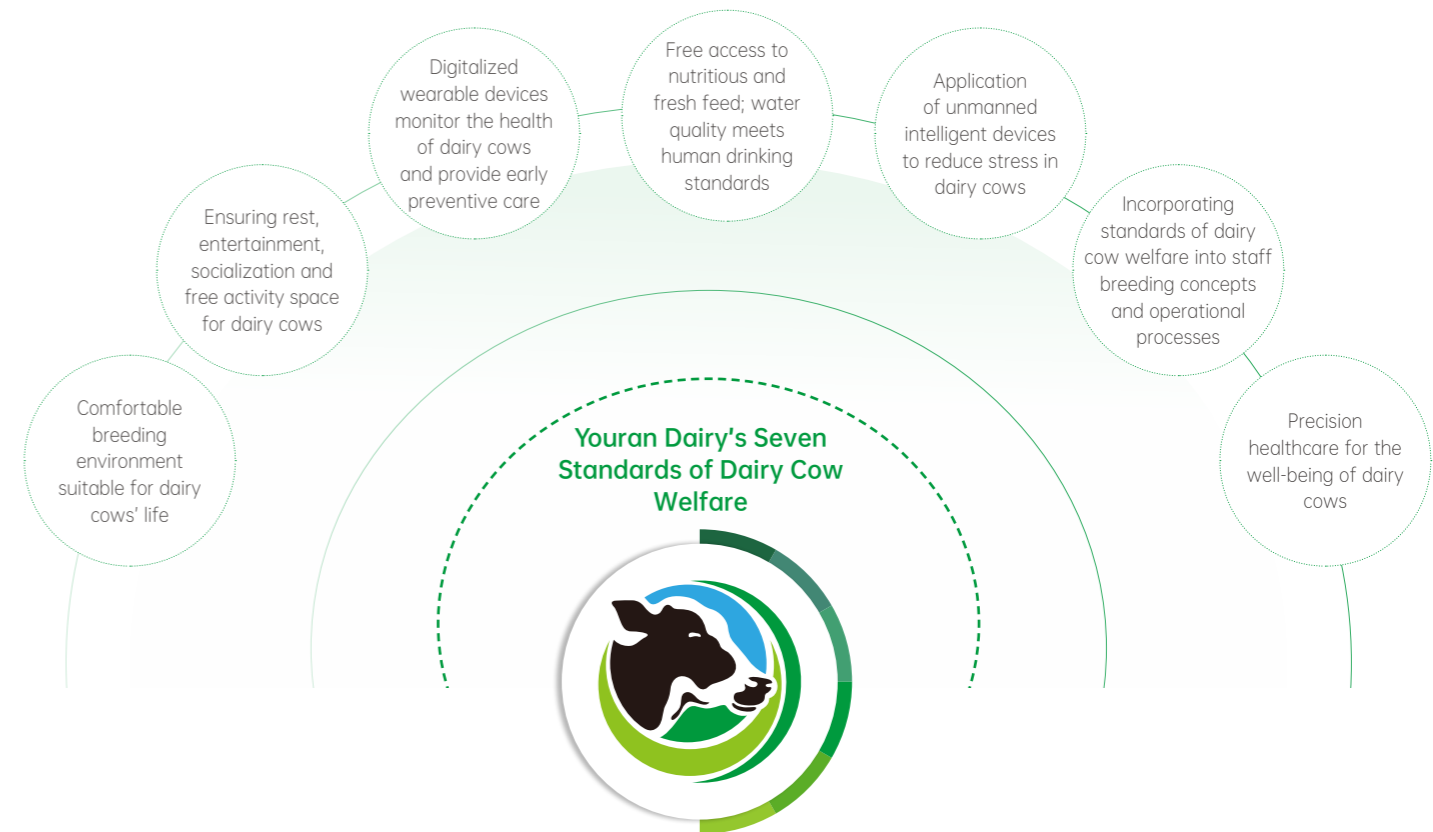
## Animal Welfare Protection

### Dairy Cow Welfare Policy

The Group regards animal welfare as an important part of its corporate social responsibility system, and has formulated management policies including *Youran Dairy Welfare Principles of Dairy Cows* and *Formula Optimization Program*. The Company always adheres to international dairy cow welfare principles. By optimizing the breeding environment, improving production conditions, strengthening epidemic prevention and safety, and scientifically designing breeding techniques, the Company ensures that dairy cows enjoy a comfortable living environment and high-quality health management. Meanwhile, the Company participates in developing the group standard *Welfare of Farm Animal - Cow*, dedicates itself to advocating the concept of animal welfare, continuously promotes the application and development of welfare breeding technology, and steadily improves the health and well-being of dairy cows.

### Dairy Cow Care Measures

From the perspective of caring for dairy cows and practicing the concept of symbiosis between man and nature, the Group has established a comprehensive set of Seven Standards of Dairy Cow Welfare to further ensure the implementation of dairy cow welfare.



◎ Youran Dairy's Seven Standards of Dairy Cow Welfare

Breeding environment

The farm is designed to fully consider the living habits of dairy cows at different stages. Starting from the front-end design of barn structure, height and material selection, a comfortable living environment is created for dairy cows. Supported by IoT technology, environmental parameters including barn temperature, humidity, air quality and lighting are automatically adjusted. Heatstroke prevention, cooling, cold protection and insulation facilities are improved in line with climate change to keep the barn warm in winter and cool in summer, meeting the growth needs of dairy cows.

Activity space for dairy cows

The barn is designed with a space of more than 25 square meters per cow, with reasonable planning of the herd density and an outdoor cow exercise field. According to the physical condition of the cows, neck clamps and bedding of appropriate sizes are designed to provide ample space for the cows to move around and ensure their resting and social needs.

Application of digital equipment

Relying on the smart dairy farm management system, dairy cows are equipped with smart wearable devices such as collars and ear tags to monitor their resting time, duration of rumination and body temperature changes in real time. Big data analysis is conducted in each milking, equivalent to a physical examination for each cow. Through big data analysis, the health status of cows is identified in advance, and preventive healthcare measures are taken to protect cow health.

Feed and drinking water for dairy cows

An expert team led by 23 doctors develops exclusive nutritional diets for dairy cows. Ration formulas are formulated based on the nutritional needs of cows at different physiological stages and with different milk yields, ensuring fresh and nutritionally balanced feed for each feeding. For drinking water, the farm ensures water quality meets human drinking standards and is equipped with constant temperature drinking troughs maintaining water temperatures above 15°C to guarantee suitable drinking water for cows in winter.

Dairy cow stress management

Newly built smart farms introduce world-leading fully intelligent unmanned equipment including milking robots, feeding robots, feed pushing robots and manure cleaning robots to minimize cow stress caused by human intervention. The living experience of dairy cows is refined in every detail to ensure a safe and comfortable life.

Cultivation of employees' breeding philosophy

The Group took the lead in the industry in developing a standardized SOP manual for dairy farming that integrates dairy cow welfare. Through systematic staff training and practical operation, employees are enabled to provide precise and meticulous care for dairy cows in daily operations.

Precise healthcare for cow health

Through the independently developed "Intelligent Farm Cloud" smart dairy farm management big data platform, automatic milking robots, electronic collars, ear tags and other intelligent devices, the Group analyzes the health status of each dairy cow in real time, achieving precise healthcare and treatment for individual cows. This effectively reduces the use of veterinary drugs and drug stress in cows, and improves their quality of life and health.



Jointly Practicing the Animal Welfare Principle of "One Health, One Welfare" with Customers

Youran Dairy and its upstream customers use the independently developed "Intelligent Farm Cloud" artificial intelligence big data management system, enabling customers and farm operators to monitor real-time health indicators of dairy cows including milk yield, feed intake, exercise volume and estrus. Big data analysis is performed during each milking, equivalent to a physical examination, and results are automatically analyzed to generate task orders and promptly sent to farm professionals, allowing them to identify cows in need of attention immediately. Meanwhile, based on data from smart wearable collars and ear tags worn by cows, the Group has independently developed an analytical monitoring model in line with the physiological characteristics of the herd. The model monitors cow estrus, health status, calving and location, helping farms improve herd health, achieve precise breeding management, forecast milk yield and production potential, enhance operational efficiency, and safeguard dairy cow health.

🌿 Dairy Cow Health and Safety Measures

The Group strictly complies with the *Animal Epidemic Prevention Law of the People's Republic of China* and publicly commits to minimizing the use of prophylactic antibiotics in animal production and operation. We have formulated health and safety management policies and measures including *Administrative Measures for Optimization of Herds* and *Dairy Farm Epidemic Prevention Management Measures*. The use of antibiotics is replaced by vaccination, disinfection and other measures, and advanced health management technologies are adopted to effectively prevent and control diseases, ensuring the health and high productivity of dairy cows.



Relying on big data, the Group monitors the whole process of farm management in real time, analyzes the diet and health status of dairy cows to support timely decision-making by managers. Raw material quality is strictly controlled, and a ration inspection plan is formulated to ensure fresh rations and herd health. Measures for heat and cold stress control are clarified, herd density is standardized, and slip injuries are prevented. The calf management manual is updated, special improvement activities are carried out, key processes are optimized, and the incidence rate is reduced.



High-standard care is provided for newborn calves, with strict standards and procedures for colostrum feeding, umbilical cord disinfection, drinking water, starter feed and newly calved cow management.



Monthly random testing of bulk tank milk samples is conducted for lactating herds. The CT values of milk samples from all farms are tracked for further Mycoplasma screening. Positive cows are culled to achieve herd purification.



A comprehensive herd health management and epidemic prevention system is established. The *Administrative Measures for Health of Herds* is regularly revised, standards for herd optimization and culling are clarified, and specifications for the harmless disposal of dead cattle are formulated. A two-line reporting mechanism is established to improve the efficiency of emergency information transmission.

Key control points and standard operating procedures are sorted out, epidemic prevention work is periodically assessed, and annual plans are developed. Disinfection and sanitization are enhanced, with 25 epidemic prevention systems reviewed annually. A dedicated team implements the annual immunization program, and digital systems are applied for the early warning and monitoring of common diseases.



**Regulatory system development:** Strengthen the construction of the regulatory system, establish an animal drug residue monitoring system, promote pollution-free production certification, and comprehensively promote the HACCP system.

**Application of Chinese veterinary medicines:** Actively explore the application of Chinese veterinary medicines in large-scale dairy farms, and develop new approaches for their targeted and selective use during the dry period.

**Veterinary prescription drug management:** Strictly implement regulations on veterinary prescription drugs, withdrawal periods and other requirements, and follow the instructions on veterinary drug labels to ensure proper diagnosis and treatment, correct administration and rational dosage.

**Drug resistance management and risk control:** Analyze national and corporate drug resistance, improve the system for monitoring the drug resistance of zoonotic bacteria, formulate and implement an annual plan for monitoring the drug resistance of zoonotic bacteria, organize and carry out drug resistance monitoring, and improve the ability of drug resistance risk management; develop medication guidelines, conduct clinical trials for targeted medication and replicate and promote them to improve the cure rate of mastitis in cows.

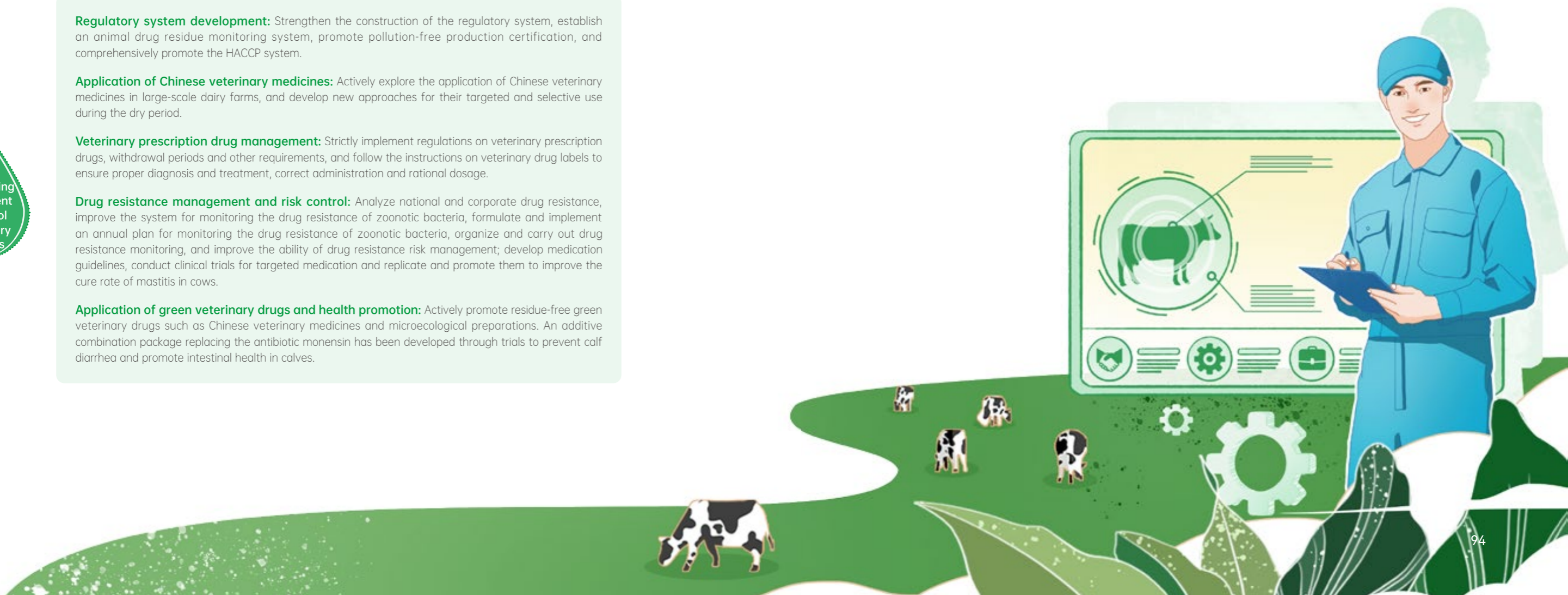
**Application of green veterinary drugs and health promotion:** Actively promote residue-free green veterinary drugs such as Chinese veterinary medicines and microecological preparations. An additive combination package replacing the antibiotic monensin has been developed through trials to prevent calf diarrhea and promote intestinal health in calves.

Our key performance in Welfare of Dairy Cows in 2025 is as follows:

Indicator	Unit	2025
Quarantine inspection rate of culled cattle	%	100
Coverage rate of foot-and-mouth disease vaccination for cows	%	100

## Culled Cattle Sales Management

To clarify herd culling standards, improve overall herd production performance, and standardize the sales process of culled cattle and disposal of dead cattle across all farms, the Group has strictly formulated the *Administrative Measures for Culling and Death of Dairy Cows in Farms*. We standardize culling standards, mating prohibition management and sales requirements for different herd structures, establishes a complete process of early warning – identification – initiation – disposal – completion, and defines the scope of responsibilities and penalty provisions.

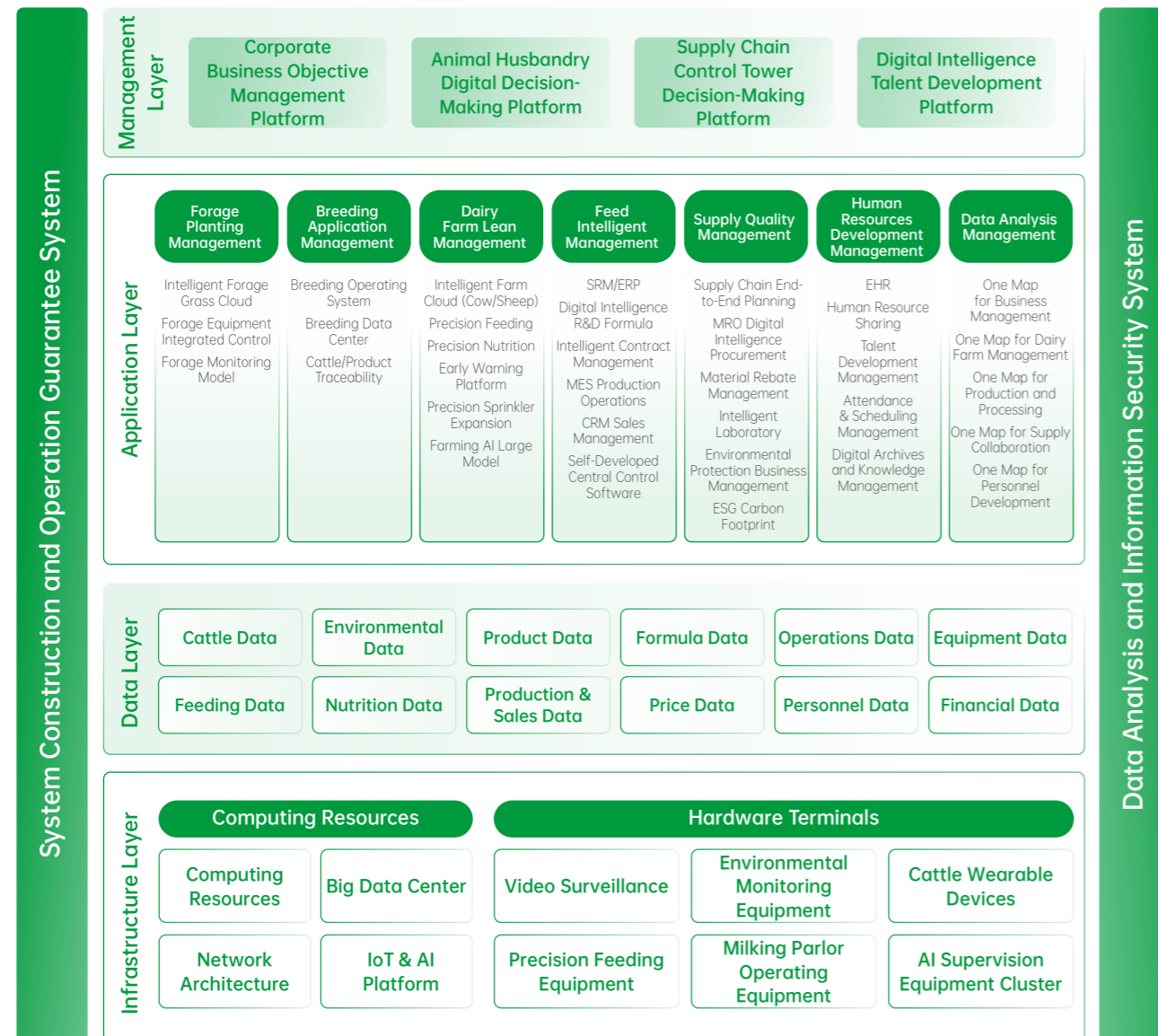


# Innovating Digital Technology, Empowering Smart Operations



# Digital Operations Optimization

## Digital Strategy



In accordance with the Company's strategy, the Group has upgraded the digital blueprint and operational system to achieve the transformation from transactional systems to algorithmic decision-making, and from business control to scenario empowerment, ultimately realizing a comprehensive transformation towards intelligent, automated, and smart operations.

Leveraging its robust industrial foundation, the Group has taken the lead in digital exploration and practice within the domestic livestock industry. By effectively integrating industry-leading management expertise, standardized processes, and breeding technologies with information technology, the Group has developed efficient operational management and collaborative service capabilities. In 2025, Youran Dairy focused on digital construction in individual business segments, applying IoT connectivity and models in high-value business scenarios. Embedding Tongyi Qianwen as the foundation, the Group developed the "AI Cow Doctor" vertical model, focusing on precision feeding and precision nutrition to enhance the digitalization and informatization level of dairy cow breeding and production.

## Digital Management System

The Group innovatively builds four digital management systems to achieve digital governance covering all elements, entire processes, and all scenarios of the industrial chain.

- Fully Traceable Quality Management System integrates the entire chain of production data to achieve dynamic coverage of quality monitoring and rapid risk tracing, consolidating the defense line for product quality.
- Comprehensive Intelligent Management System reshapes the supply chain coordination mechanism with the help of SRM-supplier relationship management system and a digital mall, and breaks through the bottleneck of material operation by combining IoT and AI algorithm, so as to improve supply chain efficiency.
- Dimensional Digital Decision-making System relies on the big data architecture to realize the knowledge transformation of internal and external value chain data, and gather support for the future digital and intelligent strategic development.
- Intelligent Herd Management System covers every stage of production, from data collection to daily operations, and from breeding to milking, building a digital governance ecosystem covering all elements of the industrial chain, and injecting strong impetus into the high-quality development of the enterprise.

### Digital Empowerment to Enhance All-Employee Digital Competitiveness

To comprehensively improve all-employee digital literacy, forge employees' core competitiveness for the future, and support the Company's strategic upgrade, Youran Dairy has launched a series of premium digital empowerment courses in 2025. These courses establish a comprehensive, cutting-edge, and highly practical exclusive learning system, precisely adapting to the capability enhancement needs of employees at different positions and levels. A systematic digital capability "toolkit" is tailor-made for all employees, laying a solid talent foundation for the enterprise's digital transformation through targeted digital empowerment training, enabling employees' digital capabilities to resonate in sync with the Company's strategic development.



# Intelligent Dairy Farms Development

The Group continues to deepen digital dairy farm management, promote the in-depth integration of data application systems, connect various business systems, and accelerate the digital development of Youran Dairy's intelligent dairy farms.

Through its independently developed "Intelligent Farm Cloud" intelligent dairy farm management system, the Group realizes dynamic monitoring of dairy farm environments, effectively combines lean management with digital management, and creates an efficient dairy farm operation model. Meanwhile, the Group introduces cutting-edge unmanned equipment to enable equipment-controlled dairy farming under human supervision, thereby achieving intelligent dairy farming management, information-based herd health management, and intelligent cowshed environment management.

## Approval of Youran Dairy's "Inner Mongolia Autonomous Region Industrial Technology Engineering Center for Dairy Cow Nutrition and Intelligent Farming"

As a key national leading enterprise in agricultural industrialization, Youran Dairy, relying on the Autonomous Region Industrial Technology Engineering Center, closely follows national and autonomous region strategies, focuses on the whole life cycle of dairy cows, and deeply cultivates key fields such as dairy cow breeding, nutrition and intelligent farming. The Group has formed systematic technical solutions and promoted them across the industry. With robust scientific and technological strength, the Group promotes the application and transformation of scientific and technological achievements, injecting strong impetus into Inner Mongolia's effort to build "a nationally important base for agricultural and livestock product production".



## Intelligent Dairy Farming

### Digital Transformation of Dairy Farming

#### Intelligent Dairy Farm Management System

- Through the application of smart equipment such as cowshed sensors, dairy cow collars, and anklets, the system identifies and analyzes real-time data of dairy cows, automatically generates "task lists," and promptly pushes them to dairy farm professionals, providing personalized health management for dairy cows and driving the leap from "experience-based dairy farming" to "data-driven dairy farming."

#### Active and Passive Cattle Screening System

- An active and passive screening system for cattle with no feeding value has been established, facilitating the efficient screening, culling, and processing of non-feedable cattle, saving labor and time costs.

#### Unmanned Standard Operations

- By introducing intelligent robotic equipment for the entire process of milking, feed pushing, medicated bathing, and dung cleaning, the Group has built an unmanned standard operation system for the breeding process, improving the level of digital and intelligent breeding.

#### Full-Cycle Precision Control

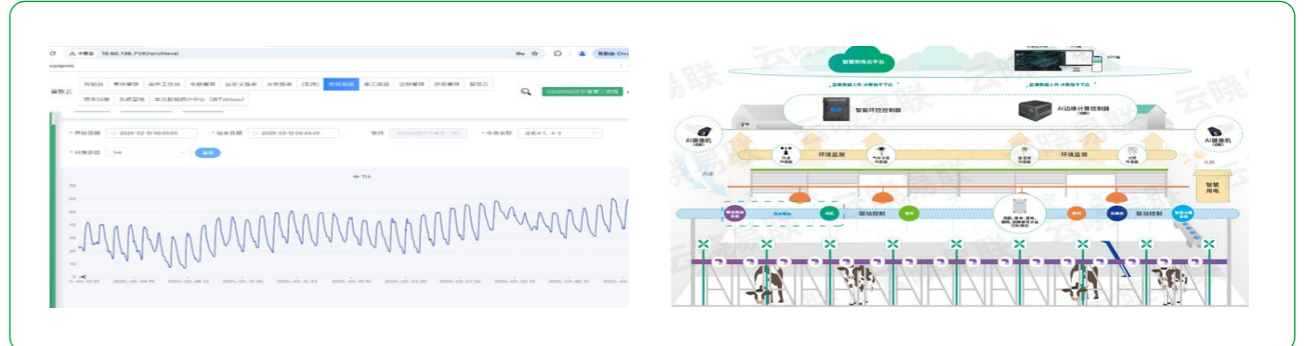
- By integrating real-time data from dairy cows' wearable devices with multi-year dairy farm data models, the Group has established a multi-dimensional analysis system covering physiological characteristics and feeding environments, achieving precise management of dairy cows throughout their life cycle.

#### Intelligent Environmental Control Monitoring Equipment

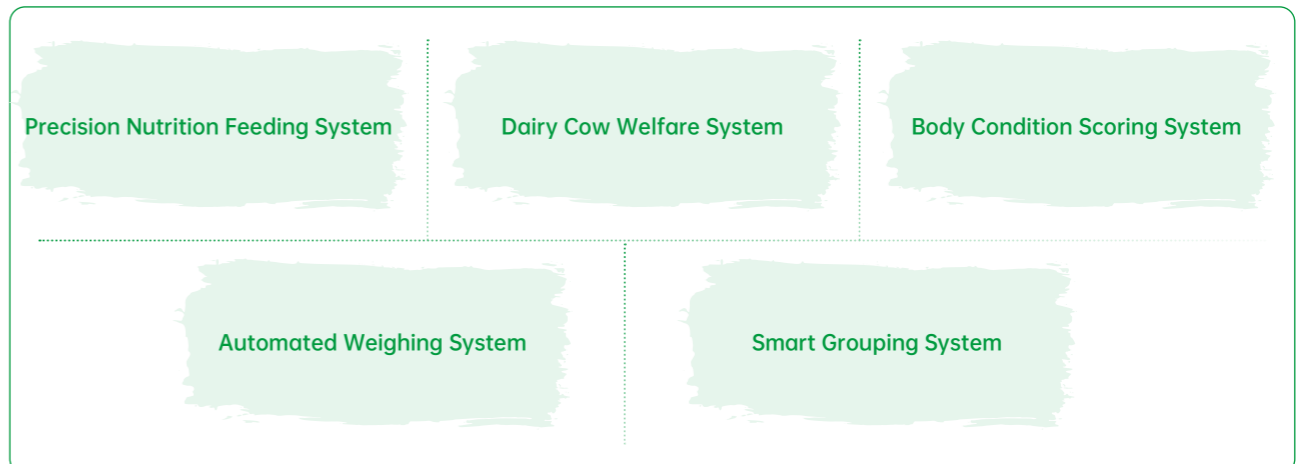
- Relying on environmental monitoring equipment, the Group collects data on cowshed temperature and humidity, harmful gas concentration, lighting, wind speed, and electrical line parameters around the clock, intelligently regulating the operation of fans, roller shutters, wet curtains, and other equipment to achieve dynamic balance of the cowshed environment.

#### Precision Sprinkler and Environmental Control System

- The Group independently completed the deployment of precision sprinkler and intelligent environmental control systems in 27 dairy farms. This system can improve herd production and statistical efficiency, achieving information-based monitoring of cow comfort. Meanwhile, the models and services have been launched on the e-commerce platform, empowering channel maintenance partners. The overall cost is approximately 30% lower than the market average, demonstrating the capability for external output.



### Herd Health Management System



## Intelligent Forage Grass Planting

### Digital Transformation of Forage Grass Business

- The "Intelligent Forage Grass Cloud", a forage planting information system platform, is developed independently to achieve intelligent management of forage.
- We have integrated IoT agricultural terminals and autonomous driving equipment to achieve remote dynamic control of the entire process.
- We have used soil moisture monitors to monitor soil moisture conditions in real time, achieve an in-depth perception of soil and water consumed by crop roots, and form a linkage system with the irrigation system.
- We have adopted the micro-meteorological station at the forage base to monitor weather conditions in real time and provide an accurate 48-hour rainfall forecast.
- We have applied drone plant protection and intelligent irrigation systems to ensure effective prevention and control of pests, diseases, and weeds, and efficient use of water and fertilizer to achieve precise management and protection of forage throughout its growth period.
- The intelligent equipment cluster integrates entire cycle management from forage seedling cultivation to harvesting, achieving standardization of field operations and maximizing the efficiency of production factor utilization.
- We have used intelligent equipment to improve field operation efficiency and achieve accurate and efficient management in every link.



## Intelligent Breeding and Reproduction

### Digital Transformation of Breeding

- As a high-tech breeding enterprise in China, we have independently built and owned the first dairy cow breeding big data platform by using first-class biological evaluation algorithms.
- We have deeply analyzed the characteristics of China's breeding scenarios and market demand data, developed a targeted breeding model for germplasm resources that meets the current situation of domestic dairy farms, and used world-class genetic algorithms to comprehensively, accurately, and efficiently evaluate dairy cow herds.
- We have established a domestic dairy cow breeding big data platform and the first domestic genetic improvement and selection big data platform to conduct pedigree analysis and herd assessment on dairy farms. Through more scientific and reasonable selection and breeding programs, we have broken through the technical bottleneck of fine dairy cow breeding and improved the sustainable economic benefits of the dairy farm.



## Intelligent Nutrition Formulation

### Digital Nutrition

Through intelligent equipment such as sensors, collars, and anklets, we have collected, identified, selected, filtered, and used real-time data of dairy cows, adopted digital technology to evaluate feed nutrition, identified the breeding environment of dairy cows, achieved the optimal allocation of feed resources and nutrients, accurately formulated nutritional formulas and intelligent dairy cow production, and improved the efficiency of dairy cow production and resource utilization.

Furthermore, the Group has independently built an ultra-high precision raw material near-infrared nutritional database and algorithmic models, upgraded the precision nutrition system for ruminants, and can obtain real-time herd production data to accurately calculate the nutritional requirements of dairy cows.



# Information Security and Privacy Protection

## Information Security Governance System

The Group strictly abides by the requirements of laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, and has formulated and implemented normative documents including the *Information Security Management System*, the *Information Management System* and the *Network and System Security Management Measures*, to comprehensively strengthen information security management in the Company's digital development. Among them, the *Information Security Management System* strictly regulates the digital and information protection requirements for the Company's own employees and third-party cooperating personnel, enhances information security awareness among all employees, and ensures the security and compliance of the Company's information assets.

The Company has established a sound information security governance structure. The Vice President of Information Technology, who has direct oversight of the Digital Technology Center, is responsible for overseeing and managing the Group's digital transformation, digital technology and cyber information security. The Digital Technology Center is responsible for formulating digital information security management systems and leading the response to various information security incidents. All departments and offices at the headquarters, as well as branches and subsidiaries, are responsible for conducting self-inspection and rectification of digital information security within their respective entities.

## Information Security Management Plan

The Group has established a three-level security mechanism for network, data and application under the principle of "centralized control and hierarchical protection", strengthened the protection of confidentiality and integrity in information transmission and storage, built a management system to prevent information leaks, continuously improved and upgraded the information security protection system, and effectively safeguarded consumer rights and corporate operation security.

During the Reporting Period, the Group strengthened measures for information security and privacy protection, and no information security violations occurred in 2025.

### Improve the System

- Established a full-cycle driven IT service management system of "planning-implementation-inspection-improvement" based on the ISO 20000 international standard framework and actual conditions, achieving the governance goals of standardized systems, system compliance, process automation and improved service efficiency.

### Develop Business Continuity Plans

- Classified business systems by importance to define recovery priorities for core business systems.
- Established an off-site disaster recovery system and conducted emergency drills for disaster recovery backup monthly to ensure the availability and integrity of key data.
- Maintained real-time automatic updates of firewall virus databases to identify and block new malicious codes and threats in a timely manner; carried out centralized regular updates of software versions on a quarterly basis to fix potential vulnerabilities and optimize protection strategies synchronously. The dual update mechanism of "real-time + regular" continuously strengthened firewall protection capabilities and ensured network boundary security.

### Strengthen Security inspections

- Conducted information security inspections every quarter, formulated rectification measures and identified responsible persons.
- Inspection contents include, but are not limited to, computers, data center environment, data center registration and personnel access, account usage, virtual servers, firewalls, bastion host processing, program changes, disposal of decommissioned hard drives, backups and emergency drills. Following each inspection, we would prepare an *Information Security Inspection Report*.

### Identify Security Vulnerabilities

- Carried out automatic vulnerability scanning and analysis tasks on business systems every month, and sent the scanning results to relevant responsible persons.

### Conduct Information Security Audits

- Internal audit: Conducted regular internal audits, and revised and fixed weak terminal passwords and vulnerability notifications detected on information technology infrastructure through security software and tools.
- External audit: Invited third-party companies to conduct regular external audits on the Company's IT infrastructure or information security management system every year.

### Supervise and Report Information Security

- Formulated the *Network Information Security Incident Reporting Process*, requiring all employees to fulfill their obligations and responsibilities for data and information security protection. Any information security incident found shall be reported to the Company's Digital Technology Center at the first time, with the scene recorded and protected to assist investigators in the investigation and rectification.

### Conduct Emergency Drills

- Conducted no less than 14 special and comprehensive emergency drills throughout the year to fully verify the effectiveness of the backup system, proficiency of switching procedures and team collaboration capabilities, ensuring that the plans are ready for deployment at any time.

## Information Security Training

The Group attaches great importance to cultivating employees' awareness of information protection, continuously enhances data awareness and literacy of all employees, and clarifies daily information security protection responsibilities for all staff. In 2025, the Company conducted 9 special information security training sessions for all employees, with more than 800 participants. The trainings focused on core modules such as establishing information security awareness, prevention of social engineering, and analysis of typical information security incident cases, consolidating the foundation of information security knowledge for all employees. Meanwhile, information security was incorporated into the assessment system for new employee onboarding training, and the assessment of basic information security knowledge for new employees was completed, covering a total of 572 new employees. Through regular training and assessment, the Group has built a strong talent line of defense for corporate information security.

Securing Employees' Wellbeing,  
Developing Communities



Youran Dairy emphasizes "respect and recognition" in sustainable development. Internally, we respect employees, strengthens the Company's talent foundation by protecting human rights and improving well-being. Externally, we respect communities, take it as our mission to enhance communication and promote development, practice corporate social responsibility, and strives to achieve symbiosis, common prosperity and harmonious development among the enterprise, employees and communities.

## Employee Rights and Interests Protection

Adhering to the "people-oriented" management philosophy, the Group attaches great importance to the protection of employees' rights and interests, strengthens human rights risk management, and continuously enhances team cohesion and value identity.

### Employee Respect

Youran Dairy strictly complies with the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, and has formulated the *Youran Dairy Recruitment Management System* and the *Human Rights Policy and Community Commitment Policy*. We uphold respect and protection of workers' human rights throughout the entire recruitment and employment process, and fosters a fair and just working environment.

#### Eradicating Child Labor and Forced Labor

The Group adopts a zero-tolerance attitude towards any form of forced labor and child labor throughout the entire recruitment and employment process:

- **Pre-employment:** Strict verification of age, education, resume and other information to prohibit recruitment of children.
- **During employment:** A full-process age review mechanism is established to strictly inspect and seriously handle illegal employment. Employee complaint channels are set up to encourage employees to promptly report irregular employment practices, ensuring the stable operation of the Company's employment system.

No incidents of child labor, forced labor or other violations occurred within the Group during the Reporting Period.

#### Working Conditions

The Group has adopted a comprehensive working hours system, set maximum working hours to ensure that employees' working hours are basically consistent with statutory standard working hours, reasonably plans and controls overtime hours, pays employees overtime remuneration, and safeguards employees' rights to paid annual leave and other legal leave entitlements.

#### Remuneration Protection

- The Group has established a remuneration and welfare security system for all employees (including contractor employees) that meets the local minimum wage standards, based on the local social average wage and economic and consumption levels, ensuring full and on-time payment of wages for full attendance, with the actual per capita wage higher than the living wage.
- We pay basic social insurance for all employees in accordance with the law, including pension insurance, medical insurance, unemployment insurance, accident insurance, housing provident fund and employee mutual aid insurance. Meanwhile, we provide accident insurance for contractor employees, fully implementing the protection of workers' rights and interests.

#### Diversity and Equality

- The Group strictly adheres to the principle of "equality for all" in recruitment, employment, promotion and other aspects, treats employees of different nationalities, races, ages and cultural backgrounds fairly, monitors gender pay gaps, implements equal pay for equal work for men and women, and effectively safeguards employees' equal employment rights and interests.
- In 2025, female employees accounted for 26.55% of Youran Dairy's total workforce, and ethnic minority employees accounted for 16%. Among management personnel, 15.84% were female, 41.55% of junior management positions were held by women, and 12.77% of management roles were occupied by ethnic minorities. Female employees held 6.38% of revenue-generating functional management positions and 7.27% of science, technology, engineering and mathematics (STEM)-related positions.

#### Anti-discrimination and Anti-harassment

- In accordance with the *International Bill of Human Rights*, the *International Labor Conventions* and other instruments, the Group has formulated and publicly issued the *Anti-harassment and Anti-discrimination Management Measures*, maintaining a zero-tolerance stance towards any form of harassment and discrimination. We explicitly prohibit all infringements including unfair treatment, discrimination and sexual harassment, and protect employees' rights and interests reasonably and legally.

In 2025, Youran Dairy hired 4,206 new employees, with an internal hiring<sup>24</sup> rate of 41.2%.

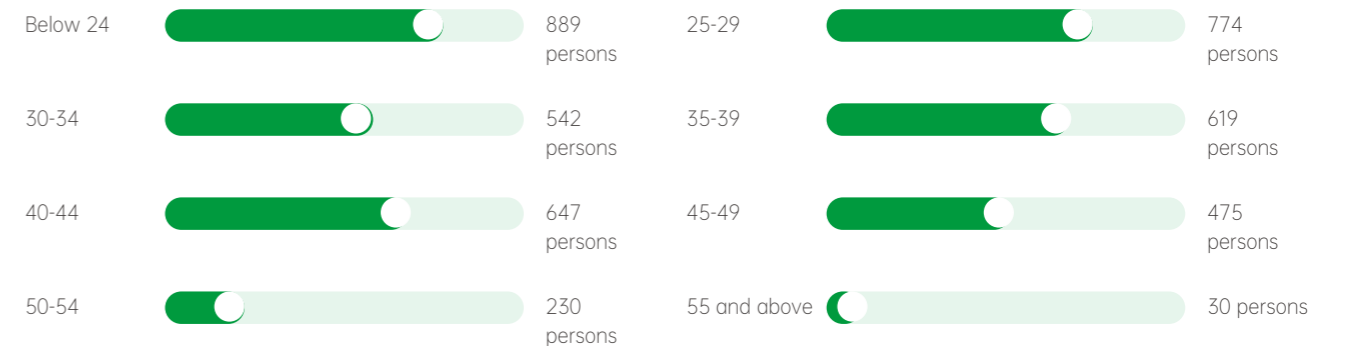


In 2025, total number of new employee hires **4,206** persons

#### Total number of new employees by gender



#### Total number of new employees by age

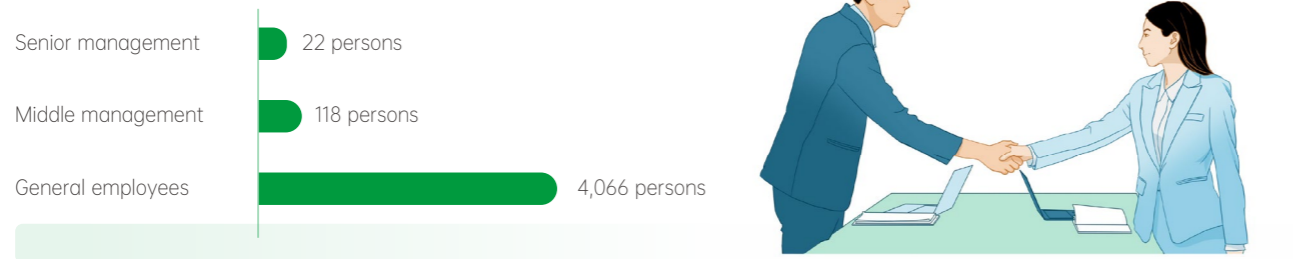


<sup>24</sup> Internal hiring refers to the process of filling vacant positions with internal candidates through internal recruitment or promotion.

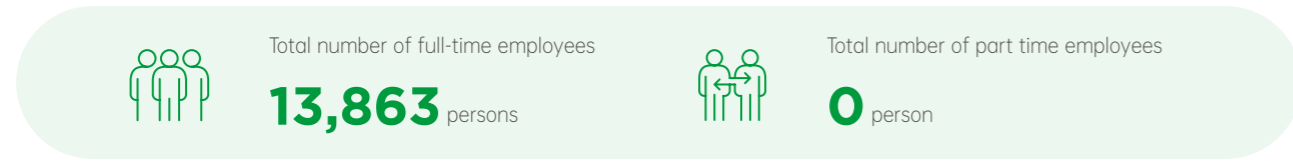
Total number of new employees by ethnicity



Total number of new employees by rank



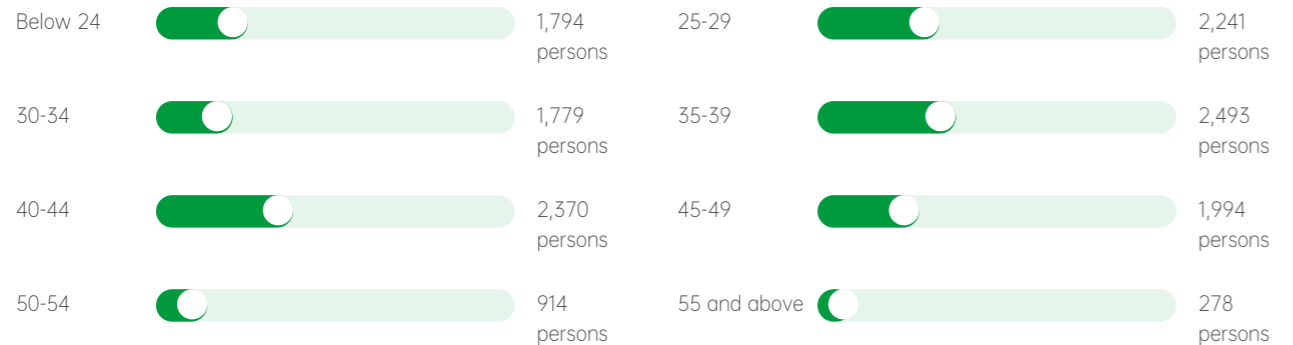
In 2025, Youran Dairy achieved a 100% labor contract signing rate, all under direct employment. The overall employee profile is as follows:



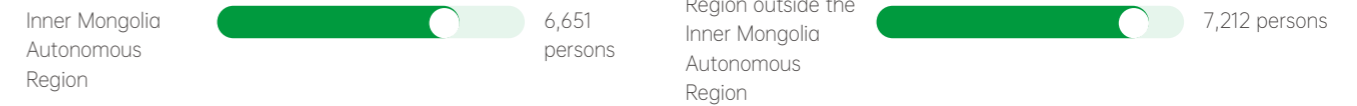
Total number of employees by gender



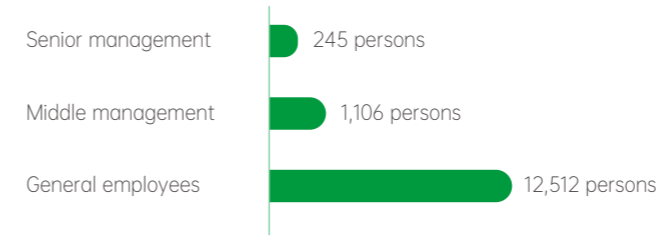
Total number of employees by age



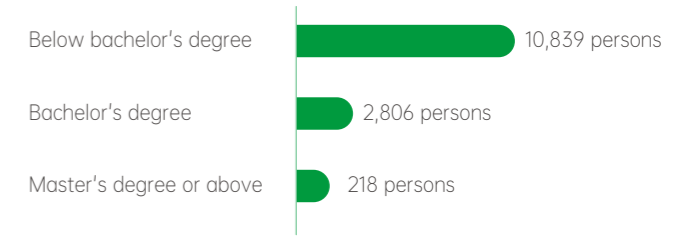
Total number of employees by region



Total number of employees by rank



Total number of employees by cultural background



## Human Rights Risk Management

The Group specifies working procedures for human rights risk management in the [Human Rights Policy and Community Commitment Policy](#), realizing a closed-loop mechanism for the prevention, response and improvement of human rights issues.

### Human Rights Risk Assessment Mechanism

- A human rights management policy has been established to clarify due diligence procedures for human rights risks, comprehensively identifying potential human rights risks in its own operations, value chain, other business-related activities and new businesses. Focusing on key areas such as employment equity, forced labor prevention and discrimination prevention, risks are prioritized according to their likelihood and impact to determine key risk areas and high-risk links.

### Human Rights Risk Remediation Procedures

- A sound human rights complaint and reporting mechanism has been established to ensure that employees and other stakeholders can raise human rights issues and complaints conveniently and safely.
- Human rights risk mitigation mechanisms have been set up at all operation sites. For incidents that have occurred, the Group promptly corrects inappropriate acts, provides financial compensation and psychological counselling to victims, and simultaneously carries out evaluation and feedback on remedial measures and institutional rectification to minimize the adverse impacts of human rights risks.
- The effectiveness of human rights policies, risk mitigation and remediation measures is regularly monitored and evaluated.

In addition, the Group regularly conducts training on the dissemination and implementation of human rights-related policies and systems for all employees through a combination of online platforms and offline learning, continuously enhancing employees' awareness of human rights. Equivalent human rights constraints are also imposed on security service providers to effectively implement human rights protection and prevent infringements. In 2025, the Group identified no human rights risks in its own operations, suppliers or other cooperative enterprises, and no complaints involving human rights violations occurred.

# Employee Care Enhancement

Youran Dairy continuously improves channels and platforms for employee democratic communication and actively carries out diverse humanistic care activities to continuously enhance employees' sense of happiness and belonging, and build a harmonious and warm Youran family.

## Democratic Management Strengthening

In daily operations, Youran Dairy respects and protects employees' democratic rights including the rights to information, participation, supervision and expression. We continuously strengthen democratic management by establishing trade union organizations, building employee communication platforms and conducting employee satisfaction surveys.

The Group insists on giving full play to the role of the employees' congress as the main channel for democratic management, holding an employees' congress every year to organize employee representatives to communicate and decide on systems involving employees' interests such as compensation and benefits as well as working conditions. In 2025, the congress reviewed and adopted trade union system documents including the *Management Measures for the Use of Trade Union Funds of Youran Dairy*, and based on mutual agreement, promoted the signing rate of collective agreements across all units to reach 100%.



China Best Employer Award 2025

The Group earnestly listens to and resolves employee feedback and opinions. We have set up an employee EHR platform on the intranet to publicize and update information on corporate production and operation, employees' rights and interests, corporate management, cadre appointment and removal, salaries and benefits, and launched the "Rationalization Suggestion Submission Process" and "Innovation Case Submission Process" to continuously smooth channels for employees to express their demands. In 2025, the Group carried out three phases of employee suggestion activities, receiving a total of 5,580 valid suggestions and selecting 277 award winners, which promoted process optimization and collaborative innovation and injected valuable development vitality into the Company.

The Group conducts an employee satisfaction survey annually covering dimensions such as engagement behavior, learning and development goals, well-being and stress management to ensure that the most concerned, direct and practical issues of employees were fully reflected. A total of 8,618 valid questionnaires were collected this year, and the annual employee satisfaction rate reached 88.54%, exceeding the set target of 86% for this year, with an overall positive performance. In 2025, Youran Dairy won the China Best Employer Award.

## Humanistic Care Improvement

Youran Dairy has formulated internal regulations such as the *Employee Welfare Management System* and *Annual Employee Care Activity Plan* to fully implement humanistic care for employees. In 2025, general units carried out a total of 986 employee care activities, covering multiple dimensions such as physical and mental health, work-life balance and team building, systematically promoting the upgrading of overall employees' well-being and corporate culture.

### Living Security

- Provide employees with affordable working meals, telephone subsidies, transportation subsidies, summer high-temperature allowances/heatstroke prevention subsidies, nutrition care subsidies for employees' children, wedding gifts, birthday gifts, funeral grants, etc.
- Visit employees in need, expatriate employees and representatives of retired employees, conduct visits for childbirth and hospitalization, and provide various benefits such as hardship subsidies and nutrition subsidies for voluntary blood donation.

### Festival Care and Cultural Activities

- Provide traditional holiday benefits including the Spring Festival, Mid-Autumn Festival and Lantern Festival for all employees, and hold diverse cultural festival activities around holiday themes.
- Organize labor skill competitions and various knowledge contests to create a positive atmosphere of unity and progress within the Company.



### Care for Female Employees

- Provide breastfeeding leave, organize free health check-ups and free clinic activities for female employees.
- Establish nursing rooms and female employee care rooms equipped with necessary facilities and women's health knowledge manuals for rest of pregnant and lactating female employees.
- Hold International Women's Day activities and present gifts for female employees.



### Care for Ethnic Minority Employees

- Respect the dietary habits of ethnic minorities and establish halal canteens to promote diversity and inclusiveness among the Group's employees.
- Provide additional subsidies and ethnic holiday benefits for ethnic minorities.

### Family Welfare Care

- Hold Happy Family Day activities.
- Provide paid parental leave for female employees with children under 3 years old converted according to the specific age of children, and correspondingly provide 15 days of paid paternity leave for male employees whose spouses give birth.

### Physical and Mental Health Care

- Provide work-from-home for employees and stipulate that employees can flexibly arrange monthly rest and vacation days, offering relatively flexible and free working hour options.
- Pay employee medical mutual aid insurance, organize free annual health check-ups, arrange doctors to provide on-site consultations, health counseling and disease diagnosis; pay attention to employees' mental health and carry out special psychological counseling activities to effectively relieve employees' work pressure and psychological burden.

### Improving Working Environment

- Set up lounges in office areas equipped with one-stop drinking water services and smart massage chairs.
- Provide free board and lodging for frontline employees, add leisure areas such as reading rooms, screening rooms and fitness spaces in dormitories, increase the supply of heat-relieving soups and seasonal fruits in canteens to improve catering nutrition and enhance employees' happiness index.

# Talent Development Support

With the core strategy of "establishing an efficient talent supply chain", Youran Dairy conducts forward-looking planning for key talent needs in combination with business layout, adheres to the coordination of internal training and external recruitment, and builds an ecosystem for attracting, nurturing, retaining and utilizing outstanding talents supported by six pillars: culture guidance, talent guarantee, team empowerment, organizational activation, human efficiency improvement, and excellent employer, laying a solid talent foundation for the high-quality development of the Group.

## Talent Growth

The Group continues to implement a differentiated talent training system, improves special mechanisms including the *Training Management System*, *Internal Trainer Management System* and *Overseas Travel Management Measures*, continuously consolidates the construction of the training system around two dimensions: standardization of training fundamentals and optimization of learning resources, and formulates and issues an annual training plan covering all employees. The effective implementation of various training programs has brought a 3% positive quantitative contribution to the Company's business performance. In 2025, the Group sorted out 310 standardized courses and 28 standardized courseware for new employees, and followed up on the implementation on a monthly basis to ensure efficient talent cultivation and capacity improvement.



For Current Management Personnel

Relying on the "Talents Pilot" —You Series special training program, we focus on leadership and professional course learning, and improve management capabilities through mentor guidance and assistance programs, as well as the formation of employee learning groups.

In 2025, the Group planned and completed 22 special training camps, covering 664 management personnel from grassroots team leaders to the Group's core management team, expanding the management thinking of managers and promoting the effective transformation of training effectiveness.



For Management Succession Personnel

Relying on the "Talents Pilot"—Hang Series training program, we match professional mentors, formulate personal development plans including learning, practice and experience projects, comprehensively improve the comprehensive capabilities of the succession team around professional knowledge and leadership, and expand the breadth and depth of their skills.

In 2025, the Group planned and completed 17 "Hang Series" training camps, covering 490 trainees from team leader succession, manager succession to farm director succession, realizing high-quality talent cultivation and output.



For Professional Talent Development

Relying on the "Animal Husbandry Elite Program", we systematically improve the professional capabilities, industry vision and practical capabilities of technical personnel through five paths: mechanism establishment, professional capability improvement, industry-university-research integration, industry technical exchanges and external resource learning.

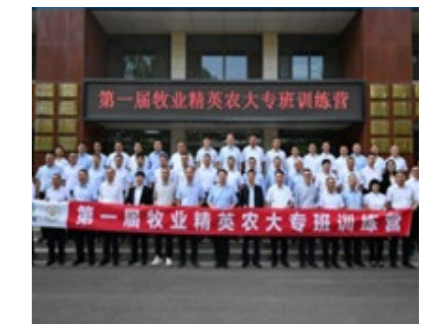
In 2025, the Group held 19 skill empowerment training sessions, covering 995 professional talents, and continuously strengthened the construction of professional and technical talent echelons.



"Talents Pilot" Youchuang Program Training Camp



"Talents Pilot" Xuhang Program Training Camp



Animal Husbandry Elite Program

### Youran Dairy's Wei Xiaobin Won the First Prize in the First National Forage Production Labor and Skills Competition

In December 2025, Wei Xiaobin, the manager of Youran Dairy's forage base, won the individual first prize in the First National Forage Production Labor and Skills Competition with his outstanding performance, demonstrating the good results of the Company's talent training. This honor stems from Youran Dairy's "Trinity" talent training system featuring "integration of training and practice, internal training as the mainstay, and overseas training". At present, the Company has built 4 Lean Management Training Bases, has more than 1,200 front-line internal trainers, and established a technical research and development team of nearly 400 people. At the same time, the Company continues to deepen industry-university-research cooperation, improve the incentive mechanism, and build a sound ecosystem of "nurturing, utilizing and retaining" talents. Going forward, the Company will continue to optimize the talent training system and contribute talent strength to the high-quality development of the industry.



#### Youran Dairy's learning platform

<p>伊起赢平台管理赋能培训第一期 (培训项目、考试搭建)</p> <p>学时: -   学分: -   共1节</p> <p>★★★★★ @ 127</p>	<p>综合办公超级助手-博思白板</p> <p>学时: -   学分: -   共1节</p> <p>★★★★★ @ 261</p>	<p>贸易销售数据分析 (贸易组)</p> <p>学时: -   学分: -   共1节</p> <p>★★★★★ @ 281</p>	<p>质量文件学习</p> <p>学时: 2   学分: 2   共4节</p> <p>★★★★★ @ 2512</p>
<p>AI生成PPT内容硬控术</p> <p>学时: 0.1   学分: 0.5   共1节</p> <p>★★★★★ @ 1327</p>	<p>AI数据分析助手——办公小浣熊</p> <p>学时: 0.1   学分: 0.5   共1节</p> <p>★★★★★ @ 831</p>	<p>后各模块基础工作</p> <p>学时: 0   学分: 0   共1节</p> <p>★★★★★ @ 1577</p>	<p>升级版新增的工作台配置功能操作视频</p> <p>学时: 0.1   学分: 0.5   共1节</p> <p>★★★★★ @ 41</p>

In 2025, the key performance indicators of the Group's training and development are as follows:

Indicators		Unit	2025
Training budget expenditure amount		10,000 RMB	413.56
Total number of training sessions		Times	18,246
Total number of participants in training		Participants	138,102
Percentage of trained employees by gender	Male	%	100
	Female	%	100
Percentage of trained employees by rank	General employees	%	100
	Middle management	%	100
	Senior management	%	100
Percentage of trained employees by cultural background category	Below Bachelor's degree	%	100
	Bachelor's degree	%	100
	Master's degree and above	%	100
Average training hours of employees by gender	Male	Hour/person	77.21
	Female	Hour/person	79.06
Average training hours of employees by cultural background	Below Bachelor's degree	Hour/person	77.28
	Bachelor's degree	Hour/person	79.13
	Master's degree and above	Hour/person	80.45
Average training hours of employees by ethnicity	Han employees	Hour/person	77.36
	Minority employees	Hour/person	79.57
Average training hours of employees by rank	General employee	Hour/person	77.18
	Middle management	Hour/person	82.85
	Senior management	Hour/person	81.20
Average training hours of employees by age	Below 24	Hour/person	81.05
	25-29	Hour/person	79.93
	30-34	Hour/person	79.95
	35-39	Hour/person	79.31
	40-44	Hour/person	76.86
	45-49	Hour/person	75.19
Average training hours of employees by age	50-54	Hour/person	70.04
	55 and above	Hour/person	59.72
	Professional training	Hour	700,167.61
	Management training	Hour	301,610.66
	Other training	Hour	75,402.67

## Talent Promotion and Retention

Youran Dairy adheres to the talent management philosophy of "people-oriented with outstanding value creators", and continues to build an open and transparent assessment, promotion and development platform to stabilize the core talent team and effectively reduce employee turnover rates.

In terms of career development, the Group formulates and implements systems including the *Management Position Promotion Management Measures* and *Professionalism Position Promotion Management Measures*, builds three pathways for employees: management position promotion, management rank promotion and professional rank advancement, creates diverse and equal promotion conditions and opportunities, and fully stimulates talent potential.

In terms of compensation incentives, the Group has established three sets of differentiated compensation systems for different fields and position characteristics: broadband salaries for non-marketing fields, performance-based pay for sales business, and piecework salary system for production fields. At the same time, we link professional position allowances with salaries to give full play to the compensation and incentive effects.

In terms of performance evaluation, the Group has established a competition mechanism, which breaks down the overall development goals of the Company into various organizational units in combination with position characteristics. Employees undertake organizational performance indicators and agree on an annual personal performance plan with their direct supervisors. The Group requires direct supervisors to follow up on the performance implementation of each unit at least once a quarter, organize at least one formal one-on-one coaching interview between employees and direct supervisors every six months, and complete the annual performance evaluation of employees through self-assessment, multi-dimensional evaluation meetings and one-on-one evaluation by supervisors in combination with organizational performance every year.

In 2025, the key performance indicators of the Group's employee turnover rate are as follows:

Indicators		Unit	2025
Annual employee turnover rate		%	16.04
Annual voluntary employee turnover rate		%	10.36
Annual employee turnover rate by gender	Male	%	10.31
	Female	%	10.49
Annual employee turnover rate by age	Below 24	%	18.90
	25-29	%	17.00
	30-34	%	10.57
	35-39	%	9.55
	40-44	%	6.33
	45-49	%	4.91
Annual employee turnover rate by age	50-54	%	3.94
	55 and above	%	2.16
	Senior management	%	5.31
Annual employee turnover rate by rank	Middle management	%	6.42
	General employee	%	10.81
	Below Bachelor's degree	%	10.20
Annual employee turnover rate by cultural background	Bachelor's degree	%	11.15
	Master's degree and above	%	7.80
	Inner Mongolia Autonomous Region	%	11.04
Annual employee turnover rate by region	Region outside the Inner Mongolia Autonomous Region	%	9.73

# Health and Safety Protection

Youran Dairy has always regarded caring for the life safety and health of employees and related parties as one of the Company's core philosophies. We continuously promote safety risk management on a regular basis, strictly conduct occupational health and safety supervision, and build a solid line of defense for safe operation.

## Safety Management System

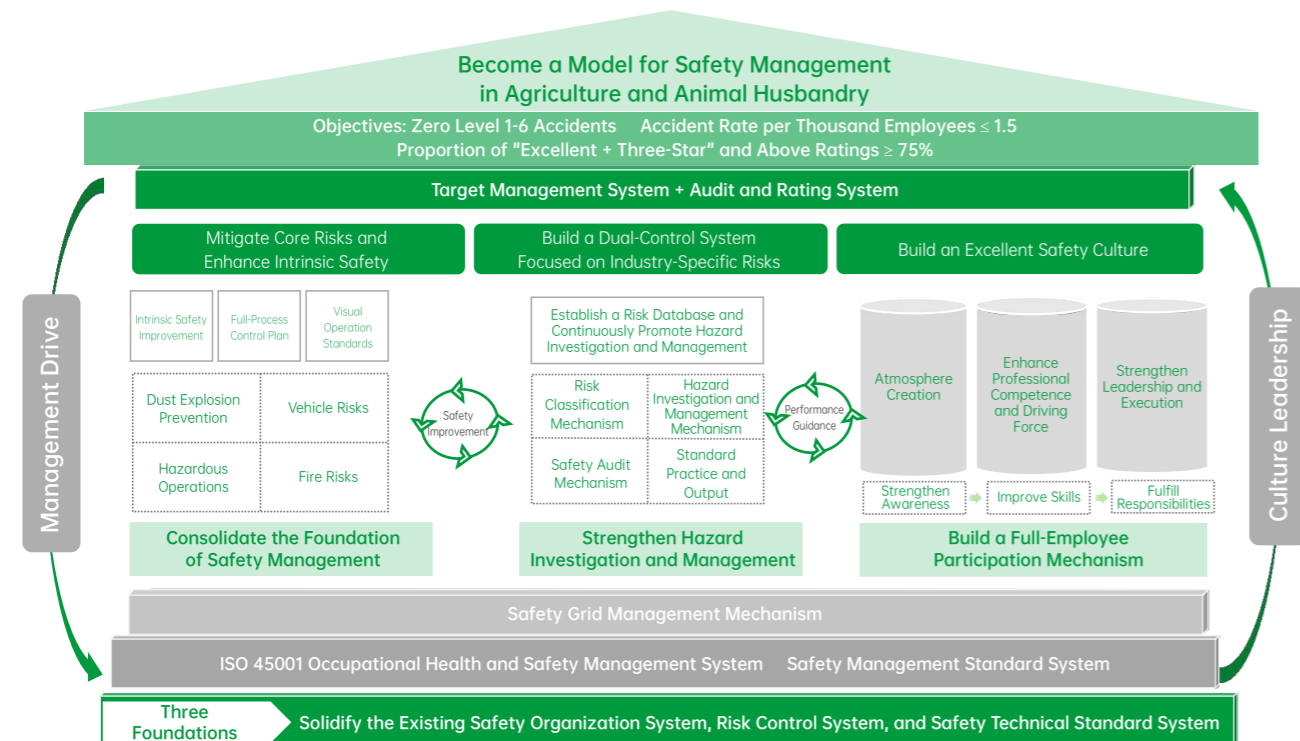
Youran Dairy has formulated and implemented standardized system management documents including the *Occupational Health and Safety Policy* and *Safety Objective Management Measures*, and consistently implements the four-tier safety management system from the aspects of safety production responsibility, safety performance management, safety hazard investigation and management, and safety audit coaching. The Group continues to expand the scope of its safety management system certification. In 2025, 9 additional dairy farms including Dumeng and Tongliao passed the ISO 45001 certification for occupational health and safety management. At present, the headquarters and 18 dairy farms have obtained this certification, with a coverage rate of 13.74%.



ISO 45001 Occupational Health and Safety Management System

## Safety Management Strategy

The Group regards the safety management mechanism as the basic guarantee for the long-term development of the Group, fully integrates it into the Group's 2026-2030 strategic development plan, and clarifies the vision, positioning and objectives of the safety strategy.

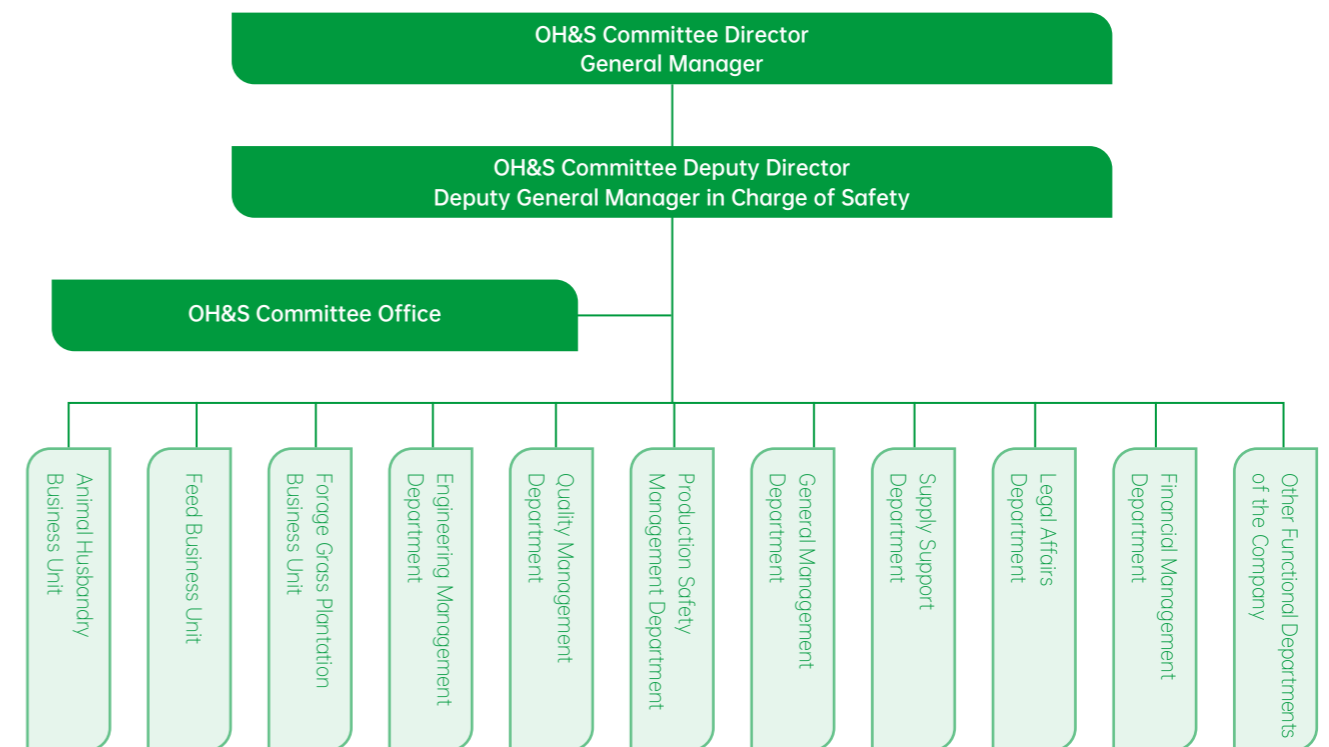


## Safety Management Responsibility

Youran Dairy has built a three-tier governance structure of rights and responsibilities covering the headquarters, business units and general units, established a management responsibility network with full horizontal coverage and vertical penetration, and realized full-cycle closed-loop management of safety objective decomposition, performance tracking and result fulfilment, as well as full-position coverage.

- The Occupational Health and Safety Committee ("OH&S Committee") is the highest management authority, with the Company's General Manager serving as the Director of the Committee. It is responsible for the overall guidance of work safety and occupational health work across the Group, researching and formulating the Group's annual work safety guidelines, policies and objectives, coordinating resources, deploying safety work tasks, and supervising the progress of safety objectives and completion of tasks.
- The OH&S Committee has set up the Safety Production Committee Office as the specific administrative body, composed of the Company's senior management personnel. It is responsible for supervising and auditing the safety work performance of each business unit and reporting to the OH&S Committee.
- All grassroots units, in accordance with the principle of "responsibility is tied to business and territory", break down safety objectives level by level to individual employees, and all employees sign safety production responsibility commitments.

### Safety management organizational structure of Youran Dairy



## Safety Management Performance

During the Reporting Period, the General Manager of the Group signed the *2025 Work Safety and Environmental Protection Responsibility Letter*, realizing a strict linkage between the annual safety performance and the compensation of the Company's chief executive. At the same time, we promoted and implemented a safety performance intervention system covering from grassroots unit leaders to the Company's senior management. We assessed the level of safety accidents and the achievement of safety objectives from the two dimensions of accident casualties and economic losses, and determined specific intervention measures such as rewards and punishments accordingly. This further provides intrinsic motivation for all employees to fulfill work safety responsibilities and ensures the effective implementation of safety management work.

## Safety Production Control

### Safety management objectives

The Group has set long-term safety strategic objectives:



The number of work related fatalities among employees and partners is **0**.



By 2030, the lost-time injury rate per million working hours for employees and related parties is below **0.3**.

This year's safety management objectives are fully aligned with our long-term plans, with emphasis on critical safety metrics:

#### 2025 Health and Safety Performance Objectives

For production safety at levels 1-6 "0" accidents

The occurrence rate of accidents at levels 1-7 per thousand people is controlled at < 1.89%

#### Objective Progress in 2025

Achieved, with "0" production safety accidents of levels 1-6

Achieved, with the occurrence rate of accidents of levels 1-7 per thousand people at 1.3%

### Safety Control Measures

#### Strengthening Safety Performance Guidance

- All employees have signed safety production responsibility agreements, and the achievement of safety objectives is incorporated into the performance assessment system of responsible persons. We have formulated relevant incentives and excellence evaluation qualification standards to implement safety risk management and control.

#### Improving Risk Control Procedures

- We have comprehensively carried out health and safety risk and hazard assessment, formulated safety risk control systems covering fire protection, vehicles, dust explosions, hazardous operations, electricity, biogas systems, related parties, occupational health and other aspects, and improved the standards of core safety risk control procedures.

#### Implementing Risk Control Measures

- To prevent the failure of risk control measures, we have implemented the *Implementation Plan for Grid Management of Safety Production*, and specially formulated the *Dust Explosion Control Point (DECP) Management Promotion Plan* for the risk of dust explosion in feed production. We have clearly implemented the three-tire point inspection standards for factories, departments and teams, arranged dedicated personnel to conduct comprehensive weekly inspections, and achieved precise management and control of key safety risk points.
- To ensure the implementation of risk control measures, we have formulated the *Self-Inspection and Management Promotion Plan for Safety Hazards*, established a four-dimensional comprehensive scoring mechanism with the number of hidden dangers, relevance to safety behavior observation, relevance to core risks, and participation of unit leaders as the core. We implement differentiated incentives based on rankings every quarter to consolidate the responsibility for hidden danger management.
- For major hazard sources and occupational health and safety risks, we have established an emergency preparedness and response mechanism including the preparation of emergency plans, allocation of emergency materials, and development of training and drills. We prioritize relevant action plans according to the severity of risks brought by hidden dangers.

### Enhancing Safety Management Capabilities

- By establishing a dynamic management and control mechanism for the safety capabilities of responsible persons, we strictly implement pre-job training certification access and quarterly evaluations, promote qualification certification and certificate renewal review, continuously strengthen the safety capabilities of grassroots unit leaders, safety management personnel, special operation personnel, new employees, etc., consolidate the talent reserve for safety management, and improve the safety leadership and execution capabilities of the entire Group.

### Safety Standardization Construction of Youran Dairy Tuzuo Demonstration Farm

In 2025, the Group's animal husbandry business unit carried out safety standardization construction at the Tumed Left Banner Demonstration Farm, focusing on 4 core items: vehicle safety, fire safety, hazardous operations, and dust explosion. We systematically identified 13 risk types and 56 risk points including vehicle injury, vehicle spontaneous combustion, failure of fire source control, and insufficient fire emergency preparedness. Based on this, we formulated 145 risk control measures, issued 15 system standards and 18 on-site visual boards and signs, which deeply standardized the safe production and operation of the dairy farm.



### Youran Dairy Launched Kitchen Fire Investigation and Management

In 2025, Youran Dairy conducted a thorough investigation of the use of kitchen stoves in grassroots units. Among them, the diesel stoves used in 27 dairy farms including Tongchuan in Shaanxi and Changji in Xinjiang had fire risks. Therefore, the Group promoted the rectification of the 27 dairy farms within a time limit, replacing all diesel stoves with electromagnetic stoves, which effectively reduced fire hazards and the frequency of use of hazardous chemicals.



Before



After

## Safety Management Audit

The Group has formulated the *Safety Review Management Measures*, and conducts internal safety review and coaching for subordinate units from four dimensions: system culture construction, management mechanism operation, core risk control, and safety capabilities, puts forward improvement suggestions, and promotes the audited units to formulate rectification plans and upload them to the EHSQ system for circulation and execution. The review team relies on this system to achieve thorough tracking of the rectification progress, laying a foundation for the standardization of work safety in each unit.

## Contractor Safety

The Group integrates the protection of contractor safety into the *Occupational Health and Safety Policy*, and formulated the *Regulations on the Safety Management of Related Parties*. We require contractors to fully implement the Company's safety standards in their operations, and keep the accountability for contractor accident management consistent with the Company's own accident management in terms of assessment incentives and performance evaluation, to strictly prevent and control work safety risks of contractors.

- Safety Agreement Signing**
  - Clarify the requirements for contractor safety management responsibilities, job responsibilities, risk control measures, etc., to prevent safety accidents, with a 100% signing rate of safety agreements.
- Contractor Audit**
  - Review and confirm the safety qualifications and professional qualifications of contractors, and only those who are qualified can be shortlisted;
  - Implement the four audit mechanisms for contractors: "Safety Deposit, Health and Age, Special Qualifications, and Red Line Suspension" to avoid safety risks during operations.
- Contractor Safety Supervision**
  - Strictly require training and certification for key contractor personnel, and verify the validity of relevant certificates of the contractor's special operation personnel;
  - Conduct full-process inspection and supervision of the operation site, require hazardous operations to be uploaded to the safety system, and implement closed-loop rectification and tracking of identified issues.
- Contractor Safety Assessment and Evaluation**
  - Establish a quantitative points-based assessment mechanism for contractor units and individuals, and clearly define rewards and penalties for contractors.
- Contractor Safety Training**
  - Conduct safety training for contractors to improve their safety risk management capabilities and operational skills.

The key health and safety performance indicators for contractors in 2025 are as follows:

Indicators	Unit	2025
Number of work-related fatalities and ratio for contractors	Person	0
	%	0
Number of workdays lost due to contractor injuries	(days) (number of lost days per 200,000 working hours)	0.95
Contractor Lost Time Injury Rate (LTIR)	(%) (per 200,000 working hours)	0.04
Contractor total work-related Injury Rate (IR)	(%) (per 200,000 working hours)	0.09

## Safety Culture Construction

Youran Dairy attaches great importance to the construction of safety culture. By carrying out a series of activities such as the "Zero Accident Oath-taking Ceremony", "Three Safety Initiatives" and "Fire Safety Month", we strengthen the publicity of work safety values and continuously foster a safety culture atmosphere with full employee participation. In 2025, the Group carried out emergency drills for sudden safety accidents such as electric shock drills and fire emergency drills in many places including Xundian Dairy Farm in Yunnan and SKX Jiyuan Dairy Farm, to further improve the safety awareness and emergency response capabilities of all employees.



Fire Drill at Xundian Dairy Farm in Yunnan



## Occupational Health and Safety

Youran Dairy strictly adheres to the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other relevant laws and regulations. We have formulated and implemented the *Occupational Health Management Measures*, and established a three-tier occupational disease protection system of hazard prevention, process control, and risk elimination, to prevent, control and eliminate occupational hazards, and protect the physical health and safety of all employees.

In 2025, the Group organized 332 occupational health training sessions, with the number of participants fully covering all employees at the bases.

<b>Hazard Prevention</b>	Monitoring and Early Warning of Occupational Diseases	Inspect the control of occupational disease hazard factors such as dust, noise and high temperature every year, and carry out special physical examinations for occupational health and current situation evaluation according to the actual control situation. In 2025, the coverage rate of occupational disease physical examinations of the Group reached 100%.
<b>Process Control</b>	Communication of Occupational Disease Hazard Information	Enable workers to understand and master relevant information about occupational disease hazard factors in the work process by formulating operating procedures, setting up prompt signs and warning instructions, and publicizing test results.
	Management of Zoonotic Diseases	Standardize the setup standards for dressing and disinfection areas, sanitary water systems, and decontamination equipment, implement strict disinfection and sterilization, enforce work attire management and cleaning, and mandatory wearing of protective equipment to prevent cross-contamination. The Group adheres to the "self-breeding and self-support" policy, strictly prohibiting the introduction of new cattle from epidemic or threatened zones to eradicate viral infection sources.
	Management of Production Environment	Eliminate the sources of dust, noise and other hazards that are harmful to workers' health through equipment and facilities support, and focus on strengthening the individual protection of workers.
<b>Risk Elimination</b>	Management of Occupational Health Training	Help relevant workers master knowledge related to occupational disease hazards and avoid harm through knowledge training, skills training, and formulation of operating procedures.
	Health Incident Investigation and Handling	Formulate the <i>Regulations on EHS (Environment, Health and Safety) Incident Management</i> . For any safety incident that occurs, immediate emergency response and reporting are required, a special investigation team is set up to conduct investigations, corrective and preventive measures are implemented. After the incident, case sharing and benchmarking rectification are carried out to strictly prevent the occurrence of similar risk incidents.

The Group did not record any work-related fatalities in 2023 or 2025, while one work-related fatality occurred in 2024. The key health and safety performance indicators of the Group in 2025 are as follows:

Indicator	Unit	2025
Number of work-related fatalities and ratio	Person	0
	%	0
Number of lost workdays due to work-related injuries <sup>25</sup>	Day	3.66
Lost Time Injury Rate (LTIR) <sup>26</sup>	%	0.14
Employee total work-related Injury Rate (IR) <sup>27</sup>	%	0.19

<sup>25</sup> Number of lost workdays due to work-related injuries (per 200,000 working hours) = Total number of lost workdays / Total number of working hours of all employees \* 200,000

<sup>26</sup> Employee lost-time injury frequency (per 200,000 working hours) (LTIR = (Number of lost-time injuries) / (Total number of working hours during the accounting period) x 200,000)

<sup>27</sup> Employee total work-related Injury Rate (per 200,000 working hours) (IR = (Total number of work-related injuries) / (Total number of working hours during the accounting period) x 200,000)

## Community Relationship Management

Youran Dairy has always regarded the community as a core partner for sustainable development. We have formulated the *Human Rights Policy and Community Commitment Policy*, strictly adhere to the principle of Free, Prior and Informed Consent (FPIC), and built a systematic community relations management mechanism around the three dimensions of community protection, communication and development, to safeguard community rights and interests and promote win-win cooperation between the enterprise and local communities. In 2025, our key performance in community investment was charitable donations of RMB 727,500.

### Community Protection

The Group fully respects the rights of local residents in the community. Before the development and construction of new dairy farms, we conduct a comprehensive community impact assessment to ensure that the project construction strictly complies with the requirements of the local government and environmental impact assessment. We also complete the construction of odor control, biogas slurry returning to farmland and other projects in a timely and high-quality manner, and formulate a comprehensive supervision and management system. We regularly monitor the ambient air quality in the breeding farm area and surrounding sensitive points, as well as the groundwater quality and soil quality within the affected scope of the breeding farm area and biogas slurry agricultural irrigation projects, to continuously avoid adverse living impacts on the surrounding communities.

### Community Communication

The Group pays close attention to community demands, and conducts linked communication with local governments and residents through regular seminars, questionnaire surveys, online platforms and other forms, to collect local support rates for the operation and construction of dairy farms. We earnestly adopt community opinions and suggestions, establish a fair and inclusive participation mechanism, formulate a public participation report, and safeguard the community's right to participate in decision-making. We have set up a confidential and convenient grievance mechanism, clarified the handling process of community disputes, and immediately take remedial actions and provide reasonable compensation for the negative impacts on the community.

### Community Development

The Group practices the concept of "giving back to the local community", effectively drives employment and income growth of community residents through continuous promotion of local employment and local procurement, and realizes the coordinated development of the enterprise and the community.

#### Alleviating Employment Pressure

We give priority to hire local residents in the community, and have set up diversified positions such as breeders, nutritionists, storekeepers, and cleaners, to alleviate local employment pressure and increase the income of community residents. During the Reporting Period, the local employment rate of the Company reached 78.35%.

#### Driving Community Economy

We deepen the cooperation between the enterprise and the local government of the community, promote local procurement, formulate special plans such as the *Regional Raw Material Procurement Promotion Plan* and the *Bulk Corn Control Plan*, positively guide and strengthen the procurement and introduction of local high-quality suppliers and products, fully integrate into the local industrial ecosystem, and promote local economic development.

06

Partnering Together,  
Sharing a Sustainable Future



Youran Dairy is committed to pooling the strengths of the industrial chain and working with upstream and downstream partners to build a responsible and sustainable supply chain, promote the model of sustainable agricultural development. At the same time, the Company standardizes market and customer management, actively deepens industry cooperation and exchanges, and jointly promotes the sustainable development of the industrial ecosystem, to achieve the harmonious integration of economic, environmental and social benefits.

## Sustainable Supply Chain Management

Youran Dairy has formulated the *Whole Life Cycle Supplier Management System*, integrating ESG factors into the entire process from supplier development and access to supplier performance appraisal and evaluation. The Company focuses on strengthening suppliers' compliance control and ESG capacity building, and clearly designates the Group's senior management to oversee the implementation of the supply chain ESG strategic plan, effectively safeguarding the strategic priority of sustainable supply chain development, so as to prevent supply chain risks and enhance supply chain resilience.

### Sustainable Procurement

The Group adheres to integrating the concept of sustainable development into the core of its procurement strategy. In supplier development and raw material procurement, the Group emphasizes ESG factors such as environmental protection, energy conservation and safety, prioritizes suppliers providing sustainable raw materials, products and services, further strengthens requirements for responsible and sustainable procurement, leverages the synergy of the industrial chain, and drives the green transformation of regional economies and the upstream industrial chain.

#### Priority Procurement of Eco-Friendly Products

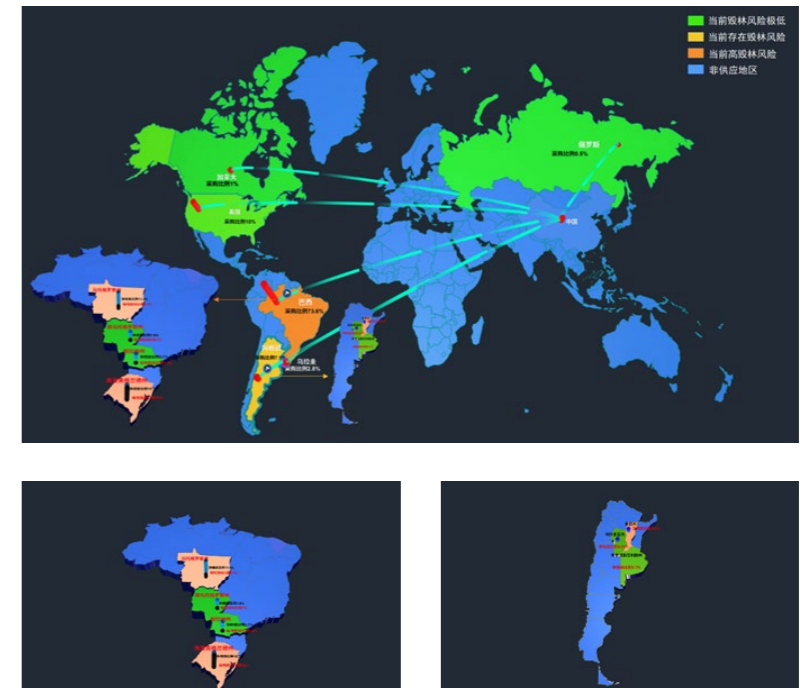
- The Group prioritizes low-energy-consumption and clean energy equipment when purchasing production facilities. For cowshed construction, we give preference to eco-friendly and renewable building materials.
- In sourcing raw and auxiliary materials, the Group selects organically certified raw materials, forage and other agricultural and sideline products, and requires suppliers to hold valid organic certification.
- The Group established clear processes for the procurement and certification of deforestation-free soybeans and developed the "Soybean Meal Supply Chain Procurement Map". The Group strengthens traceability and management of raw materials linked to deforestation risks, continuously reduces such risks, and steadily progresses toward its 2030 commitment to 100% deforestation-free supply chain procurement.

#### Preferentially Select Green Production Suppliers

- Prioritize suppliers with independent plants, clean surrounding environments, low atmospheric dust and bacteria concentrations, no harmful gases, and no other pollution sources that may affect product quality and safety, so as to ensure no contamination during processing, packaging, transportation, storage and sales.
- Prioritize suppliers with complete environmental assessment procedures, whose wastewater and waste discharge comply with legal and regulatory requirements and are properly treated.
- Prioritize raw material suppliers that have established organic agricultural production systems, minimize ecological damage and environmental pollution in the production process, and promote the transformation and upgrading of the green supply chain.

## Mapping the 2025 Sustainable Soybean Meal Supply Chain

Supply chain management is one of the core competitiveness of Youran Dairy. Mapping a sustainable supply chain profile can effectively support sustainable development and compliant procurement. In 2025, Youran Dairy began to develop a sustainable supply chain profile with soybean meal, one of the main raw material categories purchased. The profile mainly includes two attributes: the proportion of sourcing regions and the deforestation risk level of procurement areas. The sustainable soybean meal supply chain profile marks sourcing regions by supply proportion: Brazil (58.0%), the United States (19.5%), Russia (10.4%), China (7.6%), and Argentina (4.5%). Among them, Brazil and Argentina, as purchasing countries, also include information on states/provinces of raw material origin.



In the profile, deforestation risks in procurement areas are classified into three levels: "High Deforestation Risk - Deforestation Risk Present - Very Low Deforestation Risk", with reference to the *Trase earth* data system jointly developed by the Stockholm Environment Institute and Global Canopy. For high-risk areas, traceability granularity is further refined to core production regions, with focused monitoring of net carbon dioxide emission intensity and deforestation share in the soybean production chain in key producing areas such as Mato Grosso and Rio Grande do Sul in Brazil, and Santa Fe and Buenos Aires in Argentina.

By mapping the sustainable soybean meal supply chain profile, Youran Dairy has effectively translated its "deforestation-free" commitment into implementable, traceable and verifiable management practices.



Organic product certification for raw and auxiliary materials (including forage grass, agricultural and sideline products<sup>28</sup>, etc.), accounting for **33.3%** of total procurement.

<sup>28</sup> Agricultural and sideline products include corn, soybean meal, wheat bran, oats, beet pellets, and other items.



"Zero Deforestation" Soybean Certification Certificate<sup>29</sup>, with a procurement volume of 5,205 tons of "zero deforestation" soybeans.

## Supplier Access

The Group continuously strengthens supplier access management and has formulated the *Youran Dairy Suppliers Development Operation Management Measures*. Potential new suppliers undergo strict and standardized access assessments through on-site or online inspections, sample evaluation and other methods, with key focus on potential suppliers' ESG performance including environmental impact, pollution prevention and control, carbon neutrality strategies, product safety, employee development, fraud risks and their own procurement practices. On-site audit score sheets are formed and entered into the "SRM – Supplier Evaluation" module, thereby enhancing the importance of ESG factors in supplier access evaluation standards and realizing source control of supply chain ESG risks.

Meanwhile, the Group requires new suppliers to sign and implement the *Youran Dairy Code of Conduct for Suppliers*, strictly regulating and restraining supplier behavior in terms of labor standards, health and safety, environmental protection and business ethics, laying a comprehensive foundation for behavioral norms in cooperation with suppliers. Our target is that 80% of key first-tier suppliers will sign the *Code of Conduct for Suppliers* by 2025. As of the end of the Reporting Period, the signing rate of key first-tier suppliers reached 55.1%.

In addition, in strict adherence to the principles of "openness, fairness, impartiality, economy and integrity", the Group has formulated the *Youran Dairy Goods and Services Procurement Management Measures*, fully embodying the principle of fair and open procurement in supplier evaluation, pricing of materials and services, supplier relationship management systems, and supplier agreement signing, continuously improving the transparency and standardization of supplier access, pricing and order contracting. To further prevent fraud and violations, the Group also requires suppliers to sign the *Sunshine Agreement* against commercial bribery, strengthening awareness of clean procurement, standardizing business cooperation behaviors, and fostering a clean procurement environment. In 2025, the signing rate of the *Sunshine Agreement* among Youran Dairy's suppliers reached 100%.

In 2025, our key achievements in supply chain management are as follows:

Indicator	Unit	2025	2024	
Total number of cooperative suppliers <sup>30</sup>	Number	5,584	5,341	
Number of cooperative suppliers by regions	Mainland, China	Number	5,544	5,293
	Hong Kong, Macao, and Taiwan, China	Number	3	3
	Overseas	Number	45	32
Number of cooperative suppliers implementing relevant practices	Number	5,584	5,341	
Annual evaluation rate of cooperative suppliers implementing relevant practices	%	100	100	

<sup>29</sup> Certificates in this figure are examples only; actual procurement volumes are subject to publicly disclosed information.

<sup>30</sup> Due to differences in statistical scope, the number of cooperating suppliers in the 2024 annual report varies significantly from that in 2025. Going forward, the number of suppliers will be based on the 2025 data as the benchmark.

## Screening of Key Suppliers

The Group has formulated the *Supplier Quality Management Measures*, which clearly define the screening mechanism for key suppliers. A screening and evaluation system covering all ESG dimensions has been established, and combined with specific national, industry and commodity risk factors, the Group systematically identifies key suppliers with potential ESG risks or those closely and significantly linked to the Company's business, laying a foundation for hierarchical and classified supplier management.

Screening Dimension	Basis for consideration of screening factors	Specific requirements
 Environmental aspect	<ul style="list-style-type: none"> <li>Risks of adverse impacts associated with environmental issues, including but not limited to greenhouse gas emissions, energy use, water consumption, resource efficiency, pollution, waste, and biodiversity.</li> </ul>	<ul style="list-style-type: none"> <li>Plant design: Enterprises must maintain dedicated facilities, ensuring their surroundings comply with product quality and safety standards. No potential pollution sources that could compromise quality and safety should exist within a 100 meter radius of the facility.</li> <li>Environmental impact: Suppliers must have valid environmental assessment procedures to prove that their production activities comply with relevant environmental protection regulations.</li> <li>Coping with climate risk (ability bonus item): Suppliers should strive for carbon neutral certification or establish a complete set of carbon neutrality system documents; actively implement carbon reduction measures, and prioritize the use of clean energy in production and storage processes.</li> </ul>
 Social aspect	<ul style="list-style-type: none"> <li>Risks associated with adverse social impacts include, but are not limited to, labor rights issues such as child labor, forced labor, discrimination, freedom of association, collective bargaining rights, working hours, compensation, occupational health and safety, employee development, or community rights.</li> </ul>	<ul style="list-style-type: none"> <li>Personnel development: An annual training plan should be established, with training activities executed as scheduled. The effectiveness of the training should be validated, and comprehensive training records must be maintained.</li> <li>Occupational health: Strictly manage the storage of highly toxic and precursor drugs, implement dual-person dual-lock system and record collection.</li> <li>Product safety: No illegal or prohibited materials shall be added in production; upstream manufacturers and own raw materials shall not use pesticide residues or veterinary drug residues prohibited by the state.</li> </ul>
 Governance aspect	<ul style="list-style-type: none"> <li>Risks of adverse impact associated with governance topics include, but are not limited to, issues such as corruption, bribery, conflicts of interest, or anti-competitive behavior.</li> </ul>	<ul style="list-style-type: none"> <li>Fraud risk: Focus on reviewing the authenticity of personnel relevance in the supplier's commitment letter and the authenticity of the provided qualifications.</li> </ul>
 Business relevance	<ul style="list-style-type: none"> <li>Considerations of business relevance include factors such as expenditure or market share and the interchangeability of goods.</li> </ul>	<ul style="list-style-type: none"> <li>Considerations for business relevance include type, procurement amount, procurement volume, and the non-substitutability of raw materials.</li> </ul>

Risk consideration level	Basis for consideration of screening risks
Country specific risks	<ul style="list-style-type: none"> <li>Assess the risk of negative ESG impacts linked to national policies, regulations, social, economic, environmental, or regulatory conditions.</li> </ul>
Industry specific risks	<ul style="list-style-type: none"> <li>Evaluate the risks of adverse ESG impacts related to industry-specific characteristics, including labor conditions, energy use, resource intensity, emissions, or potential pollution in sectors such as manufacturing, services, and agriculture.</li> </ul>
Commodity specific risks	<ul style="list-style-type: none"> <li>Consider the risks of negative ESG impacts associated with the supply chain structures of commodities, labor conditions, land use, resource intensity, energy consumption, emissions, material toxicity, or potential pollution for products like metals, fossil fuels, wood, soybeans, and cotton.</li> </ul>

Based on the above screening principles, our key first-tier suppliers include manufacturers of organic raw materials, standard raw materials, frozen semen, vaccines, veterinary drugs, medicinal bath solutions, cleaning fluids, and dairy cow import agents. As of the end of the Reporting Period, the Group had 5,584 first-tier suppliers in total, including 1,085 key suppliers and 735 key first-tier suppliers, accounting for approximately 13% of the total procurement amount.

## Supplier ESG Risk Assessment

To accurately identify and proactively prevent potential supply chain ESG risks, Youran Dairy complies with the Ten Principles of the United Nations Global Compact (UNGC), the OECD Due Diligence Guidance for Responsible Business Conduct and the IPC-1401 corporate social responsibility management system standard. Based on its own supply chain needs and current situation, the Group has formulated the *ESG Assessment Standards for Suppliers*, clarifying supplier ESG assessment indicators, refining assessment processes, and stipulating that the Group's Supply Assurance Department conducts ESG assessment and audit for all first-tier suppliers and some secondary and tertiary suppliers through online audits, document reviews, on-site inspections and other forms, and issues audit results, striving to identify and avoid supply chain ESG risks.

ESG Assessment Standards for Suppliers
<ul style="list-style-type: none"> <li>Has the Company implemented regulations to prohibit forced labor and child labor (minors under 16)?</li> <li>Are the Company's employee wages above the local minimum wage?</li> <li>Does the Company conduct employee satisfaction surveys?</li> <li>Has the Company obtained certification for its occupational health and safety management system?</li> <li>Does the Company maintain a monitoring report on occupational disease hazards?</li> <li>Has the Company established environmental management policies addressing issues such as pollutant emissions, water resource management, forest conservation, and greenhouse gas reduction?</li> </ul>

<ul style="list-style-type: none"> <li>Has the Company achieved certification for its environmental management system?</li> <li>Has the Company received certification for its energy management system?</li> <li>Does the Company utilize or procure renewable energy such as wind or solar power?</li> <li>Is the Company engaged in carbon inventory activities, and have they obtained a carbon verification certificate?</li> <li>Has the Company completed a water resource inventory and obtained product water footprint certification?</li> <li>Has the Company established anti-corruption policies and a code of business ethics?</li> <li>Does the Company offer an open channel for reporting instances of corruption?</li> <li>Has the Company secured quality management system certification?</li> </ul>
--

Based on ESG risk assessment results, the Group conducts assessments once every six months for ESG high-risk suppliers, once a year for ESG medium-risk suppliers, and once every two years for ESG low-risk suppliers among key first-tier suppliers. For high-risk category suppliers, an annual ESG cooperation evaluation is organized alongside annual performance assessment at the beginning of each year.

In 2025, no suppliers violating the *Code of Conduct for Suppliers* were found through assessment and audit. Key assessment performance is as follows:

Indicator	Unit	2025
Total number of suppliers undergoing desk/on-site assessment	number	53
Percentage of key suppliers receiving desk/on-site assessment	%	100
Number of suppliers with significant actual or potential negative impacts identified through assessment	number	0
Percentage of suppliers with significant actual or potential negative impacts for which corrective actions or improvement plans have been agreed	%	0
Number of suppliers with significant actual or potential negative impacts whose cooperation was terminated	number	0

In addition, to ensure the efficient implementation of supplier ESG risk assessment and audit, the Group provides training on key points of supplier ESG management for the Company's procurement and audit personnel, and holds internal seminars on suppliers with ESG issues, improving relevant personnel's understanding of supplier ESG standards and promoting coordinated efforts in supply chain ESG risk management.

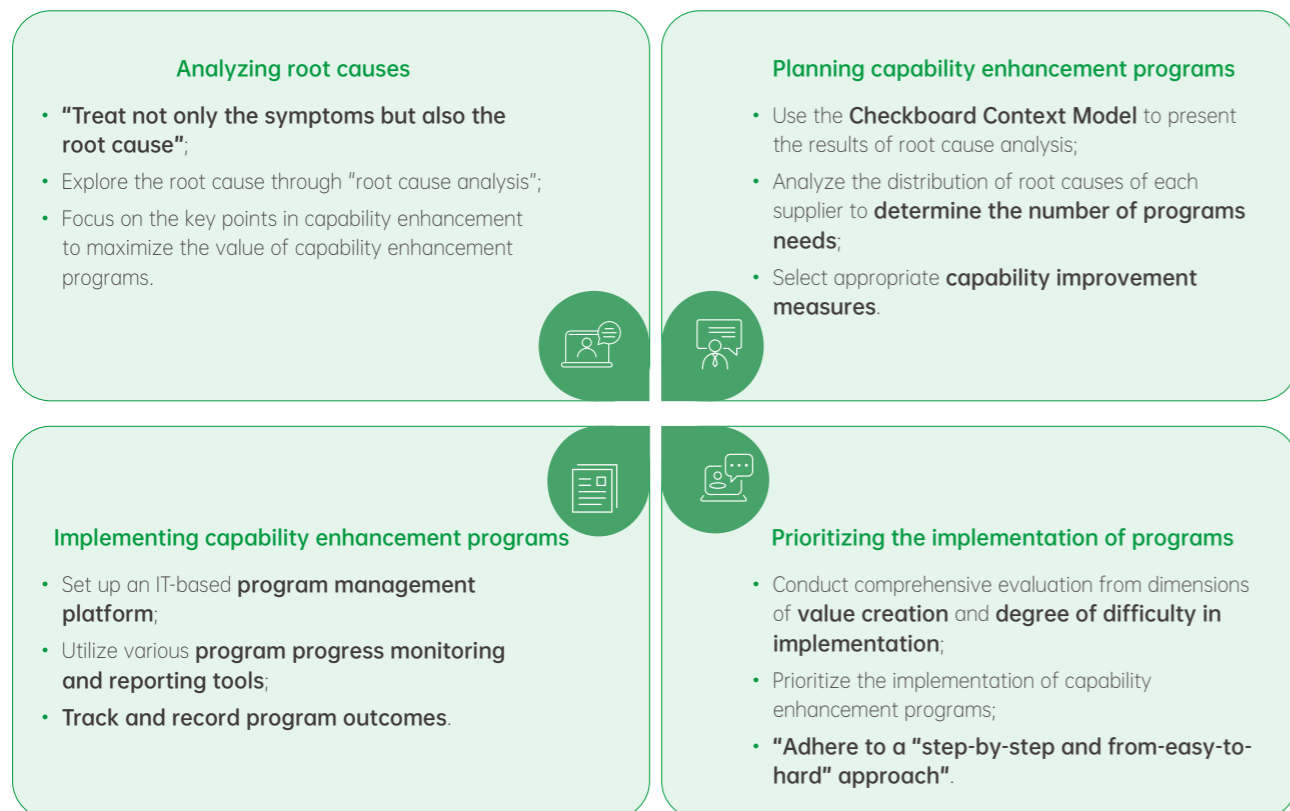
## Supplier Performance Management

In accordance with the *Code of Conduct for Suppliers* and the *Management Measures for Performance of Suppliers*, Youran Dairy incorporates suppliers' ESG performance into a multi-dimensional comprehensive performance evaluation system. Based on on-site audit results and rectification progress, suppliers are classified into five levels: A (Excellent), B (Good), C (Qualified), D (Rectification Required) and E (Termination). Supplier performance results are announced annually via letters or public meetings. For suppliers with outstanding ESG performance, the Group provides positive incentives such as honorary recognition, increased procurement shares under equal conditions, more cooperation opportunities and more favorable payment terms. For suppliers with poor ESG performance, especially those violating the *ESG Red Line for Supplier Management*, the Group imposes negative incentives such as reducing procurement share or restricting business cooperation opportunities, and requires them to formulate rectification plans within a time limit. If rectification is not completed within the specified period, the cooperation relationship shall be terminated in accordance with the *Management Measures for Withdrawal of Suppliers*. Suppliers with serious ESG violations such as false responses in ESG on-site assessments, major environmental pollution, workplace safety incidents or community disputes shall be banned.

## Supplier Capacity Co-construction

Adhering to the principles of openness, cooperation, innovation and progress, Youran Dairy has established a supplier capacity improvement management framework focusing on overall supply chain capacity building. Through normalized ESG training for suppliers, targeted guidance for ESG issue rectification, and joint ESG projects with suppliers, the Group comprehensively upgrades suppliers' ESG management capabilities and deeply collaborates to build a sustainable and win-win industrial ecosystem.

### Framework of Supplier Capability Enhancement Management



## Supplier ESG Training and Promotion

The Group provides normalized ESG training for cooperative suppliers to promote the popularization of the *Code of Conduct for Suppliers* across the supply chain, systematically explaining the Group's supplier ESG assessment process, core evaluation indicator requirements and supplier ESG management standards. We also deliver specialized courses on key ESG topics including carbon emission management, deforestation prevention, labor rights protection, health and safety, environmental protection and business ethics, communicating the latest policy requirements, breaking down practical key points and compliance redlines.

## Supplier ESG Improvement Support

Based on on-site supplier ESG assessment results, the Group identifies suppliers requiring ESG performance improvement and provides targeted corrective and improvement support through professional guidance, resource coordination, technology docking and other means, follows up on rectification progress, and helps them quickly meet the Group's ESG assessment standards and requirements. Meanwhile, the Group provides information on other suppliers' ESG performance, industry ESG benchmark data and research cases on outstanding supplier performance, helping suppliers clarify improvement directions and master optimization methods, fully empowering ESG capacity building of all supply chain entities. In 2025, a total of 53 suppliers received Group support in the implementation of ESG corrective action plans, covering 100% of suppliers with potential negative impacts.

### Youran Dairy Organizes Sustainable Development Resource Sharing and Learning for Suppliers

In 2025, to improve suppliers' sustainable development performance, Youran Dairy invited 53 benchmark suppliers in the domestic feed industry and corn primary processing equipment suppliers to hold performance communication meetings. During the meetings, the Group provided knowledge lectures and experience sharing on production techniques and key points of quality control for suppliers, further enriching the practical capacity of the Group's supply chain for high-quality development.

## Supplier ESG Cooperation and Development

Youran Dairy's sustainable agriculture development not only covers its own operation links but also commits to working with upstream first-tier and non-first-tier suppliers to jointly promote sustainable agricultural development. The Group carries out cooperation and joint construction in reducing agricultural water consumption, lowering agricultural environmental pollution, improving soil health, avoiding ecological damage and cutting greenhouse gas emissions, systematically advancing supply chain sustainable development practices through technical support, collaborative development and performance measurement.

**Water consumption:** Actively guide the upstream supply chain to strengthen water resource management, sustain supply chain synergy through guidance, support and cooperation, promote the integrated planting and breeding model, drive innovation in water-saving technologies, and improve water resource utilization efficiency.

**Environmental pollution:** Encourage suppliers to conduct environmental pollution prevention and control, and support organic production and pest and rodent control to reduce supply chain environmental pollution.

**Land resources:** Carry out soil remediation cooperation projects with suppliers to build a sustainable green ecological environment and support the rapid development of regenerative agriculture.

**Ecological protection:** Collaborate with suppliers to enhance traceability and management of raw materials at risk of deforestation, promote "zero deforestation" certification for agricultural products such as soybeans, strengthen traceability of deforestation risks in upstream raw materials, build a "zero deforestation" supply chain, and boost ecosystem and biodiversity conservation.

**Carbon emission reduction:** Actively launch carbon reduction projects with first-tier suppliers, sign strategic framework agreements with strategic suppliers such as Cargill and Bunge, commit to sourcing relevant raw materials from green or low-carbon factories of Cargill, Bunge and others, actively explore and promote full-chain carbon reduction; encourage suppliers to use clean energy in production and storage to support suppliers' greenhouse gas emission reduction practices.

Indicator	Unit	2025
Total number of suppliers participating in capacity-building programs	number	45
Percentage of key suppliers participating in capacity-building programs	%	100%

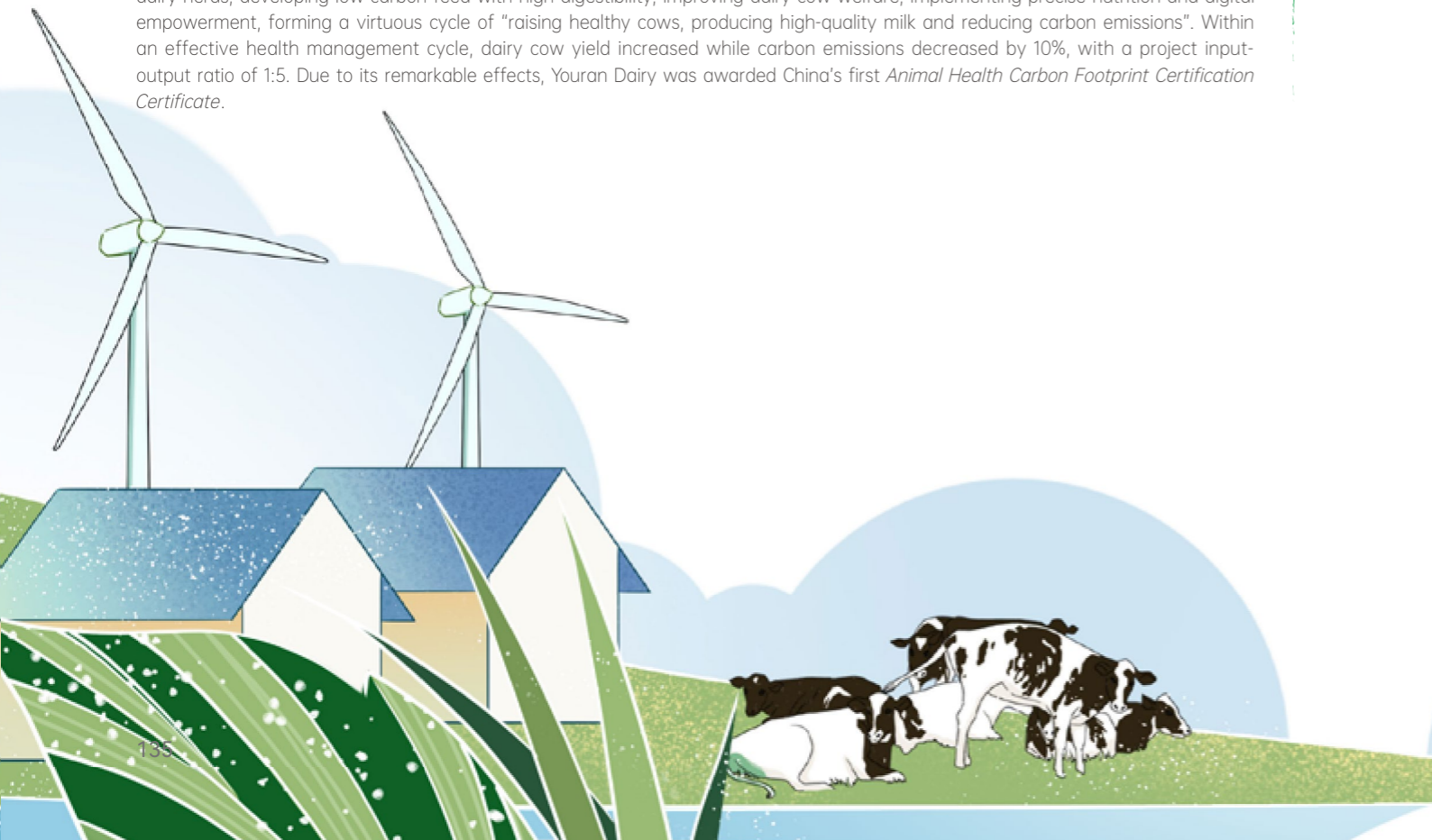
### Youran Dairy Supports Suppliers in Applying Drip Irrigation Water-Saving Technology

In 2025, Youran Dairy helped silage suppliers promote 2,500 mu of field crop drip irrigation technology in Horing, Inner Mongolia, an arid and semi-arid region. By encouraging suppliers to install high-efficiency drip irrigation systems supporting integrated water and fertilizer technology, the project achieved an annual average water saving of approximately 400,000 cubic meters, with a water saving rate of 60%, directly reducing water and electricity costs by about 200,000 yuan. The project not only effectively eases local agricultural water scarcity, reduces water shortage risks and potential conflicts between the enterprise and local stakeholders over water use, but also significantly improves planting income, providing strong technical support for regional agricultural sustainable development and rural revitalization.



### Youran Dairy Partners with Suppliers to Launch Animal Health and Carbon Reduction Pilot Projects

Youran Dairy has long implemented the *Healthy Farming and Carbon Reduction Plan* jointly formulated with strategic supplier Boehringer Ingelheim, selecting pilot farms and gradually expanding cooperative projects on animal health and carbon reduction. The project applies Youran Dairy's animal health management system to support suppliers in cultivating healthy, high-yield and low-carbon dairy herds, developing low-carbon feed with high digestibility, improving dairy cow welfare, implementing precise nutrition and digital empowerment, forming a virtuous cycle of "raising healthy cows, producing high-quality milk and reducing carbon emissions". Within an effective health management cycle, dairy cow yield increased while carbon emissions decreased by 10%, with a project input-output ratio of 1:5. Due to its remarkable effects, Youran Dairy was awarded China's first *Animal Health Carbon Footprint Certification Certificate*.



### Youran Dairy Strengthens Sustainable Cooperation with Louis Dreyfus, Core Soybean Meal Supplier

In 2025, Youran Dairy deepened strategic cooperation in sustainability with Louis Dreyfus, its core soybean meal supplier, focusing on full-chain carbon reduction and zero-deforestation ecological protection in soybean meal production, and systematically promoting green transformation throughout the process from soybean planting, transportation to crushing and processing (soybean meal as a by-product), making positive contributions to the ecological sustainable development of the agricultural industrial chain. Specific measures are as follows:

#### Youran Dairy promoted carbon reduction in soybean crushing at suppliers. The Tianjin soybean crushing plant, a soybean meal supplier to Youran Dairy, implemented a series of emission reduction measures:

- Steam for industrial production is entirely generated from renewable fuel (biogas), 100% replacing fossil fuels.
- Solar panels have been installed to generate clean energy for industrial production.
- Green electricity is purchased to replace fossil fuel-based electricity.
- Energy efficiency improvement projects including electrification of industrial heating.

#### Youran Dairy promoted carbon reduction in soybean planting and supply chain links at suppliers, focused on ecological safety of the soybean supply chain, strictly implemented the zero-deforestation commitment, and advanced ecological protection in planting:

- In 2025, due diligence on deforestation risks was conducted for the Brazilian soybean supply chain, confirming that 99% of soybean procurement met traceability and zero-deforestation requirements. The Group will continue to communicate with suppliers and obtain data for the remaining 1% non-traceable procurement in 2026.
- A renewable soybean project was launched in Brazil, providing technical and financial support to participating soybean farmers, and promoting best practices such as reduced tillage, cover crops, and biological pest and disease control products. These practices enhance soil carbon sequestration, effectively protect soil health, improve soil fertility, reduce soil tillage and surface exposure, thus preventing soil erosion and ecological damage in agricultural cultivation, and achieving sustainable development of agricultural ecology and production. By the end of 2025, the project covered 10,000 hectares of farmland, with plans to further expand coverage in 2026.
- Continuous fuel efficiency retrofits were carried out on international ocean-going vessels operated to improve energy efficiency and reduce carbon emission intensity of maritime transport. In 2025, retrofits were completed for 21 ocean-going vessels responsible for major routes including Brazil-China.

# Customer Service Management

Youran Dairy always upholds a responsible operation philosophy, continuously optimizes customer service management and regulates marketing and publicity practices. The Group is committed to providing high-quality services to downstream customers and the market across the industrial chain, building a reputation for integrity, and continuously enhancing customer service efficiency and brand recognition.

## Customer Service

The Group continuously improves its customer service system with a focus on enhancing customer satisfaction. We have developed the *Customer Complaints Management Measures*, established an independent department to receive and handle customer complaints, and ensured smooth channels for product and service complaints, comprehensively guaranteeing that every customer's needs are addressed promptly and properly. Furthermore, the Group continues to promote the adoption of online service solutions through the online dairy farming industry chain platform "Jumuc.com". In 2025, active customers accounted for 84% of all customers, and online revenue accounted for approximately 2.23% of the Group's total revenue in 2025.

### Complaint Handling Process



The Group has established a multi-dimensional, full-coverage system for collecting customer feedback:

- Set up a special complaint hotline 400-888-3088 and complaint email ymyjb@yourandairy.com as main channels for passive collection, handling customer complaints concerning products and services.
- Conducted on-site visits and surveys to customers by relevant customer managers, business and technical service personnel to proactively identify customer needs and pain points in product use, accurately capture potential problems with products and services, and substantially improve the quality of customer service and the efficiency of resolving customer demands.



The responsible department conducts root cause analysis on complaint issues and proposes corresponding corrective measures. The Quality Management Department supervises and verifies the implementation of corrective measures and conducts follow-up calls with customers to ensure the fundamental resolution of complaints:

- General complaints: Handled within 3 working days, with the *Complaint Handling Transfer Form* completed truthfully.
- Major complaints: Fully discussed with customers to reach a consensus solution, followed by the preparation of a *Special Investigation and Handling Report*.
- Emergency complaints: A major complaint emergency response mechanism has been established, and an emergency action team has been set up to respond quickly to various emergencies, minimizing inconvenience to customers.



- Conduct in-depth root cause analysis on customer complaints and formulate targeted corrective measures.
- Evaluate the rationality and feasibility of corrective measures and track their full implementation.



- Develop risk cases based on typical customer complaint incidents and disseminate them to all grassroots units for early warning, self-inspection and self-correction, providing solid data support and decision-making basis for the next year's management improvements and investment planning.

Additionally, the Group conducts comprehensive annual customer satisfaction surveys to gain insights into customer sentiment and demand. Based on valuable customer feedback, we continuously optimize business processes and service quality. In 2025, Youran Dairy achieved sound results in customer service: no customer complaints occurred, and customer satisfaction reached 98.85%.

### Youran Dairy Customer Complaint Management Procedure



In 2025, the Group's key customer service performance indicators are as follows:

Indicator	Unit	2025
Complaints about raw milk products and services	Case	0
Complaints about feed products	Case	0
Customer satisfaction with feed products <sup>31</sup>	%	98.85
The percentage of the sold or delivered feed products withdrawn due to safety and health issues	%	0
The percentage of the sold or delivered raw milk products withdrawn due to safety and health issues	%	0

## Marketing and Promotion

The Group strictly complies with the *Advertising Law of the People's Republic of China* and other relevant laws and regulations, and has developed and implemented the *Youran Dairy Brand Management Measures* and *Brand Operation Program* and other institutional rules, comprehensively ensuring that all promotional activities are conducted in a legally compliant manner and resolutely eliminating the spread of false information. The Group conducts comprehensive and meticulous reviews of all published and pending advertising content. Once potential risks are identified, publication is immediately halted to prevent administrative penalties and economic losses arising from non-compliant advertising. Meanwhile, the Group regularly organizes specialized advertising compliance training sessions to disseminate regulatory and institutional requirements to marketing and relevant personnel, effectively enhancing all-employee awareness of advertising compliance and driving the comprehensive implementation and deep practice of the compliance-based business philosophy throughout the Group.

<sup>31</sup> Customer service satisfaction only involves Feed Business Unit.

## Industry Collaboration and Co-Construction

As a leading enterprise in the upstream whole industrial chain of China's dairy industry, Youran Dairy has always adhered to the development philosophy of "open cooperation, joint construction and shared benefits". The Group actively participates in the work of industry associations, deeply engages in the formulation of industry standards, and conducts exchanges and learning with industrial ecological partners. By promoting ecological cooperation, sharing advanced experience and exporting core scientific and technological achievements, the Group continues to gather value with industry partners and support the standardized development of the industry. In 2025, in recognition of its long-term deep cooperation and contributions to the industry, Youran Dairy was awarded the highest level "5A Honored Exhibitor of China Dairy Expo" by the Dairy Association of China.

### Industry Standard Formulation

#### Youran Dairy Participated in Formulating Industry Standards for Comprehensive Index Method of Silage Feed Quality Evaluation

Youran Dairy collaborated with the Chinese Academy of Agricultural Sciences and other research institutions and industry enterprises to jointly formulate three agricultural industry standards: *NY/T 4469-2025 Comprehensive Index Method for Quality Assessment of Whole-Plant Corn Silage*, *NY/T 4470-2025 Quality Grading of Whole-Plant Corn Silage* and *NY/T 4673-2025 Comprehensive Index Method for Quality Assessment of Alfalfa Silage*. By measuring key indicators of silage and calculating the comprehensive nutritional value index, these standards help formulate precise nutritional formulas. Youran Dairy utilized its proprietary raw material near-infrared nutritional database and precision nutritional data verified through fistulated cattle testing to provide important support for the accuracy and applicability of these standards, promoting the realization of precision nutritional management in dairy farms and helping the industry reduce costs, increase efficiency, and enhance core competitiveness.



Yuanxing Feed Ruminant Nutrition System

### Industry Partner Exchanges

#### Youran Dairy Held a Symposium on "Resilient Breakthrough Development Path for Large-Scale Dairy Farms During the Dairy Industry Downturn"

In July 2025, Yuanxing Feed, a subsidiary of Youran Dairy, organized a thematic seminar titled "Resilient Breakthrough Development Path for Large-Scale Dairy Farms During the Dairy Industry Downturn" during the 16<sup>th</sup> Dairy Conference. Nearly 300 management and technical personnel from dairy farms nationwide participated. At the conference, the Group engaged in discussions and shared experiences with renowned domestic technical experts on cost reduction initiatives in the Company's self-operated farms in North China, including direct material cost reduction, manufacturing overhead cost reduction, culling and control of sick/dead cattle for cost reduction, as well as cost-saving and efficiency-enhancing measures in dairy cow feed nutrition. The Group also introduced its pioneering "Product + Service + Platform" business model designed to help farmers overcome difficulties. By actively analyzing market conditions, business strategies, and technology R&D for industry peers, the Group further contributed to the industry's energy efficiency upgrade and increased production and income.



### Ecological Strategic Cooperation

#### Strategic Cooperation Agreement Between Youran Dairy's Yuanxing Feed and Mongolia's Leading Food Enterprise

In May 2025, Yuanxing Feed, a subsidiary of Youran Dairy, formally signed a strategic cooperation agreement with APU Company, a leading enterprise in Mongolia's food industry, and Inner Mongolia Zhonglu International Trade Co., Ltd. to jointly build a new channel for feed trade. In the cooperation, Youran Dairy gave full play to its core experience and advantages in the R&D and production of ruminant feed. Its newly launched grassland sheep feed brand "Muhengyou" is highly compatible with Mongolia's large-scale meat sheep breeding industry. The feeding effect achieves meat quality close to that of free-range sheep on grasslands, significantly improves breeding efficiency, alleviates grassland degradation, and promotes the sustainable development of the local animal husbandry industry. This strategic cooperation has successfully set a model for animal husbandry cooperation between China and Mongolia, achieving win-win results in economic and ecological benefits for all parties, and establishing a fine example for the green development of animal husbandry in the future.



# Appendix 1: Independent Assurance Report



Bureau Veritas Certification

## INDEPENDENT ASSURANCE STATEMENT

### Objectives of Work

Bureau Veritas Certification (Beijing) Co., LTD ("BUREAU VERITAS") has been engaged by China Youran Dairy Group Limited (hereafter referred to as "Youran Dairy" to conduct an independent Assurance of its 2025 Environmental, Social and Governance Report (the "Report"). This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the report are the sole responsibility of the management of Youran Dairy. Our sole responsibility was to provide independent assurance on the accuracy and reliability of information included, and on the underlying systems and processes used to collect, analyse and review it.

### Scope of work

Youran Dairy requested Bureau Veritas to verify the accuracy and reliability of the following:

- Data and information included in the report for the Jan 1, 2025 to Dec 31, 2025.

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by Youran Dairy and statements of future commitment;
- Financial data and information that has been audited by a third party.

Level of assurance: reasonable assurance level

### Assurance standard

- International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)"), developed by the International Auditing and Assurance Standards Board;
- GRI Sustainability Reporting Standards, published by the Global Reporting Initiative
- Environmental, Social and Governance ("ESG") Reporting Guide (the "ESG Guide") under Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

### Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

- Interviews with relevant personnel of Youran Dairy;
- Review of documentary evidence produced by Youran Dairy;
- Evaluation of information against Global Reporting Initiative (GRI) principles of Materiality, Accuracy, Completeness, Balance, Clarity and Comparability;
- Audit of performance data, tracing and checking the sample data according to the sampling principle;
- Review of Youran Dairy data and information systems for collection, aggregation and analysis;

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Non-financial Reports, based on current best practice in independent assurance. The work was planned, carried out and concluded based on reasonable, rather than absolute assurance, as determined by Bureau Veritas.

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738  
Further clarifications regarding the verification scope of this statement may be obtained by consulting the organization.  
To check this statement validity please call: +86 10 59683663



Bureau Veritas Certification

### Assurance Conclusion

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in the scope of our assurance are accurate, reliable and free from material mistake or misstatement;
- The information is presented in a clear, understandable and accessible manner;
- The information of the Report provides a fair and balanced representation of related ESG management activities during the reporting period;
- Youran Dairy has established appropriate systems for the collection, aggregation and analysis of relevant information. The performance data (partial) for 2024-2025 has been disclosed and be with Comparability.

### Accuracy

The information and data disclosed in the report are objective and reliable. Youran Dairy has established appropriate systems for the collection and disposal of quantitative data on organizational governance, environment and social management. Through on-site assurance, the evidence provided by Youran Dairy is relatively reliable and the report is of objectivity.

### Materiality

Youran Dairy identified and disclosed material ESG issues and related information in accordance with the GRI Sustainability Reporting Standard, Environmental, Social and Governance ("ESG") Reporting Guide (the "ESG Guide") under Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and recommendations issued by the Task Force on Climate-Related Financial Disclosure (TCFD).

### Completeness

The report of Youran Dairy focuses on the aspects of "Solidifying Governance, Safeguarding Compliant Operations", "Addressing Climate Challenges, Preserving Ecological Farms", "Pursuing Excellence, Leading Nutrition", "Innovating Digital Technology, Empowering Smart Operations", "Securing Employee Wellbeing, Developing Communities" and "Partnering Together, Sharing a Sustainable Future". The report discloses data and information related to product responsibility, social responsibility, environmental responsibility, and employee responsibility, which are of concern to the stakeholders of Youran Dairy. The disclosed is of relative Completeness.

### Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Environmental and Occupational Health and Safety, Social Responsibility with more than 190 years history in providing independent assurance services. Members of the assurance team have no interests or conflicts of relationship with Youran Dairy. We have conducted this Assurance independently and impartially. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities.

Fanny Zou  
Director of Greater China Region  
Bureau Veritas Certification (Beijing) Co., Ltd.  
2026-04-17

Pin Tian  
Assurance Team Leader  
Bureau Veritas Certification (Beijing) Co., Ltd.  
2026-04-17

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738  
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To check this statement validity please call: +86 10 59683663

# Appendix 2: Greenhouse Gas Verification Report



## Greenhouse Gases Verification Opinion

is awarded to

### Inner Mongolia Youran Dairy Co.,Ltd.

Bureau Veritas Certification (Beijing) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Inner Mongolia Youran Dairy Co.,Ltd. for the period stated below. This verification opinion applies to the related information included within the scope of work described below.

**Boundaries covered by the verification:**

- Verification site name: Inner Mongolia Youran Dairy Co.,Ltd.
- Verification site address: No.169, Hexi Road, Saihan District, Hohhot, Inner Mongolia (HQ) and sampled pastures, grass bases and self-operated feed bases
- Reporting period covered: 01/01/2025 to 31/12/2025

**Organizational boundaries:** Activities and facilities of pastures and grass production bases and self-operated feed production bases operational in China in 2025 by Inner Mongolia Youran Dairy Co.,Ltd. under operational control approach.

**Reporting boundaries:** GHG emissions generated in dairy farming, grass cultivation and feed production and related management activities within the organizational boundaries, as well as significant indirect greenhouse gases emissions.

**Emissions data verified under reporting boundaries:**

- Category 1: Direct GHG emissions: 3,131,585.24 tCO<sub>2</sub>e
- Category 2: Indirect GHG emissions from imported energy: 528,033.95 tCO<sub>2</sub>e
- Category 3: Indirect GHG emissions from transportation:
  - Upstream transport and distribution 155,976.58 tCO<sub>2</sub>e
  - Downstream transportation and distribution 41,980.25 tCO<sub>2</sub>e
  - Business travel 1,122.76 tCO<sub>2</sub>e
  - Employee commuting 2,653.99 tCO<sub>2</sub>e
- Category 4: Indirect GHG emissions from products used by organization:
  - Waste generated in operations 1,937.06 tCO<sub>2</sub>e
- Category 5: Indirect GHG emissions associated with the use of products from the organization: Non-significant indirect emissions and not quantified
- Category 6: Indirect GHG emissions from other sources: Non-significant indirect emissions and not quantified
- Total quantified emissions: 3,863,289.84 tCO<sub>2</sub>e

**Limitations and exclusions:** Excluding other non-significant indirect GHG emissions

**GHG verification protocol used to conduct the verification:**

- ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

**Level of assurance:**

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738  
Further clarifications regarding the verification scope of this opinion may be obtained by consulting the organization.  
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- Limited assurance

**GHG verification methodology:**

- Interview for relevant personnel;
- Review of the documentary evidence;
- Evaluation of the methodology and information systems for data collection, aggregation, analysis and review;
- Audit of sampled sites and data to verify source.

**Verification conclusion:**

Based on the verification process and findings, the GHG emission data in the GHG inventory report from Inner Mongolia Youran Dairy Co.,Ltd. is in compliance with ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

**Statement of independence, impartiality and competence:**

Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years' history in providing independent assurance services.

No member of the verification team has a business relationship with Inner Mongolia Youran Dairy Co.,Ltd. and its directors or managers beyond that required by this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Lead verifier: Jingxuan Xia

No.: EMICN100826A

Version No.: No.1

Verification date: 11/03/2026

Issue date: 31/3/2026

Signed on behalf of  
Bureau Veritas Certification (Beijing) Co., Ltd.

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## Appendix 3: ESG Metrics Index

ESG Code of the Hong Kong Stock Exchange	GRI Sustainability Reporting Standards	Location
A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. <i>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.</i>	GRI 307-1 Non-compliance with environmental laws and regulations Green Operations
	A1.1 The types of emissions and respective emissions data.	GRI 305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ) and other significant gaseous emissions Green Operations
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306-3 Waste generated Green Operations
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306-3 Waste generated Green Operations
	A1.5 Description of emission target(s) set and steps taken to achieve them.	Response to Climate Change
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	GRI 306-1 Waste generation and significant waste-related impacts GRI 306-2 Management of significant waste-related impacts Green Operations
	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	Response to Climate Change Green Operations
A2 Use of Resources	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).	GRI 302-1 Energy consumption within the organization GRI 302-3 Energy intensity Response to Climate Change
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	GRI 303-5 Water consumption Green Operations

ESG Code of the Hong Kong Stock Exchange	GRI Sustainability Reporting Standards	Location
A2 Use of Resources	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	GRI 302-4 Reduction in energy consumption GRI 302-5 Reduction of energy demand for products and services Response to Climate Change
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	GRI 303-1 Significant water-related impacts of the organization's use of water (as a shared resource) GRI 303-2 Management of impacts related to water discharge Green Operations
	A2.5 Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	GRI 301-2 Recycled materials used GRI 301-3 Recycling of products and packaging materials Green Operations
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	GRI 304-2 Significant impacts of activities, products, and services on biodiversity Green Operations
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	GRI 304-2 Significant impacts of activities, products, and services on biodiversity Green Operations
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	GRI 401-2 Benefits provided to full-time employees (excluding temporary or part-time employees) GRI 401-3 Parental leave GRI 405-1 Diversity in governance bodies and employees GRI 406-1 Discrimination incidents and corrective actions taken GRI 412-2 Employee training on human rights policies or procedures Employee Rights and Interests Protection Employee Care Enhancement
	B1.1 Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	GRI 2-7 Employees GRI 405-1 Diversity in governance bodies and employees Employee Rights and Interests Protection
	B1.2 Employee turnover rate by gender, age group and geographical region.	GRI 401-1 Recruitment and employee turnover rates Talent Development Support
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	GRI 403-1 Occupational health and safety management system Health and Safety Protection
B2 Health and Safety	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	GRI 403-9 Work-related injuries Health and Safety Protection

ESG Code of the Hong Kong Stock Exchange	GRI Sustainability Reporting Standards	Location
<b>B2 Health and Safety</b>	B2.2 Lost days due to work injury.	GRI 403-9 Work-related injuries Health and Safety Protection
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	GRI 403-2 Hazard identification, risk assessment, and incident investigation GRI 403-3 Occupational health services Health and Safety Protection
		GRI 403-5 Training on occupational health and safety for workers GRI 403-6 Promotion of worker health GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relationships
<b>B3 Development and Training</b>	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	GRI 404-2 Employee skills enhancement programs and transition assistance programs Talent Development Support
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	GRI 404-1 Average hours of training per employee per year Talent Development Support
	B3.2 The average training hours completed per employee by gender and employee category.	GRI 404-1 Average hours of training per employee per year Talent Development Support
<b>B4 Labor Standards</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employee Rights and Interests Protection
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Employee Rights and Interests Protection
	B4.2 Description of steps taken to eliminate such practices when discovered.	Employee Rights and Interests Protection
<b>B5 Supply Chain Management</b>	General Disclosure Policies on managing environmental and social risks of the supply chain.	Sustainable Supply Chain Management
	B5.1 Number of suppliers by geographical region.	Sustainable Supply Chain Management
	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.	Sustainable Supply Chain Management

ESG Code of the Hong Kong Stock Exchange	GRI Sustainability Reporting Standards	Location
<b>B5 Supply Chain Management</b>	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	GRI 308-1 New suppliers selected using environmental criteria GRI 414-1 New suppliers selected using social criteria Sustainable Supply Chain Management
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	GRI 308-1 New suppliers selected using environmental criteria Sustainable Supply Chain Management
<b>B6 Product Responsibility</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Strict Control of Product Safety Customer Service Management
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	GRI 416-1 Assessment of health and safety impacts of product and service categories Strict Control of Product Safety
	B6.2 Number of products and service related complaints received and how they are dealt with.	Customer Service Management
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Raw Milk Quality Upgrade
	B6.4 Description of quality assurance process and recall procedures.	Strict Control of Product Safety
<b>B7 Anti-corruption</b>	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	GRI 418-1 Confirmed complaints regarding breaches of customer privacy and loss of customer data Information Security and Privacy Protection
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Upholding Business Responsibilities
	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.	Upholding Business Responsibilities
B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	GRI205-3 Confirmed corruption cases and actions taken Upholding Business Responsibilities	

ESG Code of the Hong Kong Stock Exchange	GRI Sustainability Reporting Standards	Location
<b>B7 Anti-corruption</b> B7.3 Description of anti-corruption training provided to directors and staff.	GRI 205-2 Communication and training on anti-corruption policies and procedures	Upholding Business Responsibilities
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Community Relationship Management
<b>B8 Community investment</b> B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		Community Relationship Management
B8.2 Resources contributed (e.g. money or time) to the focus area		Community Relationship Management

Part D: Climate-related Disclosures	GRI Sustainability Reporting Standards	Location
<b>(I) Governance</b>		Climate Governance
<b>(II) Strategy</b>	GRI 201-2 Financial impacts resulting from climate change as well as other risks and opportunities	Climate Strategy Climate Impact, Risk and Opportunity Management Climate Risk Mitigation Actions
<b>(III) Risk management</b>		Climate Impact, Risk and Opportunity Management Climate Risk Mitigation Actions
<b>(IV) Metrics and targets</b>	GRI 305-1 Direct (Scope 1) GHG emissions GRI 305-2 Energy indirect (Scope 2) GHG emissions GRI 305-3 Other indirect (Scope 3) GHG emissions GRI 305-4 GHG emission intensity GRI 305-5 Reduction of GHG emissions	Climate Metrics and Targets
	GRI 201-2 Financial impacts resulting from climate change as well as other risks and opportunities	Climate Impact, Risk and Opportunity Management
		Climate Metrics and Targets
		Climate Governance
		Climate Metrics and Targets

The Ten Principles of UNGC	GRI Sustainability Reporting Standards
Principle One: Enterprises should respect and uphold the various human rights recognized by the United Nations	GRI 412: Human Rights Assessment
Principle Two: Enterprises should never be involved in any acts that ignore or trample on human rights	
Principle Three: Enterprises should uphold freedom of association and recognize the right to collective bargaining between labor and management	GRI 407: Freedom of Association and Collective Bargaining
Principle Four: Enterprises should completely eliminate all forms of forced labor	GRI 409: Forced or Compulsory Labor
Principle Five: Enterprises should support the reduction of child labor	GRI 408: Child Labor
Principle Six: Enterprises should eliminate any discriminatory behavior in employment and occupation	GRI 406: Anti-discrimination
Principle Seven: Enterprises should prepare for environmental challenges in advance	GRI 307: Environmental Compliance GRI 303: Water and Effluents GRI 302: Energy GRI 305: Emissions
Principle Eight: Enterprises should take the initiative to increase their responsibilities for environmental protection	GRI 306: Effluents and Waste GRI 306: Waste GRI
Principle Nine: Enterprises should encourage the development and promotion of environmentally friendly technologies	GRI 301: Materials GRI 304: Biodiversity
Principle Ten: Enterprises should oppose all forms of corruption, including extortion, blackmail, and bribery	GRI 205: Anti-corruption



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