



粵海廣南(集團)有限公司

GDH GUANGNAN (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability) (於香港註冊成立的有限公司)
(Stock code 股份代號: 01203)

2024

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT
環境、社會及
管治報告



Content

About the Report	2
SCOPE OF THE REPORT	2
REPORTING PRINCIPLES	2
INFORMATION OF THE REPORT	3
CONTACT US	3
About the Group	4
COMPANY PROFILE	4
DEVELOPMENT HISTORY	5
CORPORATE CULTURE	6
Sustainable Development Strategy	7
CHAIRMAN'S ADDRESS	7
BOARD STATEMENT	8
ESG GOVERNANCE STRUCTURE	8
COMMUNICATION WITH STAKEHOLDERS	9
MATERIALITY ASSESSMENT	10
Quality First	12
QUALITY AND SAFETY CONTROL	12
HIGH-QUALITY SERVICES	19
Green Operation	22
ENVIRONMENTAL TARGETS	24
ADDRESSING CLIMATE CHANGE	24
POLLUTANT MANAGEMENT	28
RESOURCE MANAGEMENT	31
BIODIVERSITY PROTECTION	33
Employee Oriented	34
RIGHTS AND INTERESTS OF EMPLOYEES	35
HEALTH AND SAFETY	36
TALENT CULTIVATION	37
EMPLOYEE CARE	38
Compliance Management	42
RISK MANAGEMENT	42
BUSINESS ETHICS	44
INTELLECTUAL PROPERTY PROTECTION	46
RESPONSIBLE SUPPLY CHAIN	47
Contributions to Society	49
RURAL REVITALIZATION	49
COMMUNITY SERVICES	50
Honours and Certifications	52
Vision Outlook	53
Appendix: Environmental Data Performance Table	54
Appendix: Content Index of the HKEX's Environmental, Social and Governance Reporting Code	57
Reader's Comments	64

About the Report

GDH Guangnan (Holdings) Limited (the “Company”) and its subsidiaries (collectively as the “Group” or “We”) present the Environmental, Social and Governance (“ESG”) Report (the “Report”) for the period between 1 January 2024 and 31 December 2024 (“Year 2024”, “This year” or “the Reporting Period”). The ESG Report provides an overview of the Group’s strategy, work and performance on ESG, enabling stakeholders to better understand the Group’s process on sustainability issues, development direction and how we are fulfilling the Group’s corporate commitment to social responsibility.

SCOPE OF THE REPORT

The Report covers the Group’s fresh and live foodstuffs business¹ in Mainland China and Hong Kong, as well as tinplating business in Mainland China.

The Report describes the efforts and achievements in the ESG aspects of the aforementioned two businesses during Year 2024. The Report does not cover the property leasing business as its revenue only accounts for a small portion of the Group’s consolidated revenue. Environmental data summary of fresh and live foodstuffs business and tinplating business during Year 2024 is disclosed in Appendix: Environmental Data Performance Table of the Report. To enhance the completeness of the Report and the continuity of data, some contents of the Report have appropriately extended over a longer period of time, which have been explained in the corresponding positions.

REPORTING PRINCIPLES

The Report was prepared in accordance with Appendix C2 – Environmental, Social and Governance Reporting Code of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), following the reporting principles of “materiality”, “quantitative”, “balance” and “consistency”. The applications are shown in the table below. This Report has been reviewed and confirmed by the board (“Board”) of directors of the Group.

Reporting Principles	Definition	The Group’s Response
Materiality	The threshold at which ESG issues determined by the board are sufficiently important to investors and other stakeholders that they should be reported.	The Group completes the identification of material issues based on communication with stakeholders, actual operating conditions and strategic development, and provides targeted disclosures on relevant matters that may have an important impact on stakeholders.
Quantitative	KPIs in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	The Report provides quantitative information, the statistical criteria, methodology, assumptions and calculation tools, as well as the sources of conversion factors to enable readers to evaluate and validate the practical achievements of the Group in sustainable development.

¹ The Group’s fresh and live foodstuffs business acquired Superior Victory Limited in August 2024 and included its performance in the scope of the Report.

About the Report (continued)

Reporting Principles	Definition	The Group's Response
Balance	The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	The Report comprehensively and fairly elaborates on the ESG matters that may have had a significant impact on the Group's business during the Reporting Period, including the Group's achievements and challenges faced.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	The Report follows the same preparation criteria and calculation methods as the previous year. Changes, if any, will be clearly stated in the Report for the reference and comparisons of readers.

INFORMATION OF THE REPORT

The information and data used in the Report are sourced from official documents, statistical reports, internal data, and public information of the Group. The Board undertakes that there is no false record, misleading statement or material omission in the Report, and is responsible for the authenticity, accuracy and completeness of the content herein.

CONTACT US

For any questions or suggestions on the content of the Report, please contact our Company Secretary at:

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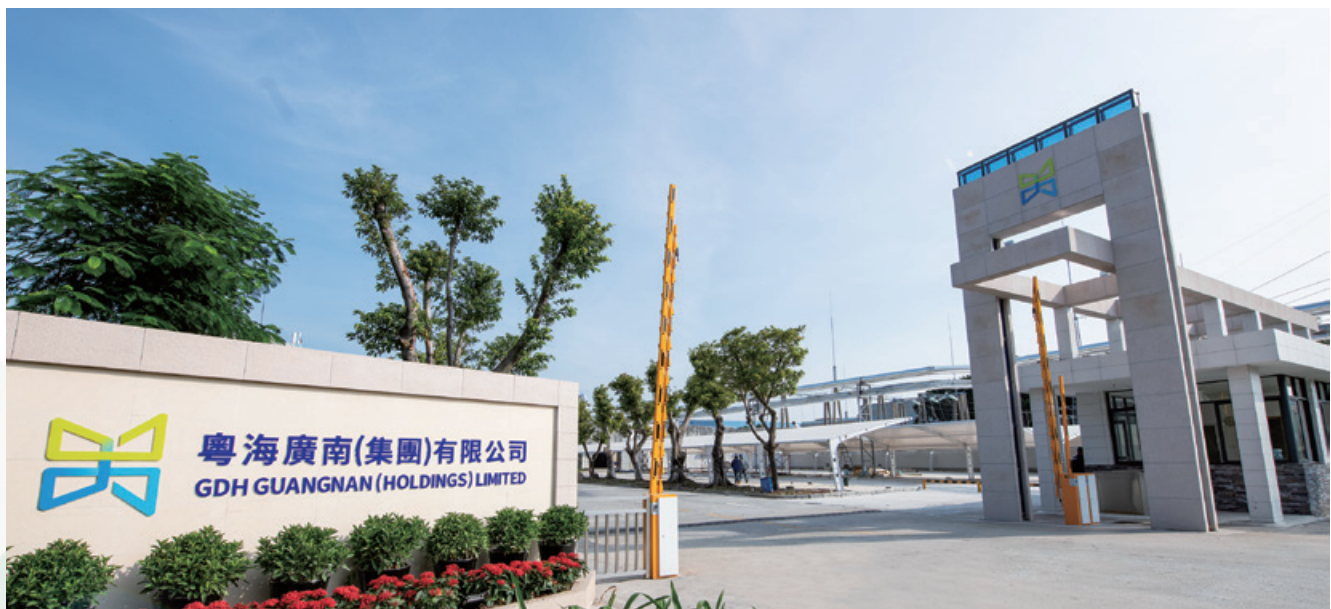
About the Group

COMPANY PROFILE

The Company (Stock Code: HK. 01203) was incorporated in 1982 and listed on the Hong Kong Stock Exchange in 1994. The company's principal businesses include the fresh and live foodstuffs business and the tinplating business.

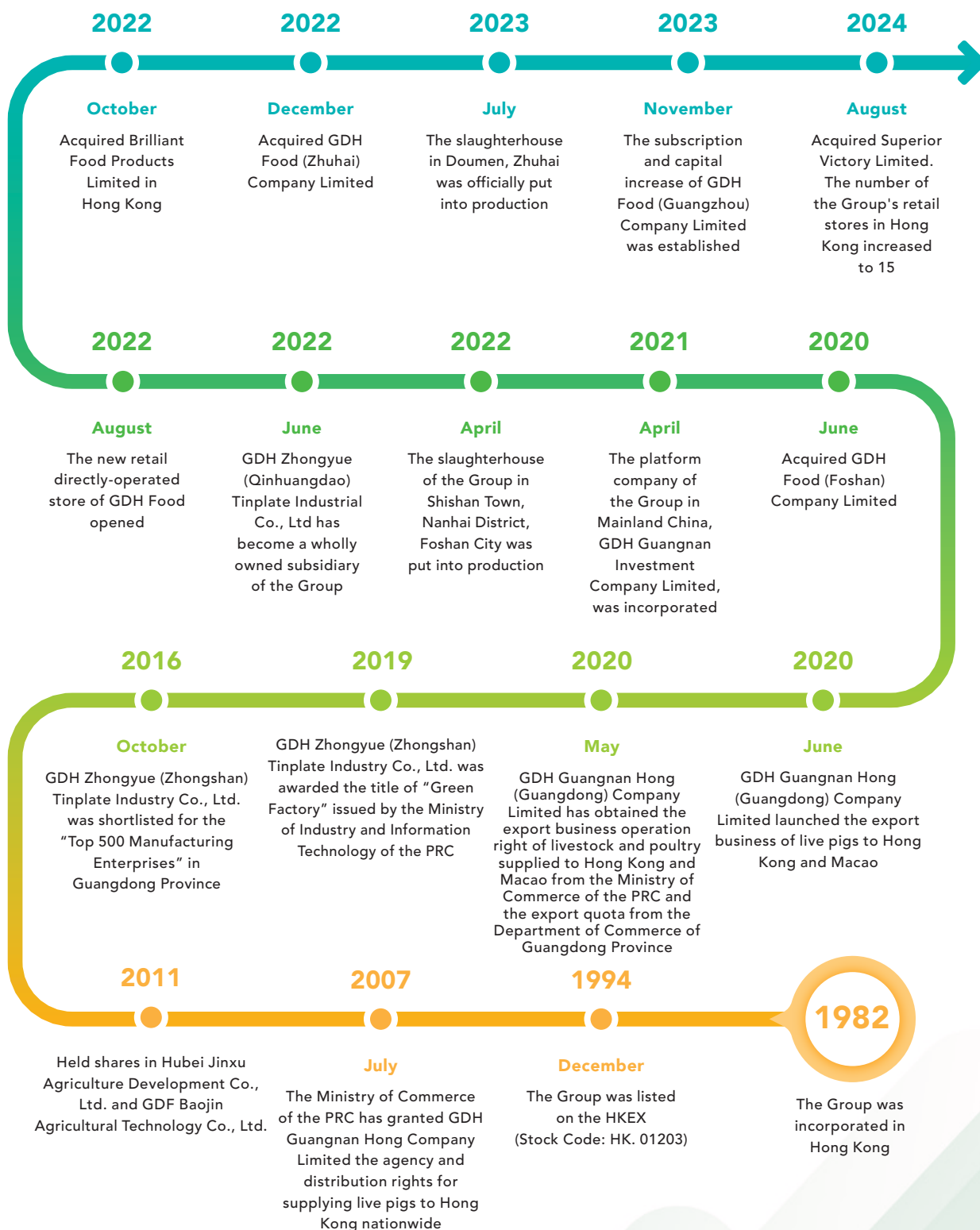
As for the fresh and live foodstuffs business, the Group will, standing on a new development stage to implement new development philosophy, accelerate the business layout in a bid to strengthen, enhance and expand the fresh and live foodstuffs business. Moreover, focusing on the "vegetable basket" market in the Guangdong-Hong Kong-to Macau Greater Bay Area, the Group will focus on grasping the development opportunities of the food industry and further consolidate the development foundation of the slaughtering business. The Group will also invest in the construction of an integrated industrial chain operation platform of "livestock and poultry breeding – slaughter and processing – cold chain distribution – fresh marketing", and explore the development in new sectors by shifting from the slaughtering business towards the sale of branded meat and entering into the field of food segmentation and processing to cultivate new profit growth points. The Group will also promote the separation of manufacturing and marketing, establish a multi-level sales channel system and explore new business models such as e-commerce and new food retail, so as to achieve leapfrog development in the entire chain of fresh food products. It will increase the investment in the digital transformation of business to optimise business processes, reduce operating costs, and create a food traceability system covering the whole chain. Guided by market demand and supported by scientific and technological innovation, the Group will accelerate the transformation of the development mode of the food segment, optimise the structural layout of the segment, and enhance the comprehensive production and service capabilities and core competitiveness of the fresh and live foodstuffs business.

In respect of the tinplating business, the Group adheres to the customer-oriented, innovation-driven development strategy, continues to enhance the core competitiveness of the Group's product in terms of quality, craftsmanship and technology, and builds itself into the most reliable tinplate supply chain service provider for customers. By benchmarking against industry practices and understanding the operation of customers, we can fully satisfy customer needs. While expanding domestic business scale, we intensify overseas market penetration by participating in exhibitions and conducting client visits to optimise production capacity utilisation. Adhering to the profit-oriented marketing strategy, we integrate resources to improve the utilisation rate of tinplate production capacity, analyse business trends, and optimise the business structure. By continuously paying attention to the market conditions, improving the ability to predict, and adjusting the pace of material procurement in a scientific manner, the negative impact of the fluctuation of commodity prices has also been effectively dealt with.



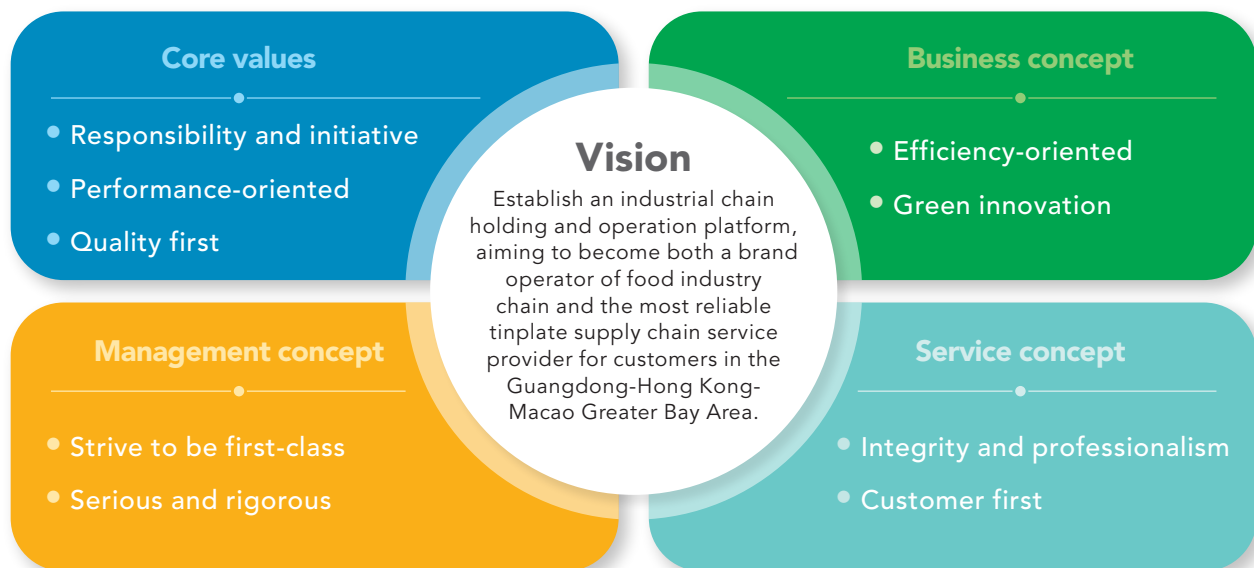
About the Group (continued)

DEVELOPMENT HISTORY



About the Group (continued)

CORPORATE CULTURE



Sustainable Development Strategy

CHAIRMAN'S ADDRESS

As we navigate through 2024, it has become increasingly evident that this year is a linchpin in the execution of our "14th Five-Year" strategic plan. It is a year where we forge ahead with determination, embracing significant challenges and substantial responsibilities. In an external environment where the economic landscape continues to bottom out and industries undergo profound adjustments, we have unwaveringly maintained our focus on "manufacturing as the core." We have stayed true to the development mainline of "strengthening and optimising the fresh and live foodstuffs business, and steadily developing the metal manufacturing business." Centered on slaughtering operations and propelled by the dual engines of "technology + products" and "management + services," we have been wholeheartedly committed to bolstering confidence, stabilizing growth, preventing risks, driving reforms, and enhancing efficiency. While striving for business growth, we have remained steadfast in our commitment to sustainable development, fulfilling our responsibilities across environmental, social, and economic dimensions, and actively exploring pathways to advance high-quality corporate growth.

We are acutely conscious of the grave impacts of global warming on the development of environment, society and economic. In response, the Group has proactively aligned with China's strategic plan of "achieving carbon peak by 2030 and carbon neutrality by 2060" (the "Dual Carbon"). Simultaneously, we have employed the framework of governance, strategy, risk management, indicators, and goals to refine our climate-related management mechanisms. We have intensified our efforts in identifying, assessing, and addressing climate-related risks and opportunities, and have meticulously coordinated the layout of low-carbon development paths to enhance our corporate climate resilience and build a long-term capacity to confront climate challenges.

As a socially responsible enterprise, the Group is steadfast in its mission to create a positive societal impact and foster shared prosperity. Internally, we place a premium on raising awareness and integrating social responsibility into the very fabric of our operations. Externally, we lead by example through the organisation of public welfare initiatives, volunteering programs, and the provision of targeted support for regional industrial and economic development. These endeavors are designed to benefit our employees, partners, and the communities in which we operate.

As we look to the future, we will persist in upholding the principles of sustainable development, seize emerging opportunities, and collaborate closely with all stakeholders. Through unremitting effort and continuous progress, we are confident that we will achieve even greater milestones in the coming year and make further contributions to social sustainable development.

Acting Chairman and General Manager
Yang Zhe

Hong Kong, April 2025

Sustainable Development Strategy (continued)

BOARD STATEMENT

The Group recognises the importance of ESG to long-term and stable operations and continues to strengthen the supervision and participation of the Board in ESG matters, in order to further enhance the Group's ESG management.

The Board is responsible for the ESG management and integrating the concept of sustainable development with the Group's overall strategies, policies and business plans. The Board, together with management, regularly identifies and evaluates material ESG risks related to the business to ensure effective management and control of ESG. The Board also regularly reviews the communication channels with stakeholders and maintains effective dialogue to understand their expectations and requirements. To supervise the implementation progress of ESG-related work, the Board reviews the plan, budget and expenditure of ESG-related work. In addition, the Board is responsible for supervising the preparation of this Report, and reviewing the content to ensure its quality.

This year, the Group reviewed the material ESG issues regarding the actual business development plans by taking into account regulatory requirements, macro policies, industry concerns and other factors through industry surveys, expert assessments and Board discussions. The result of material ESG issues have been approved and confirmed by the Board.

In order to continuously improve the sustainable development performance, the Group has set key ESG targets covering product quality and safety, climate change, pollutant emissions, resource use, and biodiversity protection in accordance with the Listing Rules, stakeholder expectations and requirements, and its own business development plans. The Board reviews and discusses the setting of targets and will regularly review based on the progress of the targets.

ESG GOVERNANCE STRUCTURE

The Group has established an ESG governance structure consisting of the Board of Directors, the Office, and various business and functional departments, with clearly defined responsibilities at each level. This structure forms a top-down, collaborative sustainable development governance system.

Board of Directors	<ul style="list-style-type: none">• Formulate ESG strategies, management policies, and objectives.• Review ESG-related risks, opportunities, and material issues.• Evaluate and approve the ESG report.
Offices	<ul style="list-style-type: none">• Coordinate the formulation and improvement of ESG-related policies.• Identify and assess ESG-related risks, opportunities, and material issues.• Collect ESG-related data and information from business and functional departments, and monitor the implementation of ESG initiatives.• Review and submit the ESG report to the Board of Directors.
Various business and functional departments	<ul style="list-style-type: none">• Formulate and implement specific action plans aligned with ESG strategies and material issues, and regularly report progress on ESG-related work to the Offices.• Implement the collection of ESG-related data and information, and assist in preparing the annual ESG report.

Sustainable Development Strategy (continued)

COMMUNICATION WITH STAKEHOLDERS

The long-term benefits and sustainable development of the Group rely on the support and trust of stakeholders. Therefore, we attach great importance to communication with stakeholders, and have established regular communication channels. In this way, we can understand and collect the expectations and requirements of all parties for the sustainable development of the Group, and strive to create value for all parties. The following are the ways we communicate with the key stakeholders.

Stakeholders	Expectations and Requirements	Means of Communication and Response
Government Departments and Regulators	<ul style="list-style-type: none"> Compliance with national policies, laws and regulations Production safety Energy conservation and carbon emission reduction Emissions Compliance 	<ul style="list-style-type: none"> Timely, accurate, and truthful disclosure of information and submission of regulatory data in accordance with the laws Regularly accept production safety inspections and assessments Take energy-saving, carbon reduction, and greening measures in business operations Regularly submit relevant reports to local environmental department
Shareholders and Investors	<ul style="list-style-type: none"> Long-term stable returns Enhance company value Compliance operation 	<ul style="list-style-type: none"> Stable dividend policy to ensure shareholder returns Hold general meetings and publish results announcements Establish a comprehensive compliance management system
Business Partners and Suppliers	<ul style="list-style-type: none"> Compliance with business ethics Execution of contract in accordance with the law Establish long-term and stable cooperative relationship 	<ul style="list-style-type: none"> Standardise procurement with integrity Fulfilling the contract as agreed Conducting regular supplier evaluations
Customers	<ul style="list-style-type: none"> Product quality and safety High-quality customer services Reliable data security and customer privacy protection 	<ul style="list-style-type: none"> Continuously improve the product quality and safety management system Customer service hotlines, communication conferences, opinion surveys and return visits Conduct regular data security and customer privacy protection training
Employees	<ul style="list-style-type: none"> Remunerations, benefits and promotion Career development Occupational health and safety Enhancing team cohesion 	<ul style="list-style-type: none"> Reasonable remuneration mechanism and promotion channels Training on employee competency Establish an occupational health and safety management system, and regularly organising body check for employees Organising team building, cultural and sports and caring activities

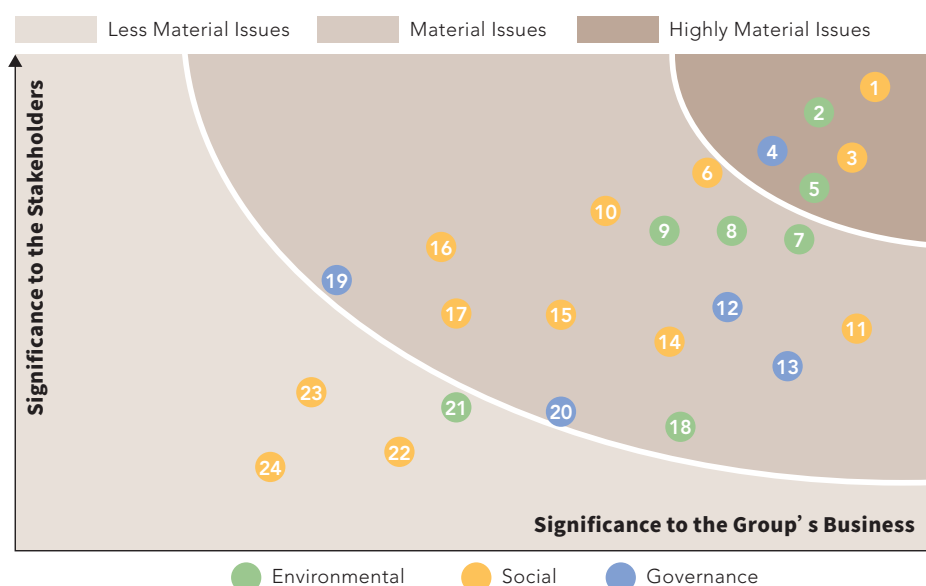
Sustainable Development Strategy (continued)

Stakeholders	Expectations and Requirements	Means of Communication and Response
Industry Peers	<ul style="list-style-type: none"> Industry standards formulation Driving industry development 	<ul style="list-style-type: none"> Industry seminars Mutual visits and networking events with industry associations
Community and the Public	<ul style="list-style-type: none"> Promote community construction and development Supporting public welfare and charity activities 	<ul style="list-style-type: none"> Provide job opportunities and promote the development of local industries Participate in public welfare and charity and carry out volunteer services

MATERIALITY ASSESSMENT

In order to gain a deeper and more accurate understanding of the expectations and requirements of stakeholders, and to enhance the relevance and materiality of the Report, the Group comprehensively considered factors such as industry concerns, compliance requirements, and its own business operating conditions to sort out material ESG issues. The Group reviewed and prioritised 22 material ESG issues based on two dimensions: “significance to the Group’s business” and “significance to the stakeholders”, and drew up a materiality matrix of ESG issues. Meanwhile, the Group carried out targeted management improvement initiatives based on the priority of the issues to ensure that the Group’s development strategies were aligned with the requirements of the material issues and stakeholders. The following ranking results of material ESG issues have been reviewed and approved by the Board.

Materiality Matrix of ESG Issues



Sustainable Development Strategy (continued)

Materiality	Priority Ranking	Name of Issues	Scope
Highly Material Issues	1	Product Quality and Safety	Social
	2	Waste Management	Environmental
	3	Occupational Health and Safety	Social
	4	Business Ethics	Governance
	5	Addressing Climate Change	Environmental
Material Issues	6	Responsible Marketing	Social
	7	Energy Management	Environmental
	8	Water Resources Management	Environmental
	9	Noise Management	Environmental
	10	Sustainable Supply Chains	Social
	11	Customer Services	Social
	12	Operational Compliance	Governance
	13	Sustainable Governance Mechanism	Governance
	14	Remuneration and Benefits	Social
	15	Diversity and Equal Opportunity	Social
	16	Employee Training and Development	Social
	17	Use of Raw Materials and Packaging Materials	Environmental
	18	Developing Circular Economy	Social
	19	Data Security and Customer Privacy Protection	Governance
	20	Intellectual Property Protection	Governance
Less Material Issues	21	Biodiversity Protection	Environmental
	22	Rural Revitalization and Charity	Social
	23	Community Participation and Contribution	Social
	24	Technology Innovation	Social

Quality First

The Group regards quality as the essence, continuously improves its product quality and safety management system, controls key quality and safety compliance points, and is committed to providing customers with high-quality and safe products. Meanwhile, we uphold the service philosophy of putting customers first, focusing on customer feedback, and optimising the service experience.

QUALITY AND SAFETY CONTROL

The Group always prioritises product quality and safety, continuously improves its product quality and safety management system and enhances product reliability so as to meet customers' needs. This year, there were no product recalls for safety and health reasons in the Group's fresh and live foodstuffs business and tinplating business.

Fresh and Live Foodstuffs Business

In our business operations, we strictly comply with related laws and regulations, including but not limited to the Food Safety Law of the People's Republic of China, the Law of the People's Republic of China on Product Quality, the Animal Epidemic Prevention Law of the People's Republic of China, the Law of the People's Republic of China on the Entry and Exit Animal and Plant Quarantine, the Measures of the People's Republic of China for the Administration of Safety of Imported and Exported Food, the Regulation on Food Safety in Guangdong Province, the Measures for the Administration of Inspection and Quarantine of Live Pigs Supplied to Hong Kong and to Macau, the Regulation on Pig Slaughter of Guangdong Province, as well as the Public Health and Municipal Services Ordinance, the Food Business Regulation, the Slaughterhouses Regulation and the Prevention of Cruelty to Animals Ordinance of Hong Kong. We have also formulated and implemented the Measures for the Administration of Food Safety of GDH Guangnan (Holdings) Limited, the Guidelines for Standardised Construction of Pig, Cattle and Sheep Slaughtering of GDH Guangnan (Holdings) Limited, the Provisions on the Administration of the Reporting and Handling of Food Safety Incidents of GDH Guangnan (Holdings) Limited, the Provisions on the Administration of Production Process Control of GDH Guangnan (Holdings) Limited, the Product Quality and Safety Traceability Policy of GDH Guangnan (Holdings) Limited, the Defective Product Recall Policy of GDH Guangnan (Holdings) Limited, as well as a series of policies of moisture detection, plague detection, and prohibited drug detection for fresh and live foodstuffs. By doing so, the quality and safety control requirements at all stages of fresh and live foodstuffs are regulated in detail to ensure that customers are provided with high-quality, safe and hygienic fresh and live foodstuffs.

The subsidiaries of the Group engaged in the fresh and live foodstuffs business have obtained quality and food safety related management system certifications for many consecutive years, including HACCP Hazard Analysis and Critical Control Point system certification, ISO 9001 quality management system certification, and ISO 22000 food safety management system certification. This year, we conducted annual review work in accordance with various system certification standards and requirements, in order to ensure the continuous and effective operation of each management system.

Quality First (continued)



HACCP Hazard Analysis and Critical Control Point system certification



ISO 9001 quality management system certification



ISO 22000 food safety management system certification

This year, the completion status of the quality and safety system management objectives of the Group’s fresh and live foodstuffs business:

slaughter livestock disease missed detection event	major food safety accidents	batch quality accidents
0	0	0

Quality First (continued)

I. Measures for Quality and Safety Management

The Group is committed to providing citizens with safe, hygienic, fresh food products, and has formulated detailed management requirements for various stages such as supply, production, storage, transportation and distribution. The Group's safety, emergency response and environmental protection departments continue to urge each subsidiaries to strictly implement the requirements of "daily control, weekly inspection and monthly scheduling". This year, we conducted over a hundred food safety inspections and promptly rectified the problems identified, fulfilling our responsibility for food quality and safety.

Supply Chain	<ul style="list-style-type: none"> We collect and check the qualification certificates and qualified food documents from suppliers, including but not limited to business licences, food production licences or food business licences, pig slaughtering certificates, animal epidemic prevention qualification certificates, export registration certificates, factory inspection reports, animal quarantine certificates, meat quality inspection certificates, animal health certificates, as well as the customs declaration forms, inspection and quarantine certificates and other documents for imported food. We send samples of live pigs to a third-party testing agency for inspection. We will terminate the contracts with suppliers which are found to be involved in illegal drug use, poor sanitation management or unqualified sampling.
Production Chain	<ul style="list-style-type: none"> The departments in charge of inspection and quarantine are responsible for verifying the animal quarantine certificates, animal vaccination labels, quantity and other relevant information for live animals. The production departments are responsible for daily maintenance, upkeep, and overhaul of production equipment to ensure that it is operational. Operators are responsible for the correct use of the equipment in their position and for the maintenance and lubrication of the equipment. Workshop supervisors must inspect all mechanical equipment and various cutting machines to be used every day. If any food contamination hazards are found, they must work with equipment maintenance personnel to address them in a timely manner, so as to meet production and hygiene requirements. We ensure that all slaughtering operators hold valid health certificates to avoid direct contact with food by personnel with food safety diseases such as dysentery, typhoid fever, and viral hepatitis.
Storage Chain	<ul style="list-style-type: none"> Raw materials, semi-finished products, finished products and substandard products are stored separately, and containers and vehicles are clearly labelled and disinfected in a timely manner. The food warehouse is dedicated and equipped with facilities and measures to prevent rats, flies, moisture, mould, and to keep ventilation. Meanwhile, an inspection and registration policy for the entry and exit of food storage is established. Regular clearance inspections are carried out to prevent expired, spoiled, and infested food. Food that does not meet food safety requirements will be disposed of in a timely manner.

Quality First (continued)

Transportation Chain	<ul style="list-style-type: none"> It is strictly prohibited to load the products that have not been inspected and certified by the factory. We strictly monitor the temperature of cold chain delivery vehicles to ensure that the freshness requirements of transported food are met. Delivery vehicles should be strictly cleaned and disinfected before transport.
Distribution Chain	<ul style="list-style-type: none"> Fresh food products are stored in fresh-keeping warehouses after entering supermarkets, retail stores, and other shopping places, and their shelf life, appearance, and packaging integrity are checked. We strictly control the sales time, and all daily clearance products must be sold before the end of business on the same day. Non-daily clearance products should not exceed 7 days in store inventory, and strictly prohibit to display of substandard and expired products.

At the same time, we have formulated and implemented policies such as the Measures for the Recall of Defective Products of GDH Guangnan (Holdings) Limited and the Measures for the Quality and Safety Traceability of Pork Products of GDH Guangnan (Holdings) Limited to specify the product recall process and mechanism for regulating the fresh and live foodstuffs business. We record the production and flow of products to ensure that when unsafe food is found, we can quickly initiate a recall and report to the local agricultural authorities in accordance with the established procedures. We also maintain detailed records of each product recalled and conduct analyses of the causes of food safety issues, promptly correcting problems to prevent the recurrence of similar incidents.

II. Quality and Safety Training

The Group gives priority to build a culture of quality. Through regular trainings on product quality and safety, we continuously improve the professional skills of employees and strengthen their quality awareness. We supported employees to attend external training courses related to food quality, safety and hygiene. Through training and assessment, a number of employees successfully obtained quality and safety certificates related to fresh and live foodstuffs business, such as safety and health supervisor certificate, safety inspection training certificate, and basic safety management certificate issued by Hong Kong Occupational Safety and Health Council.

Case: Basic Knowledge Training on Rapid Testing

In March 2024, the Group conducted basic knowledge training on rapid testing for veterinary hygiene inspectors. The training covered basic knowledge of rapid testing, common testing items, and key points for conducting rapid tests. Through this training, the veterinary hygiene inspectors' understanding of the principles, characteristics, application scope, and limitations of various rapid testing technologies was significantly enhanced, which helped to further improve product quality and safety management level."



Basic Knowledge Training on Rapid Testing

Quality First (continued)

Case: Training on Emergency Response Measures for Food Safety Incident

In August 2024, the Group conducted training on emergency response measures for food safety incidents for quality control staff. The training covered an overview, principles, countermeasures, preventive actions, and case studies in respect of emergency response to food safety accidents. This training enhanced the staff's awareness of food safety and their ability to respond to and manage incidents, thereby reducing the occurrence of food safety incidents and mitigating associated risks.



Training on Emergency Response Measures for Food Safety Incident

Tinplating Business

We strictly comply with the Product Quality Law of the People's Republic of China, the Production Safety Law of the People's Republic of China and other relevant laws and regulations in business operations. We have developed and implemented a series of policies, including the Quality, Food Safety, Environment, Occupational Health and Safety and Energy Management Manual of GDH Guangnan (Holdings) Limited, Safety Production Commitment Policy of GDH Guangnan (Holdings) Limited, the Quality Accident Handling Measures of GDH Guangnan (Holdings) Limited, the Annual Inspection of Product Quality of GDH Guangnan (Holdings) Limited, the Product Recall Control Procedures of GDH Guangnan (Holdings) Limited, and the Safety Inspection and Hazard Management Regulations of GDH Guangnan (Holdings) Limited. By doing so, we are committed to creating products with better quality, higher efficiency and stronger competitiveness.

The subsidiaries of the Group engaged in the tinplating business have achieved the ISO 9001 quality management system certification and ISO 22000 food safety management system certification for many consecutive years. During the year, we conducted an annual review in accordance with the certification standards and requirements of each system, and the review results showed that each management system continued to operate effectively.

Quality First (continued)



ISO 9001 Quality Management System Certification



ISO 22000 Food Safety Management System Certification

This year, the completion status of the quality and safety management objectives of the Group's tinplating business:

incidents of illegal operations and command violations

major safety production responsibility accidents

shortage of safety production management personnel

0

0

0

I. Measures for Quality and Safety Management

The Group's tinplating business has established comprehensive measures to control product quality and safety risks, quality testing requirements and standards, and a mechanism for handling production quality accidents. In addition, we have clarified the management and supervision responsibilities of each department, in order to minimise the likelihood of quality accidents occurring during the production process. In case of quality accidents, we thoroughly investigate the causes of accidents, criticize and educate the responsible persons, and hold them accountable depending on the severity of the incident. And we promptly develop detailed preventive and corrective measures, striving for continuous improvements in product quality.

Quality First (continued)

Controlling Measures for Product Quality and Safety Risk

Risk areas	Risk analysis	Controlling measures
Raw materials inspection and control	Defective raw materials result in substandard products.	<ul style="list-style-type: none"> Strictly follow relevant standards for raw material inspection, and thoroughly check the factory inspection qualification report or material certificate provided by the suppliers. Closely monitor the effect of raw materials, and immediately stop using them if there are any abnormalities. Actively promote the use of safe and environmentally friendly materials.
Intermediate product inspection and control	Defects occur during the production process, resulting in substandard products.	<ul style="list-style-type: none"> Determine whether the product meets the relevant requirements according to the product inspection standard and the customer's needs. If necessary, submit the product to the customer for confirmation or trial to determine whether it meets their requirements. If the customer has special requirements, the inspection should be carried out based on the customer's requirements.
Product inspection standards	Quality inspectors are not familiar with the standards or have insufficient inspection skills, which leads to the risk of misinspection and misjudgement.	<ul style="list-style-type: none"> Conduct regular in-service training for quality inspectors to enhance their familiarity with testing standards. Provide regular hands-on training for quality inspectors on testing instruments and equipment, and conduct skill assessments or competitions. Implement performance appraisal, and strengthen daily inspections and accountability assessment.
Printing and posting labels of finished products	The production staff print labels with the wrong content, and the packaging staff post the wrong labels.	<ul style="list-style-type: none"> Production staff print labels strictly according to the guidelines for label printing operations. Packaging staff strictly adhere to product specifications when posting labels and identification cards. Provide daily instructions and work inspections for production staff to correct wrong operations in a timely manner.
Finished product warehouse verification	Products with planned batch numbers don't match the actual batch numbers, and the products to be processed have not been rechecked, which creates a risk of defective products circulating.	<ul style="list-style-type: none"> The products to be processed (TIC system locked products) are not allowed to be loaded out of the warehouse until the identification plate is revoked. Product barcodes are used for warehousing management to reduce manual verification errors.

Quality First (continued)

Meanwhile, as tinplate products are used for food packaging, we have established product recall control procedure and mechanism. We have also set up a dedicated task force to receive and verify tinplate products for food packaging that may be defective. Moreover, we organise simulation exercise on product recall regularly to ensure the effectiveness of the recall control procedures.

II. *Quality and Safety Training*

We regularly provide training related to product quality and safety for employees of the tinplating business, including trainings on food safety knowledge, product defect identification and product inspection standards, in order to enhance the employees' understanding of product quality and safety.

Case: Safety Management, Responsibility, and Skill Training

In February 2024, the Group conducted safety management, responsibility, and skill training for the quality management supervisors. The training content included learning quality accident warning education videos, real accident case explanation and analysis, and ways to investigate on-site safety hazards. Through this training, the ability of quality management supervisors to prevent accidents has been further improved, which is conducive to strengthening the quality control and safety construction standards in the production process.

HIGH-QUALITY SERVICES

Optimising Customer Services

Adhering to the service philosophy of putting customers first, the Group respects the opinions of all customers, and regards them as an important basis for service improvement, striving to optimise the customer service quality. We have formulated and implemented relevant policies for handling customer complaints, to make the customer complaint handling mechanism and process complete and formatted. In this way, we aim to ensure that customers receive timely, considerate and effective after-sales services. This year, the Group's complaint response rate of products and services and complaint resolution rate were both 100%.

Customer Feedback Channel

We take each customer's requirements seriously. Any customer who has any comments or complaints towards the products and services of the Group can contact relevant sales staff via channels such as service hotline and online communication. Upon receipt of a customer complaint, the staff will record the content immediately, and report it to the relevant department. The staff will also contact and reply to customers in a timely manner, informing them of the progress and results of the complaint.

Customer Complaint Resolution Mechanisms

The Group has established different complaint handling and resolution mechanisms based on the natures of the fresh and live foodstuffs business and the tinplating business.

- For complaints related to the fresh and live foodstuffs business, relevant departments will understand the content of the complaint and inquire the staff who sold the related meat products and reply to the customer via supermarkets or retail shops within 24 hours. In addition, we will track the results of the complaint to ensure that the issue is substantially resolved.
- For complaints related to the tinplating business, the relevant departments will record the product batches complained by the customer in detail, and conducts in-depth analysis of the causes of the product problems in the relevant batches. If the quality problem is caused by a supplier or the delivery company, we will report it to the supplier or delivery company and seek compensation. At the same time, we will work out a compensation plan with the customer and take appropriate improvement measures to avoid the recurrence of the same problem.

Quality First (continued)

Enhancing Customer Satisfaction

Through regular customer satisfaction surveys, such as face-to-face visits and phone interviews, we collect and analyse customers' opinions on product quality, service quality, delivery timeliness, cost-effectiveness, etc. for the fresh and live foodstuffs business and the tinplating business, so as to adopt improvement measures to enhance customer satisfaction.

Responsible Marketing Management

Adhering to the compliant marketing, the Group strictly abides by the Law of the People's Republic of China on Protection of Consumer Rights and Interests, the Advertising Law of the People's Republic of China and other relevant laws and regulations and industry standards of the countries and regions where we operate. We have also formulated and implemented the policies such as the Brand Management Guidelines of GDH Guangnan (Holdings) Limited and the Management Measures for the Sales Agent of GDH Guangnan (Holdings) Limited, to further improve the marketing control mechanism, ensuring that the marketing process follows the business ethics and market rules. We are committed to conducting product promotion and marketing in a responsible manner, creating a transparent and honest business environment, and providing customers with reliable products and services.

We adhere to the principle of integrity in the process of product marketing, and do not engage in any form of discrimination, exaggerated advertising, deception or misleading. All advertising and promotional materials released to the market are subject to compliance review prior to use. This is to avoid consumers' erroneous associations or interpretations of advertising slogans, product packaging, service names, etc., and to safeguard their rights and interests.

Sales agents conduct some marketing activities for the Group's fresh and live foodstuff business. In this regard, we have formulated a detailed sales agent management code. The Group's marketing and procurement departments are responsible for communicating with sales agents and providing them with promotion materials, information, policies and quotations. The departments also take responsibility for providing sales agents with various technical supports, including training of key business staff, professional guidance and quotation preparation.

In addition, we are dedicated to strengthening marketing personnel's professionalism and integrity. We continuously launch online and offline marketing compliance training on different topics to enhance the professional skills and business ethics of marketing personnel.



Responsible Marketing Training

Quality First (continued)

Data Security and Customer Privacy Protection

The Group highly recognises the importance of information management, data security and customer privacy protection. Therefore, the Group strictly abides by the laws and regulations such as the Personal Information Protection Law of the People's Republic of China, the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China and the Hong Kong Personal Data (Privacy) Ordinance. In addition, the Group has formulated and implemented the Management Measures for Informationization Work of GDH Guangnan (Holdings) Limited and the Management Measures for Confidential Computer Information Security of GDH Guangnan (Holdings) Limited, in order to standardise the management mechanisms for the collection, use and storage of data.

The Group adheres to the principles of legality, legitimacy and necessity when collecting and using information and data from partners, customers and employees, and has established a confidentiality management team to coordinate the protection of business secrets, sensitive information and data.

Data security and customer privacy protection measures

Data confidentiality management	<ul style="list-style-type: none">• Set access permissions and encryption measures for important data involving business secrets and customer information, and the transmission of important data must be authorized and recorded.• Require employees to sign and commit to abide by confidentiality regulations and not disclose business secrets, internal documents and information, business and customer information without authorization. Even after the employment relationship ends, relevant information and data must not be disclosed to a third party.
Data backup management	<ul style="list-style-type: none">• Perform local automatic backup of databases in important application services every day.• Regularly back up the database to a mobile hard disk every month and fill out the data backup record form.• Conduct data backup recovery test once a quarter and fill in the data recovery test record form.
Anti-network attack and anti-virus management	<ul style="list-style-type: none">• Monitor network data links in real time through the monitoring system, and regularly test the activity of core servers and network equipment.• Develop firewall security policies and firewall configuration standards. Externally transmitted programs or data must be examined by the firewall and can only be installed or used after being confirmed to be safe.• The information system is set up to automatically check and update virus definition files every day, and perform a full system virus scan once a week.

This year, we participated in the practical cybersecurity attack and defense activities organised by the Guangdong Provincial Public Security Department, and practiced the work processes such as cybersecurity risk investigation, prevention of network and virus attacks, and reporting of key data security issues in the activities, in order to further discover and improve the problems existing in the cybersecurity protection work.

In addition, in order to enhance employees' awareness of information security and confidentiality, we regularly conduct training on data security and customer privacy protection, including data security regulations, customer privacy protection management requirements, and emergency response procedures for information leakage. We will seriously handle the leakage of trade secrets and customer information, illegal use of sensitive information for profit, and other similar acts. This year, the Group has not experienced any penalty incidents related to data security or customer information leakage.

Green Operation

The Group is fully aware of the importance of green operations to the sustainable development of the enterprise and has integrated them into its daily operations. In addressing climate change, we use the framework of governance, strategy, risk management, indicators and goals, in order to improve the governance process, monitoring measures and procedures for climate-related risks and opportunities, lay out a low-carbon development path, and promote the green transformation of operations. For waste management, we strictly comply with international, Mainland China and Hong Kong environmental laws and regulations. We constantly optimise the production process, and introduce the advanced processing equipment, to reduce the emission of various types of pollutants and to meet the emission standards. For resource management, we adhere to the concept of recycling, optimise the resource allocation for higher resource utilisation efficiency and waste reduction, and also encourage employees to save resources. For biodiversity protection, we actively participate in the public welfare activities for ecological protection, and contribute to environmental and ecological protection with practical actions.

The Group's tinplating business has set up a dedicated Environmental Protection Management Committee (the "Environmental Protection Committee"), to supervise and implement environmental protection and promote the company's sustainable development. The Environmental Protection Committee is mainly responsible for organising, supervising and implementing environmental protection work, and paying attention to changes in environmental protection laws and policies, and formulating and updating the company's management policies. The Environmental Protection Management Office under the Environmental Protection Committee is responsible for monitoring all departments in their emission control, resource management and operation of the environmental management system. It also guides the departments and environmental managers on clean production and daily pollutant detection, and carries out employee training on environmental protection.



Environmental Protection Committee Structure

The Group implements the environmental strategy of win the trust of society with clean and environmentally friendly practices and follows the goals of "energy saving, consumption reduction, pollution reduction and efficiency enhancement". Meanwhile, the Group has established a comprehensive environmental management system and hold the ISO 14001 environmental management system certificates.

Green Operation (continued)



ISO 14001 Environmental Management System Certificates

In order to respond to emergent environmental pollution incidents effectively, and to minimise the impact of accidents on the environment, the Group has formulated the Emergency Plans for Emergent Environmental Incidents of GDH Guangnan (Holdings) Limited in accordance with the Emergency Response Law of the People's Republic of China, the Administrative Measures for the Recording of Emergency Preparedness for Environmental Emergencies of Enterprises and Institutions and other relevant laws and regulations, to standardise the emergency treatment and rectification measures of hidden dangers. The Group's safety, emergency response and environmental protection departments take a lead in inspecting hidden hazards, handling major emergencies, and regularly organising emergency drills, to ensure an efficient response to environmental emergencies. Meanwhile, the Group has installed various monitoring equipment to monitor the real-time environmental conditions of the plants, and installed anti-leakage pools at hazardous chemical storage sites to avoid major leakage. We also have emergency supplies with inspection, protection and communication functions to deal with environmental emergencies. During Year 2024, no major environmental incidents occurred in the Group.

We also attach great importance to the environmental performance of employees and have established a reward and punishment policy. We reward employees who propose effective solutions that can improve emission control or resource management scheme, and punish employees who neglect duties and waste resources, so as to increase employees' enthusiasm for environmental pollution prevention and resource saving. At the same time, the Group is committed to improving employees' environmental knowledge. Specifically, the Group conducts environmental training for new employees to help them understand the national environmental laws and policies.

Green Operation (continued)

ENVIRONMENTAL TARGETS

The Group is committed to improving environmental and resource management and implementing sustainable development plans. Therefore, we set environmental management goals to reduce the negative impact of operations on the environment and improve overall energy utilization efficiency.

Aspect	The Group's Targets
Addressing climate change	Reduce carbon emissions and address climate disasters
Pollutant Management	Reduce the impact of wastewater, exhaust gas, solid waste and noise on the environment
Energy Management	Improve the efficiency of energy utilisation and reduce energy consumption
Water Resources Management	Reduce water consumption and achieve water saving and reusing
Biodiversity Protection	Reduce the impact of operations on biodiversity

ADDRESSING CLIMATE CHANGE

To mitigate global warming and address climate change, the Group actively responds to "achieve carbon peak by 2030 and carbon neutrality by 2060" strategy of China, incorporating climate change issues into strategic planning. At the same time, we improve climate-related management mechanisms from the perspectives of governance, strategy, risk management, indicators and targets, strengthen the identification, assessment, and addressing of climate-related risks and opportunities, and coordinate the layout of low-carbon development paths to enhance corporate climate resilience and promote green transformation and upgrading.

Governance

To effectively manage and address climate change risks and opportunities, the Group establishes a clearly defined climate change governance structure to manage, coordinate, implement, and supervise climate-related work. At the same time, we regularly conduct internal training and sharing sessions on addressing climate change for the board of directors and management to ensure that they have appropriate skills and capabilities to oversee and address climate change risks and opportunities.

Board of Directors	Responsible for comprehensive oversight of climate-related matters; integrate climate-related risks and opportunities with the strategy, policies, and business plans of the Group; regularly identify and evaluate important climate change risks and opportunities related to business with management; set climate-related targets and regularly review the progress of goal achievement; receive management reports on climate-related work and provide recommendations.
Safety, Emergency Response and Environmental Protection Department of the Company	Responsible for coordination and promotion of climate-related work; identify and assess climate change risks and opportunities; supervise the implementation of work, identify and resolve potential climate-related risks; monitor the progress of climate-related goals.
Safety Production Management Department of the subsidiaries	Responsible for formulating and implementing the plans of addressing climate change and carbon reduction measures, strictly controlling the construction of high-energy consumption and high-emission projects; organise climate change training to empower employees with relevant knowledge and skills; regularly report carbon emission data, emission reduction results and the achievement of targets

Climate Change Governance Structure

Green Operation (continued)

Strategy

To build long-term capabilities of addressing climate change, the Group has formulated and implemented the Environmental Protection Management Measures of GDH Guangnan (Holdings) Limited and the Carbon Peaking and Carbon Neutrality Work Management Measures of GDH Guangnan (Holdings) Limited, in order to clarify the strategy for addressing climate change, guide subsidiaries to take management measures in operations, such as carbon reduction, pollution reduction, and green development. At the same time, we encourage subsidiaries to actively promote the application of green and low-carbon new technologies, processes, and equipment.

The Group identifies and evaluates climate-related risks and opportunities that may have short-term (within the next two years), medium-term (up to 2030), or long-term (up to 2060) impacts on business model, value chain, and finances, based on its own business characteristics and the national “Dual Carbon” strategy, and formulate targeted responses to these risks.

Type of Risk/ Opportunity	Description of Risk/ Opportunity	Potential Impact			Impact Time	Response Action
		Business Model	Value Chain	Finance		
physical risks	Acute Risk: Increasingly severe extreme weather events, such as typhoons, floods, and sudden natural disasters.	Critical factory infrastructure severely damaged, causing production lines to stop operating, leading to a decrease in production capacity.	Transportation networks or supply chains may be disrupted, affecting product delivery times.	Business Model: Increased maintenance costs due to facility damage, increased expenditure on extreme weather insurance. Value Chain: Supplier transportation halt leads to product supply disruption at retail stores, thereby affecting sales revenue.	Short-term	<ul style="list-style-type: none"> Formulate the Three Prevention Work Plan and Emergency Response Plan, continuously promote the prevention and handling of sudden natural disasters such as typhoons and floods. Establish an emergency response working group and regularly conduct emergency skills training and drills to continuously improve disaster prevention and rescue capabilities. Pay close attention to the relevant weather forecasts for the location of retail stores, adjust the delivery schedule or stock in advance in response to extreme weather.
	Chronic risk: Long-term heatwaves that may be caused by the global average temperature rise.	The safety risk of outdoor work for employees increases, making heatstroke or heat-related deaths more likely.	The incidence and infection rate of animal diseases increase, affecting the yield and quality of meat products.	Business model: Heatstroke or heat-related deaths among employees may result in additional medical and insurance costs. Value chain: Additional costs for animal treatment and vaccination may lead to increase procurement costs.	Long-term	<ul style="list-style-type: none"> Provide protective equipment, high-temperature subsidies, cooling food and medicine, and remind employees to replenish fluids timely. Reduce the temperature in animal living areas through methods such as spraying and ventilation, strengthen epidemic detection, and regularly clean and disinfect animal living areas.

Green Operation (continued)

Type of Risk/ Opportunity	Description of Risk/ Opportunity	Potential Impact			Impact Time	Response Action
		Business Model	Value Chain	Finance		
transition risks	Policy and legal risk: As global attention to climate change issues continues to rise, China is increasingly implementing stricter carbon emission reduction policies.	With the tightening of carbon reduction policies and regulations, and the intensification of government departmental supervision, the compliance pressure faced by enterprises is constantly increasing.	Strict carbon emission reduction policies and regulations may restrict the production of upstream raw material suppliers, and some key suppliers may reduce production or even shut down due to their inability to comply policy requirements.	Business model: More resources may need to be invested to meet compliance requirements, leading to increased operating costs. Value chain: When searching for alternative suppliers, additional emergency procurement costs may incur, such as urgent transportation costs, temporary procurement contract signing costs, etc.	Medium-term	<ul style="list-style-type: none"> Constantly monitor and interpret climate-related policies and regulations, and promptly adjust internal management policies and business processes to ensure compliance with operations. Incorporate climate policy and regulatory risks into the supplier assessment mechanism, and establish emergency plans, clarify the responsibilities of each department after key suppliers cease operations, including the procurement department's urgent search for alternative suppliers, the production department's adjustment of production plans, and the sales department's communication with customers.
	Technical risk: The development of low-carbon energy-saving technology may affect the competitiveness of enterprises, production, and distribution costs.	There is uncertainty in the adaptation, iteration, and use of low-carbon energy-saving technology, equipment, and production processes by enterprises.	Some low-carbon energy-saving equipment may have limited supply channels for components or rely on specific suppliers. If suppliers experience shutdowns or geopolitical issues, it may lead to the failure of low-carbon energy-saving equipment being unable to be repaired timely.	Business model: The cost of investing in energy-saving and carbon-reduction technology, equipment, and production processes is increasing. Value chain: The inability to replace and repair faulty low-carbon energy-saving equipment timely may trigger expanded failures, causing damage to other equipment components and increasing maintenance costs.	Medium-term	<ul style="list-style-type: none"> Conduct a comprehensive assessment of the cost-effectiveness of low-carbon energy-saving technology investment projects from multiple dimensions such as technical feasibility, economic rationality, and environmental impact. Diversify supplier selection, establish cooperative relationships with high-quality suppliers in different regions to reduce the risk of supply disruption due to natural disasters, policy changes, or other factors in a specific region.
Climate-related opportunities	Resource efficiency: Various favourable opportunities and positive impacts brought about by improving resource utilization efficiency.	By using energy-saving and emission reduction technologies, resource recycling and utilization technologies, etc., the efficiency of water and energy use in the operation process can be effectively improved.	By optimising transportation methods and routes, transportation efficiency can be improved, and fuel or energy consumption can be reduced.	Business model: Practices such as energy conservation and emission reduction, and resource recycling can reduce production and operation costs. Value chain: Optimising transportation methods and routes can reduce transportation costs.	Medium-term	<ul style="list-style-type: none"> Improve resource utilization efficiency in production and operation by optimising process flow, replacing energy-saving equipment, and renovating old equipment and facilities. According to transportation needs, comprehensively utilize various transportation methods such as railways and highways, and plan appropriate distribution routes to reduce transportation frequency, improve load factor, and lower transportation costs and resource consumption.
	Energy sources: The diversification and transformation of climate-related energy sources bring a series of opportunities favourable to economic and environmental development.	By investing in renewable energy, the proportion of renewable energy utilization can be gradually increased, achieving optimised energy structure and greenhouse gas emission reduction.	By purchasing renewable energy as production energy, the dependence on fossil energy can be reduced, and the cost risk brought by fluctuations in energy prices can be avoided.	Business model: Increasing the development and utilization of renewable energy can reduce production costs or bring in profits. Value chain: The purchase price of renewable energy is relatively stable, which can control or reduce the overall energy procurement cost.	Medium-term	<ul style="list-style-type: none"> According to own operational conditions and regional conditions, gradually deploy decentralized photovoltaic power generation projects. Purchasing renewable energy by entering into direct power purchase agreements with renewable energy generators or energy suppliers, or by participating in the green electricity trading market.

Green Operation (continued)

Risk Management

This year, based on the identification and evaluation of potential climate-related risks and opportunities, we have incorporated climate-related risks into the Three Lines of Defence Mechanism for the risk management system of the Group, in order to clarify the responsibilities, key management requirements, and standards of relevant departments and subsidiaries. For details, please refer to the "RISK MANAGEMENT" section of this report. In addition, we manage climate-related risks in accordance with the process of "Risk Identification, Risk Assessment, Risk Prioritization, Risk Response, and Risk Monitoring" to comprehensively enhance the overall management ability and performance of climate-related risks.

Climate-related Risk Management Process

Risk Identification	Risk Assessment	Risk Prioritisation	Risk Response	Risk Monitoring
Identify climate risks that affect the Group and their importance to business operations.	Determine the nature of the identified risks and assess their impact.	Consider the costs of addressing climate risks and the potential losses that may be avoided, in order to prioritize the risks.	Develop and implement response measures based on the assessment and prioritisation of climate-related risks.	Conduct comprehensive assessments of climate risks regularly, and check the effectiveness of risk response measures.

Metrics and Targets

The Group actively responds to China's strategic plan of "Achieve carbon peak by 2030 and carbon neutrality by 2060" and establishes a scientific and reasonable ESG indicators system to provide reliable data support for achieving greenhouse gas emission reduction targets, which are based on business operation characteristics and resource conditions. At the same time, we incorporate climate-related indicators into the performance evaluation of relevant personnel to promote the implementation of sustainable development strategies and the achievement of emission reduction targets.

This report discloses the Group's greenhouse gas emissions data for Scope 1, Scope 2, Scope 3 in 2024. The data can be found in the "Appendix: Environmental Data Performance Table." The combined greenhouse gas emission intensity of Scope 1 and Scope 2 in 2024 decreased by 4% compared to 2023.

Green Operation (continued)

POLLUTANT MANAGEMENT

Wastewater Management

The Group is committed to the environmental target of meeting wastewater discharge standards. The Group strictly complies with the Water Pollution Prevention and Control Law of the People's Republic of China, the Discharge Standard of Water Pollutants for Meat Packing Industry, the Discharge Limits of Water Pollutants, the Integrated Wastewater Discharge Standard, the Emission Standard of Pollutants for Electroplating, the Discharge Standard of Water Pollutants for Iron and Steel Industry, the Hong Kong Water Pollution Control Ordinance and other laws and regulations and national and local discharge standards. The Group has also formulated the Description of Slaughterhouse Wastewater Treatment Plan of GDH Guangnan (Holdings) Limited and other internal wastewater treatment procedures in accordance with the Pollutant Discharge Permits to standardise the wastewater treatment procedures and facilities, to ensure that the discharged industrial wastewater meets the standards. Furthermore, the Group strictly implements the Guidelines for Environmental Suspension Operations and the Wastewater, Exhaust gas, Noise and Solid Waste Pollution Control Process at all production workshops and sewage treatment stations. By doing so, the Group can prevent environmental pollution incidents caused by excessive discharge of wastewater due to operational errors or emergencies. The Group is subject to regular inspections by local government and engages third-party agencies to conduct inspections on wastewater flow rate and water quality standards, such as Chemical Oxygen Demand (COD), ammonia nitrogen and pH value, so as to ensure the discharged wastewater meets the national or local standards.

The wastewater generated in the operation of the Group's fresh and live foodstuffs business is mainly non-hazardous wastewater, which does not contain substances that have a significant negative impact on the environment. Specifically, the wastewater generated includes the sewage from cleaning the livestock in the slaughterhouse, the cleansing sewage from the fresh meat processing workshops and the fresh meat stalls, the cleansing sewage from meat cutting process, and the domestic sewage from the office. The Group's slaughterhouses and meat processing plants are equipped with wastewater treatment stations, which treats the wastewater. The treated wastewater will be discharged into the municipal sewage system after reaching the standards. The cleansing sewage of the slaughterhouse is discharged to the sewage canal of each cleaning pen in accordance with the management procedures of the slaughterhouse, and is collected, filtered and disinfected for reuse. The cleansing sewage of each supermarket is treated in its grease trap, and environmentally friendly detergents are used to clean the grease trap to reduce the environmental pollution caused by the detergents. The domestic sewage generated by the office is discharged into the municipal pipelines for unified treatment. This year, the Group's fresh and live foodstuffs business carried out the technical transformation of sewage treatment equipment by upgrading the drum grate machine to a slanted screen solid-liquid separator, effectively reducing equipment damage and maintenance frequency, and reducing the labour intensity of operators.



Slanted screen solid-liquid separator

Green Operation (continued)

The wastewater generated by the Group's tinplating business mainly comes from electroplating wastewater from the production of tinplate and related products, other industrial sewage and waste reagents, and domestic sewage from the office. Sewage treatment stations have been set up in the factories of the Group's tinplating business, where the industrial wastewater will be treated through procedures including chemical neutralisation, hydrolysis and acidification, physical and chemical precipitation, filtration and sterilisation. The treated wastewater will then be discharged after being tested and reaching the standard. Domestic sewage from the office is pretreated by septic tank and then discharged into regional water purification plant. In the meantime, the sludge generated from sewage treatment station is dehydrated and sent to the hazardous waste disposal enterprise for treatment. For hazardous industrial wastewater that requires special treatment, such as concentrated oily wastewater, waste emulsions, waste thinner and others, we add specific processing procedures at the factory's sewage treatment station and production department to reduce its environmental pollution, after which it is stored in a special leak-proof container. After completing the declaration of the government discharge information management platform, we will entrust a qualified recycler for subsequent processing.

Exhaust Gas Management

The Group strictly abides by the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, and the Emission Standards for Odor Pollutants (GB14554-93), the Integrated Emission Standard of Air Pollutants (GB16297-1996), the Emission Standard of Pollutants for Electroplating (GB2190-2008) and the Emission Standard of Air Pollutants for Industrial Kiln and Furnace (DB13/1640-2012), the Emission Control Standards for Volatile Organic Compounds in Industrial Enterprises (DB13/2322-2016) and other industry-related exhaust gas emission standards. To standardise the internal exhaust gas treatment procedures and ensure that employees operate the exhaust gas treatment equipment correctly, we have formulated and strictly enforced the Exhaust Gas Classification Management Procedures of GDH Guangnan (Holdings) Limited and the Guidelines for the Use of Exhaust Gas Treatment Devices of GDH Guangnan (Holdings) Limited to achieve emission standards.

Exhaust emissions from the Group's fresh and live foodstuffs business mainly consist of a small amount of odour from the slaughterhouse, exhaust gas from transport vehicles, and exhaust fumes from transport vehicles. In 2024, we will continue to improve and upgrade deodorization technology in the plant, strengthen equipment maintenance, and strictly conduct quarterly testing at the plant's exhaust gas discharge outlets in accordance with the requirements of the Pollutant Discharge Permits. The main testing indicators are flue gas parameters, ammonia, hydrogen sulphide and odour concentration. At the same time, we will strengthen the management of vehicle waste emissions, ensure that unloading is done in a well-ventilated environment, and require drivers to switch off the engines of idling vehicles, so as to reduce the impact of vehicle emissions on the environment.

The exhaust gas generated by the Group's tinplating business is mainly from the production process of tinplate and the exhaust emissions of vehicles for daily transportation, including organic exhaust gases, oil mist exhaust gases and chromic acid mist. The factories of the tinplating business are equipped with complete exhaust gas treatment equipment, which collects the exhaust gas in the workshop through the gas collection hood and then treats the exhaust gas through various methods. These methods include lye spray absorption, vacuum oil mist separation, scrubbing and acid regeneration, thermal combustion for organic waste gas, and activated carbon catalytic combustion process. The exhaust gas is discharged at high altitude through the exhaust gas discharge port after reaching the standard. In the tinplating business, the Group specially arranges personnel from the environmental protection department to operate the exhaust gas treatment equipment and monitor the emission of various exhaust gases in the factory. The personnel are also required to operate the exhaust gas treatment equipment in strict accordance with operating specifications to prevent exhaust gas leakage or excessive emissions caused by operational errors and reduce environmental impact. During Year 2024, Group's tinplating business formulated and released the Environmental Management Ledger Record Policy, in order to require all departments to strictly record the sources of exhaust emissions and monitor the amount of exhaust gas treatment regularly to ensure refined exhaust gas management.

Green Operation (continued)

Management of Disposal of Solid Wastes

The Group operates in strict compliance with the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes and other relevant laws and regulations as well as local regulations for the storage of solid waste, and conducts classification and treatment of solid waste. In addition, we have formulated rules and policies on the management of hazardous waste, including the Hazardous Waste Management Plan and Management Ledger of GDH Guangnan (Holdings) Limited, the Hazardous Waste Warehouse Management Policy and the Hazardous Waste Management Policy of GDH Guangnan (Holdings) Limited, to clarify the whole process of hazardous waste storage, transfer and disposal. We attach great importance to the recycling and disposal of waste, and contribute to the development of the circular economy. During the Reporting Period, the Group's hazardous solid waste disposal rate is 100%.

The non-hazardous waste generated from the operation of the Group's fresh and live foodstuffs business is mainly organic waste and sludge generated by slaughtering livestock in slaughterhouses and processing fresh meat, and domestic waste from daily operations. The hazardous waste is mainly generated from diseased livestock carcasses and meat in daily operations. Non-hazardous organic waste, such as pig hair, pig blood and livestock offal residues, and sludge will be recycled and disposed of by qualified enterprises on a regular basis. Domestic waste produced from daily operations will be collected and disposed of by the property management companies. We set up a hazardous waste warehouse, and stack hazardous waste in different locations of the warehouse according to the different zoning signs of hazardous waste storage. We regularly inspect the stored hazardous waste containers and facilities. Meanwhile, we will clean and replace the containers and facilities in a timely manner, if they are found to be broken or destroyed, so as to avoid environmental pollution. In addition, we regularly entrust enterprises with hazardous waste operating licences to recycle and dispose of hazardous waste.

The non-hazardous waste generated during the production of the Group's tinplating business mainly includes recyclable waste such as wastepaper, residual materials, scrap iron and packaging wastes, and non-recyclable wastes such as domestic rubbish. The hazardous waste mainly includes chromium-containing resins, chromium-containing sludge, oil sludge, waste paint and waste oil residue. We strictly regulate the classification and treatment of various types of solid waste, and centrally store them for further disposal in accordance with laws. We sell the recyclable waste to professional recyclers. The non-recyclable waste is regularly sent to the local environmental and hygiene department for disposal, so as to improve the resource reuse rate and reduce waste. At the same time, in accordance with national requirements for the movement of hazardous waste, we have set up a special warehouse for the storage and management of hazardous waste, and regularly entrusted the disposal of hazardous waste to qualified recycling enterprises.

Management of Noise

The Group strictly abides by relevant laws and regulations such as the Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise and the three categories of standards in the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008) to manage noise in production and operation. During Year 2024, the Group commissioned qualified testing companies to conduct quarterly noise tests in the plant environment, and all test results met emission standards.

The noise of the Group's fresh and live foodstuffs business is mainly the noise of livestock in slaughterhouses. We transfer livestock to a quiet indoor slaughterhouse to reduce the impact of their noise on the surrounding environment. In addition, the Group regularly commissions qualified third-party organisations to conduct noise testing to ensure that the noise of the plant meets the standards. Besides, we provide earplugs for employees to block the livestock noise to protect them from occupational injuries.

The noise of the Group's tinplating business is mainly generated from the operation of production equipment and its ancillary facilities. In order to stop the transmission of noise, tinplate production factories are designed to be semi-closed and installed with acoustic doors and windows. At the same time, according to the characteristics of the noise generated by the production equipment, such as mechanical vibration noise, air dynamic noise, electromagnetic noise, we targeted the use of different materials of sound insulation and noise reduction walls to prevent the spread of various types of noise. In addition, we pay attention to noise attenuation at the sound source. We further reduce environmental noise in operations by prioritising the procurement of new environmentally friendly and low-noise equipment, requiring employees to operate production equipment correctly, avoiding arbitrary startup and shutdown of the equipment, and regularly repairing and maintaining the equipment.

Green Operation (continued)

RESOURCE MANAGEMENT

Energy Management

The Group is committed to the goal of scientific energy management and efficiency improvement through technological innovation. In operation, the Group strictly follows the requirements of the Energy Conservation Law of the People's Republic of China. The Group has also formulated and implemented internal energy management policies, such as the Energy Conservation and Emission Reduction Control Procedure of GDH Guangnan (Holdings) Limited and the Energy Management Operation Control Procedure of GDH Guangnan (Holdings) Limited. We also actively advocate green operational measures such as water and electricity conservation and paperless office to save energy.

We have established an energy-saving management team with dedicated energy management personnel to improve the energy management structure. By benchmarking with advanced peer companies, the Group sets uniform energy consumption budgets and energy-saving assessment indexes for various businesses, thereby promoting corporate energy management performance. Meanwhile, the Group has implemented the configuration of three-level metering instruments and established a corresponding ledger for energy metering instrument to monitor the energy consumption of each production plant in real time. This year, we conducted an annual review in accordance with the ISO 50001 energy management system certification standards and requirements, and the results of the review showed that energy management system continued to operate effectively.



ISO 50001 Energy Management System Certification

The energy used by the Group's fresh and live foodstuffs business includes fuels such as gasoline, diesel and liquefied petroleum gas and electricity. The fuel relates to direct energy consumption, mainly for vehicle use. Electricity relates to indirect energy consumption, mainly used for office and plant operations. In terms of green travelling, the Group advocates the use of new energy vehicles, reduces the use of fuel, and encourages the use of public transport. In terms of power saving, we adjust the use of equipment in the production workshops according to production plan and weather changes. We turn off electric steam during non-production time to reduce power consumption. This year, the unit power consumption of pig workshop of GDH Food (Zhuhai) Company Limited ("GDH Food Zhuhai") dropped from 3.61 to 3.39 degrees per head, the unit power consumption of cattle workshop dropped from 29.05 degrees per head to 27.35 degrees per head, and the unit power consumption of sheep workshop dropped from 10.98 degrees per head to 8.31 degrees per head.

Green Operation (continued)

The energy used by the Group's tinsplating business includes electricity, natural gas, steam, refined oil. Among them, natural gas, gasoline, diesel and ethanol fuel are direct energy consumption, which are mainly used for production, office operations and vehicles. Electricity and steam are indirect energy consumption. Electricity is mainly used for tinsplating plant and office operations, and steam is mainly used for the production process of the tinsplating business. In terms of energy-saving renovation, we comprehensively replace the old 65KW and 37KW air compressors with 110KW energy-saving air compressors, and install variable frequency control cabinets on the high-pressure water pumps in the substrate factory to achieve the regulation of pump speed and flow according to water consumption.

Management of Water Resources

Highlighting the full utilisation of water resources, the Group has formulated the Measures for the Administration of Water and Electricity of GDH Guangnan (Holdings) Limited and other policies to clarify the norms and requirements of managing water resources in operations. During Year 2024, the Group did not encounter any problems in sourcing water.

The water used by the Group's fresh and live foodstuffs business is mainly from municipal water supply and it is mainly used for cleaning livestock and daily office operations. We install water meters at all workstations in the by-product cleaning room of the slaughterhouse, and install water cards at the delivery port to control precise water usage and reduce water consumption. In 2024, GDH Food (Foshan) Company Limited successfully achieved the goal of water-saving. The water consumption was 0.44 cubic metres/head for pigs in the pig workshop, 2.84 cubic metres/head for cattle in the cattle workshop, and 0.24 cubic metres/head for sheep in the sheep workshop. At the same time, GDH Food Zhuhai added a water meter at each miscellaneous washing station in the pig washing room. Specifically, the water consumption was reduced from 0.53 cubic metres/head to 0.50 cubic metres/head for pigs in the pig workshop, reduced from 6.72 cubic metres/head to 6.63 cubic metres/head for cattle in the cattle workshop, and controlled within 0.58 cubic metres/head for sheep in the sheep workshop.

The water used by the Group's tinsplating business is mainly from municipal water supply and rivers. The tinsplating business also uses soft water, pure water and tower water throughout the electroplating production process. As a water-intensive industry, the tinsplating business encourages its factories to reduce unit water consumption of products through technological innovation, reuses wastewater and cooling water, and conducts pipe network inspection in factories. To make targeted corrective plans and set appropriate water consumption targets, we monitor the flow rate of the water consumption points and identify departments or processes with larger water consumptions. Regular maintenance of the pipe network is carried out to avoid leakage and waste. Additionally, regarding office operations, we put up water-saving posters, install water-saving valves, and cultivate employees' awareness of water and electricity conservation.

Management of Packaging Materials

Complying with the Prerequisite Programmes on Food Safety – Part 4: Food Packaging Manufacturing and other industry standards, the Group has implemented the Quality, Food Safety, Environment, Occupational Health and Safety and Energy Management Manual of GDH Guangnan (Holdings) Limited and other policies. In doing so, we have clarified the use and management of packaging materials, to reduce the use of packaging materials in production and sales. The Group's packaging materials are mainly used for packaging fresh food in supermarkets and tinsplate products. We encourage employees in charge of food packaging to reduce the loss and disposal of packaging boxes, avoid excessive packaging, and reuse plastic boxes in good condition after cleaning and drying, so as to achieve simplified packaging and save packaging materials. Furthermore, we have established an online warehousing platform to centrally manage the usage and inventory of packaging materials, trace and handle abnormal packaging usage, and regularly inspect the packaging material usage of each factory to reduce waste.

Green Operation (continued)

BIODIVERSITY PROTECTION

The Group is well aware of the important role that enterprises play in constructing national ecological civilisation, and actively undertake the responsibility of protecting biodiversity. In this regard, based on business characteristics, we conduct regular self-inspection and monitoring in accordance with the requirements of the Pollutant Discharge Permits, hire qualified environmental testing institutions to conduct environmental assessments of factories, production workshops, and new engineering projects, and submit environmental assessment report to the government departments. In addition, the sludge generated from meat processing is converted into fertiliser for surrounding green plants after proper treatment and dilution. In this way, we turn waste into wealth and green the vegetation, so as to reduce the impact of business operations on surrounding plants, and protect biodiversity. At the same time, we organise actions on biodiversity protection, spread the concept of green development, and contribute to the protection of “lucid waters and lush mountains” and biodiversity. This year, the production and business operation activities of the Group did not have any negative impact on the ecological functions of the surrounding areas.

Case: “Water Day Cleaning • Hand in Hand Beach Cleaning” Volunteering Activity

In 2024, the Group launched the “Water Day Cleaning • Hand in Hand Beach Cleaning” volunteering activity. Over 50 volunteers held cleaning tools and garbage bags, conducting a carpet cleaning along the Old Dragon Head Beach, green belt, and windbreak forest. They picked up garbage such as drink bottles, packaging bags, and plastic bags, improving the beach environment practically. This activity promoted the spirit of “dedication, friendship, mutual assistance, and progress” in volunteering services, calling on citizens to jointly protect the blue ocean and contribute to the protection of marine ecological environment.



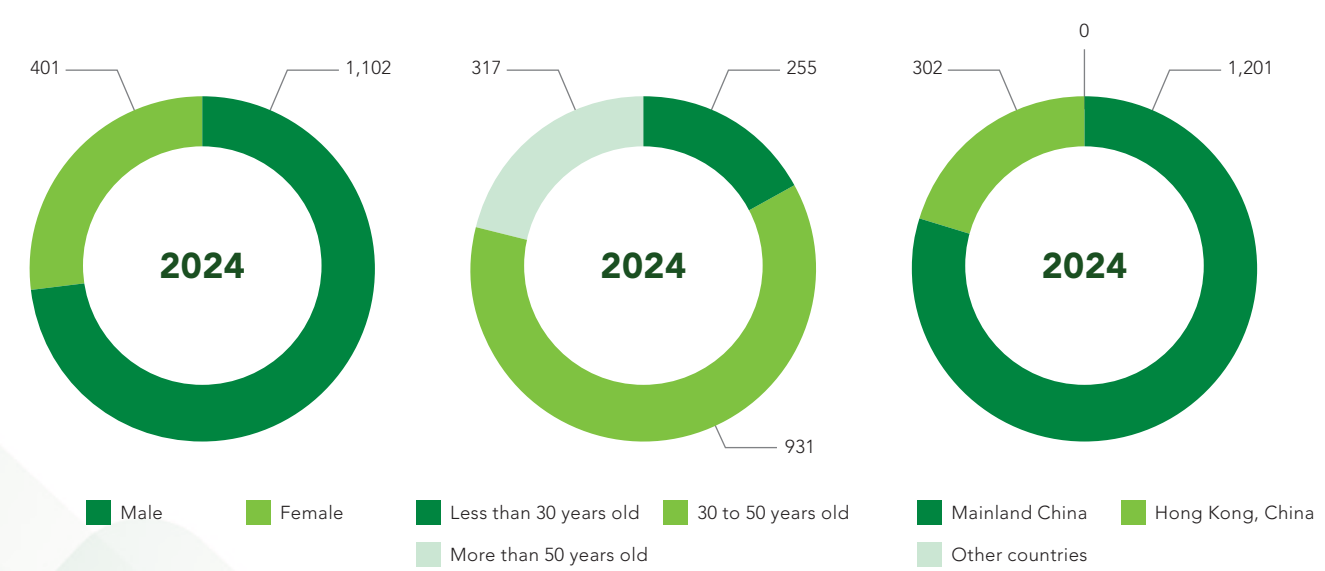
“Water Day Cleaning • Hand in Hand Beach Cleaning” Volunteering Activity

Employee Oriented

The Group regards the employees as valuable assets for sustainable development. We firmly protect the rights and interests of employees and are committed to eliminating any forms of discrimination and prejudice in the workplace, by developing a scientific and reasonable remuneration system, and providing generous and comprehensive benefits. We effectively protect the health and safety of our employees, carry out occupational safety certification in an orderly manner, and regularly organise safety training sessions to enhance safety awareness. We focus on supporting talent cultivation. Through diversified training courses, we enhance employees’ professional skills and promote their personal development. We steadily implement employee care initiatives to enhance employees’ sense of happiness and belonging. We steadily implement employee care initiatives to enhance their happiness and sense of belonging. The Group did not have any violation cases related to employment, health and safety and labour guidelines during Year 2024.

Number of Employees (Employee Turnover Rate)	Year 2024
Total	1,503 (12.8%)
By Gender	
Male	1,102 (13.0%)
Female	401 (12.2%)
By Age Group	
Less than 30 years old	255 (22.7%)
30 to 50 years old	931 (12.2%)
More than 50 years old	317 (6.3%)
By Region	
Mainland China	1,201 (10.2%)
Hong Kong, China	302 (22.8%)
Other countries	0 (0%)

Note: Formula for turnover rate calculation: number of employee leaving employment under a specific category ÷ number of employee under that specific category at the end of Year 2024 × 100%.



Employee Oriented (continued)

RIGHTS AND INTERESTS OF EMPLOYEES

Highlighting the protection of employees' rights and interests as well as human rights, the Group strictly abides by the Labour Law of the People's Republic of China and Hong Kong. We treat all employees equally, and prohibit discrimination on the grounds of gender, race, age and health status. Appropriate measures to accept complaints, investigate and handle complaints are taken to prevent sexual harassment through power abuse, exploitation of a superior position, and other means. We pay close attention to the legitimate rights and interests of employees, especially the rights and interests of female employees during pregnancy and postpartum. We also properly handle employee complaints, stipulating that after the human resources department receives a complaint, it will review it together with relevant departments and promptly provide feedback on the handling results.

For employee remuneration, we implement a differentiated remuneration distribution mechanism, uses performance evaluation results as an important reference for bonus distribution. We implement the principle of "salary adjusts with the position, and a position change means a pay change" to strive to build a fair and reasonable salary system, fully mobilize the enthusiasm of employees. In terms of employee recruitment and selection, we continuously optimise relevant systems, such as the Personnel Appointment and Removal Management Regulations of GDH Guangnan (Holdings) Limited, and combine external recruitment (including campus recruitment and social recruitment) with internal competition to continuously do a good job in personnel selection.

The Group complies with the relevant laws and regulations related to the prohibition of child labour and forced labour, including but not limited to the Labour Law of the People's Republic of China, the Provisions on the Prohibition of Using Child Labour, as well as the Employment Ordinance and the Employment of Children Regulations of Hong Kong. We will sign an employment contract with employees when they join the company. The relevant work content, salary, working hours and location are clearly stated in the contract to prevent any forms of forced labour. We review the identification documents of employees before they commence duty to ensure that they have reached the legal working age, so as to avoid recruiting any child labour by mistake. In case of misemployment of child labour or forced labour, the Group will immediately stop the work of the relevant personnel, and investigate the incident. This year, the rate of labour contract signing in the Group is 100%, and there were no incident concerning the employment of child labour under the legal working age or forced labour in the Group.

In addition, we make social insurance and housing provident fund contributions for Mainland China employees and mandatory provident fund contributions for Hong Kong employees, as required by law. We have also formulated the Employee Handbook of GDH Guangnan (Holdings) Limited and the Regulations on Attendance and Leave Management of GDH Guangnan (Holdings) Limited for both Mainland China and Hong Kong to ensure employees' rights to remuneration, occupational safety protection, vocational training and other rights in accordance with the law. Meanwhile, we help employees achieve work-life balance by making reasonable work arrangements, controlling overtime and strictly enforcing overtime approval procedures. The Group's employees are also entitled to statutory holidays and paid leave in accordance with the law.

In Year 2024, the performance related to labour rights of the Group is as follows:

Signing rate of labour contracts	100%
Social insurance coverage	100%
Number of paid annual leave days per capita	7.7 days
Coverage rate of work-related injury insurance and safety production liability insurance	100%

Employee Oriented (continued)

HEALTH AND SAFETY

The Group considers the health and safety of its employees to be fundamental to the management of its operations. In accordance with laws and regulations such as the Production Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, we have established a number of policies, including the Measures for Safety Production Management of GDH Guangnan (Holdings) Limited, the Emergency Plan for Production Safety Accidents of GDH Guangnan (Holdings) Limited, and the Interim Measures for Management of Safety Production Violations by Engineering Construction Contractors of GDH Guangnan (Holdings) Limited. Adhering to the production safety policy of "Safety First, Prevention Crucial, Comprehensive Management", we have clarified employees' production safety responsibilities, established a responsibility evaluation policy, and achieved an efficient organisational structure and clear rights and responsibilities, thereby effectively improving safety management capabilities. Meanwhile, we remain committed to occupational health and safety certification. In addition, safety inspections are carried out, and the Group's subsidiaries are organised to check the implementation of production safety, occupational health, fire management, etc. Risks and hidden hazards were identified and addressed in a timely manner to create a safe working environment. During the Reporting Period, the expenses and personnel coverage rate of work-related injury insurance and safety production liability insurance of our group are 100%.

This year, the Group's occupational health and safety management system continued to operate effectively, as certified by the China Quality Certification Centre. And the total number of working days lost by employees of the Group due to work-related injuries is 359 days.

Number and rate of work-related fatalities occurred in the last three years:

Health and Safety	2024	2023	2022
Number of work-related fatalities	0	0	0
Percentage of work-related fatalities	0	0	0

Case: Key Position Operation Procedure Training

This year, we provide training on operating procedures for key positions in the production, procurement, storage, and transportation of tinplating business. We organise employees to learn visual videos of safety operating procedures, visualize the operating steps and precautions, accelerate the deepening of operators' understanding and mastery of standardised operating procedures, ensure that key position employees strictly follow standardised operating procedures, effectively reduce the frequency of operational errors, and reduce the risk of safety production accidents.



Key Position Operational Procedure Training

Employee Oriented (continued)

Case: Fire Safety Training and Drills

In November 2024, the Group launched the “Fire Prevention Month” themed campaign, inviting firefighters to conduct training on fire prevention, fire escape techniques, and other fire safety knowledge. We also organised our employees to actively participate in fire equipment usage drills, allowing them to personally experience the correct operation methods of fire equipment. This helped enhance their awareness of fire safety and improve their emergency response capabilities in the event of a sudden fire.



Scene of Fire Safety Training and Drills

TALENT CULTIVATION

Considering talent cultivation as the foundation for corporate development, the Group strongly supports the employees in improving their professional quality and skills for better career development. This year, a series of training sessions were organised in a variety of ways, such as on-site training, online platform training, internal training and external training. These training sessions mainly covered new employee orientation, production safety, integrity and confidentiality, latest policy interpretations, guidelines on the operation of office systems, official document standardization and office automation operations, financial management and professional skills courses. During the Reporting Period, the total expense related to employee training of the Group amounted to approximately HKD270,000.

In Year 2024, the Group’s training details are as follows:

Average Training Hours (Percentage of Employees Trained)	Year 2024
Total	60.1 (100%)
By Gender	
Male	60.2 (100%)
Female	60.0 (100%)
By Level	
Management and senior	90.5 (100%)
Middle	89.4 (100%)
Junior	57.5 (100%)

Note: Formula for percentage of trained employees calculation: number of trained employees under a specific category ÷ total number of trained employees x 100%.

Formula for percentage of average training hours per employee: total number of training hours for employees in a specified category ÷ number of employees in the specified category.

Employee Oriented (continued)

Case: Experience Exchange and Training in Slaughtering Business

In October 2024, the Human Resources Department of the Group organised a slaughter business experience exchange and training session for the subsidiaries of fresh and live foodstuffs business. The learning model adopted was a combination of "online and offline training with on-site visit and interaction." Relevant business department heads and experienced front-line employees were invited to serve as internal instructors. A total of 118 employees from departments such as inspection and quarantine, marketing, and production management participated in the training sessions and on-site visits to production workshops.

This training focuses on the development process of the slaughter industry, industry legal and regulatory requirements, market demand characteristics, and other dimensions. Various subsidiaries in fresh and live foodstuffs business communicate the overall process of slaughter, production management, safety and environmental protection control, inspection and quarantine, and other operational details. They learn from each other's strengths and weaknesses, enrich and improve their own production processes, and apply theory to practice during visits to production workshops and laboratories, effectively enhancing understanding of industry regulations, production processes, and business skills.



On-site Visit of Slaughter Business Training

EMPLOYEE CARE

We always concern about the well-being of our employees, consider their interests as our top priority and act on their wishes. We are committed to providing a wide range of welfare programmes and responding to employees' concerns in a timely manner. During the Reporting Period, the Group's labor union continuously improves the dynamic management record of employees in need, and provided condolences and condolence funds to employees who were facing living difficulties and serious illnesses.

Employee Oriented (continued)

Case: Sending Warmth on Holidays

This year, we actively carried out holiday condolence activities. Company leaders and department heads sent condolence items such as grain, oil, fruits, beverages, and holiday red envelopes to employees who were sticking to their frontline positions during important traditional festivals such as the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, expressing encouragement and condolences to all employees for their hard work and dedication to their duties, and bringing warmth and care to the employees of the Group.



Sending Warmth on Holidays

Case: "Cohesion Cup" Employee Sports Competition

In May 2024, the Group held the "Cohesion Cup" Employee Sports Competition, with three ball games including badminton, table tennis, and basketball. A total of 168 athletes from 9 subsidiary teams and 4 basketball teams actively participated. This competition successfully provided a competitive platform for employees to show themselves and strengthen their bodies, creating a good collective honour atmosphere of "I participate, I am healthy, and I am happy" in the Group. It not only enriched employees' leisure life, but also enhanced their teamwork ability.



"Cohesion Cup" Employee Sports Competition

Employee Oriented (continued)

Case: Series of Activities Celebrating the 27th Anniversary of Hong Kong's Return

In 2024, the Group actively responded to the call of the Hong Kong Chinese Enterprises Association and the Hong Kong Guangdong Enterprise Branch, organising a series of colourful celebration activities for employees in Hong Kong, such as "Walking Together", "Returning to China", "Discounts into the Community", etc., Through these activities, we enrich the leisure life of employees, deepen community exchanges in Hong Kong, help stationed employees understand and familiarize themselves with Hong Kong, cultivate patriotism and a deep love for Mainland China and Hong Kong, celebrate the 27th anniversary of Hong Kong's return to the motherland with practical actions, and demonstrate the deep friendship and responsibility of Chinese funded enterprises towards Hong Kong.



Series of Activities Celebrating the 27th Anniversary of Hong Kong's Return

Case: Women's Day Condolence and Communication Activities

On the occasion of International Women's Day in 2024, the Group held a women's rights protection and exchange activity with the theme of "Caring for Female Employees and Safeguarding Their Rights". We organised female employees to watch videos on women's legal rights protection and held symposiums to exchange and learn about laws and regulations related to women's rights protection, such as the Civil Code, the Anti Domestic Violence Law, and the Women's Rights Protection Law. Female employees share their experiences and insights in safeguarding their rights. And we distribute Women's Day holiday souvenirs to them. This Women's Day event effectively enhances the legal awareness of female employees, encourages and safeguards the use of legal weapons by female employees to protect their legitimate rights and interests.



Women's Day Condolence and Communication Activities

Employee Oriented (continued)

Case: Veteran Soldiers Symposium

In August 2024, the Group held a symposium for retired military personnel to discuss work experiences with them, distribute condolence gifts to them, encourage them to promote the excellent qualities of military personnel, and continue to strive for personal value and enterprise development in their positions. We also collected opinions and suggestions from retired military personnel as an important reference for democratic exchanges within the Group.



Veteran Soldiers Symposium

Compliance Management

Regarding compliance management as the cornerstone of business, the Group always adheres to the compliance philosophy in daily management and operations. Meanwhile, we are committed to improving risk resistance by constantly strengthening risk management and formulating diversified risk response strategies. Attaching great importance to business ethics, we will continue to promote integrity building and actively apply for technology patents while steadily strengthening intellectual property protection to avoid infringement. We strive to build a responsible supply chain and prevent violations by suppliers by giving high priority to supply chain management.

RISK MANAGEMENT

This year, in order to further establish a sound comprehensive risk management system, the Group has formulated a series of policies related to risk and compliance management, including the Measures for Comprehensive Risk Management of GDH Guangnan (Holdings) Limited, the Compliance Management Regulations of GDH Guangnan (Holdings) Limited and the Compliance Manual of GDH Guangnan (Holdings) Limited. These have been developed in light of the Group's actual operation and management and in accordance with the Hong Kong Companies Ordinance, the Listing Rules, the Securities and Futures Ordinance, the Company Law of the People's Republic of China, the Law of the People's Republic of China on State-Owned Assets of Enterprises and other relevant laws and regulations. In addition, we have also refined strategies for managing strategic risks, investment risks, operational risks and other risks.

The Group has set up a comprehensive compliance management organisation structure to continuously strengthen its compliance management and its ability to address compliance risks. We have established a standardised corporate governance structure, clearly defining the risk management functions of the legal and compliance department and other risk management functional departments, as well as the risk management responsibilities of the subsidiaries. The board of directors is responsible to shareholders for the effectiveness of risk management, approving the risk assessment criteria for major decisions, major events, and major business processes; the senior management reports to the board of directors on the implementation of risk management work, ensuring the effectiveness of comprehensive risk management system and internal control system. During the Reporting Period, the Group passed the annual compliance management system audit of ISO 37001:2021 and GB/T 35770-2022, with the risk and compliance management system continuously operating effectively.



ISO 37001 Compliance Management System Certification Certificate

Compliance Management (continued)

Risk Management Objectives of the Group for 2024

1. Ensure legality and compliance of production, operations and management, ensure asset security and promote capital preservation and appreciation
2. Emphasizing routine governance to avoid major risk events and major non-compliance incidents
3. Emphasizing problem orientation to enhance the effectiveness of risk control and compliance management
4. Emphasizing cultural construction to make compliance requirements deeply rooted in the hearts of people

Three Lines of Defence Mechanism for the Risk Management of the Group

First line of defence: departments and subsidiaries

Second line of defence: risk management departments

Three line of defence: internal audit department

This year, combining the industry and business characteristics, we comprehensively analysed the macroeconomic situation and market environment, focusing on strengthening the management of strategic risks, financial risks, market risks, operational risks, legal risks, compliance risks, project management risks, and integrity risks, and implementing detailed control points for each risk category, requiring all subsidiaries to enhance investigation and supervision. During the Reporting Period, there was no significant level of compliance risk among the identified compliance risks for the time being based on the current assessment.

Case: Training on Legal Risk Identification and Prevention in International Trade Business

In November 2024, the Group invited professional lawyers as external lecturers to conduct training on legal risk identification and prevention in international trade business for senior management, legal risk control department employees, and employees in international trade related positions of subsidiaries. This training focuses on the trade laws and regulations of the main export countries and regions of the products, interprets relevant clauses based on business reality, and shares legal risk cases and rights protection methods in international trade. Through this training, the employees of the Group have significantly improved their ability to identify and prevent legal risks in international trade, providing strong support for further business expansion.



Training on Legal Risk Identification and Prevention in International Trade Business

Compliance Management (continued)

BUSINESS ETHICS

The Group places high emphasis on integrity building, and strictly complies with the Criminal Law of the People's Republic of China, the Prevention of Bribery Ordinance of Hong Kong and other laws and regulations regarding the prevention of corruption, bribery, fraud, extortion and money laundering in the places where the Group operates. This year, we coordinate and promote commercial ethics and anti-corruption efforts, revising the Integrity Work Guidelines of GDH Guangnan (Holdings) Limited and Supervision Work Regulations of GDH Guangnan (Holdings) Limited and other internal policies, continuously improving the supervision and management mechanism, fully exerting the supervisory effectiveness of functional departments such as legal affairs, finance, and audit, and striving to enhance the integrity and commercial ethics awareness of all employees, avoiding the occurrence of corruption incidents.

To strictly regulate the code of conduct required of directors and employees in respect of integrity, we have also formulated rules against accepting and soliciting bribes, commercial bribery and illegal transfer of benefits, etc. We have also established an internal control system for integrity in business, set management objectives for integrity in business, incorporated integrity-related work into annual work plans and summaries, included honesty and integrity as part of staff performance evaluation, and continuously strengthened internal integrity monitoring mechanism. We also encourage employees to report corruption. Strictly following the Regulations on Complaints and Whistleblowing of GDH Guangnan (Holdings) Limited, we promptly investigate and verify the reported issues. Meanwhile, we strictly implement the requirements for the protection of whistleblowers and prohibit the unauthorised disclosure of their personal information. In addition, we also adhere to the principle of honesty and trustworthiness in market transactions. We explicitly prohibit behaviors such as commercial bribery, false advertising, stealing of trade secrets, defamation of peers, and unfair competition through related-party transactions. Moreover, we have established a compliance leading group to strictly supervise the risks of unfair competition in the daily operation and management of the Group.

During the Reporting Period, we established a leadership group for integrity supervision and anti-corruption, coordinating the construction of business ethics and anti-corruption efforts of the Group; we conducted integrity supervision inspections of all subsidiaries to promptly rectify potential integrity risks; we conducted "retrospective" inspections of bidding and evaluation processes for engineering projects, standardising bidding procedures and clarifying evaluation disciplines; we established personal integrity files for all newly promoted and appointed management personnel to strengthen individual integrity management. In addition, we conduct anti-corruption publicity and training for directors and all employees to enhance their awareness of integrity. During the Reporting Period, there were no corruption lawsuit cases, and no violations related to anti-corruption.

Compliance Management (continued)

Anti-corruption training performance

	Directors ¹	All employees
Training duration (hours)	226	2,150
Training frequency (times)	37	49

Case: Visit to Anti-corruption Education Base

In July 2024, the Group organised some middle and senior management personnel to visit the National Anti-Corruption Education Base of Museum of Dr. Sun Yat-sen, to conduct on-site inspections of historical materials on Sun Yat-sen's integrity and honesty, and to learn from typical negative cases. Using history as a mirror, we remind all management personnel to always maintain a clear mind and the bottom line of integrity.



Visit to Anti-corruption Education Base

Case: Integrity Education Special Lecture

In May 2024, the Group invited university professors to hold a special lecture on integrity education, organising nearly 200 management personnel to learn about anti-corruption and anti-bribery related laws, regulations, and warning cases, effectively enhancing the awe of management personnel who "dare not be corrupt" and improving their integrity awareness of "not wanting to be corrupt".



Integrity Education Special Lecture

¹ Including directors of GDH Guangnan (Holdings) Limited and its subsidiaries.

Compliance Management (continued)

INTELLECTUAL PROPERTY PROTECTION

We attach great importance to the protection of intellectual property. We have revised a series of management policies, including the Guidelines on Trademark Management Compliance of GDH Guangnan (Holdings) Limited, and the Rules for Implementation of Brand Management of GDH Guangnan (Holdings) Limited. In addition, we have strengthened contractual protection by including clauses related to intellectual property protection in product procurement contracts to prevent the purchase of infringing products. Whenever a new technology or product is launched, we file patent applications with government departments to protect intellectual property. During the Reporting Period, the Group has applied for 14 patents and 1 copyright, obtained 3 patent authorizations and 5 utility model patents.

At the same time, the Group also strengthens the protection of brand equity. Upon discovery of infringements, we immediately collect evidence and quickly develop legal solutions. The infringing party is required to immediately cease the infringing behaviour and, depending on the circumstances, to bear the liabilities arising therefrom, such as removal of the effects of the infringement and compensation for economic losses. If a solution cannot be reached with the infringing party through consultation, we will seek legal assistance as soon as possible to protect brand equity in accordance with laws and regulations. In the meantime, we regulate the use of others' intellectual property rights in accordance with the law to prevent infringement, with absolute respect for the knowledge outcomes of others. In addition, the Group also works in accordance with the requirements of the system so as to prevent infringement of intellectual property rights of others. During the Reporting Period, the Group was not involved in any violations related to privacy protection or intellectual property rights.

Case: Intellectual Property Protection Training

This year, we organised intellectual property protection training for middle-level management personnel, which included knowledge on the international intellectual property protection situation, national intellectual property protection laws and regulations and macro policies, the strategic and economic value of intellectual property, and intellectual property evaluation and analysis, etc. We also organised the attending management personnel to discuss public typical cases of peer enterprises, which effectively enhanced their awareness of intellectual property protection and integrated intellectual property protection into daily business management.



Intellectual Property Protection Training

Compliance Management (continued)

RESPONSIBLE SUPPLY CHAIN

With supply chain management as the driving force for business growth, the Group makes continuous efforts in responsible supply chain management by strictly regulating the procurement process and improving the supplier management system. In strict compliance with the Government Procurement Law of the People's Republic of China and the Law of the People's Republic of China on Tenders and Bids. This year, we have revised a set of supplier management policies, such as the Procurement Management Measures of GDH Guangnan (Holdings) Limited and the Ten Prohibitions for Procurement Personnel of GDH Guangnan (Holdings) Limited. We adhere to the principles of legality, integrity, fairness, justice, openness and transparency. We have signed integrity and compliance commitment letters with all suppliers, which include content related to anti-unfair competition to ensure fairness and justice in our cooperation. During the Reporting Period, the Group was not informed of any violations related to supply chain management.

Case: Training on Supplier Management Methods

In 2024, we organised procurement staff from all subsidiaries to carry out supplier management method training, covering the use of standardised supplier registration forms, supplier entry regulations and policies, and supplier assessment processes, etc., which helped improve the supplier management capabilities of procurement staff, regulate procurement behaviour, and ensure procurement quality.



Training on Supplier Management Methods

Compliance Management (continued)

Regarding the Group's fresh and live foodstuffs business, we conducted comprehensive analysis and evaluation of supply volumes based on annual sales targets and market demands, scientifically and reasonably purchase raw materials. We clarified fresh food supply policies, smoothed transportation channels, and developed contingency plans tailored to supply situations, thereby achieving whole-process management of supply chains. We implement centralized management for bulk material purchases (pork, frozen meat), clarify purchasing responsibilities, and improve purchasing quality. Focusing on supplier evaluation and assessment, we strictly check the qualifications of suppliers. We also consider the environmental impact of products or raw materials during procurement, transportation and packaging, and give priority to those with a lower environmental impact.

During Year 2024, the Group's fresh and live foodstuffs business had a total of 731 major suppliers. The number of suppliers divided by regions in the past three years are as follows:

Regions	2024	2023	2022
South China	649	313	182
East China	24	4	20
Central China	26	9	28
North China	10	0	13
Northeast China	5	4	0
Southwest China	7	4	0
Northwest China	4	6	0
Overseas	6	2	28
Total	731	342	271

Regarding the tinplating business, we make active efforts to build a digital supply chain management platform and practise high-standard green procurement to quickly screen and eliminate unqualified suppliers. We implement centralized and unified management for bulk material suppliers (cold and hot rolling plates, refined tin, paint, ink), and conduct annual reviews of suppliers from dimensions such as financial status, product quality, and contract enforcement, using the review results as an important basis for supplier assessment to improve supplier management efficiency.

During Year 2024, the Group's tinplating business had a total of 338 major suppliers. The number of suppliers divided by regions in the past three years are as follows:

Regions	2024	2023	2022
South China	147	123	63
East China	74	71	45
Central China	23	20	9
North China	65	57	99
Northeast China	18	17	8
Southwest China	5	4	3
Northwest China	6	6	1
Overseas	0	0	1
Total	338	298	229

Note: Suppliers in Hong Kong and Macau for fresh and live foodstuffs business and the tinplating business are included in "South China".

Contributions to Society

Always taking social responsibility as own duty, we have successfully conducted core business while actively shouldering responsibility and giving back to society through practical actions such as rural revitalization and community services.

RURAL REVITALIZATION

In response to the call of the national, the Group actively supports rural revitalization, establishes a pairing assistance relationship with poverty-stricken villages, and actively fulfils the responsibilities of a corporate citizen. During Year 2024, the total investment of the Group in rural revitalization was approximately HKD99,000.

Case: Actively promoting the “Millions Project” to assist in rural revitalization and development

The Group actively responded to the call of the “High Quality Development Project of Hundreds of Counties, Thousands of Towns and Tens of Thousands of Villages” in Guangdong Province, actively helped Gaozhou City establish a pig breeding industry chain, and purchased their pigs. At the same time, we actively encourage employees to purchase Gaozhou’s specialty agricultural and sideline products which contributes to the development of rural revitalization.



Purchase of Gaozhou Live Pig

Case: Promoting Litchi of Gaozhou in Appearing at the ‘Hometown Market Carnival’

In June 2024, the Group participated in the “Hometown Market Carnival” jointly organised by 28 provincial organisations in Hong Kong. We fully utilized the advantages and resources in Hong Kong to actively connect with Gaozhou litchi planting enterprises for participation, which effectively expands the sales channels of Litchi of Gaozhou to Hong Kong and promotes the high-quality development of Gaozhou agriculture.



Litchi of Gaozhou Promotion Site at ‘Hometown Market Carnival’

Contributions to Society (continued)

Case: Carrying out Village Enterprise Assistance Projects

This year, we actively responded to the call of the Foshan Rural Revitalization Bureau and established paired assistance relationships with village enterprises in Jiazao Village and Jiatui Village, Jihua Township, Rongjiang County, Qiandongnan Prefecture. The assistance period is three years from 2024 to 2026. During the assistance period, the Group donates HKD32,000 of paired assistance special funds to each of the two villages every year to support infrastructure construction, improve public service levels, and enhance rural living environments, which help the local area to build demonstration sites for rural revitalization.



Carrying out Village Enterprise Assistance Projects

COMMUNITY SERVICES

We have been involved in community service, to promote corporate resources and volunteer services in the community. Though these efforts, we strive to foster a culture of mutual benefit and win-win results, thereby contributing to the community. During Year 2024, the Group carried out a total of 12 volunteer service activities, with a total investment of hours exceeding 560 hours.

Case: Home Visits and Condolence Activities

In July 2024, the Group's volunteer team and members of District Councils of Hong Kong conducted home visits and condolences activities in the Central and Western District of Hong Kong Island. We visited each family door-to-door and had cordial conversations with them, inquired about their physical and living conditions, listened to their stories, and sent them festive greetings and carefully prepared vegetable dish and Gaozhou agricultural product gift bags. Through practical actions, we conveyed social warmth and demonstrated the social responsibility and humanistic feelings of Chinese enterprises in Hong Kong.



Home Visits and Condolence Activities

Contributions to Society (continued)

Case: Blood Donation Volunteering Activity

In 2024, we organised employees to actively participate in voluntary blood donation activities, and provide health reminders and energy boosting pastries and candies at the blood donation site. During the Reporting Period, employees of the Group actively participated and donated over 10,000 millilitres of blood, consolidating great love, spreading warmth, and building a "red bridge" for the continuation and relay of life.



Blood Donation Volunteering Activity

Case: Tree Planting Volunteering Activity

In March 2024, on the occasion of Arbor Day, the Group organised more than ten representatives of Hong Kong employees to go to the ecological farm in Tin Hang Village, New Territories, Hong Kong to carry out the voluntary tree planting activity of "Plant a tree, give a piece of love". This activity planted a total of 23 lychee, longan and other fruit seedlings to help beautify the local ecological environment and fulfil the social responsibility of serving the community as a business.



Tree Planting Volunteering Activity

Honours and Certifications

The major awards and certifications obtained by the Group during Year 2024 are as follows:

- ISO 37301 Compliance Management System Certification

Fresh and Live Foodstuffs Business:

- Zhongshan City, Guangdong Province “Top 10 Outstanding Enterprises in the Service Industry”
- Group Standard Implementation AAA Certificate of Guangdong Safety Production Association (Awarded by Guangdong Safety Production Association)
- Guangdong pig slaughtering standardization enterprise (Awarded by Guangdong Agricultural and Rural Department)
- ISO 14001 Environmental Management System Certification
- HACCP Hazard Analysis and Critical Control Point System Certification
- ISO 9001 Quality Management System Certification
- ISO 22000 Food Safety Management System Certification
- ISO 45001 Occupational Health and Safety Management System Certification

Tinplating Business:

- The “laminated tinplate” product has been successfully rated as a Famous and Excellent High-tech Product in Guangdong Province, which makes the Group the only tinplate enterprise in Guangdong Province whose “laminated tinplate” product has received this honor.”
- Zhongshan City, Guangdong Province “Outstanding Contribution Enterprise in Manufacturing Industry”
- ISO 14001 Environmental Management System Certification
- ISO 9001 Quality Management System Certification
- ISO 22000 Food Safety Management System Certification
- ISO 45001 Occupational Health and Safety Management System Certification

Vision Outlook

As a responsible corporate citizen, the Group firmly believes that maintaining a balance between corporate development and social responsibility is the key to its leading position in the industry. In the future, we will continue to focus on environmental, social and governance issues, in an effort to achieve sustainable corporate development.

In ensuring the quality of products and services, we will continuously improve product quality and safety management systems, control key quality and safety compliance points. Meanwhile, we uphold the service philosophy of putting customers first, focusing on customer feedback, and optimising the service experience.

In terms of green operations, the Group has set relevant environmental targets and is committed to continuously monitoring the progress towards achieving them. We will continue to strictly comply with relevant national and regional environmental protection laws, regulations and policies, and pay attention to and promote the management of corporate emissions such as wastewater, waste gas, greenhouse gases and solid waste, the use of resources and address climate change, so as to continuously reduce the negative impact of our business on the environment.

In terms of standardised talent management, we will strive to provide competitive remuneration and benefits to employees, continue to pay attention to the health and safety of our employees, conduct continuous training programmes to nurture talent, and strive to protect the legitimate rights and interests of each and every employee.

In terms of business operations, we consistently uphold the concept of compliance, continuously strengthen risk management, develop diversified risk response strategies, and constantly regulate ourselves to comply with relevant laws and regulations, maintain business ethics, and promote integrity.

In terms of social engagement, the Group will also continue to leverage its industry strengths to maintain its original intention to bear social responsibility and to give back to the community in various ways.

Appendix: Environmental Data Performance Table¹

		Fresh and Live Foodstuffs Business	Tinplating Business		Total	
Unit		2024	2024	2024	2023	2022
Greenhouse Gas²						
Scope 1³						
Total	tCO ₂ e	968.13	11,099.28	12,067.41	10,515.79	9,317.00
Intensity	tCO ₂ e/million HKD of revenue	0.10	5.46	1.01	1.01	1.12
Scope 2⁴						
Total	tCO ₂ e	15,199.67	77,393.47	92,593.14	84,042.55	73,689.00
Intensity	tCO ₂ e/million HKD of revenue	1.53	38.09	7.74	8.09	8.89
Scope 3 of category 6: Employee business travel⁵						
Total	tCO ₂ e	3.30	1.10	4.40	/	/
Intensity	tCO ₂ e/billion HKD of revenue	0.33	0.54	0.37	/	/
Exhaust gas						
Nitrogen oxides	tonne	6.23	13.59	19.82	9.48	14.89
Sulphur oxides	tonne	0.0004	1.50	1.50	2.59	0.81
Particulate matter	tonne	0.46	1.38	1.84	4.95	0.71

¹ The Group's fresh and live foodstuffs business acquired Superior Victory Limited in August 2024. Therefore, this year, the scope of the Environmental Performance Data Summary will be expanded compared to the addition of Superior Victory Limited in 2023. This year, to enhance data quality, we have further refined the data collection criteria and conducted retrospective adjustments for some historical data. In addition, the unit of measurement for energy utilisation indicators has been uniformly adjusted to "Thousand kWh".

² The calculation of greenhouse gas emissions is based on Appendix II Reporting Guidance on Environmental KPIs provided by the Stock Exchange of Hong Kong ("Appendix II"). The Group greenhouse gas inventory includes carbon dioxide, methane and nitrous oxide. For ease of reading and understanding, the greenhouse gas emissions data is presented in tonnes of carbon dioxide equivalent ("tCO₂e").

³ Scope 1 refers to the direct greenhouse gas emissions of the Group's business, including the combustion of diesel, gasoline, ethanol fuel and natural gas. The emission factors used are from the Guidelines for National Greenhouse Gas Inventories provided by the Intergovernmental Panel on Climate Change ("IPCC") and the Boiler Production and Discharge Emission Factor Manual provided by the Ministry of Ecology and Environment of the People's Republic of China.

⁴ Scope 2 refers to the indirect greenhouse gas emissions of the Group's business, including the consumption of purchased electricity and steam. The emission factors used include the carbon dioxide emission factor of China regional power grid from the Notice on Doing a Good Job in the Management of Corporate Greenhouse Gas Emissions Reporting in 2022 provided by the Ministry of Ecology and Environment of the People's Republic of China, the emission factor for heat from the Greenhouse Gas Emission Accounting Methodology and Reporting Guidelines for Enterprises in Other Industries (Trial) provided by the National Development and Reform Commission of the PRC ("NDRC"), the emission factor provided by the Hong Kong Electric Co., Limited and the emission factor provided by CLP Holdings Limited.

⁵ Scope 3 refers to the indirect greenhouse gas emissions of the Group's business (excluding Scope 2). This year, the Group calculates the greenhouse gas emissions generated by employees traveling by airplane in Scope 3 of category 6 for business purposes. The emission factors used are derived from the emission factors provided by the International Civil Aviation Organisation (ICAO).

Appendix: Environmental Data Performance Table (continued)

		Fresh and Live Foodstuffs Business 2024	Tinplating Business 2024	2024	Total 2023	2022
Unit						
Wastewater/Liquid Waste						
Hazardous wastewater						
Total	tonne	N/A	10.05	10.05	14.19	6.92
Intensity	tonne/billion HKD of revenue	N/A	4.95	0.84	1.37	0.83
Non-hazardous wastewater						
Total	tonne	1,087,802.35	380,498.91	1,468,301.26	1,382,680.03	1,454,529.00
Intensity	tonne/million HKD of revenue	109.56	187.25	122.76	133.13	175.42
Waste						
Hazardous waste						
Total	tonne	0.19	1,222.90	1,223.09	1,170.33	1,575.13
Intensity	tonne/billion HKD of revenue	0.02	601.82	102.26	112.69	189.51
Non-hazardous waste						
Total	tonne	574.77	18,027.08	18,601.85	18,227.47	15,665.87
Intensity	tonne/million HKD of revenue	0.06	8.87	1.56	1.76	1.88
Energy Utilisation						
Direct energy consumption						
Natural gas						
Total	Thousand kWh	114.85	53,724.78	53,839.63	46,394.72	42,491.82
Intensity	Thousand kWh/ million HKD of revenue	0.01	26.44	4.50	4.47	5.11
Petroleum Gas						
Total	Thousand kWh	91.02	N/A	91.02	/	/
Intensity	Thousand kWh/ million HKD of revenue	0.01	N/A	0.01	/	/
Diesel						
Total	Thousand kWh	3,654.96	723.68	4,378.64	4,393.70	3,195.98
Intensity	Thousand kWh/ million HKD of revenue	0.37	0.36	0.37	0.42	0.38
Gasoline						
Total	Thousand kWh	348.49	216.88	565.37	540.38	302.91
Intensity	Thousand kWh/ million HKD of revenue	0.04	0.11	0.05	0.05	0.04
Ethanol fuel						
Total	Thousand kWh	N/A	43.88	43.88	36.39	44.84
Intensity	Thousand kWh/ billion HKD of revenue	N/A	21.59	3.67	3.50	5.39

Appendix: Environmental Data Performance Table (continued)

		Fresh and Live Foodstuffs Business	Tinplating Business		Total	
Unit		2024	2024	2024	2023	2022
Indirect energy consumption						
Electricity						
Total	Thousand kWh	26,161.22	95,509.65	121,670.87	109,568.01	91,249.00
Intensity	Thousand kWh/ million HKD of revenue	2.63	47.00	10.17	10.55	10.98
Steam						
Total	Thousand kWh	N/A	5,760.99	5,760.99	5,361.30	5,814.38
Intensity	Thousand kWh/million HKD of revenue	N/A	2.84	0.48	0.52	0.70
Water Consumption						
Total	m ³	2,123,085.30	800,020.00	2,923,105.30	3,192,447.78	1,765,903.00
Intensity	m ³ /million HKD of revenue	213.83	393.71	244.39	307.39	212.97
Use of Packaging Material						
Total	tonne	14.89	4,091.02	4,105.91	4,653.63	3,244.00
Intensity	tonne/billion HKD of revenue	1.50	2,013.30	343.28	448.08	390.29
Paper Consumption						
Total	tonne	5.49	1.18	6.67	7.45	6.81
Intensity	tonne/billion HKD of revenue	0.55	0.58	0.56	0.72	0.82

Appendix: Content Index of the HKEX's Environmental, Social and Governance Reporting Code

ESG KPIs		Chapter
Part B: Mandatory Disclosure Requirements		
Governance Structure		
(i)	A disclosure of the board's oversight of ESG issues;	Sustainable Development Strategy – Board Statement
(ii)	The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and	Sustainable Development Strategy – Board Statement
(iii)	How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Sustainable Development Strategy – Board Statement
Reporting Principles		
Materiality	The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	About the Report- Reporting Principles
Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/ energy consumption (where applicable) should be disclosed.	About the Report- Reporting Principles
Consistency	The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About the Report- Reporting Principles
Reporting Boundary		
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.		About the Report- Scope of the Report

Appendix: Content Index of the HKEX's Environmental, Social and Governance Reporting Code (continued)

ESG KPIs		Chapter
Part C: "Comply or explain" Provisions		
Aspect 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	
General Disclosure	relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Operation
	<i>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.</i>	
A1.1	The types of emissions and respective emissions data.	Appendix: Environmental Performance Data Summary
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix: Environmental Performance Data Summary
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix: Environmental Performance Data Summary
A1.5	Description of emission target(s) set and steps taken to achieve them.	Green Operation-Environment Targets
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.	Green Operation-Pollutant Management

Appendix: Content Index of the HKEX's Environmental, Social and Governance Reporting Code (continued)

ESG KPIs		Chapter
Aspect A2: Use of Resources		
	Policies on the efficient use of resources, including energy, water and other raw materials.	
General Disclosure	<i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	Green Operation
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).	Appendix: Environmental Performance Data Summary
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix: Environmental Performance Data Summary
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operation-Environment Targets
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.	Green Operation-Environment Targets
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix: Environmental Performance Data Summary
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Operation
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operation- Resource Management

Appendix: Content Index of the HKEX's Environmental, Social and Governance Reporting Code (continued)

ESG KPIs	Chapter
Aspect B1: Employment	
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p> <p>Employee Oriented</p>
B1.1	<p>Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.</p> <p>Employee Oriented</p>
B1.2	<p>Employee turnover rate by gender, age group and geographical region.</p> <p>Employee Oriented</p>
Aspect B2: Health and Safety	
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p> <p>Employee Oriented</p>
B2.1	<p>Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p> <p>Employee Oriented – Health and Safety</p>
B2.2	<p>Lost days due to work injury.</p> <p>Employee Oriented – Health and Safety</p>
B2.3	<p>Description of occupational health and safety measures adopted, and how they are implemented and monitored.</p> <p>Employee Oriented – Health and Safety</p>

Appendix: Content Index of the HKEX's Environmental, Social and Governance Reporting Code (continued)

ESG KPIs		Chapter
Aspect B3: Development and Training		
General Disclosure	<p>General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work.</p> <p>Description of training activities.</p> <p><i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i></p>	Employee Oriented
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Oriented – Talent Cultivation
B3.2	The average training hours completed per employee by gender and employee category.	Employee Oriented – Talent Cultivation
Aspect B4: Labour Standards		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact</p> <p>on the issuer relating to preventing child and forced labour.</p>	Employee Oriented
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Oriented – Rights and Interests of Employees
B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Oriented – Rights and Interests of Employees
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Compliance Management
B5.1	Number of suppliers by geographical region.	Compliance Management Responsible Supply Chain
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.	Compliance Management Responsible Supply Chain
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Compliance Management Responsible Supply Chain
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Compliance Management Responsible Supply Chain

Appendix: Content Index of the HKEX's Environmental, Social and Governance Reporting Code (continued)

ESG KPIs		Chapter
Aspect B6: Product Responsibility		
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.	Quality First
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality First – Quality and Safety Control
B6.2	Number of products and service related complaints received and how they are dealt with.	Quality First – High-quality Services
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Compliance Management Intellectual Property Protection
B6.4	Description of quality assurance process and recall procedures.	Quality First – Quality and Safety Control
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Quality First – High-quality Services
Aspect B7: Anti-corruption		
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.	Compliance Management
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.	Compliance Management Business Ethics
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Compliance Management Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff.	Compliance Management Business Ethics

Appendix: Content Index of the HKEX's Environmental, Social and Governance Reporting Code (continued)

ESG KPIs	Chapter
Aspect B8: Community Investment	
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. Contributions to Society
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). Contributions to Society – Rural Revitalization Contributions to Society – Community Service
B8.2	Resources contributed (e.g. money or time) to the focus area. Contributions to Society – Rural Revitalization Contributions to Society – Community Service
Part D: Climate-related Disclosures	
This section will take effect for fiscal years starting on or after January 1, 2025, and during the reporting period, the Group disclose in accordance with Section D 17 (1): "An issuer must disclose its Scope 1 greenhouse gas emissions and Scope 2 greenhouse gas emissions pursuant to paragraphs 28(a), 28(b) and 29 on a mandatory basis."	
D28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions. Appendix: Environmental Performance Data Summary
D29	An issuer shall: (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions. Appendix: Environmental Performance Data Summary

Reader's Comments

Dear readers:

Hello!

Thank you for reading the 2024 Environmental, Social and Governance Report of the Group. We hope to continue to detail the ESG vision and performance of the Group to you and other stakeholders in the future. To this end, we sincerely invite you to complete the feedback form to inform you of your valuable opinions on the Group's ESG performance and report, and help us further improve our ESG management capabilities.

Thank you for your valuable feedback. You may contact us via the "CONTACT US" section on page 3.

1.What type of stakeholders you belong to:

- | | | |
|---|--|---|
| <input type="checkbox"/> Shareholder and Investor | <input type="checkbox"/> Government and regulatory authorities | <input type="checkbox"/> Customer |
| <input type="checkbox"/> Supplier | <input type="checkbox"/> Employee | <input type="checkbox"/> Community and the public |
| <input type="checkbox"/> ESG practitioners | <input type="checkbox"/> Peer companies | <input type="checkbox"/> Others |

2.Your overall assessment of this Report:

- | | | | | |
|------------------------------------|-------------------------------|----------------------------------|-------------------------------|------------------------------------|
| <input type="checkbox"/> Very good | <input type="checkbox"/> Good | <input type="checkbox"/> General | <input type="checkbox"/> Poor | <input type="checkbox"/> Very poor |
|------------------------------------|-------------------------------|----------------------------------|-------------------------------|------------------------------------|

3.Do you think this report can objectively reflect the actual situation of the Group's ESG performance:

- | | | | |
|------------------------------|----------------------------------|------------------------------------|-------------------------------------|
| <input type="checkbox"/> Can | <input type="checkbox"/> General | <input type="checkbox"/> Inability | <input type="checkbox"/> No comment |
|------------------------------|----------------------------------|------------------------------------|-------------------------------------|

4.What do you think about the clarity, accuracy and completeness of the information, data and indicators disclosed in this report:

- | | | | | |
|------------------------------------|-------------------------------|----------------------------------|-------------------------------|------------------------------------|
| <input type="checkbox"/> Very good | <input type="checkbox"/> Good | <input type="checkbox"/> General | <input type="checkbox"/> Poor | <input type="checkbox"/> Very poor |
|------------------------------------|-------------------------------|----------------------------------|-------------------------------|------------------------------------|

5.What do you think about the structure of this Report:

- | | | | | |
|------------------------------------|-------------------------------|----------------------------------|-------------------------------|------------------------------------|
| <input type="checkbox"/> Very good | <input type="checkbox"/> Good | <input type="checkbox"/> General | <input type="checkbox"/> Poor | <input type="checkbox"/> Very poor |
|------------------------------------|-------------------------------|----------------------------------|-------------------------------|------------------------------------|

6.How do you think about the design and layout effects of this Report:

- | | | | | |
|------------------------------------|-------------------------------|----------------------------------|-------------------------------|------------------------------------|
| <input type="checkbox"/> Very good | <input type="checkbox"/> Good | <input type="checkbox"/> General | <input type="checkbox"/> Poor | <input type="checkbox"/> Very poor |
|------------------------------------|-------------------------------|----------------------------------|-------------------------------|------------------------------------|

7.The parts of this Report that you are most interested in are:

- | | | |
|---|--|---|
| <input type="checkbox"/> Sustainable Development Strategy | <input type="checkbox"/> Quality First | <input type="checkbox"/> Green Operation |
| <input type="checkbox"/> Employee Oriented | <input type="checkbox"/> Compliance Management | <input type="checkbox"/> Contributions to Society |

8.What do you think is the most important thing to improve in this report:

- | | | |
|---|--|---|
| <input type="checkbox"/> Sustainable Development Strategy | <input type="checkbox"/> Quality First | <input type="checkbox"/> Green Operation |
| <input type="checkbox"/> Employee Oriented | <input type="checkbox"/> Compliance Management | <input type="checkbox"/> Contributions to Society |

9. If you have any comments and suggestions on the ESG work of the Group and this report, please feel free to put forward:

Thank you for your valuable feedback. Please attach your contact information. At the same time, we guarantee that we will not disclose your personal information to any third party:

Your contact details:

Name:

Telephone:

Email:



粵海廣南(集團)有限公司
GDH GUANGNAN (HOLDINGS) LIMITED