



# Labixiaoxin Snacks Group Limited 蠟筆小新休閒食品集團有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 1262



## Environmental, Social and Governance Report **2025**





# Environmental, Social and Governance Report

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# Environmental, Social and Governance Report

## 1. ABOUT THE REPORT

### 1.1 Overview

The Report is the tenth environmental, social and governance report (the “ESG Report” or “the Report”) prepared and issued by Labixiaoxin Snacks Group Limited in accordance with the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) as set out in Appendix C2 to the Main Board Listing Rules on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Report discloses the Company’s responsible practices in relation to its shareholders, customers, employees, partners, the environment, communities and other key stakeholders, as well as its environmental, social and governance (the “ESG”) performance. The Report covers the period from 1 January 2025 to 31 December 2025 (the “Reporting Period”), with some important information backdated to previous years.

### 1.2 Basis of Preparation

The preparation of the Report is based on the ESG Reporting Code issued by the Stock Exchange, with reference to GRI Standards of Global Reporting Initiative, General Framework of the Guidelines on Sustainability Reporting for Chinese Enterprises (CASS-ESG 6.0), issued by the Chinese Academy of Social Sciences and ISO 26000: 2010 Guidance on Social Responsibility issued by the International Organization for Standardization.

The Report is prepared based on the requirements set out in the abovementioned standards, and proceeded through identifying and ranking major stakeholders, identifying and ranking important ESG-related issues, defining the scope of the ESG Report, collecting relevant materials and data, preparing reports based on the information collected, and the report reviewing process by the Board, so as to ensure the materiality, quantitiveness, balance and consistency of the content in the Report.

### 1.3 Reporting Scope and Boundaries

The policies and relevant data provided in the Report cover the head office of “Labixiaoxin Snacks Group Limited” (stock code: 1262.HK) and its three subsidiaries located in Fujian Province, Sichuan Province, and Anhui Province (hereinafter referred to as the “Group and its Subsidiaries”). The scope of the Report is consistent with that of the annual report. Unless otherwise stated, the currency used in the Report is RMB.





## Environmental, Social and Governance Report

### 1.4 Statement about Information and Assurance of Reliability

All information and data used in the Report are extracted from the Company's formal documents, statistics reports and financial statements. The information used in the Report is provided by the Group's employees and partners, intended solely to disclose environmental, social and governance affairs of the Group, but not for commercial use. The Board of the Company undertakes that the Report does not contain any false records or misleading statements and is responsible for the truthfulness, accuracy and completeness of its contents.

### 1.5 Reporting Specification

"Labixiaoxin", "the Company" and "we" in the Report all represent Labixiaoxin Snacks Group Limited.

### 1.6 Report Languages Available

The Report is publicly available in English and Chinese. Should there be any discrepancies between the two versions, the Chinese version shall prevail.

### 1.7 Report Confirmation and Approval

The Report was confirmed by management and then approved by the Board on 30 March 2026.

### 1.8 Feedback on the Report

If you have any questions or suggestions on the content of the Report, please contact the Administration Department of Labixiaoxin Snacks Group Limited through the following means.

Address: Unit 8, 21/F, Island Place Tower, 510 King's Road, North Point, Hong Kong  
Tel: 2536 9669  
Fax: 2536 0690  
E-mail: [admin@lbxxgroup.com](mailto:admin@lbxxgroup.com)  
Website: [www.lbxxgroup.com](http://www.lbxxgroup.com)





## Environmental, Social and Governance Report

### 2. INFORMATION OF LABIXIAOXIN

#### 2.1 Company Introduction

Labixiaoxin was established in 2000 as a listed company, with its headquarters located in Jinjiang. It operates three production bases in Fujian, Anhui and Sichuan. With more than two decades of development, the Company has become a renowned brand enterprise in Jinjiang's private economy. It primarily manufactures traditional snack foods such as jellies, candies and beverages. New product lines launched in the past two years include ready-to-eat seafood products, pudding series and prepared dishes. The Company's products are exported to over 20 countries and regions worldwide, including the United States, Europe, Southeast Asia and Africa, generating annual foreign exchange earnings of nearly US\$10 million.

In December 2011, Labixiaoxin Snacks Group Limited was officially listed on the Stock Exchange (Stock Code: 1262.HK). As a Jinjiang-based food enterprise entering the capital market, it has become a model for capital expansion among food enterprises in Jinjiang.

#### 2.2 Corporate Philosophy

Upholding the corporate mission of "creating a great health undertaking and building a century-old brand", embracing the core values of "hard work and struggle, innovation-driven, rigorous and self-disciplined, co-creation and co-sharing", adhering to its brand concept of "stick to high-quality snacks, every bite is carefully selected" and guided by the operation philosophy of "reaching and understanding customers' needs is the origin of our management", Labixiaoxin is committed to becoming a leading brand in China's snack industry.

#### 2.3 Honors of the Company

Social recognition:

- May 2018: MIIT Certification for the Integration of Informatization and Industrialization Management System;
- May 2019: "Outstanding Enterprise" of Bakery & Confectionery Industry at the 40th Anniversary of China's Reform and Opening-up;
- September 2019: Outstanding Enterprise at the 40th Anniversary of China's Reform and Opening-up;
- October 2019: Municipal-level Key Leading Enterprise of Quanzhou's 9th Agricultural Industrialization;
- May 2020: "Labixiaoxin" brand value amounting to RMB2.941 billion based on the evaluation of the China Council for Brand Development;
- January 2021: Provincial-level Key Leading Enterprise of Fujian's Agricultural Industrialization appraised by the Fujian Provincial Department of Agriculture and Rural Affairs;
- May 2022: Outstanding Enterprise in Talent Development of Jinjiang City;
- August 2022: Internationally Renowned Brand appraised by the Fujian Provincial Department of Commerce;
- November 2023: First Session of Top 100 Leading Enterprises in the Agricultural Industrialization of Fujian Province;
- November 2025: Second Session of Top 100 Leading Enterprises in the Agricultural Industrialization of Fujian Province.

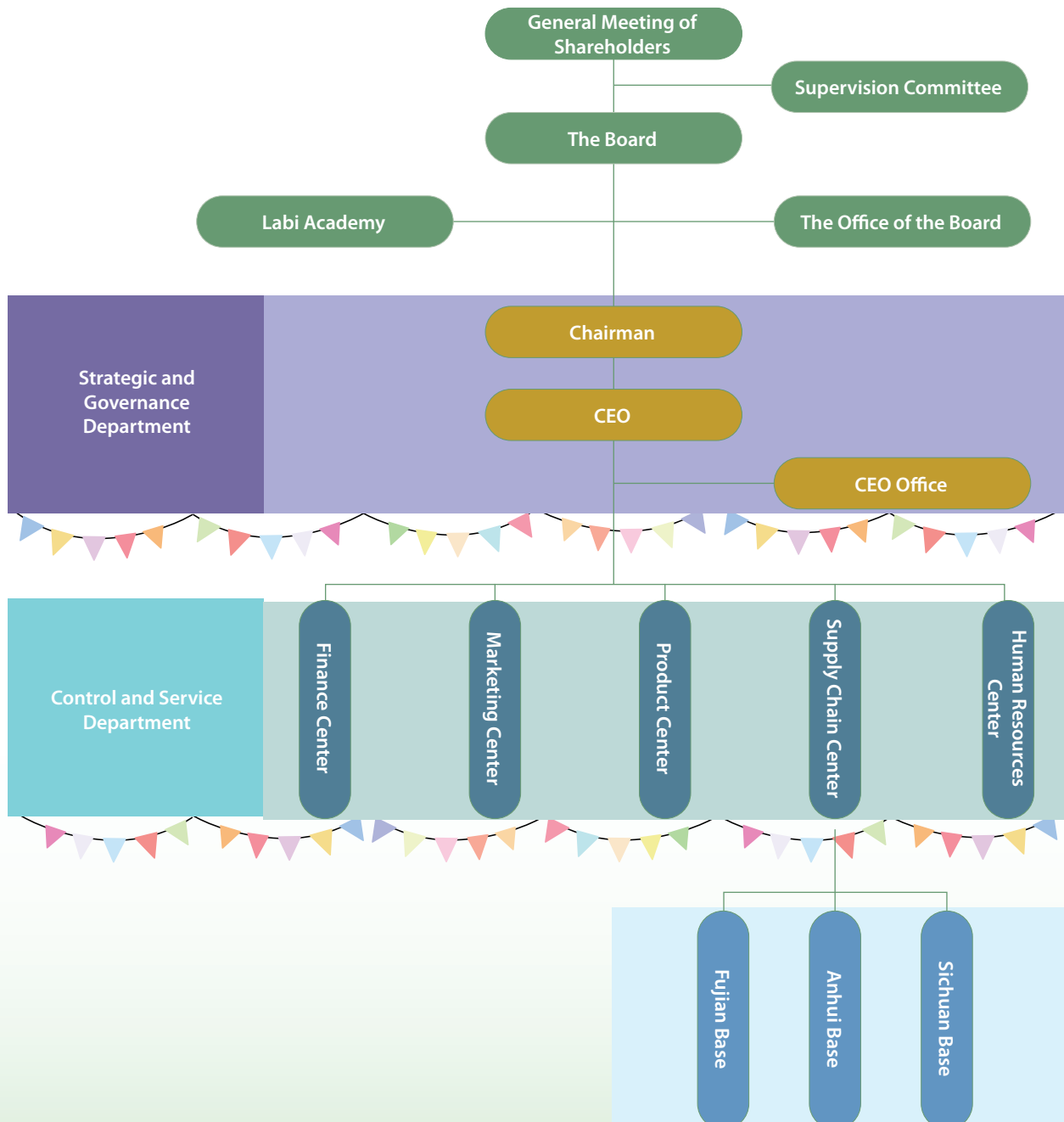


# Environmental, Social and Governance Report

## 3. CORPORATE GOVERNANCE

### 3.1 Corporate Governance

The Company is committed to maintaining a high-standard corporate governance structure in compliance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guidelines on Corporate Governance of Listed Companies and other laws and regulations, as well as the Main Board Listing Rules, and the Corporate Governance Code of the Stock Exchange and other rules and regulations. The Board of the Company, as the highest decision-making body of the Company, is responsible for all aspects of the Company’s strategic planning and the daily operational management, ensuring the healthy development of the Company and the win-win situation with all stakeholders. The Board has set up three specialized committees, namely the audit committee, the nomination committee and the remuneration committee.





## Environmental, Social and Governance Report

The Board of the Company currently consists of 8 members, comprising 4 executive directors, 1 non-executive director and 3 independent non-executive directors.

***Executive Directors:***

Mr. Zheng Yu Long  
Mr. Zheng Yu Shuang (*chief executive officer*)  
Mr. Zheng Yu Huan (*chairman*)  
Ms. Wu Qiongyao

***Non-executive Director:***

Mr. Li Hung Kong (*vice chairman*)

***Independent Non-executive Directors:***

Mr. Li Biao  
Mr. Chung Yau Tong  
Mr. So Ching Tung, *JP*





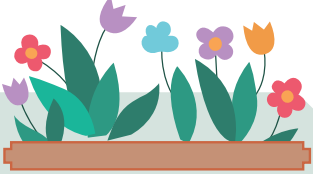
# Environmental, Social and Governance Report

## 3.2 Business Ethics

The Company has always taken business ethics as the core of its operation and development and is committed to building a business ecosystem characterised by integrity, self-discipline, openness and transparency. In order to effectively prevent and severely crack down on illegal and irregular acts such as bribery, extortion, fraud and money laundering, the Company has established a comprehensive anti-fraud mechanism, and implemented targeted supervision over key high-risk business areas, including procurement and marketing. During the Reporting Period, there was no lawsuit due to the violation of laws and regulations in relation to anti-corruption, anti-bribery, anti-fraud and anti-money laundering.

### 3.2.1 Reporting Channels

The Company attaches great importance to establishing anti-corruption reporting channels. Upon discovering or receiving relevant clues, the Company will conduct unified acceptance and preliminary review. For significant clues, special investigations will be initiated, and different corruption incidents will be subject to result confirmation and classified disposal. The handling results of corruption cases will be disclosed publicly, and rectification will be implemented for key links to ensure the effective operation of the Company’s internal anti-corruption management system. At the same time, the Company has put in place a comprehensive whistleblower protection mechanism. Institutional arrangements are adopted to segregate the clue handling processes, and relevant technologies are applied to protect the identity of whistleblowers. Incentives are also provided to employees to strengthen the Company’s supervision over corruption-related issues.



Channel Category	Specific Form
Online Electronic Channels	Dedicated Reporting Email: 2689470764@qq.com Mobile: 17705065726 (WeChat ID: Same as mobile number)
Offline Physical Channels	Dedicated Reporting Mailing Address: Compliance and Internal Control Department of Labixiaoxin, Wuli Industrial Zone, Jinjiang, Quanzhou

### 3.2.2 Integrity Culture Construction

The Company attaches great importance to the cultivation and promotion of business ethics culture, and explicitly requires new employees to sign the Letter of Integrity and Self-discipline, so as to create a clean, upright and self-disciplined corporate development environment. During the Reporting Period, the Company achieved a 100% signing rate for the Letter of Integrity and Self-discipline from all employees. Through the comprehensive promotion and popularization of the integrity culture, employees’ awareness of integrity and compliance has been significantly enhanced, further consolidating the Company’s foundation in business ethics.

Indicator	Unit	2025
Number of directors who received anti-corruption training	Person(s)	1
Total number of employees who received anti-corruption training	Person(s)	283
Number of concluded legal cases regarding corrupt practices during the Reporting Period	case(s)	0





## Environmental, Social and Governance Report

### 3.2.3 Implementing Sunshine Procurement

The Company continues to maintain and utilize an intelligent digital procurement system to further ensure the transparency and fairness of the procurement process. The Company requires all cooperating suppliers to sign an Integrity Guarantee Letter, clearly defining the obligations of both parties for integrity in cooperation and the liabilities for breach of contract. During the Reporting Period, the Company achieved a 100% signing rate for the Integrity Guarantee Letter from all suppliers. Meanwhile, we actively carried out integrity promotion among suppliers. Throughout the year, we issued 4 reminder letters at key points to define the red lines for integrity in cooperation, reporting channels and handling mechanisms, thereby further strengthening suppliers' awareness of integrity and self-discipline.

### 3.3 Risk Management

The Company has always regarded compliant operation as a core priority of corporate governance. We strictly adhere to the requirements of laws and regulations, focus on key aspects of risk identification and prevention and control, and continuously improve the standardisation of our management practices. In accordance with relevant laws, regulations, and industry standards, we have established a comprehensive system of compliance policies and procedures. The Company has established a dedicated working group to conduct irregular cross-checks and vulnerability inspections on the development of its internal systems, ensuring the effectiveness and suitability of the internal control framework.

Guided by compliance and forward-looking principles, the Company integrates environmental and social risk management requirements into the entire business process, achieving in-depth integration between the internal control system and the ESG strategy. We enhance our ESG risk management capabilities by focusing on four core elements: authorization, process, risk and policy.

- **Authorization Management:** Clarify the approval authority for material ESG matters, and strengthen supervision and decision-making over ESG issues;
- **Process Optimisation:** Embed ESG control nodes such as carbon footprint, labour rights protection and anti-corruption into core business operations;
- **Risk Management:** Establish a dedicated ESG risk assessment mechanism, formulate graded response plans, and realize closed-loop management;
- **Policy Enhancement:** Develop a systematic framework covering environmental compliance, employee well-being and corporate governance and clarify the responsible parties and assessment criteria for all control requirements to ensure effective implementation.





# Environmental, Social and Governance Report

## 3.4 ESG Management

### 3.4.1 Board Statement

The Board of Labixiaoxin assumes full responsibility for the Company’s ESG strategy and management work, and authorizes the ESG management group to oversee all ESG-related matters of the Company.

During the Reporting Period, the Board participated in key work including the materiality assessment and prioritization of key ESG issues, as well as the review of ESG management policies and systems. Meanwhile, the management of the Company is responsible for implementing company-wide ESG initiatives, incorporating the risks associated with key ESG issues into the Group’s comprehensive risk management system, and developing corresponding response plans.

The Board and the management respectively review and approve the regular ESG reports and material ESG matters submitted by the ESG management group, and supervise the implementation and progress of ESG-related objectives. The 2025 ESG Report of the Company has been reviewed and approved by the Board of Labixiaoxin.

### 3.4.2 ESG Management Principles

While focusing on advancing and promoting its production and operation, Labixiaoxin regards social responsibility dedication as the shared core value of all management and employees, and deeply integrates the philosophy of sustainable development into the core of its corporate culture. The Company actively fulfils corporate social responsibility: on the one hand, it commits to safeguarding consumers’ health rights and interests; on the other hand, it strives to create mutually beneficial development opportunities for shareholders and partners, thereby making a tangible contribution to social progress.

**GREEN FOOD**  
Safety and high quality  
Healthiness and nutritiousness

**CARE FOR EMPLOYEES**  
Respect and recognition  
Care and encouragement

**LOW CARBON AND ENVIRONMENTAL PROTECTION**  
Emission reduction and energy conservation  
Environmental friendliness

**COMMUNITY INVESTMENT**  
Charity and care  
Volunteer contribution





## Environmental, Social and Governance Report

Since the establishment of Labixiaoxin, the Company has always adhered to the principles of "Four Persistences":

- **The Company persists in** the "green food" management principle to guarantee the safety, quality, healthiness, and nutritiousness of the products it offers;
- **The Company persists in** offering care and support to its employees to enhance their sense of recognition and belonging to the Company. It resolutely safeguards employees' benefits, and builds a working atmosphere that is harmonious and proactive;
- **The Company persists in** following low-carbon and environmental friendliness rules in every aspect. It works hard to achieve energy conservation and emission reduction by increasing efficiency, minimizing the impact on the environment, and promoting sustainable development;
- **The Company persists in** making relentless devotion to charity causes, fulfills corporate social responsibility, delivers care and health to communities and society as well as contributes to healthy development of communities and society.





# Environmental, Social and Governance Report

### 3.4.3 ESG Management Mechanism

To ensure the efficient implementation and execution of its ESG management strategy, Labixiaoxin has fully integrated ESG management into all aspects of its daily business operations, and has established a three-tier ESG management mechanism centred on the Company’s Board, the ESG management group and the ESG working group. In addition, Labixiaoxin has achieved a certification coverage of 100% for BSCI (Business Social Compliance Initiative) certification across its operations.

Organization	Composition	Responsibility
<b>The Board</b>	The members of the Board	As the highest decision-making body of the ESG management system of the Company, it bears full responsibility for ESG initiatives; It integrates ESG-related considerations into the review and decision-making process for the Company’s material matters; It authorizes management to conduct ESG management and control ESG risks; It formulates ESG objectives and monitors their implementation progress; It participates in professional development programmes relating to ESG; It is responsible for reviewing the annual ESG report and work plan on an annual basis.
<b>The ESG Management Group</b>	The management of the Company	It implements specific monitoring measures to oversee the management of ESG risks and opportunities, and assigns specific indicators to the ESG working group; It maintains the ESG management system and monitors and manages the daily operation of ESG risk management and internal control systems; It coordinates the daily work of the ESG working group; It reports the progress of ESG work to the Board on a regular basis.
<b>The ESG Working Group</b>	The Departments include the Human Resources Department, the Procurement Department, the Quality Inspection Department and Production Bases	It is responsible for executing all ESG related work, including collecting data, preparing reports, communicating with stakeholders, arranging exchange and training activities; It implements the ESG risk monitoring measures and transition plans formulated by the ESG management group; It leads the implementation of ESG work to help the Board and the ESG management group to assess whether the Company’s ESG management system is appropriate and effective.





## Environmental, Social and Governance Report

### 3.4.4 Communication with Stakeholders

Based on its business layout and operational characteristics, Labixiaoxin has accurately identified stakeholders' groups that exert decisive and material influences on the Company's operational decisions. These groups specifically include employees, customers, suppliers, investors, local communities, government and non-government organisations. Labixiaoxin attaches great importance to maintaining regular communication with all stakeholders and has established an open, transparent and efficient communication mechanism for stakeholders.

#### Communication Mechanism for Stakeholders

Stakeholders	Shared Targets	Communication and Feedback Channels
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>Assets preservation and appreciation</li> <li>Steady growth in return on investment</li> <li>Risk and crisis management</li> <li>Development of new markets and new opportunities</li> </ul>	<ul style="list-style-type: none"> <li>General meeting of shareholders</li> <li>Annual report</li> <li>Special meetings</li> <li>News and announcements published on the website of the Company</li> </ul>
<b>Government and Regulatory Authorities</b>	<ul style="list-style-type: none"> <li>Operation compliance</li> <li>Tax compliance</li> <li>Contribution to local economic development</li> </ul>	<ul style="list-style-type: none"> <li>Supervision and performance evaluation</li> <li>Correspondence</li> <li>Voluntary tax payment</li> <li>Special meetings</li> </ul>
<b>Consumers</b>	<ul style="list-style-type: none"> <li>Product safety and quality</li> <li>Smooth feedback channels</li> <li>Customer satisfaction</li> <li>Diverse product choices</li> </ul>	<ul style="list-style-type: none"> <li>"Green food" management principle</li> <li>Customer service hotline</li> <li>WeChat official account/official Weibo</li> <li>Online mall</li> <li>Product quality management system</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Fair, open and impartial procurement</li> <li>Supply chain management</li> <li>Code of business conduct and anti-corruption</li> <li>Long-term and stable cooperative relationship</li> </ul>	<ul style="list-style-type: none"> <li>Supplier site visits</li> <li>Supplier tendering</li> <li>Supplier meetings</li> <li>Distributor training</li> <li>Supplier strategic cooperation negotiation</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Environmental protection</li> <li>Energy conservation and emission reduction</li> </ul>	<ul style="list-style-type: none"> <li>Regular environmental assessment</li> <li>Technology upgrading</li> <li>Environmental management plan</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Wages, benefits and security</li> <li>Employees' rights and interests</li> <li>Occupational growth platform</li> </ul>	<ul style="list-style-type: none"> <li>Employee activities</li> <li>Occupational health and safety management system</li> <li>Employment and employees' rights</li> <li>Employee training and development</li> <li>Labi academy</li> <li>Enterprise journal</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Public welfare undertaking</li> <li>Activities for repaying the community</li> <li>Contribution to local economic development</li> </ul>	<ul style="list-style-type: none"> <li>Support development of education industry</li> <li>Products donation and charitable contribution</li> <li>Devotion to social welfare</li> <li>Stimulation of local industrial development</li> </ul>





## Environmental, Social and Governance Report

### 3.4.5 Analysis of Material Issues

Guided by the framework of the Stock Exchange ESG Reporting Code, the Company benchmarks its practical standards against those of leading domestic and international industry peers. Focusing on core issues that pose material impacts on the Company's economic, environmental and social dimensions and play a substantive role in stakeholders' assessments and decision-making, the Company systematically identifies, classifies, selects and prioritizes such issues, which serve as the important basis for ESG information management and public disclosure.

#### *Identification of Issues*

Labixiaoxin has closely aligned with its business characteristics and key industry development priorities, systematically identifying material ESG issues from multiple dimensions, and completing the identification and dynamic update of its material issues list. The Company clearly designates the Board to lead the identification and assessment of impacts and potential risks arising from its business operations in environmental, social and corporate governance (ESG) areas. In addition, the Company conducts integrated analysis in strict accordance with relevant ESG guidelines, and ultimately compiles core material issues covering environmental, social and operational aspects.

**Policy trend analysis:** Closely follow the national strategy, conduct in-depth research on policies and regulations of the country and various provinces and cities, and combine the regulatory requirements of the snack food industry to analyse the sustainable development trends of the industry;

**Company development plan:** Take investment strategies, operational strategies and annual plans into consideration, and identify issues that are of significant importance and business relevance to the Company's development;

**Disclosure standard analysis:** Refer comprehensively to the ESG Reporting Code of the Stock Exchange, GRI Standards, United Nations Sustainable Development Goals (SDGs), and Standards of Sustainability Accounting Standards Board (SASB), etc.;

**Peer benchmarking analysis:** Refer to the ESG reports of leading domestic and international peers, and identify the issues they focus on;

**Stakeholder concern analysis:** Take the feedback from stakeholders across various channels into consideration, and identify the key issues they focus on.

#### *Questionnaire Survey*

The ESG working group invited stakeholders to rate the importance of various issues through a questionnaire survey, collecting accurate and specific data to further statistically analyze stakeholders' assessments on the importance of key issues.

#### *Screening and Assessment*

Based on the survey results, the ESG working group assessed and ranked the importance of key issues from two dimensions: the importance of the impact on the Company's own development and the importance of the impact on stakeholders. A materiality matrix was then derived to clarify the relative importance of various issues through matrix analysis.





## Environmental, Social and Governance Report

### Review and Confirmation

Through the systematic assessment process above, Labixiaoxin precisely identified 17 key ESG issues of great significance to the Company's development. This list of issues, upon review and approval by the Board and the ESG management group of the Company, forms the core of this report. Accordingly, the Company will carry out focused monitoring, specialized management and comprehensive information disclosure as required for these key issues.

**Labixiaoxin's Material ESG Issues**

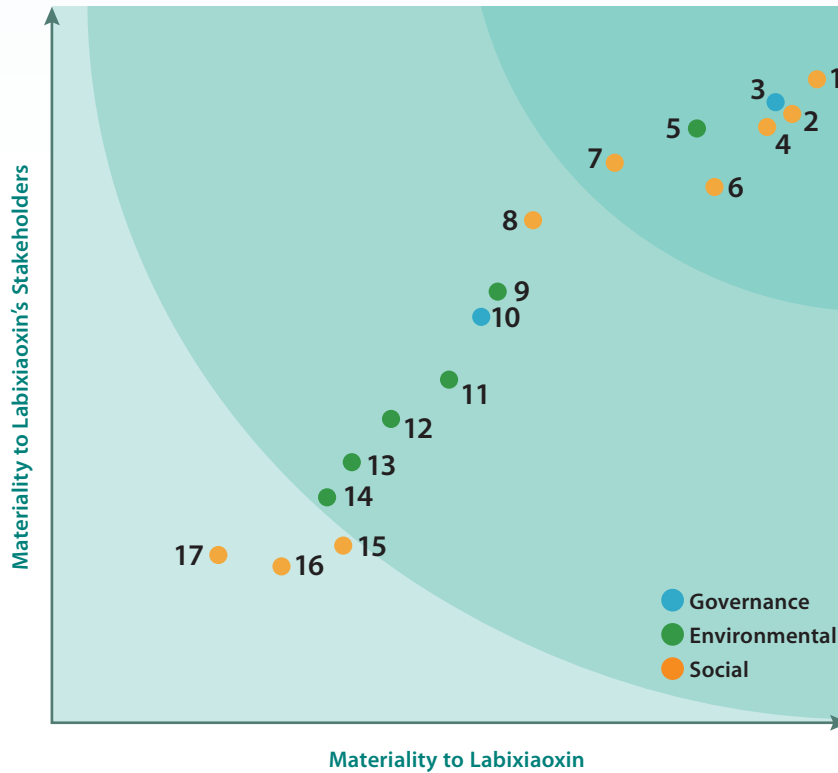
Issues	Ranking	Importance Degree
Product quality and safety	1	Higher importance
Occupational health and safety	2	
Business ethics	3	
Supply chain management	4	
Water resources management	5	
Food safety and nutrition	6	
Consumer service and privacy protection	7	
Guarantee of employee rights and benefits	8	Medium importance
Ecosystem and biodiversity conservation	9	
Compliance governance	10	
Emissions management	11	
Waste management	12	
Energy management	13	
Climate change response	14	General importance
Employee development and training	15	
Diversity, equity and inclusion	16	
Public welfare undertaking	17	





# Environmental, Social and Governance Report

Materiality Matrix for ESG Issues of Labixiaoxin in 2025



## 4. FULL NUTRITION AND ASSURED QUALITY

Labixiaoxin strictly abides by a series of laws, regulations and national standards covering the entire industry chain of food production and operation, food package, food safety and utilization of food additives, including the Food Safety Law of the People’s Republic of China, Measures for the Administration of Supervision and Inspection of Food Production and Operation (《食品生產經營監督檢查管理辦法》), GB 14881-2013 National Standard of Food Safety – General Hygienic Regulation for Food Production (《GB 14881-2013 食品安全國家標準食品生產通用衛生規範》), and GB 12695-2016 National Standard of Food Safety – Hygienic Regulation for Beverages Production (《GB 12695-2016 食品安全國家標準飲料生產衛生規範》). The Company always prioritized consumer interests, and has established compliance control system covering the full lifecycle, from production and processing, packaging and sealing, to storage and transportation, to ensure all operations strictly comply with regulatory requirements and build a solid line of defense for product quality and safety. The Company is committed to a continuous, high-quality, safe, controllable and nutritious food supply for consumers, thereby improving the quality of consumers’ healthy lives.

In the development of our quality management system, the Company sticks to controlling product quality from the supply chain source by establishing and implementing a rigorous supplier access, selection and evaluation system. Through comprehensive and regular supplier audit management, the Company ensured the safety and quality stability of raw material supply at the source. During production, the Company strictly adheres to relevant national laws and regulations and quality management system (QMS) standards and requirements. By employing scientific and standardized production processes and formalized operational procedures, the Company guaranteed that every stage from raw material input to finished product delivery meets high-quality specifications. To ensure the efficient operation and continuous optimization of the quality management system, the Company organized systematic training for its management and staff on quality-related laws and regulations, and conducted professional training on quality management and regular internal audits and full-process self-inspections of the QMS.





## Environmental, Social and Governance Report

### 4.1 Technology Innovation and Intellectual Property Protection

#### 4.1.1 Product Innovation

Since its establishment in 2000, Labixiaoxin has always upheld a consumer-centric business philosophy, focusing on the snack food industry, and has accumulated more than 20 years of professional experience. In the face of increasingly diversified and personalized upgrading of demands in the consumer market, the Company has insisted on driving iterative improvements in product taste through technological innovation and precisely aligning product innovation with the needs and preferences of various consumer groups. We have successfully built up a diverse product portfolio of leisure snacks, covering five major product categories: jellies, popsicles, candies, savory snacks and beverages, with production lines deployed across three bases in Fujian, Anhui and Sichuan.

During the Reporting Period, based on extensive consumer insights and market feedback collected, we launched new products across all five categories. Tailored to its market layout, the Company held region-specific new product launches to accurately reach target customers in each area, accelerating the penetration of new products into local markets.

Our product research and development adheres rigorously to scientific standards, closely keeps up with modern health consumption trends. During the Reporting Period, in response to relevant national plans for nutrition and chronic disease prevention, the Company introduced a range of healthy foods with reduced sugar and fat, alongside zero-sugar and zero-fat products, to precisely satisfy the healthy dietary needs of certain groups. To solidify its product positioning and dessert identity as the “master in healthy flavor puddings”, the Company collaborated with international experts in joint research and development, and successfully established a diversified lineup of new products, including steamed milk pudding, fresh milk pudding, probiotic pudding, creamy coconut milk pudding, double-protein pudding, ice cream pudding, and cheese pudding.

#### 4.1.2 Intellectual Property Protection

The Company highly values intellectual property protection, builds a robust intellectual property defense system, and strengthens the prevention and mitigation of major risks. We strictly abide by relevant laws and regulations including the Trademark Law of the People’s Republic of China, the Copyright Law of the People’s Republic of China, the Patent Law of the People’s Republic of China, and the Anti-Unfair Competition Law of the People’s Republic of China. We also benchmarked against internationally accepted standards and industry best practices. On one hand, we effectively conduct the application, maintenance and protection of our own intellectual property rights. On the other hand, we fully respect and safeguard the legitimate rights and interests of others in respect of intellectual property, and comprehensively strengthen the development of a full-process intellectual property management system.

Upholding the core philosophy that “innovation is the primary driving force behind development, and protecting intellectual property is synonymous with protecting innovation”, the Company has adopted a series of systematic and practical intellectual property protection measures to fully safeguard and uphold its intellectual property rights and legitimate interests, and minimize and address potential risks in the field of intellectual property as much as possible. Meanwhile, the Company fully respects the intellectual property rights of others, and strictly prohibits any act of infringing upon others’ intellectual property rights to protect their legitimate rights and interests against infringement, with the aim to foster an innovation environment featuring mutual respect and fair competition. With regard to intellectual property protection and trademark usage, we have invited external experts to provide professional training for relevant internal departments, organized learning activities for employees, and arranged on-site Q&A sessions delivered by such experts.

During the Reporting Period, the Company did not record any lawsuit related to intellectual property, which fully showcases the effectiveness and enforceability of our intellectual property protection strategy.





# Environmental, Social and Governance Report

## 4.2 Product Quality Management System

Labixiaoxin has always placed product quality management at the core of its business development, adhering to the “quality and brand supremacy” business philosophy, and has established a product quality and safety management system covering every link across the entire supply chain. During the Reporting Period, the Company obtained certifications for the BRC Global Standard for Food Safety, ISO 9001 Quality Management System, and the HACCP system, achieving 100% business coverage for such accredited standards. Through compliance management enforced to stringent benchmarks, the Company ensures superior product quality and delivers benefits to consumers.

### 4.2.1 Product Quality

Labixiaoxin integrates product quality management throughout the entire life cycle of its business, covering quality system construction, production process control, product testing, warehousing and transportation, end-market sales and product recall management, and other key links. Through three core initiatives, namely implementing standardized operating procedures, introducing advanced testing technology and building digital traceability systems, the Company ensures that our products are monitored and traceable throughout the process, so as to protect food safety and quality in all aspects and provide consumers with a safe and healthy experience of snack foods.

In terms of raw material research, we have built up reserves of alternative raw materials and replace food additives with natural ingredients. For instance, fruit juice is used to substitute acidic agents and to reduce flavorings, and trials have been conducted on preservative replacement. In addition, greater adoption is given to traditional ingredients such as oats and cereals to develop more natural products. We are also researching products for special dietary needs, which are expected to be launched onto the market next year.

In terms of technological research and development, the key research focus during the Reporting Period lay in clean label formulation and ingredient simplification. Emphasis was placed on launching clean label products by adopting more natural ingredients, reducing the categories of food additives, and enriching products with fruit pulp and nutritional elements. We have rolled out an array of clean label offerings such as fruit puree jelly and nutrient-added squeeze jelly, alongside nutritionally enhanced products including nutrient konjac jelly, egg pudding (containing 10% raw-edible egg liquid), and whole-fruit pulp jelly.

In terms of product production, we strictly comply with relevant national laws, regulations and quality management system standards. Based on our operational realities, we fully implement core control mechanisms and standards including the HACCP Program and Sanitation Standard Operating Procedures (SSOP) throughout the entire production process. At the same time, the Company adopts information technology to optimize production workflows, upgrade processes and standardize operations, so as to ensure the standardization and professionalism of each production link. This approach enhances scientific rigor and standardization in production management while comprehensively safeguarding product safety and protecting consumers’ legitimate rights and interests.

In terms of competency-building and training, we have launched comprehensive training programs on product quality and safety, covering food safety risk control checklists, cost control, foreign material risk control, the Food Safety Law and food additive regulations, the labelling and marking provisions specified in GB7718-2025, 5S management, and quality assessment and management regulations. All employees are required to master relevant knowledge and practical skills, so that every manufactured product fully meets national, industrial and internal corporate standards. The training covers both general staff and management personnel at production bases. Furthermore, we have formulated quality assessment objectives and indicators for products. Monthly evaluations are conducted for our employees, and rewards are granted in accordance with the performance appraisal system for those who achieve passing scores; 15 quality model employees are selected every month to receive recognition and corresponding incentives.





## Environmental, Social and Governance Report

### 4.2.2 Quality Inspection

In terms of the product quality inspection process, the Company has established a rigorous, multi-layered and full-chain control system. From incoming raw material inspections to intermediate checks such as critical production procedure inspections, to the final inspection and review of finished products, rigorous quality screening is implemented at every stage, so as to ensure product safety and consumers' rights and interests.

During the Reporting Period, the Company promptly updated its product testing procedures in accordance with relevant national and industrial standards. We revised quality inspection criteria based on the National Food Safety Standard - Food Microbiological Examination - Enumeration of Coliforms (《食品安全國家標準食品微生物學檢驗大腸菌群計數》), and conducted corresponding training and assessments. Meanwhile, the Company continued to optimize internal quality control standards for water quality, environmental hygiene and other aspects. It also adjusted the incoming raw material inspection procedures and the testing and evaluation criteria for finished jelly products in compliance with the issued Raw Material Inspection and Management System (《原物料檢驗管理制度》), Raw Material On-site Disposal Fee Management System for Suppliers (《供應商原物料質量已到場處理費用管理制度》), and Finished Jelly Product Quality Standards (《成品果凍質量標準》).

During the Reporting Period, the Company launched 16 quality improvement projects in product inspection, and promoted daily and weekly checks as well as monthly coordination reviews for food safety, together with 5S management. For date coding optimization, the date printing method using carbon ribbons on selected coding machines was upgraded to laser marking coding, eliminating customer complaints caused by missing codes. In terms of sealing film improvement, the packaging material for bagged products was upgraded from nylon PE film to dual-layer PET material, substantially reducing complaints arising from product damage. Regarding equipment upgrades, we added one foreign object rejection and detection unit, three fully automatic CIP cleaning systems, four metal detectors, and eight fully automatic scraper filters, effectively strengthening product quality assurance.

### 4.2.3 Product Traceability Management

The Company has established a full-industry-chain Product Traceability Management System. By recording data throughout the entire process from raw material procurement to end-market sales, it ensures precise traceability of product quality and safety.

In terms of product recall management, the Company follows standardized product withdrawal and recall procedures, enabling a rapid response to emergencies requiring product recall on safety and health grounds. During the Reporting Period, no sold or distributed products were recalled for safety or health concerns, nor were there any returns or replacements arising from product quality issues. The Company achieved a 100% food safety compliance ratio and a product qualification ratio of 99.87%, demonstrating the high safety standards and reliable quality of its products.

Product Quality Data for 2023-2025

Year	Product Qualification Ratio	Food Safety Compliance Ratio	Percentage of Total Products Sold or Distributed Subject to Recalls for Safety and Health Reasons
2023	99.88%	100%	0%
2024	99.82%	100%	0%
2025	99.87%	100%	0%





## Environmental, Social and Governance Report

### 4.3 Responsible Customer Service

#### 4.3.1 Customer Service System

The Company has always placed customer service at the core of its business development, and strives to build a comprehensive customer service system covering both online and offline scenarios to fully protect consumers' legitimate rights and interests. It also collects consumer feedback through extensive channels such as customer service hotlines, self-media accounts, and e-commerce customer support platforms, with a commitment to providing consumers with convenient and efficient services and assistance.

The Company places high importance on closed-loop management of consumer feedback and complaint resolution. On the one hand, it maintains a team of professionally trained customer service specialists, and on the other hand, it implements the Customer Complaint Management Policy (《顧客投訴管理制度》), ensuring that all customer complaints and suggestions receive timely responses and proper handling. In terms of customer privacy protection, consumer information is mainly managed through e-commerce channels. Virtual information is used throughout the delivery process without disclosing consumers' real data, so as to safeguard personal information security.

To further improve customer service quality, we conducted customer research on new products. Feedback showed that consumers recognized improvements in product packaging design and new product quality, while expecting more favorable pricing for relevant products.

During the Reporting Period, the development of the Company's customer service system achieved remarkable results: a product supply guarantee rate exceeding 99% and an on-time order delivery rate reaching 85%, demonstrating efficient supply chain responsiveness and service fulfillment capabilities. During the Reporting Period, all received customer complaints were properly resolved, achieving a 100% closed-loop complaint handling rate.

Year	Number of Product Complaints	Complaint Rate (PPM)
2023	720	0.92
2024	1,760	0.94
2025	791	0.97





## Environmental, Social and Governance Report

### 4.3.2 Prohibition of False Advertising

The Company has always adhered to the responsible marketing concept, strictly abiding by relevant laws and regulations including the Advertising Law of the People's Republic of China, ensuring all market communication activities fully meet regulatory requirements. We conduct information exchanges in line with the principles of transparency and integrity, and provide consumers with authentic and valid product information.

For advertising content published through official corporate channels and public information dissemination, we have established and implemented a comprehensive internal multi-level review mechanism to guarantee the authenticity, accuracy, and compliance of all communicated information. All marketing materials must be submitted for application via the OA system, and may only be released upon approval. In addition, we actively communicate with distributors through meetings and on-site visits. While collecting feedback from distributors and supporting them in improving their management capabilities, we further clarify the Company's bottom-line requirements including the prohibition of false advertising, so as to ensure the full development and implementation of responsible marketing practices.

### 4.4 Supply Chain Management

In supply chain management, we maintain strict compliance with laws and regulations encompassing business ethics, environmental protection, and human rights governance, continuously refine supplier qualification criteria, and enhance our supply chain management system. We actively assist suppliers in improving product quality by implementing multi-tiered verification mechanisms including qualification audits, supervision and inspection, capacity-building initiatives, and responsible supply chain building, with a view to joining hands with our partners to establish a sustainable and responsible supply chain system.

During the Reporting Period, Labixiaoxin had 431 suppliers, all of which have completed filing and undergone management evaluations. Among them, 207 suppliers are from local production bases (in Fujian Province, Anhui Province and Sichuan Province), with local suppliers accounting for 48.03%.





## Environmental, Social and Governance Report

### Regional Distribution of Suppliers

Province	2025 (number)	Percentage
Anhui	27	6.26%
Sichuan	37	8.59%
Fujian	143	33.18%
Beijing	4	0.93%
Guangdong	68	15.78%
Hainan	5	1.16%
Hebei	6	1.39%
Henan	12	2.78%
Hubei	7	1.62%
Jiangsu	22	5.10%
Jiangxi	5	1.16%
Shandong	28	6.50%
Shanxi	1	0.23%
Shanghai	23	5.34%
Tianjin	3	0.70%
Zhejiang	23	5.34%
Chongqing	1	0.23%
Guangxi	2	0.46%
Liaoning	1	0.23%
Shaanxi	1	0.23%
Yunnan	8	1.86%
Gansu	3	0.70%
Nei Mongol	1	0.23%
<b>Total</b>	<b>431</b>	<b>100%</b>

#### *Pre-qualification of Suppliers*

The Company adheres to the group centralized procurement strategy and selects high-quality suppliers through open tenders. It has established a sound supplier database and a blacklist system, set up a pre-qualification review mechanism for new suppliers, and implements categorized filing management for all cooperating suppliers. In the meantime, we have further refined review standards and joined hands with the Company's major business departments to build a multi-dimensional evaluation system during the supplier qualification phase.

Under equal quality conditions, the Company prioritizes locally sourced raw materials to support regional economies, fostering long-term partnerships with local suppliers. These collaborations drove the development of related industrial chains and elevated local industry standards.





## Environmental, Social and Governance Report

### *Supplier Supervision Mechanism*

We have established a tiered model featuring “monthly random inspections + annual comprehensive evaluation”, and fully implemented a policy of on-site inspection of suppliers. We conduct systematic and thorough reviews of suppliers’ basic information, qualification documents, technical capabilities, quality control standards, performance evaluation results, and cooperation history. We have rolled out the SRM management system across our operations. Digital tools have significantly improved the accuracy and transparency of supply chain management, enhancing the stability and accuracy of daily operations. Through routine management and communication, we aim to mitigate overall food safety, operational and ESG risks across the supply chain.

### *Enhancement of Supplier Capabilities*

The Company attaches great importance to enhancing supplier capabilities and adopts a systematic, regular and differentiated empowerment strategy to promote the all-round improvement of suppliers’ overall competence and ESG management capacity. During the Reporting Period, the Company continued to optimize its supplier communication mechanism. We maintained communication and interaction with core suppliers 1 to 2 times a year through on-site visits and online meetings, and contacted general suppliers once per quarter via telephone and email. This has fully strengthened compliance awareness and coordination capabilities at all links of the supply chain, and driven the steady improvement of the supply chain’s overall comprehensive strength.

### *Supplier Exclusion*

The Group assesses suppliers based on the four dimensions of quality, price, delivery and service, and has established a full-process control mechanism featuring a cycle of “interview-rectification-delisting”. For suppliers identified with serious issues, the Company adopts a tiered improvement strategy. It first dispatches specialists to conduct unannounced inspections and hold interviews, issues rectification notices, and requires the suppliers to complete improvements within a specified timeframe. For suppliers that still fail to meet standards after rectification, the Company will terminate their qualification. For suppliers that fail assessments three times cumulatively without substantive improvement, or those with significant compliance risks, the Company implements a mandatory delisting mechanism to ensure supply chain compliance.

### *Supplier Sustainability Management*

The Company has established a sound risk management system for supplier sustainable development. We incorporate ESG-related factors such as environmental management and employee rights and interests into the pre-qualification assessment criteria. While ensuring that included suppliers meet the Company’s qualification requirements, we foster a corporate citizenship culture across the value chain. The Company gives priority to suppliers with a lower environmental impact and requires them to provide relevant supporting documents as part of their qualification materials. We continuously encourage suppliers to adopt eco-friendly products and services, and evaluate their environmental performance through the tiered model of “monthly random inspections + annual comprehensive evaluation”.

During the Reporting Period, no negative ESG incidents concerning supply chain management were identified within the Company’s scope of operations. Should any severe supply chain ESG incidents be identified in the future, the Company will resolutely implement the delisting mechanism.





## Environmental, Social and Governance Report

### 5. LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT

Labixiaoxin actively responds to the national goal of “Achieving Carbon Neutrality before 2060” by promoting the development concept of “green production, green consumption, and green development”. It is committed to becoming a healthy food company in harmony with the ecological environment so as to contribute to the national green ecological construction. We have achieved innovative breakthroughs in sustainable raw material application, established an open innovation ecosystem, and adopted a dual development path featuring clean label and functionalization.

During the Reporting Period, the Company carried out comprehensive infrastructure upgrades. By installing central air conditioning, implementing polyurethane mortar renovation, renovating purification workshops and deploying production automation, we comprehensively enhanced the working environment of factory workshops and reduced negative impacts generated during the manufacturing process.

During the Reporting Period, Labixiaoxin did not record any violation of laws and regulations related to environmental protection.

#### 5.1 Emissions

The Company strictly abides by the Environmental Protection Law of the People’s Republic of China, the Atmospheric Pollution Prevention and Control Law of the People’s Republic of China, the Water Pollution Prevention and Control Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes and other laws, regulations and standards relating to the emission control requirements, strictly implements the Environmental Management Plan, continuously strengthens the control of waste gas, waste water and solid wastes, and sets up a comprehensive disposal system.

In terms of waste management, the Company has leveraged its mature experience accumulated over prior years, and strictly selected professionally qualified suppliers to carry out centralized recycling and disposal, with a view to ensuring regulatory compliance and control across the entire waste management process.

**Waste Gas Management:** The Company strictly complies with national emission standards, and commissions professional institutions every year to conduct waste gas monitoring, which effectively controls the environmental impact of its emissions.

**Waste Water Management:** The Company has special sewage treatment facilities to treat the outflow of production water in accordance with regulations, to ensure standard emissions and meet environmental protection requirements.

**Solid Waste Management:** The Company has established a comprehensive waste management system to ensure compliant treatment. For general waste (such as cartons, packaging offcuts and metal cans), the Company has realized source reduction through the optimization of production processes, renewal of environmental protection equipment, upgrading of treatment facilities and other measures. Meanwhile, the Company has signed agreements with qualified service providers for timely and specialized treatment of garbage and waste generated from production and daily operations on a daily basis, thereby comprehensively managing the environmental impact during our operations.

During production processes, we ensure that all pollutants are discharged and disposed of in compliance with regulations, and no emissions that have a material adverse impact on the environment have been identified throughout our production processes.





# Environmental, Social and Governance Report

## Emission of Waste Gas

Emission type <sup>1</sup>	Unit	2024	2025
NO <sub>x</sub>	kg	18.57	13.92
SO <sub>x</sub>	kg	691.81	339.98
PM	kg	1.37	1.03

## Discharge of Solid Wastes

Emission type <sup>1</sup>	Unit	2025
Hazardous waste emissions	kg	183.10
Hazardous waste intensity	kg/ton of product	0.0016
Non-hazardous waste emissions	tons	535.52
Non-hazardous waste intensity	tons/ton of product	0.0048

### 5.2 Resource Utilization

The Company consistently integrates the concept of sustainable development throughout its production and operations. It has established and implemented stringent control policies and measures in resource management and utilization. By building an integrated comprehensive resource management system, the Company ensures maximum resource efficiency while fully meeting all environmental protection standards, thereby fulfilling its green development commitment.

At the beginning of the Reporting Period, we set management and control targets for resource utilization. By the end of the Reporting Period, Fujian Base achieved all the set targets in energy consumption control. In particular, the water consumption was 4.8 tons/ton of product, gas consumption was 0.45 tons/ton of product, and electricity consumption was 68 kWh/ton of product.

<sup>1</sup> The statistical figures herein cover the emission data of the Group and its Subsidiaries; the same applies below.





## Environmental, Social and Governance Report

### 5.2.1 Energy Management

In terms of energy management, the Company has a comprehensive energy consumption management system, defining the energy management responsibilities of personnel at all levels and the standards for energy consumption assessment. Additionally, the Company has established a dedicated energy management team responsible for conducting comprehensive monthly inspections of various energy-saving initiatives and the implementation of energy management systems.

Through lean management practices, the Company achieved a comprehensive reduction in unit energy consumption of water, electricity and gas in 2025. During the Reporting Period, the Company regularly assessed the energy consumption management performance of each production base and workshop, convened monthly cross-departmental cost analysis meetings, where responsible persons analyzed anomalies, formulated improvement measures, and provided regular progress updates. Results of these improvements were reported at the following month's meeting. For targets that were not met, the causes were continuously analyzed, and further improvements were implemented.

**Equipment upgrades and retrofits:** completed the replacement and upgrade of four cooling towers with high-efficiency and energy-saving models, thereby enabling the recycling of cooling water and improving utilization efficiency;

**Renewable energy:** installed photovoltaic power generation equipment on the rooftops of production areas, effectively utilizing the idle rooftop space to develop clean energy and reduce carbon emissions from production processes. Additionally, solar lighting has been adopted in public areas such as sports courts, replacing traditional electricity with clean energy to reduce conventional energy consumption;

**Improving energy utilization efficiency:** completed an energy-saving renovation of the corridor lighting system by fully replacing fixtures with sensor-activated lights, enabling intelligent control where lights turn on when people approach and off when people leave, thereby reducing electricity waste;

**Deepening the green office transformation:** promoted the digital upgrade of office processes, fully transitioning the original paper-based work liaison forms to an online workflow, reducing paper usage at the source and implementing a paperless office requirement.





## Environmental, Social and Governance Report

### 5.2.2 Water Resource Management

In water resource management, the Company consistently adheres to the core principles and key objectives of compliance and utilization efficiency. It strictly abides by relevant laws and regulations, such as the Water Law of the People’s Republic of China and the Water Pollution Prevention and Control Law of the People’s Republic of China, establishing a water resource control mechanism to ensure rational and economical water usage in production.

To further enhance the efficiency of water resource utilization, we have implemented several innovative measures. For instance, in respect of environmental protection efforts at our production bases, the Company promotes water resource reuse by recovering steam condensate generated during production in workshops and transferring it to the sterilization pool for recycling, effectively reducing steam loss. The Company also carried out the replacement and upgrade of cooling machine to enhance cooling water circulation and reduce water consumption per shift, thereby saving water for production. In respect of domestic water usage by employees, the Company implemented a “quota-based allowance + self-payment for excess usage” management mechanism for employee dormitories. This market-oriented approach encourages employees to cultivate water-saving awareness, preventing water waste at the source.

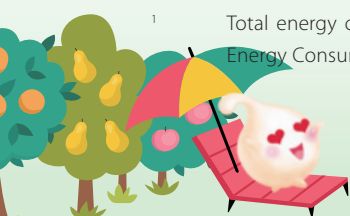
### 5.2.3 Packaging Material Management

In terms of packaging materials, we have updated some categories of cup film (such as film for 200g and 2kg items) to high-barrier film. Meanwhile, to reduce the use of cardboard boxes, we are planning and researching the replacement of traditional cardboard boxes with “stone-plastic” boxes, aiming to enhance the environmental attributes of products throughout their life cycle.

**Table of Resource Consumption and Intensity**

Resource category <sup>1</sup>	Unit	2025
Total energy consumption	MWh	278,496.82
Energy consumption intensity	MWh/ton of product	2.48
Direct energy consumption	MWh	202,130.75
Fuel consumption	tons	16,883.15
Indirect energy consumption	MWh	76,366.07
Electricity consumption	MWh	17,910,343.32
Steam consumption	tons	78,136.02
Total water consumption	tons	1,009,727.06
Water use intensity	tons/ton of product	8.99
Packaging materials	tons	16,783.45
Packaging material density	tons/ton of product	0.15

<sup>1</sup> Total energy consumption is calculated in accordance with the Chinese standard “General Rules for Calculation of Comprehensive Energy Consumption” (GB/T 2589–2020).





## Environmental, Social and Governance Report

### 5.3 Environmental Impact Management

The Company strictly adheres to the Environmental Protection Law of the People's Republic of China and other relevant environmental laws and regulations. In terms of environmental management system development, the Company has established a robust management framework and issued a series of standardized system documents, including the Environmental Protection Management System and the Environmental and Occupational Health and Safety Management Operation Control Procedures, effectively preventing risks that could cause significant environmental impact.

We consistently uphold the concept of sustainable development, aiming to reduce our ecological footprint and promote green practices as our environmental management goals. In terms of environmental protection practices, we advance the greening development of our factory premises to create a green production environment, while actively participating in various social environmental protection initiatives, comprehensively promoting the Company's transition towards an environmentally friendly model. In terms of resource utilization, we implement resource recovery strategies, reducing the consumption of primary resources through proper sorting, recycling and reuse of certain products, supporting the Company's transition towards a resource-efficient development model.

The Company places great emphasis on the regional ecosystem by actively supporting biodiversity conservation efforts undertaken by the government and environmental organizations. Adhering to the philosophy of "green production with all participation (綠色生產、全員管控)", we take various measures to protect the surrounding ecology. For example, we established a sustainable procurement list for key raw materials used in jelly production (such as fruit pulp, seaweed gel, sugar, etc.) with certified suppliers prioritized, and strengthened controls over production and processing stages by increasing investment in resource reuse projects such as the recycling of cooling water, ensuring that solid waste generated during production is sorted, crushed, and then disposed of in a compliant manner.

### 5.4 Tackling Climate Change

#### 5.4.1 Governance

To ensure the effective implementation of the ESG management strategy, Labixiaoxin has fully integrated climate-related risks and opportunities into its daily business activities and various aspects of ESG management. A three-tier ESG management system has been established, with the board of directors of the Company, the ESG management team and the ESG working group as its core components. The Company incorporates climate objectives into its performance appraisal system, linking the CEO's annual performance-based compensation to climate change-related indicators, thereby promoting the effective implementation of climate action responsibilities.

The responsibilities of each level concerning climate-related risks and opportunities are detailed in the table below.





# Environmental, Social and Governance Report

**Table of Board Governance Structure regarding Climate Change Management**

Level	Roles and Responsibilities	Capabilities	Reporting Channel and Frequency
Board of directors – decision-making level	<p>Responsibilities:</p> <ul style="list-style-type: none"> <li>➤ Review reports and key findings related to climate-related risks and opportunities.</li> <li>➤ Oversee the integration of climate-related factors, such as extreme weather and changes in environmental policies, into the Company’s strategy, major transaction decisions and risk management processes.</li> <li>➤ Supervise the establishment of the Company’s climate-related targets and review progress towards these targets for the current year, assessing performance thereof.</li> <li>➤ Review and approve the linkage between the CEO’s annual performance-based compensation and the progress of climate change-related indicators.</li> <li>➤ Supervise the management and ESG management team’s execution of climate-related work.</li> </ul> <p>Authorization: Authorize the ESG management team to review and evaluate the Company’s climate-related risks and opportunities.</p>	<p>Possess the overall capability to review and supervise climate change risks. The Company will further enhance board members’ climate change-related capabilities through reporting and offline training.</p>	<p>Through board meetings, once a year.</p>
ESG management team – management level	<p>Responsibilities:</p> <ul style="list-style-type: none"> <li>➤ Organize the compilation of information on climate-related risks and opportunities and report management progress to the board of directors of the Company.</li> <li>➤ Link the CEO’s annual performance-based compensation to the progress of climate change-related indicators.</li> <li>➤ Organize specific departments to implement effective measures to supervise and monitor the Company’s overall management of climate related risks.</li> </ul> <p>Authorization: Authorize the ESG working group to conduct scenario analysis for climate-related risks and opportunities, and manage climate indicators and targets.</p>		<p>Through regular management meetings, twice a year.</p>
ESG working group – execution level	<p>Responsibilities: conduct climate change scenario analysis, manage climate-related risks and indicators/targets, and consolidate climate-related information to compile the ESG report.</p>		<p>Through regular communication and execution of climate change-related work, multiple times a year.</p>





# Environmental, Social and Governance Report

## 5.4.2 Strategy

Adhering to the philosophy of “low carbon, environmental protection, green development (低碳環保·綠色發展)”, the Company regards tackling climate change as a critical practice, aiming to mitigate the impact of its production and operational activities on the climate and striving for sustainable development. In accordance with the relief provisions under the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange, the Company has used all reasonable and available information obtainable without undue cost or effort before the reporting date, and adopted methods proportionate to issuer’s existing skills, capabilities and resources. The Company conducts in-depth management of climate change risks and opportunities by assessing their financial implications. Physical risks are assessed adopting the IPCC’s SSP 2-4.5 and SSP 5-8.5 scenarios, while transition risks and opportunities are assessed adopting the NGFS’s Net Zero 2050 and Delayed Transition scenarios to evaluate the climate-related risks and opportunities with significant business and financial impacts (in terms of probability and severity).

Definitions of short, medium and long-term		Connection to strategic decision-making
Short-term	2026-2030	The definitions of short, medium and long terms are closely aligned with the cycle of the national five-year plan and are linked to the scope of the national “dual carbon” goals.
Medium-term	2031-2040	
Long-term	2041-2060	
<b>Source of scenarios</b> <i>All selected scenarios are related to international agreements, and the scenario descriptions and assumptions contained therein generally align with current trends in this issue.</i>		<p><b>Physical Risks (adopting IPCC scenarios)</b></p> <p>SSP 2-4.5: Middle of the Road  <b>Scenario description:</b> Scenario approximately in line with the upper end of aggregate NDC emissions levels by 2030. CO<sub>2</sub> emissions remaining around current levels until the middle of the century. Temperature projections for NDCs to be between 2.7°C and 3.4°C by 2100.</p> <p>SSP 5-8.5: Fossil-fuelled Development  <b>Scenario description:</b> A baseline scenario with no additional climate policy. CO<sub>2</sub> emissions roughly double from current levels by 2050.</p>
		<p><b>Transition Risks and Opportunities (adopting NGFS scenarios)</b></p> <p>Net Zero 2050  <b>Scenario description:</b> This scenario assumes that ambitious climate policies are introduced immediately. Carbon dioxide removal (CDR) is used to accelerate the decarbonisation but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production. Net CO<sub>2</sub> emissions reach zero around 2050, giving at least a 50% chance of limiting global warming to below 1.5°C by the end of the century, with limited overshoot (&lt;0.2°C) in earlier years.</p> <p>Delayed Transition  <b>Scenario description:</b> This scenario assumes that new climate policies will not be introduced until 2030, and that the intensity of action across countries and regions will differ based on policies already in place. Owing to the lower availability of carbon dioxide removal (CDR) technologies, the carbon price required to achieve the same climate goals (such as the “below 2°C” scenario) will be higher than in other scenarios. Emissions will therefore exceed the carbon budget for a period of time and decline more rapidly after 2030 than in the “below 2°C” scenario, ensuring a 67% chance of limiting global warming to below 2°C.</p>
<b>Coverage</b>	Operational scope	Covers the head office of “Labixiaoxin Snacks Group Limited” and its three subsidiaries located in Fujian Province, Sichuan Province, and Anhui Province.
	Reporting period	2025
	Applicable timeframe	2026-2030



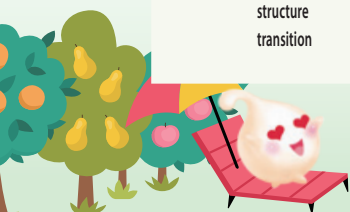


# Environmental, Social and Governance Report

## Material Climate Risk and Opportunity Analysis

Labixiaoxin has evaluated climate-related risks and opportunities that could potentially impact the Company's business model and value chain in the short, medium or long term. It also tracked the progress of initiatives and plans disclosed in previous reporting periods. By the end of the Reporting Period, the disclosed plans and initiatives are being implemented and advanced as part of ongoing operations.

Climate Risk	Timeframe and Geographic Focus	Risk and Opportunity Level	Impact on Business Model and Value Chain		Impact on Strategic Decisions		
			Business Model	Value Chain	Strategic Decision Adjustment	Transition Plans	
Physical risks	Typhoon	Short-term Fujian	High	Both current and expected impacts involve potential production stoppages and reduced efficiency.	Both current and expected impacts include disruptions to the transportation of raw materials and products.	Based on the analysis, the Company is reallocating resources concerning infrastructure and employee health:	Based on the analysis, the Company will strengthen work schedule management during typhoons and heatwaves, complying with local government requirements for work stoppages. It will also enhance logistics and warehouse management through technology to prevent impairment of raw materials and goods due to inadequate protection measures during extreme weather.
	Heatwave	Short-term Fujian and Anhui	Low	Both current and expected impacts may include spoilage of food products due to improper storage. Additionally, if the risk continues to be significant, it may lead to payment of high-temperature subsidies or work stoppages.	Both current and expected impacts include disruptions to the transportation of raw materials and products.	<b>Infrastructure:</b> strengthening infrastructure construction to avoid direct asset impairment and damage caused by typhoons and heatwaves. <b>Employee Health:</b> providing care initiatives to mitigate the impact of typhoons and heatwaves on employees' normal work and life.	Scenario analysis indicates that the Company has the capability to adjust its business model within the given timeframe and under the assumed scenarios and uncertainties.
Transition risks	Regulatory changes for existing products and services	Medium-term and long-term all regions	Medium	Currently, no significant impact has been identified. However, stricter future regulatory requirements related to dual carbon and energy security are expected to impact the Company's overall dual carbon and energy costs.	The overall impact is expected to increase the Company's raw material costs, suppliers' production costs, and warehousing and transportation costs, along with increased compliance burdens.	Future plans include enhancing resource allocation for clean energy facilities and accelerating the replacement of equipment with new energy vehicles and electric production machinery. Energy consumption and greenhouse gas emissions will also be key indicators for supplier assessments.	Develop a plan for the phased replacement of conventional energy sources and implement carbon reduction management within operations. Future plans shall include developing a carbon reduction assessment form for suppliers to evaluate their energy consumption performance.
Opportunity	Opportunity arising from energy structure transition	Short-term and medium-term all regions	Medium	The cost of clean energy is gradually decreasing, and the transition to purchasing clean energy is not expected to incur excessive costs for the Company.	This opportunity is expected to contribute to the clean, low-carbon transformation of the Company's supply chain, promoting stability, health and high-quality development within the supply chain.	Plan to analyze various investment and deployment models for clean energy, such as direct procurement or the installation of photovoltaic equipment, with the aim of gradually reducing energy costs.	





# Environmental, Social and Governance Report

## Financial Impact Analysis of Climate Risks and Opportunities:

Based on the Company’s actual situation, Labixiaoxin conducted financial impact analysis on climate-related risks and opportunities identified during the scenario analysis process as having higher climate adaptability risks.

Climate-related Risks and Opportunities	Current Financial Impact	Expected Financial Impact
<p><b>Typhoon</b></p> <p><b>Heatwave</b></p> <p><b>Regulatory changes for existing products and services</b></p> <p><b>Opportunity arising from energy structure transition</b></p>	<p>A review of the Company’s internal operations during 2025 revealed the following financial impacts of climate-related risks:</p> <p>Due to insufficient municipal drainage capacity and inadequate elevation in the older plant sites, climate change risks caused water levels in the warehouse area to rise, resulting in water backing up into the warehouse. Although we took prompt action to minimize losses, this incident still resulted in a total loss of RMB6,500.</p> <p>No significant adjustments to financial information have been identified for the next reporting year.</p>	<p><b>Investment plan:</b></p> <p>In the short term, we will engage with relevant parties to ensure that drainage facilities are fully operational and that high-temperature alerts are issued in a timely and effective manner, while strengthening our emergency response plans through internal management improvements.</p> <p>At the same time, we plan to primarily utilize the Company’s regular special funds to undertake capital upgrades and reconstruction of the older plant sites at appropriate times. This will enable us to address increasingly extreme weather events and progressively stricter legal and regulatory standards, while seizing opportunities presented by the energy transition.</p> <p><b>Financial performance:</b></p> <p>In the short term, the Company’s financial position will not undergo changes that would affect its normal operations, as we will implement strategies to optimize internal management. In the medium to long term, based on the Company’s scale and actual needs, we will undertake capital upgrades and reconstruction of older facilities, which is expected to result in increased investment in fixed assets. We project an investment of RMB60 million by 2040 and RMB100 million by 2060.</p>





## Environmental, Social and Governance Report

### 5.4.3 Risk and Opportunity Management

Labixiaoxin is committed to building a comprehensive risk management framework to support risk management and internal control assessments. It integrates ESG and climate change risk management into the Company’s overall risk management system. Through its risk management mechanism, the Company closely monitors the evolving landscape of climate change risks, actively advances the identification and assessment of climate change risks, and reports findings to management. The risk management procedures are subject to review, decision-making, and oversight by the board of directors.

Climate Risk and Opportunity Management Process	Specific Contents
Assessment process	We continuously enhance our climate risk and opportunity assessment procedures. Based on the IPCC’s SSP 2-4.5 and SSP 5-8.5 scenarios, and the NGFS’s Net Zero 2050 and Delayed Transition scenarios, along with external parameters and third-party databases, we conduct climate change scenario analysis and identify climate risks and opportunities, evaluating their likelihood and impact.
Risk and opportunity materiality assessment	Through stakeholder engagement and materiality assessments, combined with ESG risk evaluation results, the risks and opportunities associated with the issue of “Tackling Climate Change” are ranked as “moderately material” compared to other types of ESG risks.
Monitoring process	The analysis of climate change-related risks and opportunities is authorized by the ESG management team and overseen by the ESG working group. In accordance with this authorization and established procedures, the ESG working group identifies and assesses climate change risks and opportunities, compiles the analysis process and results, and submits them for approval by the ESG management team. Unless otherwise specified, the prioritization of climate risks and opportunities for each reporting period will be determined in accordance with the aforementioned process.
Climate risk and opportunity management	The ESG working group is responsible for developing specific frameworks and methodologies for assessing climate risks and opportunities. Once this framework has been reviewed and approved by the ESG management team, the Audit Committee of the Company integrates it into the Company’s comprehensive risk management system to ensure effective alignment between climate risk management and traditional risk management in terms of policies, processes and reporting. Currently, climate-related risk and opportunity indicators are being managed across the Company and have been incorporated into routine management practices to ensure that climate issues are integrated into the Company’s ongoing operations and strategic decision-making.





# Environmental, Social and Governance Report

### 5.4.4 Metrics and Targets

To actively respond to the national “dual carbon” goals, Labixiaoxin is also aligning with global energy structure transition trends, policy requirements, industry trends and its own business characteristics to set carbon neutrality targets, including, among others, achieving carbon neutrality for CO<sub>2</sub> emissions under Scope 1 and Scope 2 within its operational boundaries by 2060, continuously tracking the progress of existing ESG targets, dynamically monitoring implementation thereof, and promptly updating targets nearing expiration or achieved ahead of schedule. The Company has not yet established an internal carbon price but will discuss and consider related work based on actual circumstances in the future.

Climate-related Indicators <sup>3</sup> :	Unit	2025
Percentage of assets vulnerable to physical risks	%	18.26
Percentage of assets vulnerable to transition risks	%	100.00
Percentage of assets aligned with climate-related opportunities	%	100.00
GHG Emissions (Scope 1) <sup>4</sup>	tCO <sub>2</sub> e	51,367.79
GHG Emissions (Scope 2) <sup>5</sup>	tCO <sub>2</sub> e	33,374.02
GHG Emissions (Scope 3) <sup>6</sup>	tCO <sub>2</sub> e	54.41

## 6. CARING FOR EMPLOYEES AND PROMOTING THEIR GROWTH

Labixiaoxin firmly believes that employees are the most valuable asset. Adhering to a “people-oriented” management philosophy, the Company deeply integrates the principles of mutual respect, open communication, fair evaluation and shared development into all aspects of its management processes. The Company is committed to creating a comfortable and suitable working environment for employees, improving their living conditions, providing ample opportunities for career growth and advancement, and working together with employees to achieve the long-term vision of the Company.

<sup>3</sup> The statistical scope for GHG emissions covers the Group and its Subsidiaries.

<sup>4</sup> GHG emissions (Scope 1) originate from direct emissions from fuel combustion, such as gasoline, within the Company’s operations. The calculation is made by reference to the “Guidelines for Accounting and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industries (Trial)” issued by the Office of the National Development and Reform Commission.

<sup>5</sup> GHG emissions (Scope 2) include indirect emissions from purchased electricity and purchased heat. The calculation is made by reference to the “Guidelines for Accounting and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industries (Trial)” issued by the Office of the National Development and Reform Commission. For electricity emission factor, reference is made to the national average CO<sub>2</sub> emission factor for electricity in 2023 as published in the “Announcement on the Release of 2023 Power CO<sub>2</sub> Emission Factors” issued by the Ministry of Ecology and Environment of the People’s Republic of China.

<sup>6</sup> The statistical scope for GHG emissions (Scope 3) is Category 6: Business Travel, covering air travel mileage booked by employees of the Company on travel platforms.





## Environmental, Social and Governance Report

### 6.1 Employment and Interests of Employees

#### 6.1.1 Employment

In terms of employment management, the Company strictly implemented standardized procedures for recruitment and employment during the Reporting Period. It safeguards employees' legitimate rights and interests by establishing fair recruitment processes, strengthening background checks, and conducting regular internal audits and supervision. The Company is committed to providing equal opportunities and respectful working environment, establishing fair, just and open space for employee development, placing great emphasis on optimizing the workforce structure, managing employee turnover, and continuously promoting the development of diverse and inclusive working environment. The Company has established systems such as the Code of Business Conduct and the Anti-Harassment Policy, explicitly prohibiting any form of discrimination, harassment (including sexual harassment), or bullying based on race, gender, age, region and others, effectively ensuring equal development opportunities for all employees.

#### Employee Composition

Indicator	Unit	2025
<b>Employee Composition</b>		
Total number of employees	person	907
Male employees	person	480
Female employees	person	427
Employees aged under 29	person	222
Employees aged 30-49	person	557
Employees aged over 50	person	128
Employees in the Chinese Mainland	person	900
Employees in Hong Kong, Macau and Taiwan Region	person	7
<b>Employee Turnover Rate</b>		
Employee turnover rate	%	20.73
Male employee turnover rate	%	22.71
Female employee turnover rate	%	18.50
Turnover rate for employees aged under 29	%	36.94
Turnover rate for employees aged 30-49	%	17.95
Turnover rate for employees aged over 50	%	4.69
Turnover rate for employees in the Chinese Mainland	%	20.89
Turnover rate for employees in Hong Kong, Macau and Taiwan Region	%	0.00





## Environmental, Social and Governance Report

### 6.1.2 Labor Standards

In complying with labor standards and relevant laws and regulations, the Company adheres to and implements laws and regulations including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and the Provisions on the Prohibition of Using Child Labor, and integrates the protection of labor rights and interests into its corporate compliance management. The Company prohibits any form of child labor and forced labor, and insists on signing labor contracts with all employees in accordance with relevant labor and employment laws and regulations.

To eliminate the risks of child labor and forced labor, we have established a multi-layered control mechanism: we require all applicants to provide legal and valid identity documents and verify their age and employment eligibility through identity verification; we have strengthened control over the entire recruitment process, implementing standardized management in resume screening, interview verification, background checks and other links, striving to safeguard the legitimate rights and interests of workers and ensure compliance in the recruitment process.

Should any instances of child labor or forced labor be discovered, the Company will immediately investigate all relevant leads. Upon verification, such violations will be dealt with strictly in accordance with company regulations, including termination of labor contracts. During the Reporting Period, no instances of child labor or forced labor were found within the scope of the Company's business operations.

### 6.1.3 Employees' Rights and Interests

The Company is committed to promoting and protecting the basic rights of employees. We align with domestic and international standards such as the UN Guiding Principles on Business and Human Rights and strictly abide by a series of laws and regulations governing labor and employment including the Labor Law of the People's Republic of China. We integrate the principles of legality and compliance throughout the entire human resources management process to safeguard the legitimate rights and interests of our employees and ensure their well-being.

To further strengthen the system for safeguarding employees' rights and interests, the Company implements market-based dynamic salary adjustments, promotes democratic management systems, and enriches its diversified benefits system, laying a solid foundation for attracting and retaining talent and achieving sustainable and healthy development.

- **Remuneration system:** In terms of remuneration management, the Company has developed a series of scientific and reasonable management systems and policies to provide employees with fair and equitable remuneration. The Company sets employee compensation based on changes in market salary levels and its own operating conditions, and conducts general adjustments to the basic salaries of some employees to maintain external competitiveness in remuneration. Meanwhile, the Company has established standardized performance appraisal procedures and a regular feedback system, clarifying appraisal cycles and methods to ensure fairness and objectivity, effectively boosting employee motivation and work efficiency.
- **Democratic management:** In terms of employees' democratic management, the Company has set up employee communication channels to promptly listen to and respond to employee demands and effectively ease employee concerns. The Company holds regular employee forums and provides psychological counseling and consultation services to help employees cope with work stress and resolve personal issues, safeguarding their mental health in an all-round way.





## Environmental, Social and Governance Report

- **Benefits security:** In terms of employees' benefits security, the Company has built a diversified benefits system covering both statutory and non-statutory benefits. In addition to statutory benefits, the Company also provides health checkups, holiday bonuses, training opportunities and other items. During the Reporting Period, focusing on core employee needs, the Company achieved significant improvements in accommodation management and catering benefits, upgrading and adding facilities such as washing machines, beds, desks and chairs in staff dormitories to provide better living conditions. For catering services, the Company optimized meal arrangements based on 2024 standards, continuously updated and enriched canteen menus, and introduced supplementary supplies such as fruits and yogurt to enhance nutritional balance of employees' diets. To further improve employee well-being and satisfaction, the Company has diversified its cultural activities and increased the frequency of events, fostering a harmonious and welcoming corporate atmosphere.

We also provide additional benefits including summer childcare programs, holiday gift boxes and lucky money to kick off the work, fulfilling our commitment to our employees. During the year, the Company's total investment in employee care reached RMB840,000, and investment in health and safety amounted to RMB95,000.

### 6.2 Health and Safety

The Company prioritizes the health and safety of its employees and strictly observes the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Measures for the Administration of Contingency Plans for Work Safety Accidents and other relevant laws and regulations. The Company has established a systematic and standardized occupational health and safety management system, committed to creating a safe and healthy working environment for employees. The Company has formulated and implemented comprehensive safeguards to ensure the physical and mental health of employees is properly protected.

#### 6.2.1 Work Safety

In terms of work safety, the Company always upholds the highest compliance standards, ensures that the workplace meets health and safety criteria, and strives to build a safe and efficient working environment for employees.

- **Conducting safety training:** We have implemented a comprehensive and systematic safety training and education program, and continue to carry out activities such as health checkups and health consultations to ensure that employees fully understand and strictly follow all safety procedures and best practice guidelines;
- **Providing personal protective equipment:** We provide appropriate personal protective equipment to employees based on job requirements, including gloves, work shoes, safety helmets and safety goggles;





## Environmental, Social and Governance Report

- **Optimizing emergency response mechanism:** We have established and improved emergency response plans and relevant management systems, equipped workplaces with necessary safety equipment such as fire extinguishers, provided emergency rescue support, and organized regular emergency drills;
- **Enhancing first aid capabilities:** We made sure external AED resources are accessible within a 200-meter radius, and conducted first aid training twice throughout the year, including one session focused on obtaining first aid certification, to help employees obtain relevant certificates and improve their emergency response capabilities.

The production bases incorporate safety management into the performance appraisal of all employees, and conduct two safety inspections each month covering aspects such as production site safety and employee operations and locations such as factory areas, production sites, warehouses and offices. Inspection results are documented in reports, and all department heads are required to implement corrective actions on schedule, achieving a 100% compliance rate. In addition, we strengthen employee safety awareness management through daily safety briefings, slogan recitations, weekly safety training and monthly safety debriefings to ensure employees develop muscle memory and enhance their safety awareness.

During the Reporting Period, no safety accidents occurred within the Company, and the number of workdays lost due to work-related injuries was zero. Between 2023 and 2025, no work-related fatal accidents occurred within the Company, with zero work-related fatalities across the three years, representing a work-related fatality rate of 0.00%.

### 6.2.2 Occupational Health

The Company has always regarded employee health as a core element and important cornerstone of its sustainable development. In the field of occupational health management, the Company has implemented a series of systematic control measures to comprehensively safeguard the occupational health and safety of employees.

- **Health checkups and consultations:** We have arranged annual occupational health checkups, with professional doctors invited to the Company to interpret health reports for employees and provide personalized and targeted health guidance based on individual health conditions;
- **“Family Doctor Contract” service:** We organized “family doctor contract” activities to provide employees with convenient and accessible medical and health services;
- **Free medical clinics:** We held regular free clinic activities to fully cover employees’ diverse health needs, including daily health consultations, lectures on traditional Chinese medicine health preservation, and on-site diagnosis and treatment;
- **Working environment optimization:** We have optimized the working environment to meet health and safety standards, and taken effective measures to reduce work stress and relieve fatigue among employees;
- **Mental health workshops:** We conducted regular employee workshops to provide psychological counseling and consultation services, helping employees cope with work stress and resolve personal issues.





## Environmental, Social and Governance Report

### 6.3 Development and Training

Labixiaoxin upholds the core talent philosophy of “staying people oriented and making everyone fully display their talent”, and firmly believes that employees are one of the key drivers of the Group’s sustainable development. The Company has established a scientific and reasonable performance appraisal system, setting clear performance objectives and assessment indicators based on different positions and business needs, and conducts regular performance evaluations to motivate employees to improve their work performance. The Company deeply integrates employees’ training and education with their career development, aiming to offer employees diversified and multi-channel training resources and growth platforms.

#### 6.3.1 Talent Development

To promote talent development, the Company has formulated and implemented diversified development measures. Relying on a scientific and systematic talent cultivation system, we help employees define and achieve their personal career goals while continuously supplying high-quality core talents to support the Group’s high-quality development and sustainable growth. The Company has established a unified and open promotion window and formulated standardized promotion evaluation indicators and procedures to ensure fairness and transparency in promotions, standardize promotion decisions, and motivate employees to strive for progress and career advancement.

During the Reporting Period, the Company was committed to building a promotion system oriented towards capability and performance with clear promotion standards, so as to provide employees with a clear career development path and encourage employees to continuously enhance their capability and performance, thereby meeting the Group’s talent needs through internal promotion.

The Company continues to implement the “721” talent growth principle. Through talent reviews, we identify job competencies based on position qualification requirements. We then screen candidates from the talent pool according to review results and talent profiles, and develop key talent development plans and design tiered talent development programs for key positions.

During the Reporting Period, the Company continued to promote performance improvement project-based job rotation for talent development. According to employees’ hierarchical levels, we systematically categorized course content, refined task division for performance improvement projects, and dynamically optimized the mentorship development model. For general employees (specialists and supervisors), talent development centers on course learning and practical experience tracking in basic project affairs. For middle-level employees (managers), talent development focuses on enhancing management capabilities, developing mentoring and coaching skills, and gaining project experience. The Company also arranged cross-functional rotations for personnel in key positions suitable for job rotation to comprehensively enhance their overall competitiveness.

#### 6.3.2 Talent Cultivation

In terms of training policies and institutional development, the Company has developed and taken a series of systematic training measures, implementing lifecycle management of the employee training system. This makes talent cultivation more systematic and targeted, satisfying the Group’s diversified strategic development needs while significantly improving employees’ comprehensive quality and job competence.

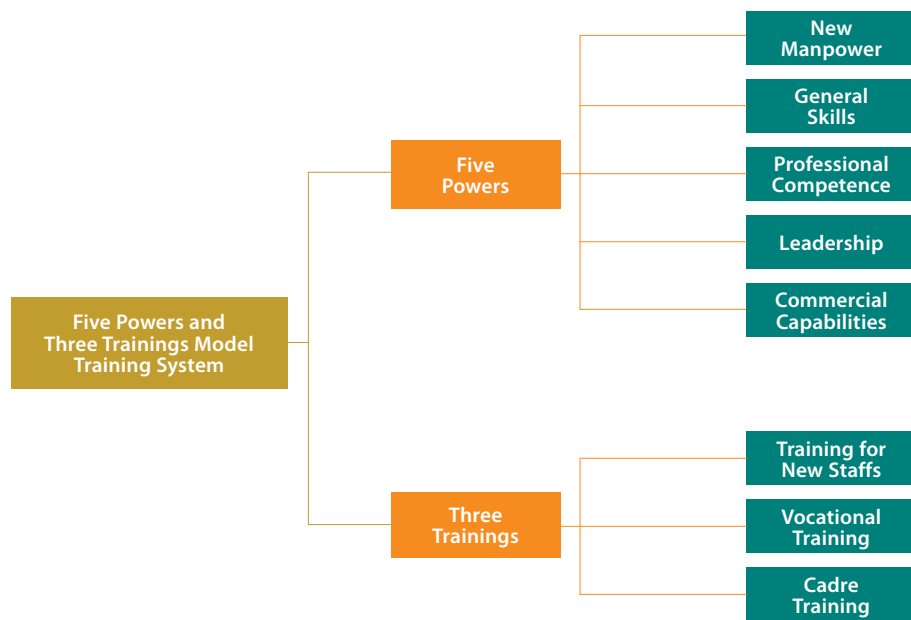




# Environmental, Social and Governance Report

During the Reporting Period, the Company's training system remained centered on the "Five Powers and Three Trainings" model, with at least one internal training session conducted each month. These sessions were interspersed with monthly "Expert Sharing Sessions" where senior executives were invited to share experience. Training content comprehensively covers multiple areas, including leadership empowerment, professional competency enhancement and skill reinforcement, utilizing a blended online and offline format to ensure flexibility and wide coverage. All courses and programs were designed and implemented in accordance with this system, with training categories covering sales, production, functional, front-line and other positions.

**Schematic Diagram of the Five Powers and Three Trainings Model Training System**



The Company has established a systematic training system covering all employees. We provide differentiated learning content and formats tailored to employees at different levels:

- Senior management: Conduct strategic co-creation workshops and support senior management's participation in external high-level seminars to network with top talent in the industry;
- Middle and general employees: Provide online professional competency open courses and general competency learning programs, and organize practical co-creation camps and team leader capability enhancement training camps;
- Front-line staff: Conduct regular job-based SOP (Standard Operating Procedure) training to ensure standardized operations and improve operational efficiency.

In terms of innovation in talent development and cultivation, the Company emphasizes employees' continuous learning and growth. We implement talent pipeline and team leader training programs to ensure a progressive talent pipeline from general reserves to senior core management. Meanwhile, we segment these efforts by functional areas (such as finance, product, research and development and production) to ensure comprehensive succession planning in every field, thereby cultivating outstanding talent for the Company's future development.





## Environmental, Social and Governance Report

The Company has established a comprehensive internal mentorship mechanism consisting of internal teaching trainers and project-based development trainers:

- Internal teaching trainers: They are composed of management and professional technical backbones, responsible for extracting excellent internal experiences, developing systematic courses and delivering regular training sessions;
- Project-based development trainers: They are typically served by outstanding managers and high-performing employees from each department, focusing on one-on-one coaching and onboarding support for high-potential talents and new employees in talent development programs.

Within Labixiaoxin’s internal trainer team, management accounts for 80%. At the same time, based on each department’s specific needs for professional development, we have coordinated and integrated a systematic learning map and organized departmental trainers to take charge of developing relevant courses. Course development was completed during the Reporting Period, with training and teaching delivered in succession.

To continuously optimize internal training quality, the Company also organizes special training for internal trainers on “Experience Extraction and Methodology Improvement”. Additionally, we regularly select high-performing employees to participate in industry-specific learning and advanced professional competence training externally, promoting the integration of internal and external knowledge and sustainable talent development.

### Employee Training Data

Indicator	Unit	2025
Total employee training attendances	Person	1,242
Proportion of male employees trained	%	57.97
Proportion of female employees trained	%	42.03
Proportion of management personnel trained	%	45.97
Proportion of production personnel trained	%	18.52
Proportion of sales personnel trained	%	35.51
Average training hours per employee	Hour	3.46
Average training hours for male employees	Hour	3.87
Average training hours for female employees	Hour	3.00
Average training hours for management personnel	Hour	6.32
Average training hours for production personnel	Hour	1.02
Average training hours for sales personnel	Hour	4.13





## Environmental, Social and Governance Report

### 7. SERVING THE SOCIETY AND CONTRIBUTING TO THE WORLD

Since its establishment more than 20 years ago, Labixiaoxin has always integrated social responsibility into its core development strategy. Taking an active and responsible stance, the Group has deeply engaged in social construction and advanced public welfare practices, striving to cultivate a responsible and committed corporate image. In strict compliance with the Charity Law of the People's Republic of China and other relevant laws and regulations, the Company has carried out diverse public welfare initiatives through social services and charitable donations, focusing on four key areas: community building, environmental protection, care for vulnerable groups and educational support, thereby promoting the coordinated development of the Group and society.

We uphold Labixiaoxin's core philosophy and principle in the fields of community investment and public welfare undertakings, aiming for the coordinated development of the enterprise, the community, the environment and society. Through diverse measures, we give back to society, boost local economic development, support educational development, care for vulnerable groups, and actively engage in green public welfare actions for environmental protection.

The Company fulfills its corporate social responsibility through a series of charitable donation activities. During the Reporting Period, Labixiaoxin partnered with Jinjiang Charity Federation of Fujian Province to donate RMB1 million through the China Charity Federation, specifically earmarked for the post-disaster reconstruction of the fire-stricken Wang Fuk Estate in Tai Po, Hong Kong, helping affected residents return to their homes as soon as possible. In addition, Labixiaoxin conducted charitable donations to special education schools, donating its products to Hualin Primary School and Yude Primary School in Jinjiang on Children's Day as caring gifts, demonstrating its commitment to social responsibility through concrete actions.





# Environmental, Social and Governance Report

## INDEX TO THE ESG INDICATORS OF THE STOCK EXCHANGE

Disclosure Indicators	Relevant Section
Aspect: Environmental	
<b>A1: Emissions</b>	
General Disclosure  Information on:  a) the policies; and  b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
A1.1 The types of emissions and respective emissions data.	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
A1.5 Description of emission target(s) set and steps taken to achieve them.	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
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.	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT





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Disclosure Indicators	Relevant Section
<b>A2: Use of Resources</b>	
General Disclosure  Policies on the efficient use of resources, including energy, water and other raw materials.	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
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).	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
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.	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
<b>A3: The Environment and Natural Resources</b>	
General Disclosure  Policies on minimising the issuer’s significant impacts on the environment and natural resources.	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT





# Environmental, Social and Governance Report

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





# Environmental, Social and Governance Report

Disclosure Indicators	Relevant Section
<b>B3: Development and Training</b>	
General Disclosure  Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	CARING FOR EMPLOYEES AND PROMOTING THEIR GROWTH
B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	CARING FOR EMPLOYEES AND PROMOTING THEIR GROWTH
B3.2 The average training hours completed per employee by gender and employee category.	CARING FOR EMPLOYEES AND PROMOTING THEIR GROWTH
<b>B4: Labour Standards</b>	
General Disclosure  Information on:  a) the policies; and  b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	CARING FOR EMPLOYEES AND PROMOTING THEIR GROWTH
B4.1 Description of measures to review employment practices to avoid child and forced labour.	CARING FOR EMPLOYEES AND PROMOTING THEIR GROWTH
B4.2 Description of steps taken to eliminate such practices when discovered.	CARING FOR EMPLOYEES AND PROMOTING THEIR GROWTH





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Disclosure Indicators	Relevant Section
<b>B5: Supply Chain Management</b>	
General Disclosure	FULL NUTRITION AND ASSURED QUALITY
Policies on managing environmental and social risks of the supply chain.	
B5.1 Number of suppliers by geographical region.	FULL NUTRITION AND ASSURED QUALITY
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.	FULL NUTRITION AND ASSURED QUALITY
B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	FULL NUTRITION AND ASSURED QUALITY
B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	FULL NUTRITION AND ASSURED QUALITY
<b>B6: Product Responsibility</b>	
General Disclosure	FULL NUTRITION AND ASSURED QUALITY
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.	
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	FULL NUTRITION AND ASSURED QUALITY
B6.2 Number of products and service related complaints received and how they are dealt with.	FULL NUTRITION AND ASSURED QUALITY
B6.3 Description of practices relating to observing and protecting intellectual property rights.	FULL NUTRITION AND ASSURED QUALITY
B6.4 Description of quality assurance process and recall procedures.	FULL NUTRITION AND ASSURED QUALITY
B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	FULL NUTRITION AND ASSURED QUALITY





# Environmental, Social and Governance Report

Disclosure Indicators	Relevant Section
<b>B7: Anti-corruption</b>	
General Disclosure	Corporate Governance
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.	
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.	Corporate Governance
B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Corporate Governance
B7.3 Description of anti-corruption training provided to directors and staff.	Corporate Governance
<b>B8: Community Investment</b>	
General Disclosure	SERVING THE SOCIETY AND CONTRIBUTING TO THE WORLD
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.	
B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	SERVING THE SOCIETY AND CONTRIBUTING TO THE WORLD
B8.2 Resources contributed (e.g. money or time) to the focus area.	SERVING THE SOCIETY AND CONTRIBUTING TO THE WORLD





# Environmental, Social and Governance Report

## Part D: Climate-related Disclosures

Disclosure Indicators	Relevant Section
Disclosure Obligation	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Definitions and Guidance	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Climate-related Disclosures	
<b>(I) Governance</b>	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
<b>(II) Strategy</b>	
Climate-related risks and opportunities	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Business model and value chain	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Strategy and decision-making	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Financial position, financial performance and cash flows	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Climate resilience	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
<b>(III) Risk Management</b>	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT





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Disclosure Indicators	Relevant Section
<b>(IV) Metrics and Targets</b>	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Greenhouse gas emissions	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Climate-related transition risks	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Climate-related physical risks	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Climate-related opportunities	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Capital deployment	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Internal carbon prices	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Remuneration	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Industry-based metrics	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Climate-related targets	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT
Applicability of cross-industry metrics and industry-based metrics	LOW CARBON AND ENVIRONMENTAL PROTECTION FOR GREEN DEVELOPMENT

