

Muyuan Foods Co., Ltd.

2024 Environmental, Social & Governance Report



Table of Contents

<ul style="list-style-type: none">About the ReportMessage from the Chairman	01 03	05 Governance and Leadership	17	07 Responsible Action in Practice	75	08 Appendix	117
		<ul style="list-style-type: none">Corporate GovernanceInvestor Rights ProtectionRisk ManagementBusiness EthicsTax Transparency	19 26 29 33 37	<ul style="list-style-type: none">Employee Empowerment and DevelopmentOccupational Safety and HealthInnovation and Intellectual Property ProtectionSustainable Supply ChainRural Revitalization and Giving Back to SocietyRespect and Protection of Human RightsFood Safety and Consumer RightsAnimal WelfareAntibiotic Use Management	77 87 91 92 98 100 103 110 114	<ul style="list-style-type: none">ESG Key Performance TableSASB Index TableGRI Index TableIndex Table of SHENZHEN STOCK EXCHANGE's Self-Regulatory Guideline for Listed Company No. 3 - Preparation of Sustainable Development ReportsTable of Industry CertificationsTable of Laws, Regulations and Company PoliciesTable of Muyuan Green and Low-Carbon Crop-Livestock Integration BasesMuyuan Basic Law & Tribute to PigsFeedback Form	119 125 126 132 133 134 137 139 141
01 About Muyuan	05						
02 ESG Management and Strategy	09						
03 ESG Key Achievements	13						
04 ESG Materiality Assessment	15	<ul style="list-style-type: none">Addressing Climate ChangeLow-Carbon Actions across the Value ChainEnvironmental ManagementBiodiversity and Land UseWater ManagementWaste and Pollutant Management	41 49 57 59 63 69				
			06 Green Development and Ecological Co-Prosperity	39			



About the Report

This report aims to objectively and fairly reflect the philosophy, practices, and performance of Muyuan Foods Co., Ltd. (stock code: 002714.SZ, hereinafter referred to as "Muyuan foods" "Muyuan" "the Company" or "we") and its subsidiaries in the areas of environment, society, and corporate governance for the year 2024. This is the 11th annual Environmental, Social, and Governance (ESG) report issued by the Company since its listing in 2014. We are also releasing the Green and Low-Carbon Action Report, which highlights Muyuan's efforts in green and low-carbon development. Together with this report, they form Muyuan's sustainability disclosure system, demonstrating our commitment to sustainable development and responding to the expectations and concerns of stakeholders through effective communication.

Report Scope

Unless otherwise specified, the disclosure scope of this report is consistent with that of the 2024 Annual Report of Muyuan Foods Co., Ltd., encompassing Muyuan and its subsidiaries, and covering the period from January 1, 2024, to December 31, 2024. To enhance the continuity and forward-looking nature of the report content, some sections may extend beyond this time frame.

Reporting Principles

This report has been prepared following the principles of accuracy, balance, comparability, and completeness.

Accuracy:The information in this report should be sufficiently accurate and detailed to allow stakeholders to assess Muyuan's performance in environmental, social, and governance (ESG) aspects.

Balance:This report should present both the positive and negative impacts of the company, objectively and fairly describing its ESG performance to allow stakeholders to comprehensively evaluate its results.

Comparability:The data in this report should adopt consistent statistical methods with previous years to facilitate analysis and comparison; any deviations have been explained accordingly.

Completeness:This report should cover all significant issues related to the company's ESG performance, ensuring the disclosure of all key factors affecting the organization's sustainable development.

Data Description

The information, data, and cases in this report are sourced from the company's public documents and internal statistical records. Unless otherwise specified, all monetary figures are denominated in Chinese Yuan (CNY).

Forward-looking Statements

We closely monitor the potential impacts of ESG issues on the Company's development and actively prepare for future challenges. In addition to historical facts, this report contains forward-looking statements, including projections and future plans. Actual outcomes may differ from those expressed or implied, due to various uncertainties.

Preparation Basis

This report is prepared in accordance with mainstream ESG disclosure frameworks. It integrates quantitative performance data with qualitative analysis to systematically present the Company's innovative practices, with the aim of fostering transparent communication and jointly creating value with stakeholders.

International Standards and Frameworks

- The GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB)
- The United Nations Sustainable Development Goals (UN SDGs)
- The SASB Standards issued by the Sustainability Accounting Standards Board (SASB)
- General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB)
- The TNFD Framework (Task Force on Nature-related Financial Disclosures)
- Climate Disclosure Standards Board (CDSB) Water-related Disclosure Guidance

Domestic Standards and Frameworks

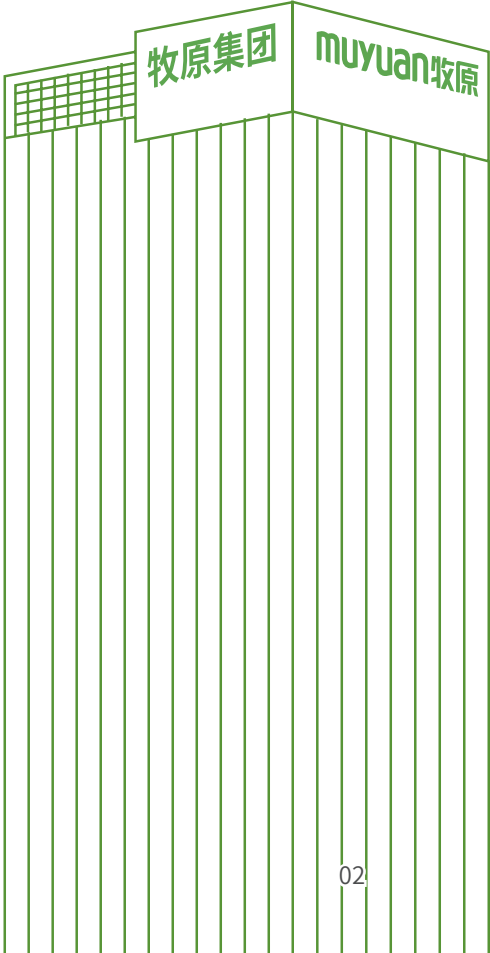
- The Basic Standards for Corporate Sustainability Disclosure (Trial) issued by the Ministry of Finance of the People's Republic of China and other ministries
- Self-Regulatory Guidelines for Listed Companies No. 3 - Preparation of Sustainability Reports, issued by the Shenzhen Stock Exchange
- Chinese National Standard GB/T 36001-2015 Guidelines for Preparing Social Responsibility Reports
- China Corporate Social Responsibility Reporting Guide (CASS ESG 6.0) issued by the Chinese Academy of Social Sciences

Language

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

Report Availability

This report is available in both printed and electronic formats. The electronic version can be accessed and downloaded from the CNINFO website (www.cninfo.com.cn) and the Company's official website (www.muyuanfoods.com).



Message from the Chairman



In 2024, industries faced significant challenges, yet intelligent technology and green development have discovered greater opportunities and space for us.

Over the past 32 years, Muyuan has embraced sharing and innovative growth, consistently adhering to its core values of "creating value and serving society." We have continued to put efforts into technological innovation, product innovation, institutional innovation, green development, and supporting farmers with partnerships, driving high-quality development within the pork industry.

Technology Innovation Makes Pig Farming Easier

Muyuan leads development through innovation and is committed to making pig farming easier. The independently developed intelligent air-filtered pig barn by Muyuan can adjust key indicators such as temperature, humidity, and air quality within the barn, creating a healthy and comfortable environment for pigs year-round. This significantly enhances breeding efficiency and product quality.

Disease control is a challenge in the pig farming industry. Training an excellent veterinarian may take five years, ten years, or even longer. Now, Muyuan's intelligent inspection robot work around the clock, observing pig diseases in real-time, enabling early prevention and timely intervention to ensure the health of the pig herd while reducing the workload for our employees.

In the era of intelligence, there is immense potential for improvement in China's animal husbandry industry. We aim not only to provide pigs with an environment as pleasant as spring all year round but also to innovate and apply more smart equipment in the future. Gradually, we'll free our employees from complex mental tasks and heavy physical labor, transforming them into supervisors and operators working behind the scenes. This will make pig farming easier and elevate it into a respected profession.

Product innovation: Producing High-Quality pork

In the breeding stage, our innovative genetic selection system for breeding pigs has shortened the selection cycle, reduced costs, and improved adaptability and performance. This has laid a solid foundation for the production of high-quality, affordable pork.

At the same time, we have established a comprehensive disease prevention and control system as well as a food safety management system, ensuring pork quality control from the source and guaranteeing food safety.

In addition, we plan to invest 6 billion yuan in building a super-healthy breeding pig selection platform. This platform will boost gene expression efficiency to 90%–95%, significantly improve the accuracy of breed selection reduce interference factors, and have profound implications for classical breeding, quantitative genetic breeding, and molecular breeding. It will also contribute to achieving independent control over the breeding pig selection in China.

Green Development: Setting a New industry Standard

Muyuan is firmly implementing carbon reduction initiatives across its entire value chain. In 2024, Muyuan achieved greenhouse gas emission reductions equivalent to 5.2914 million tonnes of CO₂e, with an emission intensity of 1.461 tonnes CO₂e per tonne of product, maintaining an industry-leading position. Through technologies such as the Crop-Livestock cycle, replacing soybean meal with amino acids, unheated pig houses, and air filtration, we have significantly reduced carbon emissions. We have also achieved ammonia reduction, deodorization, and minimal disturbance to surrounding communities. Meanwhile, we have actively promoted biogas-based heating, biogas power generation, and distributed photovoltaic power generation, further reducing energy consumption. These innovative practices fully demonstrate that carbon reduction efforts can inject new momentum into the sustainable development of enterprises.

Mechanism Innovation: Enabling a Fulfilling Life for Employees

Muyuan is dedicated to enabling every employee to lead a fulfilling life in Muyuan. In 2024, we introduced innovations to our incentive mechanisms, achieving notable results. The salaries of outstanding pig-raising workers doubled, reaching 20,000–30,000 yuan per month, while the average annual salary across all employees reached 125,300 yuan. These outcomes reflect the significant value of mechanism innovation-higher employee income, lower production costs, and better product quality, creating an inspiring win-win situation.

Connecting and Supporting Farmers for Co-creation, Shared Benefits and Common Growth

Muyuan has been fully utilizing its industry leadership to empower farmers by sharing resources, technology for co-creation, shared benefits, and common growth.

The Crop-Livestock cycle boosts farmers' income. In 2024, Muyuan's services covered 4.7208 million mu (approximately 314,877 hectares) of farmland through the Crop-Livestock cycle, increasing farmers' incomes by 1.353 billion yuan. Over the past five years, Muyuan has helped farmers reduce investment and increase income by over 5 billion yuan in total, effectively benefiting and enriching farmers. The Company has established a team of over 300 agronomists who provide on-site agricultural guidance to help farmers improve their planting skills.

Industrial interconnection for co-creation and sharing: Muyuan, by building an industry-sharing platform, collaborate with pig farmers through sharing information, technologies, and resources. In 2024, we supplied 6.124 million breeding pigs and piglets to the industry, facilitating the specialized development of 6,334 farms/households, with collective income reaching nearly 2 billion yuan. Muyuan focuses on the most complex segments of the value chain, enabling farmers to concentrate on simplified tasks, thus achieving complementary and win-win results, as well as connecting with and supporting farmers.

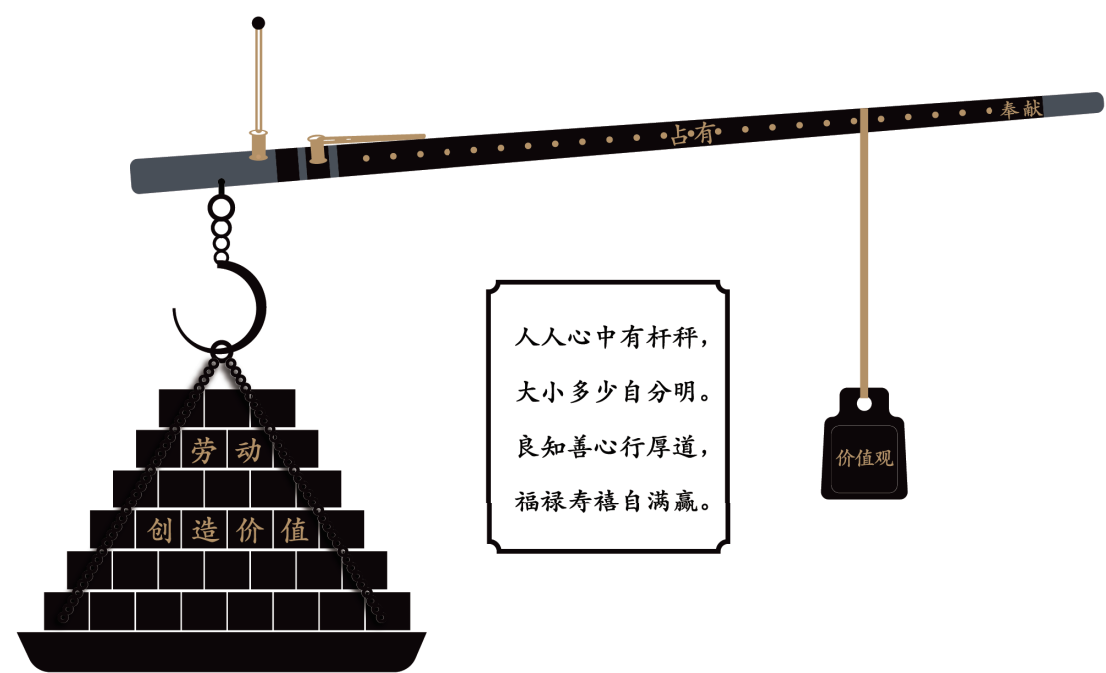
Looking back, every step in Muyuan's journey has been supported by trust and encouragement from all sectors of society. Looking ahead, we will remain firmly committed to high-quality, sustainable development-creating value for shareholders, happiness for employees, and benefits for society at large.

Chairman: 秦英林

About Muyuan

Company Culture

Who We Are	Producer of high-quality pork and promoter of social progress.
Our Mission	To produce safe and healthy pork products for the public; to advance healthy industry development.
Our Vision	To serve people with wholesome pork for their enjoyment in an abundant life; to make the company respected.
Business Motto	Revere nature, care for people, and act in accordance with the principles.
Core Values	Create value, serve society, be internally and externally upright, and promote social progress.
Cultural Theme	Strict self-discipline, courage to take responsibility, pursuit of excellence, and service to society.
Value Formula	Creation - Possession = Value.



Muyuan Value Formula

Company Introduction

Founded in 1992, Muyuan Foods Co., Ltd. was listed on the Shenzhen Stock Exchange in 2014. After 32 years of innovative development, the Company has formed a pork industry chain integrating feed processing, selection of breeding pig, commercial pig farming, slaughtering, and meat processing. As of the end of 2024, Muyuan's business footprint extended across 25 provincial-level administrative regions, 109 cities, and 225 counties (or districts) in China, with a total of 312 wholly-owned and holding subsidiaries, and a workforce of 133,642 employees. In 2024, Muyuan supplied 71.602 million live pigs to the market, slaughtered 12.524 million pigs, achieving an operating revenue of 137.947 yuan billion and a net profit of 18.925 billion yuan.

Guided by its vision of "to serve people with wholesome pork for their enjoyment in an abundant life" Muyuan actively aligns itself with the United Nations Sustainable Development Goals (UN SDGs). With a firm focus on the pork industry, the Company continues to enhance its Environmental, Social, and Governance (ESG) management and practices, driving the coordinated improvement of economic, environmental, and social performance, and contributing to the sustainable development of both the industry and broader society.

2024 Operating Revenue	2024 Net Profit	2024 Live Pigs Supplied
137.947 billion CNY	18.925 billion CNY	71.602 million heads

2024 Live Pigs Slaughtered
12.524 million heads



Muyuan Breeding and Slaughter Operations Distribution Map

ESG Milestones

Industry Standards Contribution in 2024

- Oct. ● Muyuan contributed to drafting China's first national standard for carbon emissions accounting in the livestock sector - Quantification Methods and Requirements of Product Carbon Footprint for Animal Products. This standard provides a critical foundation for carbon footprint measurement within the industry.

Research and Collaboration in 2024

- Jan. ● Muyuan submitted a written response to the FAIRR Initiative regarding biodiversity risk assessment and action planning, specifically addressing the topic "Impact of Manure and Animal Waste on Water Quality and Biodiversity."
- Mar. ● Muyuan held a conference call with the FAIRR Initiative and key international investors to address stakeholder concerns related to waste and pollution management.
- May. ● Delegates from the China Collaborative Engagement Initiative (CCEI) visited Muyuan for in-depth discussions on "Climate and Nature." The CCEI-Muyuan Working Group, jointly led by the FAIRR Initiative and China Asset Management Co., Ltd., was formally launched.
- Jun. ● Muyuan hosted a delegation from Alltech and held in-depth exchanges on ESG-related topics in agriculture and animal husbandry, working together to promote ESG best practices globally.
- Muyuan participated in a biodiversity forum hosted by the Beijing Institute of Green Finance and Sustainable Development, sharing its biodiversity protection practices and promoting industry collaboration.
- Muyuan held in-depth dialogues with Fidelity International to discuss its ESG management framework, board structure, employee welfare, environmental and energy management, and deforestation risk.
- Sep. ● On behalf of the CCEI-Muyuan Working Group, Mr. Huang Changtong, China Market Lead at FAIRR Initiative, conducted a capacity-building session for Muyuan staff to enhance climate governance disclosure and ESG performance.
- Muyuan co-hosted the Swine Industry Development Conference with the China Animal Agriculture Association to share insights and jointly empower high-quality development across the sector.
- Oct. ● Muyuan collaborated with Westlake University to monitor greenhouse gas emission factors.

- Nov. ● FAIRR Initiative's China Market Lead provided expert guidance on ESG topics to support Muyuan's sustainability efforts.
- Dec. ● Muyuan shared its biodiversity initiatives at the China Sustainable Investment Forum (China SIF), contributing to best practices in the livestock and agriculture sectors.
- Muyuan hosted the Henan Provincial Clean Production Technology Exchange Conference for Livestock and Poultry, promoting green, circular, and low-carbon development.
- Muyuan hosted the annual China Green Companies Alliance Seminar and "Green Space" event, collaborating with partners from various sectors to jointly promote green development and collaboratively draws a new blueprint for future development.

Honors and Awards in 2024

- Oct. ● Recipient of the **2024 WAFI Innovation Award**.
- Nov. ● Case study "Innovative Low-Carbon and Energy-Saving Technologies to Advance the Circular Economy" selected as a **2024 Best Practice Case in Sustainable Development for Listed Companies**.
- Recognized as an **Excellent Board Practice Case in 2024**.
- Named in the **2024 Golden Dawn ESG Best Social Impact Contribution** list by Securities Market Weekly.
- Muyuan's risk rating was upgraded from "**High Risk**" to "**Medium Risk**" in the FAIRR Initiative's Protein Producer Index, reflecting recognized progress in sustainability.
- Dec. ● Invited to the 17th International Conference on Sustainability Reporting in China and honored with the **GoldenBee 2024 Outstanding Corporate Sustainability Report – Leadership Award**.
- The case of Muyuan's "Innovating Green and Low-Carbon Technologies to Promote High-Quality Development in Pig Farming" was honored as the **Xinhua Credit Golden Orchid Cup ESG Excellent Case**.
- Awarded **Second Prize of the 2024 Environmental Protection S&T Progress Award** by the Chinese Society for Environmental Sciences in recognition of outstanding achievements in green development.



2024 WAFI Innovation Award



Xinhua Credit Jinlan Awards ESG Outstanding Case

ESG Management and Strategy

ESG Governance Structure

Muyuan has established a comprehensive ESG governance framework that spans the decision-making, management, and execution levels. This framework facilitates the effective implementation of the ESG strategy, enhances overall ESG performance, and promotes collaborative development with stakeholders.

Decision-making Level

The Board of Directors serves as the highest decision-making and supervisory body for the Company's ESG affairs and oversees relevant matters in collaboration with its specialized committees.

A Sustainability Committee, composed of both independent and non-independent directors, has been established to oversee the implementation of the sustainability strategy and make decisions on material ESG issues. Its key responsibilities include reviewing ESG disclosures, supervising food safety and quality management, identifying and managing climate-related risks and opportunities, and receiving regular updates on biodiversity and Water Management efforts.

The Audit Committee, under the Board of Directors, is responsible for overseeing anti-corruption and anti-bribery measures, as well as conducting risk assessments and audits.

Looking ahead to 2025, the Board will further enhance its ESG governance by strengthening oversight of Water Management, biodiversity, and employee health and safety.

Management Level

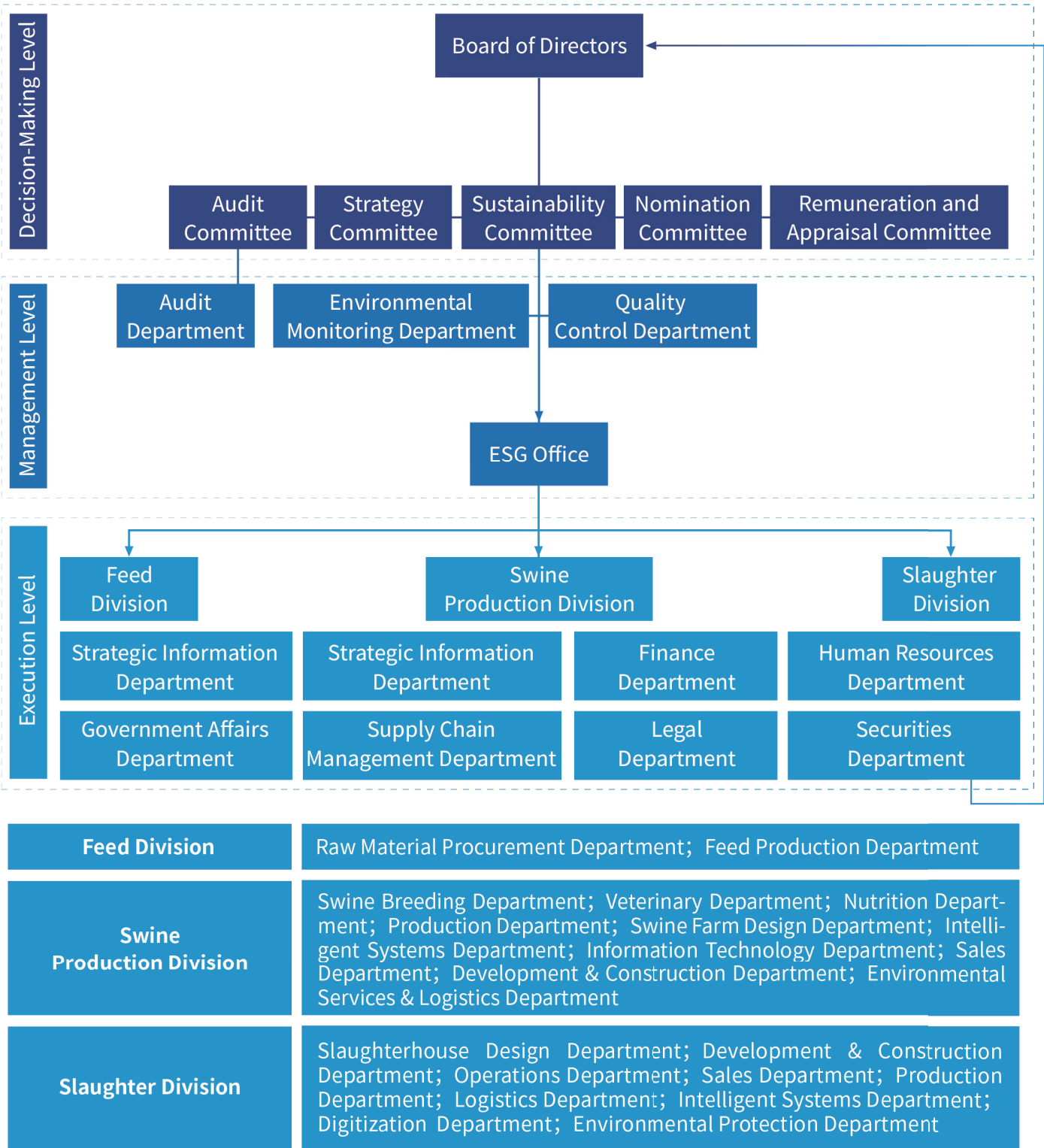
Muyuan has established an ESG Office under the Sustainability Committee. The Office is composed of full-time staff and key representatives responsible for material ESG topics from various departments. It is tasked with executing specific initiatives related to sustainable development.

The primary responsibilities of the ESG Office include coordinating and managing key material topics, setting ESG goals and monitoring progress, benchmarking against industry best practices, and developing plans to enhance ESG governance capabilities.

Execution Level

The execution level consists of various subsidiaries and functional departments, responsible for implementing the Company's ESG-related decisions based on their respective operational contexts, ensuring that ESG principles are effectively embedded throughout the organization.





















In day-to-day operations, the ESG Office works closely with implementation units to promote the implementation of measures such as environmental protection, reduce greenhouse gas emissions, improve safety management performance, support democratic management, publicize human rights policies, and strengthen compliance and anti-corruption efforts.



Muyuan ESG Governance Structure

ESG Strategic Objectives

Centered around the pork value chain and stakeholder expectations, Muyuan has established a clear ESG strategic positioning, including operating with integrity and compliance, ensuring food

ESG Strategic Objectives		
ESG Dimension	SDG Goals	Objective
Governance	 	Establish a risk management system to ensure full coverage of key business risk assessments every year.
		Maintain a 100% anti-corruption education and exam certification rate for new employees each year.
		Achieve a 100% signing rate for employee integrity and self-discipline commitment letters each year.
		Ensure a 100% resolution rate for reported corruption and bribery cases each year.
Environment	       	Taking 2024 as the baseline year, the total greenhouse gas emission intensity is expected to decrease by 1.5% in 2025 and by 20% in 2030.
		Achieve 100% resource utilization rate of manure annually, with no odor and no disturbance to residents.
		Taking 2024 as the baseline year, the water withdrawal intensity for farming is expected to decrease by 0.2% in 2025 and by 18% in 2030.
		The green electricity substitution rate will reach 4% in 2025 and reach 30% in 2030;The utilization rate of biogas will be increased to 20% in 2025, and increased to 60% in 2030;The newly - added photovoltaic (PV) installed capacity will reach 800 MW in 2025 and 10 GW in 2030.
		Ensure 45% of soybean product procurement meets SSAP or zero-deforestation sustainability standards by 2025.
Social	         	Ensure no incidents of child labor or forced labor occur annually.
		Achieve 100% employee training coverage each year.
		Emphasize gender equality and support career development for female employees; ensure no discrimination incidents annually.
		Achieve 100% coverage of employee safety training and health checkups each year.
		Ensure the entire supply chain is transparent, controllable, and traceable, with zero food safety incidents annually.
		Achieve a 100% signing rate for supplier integrity and honesty agreements annually.
		Ensure a 100% supplier procurement contract fulfillment rate annually.
		Achieve 100% supplier training coverage annually.

safety, promoting green and low-carbon development, achieving win-win cooperation, caring for employees, and contributing to society. Based on this, the Company has identified six key directions for sustainable development, actively aligned itself with the United Nations Sustainable Development Goals (SDGs) and set clear ESG targets to drive the effective implementation of its ESG strategy.

ESG Strategic Objectives		
ESG Dimension	Topic	Progress in 2024
Governance	Risk Management	Achieved.
	Business Ethics	Achieved.
		Achieved.
		Achieved.
Environment	Greenhouse Gas Emissions	In Progress: Total greenhouse gas emission intensity is 1.461 tonnes of CO ₂ e per tonne of product.
	Waste Management	Achieved.
	Water Management	In Progress: Water withdrawal intensity for farming is 25.06 cubic meters per tonne of product.
	Energy Management	In Progress: Green electricity substitution rate is 2%;Biogas utilization rate is 14.7%, with greenhouse gas emissions reduced by 478.6 thousand tonnes of CO ₂ e;Total photovoltaic installed capacity is 588.90 MW, photovoltaic power generation is 205,000 MWh, with greenhouse gas emissions reduced by 108.4 thousand tonnes of CO ₂ e.
	Biodiversity	In Progress: Sustainable soybean product procurement accounts for 40.37%.
Social	Labor Rights	Achieved.
	Employees Development	Achieved.
	Equality and Inclusion	In Progress: Female employees account for 19.36%, female executives account for 27%; no discrimination incidents.
	Health and Safety	Achieved.
	Food Safety	Achieved.
	Supply Chain Management	Achieved.
		In Progress: Supplier procurement contract fulfillment rate is 99.58%.
		In Progress: Supplier training coverage rate is 99.49%.

ESG Key Achievements

In 2024, Muyuan supplied 71.602 million live pigs and 5.8 million tonnes of high-quality pork to society, meeting the needs of over 100 million people.

2024 Pigs Slaughtered	Satisfied the Pork Demand over
71.602 million heads	100 million persons

INDICATOR	Unit	2024	2023	2022
Number of Pigs Sold	million heads	71.602	63.816	61.201
Number of Pigs Slaughtered	million heads	12.524	13.26	7.362
Feed Production	million metric tonnes	25.319	23.17	20.37
Operating Revenue	billion CNY	137.947	110.861	124.826
Net Profit	billion CNY	18.925	-4.168	14.933

Environmental Key Performance

In 2024, through technological innovations such as low-soybean diets, unheated pig houses, integrated Crop-Livestock Cycle, and the development and utilization of new energy, Muyuan achieved greenhouse gas (GHG) emission reductions totaling 5.2914 million tonnes of CO₂e, with a total GHG emission intensity of 1.461 tonnes of CO₂e per tonne of product.

Greenhouse Gas Emission Reduction Value	Total Greenhouse Gas Emission Intensity
5.2914 million tCO ₂ e	1.461 tCO ₂ e per tonne of product

As of the end of 2024, Muyuan's total installed capacity of photovoltaic (PV) power reached 588.90 MW. In 2024, PV generation reached 205,000 MWh, reducing GHG emissions by 108,400 tonnes of CO₂e.

Photovoltaic Power Generation	Emission Reduction through Solar Power
205,000 MWh	108.4 thousand tCO ₂ e

In 2024, 179 million cubic meters of liquid manure were returned to farmland, 3.875 million cubic meters of manure wastewater were reused, with a 100% resource utilization rate of manure, resulting in zero discharge, no odor, and no disturbance to surrounding communities. A total of 408.9 thousand mu (approximately 27,274 hectares) of land was improved, including 318.2 thousand mu (approximately 21,224 hectares) of saline-alkali land and 90.7 thousand mu (approximately 6,050 hectares) of desertified land.

Bio-slurry Fertilizer Return to Field	Manure Resource Utilization Rate	Land Improvement
179 million cubic meter	100 %	27,274 hectares

Social Performance

Muyuan shares the fruits of development with employees. A total of 12,121 participations have been recorded in the employee shareholding plan, and the average annual salary of employees in 2024 was 125,300 yuan. Muyuan prioritizes employee health and safety, with 150.56 million yuan invested in safety production in 2024,

and a 100% physical examination coverage rate for employees.

Average Annual Salary of Employees	Employee Shareholder
125.3 thousand CNY	12,121 person-times

Over 100,000 rural jobs were created, helping farmers transition into skilled pig-raising technicians and attracting more than 40,000 university graduates into the agricultural sector.

Create rural employment opportunities	Encourage university graduates to engage in agriculture
100,000 +	40,000 +

In 2024, Muyuan served 4.7208 million mu(approximately 314,877 hectares) of farmland through integrated Crop-Livestock cycle, increasing farmers' income by 1.353 billion yuan.

Serve farmland	Boost farmers' income
314,877 hectares	1.353 billion CNY

Leveraging its corporate strengths, Muyuan has built an interconnected industry network to connect and support farmers for co-creation and shared development. In 2024, Muyuan supplied 6.124 million breeding pigs and piglets to the market, served 6,334 pig farms (households), facilitated production among farmers, and achieved common development.

Breeding pigs & piglets supplied	Serve farming households and enterprises
6.124 million heads	6,334

Through the "Gathering Love to Support Education" series of public welfare initiatives, Muyuan donated a total of 434 million yuan, providing financial assistance to 99.6 thousand university students and recognizing 35.4 thousand outstanding educators. In public welfare infrastructure programs, a total of 107 million yuan was donated, benefiting 1,792 villages. The volunteer team grew to 9,702 members, contributing a total of 71,852 hours of service.

Cumulative Donations through “Ju'ai Education Assistance” Series of Activities	Cumulative Donations	Total Volunteer Service Hours
434 million CNY	107 Million CNY	71,852 hours

Governance Performance

In 2024, the Company further strengthened its governance of business ethics, achieving a 100% completion rate for anti-corruption training and certification for new employees, and a 100% signing rate for employee integrity pledges.

Completion rate for anti-corruption training and certification for new employees	Signing rate for employee integrity pledges
100 %	100 %

Muyuan actively responded to stakeholder concerns, hosting over 100 investor engagement events and participating in more than 10 ESG-related exchange activities throughout 2024, striving for mutual growth and shared value with stakeholders.

ESG Materiality Assessment

Stakeholder Engagement

Muyuan places great importance on aligning with stakeholders-including consumers, shareholders and investors, government and regulatory bodies, suppliers, employees, communities, and the general public-and has established a regular, multi-channel communication mechanism. The Company actively responds to stakeholder concerns and expectations, comprehensively identifies risks and opportunities related to sustainable development, and continuously improves its ESG management and practices.

Stakeholders	Key Areas of Concern	Engagement and Communication Channels	Our Responses
Consumers	<ul style="list-style-type: none">Food Safety and QualityConsumer Rights ProtectionResponsible MarketingCustomer Privacy and Security	<ul style="list-style-type: none">Telephone follow-ups and market researchesOfficial website service centerCorporate WeChat account and emailWhistleblower hotline	<ul style="list-style-type: none">Quality first, zero tolerance for food safety issuesEfficient and transparent customer feedback channels
Shareholders and Investors	<ul style="list-style-type: none">Legal and Compliant Operations, Safe ProductionStable Growth in Investment ReturnsCorporate Governance and TransparencyRisk Prevention and ManagementTechnological Innovation and R&DBusiness Ethics Management	<ul style="list-style-type: none">General meetings of shareholders and investor researchPerformance briefings and information disclosureAnnual reports, announcements, and roadshowsDedicated Security affairs page"Interactive Easy(互动易)" platform and WeChat official account	<ul style="list-style-type: none">Timely disclosure of operational developments and major eventsCommunication and engagement with investorsEnhanced risk management
Government and Regulatory Authorities	<ul style="list-style-type: none">Legal Compliance and Safe ProductionRural Revitalization and Local Economic DevelopmentFull Lifecycle Pollutant ManagementCarbon Emission ReductionBiodiversity and Land UseCorporate Governance and Transparency	<ul style="list-style-type: none">On-site researches and communicationWorkshops and coordination meetingsRegular communication and reportingProject approval, supervision, and regulatory assessmentsVoluntary tax reporting and special meetings	<ul style="list-style-type: none">Compliance in operationsStrict auditing and zero tolerance for corruptionTimely disclosure of operational developments and major eventsProactive reporting and communication
Suppliers	<ul style="list-style-type: none">Sustainable Supply ChainBusiness EthicsInformation Confidentiality	<ul style="list-style-type: none">Integrity conferences and bidding meetingsNegotiation meetings and routine communicationPartner trainingOn-site audits for partnersProcurement platform	<ul style="list-style-type: none">Supplier EmpowermentSupply Chain Finance
Employees	<ul style="list-style-type: none">Employee Rights ProtectionWorkplace SafetyOccupational Disease Prevention	<ul style="list-style-type: none">Training and exchange, labor union activitiesEmployee representative meetings, cultural developmentOnline communication platformsAnnual summary and planning meetingsWhistleblower hotline	<ul style="list-style-type: none">Competitive compensation and additional benefitsEstablish mechanisms, formulate policies, and provide training; Offer promotion pathways to support employee development
Communities and the Public	<ul style="list-style-type: none">Community Engagement and Ecological EnvironmentRural Revitalization and Local Economic DevelopmentEmployment PromotionWater Resources ManagementBiodiversity and Land UseGreen Packaging	<ul style="list-style-type: none">On-site visits, research, and communicationJob provision and community engagement activitiesEmployee volunteer programs and public welfare activitiesOpen day events and agricultural technical servicesEnvironmental complaint hotline and social media feedback hotline	<ul style="list-style-type: none">Connecting and supporting farmers, enriching rural livelihoods"Gathering Love for Education" series of initiativesPublic welfare infrastructure projectsEmergency disaster reliefAssistance for the underprivilegedEnvironmental protection open daysIssue rectification and feedback mechanisms

Materiality Identification Process

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Building a Material Topic List

Based on the United Nations Sustainable Development Goals (SDGs), the Shenzhen Stock Exchange Self-Regulatory Guidelines No. 3 for Listed Companies – Preparation of Sustainability Reports, the Company's strategy, industry characteristics, and business priorities, Muyuan has developed its own material ESG topic list.
- ✓

Analyzing the Importance of Each Topic

Each topic is assessed from two perspectives: (1) its impact on the environment, society, and the economy, and (2) its financial impact.

Key factors analyzed include: positive impacts, negative impacts, magnitude of impact, and likelihood of occurrence.
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Stakeholder Communication and Consultation

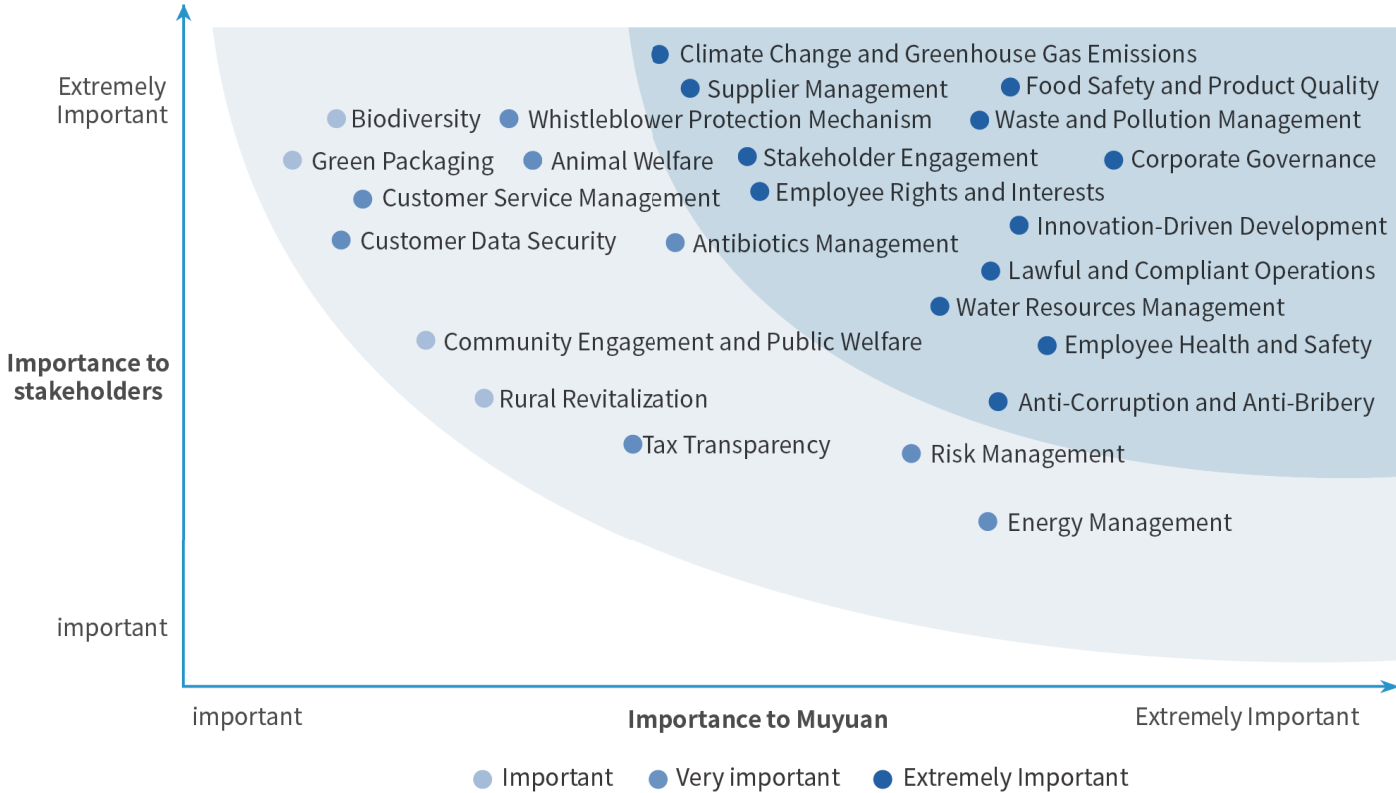
Through online surveys, interviews, and other engagement methods, Muyuan gains in-depth understanding of stakeholder expectations and demands.
- ✓

Refining the prioritization of the Materiality Topics

Stakeholder feedback is integrated with the results from step two to further refine the prioritization and list of materiality topics.
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Submission to the Board for Review

The analysis report is submitted to the Board's Sustainability Committee for review and confirmation to ensure the objectivity and fairness of the assessment results.



Governance and Leadership

Muyuan remains committed to its vision of "ensuring people can enjoy safe pork and live fulfilling lives." The Company actively aligns with the United Nations Sustainable Development Goals (SDGs), focuses on the pork food industry, continuously enhances its ESG management and practices, promotes the integrated improvement of economic, ecological, and social benefits, and contributes to the sustainable development of both the industry and society.

Corporate Governance

Investor Rights Protection

Risk Management

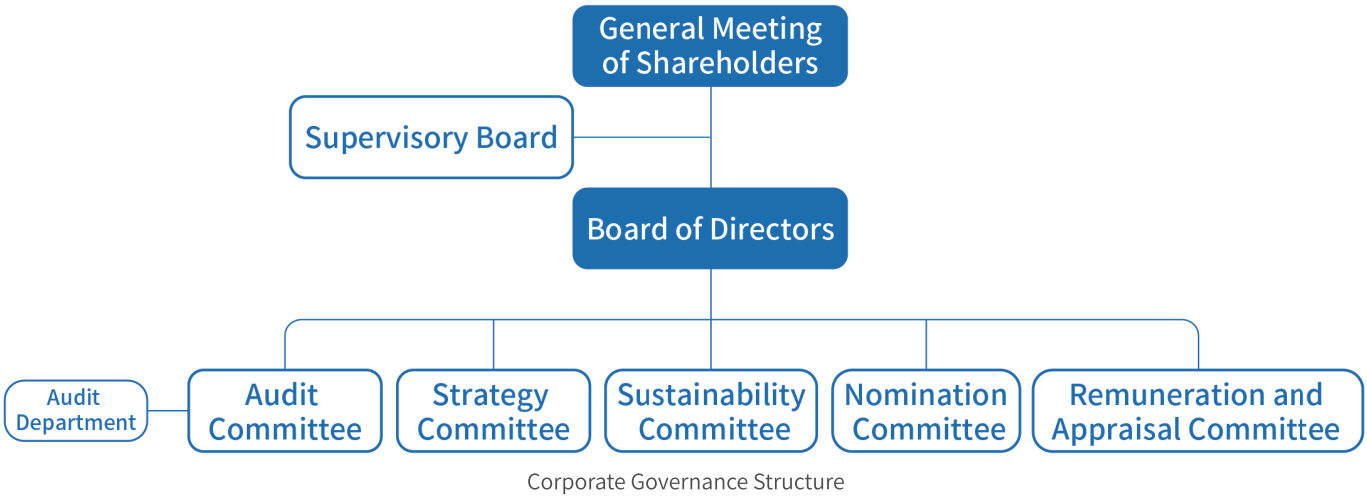
Business Ethics

Tax Transparency



Corporate Governance

A sound corporate governance structure is fundamental to stable business operations and an intrinsic requirement for sustainable development. Muyuan strictly complies with the Company Law, Securities Law, Shenzhen Stock Exchange Listing Rules, and the Self-Regulatory Guidelines for Listed Companies issued by the Shenzhen Stock Exchange, among other applicable laws, regulations, and normative documents. The Company has established a "Three Meetings and One Management" governance structure featuring clear division of responsibilities and a top-down management approach. In line with its development needs, the Company continuously optimizes its governance framework, enhances its governance level, and promotes high-quality sustainable development.



Shareholder Rights Protection

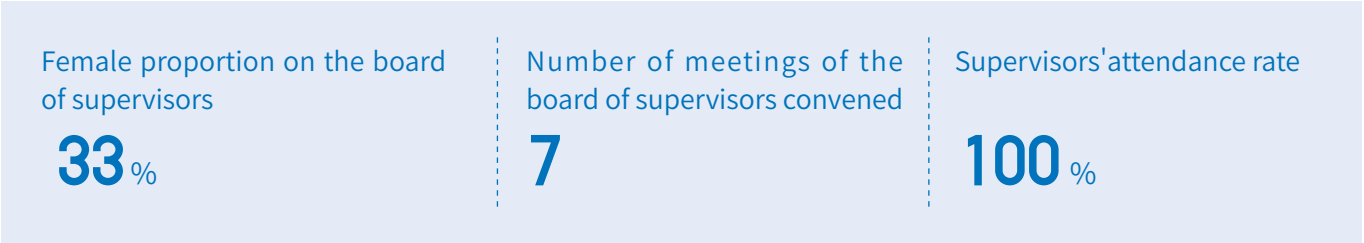
Muyuan strictly abides by relevant laws and regulations, defines the rights and responsibilities of the General Meeting of Shareholders, and formulates and implements the Rules of Procedure for Shareholders' Meetings. The Company engages lawyers with securities practice qualifications to witness the meetings and opens online voting channels to ensure that all shareholders-particularly minority shareholders-enjoy equal status and can fully exercise their rights. In 2024, the Company held two shareholders' meetings, both conducted in compliance with legal procedures. More than 2,500 minority investors participated through on-site and online channels. All proposals were voted on and passed.

During the reporting period, the Company strictly implemented its Articles of Association and relevant legal provisions, adopted a cumulative voting system and separate vote counting for minority shareholders, and effectively protected the rights and interests of minority shareholders. Shareholders and their proxies exercise their voting rights in accordance with the amount of shares held, on a one vote per share basis.

Effectiveness of the Supervisory Board

As of 2024, Muyuan's Supervisory Board consisted of three supervisors, including one Chairperson, one Supervisor, and one Employee Representative Supervisor. Among them, one supervisor was female, accounting for 33% of the total. During the reporting period, the Supervisory Board held seven meetings, reviewed 31 proposals, all of which were passed by vote, with a 100% attendance rate among supervisors.

The convening procedures, meeting notifications, and timelines for the Supervisory Board meetings fully complied with the Articles of Association and relevant regulations. In daily operations, the supervisors diligently fulfilled their responsibilities by effectively overseeing the Company's financial affairs and supervising the legality and compliance of actions taken by directors and senior management. They attended shareholders' meetings and sat in on Board meetings, supervising key matters such as major decisions, financial status, profit distribution, and internal controls, and issued review opinions accordingly-actively safeguarding the lawful rights and interests of the Company and all shareholders.



Board of Directors

As of the reporting date, the Company's Board of Directors consists of seven members, including one Chairman and one Vice Chairman, who are responsible for formulating, supervising, and executing the Company's strategy and are accountable to the General Meeting of Shareholders. The Board has established five specialized committees, namely the Strategy Committee, Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, and Sustainability Committee. All committee members are drawn from the Board and are responsible for providing scientific and professional advice to support Board decision-making, as well as overseeing the Company's risk management and internal control.

In 2024, Muyuan convened nine Board meetings, adopting a combination of on-site and telecommunication-based methods. A total of 57 proposals were reviewed, all of which were unanimously approved, with a 100% attendance rate among directors. In addition, 17 specialized committee meetings were held in 2024, including one Strategy Committee meeting, nine Audit Committee meetings, four Nomination Committee meetings, two Remuneration and Appraisal Committee meetings, and one Sustainability Committee meeting. All committee members attended all scheduled meetings, and all proposals were approved by vote.

Number of Members of the Board of Directors
7

Number of Meetings of the Board of Directors Convened
9

Number of Special Committee Meetings Convened
17

Name	Position	Strategy Committee	Audit Committee	Nomination Committee	Remuneration and Appraisal Committee	Sustainability Committee	Board Meeting Attendance Rate (%)	Strategy Committee Attendance Rate (%)	Audit Committee Attendance Rate (%)	Nomination Committee Attendance Rate (%)	Remuneration and Appraisal Committee Attendance Rate (%)	Sustainability Committee Attendance Rate (%)
Qin, Yinglin	Chairman of the Board	☑				☑	100	100	100	100	100	100
Qian, Ying	Director		☑	☑			100	100	100	100	100	100
Cao, Zhinian	Vice Chairman of the Board				☑		100	100	100	100	100	100
Yang, Ruihua	Director	☑					100	100	100	100	100	100
Yan, Lei	Independent Director		☑	☑	☑		100	100	100	100	100	100
Feng, Genfu	Independent Director			☑	☑	☑	100	100	100	100	100	100
Zhou, Mingsheng	Independent Director	☑	☑			☑	100	100	100	100	100	100

Note: ☑ Chairman ☑ Member of the Committee

Primary Responsibilities of the Board Committees

Strategy Committee	<p>Conduct research on the Company's medium- and long-term development strategy and provide recommendations;</p> <ul style="list-style-type: none">• Review and make recommendations on major investment and financing plans that, in accordance with the Articles of Association, require approval by the Board of Directors;• Study and make recommendations on significant capital operations and asset management projects that require Board approval under the Articles of Association;• Study and put forward suggestions on other material matters that may affect the Company's development;• Oversee the implementation of the aforementioned matters;• Handle other matters authorized by the Board of Directors.
Audit Committee	<p>The Audit Committee is responsible for reviewing the Company's financial information and disclosures, overseeing and assessing both internal and external audit activities and internal controls. The following matters shall be submitted to the Board of Directors only upon approval by a majority of all Audit Committee members:</p> <ul style="list-style-type: none">• Financial information disclosed in financial statements and periodic reports, and internal control evaluation reports;• Appointment or dismissal of the accounting firm responsible for auditing the Company's financial statements;• Appointment or dismissal of the Chief Financial Officer (CFO);• Changes in accounting policies or estimates, or correction of material accounting errors, except those due to changes in accounting standards;• Other matters stipulated by laws, regulations, stock exchange rules, and the Articles of Association.
Nomination Committee	<p>Formulate selection criteria and procedures for directors and senior management; Select and review candidates for directorships and senior management positions, and assess their qualifications; Make recommendations to the Board on the following matters:</p> <ul style="list-style-type: none">• Nomination or dismissal of directors;• Appointment or dismissal of senior management personnel;• Other matters stipulated by laws, administrative regulations, rules of the China Securities Regulatory Commission (CSRC), and the Articles of Association.
Remuneration and Appraisal Committee	<p>Establish performance appraisal standards for directors and senior management, and conduct performance evaluations. Formulate and review the Company's remuneration policies and plans for directors and senior management. Make recommendations to the Board on the following matters:</p> <ul style="list-style-type: none">• Remuneration of directors and senior management;• Formulation or amendment of equity incentive plans, employee stock ownership plans (ESOPs), and the granting and vesting conditions of incentive awards;• Other matters stipulated by laws, administrative regulations, CSRC rules, and the Articles of Association.
Sustainability Committee	<ul style="list-style-type: none">• Provide recommendations to the Board of Directors on significant decisions related to the Company's sustainability matters, including environmental, social, and governance (ESG) issues;• Oversee the implementation and progress of the Company's sustainability strategies and plans.

Sustainability
Committee

- Oversee the Company's performance in addressing key sustainability topics such as climate change, public health and safety, and social responsibility, and provide recommendations to the Board of Directors;
- Monitor significant sustainability-related information relevant to the Company's operations, study related matters, and offer advice to the Board;
- Identify sustainability-related risks, assess their impact on the Company, and advise the Board on risk mitigation strategies;
- Review the Company's annual sustainability reports, sustainability policies, and other related disclosure documents, and provide recommendations to the Board;
- Address other matters assigned by the Board of Directors.

Independence of the Board

Muyuan strictly follows the election procedures and qualification requirements stipulated by relevant laws, regulations, normative documents, and internal policies to appoint qualified independent directors. This ensures that independent directors maintain objectivity and can perform their duties fairly in Board decision-making, oversight of material issues, and business development.

As of the reporting date, the Company's Board of Directors includes three independent directors, accounting for 43% of the total, in compliance with regulatory requirements. This structure ensures that the Board can make independent and well-informed decisions on significant matters. All independent directors participate in the work of various specialized committees.

Muyuan has formulated and continuously updated its Independent Director Policy, requiring independent directors to fulfill their duties with diligence and integrity.

In 2024, Muyuan convened one dedicated meeting of independent directors via telecommunication, during which four proposals were reviewed and all were approved. The attendance rate of independent directors was 100%.

Board Diversity

The members of Muyuan's Board of Directors exhibit diversity in terms of age, gender, and educational background. They include experts in fields such as animal husbandry, management, law, economics, and finance, ensuring the Board operates efficiently and effectively.

As of the reporting date, there are two female directors on the Board, accounting for 29% of all Board members.

Number of Independent Directors

3

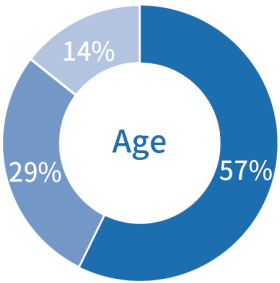
Percentage of Independent Directors

43 %

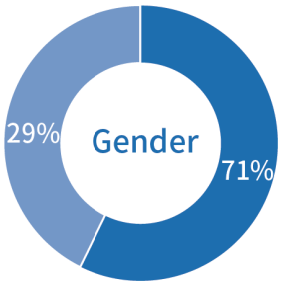
Attendance Rate of All Independent Directors

100 %

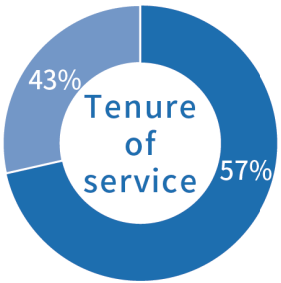
Name	Gender	Nationality	Position	First Appointment Date	Age (years old)
Qin, Yinglin	Male	China	Chairman of the Board	December 2012	60
Qian, Ying	Female	China	Director	December 2012	59
Cao, Zhinian	Male	China	Vice Chairman of the Board	December 2012	48
Yang, Ruihua	Female	China	Director	May 2024	48
Yan, Lei	Male	China	Independent Director	July 2021	52
Feng, Genfu	Male	China	Independent Director	September 2021	68
Zhou, Mingsheng	Male	Hong Kong, China	Independent Director	December 2023	52



- 46-55 years old
- 56-65 years old
- Over 66 years of age



- Male
- Female



- 5 years and below
- 5 years and above

Composition of the Board of Directors

Name	Professional Competence / Work Experience			
	Risk Management	Financial Management	Business Management	Industry Experience
Qin, Yinglin	★		★	★
Qian, Ying	★		★	★
Cao, Zhinian		★	★	★
Yang, Ruihua	★			★
Yan, Lei	★		★	
Feng, Genfu		★	★	
Zhou, Mingsheng	★	★	★	

Board of Directors' Professional Competence / Professional Experience Overview

Director and Executive Remuneration

To drive continuous improvement in the Company's ESG performance and achieve its sustainability goals, core ESG indicators have been incorporated into the remuneration assessment system for directors and senior executives, ensuring effective management of key sustainability issues.

Based on the impact of each executive's responsibilities on corporate governance, environmental, and social aspects of sustainable development goals, differentiated performance assessment weights are assigned. Annual evaluations are conducted to measure each executive's contribution to ESG performance, and the results are directly linked to the distribution of performance-based bonuses for directors and senior executives.

ESG Performance Assessment

- Chairman:**Corporate governance and sustainability strategy
- Vice Chairman:**ESG risks and opportunities, carbon emissions reduction
- Chief Human Resources Officer:**Employee development and diversity & inclusion
- Chief Operating Officer of Pig Production:**Food safety management, energy conservation and emissions reduction, Water Management
- Chief Legal Officer:**Compliance management, business ethics

Establishment of a Clawback Mechanism

In the event of serious violations in safety, environmental protection, or corporate governance, the Company will, in addition to pursuing legal accountability, activate a clawback mechanism to recover ESG-related bonuses previously granted to the relevant senior executives.

Conflict of Interest and Related Party Transactions Management

In terms of conflict of interest management, Muyuan has implemented the Anti-Corruption Management Policy, which clearly requires all employees (including directors and executives) to avoid conflict of interest situations. The policy prohibits the arbitrary hiring of relatives or the selection of spouses, family members, or relatives as suppliers, sales clients, or strategic partners of the Company.

For related party transaction management, Muyuan strictly follows applicable laws and regulations, the Articles of Association, and the Decision-Making Policy for Related Party Transactions of Muyuan Foods Co., Ltd. to regulate decision-making procedures. When reviewing related transactions, the Board adheres to the principles of equality, voluntariness, fairness, and transparency, ensures fair transaction pricing, and strictly enforces recusal voting rules for related shareholders and directors.

In 2024, all related transactions underwent proper review procedures as required, with fair and reasonable pricing. No conflict of interest violations occurred throughout the year.

Investor Rights Protection

Muyuan has established a standardized information disclosure system to ensure the authenticity, effectiveness, and timeliness of disclosures through designated media and websites, and actively publishes sustainability-related information. The Company maintains close communication with investors through multi-channel engagement platforms to enhance their understanding of the Company.

Information Disclosure

In strict compliance with relevant laws, regulations, and the Company's Articles of Association, Muyuan has established a comprehensive information disclosure system, including the Information Disclosure Management Policy and the Information Disclosure Management Policy for Debt Financing Instruments in the Interbank Bond Market, to ensure that information is disclosed in a truthful, accurate, complete, timely, and fair manner. The Company has designated Securities Times, China Securities Journal, Shanghai Securities News, and Securities Daily as its official print disclosure media, and CNINFO (www.cninfo.com.cn) as its official online disclosure platform to ensure equal access to information for all shareholders.

In 2024, Muyuan disclosed a total of 193 announcements via designated platforms, including 8 periodic reports, 4 sustainability-related reports, and 181 ad hoc announcements and other online documents, covering major guarantees, related transactions, internal controls, and more. Beyond fulfilling mandatory disclosure obligations, the Company proactively disclosed information on environmental protection, low-carbon innovation, social responsibility, and corporate governance to demonstrate its sustainability practices and continuously enhance the effectiveness and comprehensiveness of its disclosures.

In 2024, Muyuan was awarded the "Outstanding Board Practice of Listed Companies" certificate and recognized for the "Best Practice Case of Board Secretary Office in 2024" by the China Association for Public Companies.

All announcements are true, accurate, complete, and timely, effectively conveying relevant information to investors. For details, refer to the Muyuan Share-related disclosures on the CNINFO website (www.cninfo.com.cn)



Board of Directors Office
Certificate of Honor

In 2024, Muyuan disclosed

193 Announcements

8 Periodic Reports

4 Sustainability-Related Reports

Enhancing Investor Communication

Muyuan maintains open and transparent channels for investor communication, strengthening interactions with investors through accessible platforms. This helps institutional investors and minority shareholders gain a deeper understanding of the company. In 2024, the company held over 100 investor engagement activities, including on-site visits, conference calls, brokerage strategy meetings, and roadshows. It also participated in more than 10 ESG-related events, showcasing its initiatives and progress in green and low-carbon development, technological innovation, and biodiversity protection. In total, the company recorded 1,934 instances of investor interaction throughout the year.

Investor Communication Events
100+

ESG-related Engagement Activities
10+

Investor Interaction
1,934 times

Investor Events

On September 12, 2024, 27 investors visited Muyuan's facilities as part of the Shenzhen Stock Exchange's investor education event, "Entering SZSE 50 Listed Companies."

Mr. Qin Jun, the company's Board Secretary, received the investors and provided detailed responses to their questions, enabling them to gain a comprehensive and in-depth understanding of Muyuan's operations and development strategy.



Theme-based Investor Education Activity for "Financial Education Promotion Month"

Media Briefing

On November 5, 2024, Muyuan held its annual media briefing. Representatives from 18 media outlets, including Xinhua News Agency, People's Daily Online, Science and Technology Daily, Securities Times, and Shanghai Securities News, visited Muyuan for in-depth coverage.

The company's senior management had thorough exchanges with media representatives, providing detailed answers to questions on operating performance, shareholder returns, technological innovation, and industry outlook. Through media channels, the company conveyed accurate and comprehensive information to the public, promoting high-quality development.



Media Exchange Conference

Environmental Open Days

In 2024, Muyuan successfully organized 728 Environmental Open Days and Harvest Festival events across the country, welcoming a total of 33,000 visitors, including local villagers and representatives from various levels of government, to visit its facilities and observe advanced environmental technologies and processes.

These events not only demonstrated Muyuan's commitment and actions toward green and sustainable development but also enhanced communication between the company and local village committees and residents. Looking ahead, Muyuan will continue to innovate in processes and technologies, enhance management, and jointly promote the transformation and upgrading of agricultural production.



Jilin Region Environmental Protection Open Day – Tongyu Muyuan Station

Enhancing Investor Returns

Since its listing, Muyuan has strictly implemented the profit distribution policy set out in its Articles of Association, actively responding to investor expectations and safeguarding shareholder returns. As of the end of 2024, the company had cumulatively paid out 22.333 billion yuan in cash dividends (including preferred shares and share repurchases).

In 2024, based on the operating performance of the first three quarters, the company distributed 4.505 billion yuan in dividends on December 30, 2024. Subject to the approval of the annual profit distribution plan by the Annual General Meeting, the total cash dividends for 2024 will amount to 7.588 billion yuan (pre-tax).

In line with national policy initiatives and based on long-term sustainable development and actual operational performance, the company has committed to increasing its cash dividend ratio. Provided that the company remains a going concern, and annual profits and retained earnings are positive, the cash dividend payout for each of the next three years will be no less than 40% of the distributable profits realized in that year (calculated cumulatively for multiple distributions within the year), up from the previous 20% minimum.

Cumulative Cash Dividends as of 31 December 2024	Proposed 2024 Cash Dividend Distribution Plan	2024 Dividends Paid Out
22.333 billion CNY	7.588 billion CNY	4.505 billion CNY

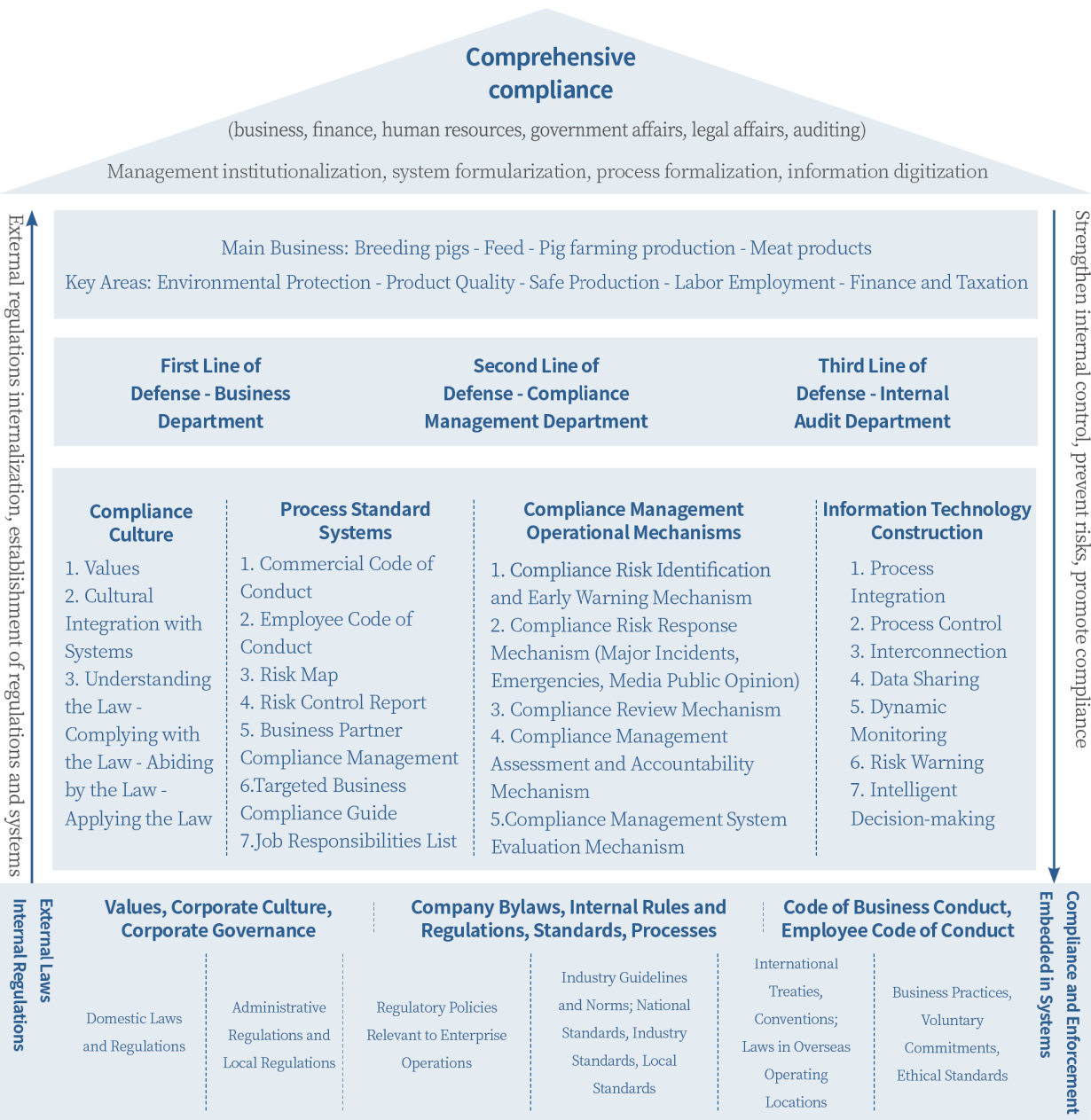
On September 25, 2024, at the 29th meeting of the fourth session of the Board of Directors, the company reviewed and approved the Proposal on Share Repurchase, planning to repurchase shares at a total value of no less than 3 billion yuan and no more than 4 billion yuan (inclusive), all to be used for the employee stock ownership plan or equity incentive plan. As of the disclosure date of this report, the share repurchase plan is still under implementation. Please refer to the relevant announcements on CNINFO (www.cninfo.com.cn) for updates.

Risk Management

Muyuan places great importance on risk management, recognizing that building an effective risk control system and enhancing corporate resilience are key to achieving stable and long-term development. The Company draws reference from the internationally recognized COSO (Committee of Sponsoring Organizations of the Treadway Commission) Enterprise Risk Management Framework to establish and continuously improve its comprehensive risk management system. By optimizing risk management policies and processes, strengthening oversight mechanisms, and enhancing pre-, mid-, and post-event controls, Muyuan ensures full-cycle risk governance.

Risk Management Structure

Muyuan has established a multi-tiered risk management structure spanning from the Board of Directors to headquarters management departments, business departments of subsidiaries, the risk management department, and external supervisory bodies. This framework enables the comprehensive identification, assessment, and mitigation of risks. The Board of Directors serves as the highest decision-making body for risk management, responsible for formulating the Company's risk management strategy, determining its risk appetite, and regularly evaluating the effectiveness of the risk management mechanisms.



Risk Management System

Muyuan attaches great importance to the development of its risk management and internal control systems. The Company has formulated relevant risk management policies and processes and established a three-line defense model comprising business departments, compliance management departments, and compliance inspection departments. This closed-loop system ensures prevention before incidents, control during incidents, and emergency response after incidents. Risk accountability is embedded across business units to ensure compliance while supporting business operations and production efficiency.

Three Lines of Defense in Risk Management

First Line of Defense: Risk Identification and Early Warning	Business Departments
Business departments form the first line of defense in Muyuan's risk management. <ul style="list-style-type: none">• They are responsible for establishing internal compliance management systems and procedures, incorporating compliance requirements into job responsibilities, and conducting compliance risk assessments.• Key compliance risks are identified for critical positions, with risk inventories and contingency plans prepared accordingly. Violations are investigated and rectified, with support from the lead compliance department.• Risks are categorized into known, unknown, and uncertain risks, with tailored management responses developed for each category.	
Second Line of Defense: Robust Risk Management Mechanisms	Legal Department
The Legal Department serves as the second line of defense. <ul style="list-style-type: none">• It is responsible for the coordination and oversight of risk identification, early warning, and mitigation across the enterprise.• It localizes external regulatory requirements, promotes and monitors daily compliance efforts across departments, and strengthens compliance policies, reviews, and assessments to ensure the effective functioning of the compliance system.• It builds and evaluates the effectiveness of the compliance management system.• It strengthens development of compliance systems, conduct compliance reviews and assessments to ensure the effective functioning of the compliance system.	
Third Line of Defense: Comprehensive Audit and Supervision System	Audit Department
The Audit Department constitutes the third line of defense. <ul style="list-style-type: none">• It builds a comprehensive, authoritative, and efficient audit supervision system.• It implements a full-cycle audit process encompassing risk assessment, audit planning, audit supervision, issue identification, internal control improvement, and re-audit.• The department fosters an open and collaborative audit environment to maximize supervision effectiveness.	

Risk Management Process

Risk management is a dynamic and continuously improving process. Muyuan's approach includes five key stages: risk identification, risk assessment, risk response, risk monitoring, and enhanced management.

Muyuan Risk Management Process

Risk Identification

In combination with applicable laws and regulations, external regulatory requirements, and the Company's current business context, Muyuan generates a risk inventory. The primary risk events and sources identified include land use planning risks, safety risks, labor risks, qualification and licensing risks, and environmental risks.

Risk Assessment

All risk factors are comprehensively identified and assessed based on their likelihood of occurrence and potential impact. Risks are then prioritized to create a multi-tiered risk management map by "site-subsidiary-region", enabling risk control at the smallest granularity.

Risk Response

- **For known risks:** Improve processes, standards, policies, and systems to ensure detailed management and eliminate hidden hazards.
- **For unknown risks:** Conduct forward-looking analysis of laws, regulations, policies, and external developments to fully identify and convert them into known risks.
- **For uncertain risks:** Assess and prevent risks based on current business conditions, existing laws, and regulatory expectations to ensure that risks are neither overlooked nor exacerbated.
- **Improve crisis response mechanisms continuously:** Respond to various risks in accordance with the law and in a timely manner, ensuring the effective handling of emergencies.

Risk Monitoring

Risk factors are monitored in real time and reviewed through regular reporting mechanisms to identify abnormalities. Based on monitoring outcomes, risk response measures are adjusted accordingly. The implementation of control measures is comprehensively reviewed to ensure rational division of responsibilities, timely responses, and effective risk mitigation.

Enhanced Risk Management

Based on risk monitoring outcomes, Muyuan continuously optimizes risk management processes and strategies. The Company strengthens employees' awareness and capabilities in risk management, and consistently improves overall risk management and compliance operations.

Compliance Risk Management

The Company has established a 360-degree supervision system, including internal audits, a whistleblowing system for all employees, public reporting channels, and media oversight. These mechanisms enhance both internal and external feedback loops and reinforce a bottom-up compliance risk management structure, ensuring that all organizational levels can efficiently identify, prevent, respond to, and manage risks. Muyuan has opened anonymous feedback channels and strictly enforces whistleblower confidentiality policies. The Company encourages all employees to actively detect, report, and respond to problems and has established a reward mechanism to close the feedback loop. In 2024, the Company responded to all management-related reports, achieving a 100% resolution rate.

At the same time, Muyuan has integrated risk identification, rectification, and root cause tracing into its standardized business processes. It employs risk maps and risk factor tagging to support digitalized risk management, promote internal self-inspection and self-correction, and continuously improve compliance. Through this closed-loop system, Muyuan has consistently enhanced its risk management capabilities, ensuring timely identification and effective resolution of issues.



360-Degree Supervision System

Identification and Management of Emerging Risks

To effectively respond to a rapidly changing external environment, Muyuan has incorporated ESG and emerging risks into its enterprise risk management framework and conducts regular identification and assessment of emerging risks. Emerging risks refer to those that have recently arisen or are undergoing significant changes due to shifts in the external environment, which may have a severe negative impact on the Company and therefore require prompt and effective countermeasures. Meanwhile, the Company continuously identifies, assesses, monitors, and reports ESG risks. For confirmed risks, in-depth analysis is conducted to understand their potential medium- to long-term impacts and to develop corresponding mitigation measures.

Cybersecurity Risk Management

In 2024, three of Muyuan's information systems passed the national classified cybersecurity protection assessment, meeting the Class III standard (GB/T 22239-2019, Basic Requirements for Classified Protection of Cybersecurity). The Company conducted three rounds of penetration testing and a total of 20 information security risk inspections. It also issued six related management policies, including the Information System Security Vulnerability Assessment and Management Policy and the AI Large Model Usage Security Management Policy.

In 2024, the Company handled 23 data leakage risk incidents, all of which were intercepted before any data breaches occurred. No information security incidents were reported during the year.

Information System Penetration Testing	Intercept Data Breach Incidents	Information Security Incidents
3 rounds	23	0

Risk Management Training and Education

Muyuan places great emphasis on cultivating company-wide awareness of risk management and regularly organizes relevant training sessions. In 2024, the Company conducted a total of 26 online and offline training sessions covering labor and employment compliance, tax and financial risk management, and business - related legal knowledge, with more than 100,000 participant instances recorded. Through training programs, employees are enabled to effectively identify and respond to potential risks in their daily work and to promptly report issues through internal feedback channels. In addition, the Company organizes specialized training for management personnel at all levels to ensure they possess the necessary risk awareness and management

capabilities.

Conduct Training

26 sessions

Participant Reach

100,000+ person-times

Business Ethics

Muyuan consistently practices its core values of "Creating value, serving society; honest inside and fair outside, advancing social progress," adheres to business ethics, and firmly opposes commercial bribery. Muyuan's Foundational Code explicitly states: "Oppose commercial bribery, reject unearned gains, and refuse improper benefits." The Company voluntarily complies with the Ten Principles of the United Nations Global Compact (UNGC) and opposes all forms of corruption, including fraud, insider trading, transfer of benefits, abuse of power, obstruction of justice, embezzlement, and seeking private gain.

Muyuan prohibits both bribery and acceptance of bribes, kickbacks, and any form of corruption through banquets, business hospitality, gifts, or sponsorship.

UNGC Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

Anti-Corruption Governance System

The Audit Committee of the Board of Directors oversees anti-corruption and anti-bribery work. The Company has established an Internal Audit Committee for Business Ethics to oversee daily audit work. Muyuan has issued several policies based on laws, regulations, and actual business needs, including the Anti-Corruption Management Policy, Disciplinary Measures for Breach of Integrity, Whistleblowing Management Policy, and Reward Standards for Reporting Corruption. These efforts advance the Company's anti-corruption oversight and risk prevention framework, with the goal of building a mutually trustworthy, win-win industry ecosystem and promoting sustainable development. Key operations such as procurement, production, and sales are governed by the Relatives and Friends Management Policy, which prevents employees from using their positions to gain improper benefits for family and friends and mitigates risks related to interest transfer or nepotism.

Muyuan has joined the Corporate Anti-Fraud Alliance and strictly enforces its anti-corruption policies. Violators are disciplined in accordance with internal rules, and managers are held accountable. Those suspected of illegal activity are referred to judicial authorities. Individuals involved in bribery or embezzlement are blacklisted. The Company strengthens internal anti-corruption education by regularly disclosing typical corruption cases, organizing warning education conferences, and arranging visits to detention centers and prisons to raise employee awareness. In 2024, Muyuan investigated 69 cases of corruption and bribery (including 24 criminal cases), recovered 5.2792 million yuan in misappropriated funds, and issued 4.9437 million yuan in whistleblower rewards. No external regulatory penalties or fines were incurred in relation to anti-corruption or anti-bribery incidents during the year.

Corruption/Bribery/Embezzlement Cases Investigated and Handled

69 cases

Asset Recovery and Loss Mitigation

5.2792 million CNY

Issuance of Whistleblower Rewards

4.9437 million CNY

Anti-Fraud and Business Ethics Audits



Four-Tier Supervision System

Muyuan has established a four-tier supervision system for anti-fraud and business ethics.

- Internal Control Processes:**These form the foundation of the Company's oversight framework. By formulating relevant policies and improving overall internal controls, the Company clarifies responsibilities and authorities related to anti-fraud and ethics management. Based on this framework, high-risk operations such as fund management, procurement, and sales are standardized to ensure the compliance and effectiveness of anti-corruption governance.
- Business Self-Inspection:**Business departments conduct self-monitoring of high-risk operations, operate automated early warning mechanisms, and carry out regular inspections and risk screening of key risk areas to support internal control.
- Company Audits:**The Audit Department develops an annual audit plan based on risk mapping and business analysis, focusing on high-risk and new business areas through targeted audit supervision.
- Company-Wide Supervision:**Muyuan fosters a fair, just, honest, and transparent corporate environment by encouraging supervision from all employees. The Company provides accessible reporting channels and publicly shares contact details with employees, the public, and the media to collect feedback from all stakeholders. In addition, the Company has developed a robust investigation and feedback mechanism to ensure all reports are promptly addressed and fully investigated. Both anonymous and named reports are accepted, and whistleblower confidentiality is strictly protected. Retaliation is strictly prohibited. Verified cases are rewarded in accordance with the Reward Standards for Reporting Corruption, continuously improving transparency in anti-corruption governance.

Integrated Audit and Supervision

Muyuan incorporates anti-corruption as a core responsibility of internal audit (including misuse of funds, benefit transfer, and fraud). Through the audit process, corruption-prone areas such as procurement, sales, bidding, and related-party transactions are proactively identified. The internal control audit team and anti-corruption team share resources, such as data access and investigative authority, and regularly participate in each other's projects. The Company has established a risk identification framework that treats corruption-prone areas as high-risk zones and applies stratified responses. In 2024, the Audit Department, under the strategic themes of audit supervision and anti-fraud systems, carried out its work in line with the annual audit plan. A total of 47 critical operational areas were audited, including procurement pricing, feed sampling, weighing and quality inspection, pig farming and production, pig sales and deliveries, pig house construction settlement,slaughtering and sales. These audits promote system building through audit-driven improvements, encouraging business departments to establish internal self-monitoring and automated alert systems. Muyuan optimized 63 institutional process standards and 19 digital system features to effectively prevent fraud risks.

These improvements represent a shift from "passive investigation" to "proactive prevention and control," enhancing operational efficiency and reinforcing standardized implementation to ensure the efficient operation of business and keep risks under control.

Big Data and AI in Anti-Corruption

To improve the effectiveness of anti-corruption efforts, Muyuan leverages big data and intelligent technologies to build an integrated digital platform. This platform enables real-time monitoring, early warning, and precise management of corruption-prone areas and high-risk processes such as sales and procurement, effectively closing corruption loopholes and achieving remarkable results.

The Company conducts real-time monitoring of data related to the marketing and sales of pigs, forming a reconciliation loop to ensure the security of biological assets and the accuracy of data. By harnessing deep data mining and real-time supervision, Muyuan has significantly enhanced its capacity to predict, detect, and investigate corruption, strengthened internal checks and monitoring mechanisms, and effectively reduced the occurrence of misconduct.

Joining the Anti-Fraud Alliance

To further strengthen anti-fraud practices, Muyuan actively participates in business ethics and anti-fraud activities and serves as a council member of the Corporate Anti-Fraud Alliance, committed to building a strong anti-fraud ecosystem. In 2024, Muyuan participated in five anti-fraud summits and forums, sharing its experience in anti-fraud practice, internal auditing, and risk identification, and promoting the implementation of business ethics and anti-fraud efforts.

Anti-Corruption and Anti-Bribery Whistleblowing Management

Muyuan has issued and implemented the Anti-Corruption Whistleblowing Management Policy and the Reward Standards for Reporting Corruption, and continues to improve its whistleblowing and complaints procedures. The Audit Department designates dedicated personnel to receive, process, and handle reports related to corruption and bribery. Rewards are granted to internal and external whistleblowers who provide valid information, encouraging employees, business partners, and the public to report violations and jointly create a clean and upright business environment.

In 2024, the Company received and processed 267 reports related to anti-corruption, with a 100% case acceptance rate.

Reception and Processing of Anti-Corruption Related Tip-offs

267 records

Whistleblower Case Acceptance Rate

100 %

Whistleblowing Channels and Publication

Muyuan ensures that every employee and partner is informed of the whistleblowing channels through information sharing and public notices across multiple platforms, including:

- Muyuan's official website
- Official WeChat account
- Typical case notifications
- Holiday notices
- Integrity reminder messages
- Customer service platform
- DingTalk work groups
- Integrity training documents

Reported issues are addressed in a timely manner, and measures are formulated to close management loopholes.

Whistleblowing Channels

- Email:sjb@muyuanfoods.com
- Phone:17837751511
- Mailing Address:Muyuan Audit Department, Longsheng Industrial Park, Wolong District, Nanyang City
- WeChat Official Account: Search " 廉洁牧原 "
- Scheduled in-person visit
- Others

Whistleblower Protection Mechanism

Muyuan strictly protects whistleblowers' personal information and the confidentiality of submitted materials. Anonymous reporting is accepted. Retaliation against whistleblowers is strictly prohibited under any circumstances.

In cases where an auditor handling the report has a close relationship or conflict of interest with the person being reported, a recusal mechanism is implemented. Additionally, during publicity and award processes, the Company fully respects the whistleblower's preferences and does not disclose their name or employer.

Building a Culture of Business Ethics

Muyuan actively cultivates a transparent and honest organizational atmosphere. Through cultural guidance, policy communication, and warning education, the Company promotes the construction of a business ethics culture, strengthens employees' awareness of anti-corruption and anti-bribery, and fosters a disciplined and upright business environment.

The Anti-Corruption Management Policy is included in new employee onboarding and certification exams. All employees are required to sign the Integrity Compliance Commitment, which is incorporated into labor contract terms.

In 2024, 100% of employees signed the Integrity Compliance Commitment, ensuring that all staff understand and comply with the Company's anti-corruption and anti-bribery management policies.

Business Ethics Training

Muyuan provides multi-level, multi-sector business ethics and compliance training for employees and partners. Topics include forms of corruption, anti-fraud, integrity compliance, and self-discipline. Training formats include thematic sessions on integrity, visits to warning education bases, anti-corruption conferences, fraud case announcements, and policy briefings, aiming to enhance compliance awareness among employees and partners.

In 2024, the Audit Department organized 122 anti-corruption and anti-bribery education activities, covering Anti-Corruption Day, regional awareness months, warning education conferences, prison visits, and onboarding culture briefings, achieving full coverage across employees and business partners.

Anti-Corruption and Anti-Bribery Governance Performance

During the reporting period, Muyuan achieved the following results in anti-corruption and anti-bribery governance:

New Employee Orientation and Certification	100% of new employees completed anti-corruption orientation and passed the required certification exam.
Integrity Commitment Signing	All employees signed the Integrity Commitment Letter, which has been incorporated into labor contract terms, achieving a 100% signing rate.
Anti-Corruption Education for Key Positions	100% coverage rate of anti-corruption education among employees in key positions.
Anti-Corruption Education for All Employees	100% coverage rate of anti-corruption education for all employees.

Tax Transparency Lawful Tax Payment

Muyuan and its subsidiaries strictly comply with tax regulations in all countries and regions where they generate revenue. The company does not engage in tax avoidance through tax havens and actively contributes to local economic development, embodying the spirit of tax law through practical action.

Tax Management System

Tax Management Structure

The Board of Directors directly supervises legal, tax, and risk control matters, and regularly receives compliance and risk management reports from the Chief Financial Officer.

Tax Management Policies

Muyuan has issued policies such as the Tax Management Policy, Personal Income Tax Management Policy, and Invoice Management Policy to clarify operational procedures and compliance requirements for tax filing and invoice handling. These policies emphasize lawful taxation and compliant operations, require strict adherence from all departments and employees, and are regularly updated to align with the latest laws and policies.

Tax Management Process

Muyuan promotes tax governance through digitalization, shifting from post-incident risk response to proactive, controllable, and intelligent tax compliance management. The company has been listed in the State Taxation Administration's "Top 1,000 Enterprises" directory. Muyuan has developed a full life-cycle invoice management

system. In response to the rollout of digital invoices, Muyuan actively participated in the Leqi Platform initiative and was selected as a pilot enterprise. Leveraging advanced information technologies and digital security capabilities, 149 subsidiaries have been connected to the platform, realizing seven core functions: invoicing, invoice collection, verification, deduction selection, tax rebate selection, proxy declaration selection, and accounting. This has enabled full automation and integration of business, finance, and taxation functions.

Tax Management Training

Muyuan regularly conducts capacity-building training in taxation, covering 1,863 participants with 100% coverage of financial personnel. These sessions aim to enhance professional capabilities and strengthen the company's tax risk management system from the perspectives of people, mechanisms, policies, and systems, thereby improving tax compliance in accordance with the law.

Tax Compliance Capacity Enhancement Training	Coverage Rate of Financial Personnel Training
1,863 person-times	100 %

Communication with Regulatory Authorities to Strengthen Tax Governance

In 2024, Muyuan signed a Tax Compliance Cooperation Agreement with the Large Enterprise Bureau of the Henan Provincial Taxation Bureau. The agreement strengthened communication between the tax authority and the enterprise, established a normalized risk prevention and control mechanism, improved the certainty and consistency in the application of tax policies, and enhanced tax processing efficiency.

Muyuan actively fulfills its responsibilities as a large enterprise, continuously enhancing its level of tax compliance, and contributing to the development of a fair, transparent, and efficient tax environment. It also integrates resources from government and financial institutions to provide business planning and tax consulting services to its upstream and downstream partners, helping them standardize tax management, reduce tax risks, and promote healthy development.



Chairman of Muyuan and Local Tax Authority Sign Tax Compliance Agreement

Tax Performance

In 2024, Muyuan and its subsidiaries paid a total of 841 million yuan in taxes. No tax-related obligations were applicable to overseas subsidiaries during the year. There were no tax-related disputes in the reporting period.

Total Tax Contributions in 2024

841 million CNY



Green Development and Ecological Co- Prosperity

Climate change is a major challenge shared globally. Muyuan recognizes the close interconnection between business, the environment, and society, and is fully committed to aligning with global climate governance requirements. The company rigorously follows the International Financial Reporting Standard S2 - Climate-related Disclosures (IFRS S2) framework to comprehensively disclose climate-related topics and earnestly fulfill its corporate responsibilities.

Addressing Climate Change

Low-Carbon Actions across the Value Chain

Environmental Management

Biodiversity and Land Use

Water Management

Waste and Pollutant Management



Addressing Climate Change

Climate change is a shared global challenge. Muyuan fully recognizes the close interconnection between enterprises, the environment, and society. The company actively responds to global climate governance efforts and discloses information on climate change issues in accordance with the IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board. Meanwhile, the company pays close attention to carbon emissions across the entire industry chain, aiming to drive decarbonization throughout the value chain. Muyuan continues to explore and implement green development models for the livestock industry, fostering new quality productivity in the sector.

Governance Structure

Muyuan has established a tiered low-carbon management structure consisting of the decision-making level, management level, and execution level, clearly defining supervisory and management responsibilities at each level to drive green and low-carbon sustainable development from the top down.

Decision-Making Level

- The Sustainability Committee under the Board of Directors is responsible for major decisions related to climate change.
- Oversees the implementation and progress of the company's dual-carbon strategy and planning.
- Reviews climate-related risks and response measures.
- Deliberates on the company's annual Green and Low-Carbon Action Report, ESG report, carbon reduction policies, and other related disclosure documents.

Management Level

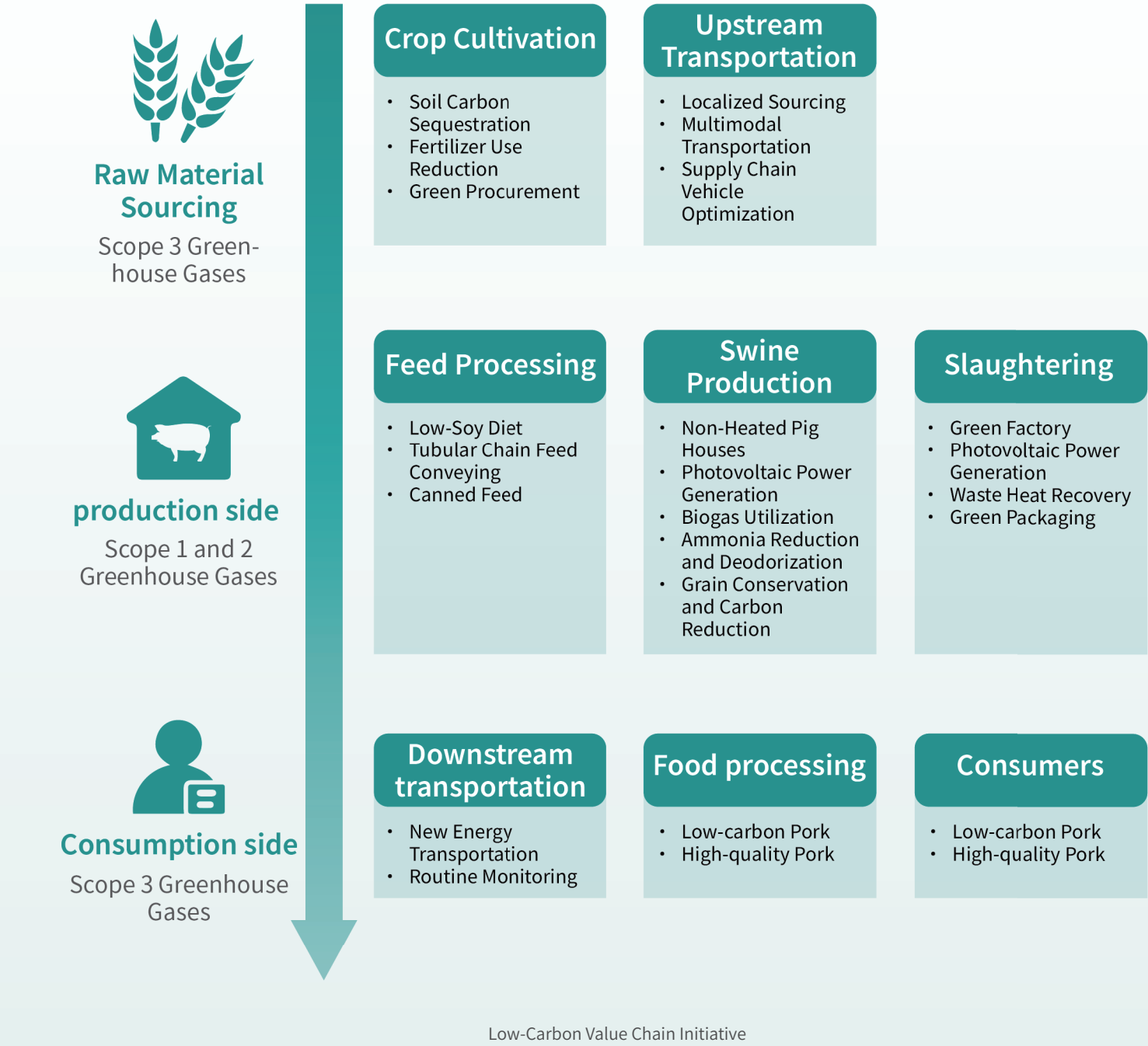
- Formulating the company's carbon emission management development goals and plans.
- Identifying and assessing climate-related risks and opportunities, proposing response measures, and reporting to the Sustainability Committee.
- Establishing a carbon neutrality management system.
- Organizing the implementation of carbon emission management tasks.
- Conducting performance evaluations and assessments related to carbon emission management.

Execution Level

- Relevant departments under the company's three major business divisions-feed, pig farming, and slaughtering-such as the Pig Production Department, Nutrition Department, Farm Design Department, Environmental Protection Department, Supply Chain Management Department, and Logistics Department, designate carbon management personnel and form a Sustainability Task Force. This team is responsible for the execution of low-carbon initiatives, including carbon emissions monitoring and disclosure, formulating emission reduction measures, conducting carbon management training, and improving personnel competence.

Response Strategy

Muyuan actively responds to the national dual-carbon goals and the greenhouse gas emission reduction targets under the Paris Agreement. Through full life cycle analysis (LCA) across the value chain, the company has established medium- and long-term carbon reduction plans and developed five major carbon asset management operations-carbon reduction, carbon branding, carbon gain, carbon services, and carbon net-zero. Muyuan has defined clear emission reduction pathways, strengthened technological innovation and management improvement, and reduced carbon emissions generated from Scope 1 (direct emissions), Scope 2 (indirect emissions), and Scope 3 (other indirect emissions).



Risk and Opportunity Management

Scenario Analysis

When assessing climate-related risks and opportunities, Muyuan refers to the climate warming scenarios presented in the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5). Based on scenarios in which the global average temperature increases by 1.5 ° C and 4 ° C between 2080 and 2100, the company conducts a comprehensive analysis of climate-related risks and opportunities.

Scenario Analysis: Risks

1.5° C Warming Scenario: This scenario assumes that industries across the globe actively take measures to reduce greenhouse gas emissions and promote a low-carbon transition.			
Risk Type	Acute Physical Risk	Chronic Physical Risk	Transition Risk
Risk Event	Floods, heavy rainstorms, typhoons	Increasing frequency of extreme cold and hot weather days	Stricter policy and compliance requirements
Risk Level	Medium	Medium	Medium
Impact on Muyuan	Natural disasters may damage production and farming facilities, resulting in losses to fixed assets. Sudden events such as floods may disrupt the supply of feed crops, leading to higher raw material costs. Pollution of water sources near farms may increase the risk of diseases, causing harm or death to livestock. These factors could interrupt key economic activities including procurement, farming, and sales.	Changes in ecological conditions may alter disease transmission patterns, increasing the risk of pathogen exposure and livestock infections, which could impact pig growth and result in lower pork quality. Operational energy demands may rise; feed storage and transportation may be disrupted; and supply chain fluctuations may further affect product quality. Simultaneously, increased water demand and water shortages may challenge the stable supply of water for farming operations.	Transitioning national energy structures toward non-fossil energy sources and imposing fees on greenhouse gas emissions will push producers to adopt low-carbon practices and reduce emissions. Regulatory requirements for disclosures related to greenhouse gases, climate change, the environment, and ESG are becoming stricter, increasing compliance risk. Strengthened emission controls will require adjustments to production methods.
Counter-measures	Prioritize selecting higher ground for farm site locations, enhance drainage infrastructure, and conduct regular water quality testing and maintenance. Develop emergency plans for flood and typhoon response, and purchase catastrophe insurance to reduce and disperse economic loss risks.	Strengthen disease prevention and control, and develop intelligent environmental control systems to enable precise regulation and maintain stable temperatures in farms. Enhance monitoring of water sources to ensure the supply of drinking and production water. Promote the circular water use model of "farming-liquid manure application to farmland-green agriculture" to reduce wastewater discharge and promote sustainable agricultural development.	Actively promote the application of renewable energy such as photovoltaic power and biogas utilization, carry out technological innovation in energy conservation, and reduce energy consumption and emissions. Organize "Green Low-Carbon Benchmark Farm" selection activities to promote green and low-carbon production. Conduct timely assessments of compliance policies to ensure disclosure compliance. Promote intelligent multi-story pig farming to conserve energy and reduce greenhouse gas emissions.
Potential Financial Impact	CNY 375,000,000 (Note: Estimated impact on procurement costs due to climate change, based on insurance premium calculations)		

Scenario Analysis: Risks

1.5° C Warming Scenario: This scenario assumes that industries across the globe actively take measures to reduce greenhouse gas emissions and promote a low-carbon transition.			
Risk Type	Transition Risk	Transition Risk	Transition Risk
Risk Event	Technology risk	Market risk	Reputational risk
Risk Level	Medium	Medium	Relatively Low
Impact on Muyuan	During the low-carbon transition, immature technologies may limit the development of low-carbon farming. High R&D costs pose financial and funding risks. Rapid technological advancement may render existing equipment obsolete, requiring further investment in new environmentally friendly farming technologies.	Environmental awareness among customers and consumers is growing. Low-carbon and environmentally friendly features may become key product selection criteria. ESG scrutiny from investors is intensifying, potentially affecting financing costs. Higher emission reduction requirements are being placed across upstream and downstream segments of the value chain.	Stakeholders are paying closer attention to how companies respond to climate change. Failure to address their concerns in a timely manner could negatively affect the company's reputation.
Counter-measures	Participate in key national and industry research projects on low-carbon development, improve the technical system for pork production, and drive green and low-carbon upgrades across the industry. Strengthen communication and cooperation to promote integrated energy solutions. Increase reserves of low-carbon technologies, enhance industry-academia-research collaboration, diversify technical measures for reducing greenhouse gas emissions, and improve resource recycling efficiency to reduce emissions.	Continue energy-saving and emission-reduction efforts throughout the full lifecycle and provide environmentally friendly products that are easy for consumers to understand. Strengthen training at the sales end to improve understanding of the company's low-carbon progress and performance, and accurately communicate it to customers. Enhance carbon management across the supply chain, expand the scope of greenhouse gas emissions accounting, and support suppliers in reducing emissions during feed cultivation and transportation.	Establish a Sustainability Committee and a Green & Low-Carbon Office. The company's senior management actively values and advances climate-related initiatives. Proactively communicate with stakeholders through multiple channels to understand and respond to their concerns and expectations in a timely manner.
Potential Financial Impact	CNY 375,000,000 (Note: Estimated impact on procurement costs due to climate change, based on insurance premium calculations)		

Scenario Analysis: Risks

4° C Warming: This scenario assumes that industries worldwide take no measures to reduce greenhouse gas emissions and continue relying on fossil fuels.		
Risk Type	Acute Physical Risk	Chronic Physical Risk
Risk Level	Floods, heavy rainfall, typhoons	Extreme cold weather and increased number of extreme heat days
Risk Level	High	High
Impact on Muyuan	Sudden natural disasters may cause damage to fixed assets and pigs, while the accessibility of catastrophe insurance declines. Disasters impact the yield of feed crops, pushing up raw material costs. Water source pollution near farms increases the risk of disease outbreaks, resulting in pig losses or death. These may interrupt basic economic activities such as procurement, farming, sales, and transportation.	Changes in the ecological environment may alter disease transmission patterns, increase the risk of pathogen infection in pigs, and affect pork quality. Operational energy demand rises, feed storage and transportation are impacted, and supply chain fluctuations may affect pork quality. The increased demand for water resources and water shortages may affect the stability of farming water supply.
Counter-measures	Strengthen flood prevention and typhoon emergency response measures, increase operating costs to maintain operations, and potentially raise product prices.	Invest more to maintain operations, develop new businesses and products to meet consumer demand, seek technologies to reduce energy and water consumption, and develop alternative raw materials. Continuously improve water-saving technologies and water resource recycling. Ensure operations and cost control through water circular economy.
Potential Financial Impact	CNY 750,000,000 (Note: Based on insurance premium estimates of the potential impact of climate change on procurement costs)	

Scenario Analysis: Opportunities

1.5° C Warming: Assuming all industries worldwide actively take measures to reduce greenhouse gas emissions and promote low-carbon transition.	
Opportunities Type	Products and Markets
Opportunities	Low-carbon Products and Services
Impact on Muyuan	Customers demand more low-carbon and energy-efficient products and services, and there is a need to provide green food to end consumers.
Counter-measures	Increase green product innovation, enhance product value, and strengthen competitiveness. Improve disclosure and publicity on sustainable production and environmentally friendly farming, and establish a good brand image. Expand into new business areas, such as organic fertilizer production and biomass energy development, to mitigate operational risks brought by climate change.

Scenario Analysis: Risks

4° C Warming: This scenario assumes that industries worldwide take no measures to reduce greenhouse gas emissions and continue relying on fossil fuels.		
Risk Type	Transition Risk	Transition Risk
Risk Level	Market risk	Rising demand for fossil fuels
Risk Level	High	High
Impact on Muyuan	Reduced feed yield and sharp increases in raw material prices. Extreme weather damages ecosystems, reduces production stability, and undermines market supply capacity.	Rising prices of conventional energy and energy shortages lead to higher heating and electricity costs.
Counter-measures	Develop new technologies to reduce the proportion of soybean meal in feed; invest in high-quality breeding pig farming to improve survival rates and reduce the proportion of sick pigs.	Use renewable energy, emphasize energy and resource conservation, and ensure operational continuity.
Potential Financial Impact	CNY 750,000,000 (Note: Based on insurance premium estimates of the potential impact of climate change on procurement costs)	

Scenario Analysis: Opportunities

1.5° C Warming: Assuming all industries worldwide actively take measures to reduce greenhouse gas emissions and promote low-carbon transition.		
Opportunities Type	Financing	Technology
Opportunities	Green Finance	Green Technology
Impact on Muyuan	New green economic opportunities are emerging in the market, such as the development of carbon markets, carbon sink projects, green financial services, and climate-related insurance.	Green technologies in the livestock industry continue to develop, and the costs of new technologies are gradually decreasing.
Counter-measures	Through the Crop-Livestock cycle model, explore agricultural carbon sink projects, reduce greenhouse gas emission intensity, participate in carbon emission trading, enhance carbon sequestration capacity in agriculture, and promote the construction of green branding. Participate in and improve relevant ESG ratings to attract responsible investors and reduce financing costs.	Actively research alternatives such as plant-based protein, microbial protein, and insect protein to continuously reduce the proportion of soybean meal in feed, lead the development of green animal husbandry, and build a green brand.

Scenario Analysis: Opportunities

4° C Warming: This scenario assumes that industries worldwide take no measures to reduce greenhouse gas emissions and continue relying on fossil fuels.	
Opportunities Type	Product
Opportunities	Healthy and high-quality products
Impact on Muyuan	Customers demand healthy and high-quality pork, and the public is increasingly concerned about nutritious diets and meat reserves to address the challenges posed by high temperatures and frequent disasters.
Counter-measures	The company is strengthening supply chain and farming production stability, implementing strict quality assurance measures to ensure the provision of healthy and high-quality pork that meets market reserve needs.

Indicators and Targets

Muyuan conducts greenhouse gas (GHG) inventories in accordance with the national standard Quantification Methods and Requirements for Product Carbon Footprint-Livestock Products (GB/T 44903-2024), The 2019 Revised Edition of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories published by the United Nations Intergovernmental Panel on Climate Change (IPCC), and ISO 14064 standards. The inventory covers the entire industry chain, including agricultural input production and transportation, feed raw materials cultivation, feed processing, pig farming, livestock and poultry raising, on-site energy consumption, live pig transportation, and slaughtering and processing. In 2024, Muyuan's total GHG emission intensity was 1.461 tCO₂e per tonne of product.

Taking 2024 as the baseline year, Muyuan has set short-term and long-term emission reduction targets: by 2025, the total GHG emission intensity will be reduced by 1.5%; and by 2030, the total GHG emission intensity will be reduced by 20%.

In terms of green energy, Muyuan has established short- and long-term goals to continuously increase the proportion of renewable energy utilization. By 2025, the proportion of green electricity substitution will reach 4%, and by 2030, this proportion will reach 30%.

Reduction in total GHG emission intensity by 2025	Reduction in total GHG emission intensity by 2030	Total GHG emission intensity in 2024
1.5 %	20 %	1.461 tCO ₂ e / tonne of product
2025 Renewable electricity substitution rate reaching	2030 Renewable electricity substitution rate reaching	
4 %	30 %	

Scenario Analysis: Opportunities

4° C Warming: This scenario assumes that industries worldwide take no measures to reduce greenhouse gas emissions and continue relying on fossil fuels.	
Opportunities Type	Technology
Opportunities	Green Technology
Impact on Muyuan	There are opportunities in low-carbon technology, renewable energy, and the circular economy.
Counter-measures	In the context of tight energy supply, the company is implementing clean production and energy-saving, emission reduction technologies, and actively developing renewable energies such as solar and biomass. These efforts aim to reduce fossil fuel consumption, lower operating costs, and achieve simultaneous improvements in economic and ecological benefits, thereby promoting sustainable development in the industry.

Greenhouse gas emissions and renewable energy use		
indicators	unit	2024
Scope 1 greenhouse gas emissions	million tonnes CO ₂ e	5.6685
Scope 2 greenhouse gas emissions	million tonnes CO ₂ e	4.3343
Scope 1 and Scope 2 greenhouse gas emissions	million tonnes CO ₂ e	10.0028
Scope 3 greenhouse gas emissions	million tonnes CO ₂ e	8.6598
Total greenhouse gas emissions	million tonnes CO ₂ e	18.6626
Greenhouse gas emission reduction value	million tonnes CO ₂ e	5.2914
Total greenhouse gas emission intensity	tonne CO ₂ e/tonne of product	1.461
Biogas utilization	million cubic meters	37.25
Photovoltaic power generation	MWh	205,000

- Note: 1. Greenhouse gas (GHG) emission data covers all operating sites.
2. The calculation of total GHG emissions and emission intensity includes Scope 1, Scope 2, and Scope 3 emissions, with reference to the Greenhouse Gases - Quantification Methodologies and Requirements for Carbon Footprint of Products - Livestock Products (GB/T 44903-2024), the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Refinement), and the Global Warming Potential (GWP) values referenced from the IPCC Fifth Assessment Report.
3. The calculation of GHG emissions is based on the following standards: Greenhouse Gases - Quantification Methodologies and Requirements for Carbon Footprint of Products - Livestock Products (GB/T 44903-2024), ISO 14064-1:2018 Greenhouse Gases - Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals, ISO 14064-1:2019 Specification with Guidance for the Validation and Verification of Greenhouse Gas Statements, GHG Protocol: Corporate Accounting and Reporting Standard, as well as other applicable laws, regulations, and relevant standards.
4. The GHG inventory includes carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).
5. The GHG reduction value represents the cumulative reduction achieved by the Company through upstream emission avoidance measures such as low-soybean diets, pig houses heating without fossil fuels, and photovoltaic power generation, as well as technical contributions from biogas utilization and energy-saving initiatives.

Low-Carbon Actions across the Value Chain

Muyuan adheres to the philosophy of sustainable development and actively promotes green transformation across its entire industry chain. Through innovative initiatives such as low-carbon farming and Crop-Livestock cycle, the company actively explores the application of green energy and pioneers new models for green development in animal husbandry, fostering new drivers of productivity in the sector.

Crop-Livestock Cycle

Muyuan integrates livestock farming with agricultural development by promoting the resource utilization of manure and establishing a circular economy model of "pigs fertilizes fields, fields feed pigs". By achieving the combination of agriculture and pig farming and the Crop-Livestock cycle, the company maximizes the use of manure to replace chemical fertilizers, enhances soil organic matter, cultivates soil fertility, and helps farmers reduce the use of chemical fertilizers, thereby continuously contributing to agricultural carbon reduction.

To improve fertilizer use efficiency, Muyuan has formed a dedicated team of agronomists to conduct research on the resource utilization technologies of crops. In accordance with national standards such as the Technical Guidelines for Estimating the Land Carrying Capacity for Livestock and Poultry Manure, and considering various geographic and crop conditions, the company returns harmlessly treated manure to the fields in a scientifically sound manner. As of now, Muyuan has established resource utilization pathways for 39 types of crops, including sweet potatoes, citrus, potatoes, water bamboo, and bananas.

In 2024, Muyuan laid a total of 28.381 million meters of support pipelines for agricultural services. The manure resource utilization services covered 4.7208 million mu of farmland (approximately 314,877 hectares) , an increase of 200.1 thousand mu (approximately 13,347 hectares) compared to 2023. This replaced 154.6 thousand tonnes of chemical fertilizer, an increase of 7,800 tonnes year-on-year. Soil organic matter increased by 2.15%, contributing to cost savings and increased income totaling 1.353 billion yuan. The total amount of carbon sequestered in the soil reached 1.4474 million tonnes of CO₂e. In addition, Muyuan collaborated with the National Animal Husbandry Service and the Chinese Academy of Agricultural Sciences to establish eight green and low-carbon Crop-Livestock cycle bases.

Cumulatively lay agriculture-supporting pipeline networks in 2024

28.381 million metres

Total soil carbon sequestration

1.4474 million tCO₂e

Low-Soy Diet

Soybean meal is one of the main components of pig feed, providing essential protein for pig growth. However, it is expensive, and protein metabolism in pigs produces nitrogen. Since pigs absorb only a limited amount of nitrogen, the excess is excreted, leading to increased nitrous oxide emissions.

Muyuan has continued to invest in the research and application of low-soy diets, investing 143 million yuan to reduce soybean meal usage, thereby lowering farming costs while also reducing excess nitrogen intake, nitrogen emissions, and nitrous oxide emissions. This achieves a synergy between economic and ecological benefits. In 2024, soybean meal accounted for only 7.3% of the low-soy diet, which was well below the industry level. This has reduced nitrogen emissions by 83 thousand tonnes, equivalent to a reduction of 161.3 thousand tonnes of CO₂e greenhouse gas emissions. Furthermore, through in - depth research on the optimal nutritional needs of pigs and the development of an intelligent feeding system, daily customized diet has been achieved. The company ensures balanced nutrition while increasing feed efficiency and reducing greenhouse gas emissions.

Reduce nitrogen emissions

83 thousand tonnes

Reduce greenhouse gas emissions

161.3 thousand tCO₂e

Unheated Pig Houses

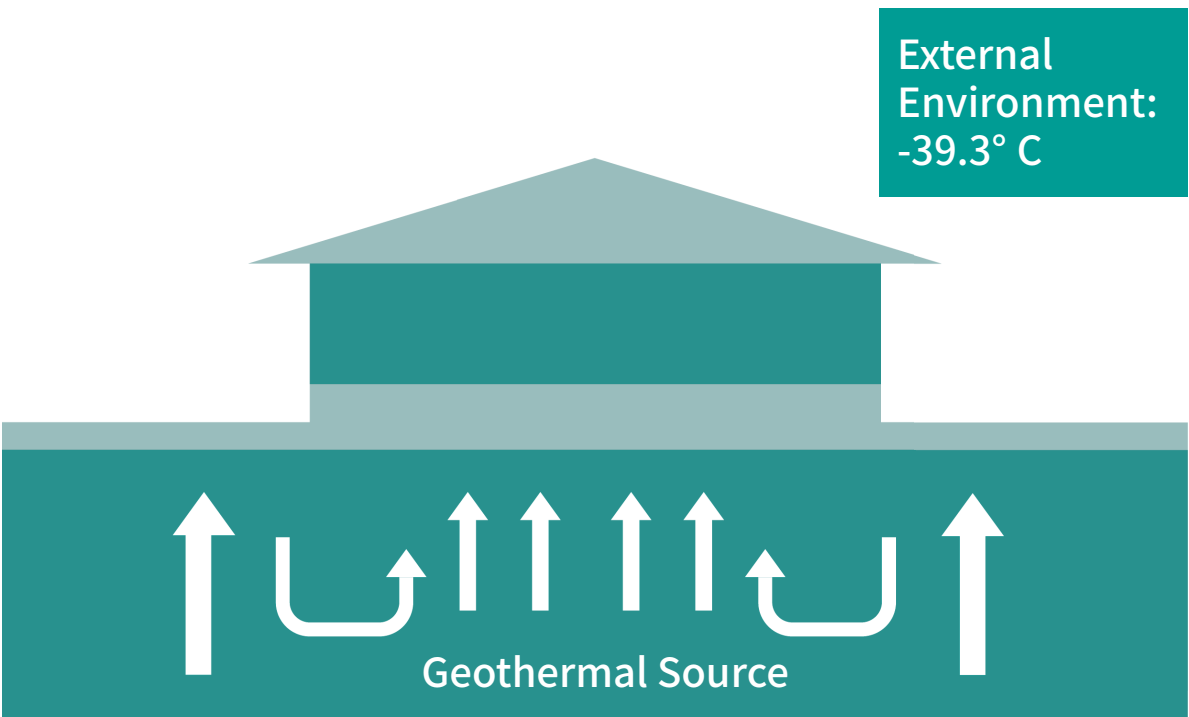
The company has developed and applied unheated pig houses, which reduce energy loss by installing insulation panels on walls and utilizing heat exchange systems to recover heat from exhaust air. This reduces natural gas and coal consumption for winter heating from the source and contributes to energy conservation and emissions reduction. In 2024, Muyuan reduced standard coal consumption by 407.4 thousand tonnes, cutting greenhouse gas emissions by 1.0593 million tonnes of CO₂e.

Reduce standard coal consumption in 2024

407.4 thousand tonnes

Reduce greenhouse gas emissions in 2024

1.0593 million tCO₂e



Pig House Heating without Burning Fossil Fuel

Ammonia Reduction and Deodorization

Muyuan continues to make progress in the environmental field. Our air-filtered pig houses and ammonia reduction & deodorization technologies effectively reduce ammonia emissions. We implement ammonia reduction and deodorization processes across all farms, using intelligent control systems to collect and purify exhaust gases, ensuring that discharged air is clean and odorless, significantly reducing ammonia emissions. In 2024, the company reduced ammonia emissions by 31.7 thousand tonnes, equivalent to a reduction of 148.4 thousand tonnes of CO₂e greenhouse gas emissions, setting an example for the industry's green development.

Reduce ammonia emissions

31.7 thousand tonnes

Reduce greenhouse gas emissions

148.4 thousand tCO₂e

Participation in National Key International Collaborative R&D Projects



Research and Demonstration of Coordinated Reduction Technologies for Greenhouse Gas and Ammonia Emissions in Pig Farming: Muyuan cooperates with the Institute of Environment and Sustainable Development in Agriculture, Chinese Academy of Agricultural Sciences, to study the impact of manure management and ventilation within pig houses on greenhouse gas and ammonia emissions. The project aims to establish a demonstration site for coordinated emission reduction technologies across the entire pig farming value chain and to evaluate carbon reduction performance.

Project Achievements:

- On-site monitoring completed, identifying characteristic parameters of greenhouse gas and ammonia emissions in pig houses.
- Developed automated manure removal and emission reduction technology using robotics.
- Established a demonstration site for coordinated greenhouse gas and ammonia emission reduction technologies across the entire pig farming value chain.

Sharing of Technologies to Promote Industry Progress

Sharing of Low-Soy Diet Technology

In 2021, Muyuan publicly released its low-soy diet technology. The Ministry of Agriculture and Rural Affairs promoted it as a model case across the industry, driving reductions in soybean meal usage and nitrogen emissions. As a result, the industry average soybean meal content in pig feed decreased from 15.3% in 2021 to 13% in 2023. Over two years, this saved a total of 8.65 million tonnes of soybeans, contributing to food security, while reducing nitrogen emissions by 360 thousand tonnes and greenhouse gas emissions by 699.4 thousand tonnes of CO₂e.

Cumulative soybean savings
8.65 million tonnes

Cumulative reduction in nitrogen emissions
360 thousand tonnes

Cumulative reduction in greenhouse gas emissions
699.4 thousand tCO₂e

To further replace soybean meal, Muyuan cooperated with Westlake University to produce amino acids using synthetic biology. In 2024, the first industrialized project of Muyuan's laboratory was put into operation: the Muyuan Anliang project, with an annual output of 30,000 tonnes of synthetic biological products. Going forward, Muyuan will continue to promote low-soy diet technologies. At full industry-scale application, it could save 20 million tonnes of soybeans annually, reduce the need for 150 million mu of arable land (approximately 10 million hectares), cut nitrogen emissions by 820 thousand tonnes, and reduce greenhouse gas emissions by 1.5932 million tonnes of CO₂e.

Sharing of Ammonia Reduction and Deodorization Technologies

In addition to advancing its own emission reduction practices, Muyuan actively shares its ammonia reduction and deodorization technologies with the industry to support sector-wide ammonia emission reductions.

In 2024, we shared our "Muyuan's Practices in Ammonia Reduction and Deodorization" at the First Livestock and Poultry Odor Reduction Technology and Application Exchange Conference and the Second Green, Low-Carbon and High-Quality Development Conference of Animal Husbandry. These engagements explored efficient ammonia reduction and deodorization technologies, shared the latest innovations and practical experience, and supported the low-carbon transformation of the livestock industry.



1st Technical Exchange Conference on Odor Reduction and Mitigation Technologies in Livestock and Poultry Farming



2nd Summit on Green and Low-Carbon High-Quality Development in the Livestock Industry

Moreover, we actively promote industrial services related to ammonia reduction and deodorization, assisting large-scale pig and poultry farms in upgrading their ammonia control systems.

Ammonia Reduction and Deodorization Upgrade Projects



In 2024, Muyuan implemented ammonia reduction and deodorization upgrades for Hubei Taikun Animal Husbandry Co., Ltd. and the Yuexi Jinji Project. Customized ammonia reduction and deodorization systems were designed and constructed for the farms, effectively reducing ammonia concentration in farm emissions and significantly mitigating odor impact in surrounding areas, thereby promoting harmonious development between the company and local communities.



Before renovation



After renovation

In 2024, Muyuan's ammonia reduction technology was promoted by the Ministry of Ecology and Environment as a key model and deployed with full sets of equipment in Beijing-Tianjin-Hebei, Henan, and Shandong to advance ammonia emission reductions in animal husbandry.

Green Energy

Muyuan actively responds to China's "Dual Carbon" goals by continuously improving energy efficiency and promoting the use of green energy, contributing to green and low-carbon development. Through the integrated model of "pig farming + power generation," which combines solar photovoltaics and biogas utilization, the company reduces electricity costs while generating additional income.

Photovoltaic Power Generation

Since 2018, Muyuan has introduced photovoltaic (PV) energy, which is now widely applied across its farms and slaughterhouses. In 2024, the total annual PV power generation reached 205,000 MWh, reducing greenhouse gas emissions by 108.4 thousand tonnes of CO₂e. By the end of 2024, the company's total installed capacity reached 588.90 MW. It plans to add another 800 MW in 2025 and aims to achieve an installed capacity of 10 GW by 2030.

Muyuan actively builds a clean energy system by implementing a "self-consumption with surplus electricity fed to the grid" distributed PV model, enabling efficient use of renewable energy. Verified by the China Renewable Energy Engineering Institute, the company has cumulatively obtained 6,469 national Green Power Certificates for renewable energy consumption, corresponding to 6.469 MWh of clean electricity usage.

2024 GHG Emission Reduction by PV Power Generation	2024 PV Power Generation	Renewable Energy Certificates (RECs) Cumulatively Obtained
108.4 thousand tCO ₂ e	205,000 MWh	6,469

Photovoltaic Project

Ningling Muyuan, Henan Province:Commenced in July 2024, with 18 farm areas totaling 53.94 MW of installed capacity, generating 8,685 MWh of electricity and reducing greenhouse gas emissions by 3,790.10 tonnes of CO₂e.

Total Installed Capacity	Accumulated Electricity Generation
53.94 MW	8,685 MWh



Aerial photography of Ningling Muyuan

Reduce Greenhouse Gas Emissions

3,790.10 tCO₂e

Jieshou Muyuan, Anhui Province:Commenced in April 2024, with 2 farm areas totaling 10.88 MW of installed capacity, connected to the grid in June, generating 6,619 MWh of electricity and reducing greenhouse gas emissions by 4,489.01 tonnes of CO₂e.

Total Installed Capacity	Accumulated Electricity Generation
10.88 MW	6,619 MWh



Aerial photography of Jieshou Muyuan

Reduce Greenhouse Gas Emissions

4,489.01 tCO₂e

Methane Emissions

Methane is a potent greenhouse gas, with a global warming potential (GWP) 28–34 times that of carbon dioxide over a 100-year timescale. In livestock farming, ruminants such as cattle and sheep produce large amounts of methane during the digestion process, which is primarily emitted through burping and farting. Methane emissions from pigs are significantly lower due to their digestive processes. However, manure management remains a major source of methane, generated mainly through anaerobic decomposition.

To reduce methane emissions, since 2016 Muyuan has adopted a process involving dry manure cleaning – enclosed transportation – solid-liquid separation – aerobic composting – anaerobic digestion and sealed storage. Manure is transported in a fully enclosed system from pig houses to downstream treatment facilities. The biogas generated from anaerobic digestion is reused, reducing fugitive methane emissions and contributing to greenhouse gas mitigation. In 2024, methane emissions from manure treatment reached 3.1694 million tonnes of CO₂e.

Biogas Utilization

Muyuan continues to explore and apply biogas utilization technologies. It aggregates biogas generated from individual or multiple farm sites and, using pressurization systems, delivers it to feed mill boilers, harmless treatment facility boilers, on-site biogas generators, and biogas purification equipment, thereby improving clean energy efficiency.

In 2024, the company built 23 new biogas utilization projects, with a total biogas utilization volume of 37.25 million cubic meters, equivalent to saving 24.21 million cubic meters of natural gas. Muyuan plans to increase the biogas utilization rate to 60% by 2030.

New Biogas Utilization Project	Total Biogas Utilization	2024 Greenhouse Gas Emission Reduction
23	37.25 million cubic meters	478,600 tCO ₂ e

Biogas purification project

Neixiang Muyuan Integrated Complex:In 2023, invested in and constructed an independently operated biogas purification project to upgrade biogas into biomethane, which is transported to surrounding gas-consuming facilities for combustion-based energy utilization. In 2024, the complex achieved a biogas purification and utilization volume of 3.01 million cubic meters, producing 1.94 million cubic meters of biomethane.

2024 Biogas Upgrading Utilization Volume	Biomethane Production
3.01 million cubic meters	1.94 million cubic meters

Gas Conservation and Energy Reduction

Muyuan innovatively applies intelligent environmental control technologies and minimum ventilation strategies for pig herds to continuously improve air utilization efficiency in pig houses. In 2024, air usage per pig was reduced by two-thirds, significantly lowering energy consumption.

Low-Carbon Transportation

Muyuan actively promotes low-carbon transportation by adopting more efficient transport methods to reduce fuel consumption across upstream and downstream logistics, thereby further lowering greenhouse gas emissions.



Low-Carbon Transportation Initiatives	Results and Achievements
Local procurement	Muyuan continued to promote local procurement of raw grains, reducing long-distance transportation. In 2024, local procurement accounted for 81.40% of total raw grain purchases.
Transportation routes optimization	Muyuan continued to promote the multimodal transportation model to reduce road freight transportation. In 2024, multimodal transportation accounted for 20%, resulting in a reduction of 1.0537 million tonnes in road freight volume and greenhouse gas emissions by 30,000 tonnes of CO ₂ e.
Feed pipe-chain transportation	All farms adopted pipe-chain transportation for feed, replacing vehicle-based rotation transport, thus reducing energy consumption.
Supply chain vehicle optimization	Muyuan encouraged suppliers to adopt more environmentally friendly transport tools, phase out old vehicles, and introduce vehicles compliant with China National V emission standards or above. In 2024, six feed mills only accepted vehicles that met China V or above standards, resulting in an 82% reduction in particulate matter emissions, a 28% reduction in nitrogen oxide (NOx) emissions, and a 23% reduction in non-methane hydrocarbons (NMHC).

Emission Comparison: China National IV vs. China National V Diesel Trucks

Emission Category	China IV	China V	Emission Limit (g/km)
Nitrogen Oxides(NO _x)	0.25	0.18	↓ 28%
Non-Methane Hydrocarbons(HC+NO _x)	0.3	0.23	↓ 23%
Particulate Matter Concentration(PM)	0.025	0.0045	↓ 82%
Particulate Number(PN)	—	6.0*10 ¹¹	

Green Packaging

Muyuan actively responds to the call for a circular economy by adhering to the 5R principles (Reduce, Reuse, Recycle, Remanufacture, Redesign), continuously reducing packaging material usage and increasing the recycling rate. The company has established a dedicated packaging management team, set carbon reduction targets, and launched a Packaging Innovation Award to encourage research and development. To control packaging waste at the source, Muyuan has adjusted the size and contents of over-configured gift boxes in accordance with the Requirements for Restricting Excessive Packaging of Commodities, aiming to minimize excessive packaging.

The Targets of Green Packaging

Muyuan continuously promotes bulk procurement of raw materials to reduce packaging material usage. The company has introduced high-performance resins to reduce the thickness of polyethylene (PE) and lower the proportion of plastic composite films used. By 2025, Muyuan plans to reduce the use of five-layer cartons by at least 30%, decrease the weight of composite bags by 30%, and increase the use of recyclable PE environmental-friendly materials by 3%.

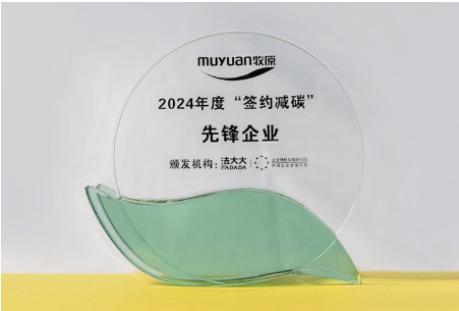
The Effectiveness of Green Packaging

In 2024, Muyuan replaced bagging machine films with PE continuous roll films, reducing plastic use by 20%, totaling approximately 50 tonnes of plastic saved. The cardboard used for product gift boxes was downgraded from five layers to three layers, saving 60 tonnes of corrugated paper. The company also optimized packaging specifications and materials, consolidating more than ten types of packaging categories, further reducing resource waste.

In 2024, 92% of soybean meal was transported in bulk, reducing greenhouse gas emissions by 2,797 tonnes of CO₂e.

Green Office

Muyuan actively promotes green office practices among employees, continuously reducing office supplies consumption and energy use. Through routine measures such as water-saving, electricity-saving, and paper-saving initiatives, the company encourages all employees to start with small actions and consistently practice the concept of sustainable development.



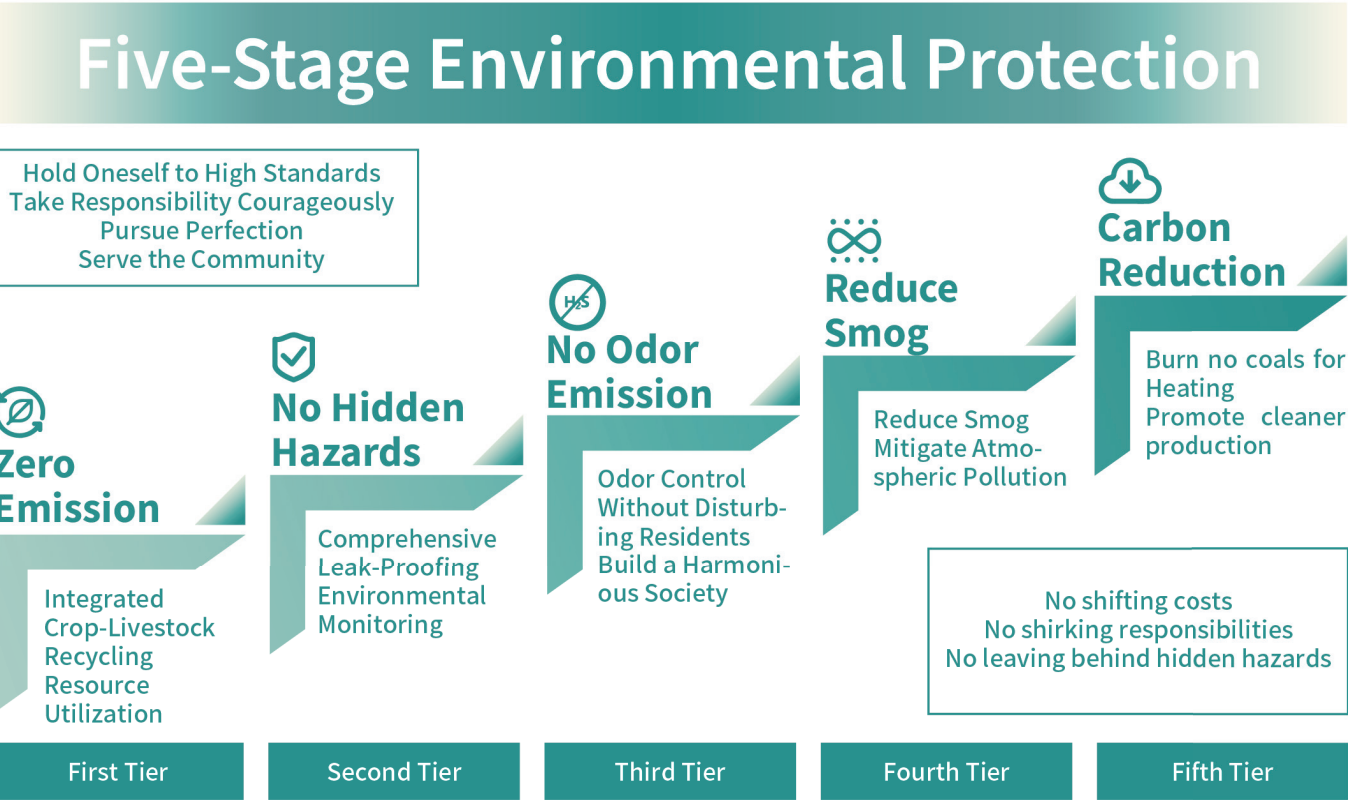
Initiatives and Effectiveness of Green Office in 2024

Initiatives	Measures
Low-Carbon Office	<p>Efficient Paper Usage: By minimizing its paper usage and printed invoices for business transactions, Muyuan reduced the paper consumption and encouraged its employees to use double-sided printing or reuse waste paper.</p> <p>Electronic Signatures: Muyuan promoted the use of electronic signatures to replace physical stamps. In 2024, a total of 374,800 electronic signatures were used, reducing carbon emissions by 65.59 tonnes of CO₂ e.</p> <p>Smart Office: Muyuan adopted intelligent office systems and promoted video conferencing to reduce business travel-related carbon emissions.</p>
Low-Carbon Lifestyle	<p>"Clean Plate" Campaign: Muyuan formulated and implemented a company-wide "Clean Plate" policy to reduce food waste.</p> <p>Energy Management: Muyuan eliminated unnecessary lighting and water usage, strengthened the management of electrical equipment and heating systems to conserve energy and reduce consumption.</p> <p>Low-Carbon Commuting: Installed 157 charging stations in office parks to encourage employees to use new energy vehicles.</p>
Low-Carbon Industrial Parks	<p>Green Headquarters Campus Muyuan constructed a photovoltaic (PV) power system at its green headquarters campus to promote the use of green electricity. In 2024, the installed capacity reached 1.49 MW. The annual electricity generation was 1,873.4 MWh with self-consumption amounting to 1,782.4 MWh and the self-consumption rate was 95.14%.</p>

Environmental Management

Muyuan consistently practices green development and upholds the philosophy of "no cost transfer, no hidden hazards, and no shirking of responsibility." The company strictly complies with national environmental protection laws and regulations and has established a five-tier environmental goal system: "zero discharge, no hidden hazards, no odor, smog reduction, and carbon emission reduction." It continues to improve its environmental management system, promote cleaner production, strengthen waste management, and reduce environmental impact on an ongoing basis.

Muyuan has actively conducted environmental certifications across various segments of its value chain, including feed production, pig farming, and slaughtering. As of the end of 2024, one feed plant, eight farms, and four slaughterhouses have obtained ISO 14001 Environmental Management System certification. One slaughterhouse has been designated as a National Green Factory, and two others have been recognized as Provincial Green Factories. Additionally, four slaughterhouses have obtained ISO 50001 certification.



Environmental Commitments

Muyuan is committed to enhancing ecological value during its development and to promoting environmentally friendly business practices. The company continuously reduces pollutant, wastewater, and exhaust gas emissions and has issued the following environmental protection commitments based on the Muyuan Basic Law:

Energy Conservation	Reduce energy usage, improve energy efficiency, and increase the proportion of renewable energy.
Resource Conservation	Support the circular economy by reducing raw material usage, increasing resource recycling rates, and building an ecological industrial chain.

Waste Management	Implement the 5R principles to minimize waste generation and promote the recycling and reuse of waste materials.
Climate Change	Reduce greenhouse gas emissions and contribute to global climate change mitigation.
Water Management	Conserve water, reduce the use of fresh water, and improve the efficiency of water resource utilization.
Biodiversity Protection	Reduce the negative impact of pig farming operations on the ecological environment and protect surrounding species.

Governance Structure

The Board of Directors is the highest decision-making body for ESG governance at Muyuan and oversees the Environmental Monitoring Department. This department functions as an independent third party to supervise the company's environmental protection efforts and regularly reports to the Board to continuously improve the company's environmental performance. The Environmental Logistics Department is responsible for environmental management and is supported by the Ecological and Environmental Technology Office and a multi-tiered environmental management structure spanning regional, subsidiary, and farm levels.

Management System

Muyuan has established an effective internal environmental management system in accordance with national and local environmental protection laws and regulations. The company has clearly defined the environmental responsibilities of each department and the principles for carrying out environmental work. It has developed standardized management systems and operational procedures for each environmental task. As of now, Muyuan has formulated 28 environmental management systems covering areas such as wastewater, exhaust gas, noise, solid waste, and emergency response. These include the Muyuan Basic Law, Standard Water Use Management System, Five Environmental Opportunities and Environmental Operations Management System, Environmental Red and Yellow Card System, Dead Pig Harmless Disposal Management System, Hazardous Waste Management System, Agricultural Support Pipeline Network Management System, Environmental Operations Quality Management Standards, and Environmental Benchmark Farm Evaluation Standards, ensuring the effective implementation of all environmental requirements.

Training and Reporting

Muyuan has developed onboarding training programs and skills enhancement plans for environmental employees at all levels. In 2024, the company conducted 331 environmental training sessions and completed 31 environmental technical certifications, achieving a 100% training coverage rate for environmental personnel. This includes 229 staff at the provincial level, 964 at the subsidiary level, and 8,761 at the farm level. Training topics include environmental laws and regulations, case-based compliance warnings, environmental technologies, and operational standards, aiming to strengthen employees' awareness of environmental risks and compliance, and to embed standardized practices into day-to-day operations.

At the same time, to further raise environmental operation standards, Muyuan has established both internal and external reporting channels for environmental issues, encouraging all employees and the general public to monitor and report concerns. Employees can submit

Internal Reporting Channel

环保问题 举报有奖
奖励金额:100-500元

1. 污水废水外流
2. 场区臭气明显
3. 环保设施损坏
4. 除臭设施不运行

智慧牧原扫码举报

电话举报:15738055810

External Reporting Channel

环保问题 举报通道

一、举报内容

包括但不限于以下问题:

1. 畜禽粪污处理不当

2. 恶臭异味扰民、废水、河流

3. 违规建设大中小养殖场

4. 病死畜禽无害化处理

5. 畜禽养殖污染

6. 其他环境污染问题

二、举报方式

电话: 17109222288

微信: 17109222288

线上: 17109222288

对于投诉问题, 投诉属实
奖励500-5000元

牧原食品股份有限公司

reports via phone or WeChat QR code, and the company has established a rapid response mechanism from headquarters to the front line to ensure timely resolution of environmental risks. External stakeholders may report issues via the company hotline or leave messages on official social media accounts, with all information directed to the headquarters' Environmental Monitoring Department. Information related to reports is followed up by designated personnel and handled with strict confidentiality. Retaliation against whistleblowers is strictly prohibited. Upon completion of rectification, the company provides feedback to the whistleblower and conducts a satisfaction follow-up to ensure that the issue has been effectively resolved.

In 2024, the company received a total of 450 external public reports and issued 21.7 thousand yuan in rewards. All issues were resolved, and public satisfaction reached 100%. Since the launch of the internal reporting channel in November 2024, the company has handled 5,147 cases and issued a total of 314.24 thousand yuan in cash rewards, effectively facilitating the rapid identification and resolution of environmental issues.

Biodiversity and Land Use

Biodiversity is the foundation of the Earth's ecosystems and is essential to ecological balance and human well-being. As a responsible enterprise, Muyuan is committed to minimizing the negative impact of its production and operational activities on biodiversity, protecting the ecological environment, and promoting the restoration and enhancement of biodiversity. The company pledges not to engage in any production or business activities in World Heritage Sites or in ecologically red-zoned prohibited development areas, and respects all international protected areas, including categories Ia, Ib, II, III, IV, V, and VI as defined by the International Union for Conservation of Nature (IUCN).

In 2024, Muyuan did not experience any incidents that harmed biodiversity and did not incur any penalties related to land use issues.

Biodiversity Governance Structure

Within the company's biodiversity governance framework, the Board of Directors' Sustainable Development Committee serves as the core strategic decision-making body, responsible for reviewing biodiversity management matters and guiding protection efforts. The Environmental Logistics Department acts as the executive body, formulating and implementing biodiversity conservation strategies and integrating them into business operations. To ensure transparency and strategic alignment in biodiversity protection efforts, the Environmental Logistics Department reports comprehensively to the Sustainable Development Committee on a quarterly basis, covering progress, achievements, and challenges. This ensures sustained strategic focus and support for biodiversity protection, fulfilling the company's environmental stewardship responsibilities.

Biodiversity Management Strategy

To reduce the ecological impact of pig farming activities and protect biodiversity (endangered species included), Muyuan has adopted the LEAP framework developed by the Taskforce on Nature-related Financial Disclosures (TNFD) to establish a biodiversity risk management mechanism. This framework consists of four stages: Locate, Evaluate, Assess, and Prepare, ensuring that ecological protection requirements are embedded throughout the entire planning-to-production process.

Muyuan has explicitly stipulated that during its production and operational processes, the company must avoid damaging the ecological environment and minimize impacts on the habitats of wild flora and fauna. Through regular environmental reviews and analyses, the company ensures that all business activities comply with national and international environmental standards. Muyuan aims to maintain zero biodiversity-related incidents through 2025 and beyond.



Biodiversity Field Investigation

Risk Management

Our biodiversity risk management focuses on due diligence and impact assessments, aiming to reduce ecological harm through effective risk control.

Biodiversity Due Diligence

At the project planning stage, prior to site selection, Muyuan conducts comprehensive ecological surveys of potential project locations, with a particular focus on identifying areas of high biodiversity value. By identifying key ecological nodes and corridors, the company incorporates them into land use planning and adopts preservation and protection measures to minimize the ecological impact of project development.

Keep away from Class I and II drinking water source protection zones	Maintain a distance of over 500 meters from nature reserves	Maintain a distance of over 500 meters from ecologically red-lined protected zones
Maintain a distance of over 500 meters from scenic areas	Ensure manure storage locations are at least 400 meters from all types of functional surface water bodies	Keep away from protected cultural heritage zones and construction control areas

Biodiversity Impact Assessment

Muyuan has formulated a biodiversity management plan and conducts regular biodiversity impact and risk assessments throughout the operation of its projects to comprehensively identify potential risk points. Meanwhile, the company continuously monitors environmental indicators such as air, water, and soil to track environmental changes in real time. Based on monitoring results, Muyuan develops targeted protection measures and mitigation plans to ensure project operations do not adversely impact the surrounding ecosystem and to effectively protect endangered species and maintain ecological stability.

Biodiversity Management Plan

- Muyuan complies with relevant biodiversity protection laws and regulations to ensure that pig farming activities meet national biodiversity protection requirements.
- The company evaluates the impact of its supply chain on endangered species and habitats, avoiding operations in protected areas or ecologically sensitive regions.
- A biodiversity monitoring plan is established to conduct long-term and continuous ecological assessments and develop responsive strategies.
- Technologies for high-efficiency resource utilization ,such as manure wastewater purification and reuse, and precision feeding, are promoted to reduce resource waste.
- Biodiversity performance data are disclosed and environmental monitoring reports are published regularly to enhance transparency and credibility.

In 2024, a total of 906 biodiversity impact assessments and risk monitoring sessions were conducted, with no major risk incidents identified.

Monitoring Subjects	Monitoring Indicators	Monitoring Frequency	Monitoring Coverage	Monitoring Samples
Soil	pH, electrical conductivity, organic matter, total nitrogen, alkaline hydrolyzable nitrogen, available phosphorus, available potassium, cation exchange capacity, copper, zinc, lead, nickel, chromium, cadmium	twice a year, in June and September	100% of farms covered	3,182 samples
Groundwater	pH, electrical conductivity, total hardness, ammonia nitrogen, permanganate index, nitrate nitrogen, nitrite nitrogen, sulfate, chloride, sodium, copper, zinc	twice a year, in June and September	100% of farms covered	4,603 samples
Surface Water	pH, electrical conductivity, permanganate index, ammonia nitrogen, total nitrogen, total phosphorus	1–4 times per year	sampling based on surface river distribution	1,829 samples
Agricultural Products	nitrogen, phosphorus, potassium, ash, bulk density, copper, zinc, sodium	1–2 times per year	random sampling	92 samples

Ecological Risk Assessment in Procurement Regions

In analyzing biodiversity and sustainable agriculture risks, Muyuan focuses on the 70% local procurement of raw grain. The assessment adopts the same time span used in the climate change scenario analysis-global average temperature increases of 1.5 ° C and 4 ° C during the period from 2080 to 2100. Biodiversity risks are evaluated by analyzing the impact of climate change on species loss and Muyuan's dependence on ecological and natural resources.

70% Localized Procurement of Raw Grains, with Ecological Risk Assessment of Sourcing Areas			
Key Procurement Regions	Major Production Regions in Henan, Shandong, Hebei, etc.		
Biodiversity Risk	Endangered Species Distribution Density	Ecological Vulnerability Index	Coverage Rate of Biodiversity Hotspots
	0.8-1.2 /100km²	0.65	12.5%
Climate Change Risk	Temperature Changes	Precipitation Patterns	Extreme Weather Events
	0.8°C Increase Over the Past 10 Years	15% Increase in Annual Fluctuation	20% Increase in Frequency

Analysis of Biodiversity Degradation and Supply Chain Risk Transmission Mechanism

Direct impact:A reduction in pollinator insects leads to fluctuations in corn yields (±5%); declining soil fauna diversity reduces nitrogen fertilizer utilization efficiency (cost increase of 8–12%).

Indirect impact:Ecological restoration costs (0.3–0.5 yuan per tonne of raw grain); supply chain certification premiums (ESG compliance cost increases by 2–3%).

Production Stability Risks Caused by Climate Change

Key parameters:The number of days with extreme high temperatures (>35° C) is projected to increase by 30%, leading to a 3–5% yield reduction during the corn filling stage. Changes in precipitation patterns will increase irrigation costs (average +8% per year in North China). The frequency of pest and disease outbreaks is also expected to rise, increasing pesticide costs by 5–8% annually.

Quantitative Analysis of Financial Impacts:

Risk Types	Cost Items	Moderate Risk Scenario: 1.5°C Temperature Rise	High-Risk Scenario: 4°C Temperature Rise
Biodiversity	Yield Loss (yuan/tonne)	22.0	59.0
	Ecological Compensation Cost per tonne(yuan/tonne)	10	20
Climate Change	Irrigation Cost Increase per tonne (yuan/tonne)	10.3	27.6
	Insurance Premium per tonne (yuan/tonne)	3.75	7.5
Comprehensive Impacts	Average Annual Cost Increase (Billion yuan)	0.36-0.46	0.95-1.15

Note: Calculated based on an annual procurement volume of 10 million tonnes, with the price benchmark set at the current market rate.

Biodiversity Protection Performance

Germplasm Resource Conservation:Muyuan actively promotes biodiversity protection, especially in the preservation of breeding resources. The company has played a major role in conserving the Nanyang Black

Pig, a key local breed listed in the national livestock genetic resources catalogue. Muyuan has provided long-term technical and resource support for this effort. By collaborating with scientific research institutions to conduct crossbreeding trials and increasing investment in R&D, the company has improved the conservation efficiency of the breed. As of the end of 2024, the population of Nanyang Black Pigs reached 3,985, contributing significantly to the conservation of the breed and the development of regional specialty animal husbandry.

Triple-Track Driving Strategy Contributing to Ecological Risk Management: While implementing its local procurement strategy, Muyuan simultaneously builds monitoring and early warning mechanisms to prevent breaches of local ecological thresholds. Through a "technology + finance + governance" triple-track driving strategy, the company transforms ecological risks into competitive advantages. Over the next five years, this approach is expected to reduce overall cost volatility by 30–40% and enhance the company's ESG valuation by 15–20%.

Land Resource Conservation:Muyuan has created a building-based pig farming model that significantly improves land-use efficiency. Compared with traditional flat-style pig houses, the vertical model increases efficiency by 4.3 times. In 2024, Muyuan's pig building reached a production capacity of 7.1 million pigs, saving 24.4 thousand mu (approximately 1,629 hectares) of land compared to traditional layouts.

Active Participation in Ecological Protection Initiatives

Muyuan supports the United Nations Convention on Biological Diversity and actively responds to China's Biodiversity Conservation Strategy and Action Plan (2023–2030). The company collaborates with local governments and research institutions on projects such as soil improvement, land vegetation restoration, and biodiversity protection. In cooperation with nonprofit organizations, Muyuan processes manure wastewater into organic matter and nutrients for soil and jointly explores models for soil improvement and restoration. By returning organic fertilizers to fields, the company contributes to desertification control. In 2024, Muyuan improved 318.2 thousand mu (approximately 21,223 hectares) of saline-alkali land and rehabilitated 90.7 thousand mu of desertified land(approximately 6,050 hectares), improving a total of 408.9 thousand mu (approximately 27,274 hectares) of land, making a substantial contribution to the "Beautiful China" initiative.

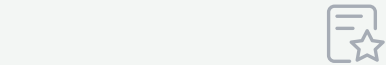
Turning Saline-Alkali Land into Arable Land

Muyuan partnered with the Rice Research Institute of Jilin Academy of Agricultural Sciences to advance saline-alkali land improvement technologies in western Jilin Province. The project used salt-tolerant rice as the main crop and established a demonstration site in Da'an, Jilin. By the end of 2024, the project had successfully improved 1.24 thousand mu (approximately 82.71 hectares) of saline-alkali land. The soil pH decreased from 10.03 to 8.5, while organic matter content increased by 68%, significantly enhancing soil quality.

In addition, in May 2024, the National Animal Husbandry Service, the Institute of Environment and Sustainable Development in Agriculture of the Chinese Academy of Agricultural Sciences, and Muyuan Foods Co., Ltd. jointly established eight green and low-carbon Crop-Livestock cycle bases. Among them, the test plots in the saline-alkali regions of Northeast China achieved remarkable results, with rice yields reaching up to 1,056 jin per mu (7,916 kg/ hectare)-an increase of 24.24% compared with the control group.

Increase in Organic Matter Content

68%



Improvement of Saline-Alkali Land (Before)



Improvement of Saline-Alkali Land (After)

Water Management

Water resources are vital for maintaining ecological system stability and safeguarding human health, and they also serve as a critical foundation for the company's production and operations.

Water Governance Structure

The Sustainable Development Committee of the Board of Directors is the highest decision-making body for ESG governance at Muyuan. It is responsible for supervising Water Management, reviewing water usage and associated risks, assessing the effectiveness of the company's response measures, and regularly reviewing water management reports to ensure the effective implementation of all measures. Meanwhile, Muyuan has established a Water Management organization composed of senior executives, back-end technical teams, and front-end management teams. The responsibilities and roles of each team are clearly defined to ensure the effective implementation and continuous optimization of Water Management measures.

Water Management Strategy

Muyuan is committed to protecting water resources, reducing water consumption, and improving the efficiency of water recycling and reuse. To achieve these goals, the company has developed various policies and systems, including the Standard Water Usage Management System for Farms, Water Sampling Management System for Farms, Water Conservation Management Measures for Slaughterhouses, Water-Saving Incentive and Penalty System for Slaughterhouses, and the Operation and Maintenance Management System for Water Monitoring Equipment. The company also applies innovative water-saving technologies, strengthens water monitoring, and promotes refined management of water intake and use to reduce water-related risks.

Three Commitments to "Sustainable Water Use"
Reduce Waste – Upgrade Processes – Recycle and Reuse

Short- and Mid-Term Water-Saving Targets	
Taking 2024 as the baseline year: By 2025, water intake intensity in farming operations will be reduced by 0.2%, and wastewater reuse volume will increase by 2.2 million cubic meters.	Reduction in Aquaculture Water Withdrawal Intensity by 2025 0.2 %
Taking 2024 as the baseline year: By 2030, water intake intensity in farming operations will be reduced by 18%, and wastewater reuse volume will increase by 24.8 million cubic meters.	Reduction in Aquaculture Water Withdrawal Intensity by 2030 18 %

Water Resource Risk and Opportunity Management

Water is a critical resource in livestock farming. Muyuan places great importance on managing water risks and is committed to balancing the company's production water needs with those of local communities, ensuring high-quality livestock farming while protecting residents' water rights. To this end, the company introduced the Aqueduct Water Risk Atlas developed by the World Resources Institute to conduct comprehensive water risk assessments across all major operating sites, including farms, feed mills, and slaughterhouses.

Based on the water stress analysis results, 1.92% of the company's operating sites are located in regions classified as high or higher risk. For these sites, the company ensures stable production and reduces water resource risks through a combination of water-saving measures, backup water storage, and increased water reuse.

Water Saving	Intelligent metering equipment is fully installed in high-risk areas to enhance management, and water-saving appliances are promoted to improve water use efficiency.
Backup Water Storage	In regions with seasonal water shortages, the company increases the capacity of on-site water storage facilities to prevent insufficient water supply caused by drought and other natural disasters.
Increased Water Reuse	Promote the recycled water technology. Recycled water is used to replace clean water in production activities such as cleaning, disinfection, and cooling.

In 2024, Muyuan invested 318.7 thousand yuan in fixed assets to support water supply in high-risk sites, with operating expenses totaling 2.448 million yuan.

Classification of Water Resource Risks

Risk Level	Description
High Risk	Water-scarce areas, restricted-extraction zones, and resource-deficient regions with a high likelihood of water supply interruptions. Monitoring indicators frequently show significant anomalies, which severely affect pig farming operations.
Medium Risk	Areas with restricted extraction, poor water quality, or unstable water availability, facing a notable risk of water supply interruptions. Monitoring indicators show frequent anomalies that considerably impact pig farming operations.
Low Risk	Areas with stable external water sources but uneven temporal distribution. Monitoring results occasionally show anomalies, with minimal impact on pig farming operations.

Enhancing Water Monitoring

The company places high importance on water monitoring to ensure that its operations do not affect the water availability of local communities. To fully understand water usage variations across different process stages and water supply systems, the company has installed intelligent metering equipment in pig farms. Water usage is monitored by unit and production stage through categorized and tiered tracking. Daily water consumption is monitored online in real time, analyzed, ranked, and flagged with early warnings, providing reliable data support for scientific decision-making.

Through the Muyuan IoT platform, the company has achieved digital Water Management. The platform integrates multiple business modules, including intelligent environmental control, smart feeding, intelligent inspection, biosecurity, smart electricity, intelligent veterinary services, and smart water management. It enables interconnectivity across feeding, environmental control, inspections, grain sterilization, water systems, and electricity systems. The platform tracks and warns in real time about water consumption, pollutant generation, and water reuse, continuously reducing water intensity.

Water Source Management and Safeguards

Muyuan's water sources include groundwater, surface water, and tap water. Farms prioritize areas with abundant, high-quality, and accessible water sources and determine the scale and standards of water use based on local water conditions.

To ensure healthy drinking water for pigs and reduce water-related risks, the company has independently developed water source disinfection equipment and regularly monitors both water quantity and quality. A regional water quality map is developed for classification-based management.

The company has established the Muyuan Swine Farming Water Quality Standard and conducts regular testing and analysis. Seven key indicators are tested every two weeks, and 28 key indicators are tested annually. Based on the Common Water Quality Abnormalities and Diagnosis Guidelines, any non-compliant water quality results are analyzed for root causes and followed by corrective actions.

Water Quality Monitoring Plan for Farm Sites

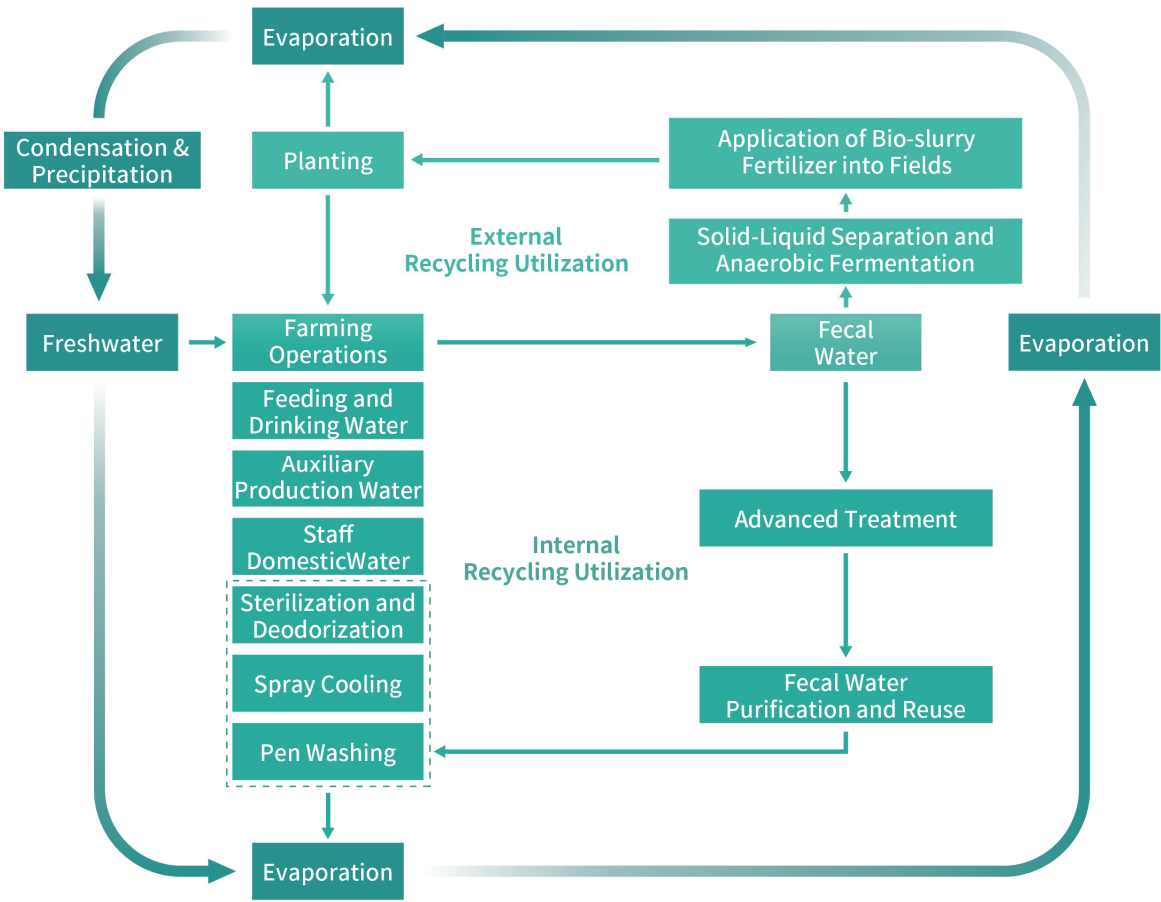
Type of Testing	Monitoring Items	Monitoring Frequency
Routine Testing	Colony count, coliform group, Escherichia coli count, turbidity, visible particles, odor, pH	Twice per month
Annual Testing	Total bacterial count, total coliform, pH, total hardness, odor, visible particles, color, turbidity, aluminum, permanganate index, total dissolved solids, hexavalent chromium, chloride, fluoride, sulfate, nitrate nitrogen, iron, manganese, copper, zinc, lead, cadmium, mercury, arsenic, potassium, sodium, ammonia nitrogen, selenium	Once per year
Anomaly Testing		Newly opened wells, sudden changes in water quality, and other anomaly conditions

Initiatives and Performance

Water Resource Recycling

Muyuan actively practices water recycling, with a focus on water footprint accounting, and has implemented Water Management throughout its entire business chain. The company continuously improves internal water use management and control, applying intelligent technologies to enhance water use efficiency and reduce freshwater waste, laying a solid foundation for sustainable development.

Water is recycled across the business chain, and the company has developed and applied manure wastewater purification and reuse technologies. Manure wastewater from 105 pig farms has been treated and reused within the farms for pen cleaning, disinfection, cooling, and odor control. Meanwhile, all manure wastewater from farms is processed through solid-liquid separation and anaerobic digestion into liquid fertilizer for agricultural use, achieving 100% resource utilization on farmland surrounding Muyuan operations. This liquid fertilizer not only replaces chemical fertilizers but also supplements irrigation water and helps resist drought. In 2024, through integrated water-fertilizer reuse, Muyuan helped farmers save 179.05 million cubic meters of agricultural irrigation water. Furthermore, in May and June of last year, Henan, Hebei, Shanxi, and Shandong provinces experienced severe droughts, and soil moisture levels were too low to support corn germination. Muyuan supported drought resistance by returning water-fertilizer to farmland, enabling recycled water use. During the drought, a total of 22.4533 million cubic meters of water-fertilizer mixture was applied, securing summer grain planting across 839.5 thousand mu (approximately 55,995 hectares) of farmland and contributing to national food security.



Muyuan Water Resource Recycling System

Water-Saving Technology Innovations in 2024

Category of Measures	Specific Actions and Outcomes
Manure Wastewater Purification and Reuse	<ul style="list-style-type: none">The company developed and applied technologies for manure wastewater purification and reuse, reclaimed cleaning water, and rainwater utilization, effectively reducing clean water usage. As of 2024, the manure purification process had been promoted across 105 farms. In 2024, total volume of reused manure wastewater reached 3.876 million cubic meters.
Reclaimed Water Reuse in Slaughterhouses	<ul style="list-style-type: none">Reclaimed water reuse was actively implemented in slaughtering processes. In 2024, total water intake in slaughtering was 5.8293 million cubic meters, with 726.8 thousand cubic meters of reclaimed water reused-an 11.64% reuse rate-significantly reducing water intensity during production.
Smart Feeding Technology	<ul style="list-style-type: none">The company independently developed an intelligent feeding system, enabling smart mixing, feeding, and water supply to achieve precise water delivery to pigs and prevent water waste during feeding.
Water-Saving Equipment R&D and Innovation	<ul style="list-style-type: none">During farming operations, limit-type drinkers were used, and water-saving equipment was prioritized during procurement. The water supply and piping systems utilized automatic exhaust valves, air-supplement valves, and float valves to reduce water waste.All water points in workshops were equipped with smart water meters, and cleaning devices featured sensor-controlled systems to precisely regulate water volume.In summer, computer-controlled pig house cooling systems were used to adjust spray water usage, reducing water consumption by about 71% compared to traditional manual methods.
Spray System Upgrades	<ul style="list-style-type: none">Automatic exhaust valves were installed to address the delay in spray system shutoff in pig houses, saving 3 liters of water per unit per spray.In 2024, 28,873 new units were installed.
Towerless Water Supply Tank Upgrades	<ul style="list-style-type: none">Automatic air intake valves were installed to reduce water waste caused by pressurization after tank drainage, saving approximately 90 tonnes of water per month.In 2024, 219 new units were promoted.
Development of Smart Showers	<ul style="list-style-type: none">Water-saving bathroom fixtures were adopted, reducing water usage to approximately one-third of a normal shower, effectively cutting down on personal hygiene water consumption.
Tillage-Free Moisture Retention Techniques	<ul style="list-style-type: none">Techniques such as "replacing ploughing operation with the operation of loosening the soil", "replacing ploughing operation with rotary tillage operation", "No-tillage interseeding with high stubble remaining" and "direct seeding without tillage on the stubble-covered field" were applied to enhance soil water retention and reduce moisture loss.

Water Resources Performance Table (2024)

Indicators	Total	Farming	Slaughtering	Feed
Total Water Withdrawal (million m³)	214.4920	205.5673	5.8293	3.0950
Municipal Water Withdrawal (million m³)	18.0690	15.8828	1.5949	0.5910
Surface Water Withdrawal (million m³)	13.7539	13.7539	0	0
Groundwater Withdrawal (million m³)	182.2690	175.9306	4.2344	2.5040
Total Water Discharge (million m³)	6.8027	0	5.5151	1.2876
Surface Freshwater (million m³)	1.9313	0	0.6437	1.2876
Groundwater (million m³)	0	0	0	0
Marine Water (millionm³)	0	0	0	0
Municipal Sewerage Discharge (million m³)	4.8714	0	4.8714	0
COD Concentration (mg/L)	24.59	0	24.59	0
Ammonia Nitrogen Concentration (mg/L)	0.66	0	0.66	0
Total Phosphorus Concentration (mg/L)	0.42	0	0.42	0
Recycled Water Volume (million m³)	179.0546	179.0546	0	0
Reused Wastewater Volume (million m³)	4.6658	3.8750	0.7268	0.0640
Total Water Consumption (million m³)	219.1574	209.4423	6.5561	3.1590
Water Withdrawal Intensity (m³/t product)	/	25.06	/	/

Note 1: Total Water Consumption = Total Water Withdrawal + Reused Wastewater Volume.
Note 2: The data for Total Water Withdrawal, Total Water Discharge, and Total Water Consumption covers all operational sites.

Forecast on Water Accessibility

Based on climate change scenario analysis, Muyuan forecasts that during the same future time span (2080–2100), as global warming progresses and extreme weather events become more frequent, water-related risks will intensify and water accessibility will decline. In response, we are actively investing in the research and development of new water-saving technologies, focusing on optimizing management processes, and continuously improving water use efficiency-laying a solid foundation for ensuring a stable supply of high-quality pork amid uncertainty.

Waste and Pollutant Management

Muyuan strictly complies with all relevant laws and regulations to ensure the lawful and compliant disposal of waste. The company proactively identifies environmental impact factors across all operational stages, minimizes the generation of waste and pollutants at the source, and strictly controls emissions of exhaust gas, wastewater, and solid waste. All emissions are properly treated to ensure environmental protection is aligned with corporate operations.

Governance Structure

In the management of waste and pollutants, the Board of Directors is responsible for overall supervision and decision-making, with the Environmental Monitoring Department providing specific oversight. As an independent third-party supervisory body, the Environmental Monitoring Department reports regularly to the Board on the implementation status of waste and pollutant control, ensuring compliance and effectiveness of the company's environmental operations while driving continuous improvement. The Environmental Logistics Department is the primary department responsible for environmental management, tasked with formulating and executing specific waste and pollutant control strategies. At the operational level, the company has established a four-tier environmental management system covering headquarters, regional management units, subsidiaries, and farm sites. Each level is staffed with dedicated environmental managers and technical teams who are responsible for the daily monitoring, management, and treatment of waste and pollutants, ensuring full-chain governance and oversight from source to endpoint.

Management Strategy and Measures

By 2025, the company aims to maintain a 100% compliance rate for waste treatment, a 100% resource utilization rate for liquid manure, and a 100% resource utilization rate for solid manure.

Muyuan's environmental facilities for farming operations include odor removal, solid-liquid separation, anaerobic digestion, biogas utilization, water-fertilizer storage, and agricultural support pipeline systems. To ensure stable operation of these facilities, a total of 7,543 inspections were conducted across farms, feed mills, harmless treatment facilities, and slaughterhouses in 2024. More than 2,000 environmental technical certification trainings were completed, and standardized operational training achieved 100% coverage. The company also continuously improves equipment performance and automation levels through technological innovation.

Environmental Technology Certification Training	Coverage of Standardized Operating Procedures (SOP) Training	2024 Cumulative Inspections of Aquaculture Facilities, Feed Mills, etc.
2,000+ sessions	100 %	7,543 sessions

Environmental System Innovation and Performance Indicators

Environmental Protection Operation System	Innovative Measures	Efficiency Indicators
Biogas Utilization System	Upgraded processes and equipment jointly support the purification and efficient use of biogas. Through desulfurization, decarbonization, and natural gas compression systems, biogas is purified into bio-natural gas with a methane content of over 96%.	Green bio-natural gas replaces fossil fuels, reduces combustion costs, and cuts greenhouse gas emissions by 493.1 thousand tonnes of CO ₂ e.
Pig Manure Treatment System	In-farm composting using windrow fermentation can complete the process within 15 days, reducing moisture content to below 45%, achieving sterilization, deodorization, and moisture reduction, with the final product used as high-efficiency organic fertilizer externally.	Fermentation volume loss reduced by 23.61%; fermentation period shortened to 15 days.
Sterilization and Deodorization System	Innovative targeted dosing of deodorants achieves precise application, reducing deodorant usage by 30%.	Ammonia removal rate > 97.3%; sterilization rate > 99.9%.
Aerobic Biochemical Treatment System	Introduced simultaneous short-cut nitrification and denitrification, with precise control of dissolved oxygen and sludge age, converting ammonia nitrogen into nitrate fertilizer. Aeration tank retention time reduced by 50%, construction costs reduced by 50%, and aeration energy consumption reduced by 25%.	Treatment efficiency doubled; energy savings of 2.69 kWh per pig.
Water-Fertilizer Return System	The configuration of booster pumps, pipelines, and pump sets was optimized, and inefficient original pipeline networks were restructured, increasing effective utilization from 89% to 93.8%. A variety of water-fertilizer application methods were developed and implemented-including reel-type sprinklers, upright rotary nozzles, electric drag sprinklers, and ground-inserted sprinklers-improving the precision and efficiency of fertilizer application. These technologies have been deployed across 277 farm sites.	The pipeline utilization efficiency reached 93.8%.
Harmless Treatment System	Intelligent equipment upgrades, including automated controls, remote data collection, and automatic fault alarms, improve production efficiency and reduce labor intensity. 20% of system upgrades completed.	Labor intensity reduced by 50%.

Waste management and emission control system

Emission Categories		Waste Sources	Emission Regulation
Waste water	Livestock Farming Wastewater	Animal Urine/Feces with Water Content and Cleaning During Breeding Process	<ul style="list-style-type: none">• Discharge Standard of Pollutants for Livestock and Poultry Breeding (GB 18596-2001)• Emission Standards for Odor Pollutants (GB 14554-93)• Technical Specification for Sanitation Treatment of Livestock and Poultry Manure (GB/T 36195-2018)
	Domestic Sewage	Domestic Sewage from Offices, Canteens, etc.	
Waste Gas	Odor	Livestock and Fecal Collection/Processing, Odor from Lairage Pens	<ul style="list-style-type: none">• Emission Standards for Odor Pollutants (GB 14554-93)• Discharge Standard of Pollutants for Livestock and Poultry Breeding (GB 18596-2001)• Integrated Emission Standard of Air Pollutants (GB 16297-1996)
	Boiler Exhaust Gas	Natural Gas Combustion	<ul style="list-style-type: none">• Emission Standard of Air Pollutants for Boiler (GB 13271-2014)• Emission Standard for Odor Pollutants (GB 14554-93)• Discharge Standard of Pollutants for Livestock and Poultry Breeding (GB 18596-2001)• Integrated Emission Standard of Air Pollutants (GB 16297-1996)
	Biogas	Crude Biogas Generated from Anaerobic Fermentation of Manure	
Solid Waste	General Solid Waste	Pig Hair/Hooves	<ul style="list-style-type: none">• Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill (GB 18599-2020)• Emission Standard of Pollutants for Livestock and Poultry Breeding (GB 18596-2001)• Technical Standard of Preventing Pollution for Livestock and Poultry Breeding (HJ/T 81-2001)• Technical Specification for Harmless Disposal of Dead and Diseased Animals• Standard for Pollution Control on Hazardous Waste Storage (GB 18597-2023)• Technical Specification for Sanitation Treatment of Livestock and Poultry Manure (GB/T 36195-2018)
	Gastric Contents	Gastric Contents from White Offal Production Process	
	Solid Manure	Solid Feces Separated by Solid-Liquid Separation	
	Residual Sludge	Residual Sludge from Wastewater Treatment Process	
	Dead Livestock and Poultry	Dead Pigs from Pig Production	
	Domestic Waste	Waste Generated During Living/Working Processes	

Emission Categories		Disposal Methods	
Waste water	Livestock Farming Wastewater	Recycling	After being treated with the "solid-liquid separation–anaerobic fermentation–aeration process" (applied at some farms), part of the farming wastewater is used for farmland fertilization during the fertilization season, and part is reused internally for odor control walls and pen cleaning after further treatment, achieving 100% resource utilization.
	Domestic Sewage	Recycling	The wastewater is centrally collected in the farm's fecal sewage treatment area and undergoes harmless treatment before being utilized as a resource.
Waste Gas	Odor	Sterilization and Deodorization Treatment	Innovative air-filtered pig houses are applied, and the exhaust gas is sterilized and deodorized through odor control walls with a deodorization rate of over 99.9%, achieving zero odor (Grade 0) with no disturbance to nearby residents.
	Boiler Exhaust Gas	Low-Nitrogen Combustion Technology	The equipment adopts "low-nitrogen combustion technology", and boiler exhaust gas meets relevant limits specified in national and local "Emission Standards for Air Pollutants from Boilers".
	Biogas	Recycling	After desulfurization and dehydration treatment, biogas is used for power generation, replacing natural gas for use in farming and feed mills. Surplus biogas is combusted.
Solid Waste	General Solid Waste	Recycling	After pre-treatment by extrusion, part of the material is sold for use in the production of protein feed.
	Gastric Contents	Recycling	After extrusion to reduce moisture content, part of the material is sold for the production of organic fertilizer.
	Solid Livestock and Poultry Manure	Recycling	After composting and fermentation on-site, the material is transported externally for producing organic fertilizer, used for planting fruits and vegetables, achieving resource utilization with zero discharge.
	Residual Sludge	Recycling	After pressure filtration to reduce moisture content, the material is sold for producing nutrient soil, green-use fertilizer, or used in earthworm farming.
	Dead Livestock and Poultry	Harmless Treatment	Equipped with harmless treatment plants, dead animals are processed through the method of "on-site temporary storage–sealed transportation–full-process monitoring–data verification–high-temperature rendering" to ensure zero loss of dead pigs, zero supervision blind spots, zero pathogen transmission, and zero environmental pollution.
	Domestic Waste	Centralized Treatment	Domestic waste is collected and temporarily stored at designated points within the site and transported daily by municipal departments to waste treatment plants for proper disposal

Risk Management of Waste and Pollutants

The company has implemented specific management measures for waste and pollution risks. In accordance with the Technical Specifications for Pollution Prevention and Control of Livestock and Poultry Breeding Industry (HJ/T 81-2001), the Regulations on the Prevention and Control of Pollution in Large-Scale Livestock and Poultry Breeding, the Measures for the Review of Animal Epidemic Prevention Conditions, and the Technical Guidelines for the Delineation of Livestock and Poultry Breeding Prohibited Zones, the company carries out risk identification and hazard management.

Waste and Pollution Management Measures

01



Triple-Prevention Measures

Multi-layer anti-seepage designs are applied to manure wastewater collection pools and treatment areas at farms, in line with the Technical Specifications for Pollution Prevention and Control of Livestock and Poultry Breeding Industry, effectively preventing contamination of groundwater and soil.

02



Rainwater and Wastewater Separation System

Rainwater drainage systems are designed in accordance with topography to achieve drainage, purification, storage, and utilization, ensuring smooth discharge of rainwater and preventing wastewater from entering rainwater channels, effectively reducing flooding risks and drainage pressure.

03



Hazardous Waste Disposal

Hazardous waste is stored centrally and disposed of by qualified third-party service providers. A traceable ledger system is in place to ensure compliant disposal. are installed, and collection, transportation, and treatment processes are standardized to ensure full-process traceability and control.

04



Prevention of Epidemic Disease Transmission Risks

Dead pigs are centrally and harmlessly disposed of. Monitoring systems are installed, and collection, transportation, and treatment processes are standardized to ensure full-process traceability and control.

Performance and Indicators of Waste and Pollutant Management

Indicator	2024
Manure wastewater resource utilization rate (%)	100
Volume of manure wastewater discharge (million m ³)	0
The output of pig manure (million m ³)	0.9058
Solid manure resource utilization rate (%)	100
Hazardous waste compliant disposal rate (%)	100
Harmless disposal rate of dead pigs (%)	100

During the reporting period, Muyuan paid 1.3064 million yuan in fines related to environmental issues. The company actively completed all rectifications in accordance with regulatory requirements, and the penalties did not have a significant impact on production and operations.

Responsible Action in Practice

Muyuan adheres to the concept of high-quality development, upholding the business philosophy of "producing healthy food for society, improving the quality of life for the public, and enabling people to enjoy a prosperous life." The Company firmly believes that "high-quality pork comes from pigs living high-quality lives." Starting from the source, Muyuan strengthens quality and safety management, solidifying the foundation of product quality and building a food safety ecosystem.

Employee Empowerment and Development
Occupational Safety and Health
Innovation and Intellectual Property Protection
Sustainable Supply Chain
Rural Revitalization and Giving Back to Society
Respect and Protection of Human Rights
Food Safety and Consumer Rights
Animal Welfare
Antibiotics Use Management



Employee Empowerment and Development

Ensuring full employment and decent work is a key cornerstone of sustainable enterprise development. Muyuan strictly complies with domestic laws such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, and adheres to internationally recognized human rights policies including the United Nations' Universal Declaration of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the Ten Principles of the United Nations Global Compact. The Company always upholds the principles of equality and non-discrimination in employment, and does not discriminate against employees on the basis of gender, region, ethnicity, skin color, religion, age, nationality, disability, or marital status. Muyuan is committed to promoting a diverse workforce, respecting and safeguarding employee rights as well as occupational health and safety, and striving to build harmonious, stable, and healthy labor relations.

Muyuan voluntarily complies with the human rights commitments and labor standards set out in the Ten Principles of the United Nations Global Compact, as follows:

Principle 1:Businesses should support and uphold the protection of internationally proclaimed human rights.

Principle 2:Businesses should make sure that they are not complicit in human rights abuses.

Principle 3:Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4:Businesses should support the elimination of all forms of forced and compulsory labor.

Principle 5:Businesses should support the effective abolition of child labor.

Principle 6:Businesses should support the elimination of discrimination in respect of employment and occupation.

Compliant Employment

The Company continuously improves its human resources management system, strictly prohibits child labor and all forms of forced labor, and actively safeguards employee rights. Through the implementation of internal policies such as the Labor Contract Management Measures, Personnel Management System, Leave Management System, Attendance Management System, Total Compensation Management System, and Reserve Cadre Management System, Muyuan standardizes recruitment, promotion, compensation, and benefits management to ensure compliant operations. The Company is committed to equal pay for equal work for men and women, maintains compensation and benefits levels above the statutory minimum standards, and strictly complies with working hour regulations, prohibiting excessive overtime. Meanwhile, Muyuan supports employees' rights to collective bargaining and freedom to form labor unions.

In 2024, there were no incidents of child labor or any form of forced labor.

To ensure the protection of employee rights, Muyuan has taken the following measures:

Elimination of child labor:Strict enforcement of the Provisions on the Prohibition of Using Child Labor. During recruitment, the Company verifies the age of applicants to eliminate the use of child labor.

Prevention of forced labor:During employee management, the Company prohibits the withholding of identification cards, passports, or other personal documents to prevent forced labor.

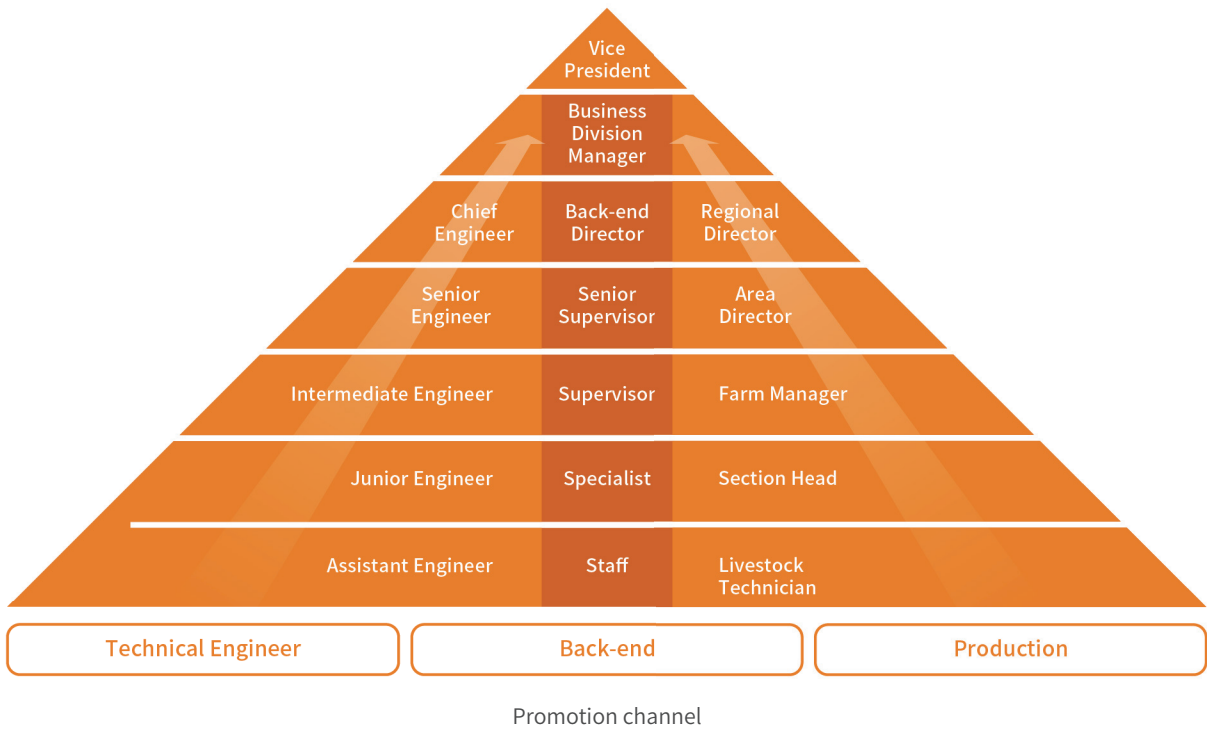
Legitimate employment practices:Muyuan signs written labor contracts with employees that comply with labor law requirements and pays five types of statutory social insurance and housing provident fund contributions in accordance with regulations. Contract terms are recognized by labor authorities to ensure compliance with relevant laws and regulations.

Standardized Career Development

Unimpeded Career Advancement Channels

Muyuan attaches great importance to employees' holistic development and has carefully designed a scientific, transparent, and diversified career development path. The Company provides ample opportunities for vertical promotion while also expanding horizontal development channels. By comprehensively evaluating employees' performance, capabilities, qualities, and personal aspirations, Muyuan is committed to cultivating outstanding leaders and realizing the full potential of its talents.

The Company adheres to the principle of allowing capable employees to rise and unfit ones to step down. Even demoted employees can be re-promoted if they possess the necessary qualifications and capabilities. In the selection of management personnel, the Company insists on transparency to ensure fairness and justice. Employees who experience unfair treatment during selection processes may file anonymous complaints, and any form of retaliation is strictly prohibited to safeguard employees' legitimate rights and interests.

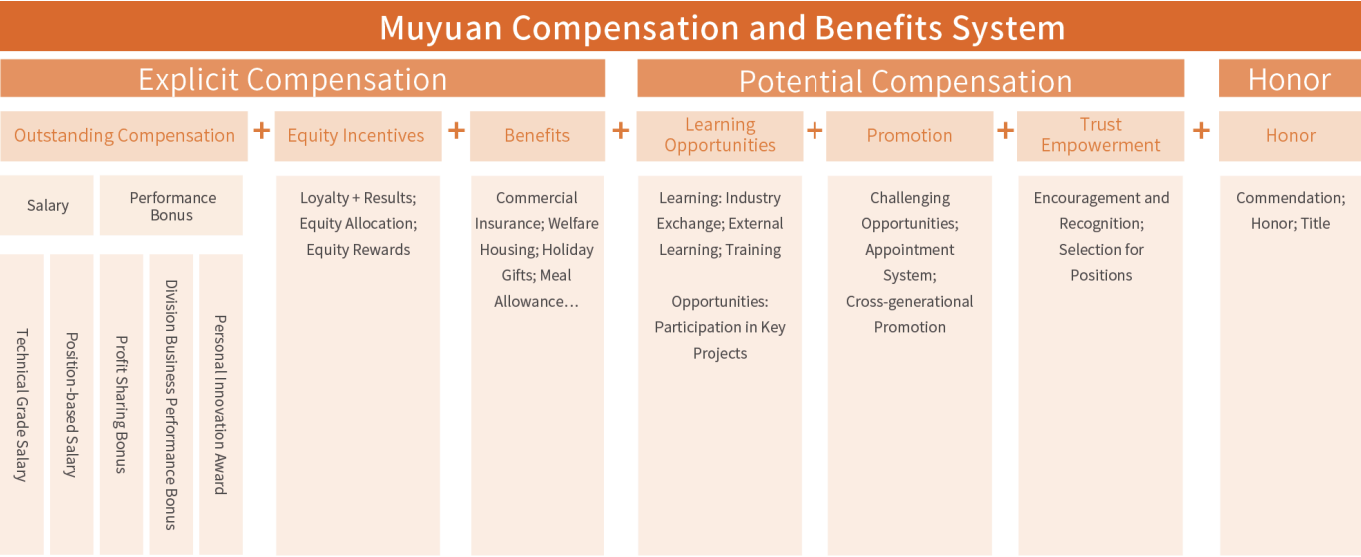


Fair Incentive Policies

Muyuan upholds the principle that "those who create value share in its rewards" and implements a distribution system based on labor, ensuring that efforts are fairly compensated. The Company has established a comprehensive compensation system that includes base salary, performance-based pay, and equity incentives. Employees are further motivated through job level promotion, learning and development, and honor-based benefits, allowing them to share in the Company's growth.

Innovative Incentive Mechanisms

Muyuan continues to innovate its incentive mechanisms, upholding a value-oriented approach and optimizing the remuneration plan for farming technicians. Through a benefit-driven system that guides employee behavior, farming technicians can clearly understand how to earn higher salaries, with support provided in management, technology, and equipment. This enables employees to raise pigs well and earn high incomes. As of the end of 2024, Muyuan had implemented three phases of ESOP (Employee Stock Ownership Plans) and three rounds of RSU (Restricted Stock Unit) incentives, with a total of 12,121 participations. In 2024, the average annual salary of Muyuan employees reached 125.3 thousand yuan.



Innovation-Driven Progress with Determination

Muyuan designates June 22nd of each year as "Pig Farming Day," focusing on recognizing leaders and teams of innovation projects. This initiative aims to inspire breakthroughs and leadership from multiple fronts, transform innovation capabilities into a driving force for productivity, ensure the effective application of R&D achievements, and continuously promote industry advancement.



Muyuan's 19th Pig Farming Festival Award Ceremony

Diversified Learning Platforms

Aligned with the Company's development strategy, Muyuan optimizes its talent cultivation system by offering systematic and targeted training programs. Relying on corporate culture, vision management, goal management, operational management, and professional technical capabilities, the Company continuously improves its diversified learning platforms and resources, aiming to foster well-rounded talent and fully support employees' growth and career development.

Type	Target Participants	Training Content and Objectives
New Employee Orientation and Professional Training	All employees	Through a combination of online and offline formats, courses such as corporate culture orientation, onboarding essentials, and professional etiquette are provided to help new employees quickly adapt to their roles, establish correct values and thinking patterns, and ultimately realize their potential.
Professional Skills Training	Junior Engineers	Job-related SOP process training is provided to help employees quickly master operational processes and work skills for efficient onboarding.
	Intermediate Engineers	Training is designed to further strengthen higher-level professional capabilities while continuously enhancing key project management skills, fostering their development into well-rounded and high-performing leaders.

Management Capacity Training	Mid- to Senior-level Managers	Leadership development programs cover vision management, goal setting, performance management, mechanism building, innovation, and talent development. Managers are paired with mentors and coaches for one-on-one empowerment, promoting insight and self-awareness among senior leadership.
General Skills Training	All employees	Standardized training on basic office software, communication, time management, project management, and professional etiquette to improve vocational competencies and overall soft skills, emphasizing self-management and teamwork.
Learning Resources	All employees	Resources such as the AI Pig World and internal learning platforms are provided to support continuous self-learning and development.

Muyuan Employee Training System

In 2024, Muyuan invested 720 million yuan in employee training. On average, each employee received 37 days of training, achieving a 100% training coverage rate and continuously enhancing labor skills and job competitiveness.



Corporate Culture Training

Structured Mentorship Program

Muyuan implements a mentorship system across all levels to empower every employee. Upon onboarding, new employees are matched with experienced mentors who are not only technically proficient but also possess strong moral character. These mentors provide both professional and personal guidance to help new employees adapt quickly, acquire necessary skills, and succeed in their roles.

In September 2024, Muyuan successfully held the 16th Baishi Ceremony (Traditional Master-Disciple Rite) under the theme "Let the future generation stand on my shoulders to realize their own lives." Mentees looked up to their mentors as role models, embraced learning with humility, and made remarkable progress. Throughout the year, the Company matched 36.4 thousand mentors with 79.1 thousand mentees, enabling mutual growth and development.

The 16th Master-Apprentice Ceremony

Robust Talent Selection Mechanism

Muyuan has established clear standards for managerial positions and selects outstanding talents through a well-structured talent assessment mechanism. The Company has implemented a "High-Potential (HiPo) Talent Pool" to provide targeted empowerment to selected individuals. Additionally, through a combination of empowerment programs for new leaders and dedicated mentor matching, newly appointed managers are supported in rapidly adapting to their roles. This mechanism spans the entire process of talent selection, appointment, transition, and value creation, ensuring the efficient operation and sustainable development of the management team.

Talent Pool Types	Training Program
Tier-1 Director Talent Pool / Key Project Leader Talent Pool	<ul style="list-style-type: none">• Executive mentorship• Participation in key company-level meetings with coaching• Mandatory knowledge and skills certification: books, leadership standards, management tools• Job rotation• Key project assignments• External learning opportunities
Tier-2 Director Talent Pool / Farm and Section Head Talent Pool	<ul style="list-style-type: none">• Key project (campaign) assignments• Coaching pairing• On-site mentoring• Specialized training sessions• Five Mutuels: mutual help, mutual learning, mutual questioning, mutual testing, mutual evaluation• Thematic discussion sessions• Regular performance reporting

Enhanced Benefits and Leave Policies

We have developed a comprehensive benefits and leave policy to support employees in achieving a balance between work and life. In terms of leave, in addition to ensuring employees enjoy statutory holidays and paid annual leave, we also provide various types of leave, including sick leave, home visit leave, marriage leave, bereavement leave, maternity leave, parental leave, and personal leave. Based on the Company's production and operational characteristics, we implement flexible measures such as rotating shifts, fragmented time management, and flexible attendance systems to ensure a proper balance between work and rest, and to prevent excessive overtime.

In terms of employee benefits, we continuously expand and improve our benefits system to meet the diverse and personalized needs of employees. Our benefits cover nine key areas: clothing, food, housing, transportation, daily necessities, education, healthcare, emotional well-being, and financial support. We offer a wide range of benefits including holiday gifts, subsidized company housing, birthday celebrations, newborn care, and mother-and-baby rooms.

In addition, with a focus on employee sharing and participation, we have established a diversified benefits platform, the JU'AI Platform, which supports programs such as health check-ups and family care. These initiatives are designed to provide employees with more convenient and thoughtful benefits, enabling them to work without worries and enhancing their sense of belonging and satisfaction.

A Diverse, Equitable, and Inclusive Work Environment

We are committed to creating a discrimination-free and harassment-free work environment, ensuring that all employees are respected and receive fair opportunities on an equal basis, regardless of gender, region, ethnicity, skin color, religious belief, age, nationality, disability status, or marital status. We offer exclusive holidays for ethnic minority employees and respect their religious beliefs. As of now, we have actively created 541 disability-inclusive positions with accessibility accommodations. Our goal is to foster a harmonious,

diverse, equal, and inclusive Muyuan Family.

Moreover, we attach great importance to protecting employees' rights and occupational health and safety. To this end, we have developed internal policies such as the Employee Code of Conduct, which clearly defines human rights protections and behavioral standards. Through comprehensive training, communication, and grievance mechanisms, Muyuan continuously strives to build harmonious, stable, and healthy labor relations.

Care for Female Employees

Muyuan implements the principle of gender equality and actively promotes the career development of female employees. As of the end of 2024, the Company had 25,876 female employees, accounting for 19.36% of the total workforce, with women holding 27% of senior management positions.

We encourage dual-career couples to seek employment together. Currently, there are 9,142 such couples employed at the Company. To recognize couples who have demonstrated outstanding job performance, we present the annual Model Couple award to inspire more employees to achieve balance and success in both their professional and family lives.

Furthermore, the Company continuously optimizes its employment system, with particular attention to female employees who wish to return to work after childbirth. We develop personalized development paths based on each employee's individual needs and career development plans, ensuring continued utilization and promotion opportunities, and supporting their smooth reintegration into the workplace.

Muyuan female employees female executive ratio

25,876 persons 27%

The Company strictly complies with national laws and implements maternity and breastfeeding leave policies. We provide maternity leave and regional observances (e.g. Guangxi's Zhuang Ethnic Third Moon Third Festival), as well as paternity leave for male employees, to ensure effective protection of women's legitimate rights and interests. We fully support women's health by organizing physical examinations and corporate-sponsored mobile health screenings, and by providing mother-and-baby rooms and single-occupancy dormitories to make the workplace more accommodating for women.



Free Women's Health Clinic

Comprehensive Employee Care

Employee Well-being

HR Assistant Welfare Platform

Muyuan has developed a full-scenario welfare platform to improve employee well-being. The platform covers eight major areas-insurance, work attire, dining, housing, transportation, and more-providing full support for employees' daily needs.

● **JU'AI Preferred Service Platform**

Muyuan is committed to improving employees' quality of life by providing high-quality living services in areas such as clothing, food, housing, transportation, and education, thereby enhancing employees' sense of happiness and belonging.

● **Comprehensive Health Management System**

In 2024, Muyuan launched a health management program that included the introduction of a digital health system, regular free clinic services, vaccination programs, and health education. The annual physical examination coverage rate for employees reached 100%, significantly improving health awareness across the Company.

● **Care for Families of Expatriate Employees**

In 2024, Muyuan visited approximately 200 families of expatriate employees and established a dedicated Welfare Group for Expatriate Employee Families, providing comprehensive support in medical care, education, and health check-ups.

● **Employee Support and Assistance**

Muyuan implemented an employee assistance program, delivering care and support to 60 individuals with a total amount of 699.7 thousand yuan. The Company continues to conduct surveys on employees in hardship and has improved its support mechanisms to ensure that "assistance is provided when difficulties arise." At the same time, labor union activities are used to expand inclusive benefits.

● **Care for Retired Employees**

During the Spring Festival, the Company organized a gathering event where Muyuan representatives delivered New Year gifts and greetings to retired employees. They were also invited to visit the Company headquarters and the industrial chain to enhance their sense of honor and belonging.



Ju'ai Select Service Platform

NextGen Family Enrichment Initiative – Building Happy Families

Upholding the philosophy of "bringing happiness to every family and joy to every child," Muyuan established the NextGen Family Enrichment Initiative platform to provide children with opportunities for learning, growth, and broadening horizons, helping them develop sound values and a positive outlook on life. The platform also encourages communication and joint learning among parents, enabling shared progress between parents and children, creating a brighter future in Muyuan Park, and enjoying a prosperous life together.

Winter/Summer Vacations, Holidays, Weekends				
Headquarters/Regional Parent-Child Project Conferences	Winter/Summer Study Camps	Gifts for Employees' Children	Parent-Child Sports Games	"Shining Kids" Recognition
Selection of Outstanding Dual-Employee Families	Interest Classes for Employees' Children	Muyuan Family Open Day	Workplace Experience for Employees' Children	Social Practice Activities for Employees' Children

Regular Activities	
Family Education Lectures	Childcare Services for Employees' Children

Annual Activities		
School Admission Support for Employees' Children	Scholarships for Employees' Children	College Application Guidance Seminars

NextGen Family Enrichment Initiative Conferences

In 2024, Muyuan held the 38th and 39th Mother-Child Program Conferences, where children showcased their learning achievements and parents shared valuable educational philosophies and methods. These events fostered deeper understanding, mutual care, and shared growth among participants.



The 39th Maternal and Child Project Conference

Family Open Day

Family is the strongest support system for employees, and Muyuan's steady development would not be possible without the full support and selfless dedication of every employee's family. Muyuan hosts Family Open Day events, inviting employees' families to visit the Company, tour facilities, experience corporate culture, and observe employees' work, thereby enhancing the recognition and pride of employee families.



Family Open Day Group Photo

Childcare Services for Employees' Children

Muyuan integrates high-quality educational resources to provide childcare services and a wide range of interest-based classes, enriching the after-school life of employees' children, nurturing their interests and hobbies, broadening their horizons, and helping them continuously challenge themselves and grow freely and happily.



Ju'ai Tutoring Program



Interest-based Classes

Muyuan actively supports the education and development of employees' children by organizing one-day camps, summer/winter camps, and domestic and international travel programs. These initiatives help children explore the world, discover new things, gain life experiences, and broaden their perspectives and understanding.



Beijing Study Tour



Greater Bay Area Study Tour

Cultural Activities

Muyuan is dedicated to fostering a joyful and comfortable work environment for its employees. To enrich their lives, we host a variety of cultural events, including:

National Day Gala	Sports Day	Spring Team-Building Trip
Winter Solstice Event	Qixi Festival Celebration	Spring Festival Gala
National Day Gala	Through performances such as singing, dancing, comic skits, and drama, Muyuan employees conveyed their corporate culture and management philosophy, showcasing Muyuan's commitment to creating value and social responsibility in line with national policies, while reflecting employees' patriotism.	
Sports Day	Muyuan organizes exciting sports events that ignite employees' enthusiasm through physical activity. Employees continuously challenge themselves and foster unity and teamwork during the events.	

Spring Festival Gala

Employees' families are invited to join the celebrations at Muyuan sites to welcome the Lunar New Year together with their loved ones.



National Day Gala



Fun Sports Day

Employee Democratic Management

Muyuan has improved the management system of the Employee Representative Congress and labor unions, and developed a democratic management plan to ensure employees' right to information, participation, and supervision, encouraging full participation in company management. The Employee Representative Congress regularly organizes proposals focused on management, compensation, education, and welfare. Each department is responsible for collecting and responding to feedback, with a closed-loop mechanism in place to provide written replies to all submitted proposals.

To safeguard employees against workplace violations (e.g., bullying, harassment, or abuse of power), Muyuan enforces strict policies prohibiting managerial misconduct. Employees' legitimate rights to participate in democratic management are guaranteed. We provide both anonymous and real-name reporting channels, ensure strict confidentiality of whistleblowers, and impose disciplinary actions including

让员工在牧原有一个说理的地方

— 爱人如己 成就他人 —

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诉求快速响应 员工快乐工作

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3、智慧牧原—AI猪世界—日常—说理通道
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关注“牧原集团”公众号—联系我们—说理通道


开放平台 畅所欲言 敢说真话 共同成长


Complaint-Response Channel Poster

dismissal for violations. When necessary, cases are referred to judicial authorities. An emergency appeals channel is also available, allowing employees to report issues directly to senior management for timely resolution. At the same time, we have established Open Dialogue Channels,, providing employees with a space to express their concerns and reasoning. These channels ensure smooth reporting and resolution of issues related to compensation, benefits, dining, and more, and are open to all employees. We ensure 100% handling and feedback of employee requests, driving business correction and optimization, effectively safeguarding employees' basic rights, and fully guaranteeing their rights to expression and supervision. This stimulates employees' enthusiasm and creativity and continuously strengthens the Company's democratic management system.

In 2024, Muyuan collected a total of 12,289 employee feedback entries, covering areas such as human resources, compensation, benefits, and dining. During the reporting period, the complaint acceptance rate reached 100%, and the complaint resolution rate reached 99.7%, effectively improving employee satisfaction and participation in management.

Anonymous Feedback Channels

 Complaint and Reporting Email

 Dedicated Complaint Hotline

Real-name Feedback Channels

HR Assistant

Intelligent Mumu

Union Hotline

HR Hotline

AI Assistant

Salary Appeal Channel

Audit Channel

Open Dialogue

Muyuan has always regarded employees as family. On the basis of safeguarding employees' basic rights, Muyuan attaches great importance to employee care. Centered around clothing, food, housing, transportation, healthcare, utilities, emotional well-being, and entertainment, we have built the Employee Happiness Project, continuously creating a comfortable working and living environment and providing favorable benefits.



The 7th Muyuan Sports Meeting

Occupational Safety and Health

Safety Management Policy

Muyuan consistently adheres to the principle of "safety first," strictly complying with the Work Safety Law, Fire Protection Law, Emergency Response Law, and other relevant regulations. We have set a "zero-accident" safety goal and uphold the principle that "those who manage business must also manage safety." All business lines fully implement the Company's safety management requirements, strengthening the safety management system to ensure risk control and overall safety stability.

In 2024, Muyuan invested 150.56 million yuan in work safety. The ISO 45001 certification rate for safety-related operations reached 40%.

In 2025, Muyuan has set a target of zero fatalities in work safety and plans to increase the ISO 45001 certification rate to 100%.

Five Major Safety Management Mechanisms

- Mechanism for Risk Classification Control and Hazard Identification & Rectification
- Education, Training, and Personnel Certification Mechanism
- On-site Management Mechanism
- Emergency Management Mechanism
- Supervision and Evaluation Mechanism

Three Core Principles of Safety Management

Strengthen Safety Responsibilities

Each department bears the primary responsibility for safety management. .Managing business must include managing safety.

Eliminate Hazards at the Source

Each department must take full responsibility for work safety, eliminating risks from the source through process design to prevent accidents and achieve intrinsic safety.

Third-party Safety Supervision

Strengthen supervision and performance assessment to achieve a closed-loop safety management system.

Eight Safety Philosophies

- Safety is the outcome. All safety incidents can be prevented, and all hazards can be controlled.
- Safety stems from design, quality, accountability, and competence.
- Zero tolerance for all violations of safety rules and regulations.
- Managers at all levels are directly responsible for safety within their business scope.
- Safety requires the participation of all employees and must be managed comprehensively throughout the entire process and in all aspects.
- All employees must complete safety training before starting work.
- Managers at all levels must carry out safety inspections, and any identified hazard must be promptly rectified.
- All incidents require immediate reporting, analysis, and resolution.

Safety Management System

Muyuan has established a three-tier safety management structure spanning headquarters–regional–subsidiary levels. The Board of Directors directly oversees major safety-related decisions and receives reports from the Headquarters Safety Production Committee. At the regional and subsidiary levels, Safety Production Committees are set up accordingly. At the same time, Muyuan has built the Safe Muyuan co-governance platform, enabling all employees to report hazards in real time, track rectification progress, and submit suggestions, thereby realizing a closed-loop system of decision-making, execution, supervision, and feedback for multidimensional risk prevention and control.

Muyuan ties executive KPIs to EHS Indexs, while advancing its 'Safety Ownership by All' initiative. The Company strictly implements the System Linking Safety Performance and Compensation and Hazard Classification Assessment Standards. Safety Production Committees at all levels are responsible for analyzing the safety situation, reviewing annual safety plans, inspecting the progress of safety work, reporting to the Board of Directors, and implementing the risk classification control and hazard identification & rectification mechanisms to ensure dynamic elimination of risks and hazards.

Safety Risk Management

Risk Prevention and Identification

Muyuan strengthens risk prevention by building a "dual-control mechanism," which involves both safety risk classification control and hazard identification and rectification. Regular special safety inspections are carried out, safety manuals are formulated, and weak links in safety risks are assessed and eliminated. The Safety Risk Team developed a Hazard Mapping System (e.g., color-coded risk zones for different worksites) to ensure comprehensive control of hazardous operations, including approval, supervision, and video monitoring, ensuring full-cycle safety management for contractors and focusing on risks such as extreme weather.

Muyuan attaches great importance to safety conditions before the commissioning of new projects and adopts a joint acceptance approach to conduct comprehensive inspections and evaluations, identifying and preventing potential safety risks in a timely manner. This ensures compliance with industry standards and legal regulations. Meanwhile, Muyuan provides employees with personal protective equipment (PPE) to ensure occupational safety, identifies risks in confined space operations, issues the Confined Space Operations Management System, implements technical modifications, upgrades protective measures, and continuously reduces safety risks to improve safety performance.

Muyuan has established a electrical safety cloud-based monitoring platform and uses an electrical safety monitoring and early warning system powered by IoT technology to conduct uninterrupted big data analysis and AI calculation on key fire risk factors (such as wire temperature, current, voltage, and leakage current). This system can identify potential electrical hazards in real time (such as abnormal cable temperatures, short circuits, overloads, overvoltage, undervoltage, and leakage), and helps locate and address on-site power failures. Currently, the Company has installed 13,869 electrical monitoring devices, achieving 98% coverage across all facilities, effectively preventing electrical fires.

Emergency Safety Management

Muyuan has established an emergency management framework for safety and formulated various contingency plans, including the Contingency Plan for Water Supply Disruptions, Emergency Plan for Fires in Multi-Storey Pig Houses, and Emergency Power Outage Plan. Through the allocation of emergency supplies and enhancement of emergency drills, the Company improves its ability to prevent and respond to unexpected safety incidents.



Safety Inspection

Safety Culture Development

Muyuan promotes safety awareness and builds a long-term mechanism through safety culture initiatives. The Company has established the "Safe Muyuan" platform, on which all employees study General Secretary Xi Jinping's important discourses on work safety and watch relevant documentary programs to strengthen safety culture. In 2024, Muyuan provided safety training and capability certification to 133,642 employees, reinforcing accountability for safety production and clarifying bottom-line responsibilities. During the reporting period, both the safety training coverage rate and safety capability certification rate reached 100%.

To strengthen frontline safety management, Muyuan organizes morning meetings before work every day. These meetings are held at the production team or workshop level and are presided over by the site or plant manager or team leader. Each meeting lasts no less than five minutes, with longer durations for teams engaged in complex or high-risk operations. The goal is to ensure employees are proficient in safety operating procedures and emergency response skills. The entire process is required to take place within the range of video

surveillance, and business lines and safety inspectors include this activity as a key part of daily inspections and random checks. Through this mechanism, employees gain a clearer understanding of their job responsibilities and safety requirements, maintaining alertness and ensuring safe operations.

Occupational Health Management

Muyuan strictly complies with the Law on the Prevention and Control of Occupational Diseases and adheres to the principle of "prevention first, combining prevention with control." The Company systematically identifies and controls occupational hazards such as dust, noise, and high temperatures, building a "training-protection-monitoring" integrated prevention system (training-protection-monitoring trinity). Through the development of a comprehensive occupational health training system, awareness campaigns, optimization of dust and noise control measures, and upgrades of personal protective equipment, Muyuan creates a safe working environment. The Company has established occupational health records and regular medical examination systems, strengthened accountability for safety performance at the management level, and ensured a closed-loop process for occupational health management. In 2024, Muyuan conducted 57 company-wide occupational health training sessions, achieving 100% employee participation.

At Muyuan's feed mills, occupational disease hazard control is strictly enforced in accordance with relevant laws and regulations, with safety-focused upgrades implemented. This includes automation of production lines, deployment of high-efficiency dust removal equipment, and dynamic dust monitoring throughout the production process to reduce operational risks at the source. Muyuan mandates annual occupational health screenings for all employees, and the Company has maintained zero pneumoconiosis cases for consecutive years.

Muyuan follows the WHO's initiative to combat antimicrobial resistance and places great importance on occupational health risk prevention. In light of the characteristics of the farming industry, the use of antimicrobial drugs is incorporated into the employee health management system. Muyuan enforces the national antibiotic reduction policy, optimizes farming processes and biosecurity measures, and regularly conducts training on the rational use of antimicrobials and resistance monitoring to effectively reduce the risk of occupational exposure.



Fire Safety Public Awareness Campaign



Safety Training Conference



Fire Safety Drill

Contractor Safety

Muyuan places great importance on contractor safety and has issued the Safety Management Regulations for Contractors and Partners, which specify requirements for contractor safety qualifications and supervise safety during on-site construction and special operations. Inspection and evaluation are mandatory. To raise contractor safety awareness, Muyuan organizes safety production education and training for contractors and requires health examinations before entering the site.



Contractor Safety Training

Innovation and Intellectual Property Protection

Muyuan attaches great importance to and actively encourages technological innovation, continuously increasing R&D investment, providing a favorable environment for innovation, and attracting outstanding research talents. The Company has established and improved innovation incentive mechanisms and built innovation and R&D platforms. In 2024, the Company incurred R&D expenses of 1.747 billion yuan, accounting for 1.27% of its revenue. As of the end of 2024, Muyuan had undertaken 8 national key research projects and received 5 provincial-level Science and Technology Progress Awards.

Building Innovation and R&D Platforms

Promoting Industry-University-Research Integrated Development

Through partnerships with universities and the joint establishment of industrial research institutes, Muyuan has achieved deep integration of industry, academia, and research, enhancing new quality productive forces. The Company has conducted forward-looking R&D with institutions such as Westlake University and Henan Agricultural University in areas including synthetic biology, intelligent farming, environmental management, disease prevention and control, and nutrition and health, setting a new benchmark for integrated innovation and ensuring the supply of healthy and nutritious pork products.

Establishment of Muyuan Laboratory – Focusing on Industry-University-Research Collaboration



On June 23th, 2024, the Muyuan Laboratory held the inaugural session of its First Academic Steering Committee. At the meeting, the laboratory presented its construction plans, current progress, and the first batch of proposed projects, and discussed key future research directions.

Strengthening Intellectual Property Protection

Muyuan places strong emphasis on and safeguards intellectual property (IP). The Legal Department has a dedicated IP team responsible for managing IP-related matters. Meanwhile, the Company enhances employees' awareness of IP protection and improves the competitiveness of the corporate brand.

Muyuan strictly complies with the Trademark Law of the People's Republic of China, Patent Law of the People's Republic of China, and Copyright Law of the People's Republic of China, continuously improving its IP protection system. The Company has established a set of management policies, including the Patent Management Policy, Trademark Usage Management Policy, Computer Software Usage Management Policy, Font Usage Guidelines, and Image Usage Guidelines, to strengthen the protection of trademarks, patents, copyrights, and other IP rights.

IP Protection Mechanisms and Measures

As of the end of 2024, Muyuan and its subsidiaries had cumulatively filed 2,276 patent applications and obtained 1,764 granted patents. In 2024 alone, the Company filed 136 patent applications and received 138 granted patents (including those applied in previous years but granted in 2024).

Cumulative Patents Applied

2,276 cases

Cumulative Patents Granted

1,764 cases

Sustainable Supply Chain

Adhering to the commercial values of "fairness and justice, openness and transparency, efficiency and mutual benefit," Muyuan actively builds an interconnected industrial sharing platform and establishes multidimensional partnerships with business partners. The Company promotes the construction of a sustainable supply chain, enhancing suppliers' compliance capabilities in ESG governance, environmental protection, and labor rights. These efforts support the low-carbon transformation of the entire value chain and foster an environmentally friendly, sustainable, and competitive industrial ecosystem. As of the end of 2024, Muyuan had empowered 8,186 suppliers through its industrial chain, generating over 500,000 jobs, with domestic Chinese suppliers accounting for 99% of the total.

Localized Procurement

Muyuan actively promotes localized procurement, which not only significantly reduces greenhouse gas emissions during transportation but also effectively supports local economic development, delivering positive environmental, social, and economic impacts. In 2024, locally sourced grain raw materials accounted for 81.40% of Muyuan's total grain procurement.

Supplier Distribution	
Suppliers in China (including Hong Kong, Macau, and Taiwan)	8,164
Overseas Suppliers *	22
Total Number of Suppliers College Application Guidance Seminars	8,186

*Note 1: Overseas suppliers include those with direct overseas cooperation, as well as those cooperating through domestic agents.

Sustainability Certifications for Suppliers

Muyuan prioritizes suppliers with sustainability and quality certifications. In 2024, 191 suppliers obtained ISO 9001 (Quality Management System) certification, and 97 suppliers obtained China HACCP (Hazard Analysis and Critical Control Point for Food Safety) certification.

Supplier Certification		
Quality Certifications (number of suppliers)	ISO 9001 Certified Suppliers	191
Food Safety Certifications (number of suppliers)	China HACCP Certified Suppliers	97

Supplier Code of Conduct

Muyuan has established a Supplier Code of Conduct, which clearly requires suppliers to fulfill their environmental responsibilities, protect labor rights, and actively perform social responsibilities.

Environmental Protection

- **Environmental Management:**Suppliers shall adopt clean production methods to control and reduce harmful emissions such as wastewater and exhaust gases generated during operations.
- **Greenhouse Gases:**Suppliers shall reduce greenhouse gas emissions through energy-saving measures, use of clean energy, or other methods.
- **Energy Use:**Suppliers shall conserve energy and prioritize the use of clean energy.
- **Water Resources:**Suppliers shall use water resources legally and in compliance with regulations, continuously optimize water efficiency, and reduce water waste.
- **Waste Management:**Suppliers shall minimize the generation of waste and dispose of hazardous waste in accordance with laws and regulations. Suppliers must not import, bring into the country, dump, pile, or place any overseas solid waste by any means.
- **Biodiversity:**Suppliers shall prioritize the procurement of sustainable soy products, implement zero-deforestation planting or sourcing, and reduce impacts on biodiversity.

Labor and Human Rights

- **Prohibition of Child Labor and Forced Labor:**Suppliers shall strictly prohibit child labor and resist any form of forced labor.
- **Compliant Employment:**Suppliers shall protect employees' lawful rights and respect their right to collective bargaining.
- **Legal Compensation and Benefits :** Suppliers shall strictly comply with labor laws, pay employees no less than the minimum wage, and provide legally mandated benefits.
- **Anti-Discrimination:** Suppliers shall ensure that employees are not subject to any form of discrimination based on skin color, race, gender, religion, etc., and shall ensure equal career development opportunities.
- **Prevention of Abuse and Harassment :** Suppliers shall commit to eliminating all forms of abuse and harassment in the workplace. No employee shall be coerced through harsh or inhumane treatment, including but not limited to verbal abuse, psychological harassment, mental or physical coercion, and sexual harassment.

Health and Safety

- **Work Environment and Conditions:**Suppliers shall provide employees with a clean and safe working environment to ensure their safety and well-being.
- **Occupational Health and Safety:**Suppliers shall establish procedures and systems to prevent, manage, track, and report work-related injuries and illnesses, including: establishing health and safety training mechanisms; classifying and recording cases of injuries and illnesses, investigating cases and implementing corrective measures to eliminate root causes; and supporting injured or ill employees in recovering and returning to work.

Sustainable Supply Chain Strategic Objectives

To enhance ESG governance capabilities in the supply chain and build a sustainable value chain, Muyuan has established the following supply chain targets:

Supply Chain Capacity Building

By 2026, achieve 100% ESG training coverage for core suppliers.

Supply Chain Transparency

By 2025, ensure that 30% of suppliers provide transparency reports covering source, production process, and social responsibility performance.

Supply Chain Sustainability

By 2026, ensure that 95% of key suppliers meet the Company's sustainability standards, including environmental protection, social responsibility, and governance requirements.

Supplier Admission Management and Due Diligence Procedure

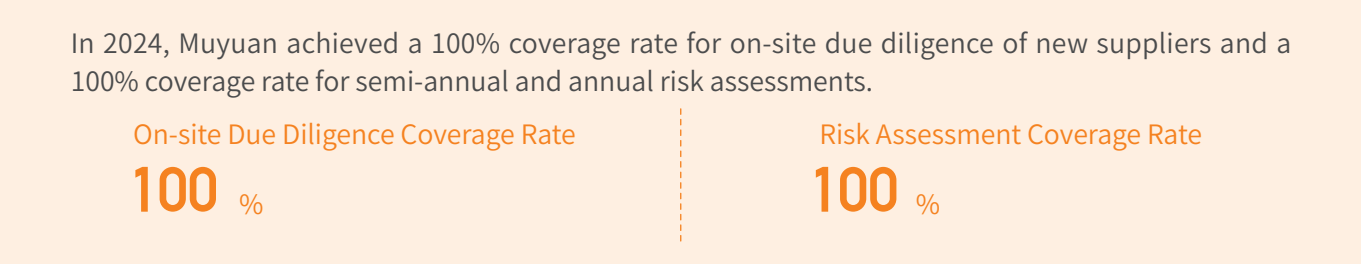
Muyuan integrates health, safety, and environmental requirements into the qualification review process for new suppliers. The Company follows the OECD Due Diligence Guidance for Responsible Business Conduct and has developed a dedicated ESG due diligence procedure for suppliers, which includes three main steps:



ESG Risk Assessment in the Supply Chain

Muyuan places great importance on ESG risk management in the supply chain and has developed and implemented a supplier performance evaluation system. The Company conducts semi-annual and annual risk assessments of all suppliers, focusing on their actual performance and risk issues in areas such as

environmental governance, labor rights protection, and fulfillment of social responsibilities. Based on the evaluation results, suppliers are classified into four tiers. Based on the evaluation results, suppliers are classified into four tiers. Muyuan conducts on-site assessments twice a year for strategic suppliers. In addition, for suppliers with significant changes in procurement volume within six months, on-site visits are also conducted during the same year to ensure a healthy and sustainable supply chain.



ESG Training for Suppliers

Muyuan provides training for suppliers to enhance their ESG governance capabilities. Training topics cover anti-corruption, biosafety, supply chain finance, logistics visualization, and other areas to promote mutual growth. In 2024, the Company empowered 8,144 suppliers through training, achieving 100% ESG training coverage for core suppliers.



Supplier Management Performance

Supplier contract fulfillment rate: 99.58%, Supplier training coverage rate: 99.49%.



Supplier Compliance Management

Anti-Corruption Management of Suppliers

Muyuan places a strong emphasis on anti-corruption within supply chain management to ensure that both parties comply with laws and regulations and foster a clean and upright cooperative atmosphere.

Supplier Compliance Due Diligence

Before supplier admission, Muyuan conducts anti-corruption and anti-bribery audits. Potential suppliers are required to attend briefing sessions and can only proceed to cooperation after passing anti-corruption compliance assessments. New suppliers must sign an Integrity and Anti-Corruption Agreement, which explicitly prohibits bribery, improper benefits transfer, and other misconduct. They are also required to pay a security deposit for integrity compliance. In the event of a violation, Muyuan will deduct the deposit and disqualify the supplier. In 2024, the signing rate of the Integrity and Anti-Corruption Agreement reached 100%.

Supplier Anti-Corruption Training

Muyuan holds monthly provincial supplier training sessions covering topics such as quality management and anti-corruption to raise awareness and promote a sound business environment. In November 2024, Muyuan Logistics hosted a training conference themed "Establish Integrity Awareness, Build Honest Partnerships", attended by 292 partner companies, all of whom signed the Integrity and Anti-Corruption Agreement.

Supplier Anti-Corruption Reporting

Muyuan encourages suppliers to report corruption issues. Whistleblowers are rewarded based on the value of the information provided. All reports are kept confidential, and anonymous reporting is accepted. Retaliation is strictly prohibited.

Muyuan enforces a zero-tolerance stance on corruption, prohibiting all forms of bribery, ensuring transparency and fairness in supply chain cooperation. These measures not only protect the Company's interests and reputation but also promote healthy industry development and the establishment of commercial ethics.

Equal Treatment of SMEs

Muyuan adheres to the principles of fairness and transparency in supplier management and is committed to treating small and medium-sized enterprises (SMEs) equally. The Company pledges not to delay payments of accounts payable, effectively protecting the rights and interests of every supplier.

Building a Green Supply Chain

Muyuan minimizes environmental and ecological footprints across its supply chain, with a focus on responsible soy procurement. The Company advocates for reduced deforestation by soy suppliers, monitors progress to prevent harm to forests and habitats, and requires traceability of soy products. Suppliers are also required to comply with international and national-level conservation area standards and protect endangered species. The Company conducts annual reviews of suppliers' sustainability certification progress and encourages more suppliers to complete sustainable soy certification. In 2024, 40.37% of Muyuan's soy product procurement met sustainable sourcing standards.

Green Supply Chain Strategic Goals

- **Sustainable Soy Product Procurement**
By 2025, 45% of sourced soy products will meet third-party sustainability certifications (e.g., SSAP, zero-deforestation).
- **Supply Chain Carbon Reduction**
By 2030, achieve a 10% reduction in supply chain carbon emissions.

Green Certifications of Suppliers

Muyuan has established strict standards for sustainable procurement and gives priority to suppliers that have obtained green and environmental certifications. In 2024, a total of 10 suppliers obtained FSC certification, and 111 suppliers obtained ISO 14001 Environmental Management System certification. These certifications reflect Muyuan's high standards for suppliers and lay a solid foundation for promoting sustainable development within the supply chain.

Performance Indicators		Year 2024
Low-soybean Diet	Percentage of Sustainable Soybean Product Procurement (%)	40.37
Green and Environmental Protection-related Certifications	Number of Suppliers with FSC Certification	10
	Number of Suppliers with ISO 14001 (Environmental Management System) Certification	111

Supplier Services

Financial Services – Empowering Suppliers

Guided by the vision of "achieving customer success and promoting high-quality development of the pig industry," Muyuan has built a financial service platform for the industrial chain through financial empowerment and data integration among banks, government, and enterprises. In 2024, the Company deepened cooperation with institutions such as the Agricultural Bank of China and the Bank of China, and introduced multiple innovative models including reverse factoring, accounts receivable pledge, warehouse financing, in-transit goods financing, and order financing. These initiatives deliver end-to-end supply chain finance solutions, supporting partners at every stage of the value chain, helping 1,780 partners obtain a total of 16.909 billion yuan in financial support, enabling win-win outcomes and contributing to the high-quality development of the pork industry chain.

Centralized Warehouse Model to Improve Supply Chain Efficiency

To address challenges such as lack of transparency in traditional supply chains, inventory overstock, long supply cycles, and high delivery costs, Muyuan implemented the centralized warehouse model, building a one-stop supply chain management service platform. This model facilitates seamless digital integration across suppliers, centralized warehouses, and end-users. Based on professional pig farming supplies, Muyuan has built a smart marketplace that enables automated order requests, intelligent replenishment, order placement, and shipment through centralized warehouses, significantly improving overall supply chain efficiency.As of now, 26 centralized warehouses have been established and are in operation, providing efficient and secure warehousing and distribution services to 520 quality suppliers, with a total material supply value of 5.3 billion yuan. This supports national distribution for premium suppliers, reduces overall logistics costs, improves quality, and mitigates biosafety risks.



Centralized Supply Chain Hub Model

Central warehouse construction and operation completed	Serve high-quality suppliers	Total Value of Serviced Materials
26	520 members	5.3 billion CNY

Rural Revitalization and Giving Back to Society

Muyuan is committed to integrating corporate development with the sustainable development of local communities. The Company invests in rural infrastructure, focuses on improving livelihoods and advancing social progress, and centers its efforts on three key areas: supporting farmers, rural infrastructure development, and rural education. Muyuan promotes harmonious economic and social development, aiming to achieve positive interaction among pig farming, the ecosystem, and social progress, and to foster shared prosperity between the enterprise and society.

Supporting Farmers

As a leading national key enterprise in agricultural industrialization, Muyuan supports farmers' development and income growth from multiple dimensions, providing strong talent support for rural revitalization.

Job Creation

Muyuan operates in 25 provincial-level regions, 109 cities, and 225 counties (districts) across China, creating over 100,000 rural jobs. Employment priority is given to local villagers, with an average annual income of 125.3 thousand yuan. Additionally, the Company has attracted over 40,000 university graduates to join the agricultural sector, making substantial contributions to rural revitalization.

Provision of rural employment opportunities	Per capita annual income reached	College graduates encouraged to engage in agriculture
100,000+	125.3 thousand CNY	40,000+

Increasing Farmers' Income

Based on farmers' needs, Muyuan dispatches professionals to fields to assist with plowing, sowing, crop protection, agricultural machinery provision, weeding and bundling, straw removal, drought relief, flood control, and more. These teams offer technical guidance and crop management to improve yields and quality, advancing agricultural modernization. In 2024, Muyuan serviced 314,877 hectares) of farmland, conducted 9,293 agricultural service sessions, covered 14,482 villages, and trained 282 thousand farmers. These efforts helped farmers reduce input costs and increase income by 4,712.6 yuan per hectares, resulting in a total additional income of 1.353 billion yuan for farmers throughout the year.

Farmland served	Agricultural technical services	Villages Covered
314,877 hectares	9,293 times	14,482
Farmers trained	Income increase per mu through reduced input	Income increase of farmers in 2024
282 thousand person-times	4,712.6 CNY per hectares	1.353 billion CNY

Industrial Connectivity

Leveraging its corporate strengths, Muyuan promotes industrial connectivity, linking and empowering farmers to share growth. The Company delivers services in areas such as products, technology, digitalization, management, talent, and capital, enabling farmers to share in development achievements. In 2024, Muyuan supplied 6.124 million breeding pigs & piglets to the market and served 6,334 farms/households, promoting specialized production and joint development.

Breeding Pigs & piglets
Supplied

6.124 million heads

Service to Farms/Households

6,334

Beautiful Countryside Development

Muyuan actively contributes to the construction of beautiful rural communities, painting a vivid picture of rural revitalization through ongoing community benefit projects. As of the end of 2024, the Company had donated a total of 107 million yuan for initiatives such as road construction, street lighting, public squares, greening projects, and water infrastructure, covering 1,792 villages and significantly improving the living environment and quality of life for local residents.

Supporting Education Development

Muyuan has consistently adhered to the philosophy of supporting rural revitalization and fulfilling its social responsibilities. Since 2003, the Company has continuously implemented the JU'AI Education Assistance series of initiatives, including the Golden Autumn Program, Spring Bud Program, and Spring Rain Program, aimed at improving rural education conditions and supporting educational development. As of the end of 2024, the Company had donated a total of 434 million yuan. In addition, Muyuan has established a volunteer team to systematically advance public welfare projects, ensuring their continuity and effectiveness.

Recognizing Outstanding Rural Educators

Spring Rain Initiative: Since 2003, Muyuan has tied corporate performance to merit-based teacher awards, fostering a culture of educator empowerment to enhance teaching motivation and rural education standards. As of 2024, cumulative donations reached 120 million yuan honoring 35.4 thousand exemplary educators to drive rural education progress.



Spring Rain Initiative

Helping Rural Students Realize Their University Dreams

Golden Autumn Initiative: Since 2005, Muyuan has rewarded outstanding university students to promote learning through incentives and support talent development. By 2024, the program had provided 285 million yuan in scholarships to 99.6 thousand university students. In 2024, 49.88 million yuan in scholarships were awarded, helping 17.4 thousand students pursue their dreams.



Golden Autumn Initiative

Caring for Rural Children

Spring Bud Initiative: Since 2017, Muyuan has donated schoolbags, stationery, and other supplies to rural children to improve education conditions. By 2024, the Company had donated 29.8986 million yuan, distributing love-filled schoolbag gift sets to 659.3 thousand primary school students, supporting their growth and development.



Spring Bud Initiative

Volunteer Services

Muyuan's corporate volunteer network mobilizes employees and university students to engage in social impact initiatives, including education support and community welfare programs. In 2024, 9,702 employee volunteers contributed 71,852 service hours across 24 Chinese provinces.

Respect and Protection of Human Rights

Human Rights Policy

Muyuan voluntarily aligns with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the Children's Rights and Business Principles, and is committed to respecting and protecting the human rights of all business partners and stakeholders across the value chain. Muyuan hereby declares its own human rights commitment:

Scope of the Human Rights Commitment

Muyuan's human rights commitment covers all workforce tiers—from directors and management to full-time and contract employees. Additionally, we encourage all business partners (including suppliers and distributors) to respect and adopt Muyuan's human rights commitment and to work together with us in promoting human rights protection.

Human Rights Due Diligence

To advance human rights protection, Muyuan will establish human rights due diligence procedures to assess the actual and potential impacts of its business activities on communities and stakeholders, and will develop measures to mitigate and reduce any potential negative impacts on human rights.

Remediation and Grievance

Muyuan is committed to effectively safeguarding human rights in its operations. If the Company's business activities are found to have directly or indirectly caused negative human rights impacts, Muyuan shall take all necessary internal and external measures and procedures to rectify and remedy those impacts and fulfill its responsibility to protect human rights.

Awareness and Training

Muyuan will regularly provide compliance training to employees and business partners. Through both online and offline methods, we will communicate Muyuan's human rights commitments and protection responsibilities to directors, employees, suppliers, contractors, and other partners, ensuring that our human rights policy is integrated into all business activities across the value chain.

- **Stakeholder Dialogue**
Muyuan actively engages in dialogue with stakeholders, handling actual or potential human rights impacts through sincere consultation to ensure that stakeholders' concerns are addressed.
- **Transparency and Reporting**
Muyuan will fulfill its reporting obligations by disclosing reports on human rights protection efforts and responding to stakeholder concerns.

Key Human Rights Issues

When assessing the human rights impacts across various stages of the value chain, Muyuan has identified the following key issues:

Employees and Business Partners

- **Elimination of Discrimination**
Treat employees equally and prohibit all forms of discrimination.
- **Prohibition of Child Labor and Forced Labor**
Strictly prohibit child labor, forced labor, and bonded labor.
- **Labor Rights**
Protect employees' lawful rights, including the right to collective bargaining.
- **Wages and Working Hours**
Ensure that employees' wages are not lower than the statutory minimum standard, establish a fair compensation system, and reasonably arrange working hours.
- **Safe Working Environment**
Provide a safe working environment for employees to ensure their physical safety.

Local Communities

- **Land Use Rights**
Respect the land use rights of local communities and ensure legal and compliant use of land.
- **Health and Safety**
Ensure environmental safety during operations to avoid adverse impacts on residents' living conditions, health, and water security.

Community Human Rights Protection

Muyuan adheres to the principle of "Three No-conflict, Three Shared Benefits", actively engages in communication with local residents, and establishes interactive mechanisms. The Company respects local customs, regularly responds to community concerns, identifies and assesses the direct or indirect negative impacts that operations may have on communities, and strives to minimize such impacts. At the same time, Muyuan has established a sound response mechanism to ensure timely and effective responses to reasonable community requests.

Three No-conflict:Do not compete with employees over wages; do not compete with farmers over interests; do not compete with the government over favorable conditions.

Three Shared Benefits:Benefit the sustainable development of Muyuan's business; benefit the development of the local economy; benefit the livelihood of farming communities.

Community Human Rights Impact Assessment

Muyuan has implemented a structured Human Rights Due Diligence (HRDD) framework, ensuring full compliance with domestic and regional environmental regulations across project lifecycles to safeguard community welfare.

Site Selection and Design Phase

Muyuan enforces rigorous site selection criteria, mandating social and environmental impact assessments (SEIA) during project initiation to align with community interests., and public opinion is solicited to respect the reasonable demands of local residents. Currently, 100% of Muyuan's land lease contracts for farming operations have been approved through village meetings, ensuring the community's right to know.

Construction Phase

All Muyuan farms are equipped with anti-seepage membranes to protect groundwater and ensure community drinking water safety. At the same time, all farms apply negative-pressure air filtration systems in pig housing to neutralize odors and avoid disturbing nearby residents. All projects strictly comply with environmental assessment requirements. The Environmental Monitoring Department supervises and inspects to ensure that pollution prevention facilities are designed, constructed, and commissioned simultaneously with the main works, thereby protecting the living environment of community residents.

Operation Phase

A comprehensive supervision and inspection mechanism is in place to ensure compliant production and operations, preventing negative impacts on surrounding communities. Communication and grievance mechanisms have been established to accept and address direct and indirect negative incidents affecting local residents. Based on community needs, Muyuan implements community-benefit projects, including road construction, street lighting, square construction, and water infrastructure, continuously improving the living environment and quality of life for local residents.

Community Communication and Grievance Mechanism

Muyuan publicizes communication and grievance channels at its farms and surrounding villages through posters and leaflets. Community members can provide anonymous feedback. Issues and requests are forwarded directly to Company headquarters, handled by designated personnel, and responded to 100% to ensure proper resolution and enhance public satisfaction.

WeChat Communication Groups	Villagers can raise concerns directly via the "community liaison groups." On-site staff respond promptly and coordinate solutions, providing feedback on rectification progress to the public.
Going Out and Inviting In	Muyuan actively invites villagers to visit and observe Company operations, explaining production and management models and answering questions on-site. The Company also proactively visits villagers' homes to listen to their suggestions and incorporates feedback into internal discussions and implementation.

Public Feedback
Hotline

Muyuan publicly discloses its issue feedback hotline through offline posters, promotional cards, and online media channels. Feedback from the public is sent directly to the Environmental Monitoring Department at headquarters and handled by designated personnel to ensure timely and effective resolution, thereby improving public satisfaction.

Food Safety and Consumer Rights

Food Safety Management System

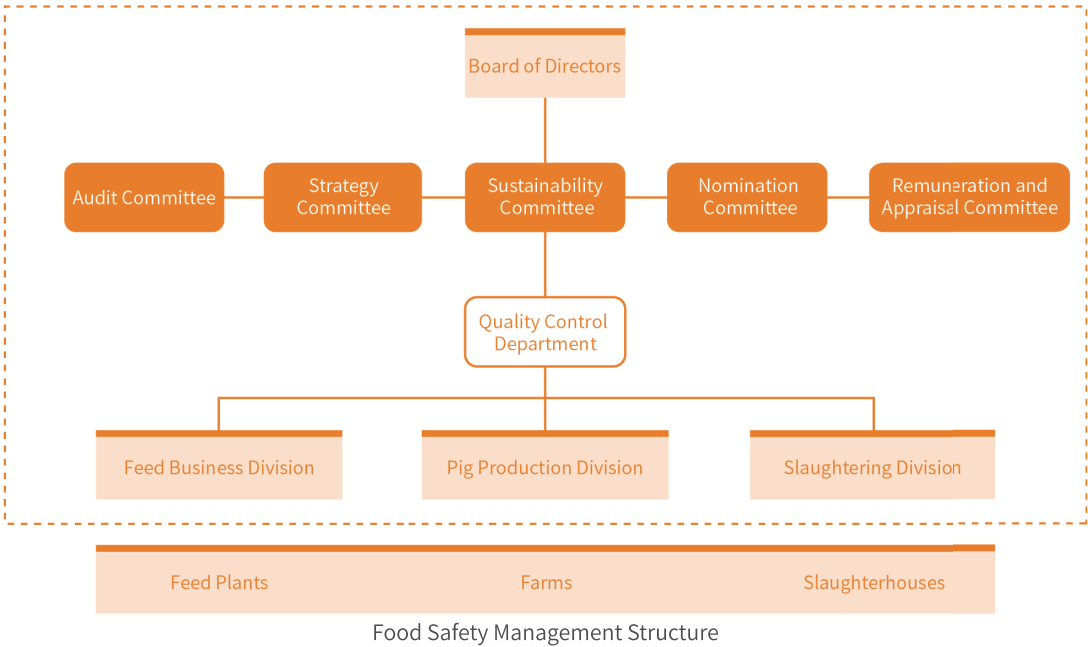
Muyuan strictly complies with the Food Safety Law of the People's Republic of China, the Law on Quality and Safety of Agricultural Products of the People's Republic of China, the Animal Epidemic Prevention Law of the People's Republic of China, the Regulation on Quarantine of Pigs at Their Place of Origin, the Regulations on the Administration of Veterinary Drugs, the National Food Safety Standard-Maximum Residue Limits for Veterinary Drugs in Food, and the National Food Safety Standard-Maximum Residue Limits for Pesticides in Food, among other relevant laws and regulations.

The Company has formulated a series of policies and requirements covering the full process of food safety and quality management, including the All-Staff Food Safety and Quality Supervision Policy and the Food Safety Supervision and Management Policy. Adhering to the principles of "prevention first, comprehensive risk assessment, full-process transparency and traceability," Muyuan continuously improves its food safety and quality management system to enhance the overall level of control.

Food Safety Management Structure

Muyuan has established a Sustainable Development Committee responsible for decision-making and advancing food safety and quality management work. The Quality Control Department oversees and manages the Company's overall food safety efforts and reports directly to the Board of Directors.

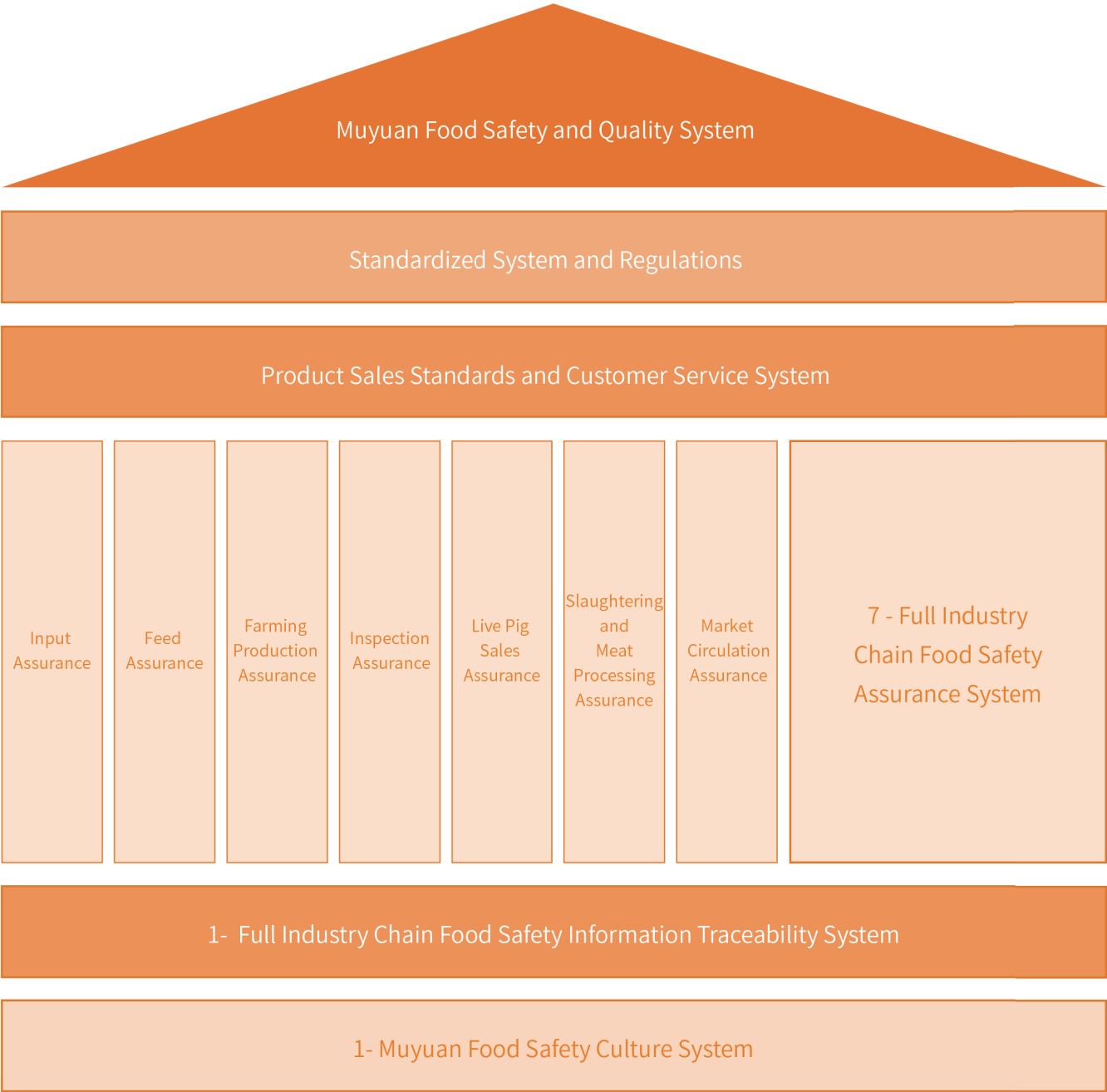
Three major business divisions-the Feed Division, the Pig Farming Production Division, and the Slaughtering Division-are responsible for food safety and quality management across the entire business chain, with clearly defined responsibilities for each functional department to ensure smooth implementation. Additionally, food safety and quality management tasks are executed at the operational level through the regional-district-site structure.



Food Safety Management Structure

"711" Whole Industry Chain Food Safety Management

Muyuan applies the "711" full-industry-chain food safety and quality management system to oversee and manage the entire product chain and lifecycle. By leveraging intelligent and digital tools, Muyuan has built a fully traceable system from source to endpoint, enabling effective quality and safety management across the whole industry chain and ensuring food safety from farm to table. This approach strengthens the effectiveness of food safety risk management.



"711" Full Industry Chain Food Safety and Quality Management System

"7" Full-Industry-Chain Food Safety Assurance Systems

Muyuan has established a comprehensive food safety assurance system that spans the entire process-, from input materials, feed production, farming operations, inspection and testing, live pig sales, slaughtering and meat processing, to market circulation, supported by a comprehensive set of management systems.

Input Assurance

The Company has established a multi-party control system involving quality control, veterinary, nutrition, and procurement departments, primarily focusing on supplier management, pre-use testing, and routine sampling inspections of veterinary drugs and vaccines to strictly control quality and safety.

Feed Assurance

Muyuan conducts comprehensive monitoring and management of raw and auxiliary material suppliers, incoming inspection, processing procedures, and finished product testing to fully ensure feed quality.

Farming Production Assurance

The Company strictly controls processes such as drug residue management, disease management, and good operating practices, continuously upgrading its biosecurity prevention and control system. A standardized internal audit system has been established to improve quality and safety levels.

Inspection and Testing Assurance

The Company offers a full range of technical testing services centered on food and agricultural products. It has obtained CMA laboratory accreditation and CNAS recognition and can provide testing services in livestock and poultry products, animal feed, veterinary disinfectants, fruits and vegetables, beverages, etc., covering food safety testing and verification from raw materials to finished products.

Live Pig Sales Assurance

The Company focuses on delivery quality management, market product quality research, and customer service. Pre-sales inspections strictly follow the Muyuan Commercial Pig Sales Standards, implementing a quality audit accountability system and improving the Product Recall Control Procedure and Nonconforming Product Recall Drill Plan to ensure the delivery of healthy products.

Slaughter and Meat Processing Assurance

Muyuan implements strict inspection and quarantine, hygiene management, product standard acceptance, and compliance management throughout pre-slaughter, mid-slaughter, post-slaughter, and meat cutting stages to ensure food safety.

Market Circulation Assurance

Muyuan carries out quality and safety management across market research, sampling inspections, pre-sales testing, end-customer services, logistics and transportation, complaint handling, and product recalls to comprehensively ensure food safety during market circulation and provide customers with high-quality products.

"1" Full-Industry-Chain Food Safety Digital Traceability System

Muyuan has established a full-industry-chain food safety and quality big data traceability system. Through its smart procurement system, feed management system, production management platform, Hongxin testing system, slaughter management system, and sales management system, the Company enables precise data collection from origin to end and full-process digital management from farm to table. This ensures full visibility, control, and traceability across the entire industry chain, safeguarding food safety and quality.

"1" Muyuan Food Safety Culture System

Muyuan has built a food safety culture with the commitment of "guarding quality with our lives," establishing a full-chain food safety management framework of "awareness strengthening – institutional standardization – dynamic supervision – closed-loop optimization."

Through various means such as food safety training programs, quality certification assessments, daily educational content, morning briefings, and case studies, Muyuan ensures that all employees reach a high level of consensus on food safety standards.

The Company has implemented a regular supervision mechanism, a reward-based whistleblowing system, and routine business supervision and inspections to support continuous improvement and closed-loop management, thus safeguarding public food safety.

Food Safety Management Targets

Muyuan adopts a zero-tolerance attitude toward food safety issues. In 2025, our goal is zero food safety incidents, 100% product pass rate, and 100% external audit pass rate, while continuing to strengthen internal controls and management. We aim to maintain a zero product recall record throughout the year.

Food Safety Management Measures

Food Safety Review

Government Sampling Inspection	In 2024, Muyuan underwent 1,828 government sampling inspections in the market segment, averaging 5 inspections per day, with a 100% pass rate.	
	Government Sampling Inspections	Pass Rate of Sampling Inspections
	1,828 times	100 %

Customer Audits	In 2024, Muyuan underwent 891 external customer audits, including from Hormel, Metro, McDonald's, Yum China, and IKEA, with a 100% pass rate.	
	External Customer Audits	Audit Pass Rate
	891	100 %
Internal Self-Inspections	Muyuan conducts internal audits based on the Farm Process Control and Evaluation System. The Quality Control Department carries out 100% bi-monthly self-inspections across all farm sites. In 2024, a total of 28 thousand items were inspected, with no major non-conformities identified. General non-conformities were disclosed through monthly Food Safety Self-Inspection and Correction Reports, and the issue rectification rate reached 100%.	
	Total Items Inspected	Issue Rectification Rate
	28 thousand	100 %

Specialized Training on Food Safety

Muyuan actively promotes a culture of food safety and quality through various initiatives such as training sessions, Food Safety Week, and Food Safety Activity Month. In 2024, the Company conducted 1,680+ food safety and quality training sessions, covering management personnel and employees involved in food safety-related operations at all levels. In addition, the Company requires all site employees to sign a Food Safety Commitment Letter prior to receiving each batch of finishing pigs, achieving a 100% coverage rate, and organizes food safety oath-taking activities.

In the same year, Muyuan launched a company-wide food safety certification program. Based on the relevance of each department's business to food safety, a tiered examination and certification system was implemented. Throughout the year, 112.1 thousand employees participated in food safety learning and certification, with a pass rate of 98.45%.

Food Safety and Quality Training	Training Coverage Rate	Signing Rate of the Food Safety Commitment Letter	Food Safety Learning and Certification
1,680+ cases	100 %	100 %	112.1 thousand persons



Hong Kong Food and Environmental Hygiene Department (FEHD) inspection of slaughterhouse facilities



Staff-wide food safety awareness training session

Food Safety Risk Management

Adhering to the philosophy of "Guarding Quality with Our Lives", Muyuan has established a food safety risk management system under the direct oversight of the Board of Directors and formulated and strictly enforces the Food Safety Incident Response and Handling Procedure. Under this system, the Board has deployed a vertical supervision mechanism covering the entire pig farming-to-slaughtering chain, defining response processes for non-compliance incidents such as pre-slaughter urine testing and post-slaughter liver tissue testing. Food safety indicators are integrated into management performance evaluations. Through a three-tier management system led by the Board-strategic planning, process control, and accountability tracing-Muyuan has standardized job responsibilities across the entire chain from farming to sales, ensured rapid risk response, and systematically improved food safety incident handling efficiency to strengthen product quality defenses.

Muyuan strictly complies with the Requirements for Quality Management Systems (GB/T 19001-2016), HACCP System Certification Requirements (V1.0), and the National Food Safety Standard – Hygienic Regulations for Slaughtering of Livestock and Poultry (GB 12694-2016) regarding product recall management. The Company has formulated a Product Recall Control Procedure, defining first-level, second-level, and third-level recall classifications, which are to be initiated within 24 hours, 48 hours, and 72 hours, respectively, after identifying a food safety risk. Muyuan is legally obligated to submit recall plans to county-level or higher regulatory bodies.For example, in cases involving product labeling or identification issues that may mislead or impact consumers or clients, a recall will be initiated upon approval from the General Manager, and recall information will be disseminated through effective media and official channels to inform all customers. The Company conducts annual recall simulations to ensure efficient execution in the event of such incidents.

By leveraging the food safety management system across the entire industry chain, Muyuan implements food safety risk management at every operational stage. Monthly internal reviews and self-inspections are carried out to proactively prevent potential risks. Emphasis is placed on food safety training, a robust emergency response and recall mechanism, and an improved supplier screening process-all contributing to reducing the risk of nutritional or health-related harm for end consumers.

Food Safety and Quality Management Certification

Muyuan adopts internationally and domestically recognized standards endorsed by the Global Food Safety Initiative (GFSI) across its feed, farming, and slaughtering operations. The Company actively participates in the revision or formulation of relevant laws, regulations, and local standards such as the 2024 Food Safety Sampling Inspection Plan by the State Administration for Market Regulation, the Management Standards for the Growth and Fattening of Pigs in Large-Scale Farms, and the Epidemic Prevention and Control Guidelines for Large-Scale Pig Farms. Muyuan is committed to establishing a modern management system aligned with good agricultural practices (GAP).

At the same time, the Company continuously strengthens food safety and quality certifications for its suppliers and rigorously controls all aspects of the supply chain to ensure the safety and traceability of pork sourcing from the origin.

As of the end of 2024, the following food safety and management certifications have been obtained by Muyuan and its suppliers:

Value Chain Segment	Certification Overview
Feed	9 feed mills certified under FSSC 22000 Food Safety System Certification.
Farming	4 farming sites certified under ChinaGAP; 6 farming sites qualified to supply live pigs to Hong Kong and Macao.
Slaughtering	10 slaughterhouses certified under ISO 9001 Quality Management System, with 100% coverage; 1 slaughterhouse certified under ISO 22000 Food Safety Management System, with 10% coverage.
Veterinary Drug Suppliers	GMP certification coverage: 100%.
Feed Suppliers	1 supplier certified under BRC; 13 suppliers certified under FSSC 22000; 3 suppliers certified under China HACCP; 1 supplier certified under BAP.



Customer Rights Protection

Muyuan always adheres to a customer-centric approach, with the mission of "creating value for customers", and is committed to building a fair and equitable cooperation environment.

While delivering high-quality products, the Company continuously optimizes its live pig cooperation model. It took the lead in introducing a customer self-pricing model, achieving zero intervention, zero price negotiation, and zero privileges throughout the process to ensure that premium products receive premium pricing.

Customers can use the Smart Sales App to open accounts online, sign contracts, submit procurement requests, track logistics orders, and provide feedback. Muyuan ensures timely responses to foster a simple, transparent, and efficient trading environment.

Muyuan engages third-party institutions to conduct customer satisfaction surveys and carries out monthly on-site visits to distributors and slaughterhouse clients. Focusing on product quality and delivery service, the Company has established a dedicated project team to streamline data collection and feedback mechanisms between upstream and downstream partners, aiming to provide customers with more satisfying products and services.

In 2024, overall customer satisfaction reached approximately 100%.

Animal Welfare

Muyuan advocates for scientific pig farming and continuously improves its animal welfare philosophy and practices to comprehensively enhance the welfare of live pigs.

We implement comprehensive management processes to realize Muyuan's vision: treat all animals with kindness, respect their natural behaviors, provide consumers with high-quality pork, save energy, reduce carbon emissions, and achieve green and sustainable development.

- 1

Ensure all animals are treated humanely and are free to express their natural behaviors.
- 2

Provide consumers with high-quality pork.
- 3

Conserve energy, reduce carbon emissions, and promote green and sustainable development.

Muyuan's Vision for Animal Welfare

Animal Welfare Management System

Based on its business operations, Muyuan has established clear animal welfare standards across all key stages, including farm design, infrastructure development, feed procurement, feed processing, pig farming, live pig transportation, and slaughter and meat processing, to ensure that animal welfare practices are fully implemented throughout every aspect of its operations.

Muyuan participated in the compilation of the book Technical Guidelines for Pig Welfare Farming, organized by the National Innovation Alliance for Animal Health and Food Safety. The Company also contributed to drafting the group standard T/CVCD 36-2024 Animal-Friendly Farm Grading Evaluation-Pigs. Internally, Muyuan has developed the Animal Welfare Policy, Muyuan Animal Welfare System, and Muyuan Animal Welfare Manual, and has published its Animal Welfare Policy on its official website.

Following these policies and systems, Muyuan has unified its animal welfare standards, clarified responsibilities and incentive mechanisms, and established effective control over all animal welfare-related operations, ensuring that the concept of animal welfare is truly implemented in practice.

International Animal Welfare Standards	Muyuan's Animal Welfare Policy	Muyuan's Animal Welfare Practices
Freedom from hunger and thirst	Survival Welfare: Nutritional feed formulas, free feeding.	Safer and more nutritious feed and drinking water: Enclosed feed supply, intelligent feeding, rich nutrition, one formula one day, water source ultra-filtration
Freedom from discomfort	Comfort Welfare: Suitable environment, spring-like conditions all year round.	More comfortable environment: Fresh air filtration, precise ventilation, intelligent environmental control, intelligent spraying, simulation of natural lighting, sterilization and deodorization.
Freedom from pain, injury, or disease	Health Welfare: Prevention over care, care over treatment.	More comprehensive health management: Disease elimination, fresh air filtration, sterilization and deodorization, water source ultra-filtration, intelligent inspection, abnormality alerts, sound monitoring, antibiotic-free farming.
Freedom from fear and distress	Emotional Welfare: Respect and love for pigs, humanitarian treatment, harmonious coexistence.	More reasonable transportation and slaughtering: Elevating pig unloading platforms, green lighting in lairage pens, CO ₂ stunning.
Freedom to express natural behavior	Value Creation: Freedom and healthy growth.	Better alignment with pigs' natural behaviors: Freedom, happiness, and high-quality pork.

Animal Welfare Practices

In accordance with its animal welfare policies and principles, Muyuan safeguards the healthy growth of pigs through key practices such as providing a more comfortable environment, safer and more nutritious feed, comprehensive health management, reduced or antibiotic-free farming, attention to behavioral needs, and more humane transportation and slaughter.

Safer and More Nutritious Feed and Water

Muyuan has developed multi-stage feed formulas and, through intelligent pipe-chain and feeding systems, implements daily customized feeding plans to provide nutritious and healthy feed. Ultra-filtration of water sources ensures safe and healthy drinking water, meeting the pigs' welfare needs for survival and guaranteeing their freedom from hunger and thirst.

Feed Safety and Health Assurance

Muyuan applies high-temperature sterilization technology during feed production, with smart control systems to precisely regulate sterilization temperatures, ensuring complete sterilization and feed safety. The intelligent pipe-chain system ensures sealed feed transportation, effectively preventing biosecurity risks.

For lactating sows, Muyuan formulates specialized feed, taking into account colostrum intake, development of healthy gut microbiota, piglet weight and vitality-improving piglet quality from the source. For weaned piglets, feed transition plans are optimized to enhance appetite and support adaptation to solid food, promoting digestive system development. These measures ensure healthy feeding and satisfy pigs' welfare needs for proper nutrition.

Drinking Water Safety and Health Protection

Muyuan pig farms are equipped with ultra-filtration devices that remove 99.99% of pathogens, providing pigs with sufficient, clean, and fresh drinking water while cutting off waterborne transmission routes. Water sampling is conducted regularly and sent to third-party institutions for testing, following GB 5749-2006 standards, to ensure water quality.

Muyuan's intelligent feeding system guarantees individualized feeding: one plan per day, one device per pen, one parameter per device, with real-time dynamic regulation. Each pig, depending on its physical condition, receives the optimal feed and water regimen. The system supports real-time monitoring and alerts for abnormalities, ensuring pigs' freedom to drink fresh and healthy water, satisfying their welfare needs.

A More Comfortable Environment

Muyuan treats pig farm design as a critical element of animal welfare, considering scientific site selection and biosecurity. Smart environmental control systems ensure thermal comfort for pigs-warm in winter, cool in summer, and mild year-round. These systems integrate fresh air filtration, precise ventilation, smart misting, deodorization, disinfection, and intelligent algorithms to create a comfortable living environment.

Pig houses feature biomimetic lighting systems to support natural behaviors.

Smart Environmental Control

Muyuan's intelligent environment control system, integrated with smart devices, regulates internal conditions in real time based on indoor/outdoor temperature, humidity, pig body weight, and population. Using built-in logic, big data, and cloud platforms, the system triggers real-time alerts for abnormalities. In winter, heating

maintains warmth; in summer, misting and airspeed cooling ensure comfort. Precise ventilation prevents air crossover between pens while ensuring fresh air and compliance with air quality standards (e.g., ammonia concentration), fulfilling pigs' welfare needs for a comfortable environment.

Fresh Air Filtration & Deodorization

To meet pigs' need for fresh air, Muyuan installs air filtration systems at air inlets, achieving up to 99.3% interception rate for viruses like African swine fever. The air entering pig houses reaches ICU air standards, ensuring pig health. At air outlets, deodorization and disinfection systems collect and treat 100% of emissions, achieving 99.9% sterilization and 97% ammonia removal, resulting in odor-free operations that do not disturb nearby communities and ensure surrounding environmental safety.

More Comprehensive Health Management

Muyuan implements the "SkyNet Project" for disease purification by eliminating infection sources, cutting transmission paths, and protecting susceptible populations to ensure herd health. An intelligent, three-tier early warning system supports this through inspection robots equipped with cameras, microphones, and infrared sensors to collect image, video, sound, and temperature data for real-time pig monitoring.

The smart inspection system identifies abnormal pigs and sends alerts to farm technicians and managers for timely care and treatment.

Muyuan uses needle-free smart injectors to precisely control dosage, reduce vaccine quantities, ensure effective drug use, and avoid cross-infection risks from traditional needles. This also reduces pain and stress in pigs, improving their welfare.

More Humane Transportation and Slaughter

Muyuan's intelligent transfer system ensures a stress-free environment for pigs during transportation to slaughter, with suitable space and humane handling to eliminate fear. These practices ensure pigs' freedom from fear and distress and meet animal welfare requirements.

Unloading Platform

Muyuan does not use inclined unloading bridges but uses height-adjustable unloading platforms to ensure quiet unloading, reduce stress in pigs, and protect personnel safety.

Pig Driving Channels

Dedicated human passageways are designed to ensure pigs are moved without injury or stress, thereby ensuring meat quality. Staff in charge of pig driving receive animal welfare training and are subject to performance assessments to prevent mistreatment.

Comfort in Rest Pens Before Slaughter

Holding pens are equipped with negative pressure ventilation and mist cooling systems, along with noise alarms to maintain a calm environment. Lighting is carefully managed with green lights to stabilize pig emotions and prevent direct light exposure to their eyes. The entire process from pig dispatch to slaughter, including transport and rest time, is limited to no more than 16 hours, preventing hunger, fear, and stress during transport, and meeting pigs' welfare needs.

Swine Slaughter (CO₂ Stunning)

Prior to stunning, pigs undergo CO₂ stunning in groups, which significantly reduces stress. The stunning is conducted using 75–80% CO₂ concentration, with 6–8 pigs processed per batch, ensuring no convulsions or vocalizations occur before or during exsanguination. This humane slaughter method ensures that pigs experience no stress responses or pain.

Effectiveness Assessment:	Pigs do not regain consciousness between stunning and bleeding, and show no significant reactions post-bleeding, avoiding fright caused by tying, fear, or discomfort.
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Applicability Assessment:	Prior to CO ₂ stunning, the condition of pigs is assessed. We commit not to apply CO ₂ stunning to pigs with metabolic disorders.
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Alignment with Pig Behavioral Habits

Muyuan promotes animal welfare through environmental design and behavioral guidance, respecting pigs' natural habits and treating them kindly. We commit not to introduce breeds with traits that exacerbate anatomical or metabolic disorders.

Social Needs of Pigs

Pigs are given enrichment materials (e.g., straw, chew toys) to encourage species-specific behaviors like rooting, chewing, and exploring. Pens are kept stable with no group mixing, allowing pigs to live with familiar companions and satisfy social needs.

Animal Welfare Certification

Muyuan regularly conducts internal and third-party animal welfare empowerment certifications (as detailed in the Food Safety and Quality Certification Standards and Food Safety Review sections) to continuously enhance the standards of animal welfare practices. The Company strictly implements animal welfare policies and standards. Each month, site-based quality control officers conduct process inspections in accordance with GLOBALG.A.P. standards, using the “Farm Process Control Inspection Checklist” to assess the implementation of animal welfare in farms. Outstanding practices are shared and recognized, while non-compliant practices are explained and re-empowered, with corrective measures jointly developed with on-site management personnel.

In addition, Muyuan provides regular daily and quarterly training on animal welfare. External audit organizations also conduct specialized animal welfare training for all employees, with a training duration of 12 hours and a coverage rate of 100%, to ensure effective implementation of animal welfare standards.

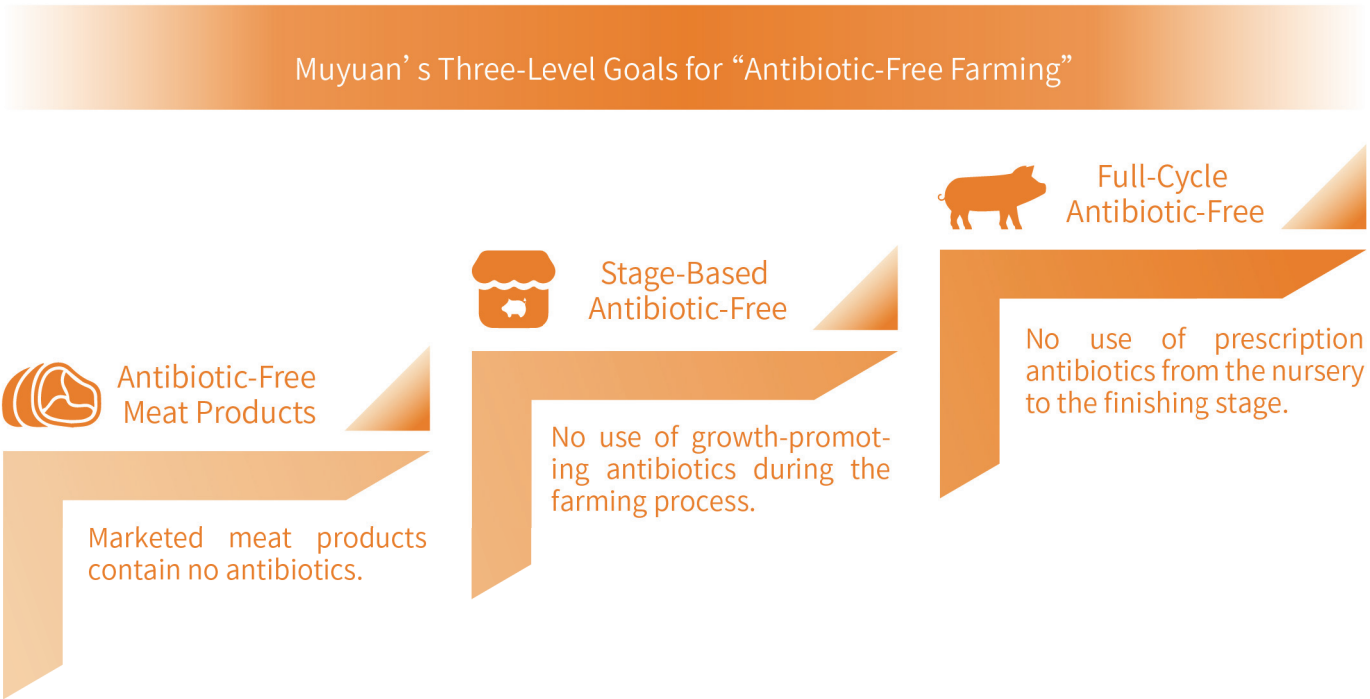
In November 2023, Muyuan's first certified animal welfare farm-Nanyang Muhua No. 1 Farm Line-officially began collaboration with clients. In 2024, two additional farms-Tanghe No.1 Farm Line and Dengzhou No.11 Farm Line-passed animal welfare audits conducted by Humane Farm Animal Care (HFAC) and customers. As of now, three Muyuan farms are engaged in animal welfare product partnerships with clients.

In the future, Muyuan will adopt higher and stricter standards to implement its animal welfare policy, continuously improve the welfare of pig herds, and provide consumers with higher-quality pork.

Antibiotic Use Management

Muyuan consistently ensures the standardized use of veterinary drugs in strict compliance with national laws and regulations, aiming to purify diseases and produce antibiotic-free, green, and safe pork products.

Antibiotics are used solely for the purpose of treating animal diseases, and their use is reduced through disease monitoring, vaccination, biosecurity, and alternative products that focus on preventive health measures.



Antibiotic Management Goals

Muyuan commits to halving antibiotic use by 2027 (vs. 2024 baseline) through precision health management and disease eradication programs.

Disease Monitoring and Prevention

We follow a prevention-first health management principle and have built a comprehensive operational framework covering biosecurity, swine disease research, diagnostics, and clinical implementation, striving to develop a high-health pig production management system.

R&D for Disease Purification

Muyuan has invested a total of 6.38 billion yuan to establish 110 veterinary diagnostic laboratories, building a super health management platform.

Biosafety System

Muyuan has established a biosafety team of over 1 thousand members, dedicated to preventing external pathogen introduction and internal disease spread, effectively blocking pathogen intrusion.

The Company has installed biosafety infrastructure across pig farms, including air filtration, sterilization and deodorization, and precision ventilation, to block pathogen entry and cut off transmission routes.

Standardized biosafety procedures have been implemented throughout the pig farming process, supported by an intelligent biosafety monitoring platform.

As of the end of 2024, 74 subsidiaries passed the ASF-free compartment certification, accounting for 32.31% of farming subsidiaries;171 pig farms were selected as standardized demonstration farms for livestock and poultry farming, accounting for 14.58% of all pig farms.

Disease Surveillance System

Regular Epidemiological Surveys: Monthly, quarterly, and annual monitoring plans are developed for pigs at different stages to identify the epidemiological patterns of various diseases and develop appropriate prevention and control strategies.

Digital Disease Diagnosis System: Feed intake is monitored via intelligent feeding systems, coughing status is detected by sound devices, and track-inspection robots within production units identify abnormal pigs for early detection and treatment, ensuring herd health.Muyuan also invites veterinary research teams from China and abroad to provide regular empowerment training, enhancing internal health management capabilities, optimizing platform development, and achieving disease purification and healthy farming.

Smart Equipment Early Warning System: Feed intake is monitored via intelligent feeding systems, coughing status is detected by sound devices, and autonomous robots within production units identify abnormal pigs for early detection and treatment, ensuring herd health.

Invite domestic and international veterinary research teams to conduct regular empowerment training sessions, enhance the health management capabilities of internal employees, optimize platform development, and achieve disease eradication and healthy farming.

Antibiotic Safety Management

Muyuan strictly adheres to using antibiotics solely for therapeutic purposes, in compliance with all national and local regulations, including but not limited to:

- National Plan for Reduction of Veterinary Antimicrobial Use (2021–2025) • Announcement No. 194 of the Ministry of Agriculture and Rural Affairs (Banning Growth-Promoting Antibiotics in Feed) • Announcement No. 250 of the Ministry of Agriculture and Rural Affairs (List of Banned Drugs and Compounds for Food Animals)

Personnel Management:Veterinarian qualification registrations are managed by farm lines, with a 100% registration rate in 2024. Registered personnel are authorized to prescribe and make medication decisions.

Management Guidelines:Antibiotic use is aligned with the health management system to ensure precision medication. A full lifecycle drug traceability system has been established, with strict prescription management to ensure safe and rational use.Measures include:

- Strict screening of manufacturers and product quality; no use of products without approved indications for pigs
- Establishment of a product quality management system
- Prescription control based on drug risk to pigs, the environment, and humans
- Comprehensive regulation of drug use based on categories, age, diagnosis, and sensitivity
- Full-chain traceability management from drug procurement → warehousing → usage → on-site monitoring

Management Standards:Across all production processes, personnel, medication, and pig populations are strictly regulated under a suite of 33 internal policies and standards in 2024, including:

- Red-Line Immunization Management Policy
- Veterinary Drug Use Guidelines for Pig Farms
- Prescription Slip Management Policy
- Medication Red-Line Policy
- Veterinary Drug and Vaccine Supplier Management Policy
- Animal Welfare Strategic Supplier Management Policy

Additionally, the use of growth-promoting antibiotics (e.g., Tylosin Premix, Avilamycin Premix, Virginiamycin Premix, Tylvalosin Premix) is strictly prohibited. 25 banned products were eliminated during the reporting period.

Antibiotic Reduction Initiatives

Three-Stage Antibiotic-Free Plan

Based on pig health status and regional characteristics, antibiotic-free protocols are implemented progressively-starting with finishing pigs, expanding to fattening, and eventually covering the entire production cycle.

Health Status Color Code Management

Drawing from international best practices, a PRRSV (blue-ear disease) purification color code is piloted:

- Red (high concern), Yellow (under purification), Green (purified)

Medication types and usage volumes are managed accordingly across similar farm areas.

Drug Classification Management

Antibiotics are classified based on their importance and risk to pigs, the environment, and human health, with graded controls ensuring rational and safe use.

Demonstration Farms for Antibiotic Reduction

Currently, 59 farm sites have passed antibiotic reduction demonstration audits and have been publicly recognized at the national level. Key practices include:

- Enhanced health management
- Sensitivity-based medication
- Rotational drug use strategies

Antibiotic Management Outcomes

On January 26 and March 12, 2025, Muyuan's Xixia No.3 Farm and Xihua No.15 Farm successfully obtained antibiotic-free product certifications from Centre Testing International (CTI), marking a significant breakthrough in antibiotic-free meat production.

This achievement reflects Muyuan's high-level health management and strict drug control, laying a solid foundation for antibiotic-free fattening operations.

Looking ahead, Muyuan will continue advancing stage-based antibiotic-free farming, ultimately aiming for antibiotic-free production across the entire farming process, contributing to higher national standards in antibiotic-free animal husbandry.



Antibiotic-Free Product Certification for Xixia Farm
3



Antibiotic-Free Product Certification for Xihua Farm
15

Appendix

ESG Key Performance Table

SASB Index Table

GRI Index Table

Index Table of SHENZHEN STOCK EXCHANGE's
Self-Regulatory Guideline for Listed
Company No. 3 - Preparation of Sustainable
Development Reports

Table of Industry Certifications

Table of Laws, Regulations and Company
Policies

Table of Muyuan Green and Low-Carbon Crop-
Livestock Integration Bases

Muyuan Basic Law & Tribute to pigs

Feedback Form

ESG Key Performance Table

Operation Performance

Performance Indicators	Unit	2024	2023	2022
Number of Pigs Sold	million heads	71.602	63.816	61.201
Number of Pigs Slaughtered	million heads	12.524	13.260	7.362
Feed Production	million metric tonnes	25.319	23.170	20.370
Operating Revenue	billion CNY	137.947	110.861	124.826
Net Profit	billion CNY	18.925	-4.168	14.933
Dividend Distribution	billion CNY	4.505 ¹	4.003	1.488

Note 1: Dividend amount which had been distributed in 2024.

Governance Performance

Performance Indicators		Unit	2024	2023	2022
Corporate Governance	Board of Directors	Person	7	7	7
	Independent Directors	Person	3	3	3
	Percentage of Independent Directors	%	43	43	43
	Female Directors	Person	2	1	1
	Percentage of Female Directors	%	29	14	14
	Board of Supervisors	Person	3	3	3
	Female Supervisor	Person	1	1	1
	Percentage of Female Supervisors	%	33	33	33
	Employee Representative Supervisor	Person	1	1	1

Performance Indicators		Unit	2024	2023	2022
Corporate Governance	Percentage of Employee Representative Supervisors	%	33	33	33
	Board meeting attendance rate	%	100	100	100
	Board Strategic Committee meeting attendance rate	%	100	100	100
	Board Audit Committee meeting attendance rate	%	100	100	100
	Board Nomination Committee meeting attendance rate	%	100	100	100
	Board Remuneration Committee meeting attendance rate	%	100	100	100
	Board Sustainability Committee meeting attendance rate	%	100	100	100
Anti-Corruption and Anti-Bribery	Investigated corruption and bribery incidents	Number	69	126	106
	External Regulatory Penalties for Corruption and Bribery	CNY	0	/	/
	Anti-Corruption Whistleblower Reports Received and Handled	Number	267	/	/
	Employee Anti-Corruption Integrity Commitment signing rate	%	100	100	100
	New Employee Anti-Corruption Training and Exam pass rate	%	100	/	/
	Anti-Corruption and Anti-Bribery Training coverage for key positions	%	100	/	/
Data Security	Employee Anti-Corruption education coverage rate	%	100	/	/
	Major internal information security incident	Number	0	/	/
Tax Transparency	Major internal data breach incident ¹	Number	0	/	/
	Total taxes paid	million CNY	841	808	1162
	Total taxes paid in China	million CNY	841	/	/
	Total taxes paid overseas	million CNY	0	0	0

Note 1: 23 data breach risk incidents were successfully intercepted before any data leakage occurred, effectively avoiding the negative impacts of information leakage.

Environmental Performance

Performance Indicators		Unit	2024	2023	2022
GHG Emissions	Scope 1 GHG Emissions ¹	million t CO ₂ e	5.6685	4.1647	3.8945
	Scope 2 GHG Emissions ¹	million tCO ₂ e	4.3343	3.8154	3.4056
	Scope 1 & 2 GHG Emissions ¹	million t CO ₂ e	10.0028	7.9821	7.3001
	Scope 3 GHG Emissions ¹	million tCO ₂ e	8.6598	/	/
	Total GHG Emissions ¹	million tCO ₂ e	18.6626	/	/
	GHG Emissions Reduction Value ²	million tCO ₂ e	5.2914	4.3400	4.0888
	GHG Emissions Intensity ¹	tCO ₂ e/tonne protein	1.461	/	/
Energy Usage	Power Generated (Photovoltaic)	MWh	205,000.00	36,884.40	3,161.30
	Biogas Utilized	million m ³	37.2500	34.4507	25.3190
	Disel	Liter	115,410,000.00	79,547,301.79	81,893,303.65
	Natural gas	m ³	137,903,426.00	124,220,654.99	218,839,075.60
	Electricity Consumption	MWh	6,985,169.00	6,045,117.82	5,142,753.02
	Total Energy Consumption	t standard coal equivalent	1,158,759.00	1,006,482.28	1,010,437.76
	Energy Consumption Intensity	t ce/t product	0.20	0.20	0.23
Water Resources and Wastewater Discharge	Total Water Withdrawal ³	million m ³	214.4920	/	/
	Municipal Water Withdrawal	million m ³	18.0690	/	/
	Surface Water Withdrawal	million m ³	13.7539	/	/
	Groundwater Withdrawal	million m ³	182.2690	/	/
	Total Water Discharged ³	million m ³	6.8027	/	/
	Surface Freshwater	million m ³	1.9313	/	/
	Groundwater	million m ³	0	/	/
	Ocean	million m ³	0	/	/

Performance Indicators		Unit	2024	2023	2022
Water Resources and Wastewater Discharge	Municipal Sewer Discharge	million m ³	4.8714	/	/
	COD Emission Concentration	mg/l	24.59	/	/
	Ammonia Nitrogen Concentration	mg/l	0.66	/	/
	Total Phosphorus Concentration	mg/l	0.42	/	/
	Resource-oriented Water Utilization	million m ³	179.0546	144.4287	/
	Wastewater Reused	million m ³	4.6658	3.4826	3.0700
	Water Usage Intensity (by livestock product)	m ³ /t product	25.06	/	/
	Total Water Usage ³	million m ³	219.1574	188.2853	/
Solid Waste Discharged	General Waste	Metric tonne	65,793.39	52,987.05	/
	Hazardous Waste	Metric tonne	24.20	/	/
	Incinerated Waste	Metric tonne	14.13	/	/
Environmental Compliance	Complaint Response rate	%	100	/	/
	Environmental Protection Violations	number	10	5	2

Note 1: The 2024 statistics for GHG emissions cover all operational points and employ a methodology that differs from that used in 2023. The main reasons for these differences are as follows:(1)The accounting standards have been updated, with an expanded scope and boundaries, incorporating emissions from additional links such as the production and transportation of agricultural inputs and the cultivation of feed raw materials;(2) The selection of emission factors has been updated from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories to the Greenhouse Gas Product Carbon Footprint Quantification Methods and Requirements for Livestock Products and the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories;(3) The electricity emission factor reference has changed from provincial average CO₂ emission factors to the national average electricity carbon footprint factor of 0.6205.

Note 2: The GHG Emission Reduction Value refers to the amount of emissions avoided at the source by the company through initiatives such as promoting low-soybean feed, pig house heating without fuel burning, and photovoltaic power generation, combined with the comprehensive emission reduction contributions from technologies like biogas utilization and energy-saving measures.

Note 3: The data statistics for Total Water Withdrawal, Total Water Discharged, and Total Water Consumption cover all operational points; Total Water Consumption = Total Water Withdrawal + Wastewater Reused.

Social Performance

Performance Indicators		Unit	2024	2023	2022
Employment ¹	Total Number of Employees	Person	133,642	131,276	140,403
	Number of Part-time Employees	Person	0	0	0
	Number of Employees with Labor Contract	Person	133,642	131,276	140,403
	Number of Employees with Labor Dispatch	Person	0	0	0
Employee Diversity ¹	Male	Person	107,766	103,032	108,581
	Female	Person	25,876	28,244	31,822
	Percentage of Female Employees	%	19.36	21.51	22.66
	Number of Undergraduates	Person	39,459	35,376	35,407
	Veteran	Person	6,513	5,890	6,561
	Disabled Employees	Person	541	/	/
	Percentage of Disabled Employees	%	0.4	/	/
	National Minority	Person	6,870	/	/
	Employees from Local Community	%	84.79	75.98	85.51
	Employees under 30	Person	38,779	39,172	45,029
	Employees between 30-50	Person	89,983	84,236	89,049
	Employees over 50	Person	4,880	7,868	6,325
	Females in Senior Management	%	27	26	31
Labor Welfare & Compliance ¹	Labor Contract Signing rate	%	100	100	100
	Social Insurance Coverage rate	%	100	100	100
	Child Labor Incidents	Number	0	0	0
	Forced Labor Incidents	Number	0	0	0
Career Development and Training ¹	Average Training Duration	Days	37	/	/
	Training Expenses	million CNY	720	700	500
	Training Coverage	%	100	100	100

Performance Indicators		Unit	2024	2023	2022
Occupational Health and Safety ¹	Safe Production Investment	million CNY	150.56	198.25	192.36
	Recordable Incident rate ²	%	1.36	/	/
	Average hours of Health and Safety Training	Hours	34	44	43.5
	Employee Health and Safety Training Coverage	%	100	100	100
	Full-time Safety Personnel	Person	44	62	34
	Number of Employees Received Health Check-ups	Person	133,642	131,276	140,403
	Employee Health Check-up Coverage	%	100	100	100
Product Quality and Customer Service	Number of Recalls	Number	0	0	/
	Food Safety Incidents	Number	0	/	/
	Food Safety Certified Employees	Person	112,100	/	/
	Product Pass Rate for Factory Inspections	%	100	/	/
	Product and Customer Complaint Response	%	100	100	/
Sustainable Supply Chain	Total Number of Suppliers	Number	8,186	9,500	/
	Number of Suppliers in China (Including Hong Kong, Macao, and Taiwan)	Number	8,164	9,500	/
	Number of Suppliers Overseas	Number	22	0	/
	Supplier Training Coverage	%	99.49	100	100
	Procurement Contract Fulfillment rate	%	99.58	99.5	99.5

Note 1: The statistics of employee data cover Muyuan and its subsidiaries, with the statistical scope consistent with the annual report.

Note 2: Recordable Incident Rate = (Total Number of Recordable Workplace Injuries and Occupational Diseases × 200,000) / Total working hours of all employees in the reporting period.

SASB Index Table

SASB CODE	Topic	METRIC	Unit	2024 Report
FB-MP-110a.1	GHG Emissions	Global Scope 1 emissions	(t) CO ₂ e	5,668,500 tCO ₂ e
FB-MP-110a.2		Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	
FB-MP-130a.1	Energy Management	(1)Total energy consumed	GJ	33,937,733.59 GJ
FB-MP-140a.1	Water Management	(1)Total water withdrawn	m ³	214,492,000 m ³
FB-MP-140a.2		Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	Muyuan has implemented the "Aqueduct Water Risk Atlas," a tool from the World Resources Institute, to evaluate water risks across its key operational locations. The results are shared in the Water Management chapter
FB-MP-140a.3		Number of incidents of non-compliance associated with water quality permits, standards and regulations	Number	0 Violations
FB-MP-250a.3	Food Safety	(1) Number of recalls issued and (2) total weight of products recalled	Number, t	0 Recalls and 0 tonne products recalled
FB-MP-250a.4		Discussion of markets that ban imports of the entity's products	n/a	n/a
FB-MP-320a.1	Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Rate	(1)1.36 ¹ ; (2)n/a
FB-MP-320a.2		Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions	n/a	/

SASB CODE	Topic	METRIC	Unit	2024 Report
FB-MP-440a.3	Animal & Feed Sourcing	Discussion of strategy to manage opportunities and risks to feed sourcing and livestock supply presented by climate change	n/a	Muyuan primarily refers to the warming scenarios outlined in the Fifth Assessment Report (AR5) published by the Intergovernmental Panel on Climate Change (IPCC) for its climate change scenario analysis. Two long-term scenarios are adopted-an increase in global average temperature of 1.5° C and 4° C between 2080 and 2100-to analyze the risks and opportunities associated with climate change. The results are disclosed in the chapter on Addressing Climate Change.

Note 1: Recordable Incident Rate = (Total Number of Recordable Workplace Injuries and Occupational Diseases × 200,000) / Total working hours of all employees in the reporting period.

GRI Index Table

GRI Standards Use Statement: Muyuan has reviewed and complied with GRI 1: Foundation 2021, and on this basis, has utilized the GRI Standards to prepare a sustainability report in accordance with the GRI Standards.

GRI Standard	Disclosure	Chapter
GRI 2: General Disclosures 2021	2-1 Organizational details	About Muyuan
	2-2 Entities included in the organization's sustainability reporting	About the Report
	2-3 Reporting period, frequency and contact point	About the Report
	2-4 Restatements of information	About the Report
	2-5 External assurance	/
	2-6 Activities, value chain and other business relationships	ESG Management and Strategy ; ESG Materiality Assessment
	2-7 Employees	Employee Empowerment and Development
	2-8 Workers who are not employees	Occupational Safety and Health ; ESG Key Performance Table
	2-9 Governance structure and composition	Corporate Governance; ESG Management and Strategy
	2-10 Nomination and selection of the Highest governance body	Corporate Governance
	2-11 Chair of the highest governance body	Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance;ESG Management and Strategy

GRI Standard	Disclosure	Chapter
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	ESG Management and Strategy
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance; ESG Management and Strategy
	2-15 Conflicts of interest	Risk Management
	2-16 Communication of critical concerns	ESG Materiality Assessment
	2-17 Collective knowledge of the highest governance body	ESG Management and Strategy
	2-22 Statement on sustainable development strategy	ESG Management and Strategy
	2-23 Policy commitments	Risk Management; Table of Laws, Regulations and Company Policies; Environmental Management, Employee Empowerment and Development
	2-25 Processes to remediate negative impacts	Employee Empowerment and Development; Risk Management
	2-26 Mechanisms for seeking advice and raising concerns	Employee Empowerment and Development; Risk Management
	2-27 Compliance with laws and regulations	Table of Laws, Regulations and Company Policies
	2-28 Membership associations	/
	2-29 Approach to stakeholder engagement	ESG Materiality Assessment
	2-30 Collective bargaining agreements	Employee Empowerment and Development
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Materiality Assessment
	3-2 List of material topics	
	3-3 Management of material topics	
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Biodiversity and Land Use
	101-2 Management of biodiversity impacts	Biodiversity and Land Use
	101-3 Access and benefit-sharing	Employee Empowerment and Development
	101-4 Identification of biodiversity impacts	Biodiversity and Land Use
	101-5 Locations with biodiversity impacts	Biodiversity and Land Use; Water Management
	101-6 Direct drivers of biodiversity loss	Biodiversity and Land Use
	101-7 Changes to the state of biodiversity	Biodiversity and Land Use

GRI Standard	Disclosure	Chapter
GRI 101: Biodiversity 2024	101-8 Ecosystem services	Biodiversity and Land Use
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	ESG Highlights and Performance; ESG Key Performance Table
	201-2 Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
	201-3 Defined benefit plan obligations and other retirement plans	Employee Empowerment and Development
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2 Proportion of senior management hired from the local community	ESG Key Performance Table
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Rural Revitalization and Giving Back to Society
	203-2 Significant indirect economic impacts	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainable Supply Chain
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Risk Management
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 207: Tax 2019	207-1 Approach to tax	Tax Transparency
	207-2 Tax governance, control, and risk management	
	207-3 Stakeholder engagement and management of concerns related to tax	
	207-4 Country-by-country reporting	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Waste and Pollution Management; Low-Carbon Actions across the Value Chain
	301-2 Recycled input materials used	
	301-3 Reclaimed products and their packaging materials	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Low-Carbon Actions across the Value Chain
	302-2 Energy consumption outside of the organization	

GRI Standard	Disclosure	Chapter
GRI 302: Energy 2016	302-3 Energy intensity	Low-Carbon Actions across the Value Chain
	302-4 Reduction of energy consumption	
	302-5 Reductions in energy requirements of products and services	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	
	303-5 Water consumption	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Addressing Climate Change; ESG Key Performance Table
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste and Pollution Management
	306-2 Management of significant waste-related impacts	
	306-3 Waste generated	
	306-4 Waste diverted from disposal	
	306-5 Waste directed to disposal	

GRI Standard	Disclosure	Chapter
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain
	308-2 Negative environmental impacts in the supply chain and actions taken	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESG Key Performance Table
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Empowerment and Development
	401-3 Parental leave	Employee Empowerment and Development
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Employee Empowerment and Development
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Safety and Health
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Empowerment and Development
	404-2 Programs for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	

GRI Standard	Disclosure	Chapter
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee Empowerment and Development
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Empowerment and Development
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Empowerment and Development
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Employee Empowerment and Development; Respect and Protection of Human Rights
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	
	413-2 Operations with significant actual and potential negative impacts on local communities	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain
	414-2 Negative social impacts in the supply chain and actions taken	
GRI 415: Public Policy 2016	415-1 Political contributions	Not applicable
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Food Safety and Consumer Rights
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Food Safety and Consumer Rights

Index Table of SHENZHEN STOCK EXCHANGE's Self-Regulatory Guideline for Listed Company No. 3 - Preparation of Sustainable Development Reports

Topic	Issue	Requirements	Chapter
General Requirements and Framework	Assessment of Material Topics	The time frame and period of the report should be consistent with the annual report. The outline should cover topics of both financial materiality and impact materiality. The reporting entity should conduct a materiality assessment and disclose the assessment process.	About the Report
			ESG Materiality Assessment
Addressing Climate Change	Addressing Climate Change	The structure and processes by which the company oversees and manages climate change risks and opportunities, as well as the role played by management.	Addressing Climate Change
			ESG Key Performance Table
			Low-Carbon Actions across the Value Chain
Pollution Prevention and Ecosystem Protection	Emissions	Companies should embed environmental protection into governance and strategy, disclose emissions data and related penalties, and report frameworks for ecological and biodiversity risk management.	Environmental Management
	Waste Management		Waste and Pollution Management
	Ecosystem and Biodiversity Conservation		Biodiversity and Land Use
	Environmental Compliance Management		Low-Carbon Actions across the Value Chain
Resource Utilization and Circular Economy	Energy Utilization	Enterprises should disclose the management, use, and recycling measures of energy, water, and raw materials, along with consumption data.	Low-Carbon Actions across the Value Chain
	Water Utilization		Water Management
	Circular Economy		ESG Key Performance Table
Rural Revitalization and Giving Back to Society	Rural Revitalization	The enterprise's actions and contributions to rural revitalization and social welfare.	Rural Revitalization and Giving Back to Society
	Social Contribution		
Innovation-driven Development and Technology Ethics	Innovation-driven Development	Businesses' pursuit of innovation aligned with scientific and technological ethics.	Innovation and Intellectual Property Protection
	Technology Ethics		
Suppliers and Customers	Supply Chain Security	Supply chain risk management, accounts payable, product and service quality control (including after-sales and recall), and data security practices.	Sustainable Supply Chain
	Equal Treatment of Small & Medium Enterprises (SMEs)		Food Safety and Consumer Rights
	Product and Service Safety and Quality		Animal Welfare
	Data Security & Customer Privacy Protection		Antibiotic Management

Topic	Issue	Requirements	Chapter
Employees	Employees	Employee rights protection, health and safety management, and internal policy implementation.	Employee Empowerment and Development
			Occupational Safety and Health
Sustainability-Related Governance	Due Diligence Stakeholder Communication	The company should disclose the systems and processes related to sustainability governance, as well as the communication with stakeholders.	ESG Management and Strategy
			ESG Materiality Assessment
			Corporate Governance
			Investor Rights Protection
			Risk Management
Business Practices	Anti-Bribery and Anti-Corruption	Disclosure of the company's anti-corruption and anti-bribery framework, including governance structure, whistleblower protection mechanisms, and any reported incidents during the reporting period.	Business Ethics
	Anti-Competitive Practices		Tax Transparency

Table of Industry Certifications

Category	Certification	Certified Operating Sites in 2024
International Organization for Standardization (ISO)	ISO 14001	1 feed plant, 8 farms, and 4 Slaughterhouses
	ISO 50001	4 Slaughterhouses
	ISO 9001	10 Slaughterhouses
	ISO 45001	4 Slaughterhouses
	ISO 22000	1 Slaughterhouse
Food Safety System Certification	FSSC 22000	9 feed plants
Certification in Agriculture and Livestock	China G.A.P	4 Breeding farms
	Qualification for Supplying Live Pigs from the Mainland to Hong Kong and Macau	6 Breeding farms
	National Standardized Slaughterhouse Construction Certification	4 Slaughterhouses
Environmental Certification	National-level Green Factory	1 Slaughterhouse
	Provincial-level Green Factory	2 Slaughterhouses

Table of Laws, Regulations and Company Policies

Theme	Shenzhen Stock Exchange Sustainability Reporting Preparation Guidelines	Company Policy	Laws, Regulations, and Normative Documents
Environ-mental	Pollutant Emissions and Waste Management	<ul style="list-style-type: none">• Environmental Management Measures for Feed Production• Management System for Harmless Disposal of Dead Pigs• Hazardous Waste Management System• Requirements for Limiting Excessive Packaging of Products, Water Pollution• Control Procedure, Solid Waste Pollution Control Procedure	<ul style="list-style-type: none">• Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste• Emission Standard of Air Pollutants for Boilers• GB 18918-2002 Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant• Technical Specifications for Pollution Prevention and Control in Livestock and Poultry Breeding Industry (HJ/T 81-2001)• Regulations on the Prevention and Control of Pollution in Large-Scale Livestock and Poultry Breeding• Technical Specification for Harmless Treatment of Livestock and Poultry Manure (GB/T 36195)• Technical Specification for Land Application of Livestock and Poultry Manure• Technical Guidelines for Carrying Capacity Calculation of Livestock and Poultry Manure on Farmland• Discharge Standard of Pollutants for Livestock and Poultry Breeding Industry (GB 18596-2001)• Emission Standard for Odor Pollutants (DB 12/059-2018)• Integrated Emission Standard of Air Pollutants (GB 16297-1996)• Pollution Control Standard for Storage and Disposal of General Industrial Solid Waste (GB 18599-2020)• Technical Specifications for Harmless Disposal of Diseased and Dead Animals• Pollution Control Standard for Hazardous Waste Storage (GB 18597-2023)
		<ul style="list-style-type: none">• Standards for Identification and Management of Environmental Compliance Risk Factors• Environmental Protection Operation Quality Management Standards• Work Safety Quality Management Standards• Evaluation Standards for Environmental Protection Benchmark Sites• Five Major Opportunities in Environmental Protection and Operation Management System• Environmental Protection Red and Yellow Card System• Emergency Response Plan for Environmental Incidents• Risk Incident Management System• External Whistleblower Reward Standards	<ul style="list-style-type: none">• Environmental Protection Law of the People's Republic of China• Technical Guidelines for the Delineation of Livestock and Poultry Breeding Prohibited Zones• Action Plan for Continuous Improvement of Air Quality

Topic	Shenzhen Stock Exchange Sustainability Reporting Preparation Guidelines	Company Policy	Laws, Regulations, and Normative Documents
Environmental	Ecosystem and Biodiversity Conservation	<ul style="list-style-type: none"> • Muyuan Low-Soy Feed Environmental Protection Strategy • Land Transfer Management Measures • Six-Party Joint Review System for Land Use Boundaries • Land Documentation and Filing Management Measures 	<ul style="list-style-type: none"> • Land Administration Law of the People's Republic of China • Regulations for the Implementation of the Land Administration Law of the People's Republic of China • Forest Law of the People's Republic of China • China National Biodiversity Conservation Strategy and Action Plan (2023–2030)
	Water Resource Utilization	<ul style="list-style-type: none"> • Rural Agricultural Water Pipeline Management System • Standard Water Use Management System • Water Conservation Management Measures for Slaughterhouses • Water Conservation Incentive and Penalty System for Slaughterhouses • Operation and Maintenance Management System for Water Monitoring Equipment 	<ul style="list-style-type: none"> • Water Law of the People's Republic of China • Standards for Irrigation Water Quality in Farmland (GB 5084-2021)
	Water Resource Utilization	<ul style="list-style-type: none"> • Slaughterhouse Water Conservation Management Measures • Slaughterhouse Water-Saving Incentive and Penalty System 	<ul style="list-style-type: none"> • Water Law of the People's Republic of China • Standards for Irrigation Water Quality in Farmland (GB 5084-2021)
Social	Product and/or Service Safety and Quality	<ul style="list-style-type: none"> • Muyuan Water Quality Standards for Swine Farming • Common Water Quality Abnormalities and Diagnostic Methods • All-Staff Supervision System for Food Safety and Quality • Food Safety Supervision and Management System • Muyuan Commercial Pig Sales Standards • Product Recall Control Procedure • Non-Conforming Product Simulated Recall Drill Plan • Food Safety Incident Response and Handling System • Muyuan Meat Product Dispatch Management Standards • Customer Complaint Management System • Breeding Farm Process Control Assessment System 	<ul style="list-style-type: none"> • Food Safety Law of the People's Republic of China • Law of the People's Republic of China on Quality and Safety of Agricultural Products • Animal Epidemic Prevention Law of the People's Republic of China • Animal Husbandry Law of the People's Republic of China • Administrative Measures for the Review of Animal Epidemic Prevention Conditions • Regulations on Quarantine of Live Pigs at Production Sites • Regulations on the Administration of Veterinary Drugs • National Food Safety Standard - Maximum Residue Limits for Veterinary Drugs in Food • National Food Safety Standard - Maximum Residue Limits for Pesticides in Food • Quality Management System Requirements (GB/T 19001-2016) • HACCP System Certification Requirements (Version 1.0) • National Food Safety Standard - Hygienic Specifications for Slaughtered Livestock and Poultry Products (GB 12694-2016) • GB 2707-2016 National Food Safety Standard - Fresh (Frozen) Livestock and Poultry Products

Topic	Shenzhen Stock Exchange Sustainability Reporting Preparation Guidelines	Company Policy	Laws, Regulations, and Normative Documents
Social	Product and/or Service Safety and Quality	<ul style="list-style-type: none"> • Meat Product Process Control Assessment System • Animal Welfare Guidelines and Policies • Muyuan Animal Welfare System • Muyuan Animal Welfare Manual • Muyuan Breeding Farm Product Recall System • Product Recall Control Procedure • Standardized Use of Veterinary Drugs in Large-Scale Pig Farms • Red Line Management System for Immunization • Veterinary Drug and Vaccine Supplier Management System 	<ul style="list-style-type: none"> • NY/T 1897-2010 Guidelines for Random Inspection of Veterinary Drug Residues in Animals and Animal Products • 2024 National Food Safety Sampling Inspection Plan by the State Administration for Market Regulation • Management Specifications for Growing and Fattening Pigs in Large-Scale Pig Farms • Epidemic Prevention Regulations for Large-Scale Pig Farms • National Action Plan for Reducing the Use of Veterinary Antimicrobials (2021–2025) • Announcement No. 194 of the Ministry of Agriculture and Rural Affairs: Ban on the Production of Feed Containing Growth-Promoting Drugs • Announcement No. 250 of the Ministry of Agriculture and Rural Affairs: List of Prohibited Drugs and Other Compounds in Food Animals
Employee	Employee	<ul style="list-style-type: none"> • Labor Contract Management Measures • Personnel Management System • Leave Management System • Attendance Management System • Comprehensive Compensation Management System • Reserve Cadre Management System • Employee Code of Conduct Manual • Assessment Standards for Violations and Potential Hazards • Special Emergency Response Plan for Fire Accidents in Multi-Story Pig Houses • Special Emergency Response Plan for Water Supply Interruptions in Farm Areas • Emergency Response Plan for Power Outages • Confined Operations Space Management System • Safety Management Regulations for Contractors, Partners, and Other Relevant Parties 	<ul style="list-style-type: none"> • Labor Law of the People's Republic of China • Labor Contract Law of the People's Republic of China • Provisions on the Prohibition of Using Child Labor • Production Safety Law of the People's Republic of China • Fire Protection Law of the People's Republic of China • Emergency Response Law of the People's Republic of China • Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases • Universal Declaration of Human Rights • Declaration on Fundamental Principles and Rights at Work • United Nations Guiding Principles on Business and Human Rights • OECD Guidelines for Multinational Enterprises • Children's Rights and Business Principles
	Data Security and Customer Privacy Protection	<ul style="list-style-type: none"> • AI Foundation Model Usage Security Management System • Information System Vulnerability Assessment and Management System • Cryptographic Security Management System • Information System Access Rights Security Management System • Muyuan Office Security Management System • Data Classification and Grading Rules • Muyuan Information Confidentiality System 	<ul style="list-style-type: none"> • Cybersecurity Law of the People's Republic of China • Data Security Law of the People's Republic of China • Personal Information Protection Law of the People's Republic of China • Basic Requirements for Classified Protection of Cybersecurity (GB/T 22239-2019)
	Innovation-driven Development	<ul style="list-style-type: none"> • Patent Management System • Trademark Usage Management System • Computer Software Usage Management System • Font Usage Specifications • Image Usage Specifications 	<ul style="list-style-type: none"> • Trademark Law of the People's Republic of China • Copyright Law of the People's Republic of China • Patent Law of the People's Republic of China

Topic	Shenzhen Stock Exchange Sustainability Reporting Preparation Guidelines	Company Policy	Laws, Regulations, and Normative Documents
Sustainability-related Governance	Anti-Bribery and Anti-Corruption	<ul style="list-style-type: none">• Integrity and Self-Discipline Management System• Measures for the Penalty of Integrity and Self-Discipline Violations• Reward Standards for Integrity and Honesty Reporting• Integrity and Honesty Reporting Management System• Cultural Development Management and Evaluation System• Whistleblower Reward System	<ul style="list-style-type: none">• Criminal Law of the People's Republic of China• Civil Code of the People's Republic of China
	Corporate Governance	<ul style="list-style-type: none">• Articles of Association• Muyuan Basic Law• Rules of Procedure for the Board of Directors• Rules of Procedure for the General Meeting of Shareholders• Investor Relations Management System• Related Party Transaction Decision-Making System• Independent Director System• Annual Report Work System for Independent Directors• Information Disclosure Management System for Debt Financing Instruments in the Interbank Bond Market• Information Disclosure Management System• Guidelines for Qualification Certificates and License Processing• Tax Management Policy• Individual Income Tax Management Policy• Invoice Management Policy• Tax Filing Management Policy• Related Party Transaction Decision-Making Policy of Muyuan Foods Co., Ltd.• Proposal on the Repurchase of Company Shares	<ul style="list-style-type: none">• Company Law of the People's Republic of China• Code of Corporate Governance for Listed Companies• Opinions on Further Improving the Quality of Listed Companies• Securities Law of the People's Republic of China• Guidelines for Investor Relations Management of Listed Companies• Measures for the Administration of Independent Directors of Listed Companies• Guidelines for Self-Regulation of Listed Companies on the Shenzhen Stock Exchange• Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange

Table of Muyuan Green and Low-Carbon Crop-Livestock Integration Bases

Base	Sites	Technology
Northeast Saline-Alkaline Region Sustainable Crop-Livestock Integration Base	Da'an Muyuan Farm No. 1	Research on the biological fermentation of liquid manure, sealed storage, compost odor treatment, and the balanced fertilization technology of acidified liquid and chemical fertilizers. Exploring the synergistic technology of manure return to the field and soda saline-alkali soil improvement.

Base	Sites	Technology
Northeast Plain Region Sustainable Crop-Livestock Integration Base	Nongan Muyuan Farm No. 3	Researching the sealed storage fermentation of manure, odor control in composting, and scientific manure return-to-field techniques. Developing a comprehensive technology system for the scientific application of livestock and poultry waste to the land, and establishing a green, low-carbon, integrated crop-livestock circulation model in the Northeast Plain region.
Northeast Cold Black Soil Region Sustainable Crop-Livestock Integration Base	Wangkui Muyuan Farm No. 2	Research manure airtight storage, composting odor control, and scientific land application to build a technical system for manure utilization, advancing a green, low-carbon circular Crop-Livestock model in Northeast China's cold black soil region.
North China Plain Sustainable Crop-Livestock Integration Base	Kenli Muyuan Farm No. 1	Research on biological acidification, airtight storage, and field application of liquid manure to achieve soil desalination and fertility improvement, promoting a green, low-carbon circular Crop-Livestock model in coastal saline-alkali regions.
East China Water Network Region Sustainable Crop-Livestock Integration Base	Guannan Muyuan Farm No. 2	Research odor control, airtight manure storage, differentiated wastewater treatment and reuse, and deep application techniques for manure fertilizers to achieve harmony between livestock and poultry farming and the resource environment; establish a green, low-carbon circular planting and breeding model for water-networked regions..
Central and Southern Hill Region Sustainable Crop-Livestock Integration Base	Neixiang Muyuan Complex	Research pig house odor treatment, airtight manure storage, composting odor control, and comprehensive utilization techniques following classified treatment of liquid manure water quality to achieve synergy between efficient resource utilization of livestock and poultry manure and green agricultural development; establish a green, low-carbon circular planting and breeding model for multi-story pig farming
South China Hill Region Sustainable Crop-Livestock Integration Base	Wuming Muyuan Farm No. 1	Research odor control in pig houses and composting, airtight manure storage, and classified utilization of liquid manure to enable efficient, precise land application and promote a green, low-carbon circular Crop-Livestock model in South China's hilly regions.
Northwest Arid Region Sustainable Crop-Livestock Integration Base	Yongji Muyuan Farm No. 12	Research pig house odor treatment, airtight manure storage, and precise manure field application techniques to establish a green, low-carbon circular planting and breeding model under typical conditions of the arid Northwest region.

Muyuan Basic Law

- I . **Business Purpose:** To produce wholesome foods for society, improve the life quality of all, and serve people's enjoyment in an abundant life.
- II . **Core Values:** Create value and serve society. Be internally and externally upright to promote social development.
External value outweighs internal value; Long-term interests outweigh immediate interests;
The value of humans outweighs the value of things; Common value outweighs individual value;
Social value outweighs profit value; Customer value outweighs production value.
- III. **Business Approach:** Create true value with our own strengths, rather than chasing nominal profits.
- IV. **Business Principles:** Seek to maximize social value without shifting burden, shirking responsibilities, or leaving behind hidden dangers. Take beneficial instead of harmful or rivalrous actions. Stay committed to creating value, unshaken by highs or lows. Expect no fluky profits and never bow for profit's sake. Refuse business bribery and turn away from unearned or ill-gotten gains. Stand firm against speculation, manipulation, or plunder, and never trade integrity for money. Practice strict self-discipline, shoulder responsibilities, and pursue excellence.
- V. **Employee Benefits:** Bring benefits for employees. Treat employees as family members, guide their growth, and build a career platform for they fulfilling the value of life. Bring happiness to every employee and every family in Muyuan.
- VI. **Customer Benefits:** Help in our customers' successes. Refrain from giving others what we wouldn't accept and offer what we cherish. Feel for others and treat others with honesty and sincerity. Treat customers as siblings and help each other, to embrace fairness, openness, and simplicity, and deliver efficient and shared success.
- VII. **Social Responsibility:** Put knowledge into action to benefit society. Balance financial returns with ecological and social benefits. Promote environment-friendly and animal-friendly business practices, develop circular economy, adopt cleaner production, and curb air pollution. Continuously improve food quality standards. Act proactively in building industrial ecology and promoting sustainable development. Actively carry out public welfare undertakings, support education improvement, and fuel social and economic development.
- VIII. **Long-Lasting Development:** Adhere to the values and construct a platform for sharing. Keep pace with the times and explore the unknown. Face challenges courageously and surpass our limits. Seek a selfless path to build a long-lasting company.

Tribute to Pigs

- A pig's life is ordinary, yet sublime.
- They come to this world quietly, and silently bid goodbye in their time.
When they're no longer in sight, they've given all they could provide.
A pig's life, in truth, is one of greatness and pride!
The spirit of pigs mirrors Muyuan people's devotion inside.
- A pig's life is one of giving, pure and true.
- Through their life's offering, people find joy anew.
Today, pigs teach us that life sustains life; only through life can we achieve life's higher worth.
Muyuan people bear the noble mission of providing food for all, like our pigs, we give freely, making life better for one and all.
- A pig's life is one of pure delight.
- Facing life's precious gift, they ask not for length of days, count not their feed, but grow with joy always.
Today, pigs show us that life's worth lies not in its length but quality. Like them, we trade duration for excellence, without regrets.
- A pig's life is filled with wisdom.
- While humans ponder life's meaning and chase fame's embrace, pigs simply live their truth with natural ease: life's essence lies not in what we take, but what we give to human grace.
Today, we hesitate no more, waste no time in debating life's worth; like pigs, we simply give more, calculate less, creating value on earth.
- We are grateful.
- Our business is raising pigs, yet in truth, they sustain our lives.
To honor pigs is to honor ourselves, to revere them is self-respect's rise.
Let's join with pigs, in simple joy and mirth, giving ourselves to create a life of highest worth!

Feedback Form

Dear readers,

Thank you for reading the ESG Report 2023 of Muyuan Foods Co., Ltd. To provide you and other stakeholders with more professional and valuable corporate social responsibility information, Muyuan sincerely invites you to offer your valuable opinions and suggestions on this Report. Your feedback will help us further enhance our ability and level of social responsibility and sustainable development management in the future.

Optional Questions:

1. Do you think this report comprehensively and accurately reflects the significant economic, social, and environmental impacts of Muyuan Shares?

Yes ☐ Fair ☐ No ☐
2. Do you think the stakeholders identified in this report and the analysis of their relationships with Muyuan are accurate and comprehensive?

Yes ☐ Fair ☐ No ☐
3. Do you think this report reflects the significant environmental impacts of Muyuan?

Yes ☐ Fair ☐ No ☐
4. Do you think this report reflects the significant social impacts of Muyuan?

Yes ☐ Fair ☐ No ☐
5. Do you think this report reflects the corporate governance situation of Muyuan?

Yes ☐ Fair ☐ No ☐
6. Do you think the information provided in this report is readable?

Yes ☐ Fair ☐ No ☐

Open Questions:

- 1.What aspects of this report are most satisfactory to you?
- 2.Are there any pieces of information you need that are not reflected in this report?
- 3.Do you have any suggestions for our future ESG report compilation?
- Please feel free to provide any other comments or suggestions regarding this report.

Your Contact:

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- **Create value**
- **Serve society**
- **Be upright outside and inside**
- **Advance social development**

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 The paper used for the printed report is environmentally friendly.