

ZJLD Group Inc.

2025 Environmental, Social and Governance (ESG) Report



ZJLD Group Inc

Stock Code : 6979.HK



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About this Report

Scope of Coverage

This report covers the full business scope of ZJLD Group, including the Group itself and its major subsidiaries: Guizhou Zhenjiu Brewing Co., Ltd., Guizhou Zhenjiu Sales Co., Ltd., Jiangxi Lidu Liquor Co., Ltd., Jiangxi Lidu Liquor Sales Co., Ltd., Hunan Xiangjiao Liquor Co., Ltd., and Hunan Xiangjiao Liquor Sales Co., Ltd. The report outlines the Group's environmental, social, and governance(ESG)philosophies, concrete practices, and operational performance during the reporting period.

Reporting Period

From January 1, 2025 to December 31, 2025.

Publication Cycle

This is the fourth ESG report published by ZJLD Group Limited. The report is published annually. The previous report covered the period from January 1, 2024 to December 31, 2024, and was published in April 2025.

Terminology

For the sake of brevity, ZJLD Group Inc. is referred to throughout this report as "ZJLD" "ZJLD Group" "the Group" "the Company" or "we".

Data Explanation

All data cited in this report reflects final statistics as of December 31, 2025. Data is primarily sourced from the Group's internal data collection systems, statistical reports, and publicly available information. The Group affirms that all materials and figures quoted in this report are free from any misstatements, misleading information, or significant omissions. We bear full responsibility for the objectivity, authority, and accuracy of the content. Unless otherwise stated, all monetary amounts in this report are presented in Renminbi (RMB).

To further ensure the accuracy of the content and information presented, the Group engaged the independent third-party verification agency Bureau Veritas to verify selected key data and material ESG topics included in this report. For details of the assurance report and methodology, please refer to Appendix Assurance Report.

Reporting Standards

This report has been prepared in reference to the following standards and guidelines:

- The ESG Reporting Guide set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (HKEX) (Listing Rules)
- The Corporate Governance Code and Corporate Governance Report set out in Appendix C1 to the Listing Rules (Corporate Governance Code)
- The Sustainability Reporting Guidelines by the Global Reporting Initiative (GRI Standards)
- The United Nations Sustainable Development Goals (SDGs)
- The Reporting Framework for the Baijiu industry by the Sustainability Accounting Standards Board (SASB)
- International Financial Reporting Standards (IFRS) Sustainability Standards: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures (the Task Force on Climate-related Financial Disclosures (TCFD)'s recommendation integrated)
- ESG Disclosure Guidelines by the China Alcoholic Drinks Association

Language

This report is published in Simplified Chinese, Traditional Chinese, and English. In the event of any discrepancy or ambiguity in interpretation, the Simplified Chinese version shall prevail.

Access

Printed versions of this report (on environmentally friendly paper using eco-ink) are available upon specific request by shareholders.

The electronic version is available for viewing or download at ZJLD Group's official website: www.zjld.com

For any comments or suggestions regarding this report, please feel free to send us an email. We sincerely appreciate your attention and support for ZJLD Group's ESG initiatives.

Contact Information

Company Name: ZJLD Group Inc.

Mailing Address: Room 1504, 15/F, Berkshire House, 25 Wetlands Road, Taikoo Place, Quarry Bay, Hong Kong

Email: esg@zjld.com.hk

Message from the Chairman



2025 marked a year of profound adjustment for the Chinese baijiu industry, with consumption recovery falling short of expectations and the industry development facing significant challenges.

As an entrepreneur who has navigated multiple industry cycles, I believe that the downward cycle will eventually reverse, yet a new era will not return in the old way. To this end, the Group has actively pursued innovation and proactively sought transformation. We have forged a "super connection" by launching the "Premier Retailers Alliance" (万商联盟) that attracted over 4,000 partners to sign cooperation agreements. We have fostered "super channel" by building co-construction and sharing ecosystems. We have introduced "super products" such as Da Zhen (大珍) and News Craft Beer (牛市啤酒) that successfully gained consumer recognition. We have achieved "super communication" via new media channels including WeChat Channels to win market favor. We have created "super experiences" to transform consumption scenarios. We have developed "super organization" to enhance cohesion within the Group and along with the value chain. We have cultivated a "super identity" to build core brand awareness. These seven initiatives have fully stimulated growth momentum and injected sufficient potential into the Group's future development.

As an industrialist who has committed to long-termism, I believe that cyclical fluctuations in the industry are essentially a test of a company's capability for sustainable operations. This capability is reflected not only in current revenue scale and profitability, but also in how the company responds to environmental constraints, addresses social concerns, and improves internal governance. To this end, the Group continues to deepen its commitment to ESG practices, embedding sustainable development throughout the entire business value chain to build core competitiveness amid industry cycles.

We set clear goals and pursue long-term development with perseverance.

In 2025, the Group successfully accomplished all five ESG strategic targets set in 2022. Standing at a new starting point, we have fully listened to and addressed the concerns of various stakeholders and formulated the Group's 2030 ESG Strategic Plan. Centered on six core areas, carbon peaking and carbon neutrality management, water conservation and protection, circular economy, sustainable agriculture, sustainable supply chains, and talent development, we have put forward more ambitious strategic objectives to drive in-depth and solid progress in ESG practices with higher standards.

We focused on implementation and tangible results.

In 2025, the Group held 3 ESG workshops and more than 20 dedicated seminars to gain in-depth insights into outstanding ESG practices of global consumer goods industries, and to clarify priorities and directions for ESG work. In 2025, 13 ESG progress meetings were convened to track monthly status, with 258 ESG improvement initiatives delivered throughout the year, continuously promoting transformation, upgrading and high-quality development. In 2025, the Group established 48 ESG performance indicators targeting key ESG issues such as energy and water consumption, waste and pollutant discharge, employee development, and production safety, assigning responsibilities at every level to ensure effective delivery of every task.

We remained committed to innovation and continuous self-improvement.

In 2025, we piloted forward-looking low-carbon initiatives such as electric steam generators and photovoltaic energy storage, taking steady steps toward our ambitious "2850" target. We were also the first in the industry to launch Da Zhen·Zhenjiu (大珍), a strategic core product aligned with green packaging principles, featuring a highly transparent glass bottle, a high-seal metal cap, a lightweight gift box and extremely low void space, making it a tangible expression of the Group's ESG practices. At the Group's supplier conference, we innovatively added ESG capacity-building training, learning and practicing ESG concepts together with nearly 100 upstream partners. We also promoted the initiative that "everyone in the Group serves as a volunteer", encouraging more than 10,000 employees to devote at least one day each year to public welfare activities and contribute to society through concrete action.

We moved forward with honor and continued to reach new heights.

In 2025, the Group's ESG work continued to earn broad recognition from society. Our Wind ESG rating achieve another breakthrough, making us the first baijiu enterprise to receive an "AAA" rating; our S&P CSA score rose to 66, making us one of only 13 beverage-related companies worldwide selected for the S&P Sustainability Yearbook; and our CDP Water Security rating of "A-" was maintained for the second consecutive year, continuing to lead the baijiu industry.

As relentless aspirants, all of us at ZJLD Group believe in the power of products, the power of long-term commitment, and the power of belief itself. Looking ahead, we will continue to consolidate the foundation for the Group's development through transparent governance; continue to strengthen green brewing and protect the ecological environment under the guidance of our "2850" dual-carbon target; and continue to improve ourselves while giving back to society under the vision of "creating more and better employment opportunities for society", demonstrating corporate responsibility as we move steadily toward becoming a world-class brewing enterprise.

Chairman of the Board
Wu, Xiangdong

About ZJLD Group

Company Profile



April 2023

Listed on the Main Board of the Hong Kong Stock Exchange



Ticker
6979.HK

ZJLD is one of the leading enterprises in China's baijiu industry. With the vision of "Advancing Toward a World-Class Liquor Enterprise", the Group is dedicated to preserving millennia of cultural heritage, turning every drop of aromatic baijiu into a toast to shared prosperity and cherished moments of gathering. In April 2023, ZJLD Group listed on the Main Board of the Hong Kong Stock Exchange under the ticker "6979.HK".

One Group, Three Flavors, Four Brands

The Group owns four major brands: Zhenjiu, Lidu, Xiangjiao, and Kaikouxiao, covering all three major baijiu flavors of sauce-flavor, strong-flavor, and mixed-flavor.

The flagship brand Zhenjiu is a leading and nationally renowned sauce-flavor baijiu brand in Guizhou. It was founded in 1975 to fulfill the aspirations of Chairman Mao and carries a storied legacy. In 1986, it was officially named "Zhenjiu", inspired by Vice Premier Fang Yi's inscription "Treasure Among Liquors" (酒中珍品). In 1988, it was awarded the National Quality Award, selected as the baijiu served at state banquets and became one of the top three sauce-flavor baijiu brands in Guizhou. After its successful restructuring in 2009, Zhenjiu experienced rapid development. In 2025, Zhenjiu brewed liquor over 45,000 tons, with a base liquor reserve more than 100,000 tons. For the fourth consecutive year, Zhenjiu was listed in the China 500 Most Valuable Brands ranking, securing the third position among sauce-flavor baijiu brands in terms of brand value.

The "National Treasure" brand Lidu originates from Ancient Town Lidu located in Jiangxi Province, a place with a long history of liquor brewing. Specializing in mixed-flavor baijiu, Lidu boasts the oldest Yuan Dynasty fermentation pits in China and the Tang Dynasty Lidu Kiln Ruins. Together, they form a distinctive "Dual Heritage of Porcelain and Liquor". Leveraging this unique heritage, Lidu has developed an immersive consumer experience that creates a competitive advantage. Lidu's core products—Lidu Sorghum 1955 (李渡高粱1955), Lidu Sorghum 1308 (李渡高粱1308), and 1308 Heritage Tribute (1308申遗献礼)—have all won the Grand Gold Medal at the Brussels International Spirits Competition, making Lidu the first baijiu enterprise with such achievement. In April 2023, Lidu joined forces with Moutai, Wuliangye, Luzhou Laojiao, and other prestigious baijiu producers in jointly applying for UNESCO World Cultural Heritage.

The regional leading brands Xiangjiao and Kaikouxiao focus on the Hunan market, offering various flavor types and enjoying widespread recognition and popularity in the local area. Xiangjiao is among the billion-yuan target liquor enterprises prioritized for support in multiple official documents issued by Hunan Province and has won honors including the "National Civilized Unit", "National May 1st Labor Award", and "Hunan Provincial Governor's Quality Award". Additionally, Xiangjiao's Ecological Cultural Distillery is the only AAAA-rated baijiu-themed tourist destination in Hunan Province. In 2025, the "Xiangjiao Sealing Ceremony" (湘窖封坛大典) was included in the Shaoyang Municipal Intangible Cultural Heritage List.



Highlights of ESG Work, Achievements, and Honors

Achievement of 2025 ESG Strategic Goals

In the second half of 2022, by identifying key issues and understanding the critical influencing factors and potential opportunities for improvement across the value chain, ZJLD established five Group-level ESG strategic objectives across four key areas: carbon emissions control (including energy conservation, emissions reduction and the use of green electricity), water conservation, the implementation of green packaging, and the comprehensive promotion of rural revitalization. We aim to use these strategic objectives as a driving force to effectively implement ESG initiatives and continuously enhance the Group's ESG management standards. Through relentless efforts, all five strategic objectives set by the Group had been fully achieved by the end of 2025.

Carbon Emissions Management



Energy Efficiency and Emissions Reduction

Achievement of 2025 ESG Strategic Goals

Setting 2021 as the baseline year, the Group set out to continuously improve energy efficiency and achieve a 20% reduction in Scope 1 and Scope 2 carbon emissions intensity by 2025.



Green Power Transition

The Group aims to achieve 100% green electricity consumption by 2025.

Water Resource Conservation



Using 2021 as the baseline, the Group aims to improve water-use efficiency and reduce water withdrawal intensity by 20% by 2025.

Green Packaging



By 2025, the Group aims to ensure that at least 95% (by weight) of packaging materials used are derived from sustainable sources.

Rural Revitalization



Using 2021 as the baseline, the Group aims to increase the number of rural employees across the organization by 50% and double the volume of agricultural procurement by 2025.

Achievement

By 2025, the carbon intensity of Scope 1 and Scope 2 emissions had decreased by **62%** compared to 2021.

In line with the "three-step" strategy to increase the proportion of green electricity, **100%** use of green electricity has been achieved by 2025.

Water intensity in 2025 decreased by **65%** compared to 2021

In 2025, **99%** of the Group's packaging materials were sustainable and eco-friendly (by weight).

By 2025, the number of rural employees had increased by **59%** compared to 2021, and the volume of agricultural product procurement had **tripled**.

2030 ESG Strategic Goals

The successful achievement of all our ESG strategic targets for 2025 marks a significant milestone on our journey towards sustainability, whilst also setting higher standards for our work in the coming phase. Over the past four years, we have systematically implemented our established initiatives in areas such as environmental emissions reduction, water conservation and green packaging materials. From reducing energy consumption in our own operations to driving employment and economic growth in surrounding rural communities, these advancements have evolved our understanding of ESG from mere 'compliance' to a long-term strategic driver and source of value creation for the enterprise.

At this juncture, we recognize more clearly than ever that ESG is not a short-term task, but a development philosophy that requires long-term commitment. Building on this, we have summarized our experiences from the past four years and, considering stakeholder concerns, have formulated our 2030 ESG strategic objectives, which have been approved by the Group's ESG Management Committee.



2030 ESG Strategic Goals

- **Dual Carbon Strategy Targets**
Achieve carbon peaking at Group level no later than 2028, and achieve carbon neutrality no later than 2050
- **Water Conservation and Protection**
Achieve a Group-wide recycled water utilization rate of 25% by 2030¹, promote employees to participate in no less than 100 public welfare activities related to river basin protection in the next five years, with a total volunteer service time of no less than 20,000 hours.
- **Circular Economy**
Achieve 100% use of broadly recyclable packaging materials for core products by 2030²
- **Sustainable Agriculture**
By 2030, 100% of raw grain growers will have received training and support in sustainable agriculture
- **Employee Development**
Achieve an internal promotion rate of no less than 75% by 2030³
- **Supply Chain Management**
By 2030, 100% of the Group's suppliers must meet labor rights and environmental requirements

Compared to previous ESG strategic targets, the 2030 ESG strategic targets are not only more challenging in terms of the numerical targets themselves, but also more comprehensively embrace the responsibility of enhancing ESG principles among internal staff, external suppliers and farmers. Driven by these more ambitious goals, we will continue to deepen the Group's ESG initiatives to support high-quality sustainable development.

¹ Circulating water utilization rate: Calculated as circulated water volume / (circulated water volume + water intake)

² Core products: The top 10 best-selling products from each of the Zhenjiu, Xiangjiao and Lidu brands, respectively

³ Internal promotion rate: Calculated as the number of internal promotions divided by the sum of the number of internal promotions and the number of non-entry-level hires

ZJLD “2850” Dual-Carbon Target

In August 2024, following rigorous calculations and analysis and unanimous approval by the Board of Directors, ZJLD formally announced its sustainability commitments.

According to the plan, the Group aims to achieve carbon peaking within its own operational scope no later than 2028, and to achieve carbon neutrality within its own operational scope by 2050. The voluntary setting of these "dual carbon" targets demonstrates that, whilst actively responding to the national dual carbon strategy, the Group is also taking concrete actions to support the achievement of the Paris Agreement's 1.5°C temperature control target. The Group will focus on advancing energy-saving projects and reducing carbon emission intensity, fully implementing 100% green electricity procurement, and actively exploring cutting-edge technologies such as new energy distillation, carbon capture, and methane collection and reuse to achieve these "dual carbon" targets.

In 2025, ZJLD continued to vigorously advance its energy-saving and carbon reduction initiatives. Through measures such as improving its energy management system, retrofitting production equipment to enhance energy efficiency, and centralizing production to reduce heat loss, the company achieved a further reduction in carbon intensity within its own operational scope (Scope 1 and Scope 2) to 1.89 tons of CO₂ equivalent per ton of base liquor produced, representing a 24% year-on-year decrease. At the same time, through a series of measures including the deployment of rooftop solar installations, the implementation of specialized campaigns to conserve electricity and gas, and the signing of green electricity procurement agreements with local power suppliers, the company has achieved its carbon reduction strategic target of reducing carbon emission intensity within its own operational scope by 20% (using 2021 as the baseline) ahead of schedule, and has successfully met the Group's 2025 sustainability goal of using 100% renewable electricity.

ESG Highlights Along the Value Chain

During the reporting period, the Group continued to make concerted efforts across all stages of its core business operations—including procurement, brewing, bottling, sales and training & giving back—whilst simultaneously driving specialized initiatives at Group level, such as energy conservation, emissions reduction, and green packaging, demonstrating diverse highlights in its ESG practices.

Procurement

Responsible Sourcing

- Completed ESG reviews for 100% of Tier 1 suppliers (including both core and non-core suppliers); based on the review results, conducted on-site visits and verification of core suppliers
- Following ESG reviews and on-site visits, the number of material risks identified among the Group's suppliers stood at zero in 2025.
- The "Core Supplier ESG Capacity-Building Program" was implemented for the third consecutive year. On the one hand, six core suppliers were visited to enhance their ESG capabilities; on the other hand, a supply chain partnership conference was held to facilitate ESG-themed training and foster communication and collaboration with suppliers in areas such as quality management, logistics and procurement.
- Developed specific rectification plans addressing supplier ESG issues to drive improvements in supplier compliance and sustainability capabilities.
- Logistics supplier tendering was completed, with low-carbon transport incorporated into the evaluation criteria; new carriers were advised to prioritize the use of new energy vehicles for freight transport to reduce carbon emissions and pollutant emissions across the entire supply chain.
- The Group's core products, "Lidu" (李渡酒) and "Lidu Sorghum" (李渡高粱酒), successfully passed the Protected Eco-Origin Product (PEOP) assessment, obtained ecological origin certification, and were officially awarded the "Protected Eco-Origin Product Certificate".

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Brewing

Climate Change Response

- By 2025, the Group achieved **100%** of its total electricity consumption from green energy.
- By 2025, the Group achieved a **24%** reduction in Scope 1 and 2 greenhouse gas emission intensity (tCO₂e / ton of base liquor) compared to 2024.

Water Resource Protection

- By 2025, water withdrawal intensity reduced to **40.81** tons per ton of base liquor, a decrease of **19.33%** compared to last year.
- By 2025, the total volume of water recycled and reused reached **386,466** tons, with a water recycling and reuse rate of **14.87%**.

Bottling

Green Packaging

- The Group continues to advance its "4R1D" green packaging strategy, learning from leading practices within the industry. In June 2025, a green packaging workshop was convened at Group level to explore the feasibility of various green packaging improvement schemes and to comprehensively review and identify opportunities to replace high-energy-consumption glass materials; Zhenjiu (珍酒) and Lidu (李渡) researched and set targets for reducing plastic in packaging materials, and implemented measures to reduce plastic in bottle caps; Xiangjiao (湘窖) undertook initiatives such as reducing packaging volume for product series including "Kai Kou Xiao" (开口笑).
- In 2025, the total volume of recyclable, reusable and biodegradable packaging materials used in the Group's products reached **39,397** tons, accounting for **99.14%** of the total packaging materials by weight.
- In 2025, the Group continued to carry out creative recycling projects using bottles, collecting a total of **17,025** bottles for the production of creative products and the creation of decorative displays.

Product Quality and Responsibility

- In 2025, the Group recalled **zero** products due to safety or health concerns.
- In 2025, the Group's customer service satisfaction rate was **100%**.
- Throughout 2025, Zhenjiu secured numerous quality accolades: the China Quality Innovation Achievement Demonstration Award, the Grand Gold Award at the Light Industry Quality Competition, the Innovative Product Award, and the National Quality Benchmark and Quality Technology Award; two QC projects were rated at the professional level. Lidu was selected for the Ministry of Industry and Information Technology's inaugural "List of China's Leading Consumer Brands with Growth Potential", making it the only baijiu enterprise from Jiangxi to feature on the list.

Sales

Responsible Marketing

- 100%** of advertising content underwent responsible marketing review to ensure responsible drinking reminders were provided to consumers and that no promotional content violated the Advertising Law.
- In response to the National Responsible Drinking Awareness Week, public awareness stations were established in over **50** stores nationwide to advocate for the "prevention of underage drinking" through various formats, safeguarding the well-being of minors.
- The Xiangjiao Sealing Ceremony Festival attracted over **10,000** participants, with on-site broadcasts promoting responsible drinking to translate the concept of healthy drinking into acti. The Lidu "National Fan Club" mini program launched a responsible drinking program to continuously disseminate knowledge on responsible drinking and foster a civilized consumption environment.
- Conducting responsible marketing training for sales staff and distributors.

Training and Giving Back

Employee Training and Wellbeing

- At Group level, we continue to implement the requirements of the Respect, Diversity, Equality and Inclusion Policy, rigorously investigating workplace discrimination and harassment.
- In 2025, over **85%** of employees expressed overall satisfaction in the Group's Employee Satisfaction Survey.
- In 2025, the average number of training hours for all Group employees reached **51** hours.

Public Welfare

- In 2025, the Group had organized over **100** volunteer activities involving all staff, with employees contributing more than **37,249** hours to charitable causes.
- In 2025, the Group's cumulative charitable donations exceeded **14.52 million** yuan.
- Zhenjiu has organized a series of charity fundraising dinners nationwide, with 6 events already held in Guangdong, Hunan and Guizhou provinces, raising a total of nearly **5 million** yuan.
- Proceeds from the auction of Lidu Sealed Jar (李渡封坛酒) were donated in full to Alxa SEE, with a commitment to donate **500** yuan to the Poyang Lake Ecological Foundation for every jar sold, specifically for the protection of rare species.
- Xiangjiao has organized its large-scale charitable educational initiative, "Xiangjiao-My University Dream", for the eighth consecutive year. The project has cumulatively supported over **8,500** outstanding students from Hunan, with total donations exceeding **43.5 million** yuan.

Training and Giving Back

Rural Revitalization

- ▶ As of December 2025, the Group has cumulatively established over **400,000** mu of sorghum planting bases through collaborative efforts; the targeted procurement of sorghum has helped over **40,000** rural households increase their income.
- ▶ In particular, through an industry-academia-research partnership with Guizhou University, the Group has secured a **40,000** mu sorghum contract, with an expected yield of 8,000 tons. This initiative is projected to boost the income of over **6,400** farming households, with an average increase of **12,000–14,000** yuan per household.

Our Key Recognitions

ZJLD Group

- Awarded an ESG "AAA" rating by Wind, a leading Chinese financial information service provider, marking the first "AAA" rating in the baijiu industry and ranking first among 58 listed companies in the broader beverage sector on the A and H shares markets in China.
- In 2025, the Group achieved a S&P Global CSA score of 59 and was included in the Sustainability Yearbook 2025 (China Edition). Based on the Group's ESG performance in 2025, its S&P Global CSA score rose to 66, and it was included for the first time in the Sustainability Yearbook 2026 (Global Edition).
- The 2025 Sustainalytics ESG risk score was 25.5, with the risk management capability ranking among the leading domestic baijiu companies.
- In 2025, the Group received a "B" rating for climate change and an "A-" rating for water security in the CDP assessment. And was awarded the title of "Supplier Engagement Leader".
- In the fourth quarter of 2025, the Group received an A rating from SynTao Green Finance.
- In the fourth quarter of 2025, the Group received an AA rating from Sino-Securities Index ESG.
- The Group was named among the Wind Top 100 Chinese Listed Companies for ESG Best Practices, being the only baijiu company to be included for three consecutive years.
- Awarded the "UN Sustainable Development Goals Excellence in Sustainable Impact Award" by the APEC Digital Trade and Business Innovation Forum.
- Awarded the Hong Kong Listed Companies ESG Excellence Award by the Chamber of Hong Kong Listed Companies (CHKLC) and Hong Kong Baptist University, marking the second consecutive year of receiving this honor.
- Selected for the "2025 Outstanding Sustainability Practice Cases of Listed Companies" organized by the China Association of Listed Companies, in recognition of its exemplary ESG practices.
- Awarded the "ESG Special Mentions" by the Hong Kong Institute of Certified Public Accountants (HKICPA).
- The ZJLD "Premier Retailers Alliance" (万商联盟) model was recognized as a "pioneering case in the industry", becoming one of only eight enterprises selected nationwide; simultaneously, it received the "Annual Alcoholic Beverage Business Innovation Model Award" at the 3rd China Alcoholic Beverage New Drink Conference in 2025.
- Group Chairman Wu Xiangdong was named one of the "Top Ten Brand Figures of 2025 in China" and a "Leading Figure in High-Quality Development of China's Food Industry during the 14th Five-Year Plan Period"; he received the "sustainability – Business Figure with the Most Entrepreneurial Spirit of the Year" award; and was conferred the honorary title of "significant Contributor to China's baijiu Industry over 30 Years".
- Eight employees of the Group were appointed as national-level baijiu judges for the 2025 session of the China Alcoholic Beverages Association.

Zhenjiu

- Awarded the "Demonstration Level" distinction for China's 2025 Quality Innovation Achievements.
- Awarded the "2025 'Golden Peak' Outstanding Case Study" by China National Radio Finance.
- Awarded both the "National Quality Benchmark" and "Quality Technology Award" by the China Quality Association.
- Awarded the "Excellence in Quality Leadership Award" by the Economic Observer.
- Selected for the "Top 500 Most Valuable Brands in China" for four consecutive years, retaining its position among the top three in the sauce-flavor baijiu category.
- Ranked 24th in the "2025 World Spirits Brand Ranking", retaining its position as the fourth-ranked Chinese sauce-flavor baijiu brand.
- Made its debut on Brand Finance's 2025 Top 500 Chinese Brands by Value, ranking 304th and securing second place among Chinese sauce-flavor baijiu brands.
- Awarded the title of "National Model Workers' Home".
- The "Premier Retailers Alliance" case was successfully selected for the "2025 National Consumer Innovation Cases", making it one of only two baijiu enterprises nationwide to be included; at the annual wine industry innovation case awards ceremony held during the AICC 2025 Wine Industry Innovation and Investment Conference, it was honored with the "AICC 2025 Wine Industry Innovation Case of the Year"; Won the "2025 China Wine Industry Best Marketing and Promotion Case" at the 2025 China Wine Industry Golden Glory Awards.
- Dazhen·Zhenjiu (大珍·珍酒) secured two major awards at the 2025 Light Quality Wanhucup Wine Quality Competition: the "Grand Gold Award" and the "Innovative Product Award"; At the 2025 China Wine Industry Golden Glory Awards, it was honored with two awards: "2025 China Wine Industry Product with the Highest Distribution Value" and "Most Popular Single Product"; simultaneously, it received the "Outstanding Contribution Award" in the 2025 Online Aesthetic Product Awards.
- Zhenjiu·Zhen 10 (珍酒·珍十) was awarded the Grand Gold Medal at the 2025 ISGC International Spirits (China) Competition and the Grand Gold Medal at the 2025 Brussels International Spirits Competition.
- Zhenjiu·Zhen 30 (珍酒·珍三十) was awarded the top prize at the IGC International Spirits Competition (Hong Kong).
- 4th Generation Zhenjiu·Zhen 15 (第四代珍酒·珍十五) was awarded the "star of Fine Wines" prize at the 2024-2025 China Wine Industry Awards.

Lidu

- Awarded "Protected Eco-Origin Product (PEOP) Certification".
- Selected for the Ministry of Industry and Information Technology's first batch of "China's Top Consumer Brands", becoming the only wine enterprise from Jiangxi to make the list.
- Awarded the "Provincial Award for Promoting Voluntary Blood Donation" by Jiangxi Province.
- "Pioneering Practice in Value Reconstruction and High-End Strategy" Selected as a "Classic Case Study of 30 Years of China's Alcoholic Beverage Distribution".
- Lidu Sorghum 1965 (李渡高粱1965) has won two major awards both domestically and internationally: the Gold Medal at the 2025 ISGC International Spirits (China) Competition and the title of "Regional Indication Product" at the 2025 China Alcohol Industry Central-Southern Core Production Area Wine Design Innovation Competition.

Xiangjiao

- Awarded the national level "Green Factory" title.
- Continues to hold the honorary title of "National Key Leading Enterprise in Agricultural Industrialization" (maintained continuously since 2011).
- Awarded the title of "National Trusted Wine Project · Model Enterprise" for 2025 by the China Alcoholic Beverages Circulation Association.
- Designated as the official baijiu brand for the Hunan delegation at the 15th National Games.
- Shift 8 of the First Sauce-flavor Liquor production Workshop was awarded the title of "Advanced Collective in the National Light Industry Sector".
- Awarded the title of "Outstanding Contributor to the Hope Project over 30 Years" by the China Youth Development Foundation.



01 | Building a Solid Governance Foundation

We firmly believe that a sound corporate governance system is a core pillar underpinning the Group's long-term, high-quality operations. In 2025, with "governance empowering operations and quality expanding market reach" as our central development objective, we strengthened our development foundation through the coordinated advancement of governance enhancement and ESG improvement initiatives. We also promoted the deep integration of ESG governance across all operating scenarios and stages, so that governance value could be effectively translated into a core competitive advantage for sustainable development. Looking ahead, we will continue to drive governance upgrades across all areas of the Group, ensure the effective implementation of governance measures at every level, and provide solid and reliable strategic support for the Group's full-lifecycle development, operational capability enhancement and product quality improvement.

Corporate Governance

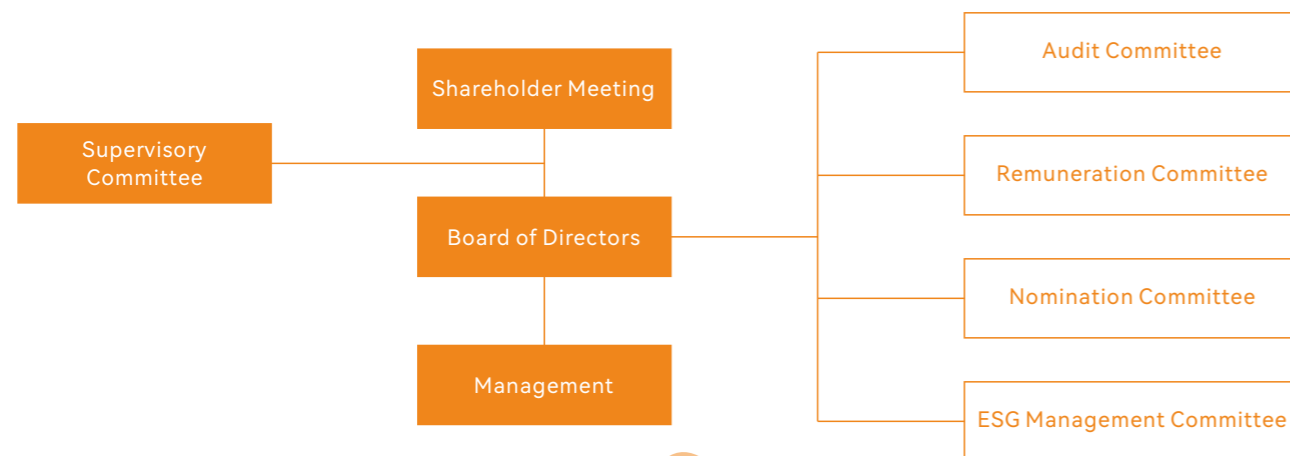
Corporate Governance Structure

In compliance with the requirements of Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (including Code of Corporate Governance), and other applicable regulations, ZJLD has established a modern corporate governance and management system covering the shareholders' general meeting, the Board of Directors, and management. Through formal institutional arrangements, the Company clearly defines the authority boundaries and rules of procedure at each governance level, thereby safeguarding compliant operations and sound decision-making, effectively protecting the lawful rights and interests of shareholders and all stakeholders, and laying a solid governance foundation for the Group's long-term sustainable development.

Under the Board of Directors, ZJLD has established Nomination Committee, Audit Committee, Remuneration Committee and ESG Management Committee to provide diversified and comprehensive oversight of the Group's operations and management affairs. While ensuring operational compliance, these committees also help enhance the quality of decision-making and execution efficiency.

During the reporting period

The Group held **1** meeting of Shareholder Meeting, **5** meetings of the Board of Directors with a **100%** attendance rate, exceeding the minimum attendance requirement of **66%**. Besides, the Group also held **2** Audit Committee meetings, **2** Remuneration Committee meetings, **1** Nomination Committee meeting and **13** ESG Management Committee meetings.



Board of Directors

ZJLD places Board development at the strategic core of its governance structure and has introduced a series of measures to strengthen and enhance Board effectiveness, ensuring that the Board performs its duties with integrity, diligence and full compliance when exercising its responsibilities, including formulating the Group's business plans and proposals, making and approving decisions on major matters, appointing senior management, and overseeing performance. First, supported by the Group's Independence Statement of the Board of Directors of ZJLD Group and Board Diversity Policy, the Company safeguards the independence of its independent non-executive Directors while incorporating multiple dimensions into Board diversity assessment, including gender composition, age profile, educational and cultural background, ethnicity and tenure, to steadily enhance Board diversity. Second, the Group has established and implemented a Board effectiveness evaluation mechanism, under which all Directors are required to conduct an annual self-assessment of their performance, thereby strengthening Board effectiveness. Third, building on the Board members' solid experience in financial management and control, corporate management and industry expertise, the Group has established a regular training system and capability enhancement mechanism to provide systematic, full-cycle support, continuously reinforcing the Board's overall management effectiveness and strategic decision-making capability, and enabling it to perform its duties with precision and efficiency in a complex operating environment while supporting the Group's development.

Board Expertise

The nine members of the Board possess extensive industry experience and professional expertise, ensuring the quality of the Board's decision-making.



9 industry experts



4 risk management experts



6 finance and tax experts

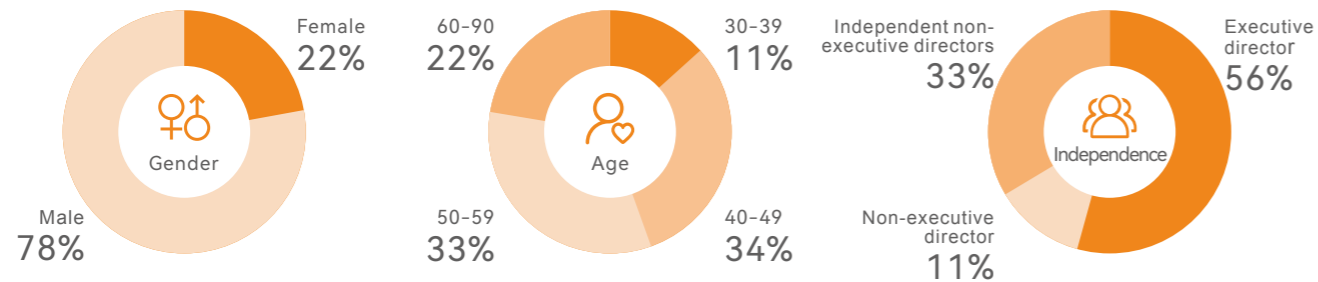


3 environmental and social experts

In 2025, the Group's Board comprised 9 members, including 3 independent Directors. Board members possess both operational management experience and professional expertise in the food and beverage industry, providing strong professional support for key governance functions such as strategic planning, operational management and control, governance enhancement and performance evaluation. Among them, 2 executive Directors and 2 non-executive Directors have extensive experience in corporate risk management; 3 executive Directors and 3 non-executive Directors have substantial practical experience in corporate finance and tax management; and 2 executive Directors and 1 non-executive Director have been deeply involved in the planning and implementation of the Group's ESG strategy in their past management practice.

At present, the Group's Board has achieved a relatively balanced age structure. Looking ahead, advancing gender equality at Board level will remain a key focus of the Group's Board diversity efforts. The Group will continue to strengthen the development and recruitment of female Board talent, further increase the proportion of female members on the Board, and steadily advance a more balanced gender mix and deeper implementation of its diversity strategy.

Demographics of the Board



Board of Directors

Name	Gender	Age	Position	Professional Committee			
				Audit Committee	Remuneration Committee	Nomination Committee	ESG Management Committee
Wu Xiangdong	Male	57	Executive Director Chairman of the Board	/	/	Chairman	/
Yan Tao	Male	62	Executive Director Vice Chairman of the Board	/	/	/	/
Zhu Lin	Female	55	Executive Director Vice President	/	/	/	Chairman
Luo Yonghong	Male	54	Executive Director Vice President	/	Member	/	/
Wu Qirong	Male	31	Executive Director Vice President	/	/	/	Member
Sun Zheng	Male	45	Non-executive Director	Member	/	/	/
Li Dong	Male	49	Independent Non-executive Director	Chairman	Member	/	/
Yan Jisheng	Female	46	Independent Non-executive Director	Member	/	Member	Member
Huang Jinshuan	Male	63	Independent Non-executive Director	/	Chairman	Member	/

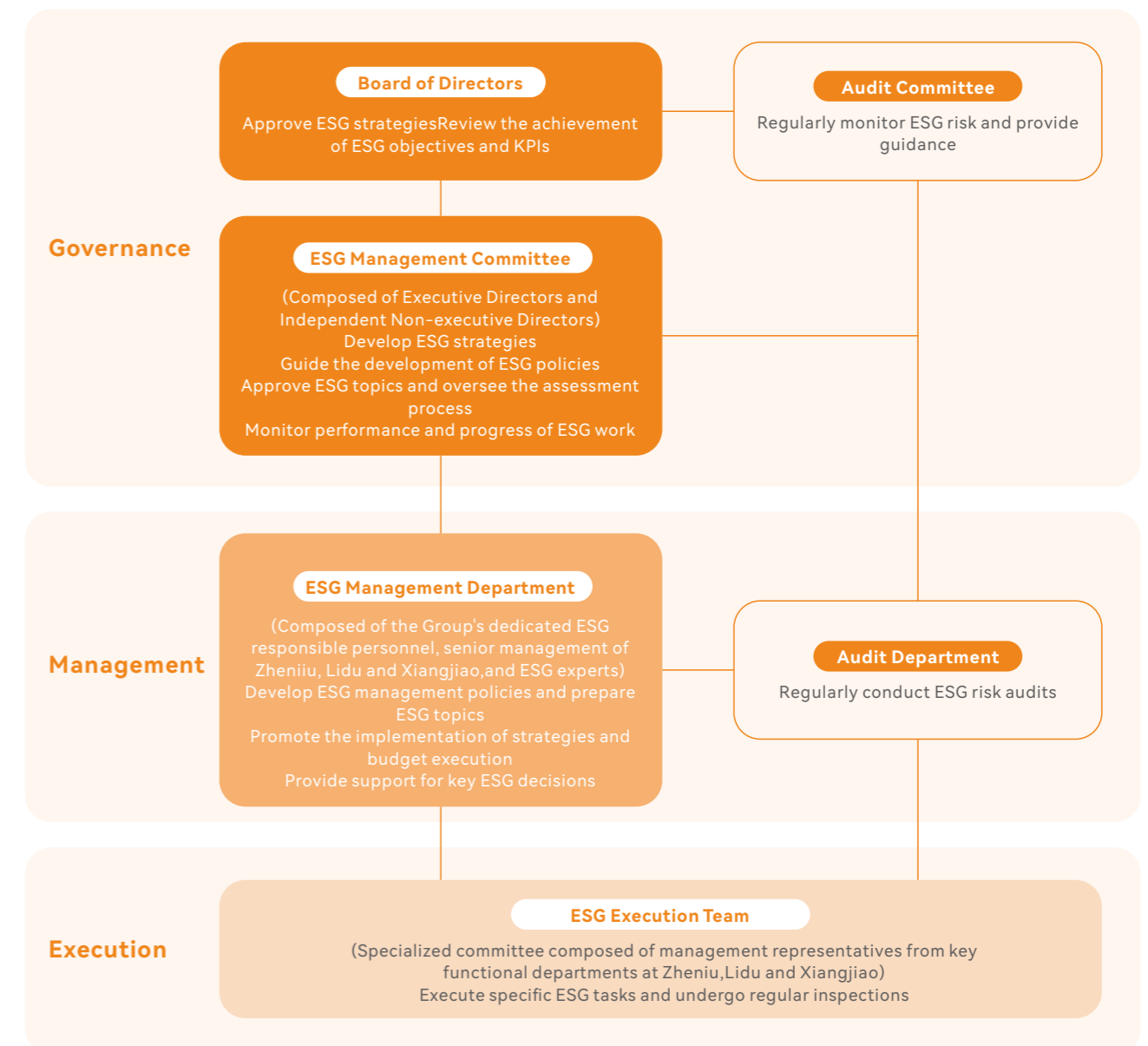
The Group's diversity policy has been embedded from the top down and has further shaped the gender composition of its workforce.

As of the end of 2025

The Group had **17** female members in senior management team at deputy director level and above, accounting for **12%** of the total management headcount at that level.

ESG Governance

To ensure that our ESG initiatives remain clearly targeted, well planned and effectively implemented, we have established a three-tier ESG governance structure and, on that basis, created a dual oversight mechanism by coordinating Audit Committee and Audit Department. This enables comprehensive participation in ESG management from a risk management perspective and forms a closed-loop system that integrates governance and oversight. Under this structure, the Board has established ESG Management Committee, comprising two executive Directors and one independent non-executive Director, to provide strategic direction for ESG initiatives, approve key ESG matters, oversee and assess ESG performance, and coordinate the advancement of major ESG projects, thereby cascading accountability and driving implementation at every level. At the management level, a dedicated ESG Management Department has been established under the leadership of the senior management teams of the Group headquarters and its three subsidiaries, and is responsible for formulating ESG management policies, identifying core ESG issues, advancing ESG strategy implementation, and coordinating budget execution. At the execution level, each subsidiary has established its own ESG task force based on its key issues, primarily responsible for the planning, design and implementation of ESG improvement initiatives, the regular reporting of ESG-related data as required, and support for data assurance and routine inspections.



The ZJLD ESG Policy was issued and implemented in 2022, with reference to a range of standards including the Listing Rules and Corporate Governance Code. The policy sets out the Group's ESG vision, commitments, and short-, medium- and long-term strategic goals, and standardizes working mechanisms, materiality assessment and reporting requirements. By advancing initiatives across multiple ESG dimensions, it supports the Group's sustainable development and creates long-term value for stakeholders. In addition, as a member of the China Alcoholic Drinks Association (CADA), ZJLD has closely benchmarked itself against the ESG Disclosure Guidelines for Alcohol Enterprises and the ESG Evaluation Guidelines for Alcohol Enterprises issued by the Association in 2024. In strict accordance with the disclosure requirements and evaluation standards set out therein, the Group continues to refine its ESG governance structure and end-to-end management system, driving closer alignment between its ESG practices and industry benchmarks.

Since 2023, the Group has incorporated its climate change management system into its overall ESG governance framework. The Board and ESG Management Committee serve as the highest governance bodies for climate-related matters and are responsible for overseeing and managing climate-related risks and opportunities that have, or may have, a material impact on the Group's business. They also conduct discussions on climate-related issues at least once a year to clarify the Group's strategic direction in addressing climate change. At the management level, the Group's ESG Management Department is responsible for identifying and assessing climate-related risks and opportunities that have affected, or may affect, the Group, formulating corresponding climate mitigation and adaptation plans, and coordinating climate action across the subsidiaries.

In addition to climate-related issues, ESG Management Committee also takes the lead in advancing a range of core ESG initiatives.

Promoting ESG discussions among distilleries

It organized a total of 13 Group-level ESG meetings during the year, and together with ESG Management Department, convened an ESG exchange session for key personnel across the Group, inviting core representatives from each subsidiary to share practical experience and jointly chart a sustainable development roadmap.

Driving the implementation of ESG initiatives

ESG Management Committee reviewed and approved the 2024 ESG performance appraisal results, as well as the 2025 ESG work plan and annual targets. We also engaged an independent professional advisory team to assess the Group's existing ESG practices and, based on their recommendations, further refined the Group's ESG governance structure, policies and processes, while implementing several dedicated ESG initiatives.

For the Group and the senior management teams of its subsidiaries, we have established a comprehensive ESG performance appraisal system and introduced a balanced scorecard to quantitatively assess the completion of key ESG-related indicators and ESG improvement projects. The appraisal results are directly linked to management remuneration. At the same time, to enhance ESG management capabilities and rating performance, the Group participated in ESG training programs organized by main rating agencies, including CDP and CSA.

During the reporting period, to achieve a more targeted upgrade of the ESG management system, we continued to engage an independent third-party professional advisory team to conduct a comprehensive diagnostic review of the Group's current ESG practices. Based on the professional optimization recommendations provided by the third-party team, we simultaneously advanced the continuous refinement of supporting ESG policies and processes and the implementation of ESG improvement plans across various areas, thereby achieving a systematic enhancement of ESG management effectiveness.



Risk Management and Internal Control

Risk Management System Development

To respond to external regulatory compliance requirements and internal management improvement needs, and to ensure that risk management capabilities evolve in step with the Group's high-quality development, we have established an integrated risk management system characterized by precise risk prevention and control, capability enhancement and dynamic iteration. In doing so, we have drawn on the Code of Corporate Governance, the Basic Standard for Enterprise Internal Control, the 18 Application Guidelines, and the COSO framework, while incorporating leading industry risk management practices. Built on a cross-level collaborative mechanism and implemented through the existing "Three Lines of Defense" model, this system provides a structured and effective approach to risk management across the Group.



In terms of risk coverage

The Group's risk management and internal control efforts in 2025 covered multiple core business processes, including raw material procurement, production and operations, brand and marketing, financial management and environmental management. At the same time, strategic risk, market risk, financial risk, operational risk, compliance risk and ESG risk were all incorporated into a unified risk management framework for coordinated oversight and control.

In terms of implementation

We further optimized and enhanced the closed-loop risk management process across the entire value chain. Through risk identification, we reviewed risk points across all business segments, clarified their sources and key impact factors, and developed a risk register. Through risk assessment, we evaluated the likelihood and potential impact of identified risks, determined areas requiring greater attention, and completed risk prioritization. For different types of risk, we adopted corresponding response measures such as avoidance, mitigation and transfer, while simultaneously refining business processes and institutional systems. Supported by risk monitoring and reporting mechanisms, we organized all units to prepare annual risk assessment reports and conducted supervision and evaluation of the effectiveness of the Group's risk management efforts. Through the risk early warning system, we selected key risk indicators, established a major risk alert mechanism, and issued timely warnings and adjusted control measures as necessary. The results of the 2025 evaluation of the effectiveness of risk management were formally reported to the Board.



- 1 Risk Identification**
 - Identify risks within ZJLD's various business processes, including determining the sources of risk and key influencing factors
 - Categorize the risks and form a risk list
- 2 Risk Assessment**
 - Evaluate and calculate the likelihood and potential impact of identified risks
 - Assess key concerns and prioritize risks of each process, resulting in a risk map with risk ranking
- 3 Risk Response**
 - According to the type, degree, and potential consequences of risks, conduct in-depth analysis of root causes and assess the impacts
 - Adopt risk response measures such as risk avoidance, mitigation, transfer, or acceptance
 - Enhance risk control measures through improvements in business processes, organizational structure, and management policies
- 4 Risk Monitoring and Reporting**
 - Each business unit prepares an annual risk assessment report
 - The compliance department conducts an independent annual evaluation of the effectiveness of risk management across the Group
- 5 Risk Warning**
 - Select key indicators that clearly reflect operational risks to establish major risk warning systems
 - Timely issue warning alerts and adjust control measures accordingly

Looking ahead, the Group will continue to dynamically assess its existing risk management strategies, objectives and indicators, as well as its internal control system. By combining internal self-assessments with evaluations conducted by independent third-party institutions, we will comprehensively identify operational risk points and drive the effective implementation of improvement and optimization measures.

Risk Culture Development

ZJLD has formulated a dedicated risk culture development strategy and supporting measures to embed risk management deeply into the Group's corporate culture and translate risk awareness into conscious action across the organization.

First, we strengthen risk management awareness at the governance level by providing regular specialized risk management training for all executive Directors and non-executive Directors, ensuring that the governance body's risk oversight capabilities remain closely aligned with the Group's development needs. Second, for all employees and business units across the Group, we provide focused training on the core principles of risk management, supplemented by dedicated courses on anti-corruption and responsible marketing, to enhance employees' overall risk prevention capabilities. At the operational level, we embed risk standards throughout the entire product and service development process, and in particular place key risks such as food safety and personal data breaches under stringent control requirements, thereby building risk defenses from the source of business activities.

In addition, we have incorporated risk management-related performance indicators into the balanced scorecard assessment system for the Group and the senior management teams of its subsidiaries as part of the ESG performance appraisal framework. The results of these assessments are directly linked to management remuneration, thereby using institutional mechanisms to ensure that risk management responsibilities are implemented in substance.

Risk Identification and Mitigation

During the reporting period, based on the key risk characteristics of our production operations and the long-term compliance requirements arising from policy developments, the Group leveraged its regular risk identification mechanism to achieve efficient risk mitigation and control.

From the perspective of core operational risks

The liquor brewing process imposes stringent and non-negotiable requirements on the quality of raw materials, while also being highly susceptible to natural environmental factors. To prevent supply shortages or quality deterioration in key raw materials caused by natural disasters in major growing regions, which could in turn affect production stability and product quality consistency, the Group has established a diversified supply assurance system for risk mitigation and process control. We have also developed long-term strategic partnerships with multiple high-quality crop cultivation bases to secure a stable and continuous supply of premium raw materials.

From the perspective of long-term policy compliance

Tighter regulation of the alcoholic beverage industry has become an increasingly clear trend, with carbon emission controls and higher environmental standards for product packaging expected to become key regulatory priorities. To adapt to this trend in advance, the Group identified the green transformation of its packaging system as a key improvement priority for 2025 and has already made notable progress. The subsidiaries are gradually replacing non-environmentally friendly packaging materials with recyclable and degradable alternatives, thereby proactively mitigating policy and compliance risks to the greatest extent possible.

Tax Compliance

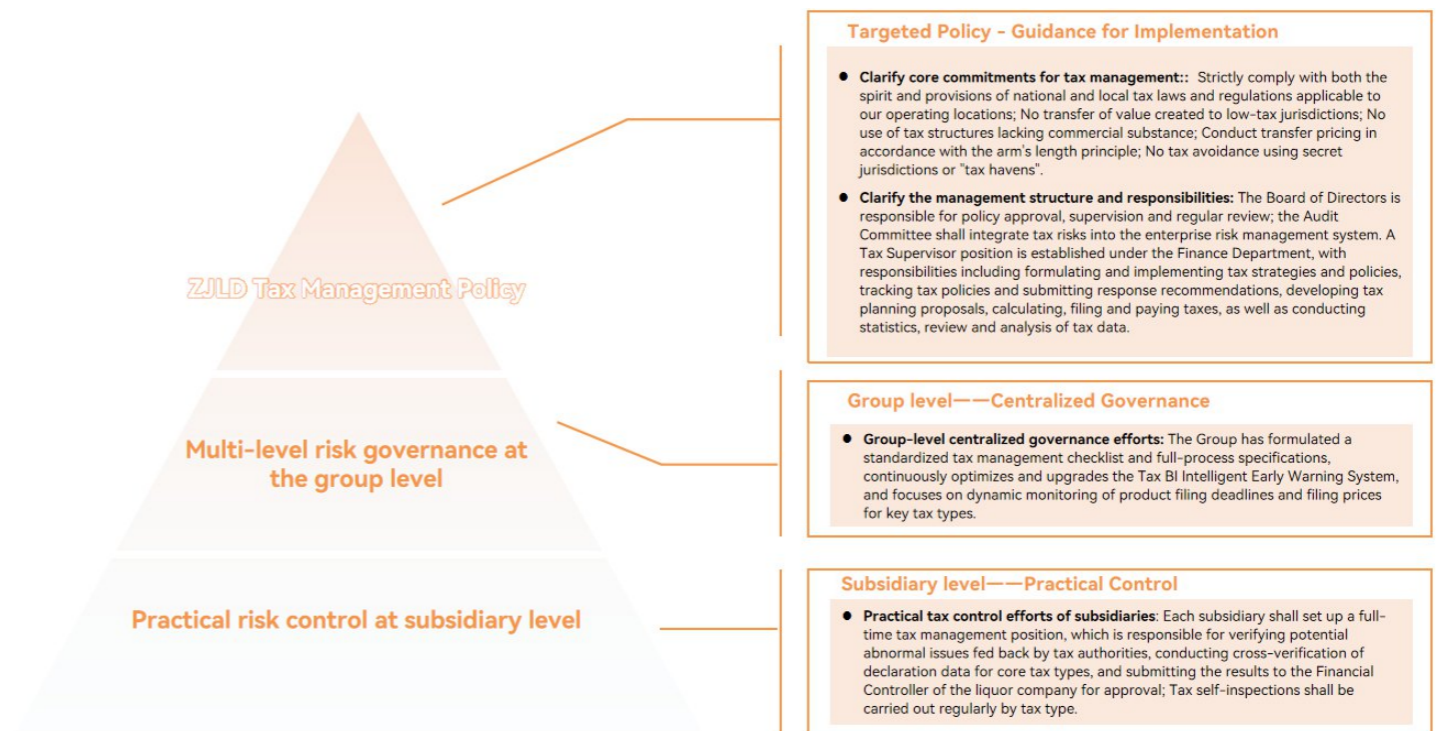
As a core management function, tax management has been fully integrated into the Group's strategic planning, investment decision-making, daily operations and risk prevention and control across the entire value chain. To strengthen the foundation of tax compliance and avoid major economic losses and reputational risks arising from inadequate tax management, the Group officially issued and implemented the Tax Management Policy of ZJLD Group in 2024, explicitly committing to strict compliance with the tax laws, regulations, policy requirements and specific provisions of the countries and regions in which it operates. This has provided a solid institutional foundation for the Group's tax management. In 2025, ZJLD established a tax risk management system featuring "Group-level centralized governance and subsidiary-level operational control".

At the governance level

The Group strictly adheres to its core tax management commitments. The Board is responsible for the approval, oversight and regular review of tax policies; the Audit Committee incorporates tax risk into the enterprise risk management system; and a dedicated tax management position has been established within the Finance Department to undertake a range of professional responsibilities, including the formulation and implementation of tax strategies and policies, monitoring tax policy developments and submitting response recommendations, and preparing tax planning proposals. In addition, the Group has developed a standardized tax management task list and end-to-end operating procedures and has optimized and upgraded its tax BI intelligent early warning system. This system focuses in particular on dynamically monitoring filing timelines and declared prices for key tax categories, enabling earlier identification and warning of tax risks.

At the operational control level

Each subsidiary has established a dedicated tax management position responsible for communicating with tax authorities and verifying potential anomalies identified by them, as well as conducting cross-checks on the declared data for major taxes such as consumption tax and corporate income tax, with final review and approval performed by the finance director of the respective subsidiary. At the same time, the Finance and Tax Departments of each liquor subsidiary conduct regular annual self-inspections by tax category, enabling proactive identification and control of tax risks at source.



During the reporting period, the Group had not been subject to any penalties or warnings from tax authorities throughout its operations, demonstrating the effectiveness of its tax compliance management.

Business Ethics

Business ethics is one of the core pillars of ZJLD's corporate governance system. In strict compliance with national laws and regulations, including the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China and the Criminal Law of the People's Republic of China, we have established the ZJLD Code of Business Conduct, covering key areas such as anti-corruption, anti-monopoly and fair competition, anti-money laundering, anti-fraud and anti-extortion, whistleblowing and complaints, as well as anti-harassment and anti-discrimination. Supported by detailed standards and robust operating mechanisms, the Code helps ensure that all employees adhere to the principles of business ethics, and promotes lawful and compliant operations, integrity-driven management and fair and orderly competition.

Policies	Code of Conduct Requirements
Anti-corruption and Anti-bribery	The Group strictly complies with applicable anti-corruption and anti-bribery laws, regulations and ethical standards in the regions and countries where it operates. It strictly prohibits any form of bribery, kickbacks, embezzlement or corruption, whether conducted directly or through a third party.
Conflict of Interest Management	The Group effectively prevents any form of conflict of interest between its directors, senior management, employees and the company. In the event of a conflict of interest, it shall be resolved in a manner that serves the company's interests to prevent actions that harm the interests of the company and its shareholders.
Anti-monopoly/Anti-competitive Practices	The Group strictly adheres to all applicable laws and regulations on fair trade and competition in the regions and countries where it operates. It refrains from any activities that may result in restrictive competition, including but not limited to monopolistic alliances (cartel activities), colluding with competitors to manipulate prices, and abusing market dominance.
Anti-money Laundering and Insider Trading	The Group strictly complies with all applicable laws and regulations related to anti-money laundering and insider trading. Neither the company nor its employees shall conceal illegal funds, legitimize such funds through any means, make payments to non-transaction accounts or abnormal commercial accounts, or conduct transactions with parties suspected of money laundering. The Group prohibits employees from leaking inside information or using material non-public information for securities transactions.
Information Confidentiality	The Group requires employees to use data assets in a rigorous and responsible manner, ensure the security of data assets and information, and strictly prohibits leakage, transfer or misappropriation of such assets. Information on security incidents such as loss or leakage of data assets will be included in the annual performance evaluation of relevant employees. If such incidents violate national laws or cause significant harm to the company, they will be referred to judicial authorities for handling in accordance with the law.
Environmental Protection	The Group is committed to protecting the ecological environment and effectively addressing climate change risks throughout its business operations and industrial chain. It develops strategies based on best practices, and collaboratively promotes pollution reduction, carbon emission reduction and water conservation. This minimizes the impact of environmental pollution and climate change on its business and advances the development of ecological baijiu-making and a green, low-carbon industrial chain.

Policies	Code of Conduct Requirements
Occupational Health and Safety	The Group strictly complies with multiple laws and regulations related to occupational health and safety. It effectively strengthens labor protection for employees, improves working conditions, and safeguards employees' safety, physical and mental health during production and work. Through comprehensive occupational health and safety training, the Group enhances employees' awareness of safe production.
Anti-discrimination	The Group opposes any form of discrimination. It commits to not engaging in discriminatory practices in recruitment and employment processes (including promotion, salary increase, rewards, training, etc.) based on factors such as employees' gender, sexual orientation, race, nationality, ethnicity, disability, marital status, pregnancy, religious belief, political affiliation, and cultural background.
Complaints and Reporting	All employees are responsible for reporting any violations, including breaches of laws and regulations, this Code of Conduct, and other policies and systems of the Group. Employees shall promptly report any actual or potential violations to the Group upon discovery. When filing complaints or reports, employees shall be objective, fair and factual, and shall not fabricate or falsify information.

In terms of Supervision and Management

The ESG Management Committee and the Group Audit Department are overall responsible for the supervision and inspection of business ethics-related issues. They also undertake the responsibilities of reviewing, optimizing and dynamically updating audit standards to ensure that the business ethics management system continuously adapts to the Group's development needs. On one hand, regular audits are conducted annually on the implementation of business ethics standards across all operational levels of the Group, achieving full-coverage supervision over all business ethics-related matters. On the other hand, business ethics-related norms have been incorporated into the employee handbook. For individuals who violate the Group's business ethics regulations, disciplinary actions such as fines and dismissal will be taken based on the severity of the violation. This ensures the fairness and integrity of the Group's business decisions, as well as the compliance of all employees' behaviors.

In addition to behavioral supervision, we simultaneously carry out specialized business ethics training for employees. Compliance with business conduct-related guidelines is integrated into the performance evaluation, salary calculation and promotion assessment systems of all employees, to strengthen the compliance awareness of all staff through institutionalized constraints. During the reporting period, details of the number of internal reports and litigation cases related to bribery and corruption, conflicts of interest, discrimination and harassment, customer privacy leakage, money laundering and insider trading of ZJLD are as follows:

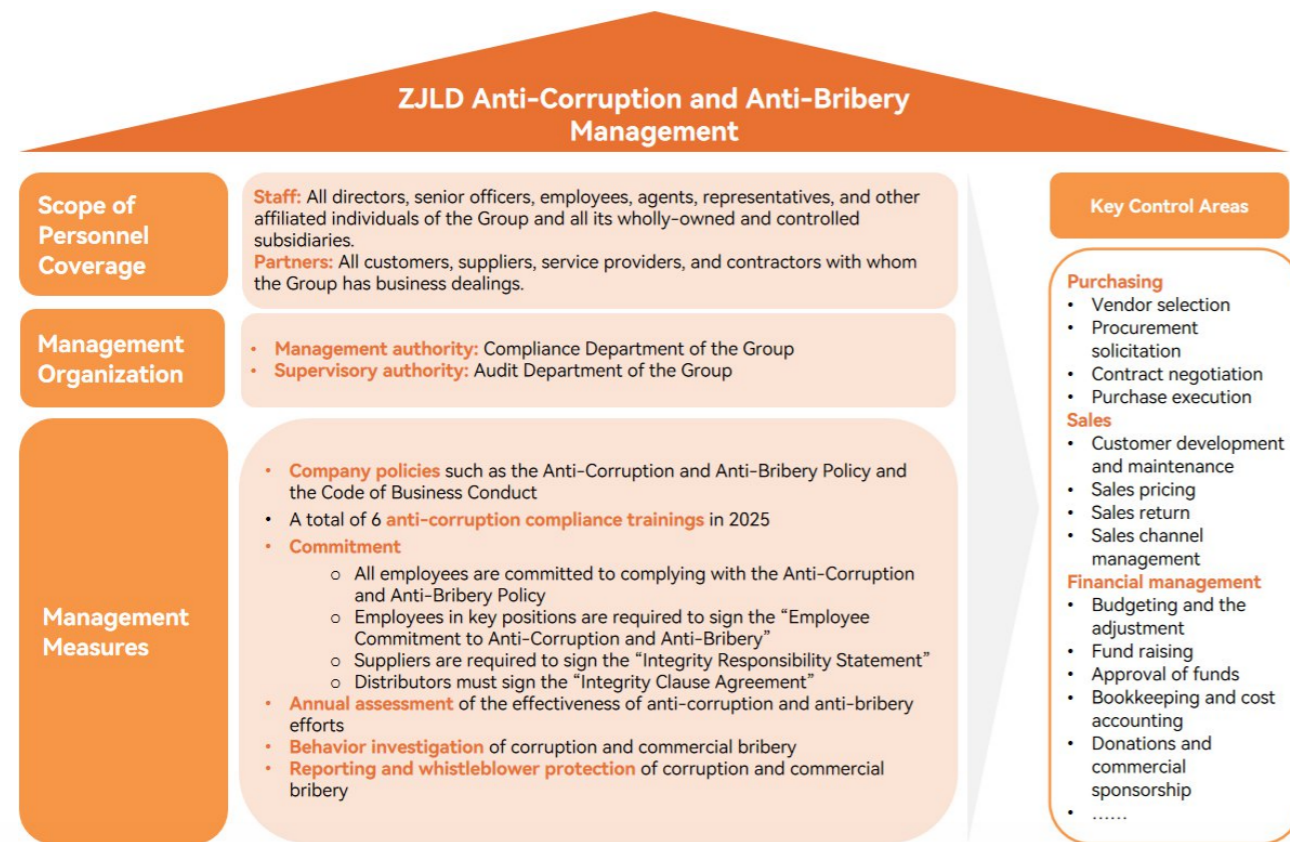
Category	Number of Verified Violations	Timely Handling Rate	Number of Litigation Cases	Concluded Cases Rate
Corruption and Bribery	5	100%	1	100%
Conflict of Interest	0	/	0	/
Discrimination and Harassment	0	/	0	/
Customer Data Privacy	0	/	0	/
Money Laundering and Insider Trading	0	/	0	/

Anti-corruption and Anti-bribery

ZJLD Group has established a top-down anti-corruption and anti-bribery management system comprising the Board, dedicated Group-level functions and the senior management of subsidiaries. The ESG Management Committee under the Board is responsible for the overall oversight of the Group's anti-corruption efforts. The Group's Legal and Compliance Department serves as the management function responsible for formulating and implementing anti-corruption policies. The Group's Audit Department acts as the supervisory function, conducting oversight and inspections of anti-corruption work to ensure the effective operation of the system. At the subsidiary level, each general manager and the head of the audit and inspection function are responsible for supervising anti-corruption matters within their respective entities.

With reference to the relevant requirements of Criminal Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, we have issued and implemented ZJLD Anti-corruption and Anti-bribery Policy. The policy applies to all employees across the Group as well as all business partners that maintain commercial relationships with the Group, including customers, suppliers, service providers and contractors. It covers key scenarios across production, operations, management and external business activities, bringing them within a unified control framework. At the same time, the policy sets out clear and specific rules governing the execution processes and key control points of core business functions such as procurement, sales and financial management.

In accordance with the requirements of the Anti-corruption and Anti-bribery Policy, the Group organized 6 anti-corruption and anti-bribery compliance training sessions in 2025, including topics such as anti-bribery, anti-fraud, anti-extortion, conflicts of interest and whistle blowing procedures, while highlighting the Group's 5 non-negotiable compliance red lines as "iron discipline". The overall training coverage reached 100%, covering all directors, senior management and employees of the three subsidiaries.



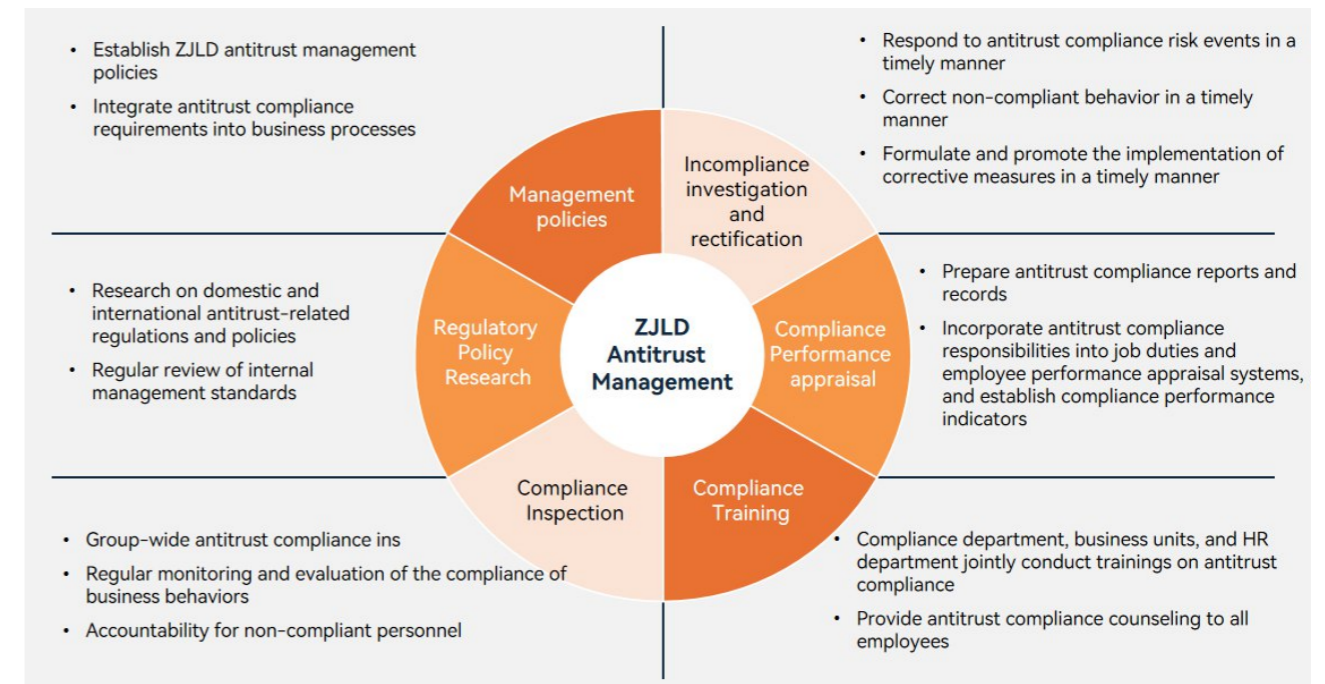
Anti-monopoly and Fair Competition

In ZJLD, anti-monopoly and fair competition matters are overseen by the Board, relevant senior management and dedicated functions. The ESG Management Committee under the Board is responsible for the overall oversight of the Group's anti-monopoly and fair competition efforts. The Group's Legal and Compliance Department has designated personnel in charge of anti-monopoly compliance, who is responsible for advancing the implementation of management's anti-monopoly compliance requirements, coordinating the relationship between anti-monopoly compliance management and various business operations, and monitoring the execution of compliance measures.

To ensure strict compliance with relevant laws, regulations and policy requirements, including the Anti-Monopoly Law of the People's Republic of China and the Anti-Monopoly Compliance Guidelines for Business Operators, we have established ZJLD Anti-monopoly Compliance Management Policy. At the same time, anti-monopoly and fair competition requirements have been comprehensively incorporated into the ZJLD Code of Business Conduct, forming a robust and comprehensive framework for preventing monopoly-related compliance risks.

In 2025, the Group continued to strengthen its anti-monopoly and fair competition compliance framework.

On the one hand, we continued to carry out dedicated anti-monopoly and fair competition training to enhance compliance awareness among all employees. On the other hand, through a combination of targeted compliance reviews, integration with performance appraisal, ongoing research into regulatory and policy developments, and the iterative refinement of management systems, we systematically advanced our anti-monopoly and fair competition risk prevention and control efforts, ensuring that compliance requirements were embedded throughout the entire business process.

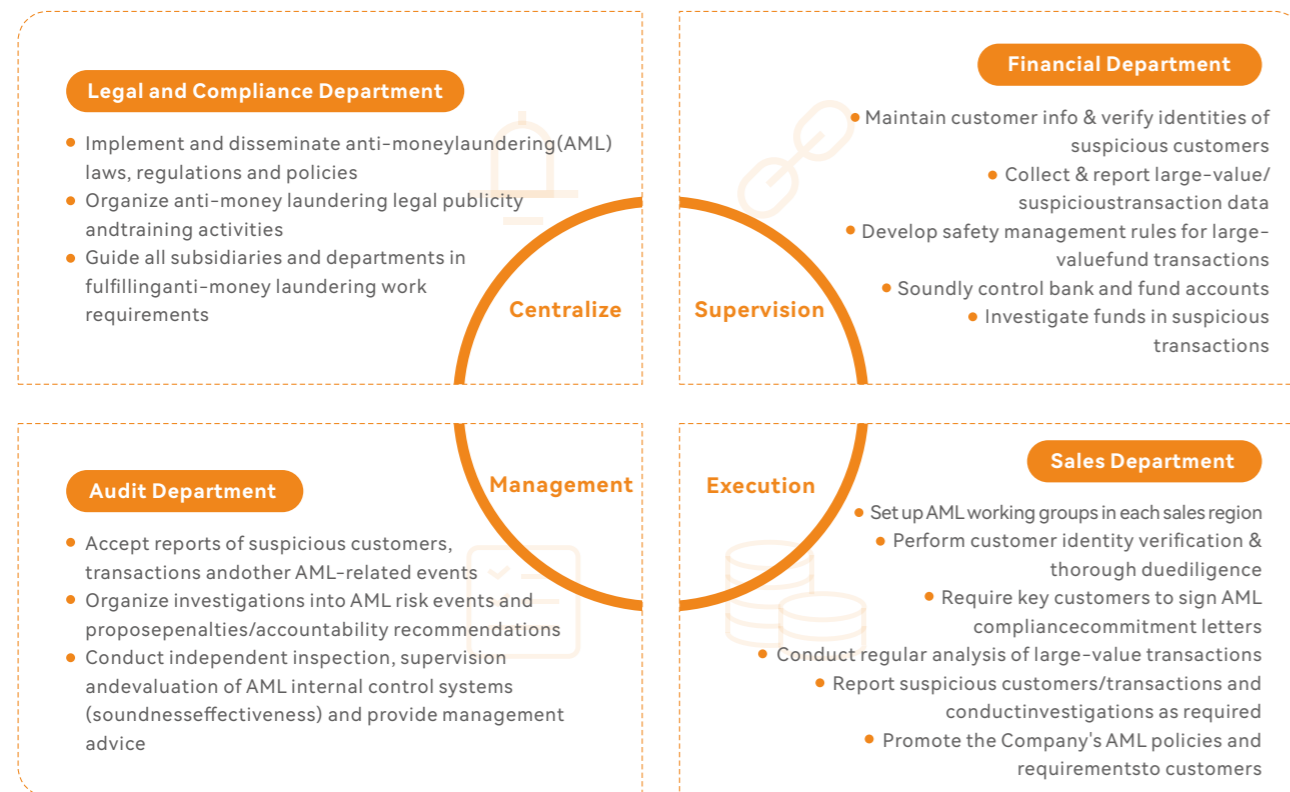


Anti-money Laundering

To accurately prevent and control money laundering risks and strengthen the defense line of compliant operation, the Group strictly complies with the requirements of the Anti-Money Laundering Law of the People's Republic of China and relevant supporting laws, regulations and policies. We have issued and implemented ZJLD Anti-Money Laundering Management Policy. And simultaneously established a sound and complete internal control and management system for anti-money laundering.

In terms of organizational coordination

The Group has clarified a multi-departmental division of responsibilities mechanism for anti-money laundering work: the Legal and Compliance Department takes the lead in overall coordination; the Finance Department is responsible for daily anti-money laundering management affairs; the Audit Department performs full-process supervision functions; and the Sales Department undertakes specific implementation tasks. This has formed a four-in-one anti-money laundering work framework with clear rights and responsibilities and collaborative linkage, integrating overall coordination, management, supervision and implementation.



Conflicts of interest

In the business ethics governance system of ZJLD, conflicts of interest control is one of the core components to protect the legitimate rights and interests of the Group and its shareholders. To effectively prevent conflicts of interest between the Group and its directors, supervisors, senior management personnel, and all employees, and to avoid actions that harm the interests of the Group and shareholders, the Group has formulated the ZJLD Conflicts of Interest Management Policy, which clearly defines and standardizes the specific scenarios of conflicts of interest and corresponding prevention and control measures.

Targeting key control scenarios of conflicts of interest such as investments in competing companies, connected transactions, conflicts in duty performance, using public position for personal gain, and illegally accepting gifts or monetary benefits, the system explicitly sets out a series of control and disclosure requirements. Meanwhile, a declaration management mechanism has been established, requiring the Group's directors and senior management personnel to truthfully complete the "Conflict of Interest Disclosure Form" and "Declaration on Conflict of Interest" within ten working days before December 31 each year. After signing and confirming the documents personally, they shall submit them to the Audit Department for filing and registration, ensuring the timely and transparent disclosure and proper resolution of conflict-of-interest matters.

Preventing Conflicts of Interest in ZJLD Group

Directors, supervisors, senior management, and employees of ZJLD Group are required not to

- invest in or hold shares in companies or economic entities that have business dealings with or compete against ZJLD.
- involve in related-party transactions. If such transactions occur, they must be disclosed in advance and approved by ZJLD.
- serve as legal representatives, directors, supervisors, senior management, or consultants in companies or economic entities that have business dealings with or compete against ZJLD, in order to avoid conflicts of interest in the performance of duties. All employees must also refrain from engaging in activities that compete with ZJLD.
- use ZJLD's resources or information to obtain personal gain or business opportunities, or compete with ZJLD.
- accept or offer gifts that could influence their business decisions, or allow related parties to accept or offer those gifts.

Whistleblowing Management

To strengthen the internal compliance defense line and prevent improper, illegal and disciplinary violations, the Group, with the ZJLD Complaint and Whistleblowing Management Policy as its guiding document, continued to refine its full-scenario whistleblowing supervision mechanism in 2025 to enable efficient handling and resolution of violations.

For internal employees, external customers, suppliers and other third-party business associates, we have established multi-dimensional whistleblowing channels:

First, whistleblowers may directly report to their direct supervisor, the Human Resources Department or the Inspection Department. Second, an independent whistleblowing hotline and a dedicated email address for the Inspection Department are available. Third, whistleblowers are allowed to authorize others to submit tips on their behalf, ensuring both convenience and flexibility of feedback.

In the case handling process, each subsidiary designates dedicated personnel via the Human Resources Department to oversee whistleblowing affairs. Received materials are first unsealed, registered and subject to preliminary verification; those meeting case filing criteria are immediately transferred to the Inspection Team. During case progression, whistleblowers will be notified of updates in a timely manner, and full-process case files will be retained upon completion. The Inspection Team follows the "two-person handling" norm to ensure investigators are familiar with the relevant business, conduct evidence-based investigations, formulates handling recommendations, tracks the implementation of outcomes, and awards corresponding incentives to whistleblowers based on the nature of the case.

To safeguard the rights and interests of whistleblowers, multiple protection mechanisms have been put in place. An exclusive confidential reception area is set up for in-person whistleblowers, with dedicated staff assigned to assist them. And whistleblowing materials and the whistleblower's identity information are encrypted throughout the entire management process. Then confidential information is strictly controlled during inspection investigations; we maintain zero tolerance for retaliatory acts—once discovered, such acts will be severely punished, and cases involving legal violations will be transferred to judicial authorities. Meanwhile, if information leakage causes adverse impacts, relevant personnel will be held accountable in accordance with regulations.



In accordance with the requirements specified in the ZJLD Complaint and Whistleblowing Management Policy, each subsidiary has set up a whistleblowing center to accept whistleblowing matters concerning all baijiu brands under its purview. Our Audit Department undertakes overall supervision responsibilities, which include formulating and reviewing whistleblower systems and working mechanisms. It also deeply participates in the investigation and disposal decision-making of major whistleblowing cases, ensuring the standardized implementation of whistleblower management across the entire Group.

Whistleblowing Centers of Each Brand

	Zhenjiu	Lidu	Xiangjiao
Phone Number	+86 133 1319 5953	+86 4008551308	+86 185 65227350
Mail box	Audit Department, 9/F of Complex Building at Zhenjiu	Check-in reception, 1/F of Office Building at Lidu	Check-in reception, 1/F of Office Building at Xianaiiao

Audit Department of the Group

Phone Number	010-5696 9066	+86 185 6522 7890
Email	pwx999@zjld.com	
Address	Audit Department, 8/F, Tower A/B, Jiahe Guoxin Building, No. 15 Baigiao Street, Donghuashi Subdistrict, Donacheng District, Beijing	



Materiality Assessment

To accurately respond to the demands of internal and external stakeholders and ensure the efficient, orderly advancement of ESG work, the Group has established an annual material topic assessment mechanism based on our unique business features and strategic goals. The outcomes of the assessment will be rolled out for implementation upon review and approval by the Group's ESG Management Committee.

During the assessment process, the Group benchmarks against industry best practices, integrates global sustainable development trends, regulatory requirements, and research findings from professional institutions to develop a comprehensive initial list of ESG topics. Through in-depth interviews, thematic seminars, and questionnaires with internal stakeholders (including the Board of Directors, senior management, and employees) as well as external stakeholders (including consumers, distributors, and suppliers), the Group accurately identifies ESG topics that exert critical impacts on stakeholders, then refines and prioritizes the initial list. Subsequently, the Group quantitatively ranks the importance of ESG topics along two dimensions—"financial materiality" and "impact materiality"—to form a topic matrix. Finally, upon confirmation by the ESG Management Committee, we developed the ZJLD 2025 ESG Materiality Matrix.

Materiality Assessment Process

Based on our business characteristics and strategic objectives, we established an annual materiality assessment mechanism. The assessment results are reviewed and approved by the ESG Management Committee before being implemented.

- 1. Background Review
- 2. Topic Identification
- 3. Investigation and Communication
- 4. Assessment and Confirmation

<p>Review the Group's core values, development strategies, business activities, and key capabilities; identify the current status and future direction of the ESG development. And confirm internal and external stakeholders.</p>	<p>With reference to domestic and international laws and regulations, market trends, standards such as GRI, rating agency requirements, peer practices, media discourse, etc., identify and formulate a comprehensive ESG topics list.</p>	<p>Engage with stakeholders through various methods including interviews, meetings, and questionnaires. In 2025, materiality questionnaires collected covered shareholders and other investors, directors and other senior executives, company employees, clients and consumers, distributors, suppliers, the public, and news media. This process fully captured key concerns from all parties, ultimately identifying 27 ESG topics.</p>	<p>The group quantitatively ranks the importance of ESG topics along two dimensions—"financial materiality" and "impact materiality"—to form a topic matrix. Finally, upon confirmation by the ESG Management Committee, we developed the ZJLD 2025 ESG Materiality Matrix.</p>
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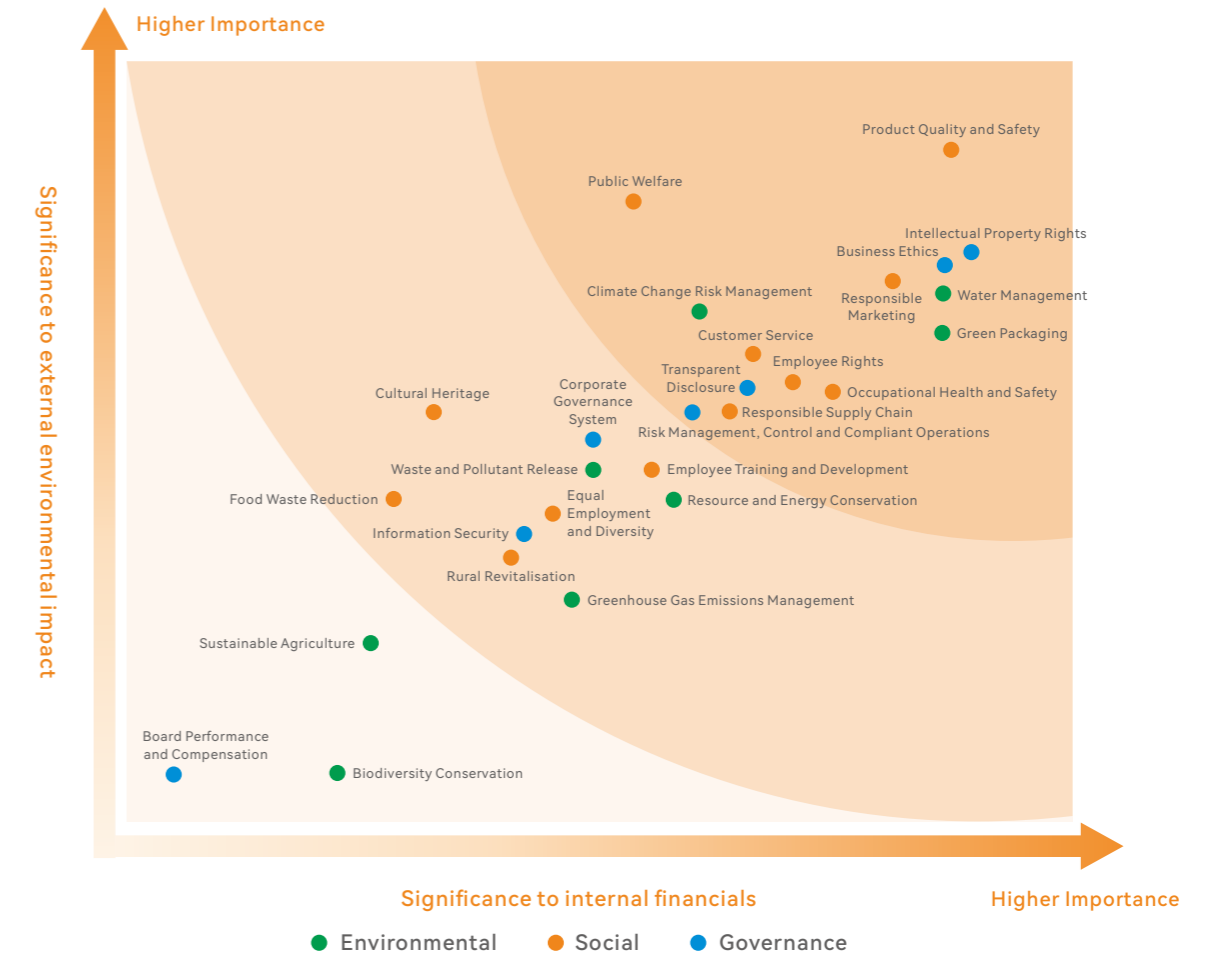


For the high-priority topics identified in the matrix, the Group prioritizes and coordinates the advancement of relevant ESG initiatives, establishes a regular work tracking mechanism, defines quantified targets and integrates them into the performance appraisal system. The appraisal results are directly linked to the compensation of management, ensuring the effective implementation of core ESG work.

In 2025, our questionnaires on material ESG topics covered shareholders and other investors, directors and other senior management, employees, customers and consumers, distributors, suppliers, the public, and the news media. By fully understanding the key concerns of each party, we ultimately identified 27 ESG topics.

Based on the Group's business development and strategic planning, industry practices, global sustainable development trends, relevant requirements of rating agencies, and the expectations of the Group's stakeholders, we conducted an assessment and analysis of material topics. Building on the 2024 assessment results, we updated the importance and actual positioning of each material topic and formulated the 2025 ZJLD Group ESG Material Matrix. Among them, there are 11 high-materiality topics, 13 medium-materiality topics, and 3 low-materiality topics.

2025 ZJLD Group ESG Materiality Matrix



High Materiality	Moderate Materiality	Low Materiality
<ul style="list-style-type: none"> Business Ethics Climate Change Risk Management Water Management Green Packaging Employee Rights Public Welfare Occupational Health and Safety Product Quality and Safety Customer Service Intellectual Property Rights Responsible Marketing 	<ul style="list-style-type: none"> Corporate Governance System Risk Management, Control and Compliant Operations Compliant Operations Transparent Disclosure Greenhouse Gas Emissions Management Resource and Energy Conservation Waste and Pollutant Release Employee Training and Development Corporate Governance System Risk Management, Control and Compliant Operations Transparent Disclosure Greenhouse Gas Emissions Management Resource and Energy Conservation Waste and Pollutant Release Employee Training and Development 	<ul style="list-style-type: none"> Board Performance and Compensation Biodiversity Conservation Sustainable Agriculture



Responsible Sourcing

41

Sustainable Brewing

50

Green Packaging and Reliable Product

94

Accountable Marketing and Customer Service

116

02

ESG Journey Along Our Value Chain

Throughout the full life cycle of operations in the baijiu industry, we consistently embed ESG principles across the entire business chain covering raw grain procurement, base liquor brewing, finished product packaging and product sales. By systematically implementing sustainability initiatives across all stages of the value chain, we continue to build and optimize a value circulation system, create long-term value through responsible operations, and move steadily toward higher-quality sustainable development of the baijiu industry.

Responsible Sourcing

ZJLD Group is committed to building a transparent, responsible and sustainable supply chain system. By designing a rigorous supplier ESG management mechanism, we encourage suppliers to jointly fulfil environmental, social and governance responsibilities and ensure long-term stability and sustainable growth of the Group's supply chain. In 2025, we visited numerous core suppliers, taking concrete actions to convey ESG principles to upstream enterprises, implementing energy-saving and emission-reduction measures, and providing guidance and support to enhance their ESG performance, thereby fostering mutual development between suppliers and the Group.

Supplier Admission Assessment

The Group strictly adheres to the Management Measures for the Certification of Supplier Eligibility, incorporating ESG performance as a core consideration throughout the entire process of supplier selection and contract signing. Our ESG eligibility criteria cover multiple dimensions, including business ethics, environmental protection, quality and workplace safety, employment compliance, labor rights and social responsibility, ensuring the compliance and sustainability of our procurement system from the outset.

The Group has established a rigorous supplier qualification and evaluation system, with ESG performance serving as a core screening criterion. All potential core suppliers are required to complete an ESG risk questionnaire prior to admission and undergo the Group's rigorous ESG risk review: should a supplier exhibit significant ESG risks such as non-compliance with environmental regulations, labor law violations or breaches of business ethics, or be implicated in human rights abuses including child labor or forced labor, the Group will immediately reject their application for admission; Conversely, if a supplier demonstrates outstanding performance in environmental protection, energy efficiency, labor compliance or business ethics, we will award additional points in terms of cooperation priority during the onboarding review and supplier selection stages. Prior to formal contract signing, the Group's Procurement Department will conduct on-site inspections of suppliers to verify their actual implementation of environmental protection, labor rights and business ethics, ensuring the objectivity and effectiveness of the onboarding review.

Supplier Management and Oversight

Dynamic ESG Management of Suppliers

The Group has established a clear mechanism for the implementation and supervision of supplier ESG management, conducting annual management and assessments of suppliers' ESG performance. The senior management team serves as the highest decision-making body for supplier ESG initiatives, with the Board of Directors providing comprehensive oversight to ensure the effective implementation of these initiatives.

Achievements in 2025

In 2025, the Group conducted ESG reviews of 26 core suppliers and 133 non-core suppliers, identifying no significant ESG risks that would affect our cooperation.

We have designed a comprehensive supplier evaluation system and development process, incorporating ESG performance into the annual assessment criteria for existing suppliers. We terminate cooperation with suppliers that fail to meet standards, upholding the sustainability of the supplier procurement system through rigorous criteria. Guided by the ZJLD Procurement Management Measures and the ZJLD Supplier Code of Conduct, the Group's Procurement Department, in collaboration with the EHS Department, the Human Resources Department and the Audit Department, and with the assistance of external professional consultants, has designed targeted ESG risk questionnaires and established a standardized review mechanism, drawing upon industry frameworks such as the International Labor Organization (ILO) Conventions and ESG evaluation guidelines for the baijiu industry.

Meanwhile, considering the specific characteristics of the baijiu industry, supplier qualifications and historical collaboration records, we have further categorized suppliers into core and non-core suppliers based on two dimensions - ESG impact and business impact - and implemented differentiated management.

Core Suppliers

For core suppliers, the Group conducts rigorous assessments via an annual ESG risk review questionnaire. The review covers: records of environmental penalties and operational violations such as child labor and forced labor; environmental and social responsibility performance, including energy conservation and emissions reduction achievements, occupational health and safety safeguards, the implementation of employee welfare schemes; and the adequacy of governance mechanisms, such as anti-corruption measures and fair competition practices. During the assessment process, Procurement Department will conduct on-site visits to verify the accuracy and completeness of suppliers' ESG information. Suppliers demonstrating outstanding performance in energy conservation, emissions reduction and the application of clean energy will receive bonus points, thereby fostering long-term cooperation; conversely, suppliers with ESG issues who fail to meet minimum ESG requirements within the stipulated timeframe will have points deducted. The assessment results directly influence eligibility for contract renewal and procurement decisions. Furthermore, based on the questionnaire results, we will provide targeted improvement recommendations to core suppliers.

Non-core Suppliers

Regarding ESG risk reviews for non-core suppliers, our primary objective is the prevention and control of major risks. We have established three "deal-breaker" red lines; should any of the following circumstances arise, the Group will immediately terminate cooperation:

- ① The supplier has received a significant administrative penalty for environmental violations within the past three years.
- ② Engaging in practices that infringe upon labor rights, such as the use of child labor, forced labor, or requiring employers to pay deposits or having their personal documents withhold.
- ③ Involvement in serious compliance violations, including fraud, money laundering, bribery, kickbacks or other improper transfers of benefits.

The Group will conduct random spot checks on the compliance of suppliers' employment contracts from time to time considering the aforementioned risks. We have also established grievance and reporting channels to ensure that employees at every stage of the supply chain can raise concerns safely and effectively. Furthermore, we incorporate social responsibility standards into the legal agreements signed with suppliers to ensure that relevant requirements are strictly enforced. In addition, we will determine the procurement volume for shortlisted suppliers based on the annual tender process. Barring exceptional circumstances, we will strictly adhere to the committed procurement volume and prices throughout the current year to safeguard the rights and interests of suppliers.

Supply Chain Stability

We have established a supply chain management system to implement full lifecycle management of suppliers, from onboarding to performance evaluation, safeguarding the Group's continuous operations. The system covers aspects such as qualification review, quality coordination, performance appraisal, risk early warning and compliance control. We pay particular attention to the stability of core suppliers' supply capabilities, especially the sustained supply of key packaging materials for our main products. To enhance supply chain resilience, the company implements a multi-source supply strategy for critical materials, inviting multiple core suppliers to jointly participate in prototyping and pilot production validation, which ensures that should any single supplier experience supply fluctuations, the Group's production and operations remain stable and orderly, effectively mitigating the risk of supply chain disruptions and safeguarding continuous business operations.

Supply Chain Environmental Data Statistics

We have designed a supply chain environmental data tracking system to systematically collect and analyze key energy consumption data—such as electricity, natural gas and water usage—from our core suppliers. Through data management and optimization, we can accurately identify suppliers' potential for energy conservation and emissions reduction and encourage the Group's suppliers to participate collectively in the low-carbon transition. In the field of green logistics, we completed the tendering process for logistics suppliers in 2025, incorporating low-carbon transport into the evaluation criteria and encouraging new carriers to prioritize the use of new energy vehicles for freight transport, thereby reducing carbon emissions and pollutant emissions across the entire supply chain.

Supplier water risks management

In 2025, to alleviate water-related pressures within the supply chain, we worked closely with core suppliers to jointly address the following three key risks:

Water quantity and quality risks

Through regular communication and training, we convey the concept of water resource conservation to suppliers and assist them in introducing advanced water recycling technologies to reduce water consumption during production.

Regulatory and cost risks

We continuously monitor changes in local water regulations and water tariffs, providing suppliers with compliance advice to mitigate operational risks; we assist suppliers in optimizing processes and improving water efficiency to address the cost pressures arising from rising water prices.

Stakeholder conflict risks

We encourage suppliers to establish effective communication with local governments and communities to ensure the equitable use of water resources; we also encourage suppliers to participate in regional water conservation projects and collaborate with all parties to develop sustainable water management plans.

Localized Procurement

We are continuously advancing our supply chain localization strategy, prioritizing high-quality suppliers located in proximity. By reducing the transport distances for raw materials and packaging materials, we effectively lower energy consumption and carbon emissions in the logistics chain. This initiative not only enhances supply chain responsiveness but also reduces the environmental impact of long-distance transport, working with suppliers to build a greener and more efficient procurement system.

Proportion of Localized Procurement

Currently, the Group's primary operational regions cover Southeast, Central and Southwest China, with localized procurement accounting for **98.3%** of total procurement value.

Supplier Development and Capacity Building

The Group actively safeguards the legitimate rights and interests of suppliers. We assist suppliers in continuously improving their ESG capabilities through regular training, supply chain meetings, capacity-building projects and enhancement programs, whilst optimizing their performance in areas such as compliance, business ethics and governance mechanisms.

Supplier Remediation and Improvement

In response to issues identified during supplier ESG reviews, we engage in ongoing dialogue with suppliers to negotiate corrective measures and assist them in implementing remedial actions. Based on the annual results of supplier ESG risk reviews, we develop tailored improvement plans to ensure they enhance compliance levels and optimize sustainability within specified timeframes, thereby safeguarding the long-term stability of the supply chain and the fulfilment of our responsibilities. In 2025, we completed ESG risk reviews for 26 core suppliers and 133 non-core suppliers. For core suppliers, we proposed a total of 36 ESG enhancement and improvement plans, explaining the rational and implementation methods for each to facilitate their effective implementation.



Supplier ESG Capacity-Building and Training

The Group is committed to cascading ESG requirements and best practices upstream to jointly drive the decarbonization of the value chain. Through annual on-site technical visits and bespoke improvement plans, we assist core suppliers in enhancing their ESG management capabilities, guiding both upstream and downstream partners to practice ESG principles and build a green collaborative ecosystem.

Case

Group Supply Chain Cooperation Conference

In March 2025, the Group organized a Supply Chain Cooperation Conference attended by 152 management personnel and 84 of the Group's suppliers. The Quality Management, Logistics and Procurement departments conducted communication sessions and quality training on supply chain matters, whilst senior executives and external consultants delivered specialized ESG capacity-building and training to all suppliers. Three core ESG objectives for the supply chain were established during the conference: reducing the carbon footprint across the entire value chain, lowering water consumption, and advancing a sustainable circular economy. Labor rights protection and rural revitalization were also incorporated as core clauses in supplier cooperation agreements, with suppliers working together to build a sustainable circular economy.



Supply Chain Cooperation Conference

We continue to advance the "Supplier ESG Capacity-Building Program". To further promote the collaborative implementation of ESG principles across the supply chain, the Group has established a regular mechanism for the collection and communication of supplier energy consumption data, including water, electricity and gas usage. For instance, regarding water, electricity and gas consumption data in the production of Xiangjiao products, we regularly conduct energy efficiency benchmarking and issue diagnostics with suppliers to precisely identify high-energy and high-water-consumption processes and critical stages and formulate a list of improvement recommendations. We guide suppliers in implementing energy- and water-saving upgrades to enhance resource utilization efficiency, thereby supporting the supply chain in reducing carbon emissions and resource consumption whilst ensuring compliant operations.

In 2025, the Group continued to establish a cross-functional team comprising the Procurement Department, the Equipment Engineering Department, the Human Resources Department, the ESG Management Department and third-party consultants. Drawing on their expertise and extensive experience, the team conducted on-site visits to 6 key suppliers, focusing on three key areas:

Process Energy Efficiency Assessment

Analyzing production and operational processes to evaluate the potential for energy-saving equipment upgrades, waste heat utilization and photovoltaic applications; based on carbon emissions data and current production conditions, assisting in the formulation of emission reduction plans and quantitative targets, such as replacing traditional energy sources with green energy and photovoltaic technology.

Water Resource Management Efficiency Diagnosis

Identifying opportunities for water conservation in areas such as cooling water circulation, cleaning processes and wastewater reuse. Based on current water usage patterns, proposing targeted water-saving measures and recommendations for targets.

Improvement of Health, Safety and Employment Practices

Drawing on the Group's established practices in environmental protection, employee safety, production safety and employment management, we provided recommendations for improvement and optimization in response to specific issues identified during the visits.

Based on an assessment of current ESG management status, the Group's ESG Empowerment Team put forward a total of 36 recommendations for enhancing ESG capabilities, including 17 specific guidelines on energy and water conservation. Concurrently, we provided complementary ESG management training, covering mainstream ESG frameworks and standards, industry best practices and benchmark data, whilst assisting the company in benchmarking its performance against peers to identify areas for improvement and optimize its sustainability strategy.

Case

Huaxing Glass adopted our ESG enhancement recommendations and formulated an ESG improvement plan for 2025

In 2025, our Supplier ESG Empowerment and Enhancement Team conducted an on-site visit to Daye Huaxing Glass Co., Ltd., one of the Group's core suppliers of glass bottles. After delving into the production front lines and gaining a comprehensive understanding of its operations, the ESG Empowerment and Enhancement Team put forward the following ESG enhancement recommendations:

- Conduct firm-wide carbon emissions accounting to identify the primary sources of carbon emissions in the production process
- Engage with the electricity supplier to understand green electricity procurement methods and costs, and assess the feasibility of procuring green electricity
- Investigate the feasibility of installing rooftop solar panels on office buildings and staff accommodation
- Investigate the feasibility of photovoltaic energy storage and actively promote the implementation of such projects
- Pursue ISO 45001 Occupational Health and Safety Management System certification and ISO 50001 Energy Management System certification
- Research and plan the construction of a national-level green factory, and apply for provincial-level green factory status in Hubei Province
- Assess the cost-effectiveness of magnetic levitation air compressors and gradually replace existing air compressors

Furthermore, considering ZJLD's own ESG practices, we have set the following targets for Huaxing Glass:

- A 5% year-on-year reduction in carbon emissions (tons) per ton of glass bottles produced by 2025 compared to 2024
- A 5% year-on-year reduction in natural gas consumption (cubic meters) per ton of glass bottles produced in 2025 compared to 2024

According to feedback from Huaxing Glass, the ESG improvement recommendations and targets we proposed have all been adopted.

Sustainable Raw Material Procurement

In July 2025, the Group's flagship product, Lidu Sorghum (李渡酒), successfully passed the Protected Eco-Origin Product (PEOP) assessment, obtained ecological origin certification, and was officially awarded the Protected Ecological Origin Product Certificate.

In addition, the Group has established a raw material base management system, implemented a sustainable crop procurement model, and submitted a national-level green supply chain evaluation report. We aim to ensure the stability and quality safety of raw material supplies, align with green development trends, and achieve the long-term synergistic development of ecological conservation and corporate benefits.



Certificate of Protected Eco-Origin Product (PEOP)



On-site Audit for Protected Eco-Origin Product (PEOP) Certification

Commitment to Sustainable Agriculture

In 2025, the Group issued the Sustainable Agriculture Commitment, aimed at strengthening the management of upstream agricultural products and encouraging farmers to adopt sustainable farming practices. Through technical support and process supervision, we will assist farmers in reducing water consumption, minimizing pollution, protecting soil, reducing carbon emissions, and avoiding damage to ecosystems.

Raw Grain Base Management System

In 2025, the Group officially launched its Raw Grain Management System to enhance the efficiency and transparency of procurement, warehousing and quality inspection. The database comprises core modules such as supplier profiles, farmer profiles, agricultural input category management, and grain procurement and distribution records, enabling precise traceability of raw material sources and ensuring procurement compliance. Simultaneously, the system categorizes and manages inputs such as seeds and fertilizers to optimize their allocation and usage. On the warehousing side, the system records procurement and stock-in information in real time, improving operational efficiency and reducing wastage. The quality sampling function ensures that raw materials meet standards during storage and use, thereby stabilizing product quality. We have equipped the system with a visual business dashboard that intuitively displays key data on procurement, inventory and quality inspection, supporting real-time decision-making. Furthermore, we have installed cameras at cultivation sites to remotely monitor crop growth and weather conditions. Through the Raw Grain Management System, we have established an efficient, secure and traceable raw material supply chain, ensuring high-quality procurement and production compliance.

Sustainable Farming

As sorghum is the core raw material for fine spirits, in 2025, ZJLD procured a total of 176,758 tons of crops (excluding rice husks and straw). We are actively promoting organic certification for sorghum across our raw material bases and key suppliers, and plan to further expand the scope of organic certification in the future.

Quantitative Indicators and Performance

Operational Distribution of Tier-1 Suppliers

Total number of Tier 1 suppliers **159**

East China	North China	Central China	South China	Northeast	Northwest	South-West
27	6	41	13	5	0	67

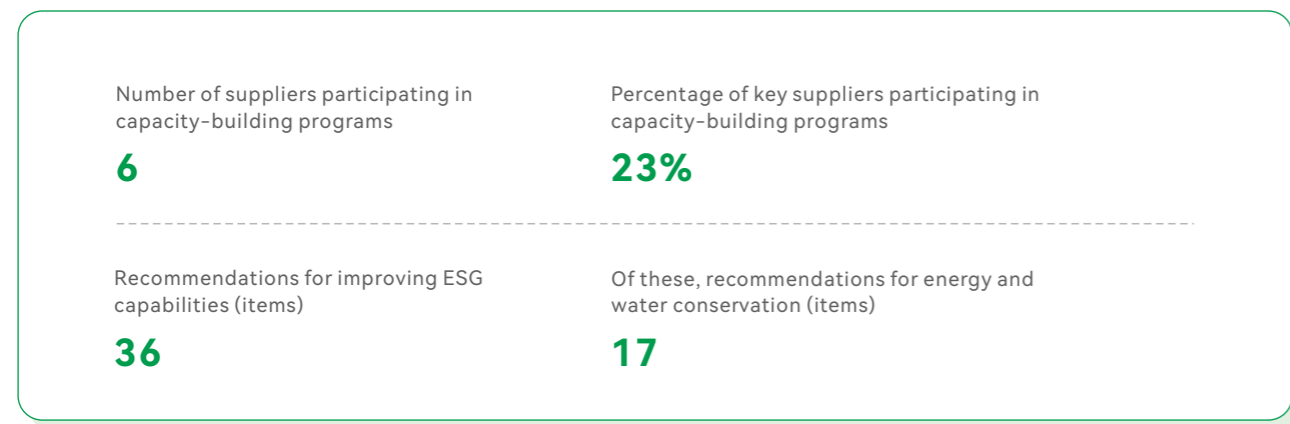
ESG Review Status of Tier 1 Suppliers

Supplier type	Suppliers reviewed Number (companies)	Coverage (%)	Significant ESG Risks (Items)	Number of ESG-related improvement recommendations raised
Core suppliers(Tier 1 key suppliers)	26	100%	0	36
Non-core suppliers	133	100%	0	-

Supplier Assessment and Improvement

	Number/Percentage
Total number of suppliers undergoing Group desk-based or on-site assessments	159
Percentage of core suppliers undergoing Group desk-based or on-site assessments	100%
Number of suppliers assessed with substantial actual/potential negative impacts	0
Percentage of suppliers with significant actual or potential negative impacts for whom corrective actions or improvement plans have been agreed	0%
Number of suppliers with substantial actual/potential negative impacts that were terminated	0

Participation in Capacity-building Programs



Goals and Commitments

To continuously transform ESG initiatives from internal corporate principles into actionable standards and measures across the entire supply chain, the Group commits to achieving the following by 2026:

- 1) Conducting ESG risk assessments and on-site visits for all potential core suppliers prior to their onboarding; conducting simplified ESG risk assessments for all potential non-core suppliers prior to their onboarding;
- 2) Over 80% of suppliers must meet the Group's labor rights and environmental requirements (including carbon reduction and water conservation targets, as well as labor rights standards) and complete comprehensive data reporting;
- 3) Collect data on electricity, gas and water consumption from all core suppliers used in the production of this distillery's products, and promptly communicate any data anomalies with suppliers.

Furthermore, the Group commits to ensuring that 100% of suppliers meet labor rights and environmental requirements by 2030.

Sustainable Brewing

Responding to Climate Change

In recent years, the impacts of climate change on the natural environment, the economy and society have become increasingly prominent and have gradually influenced the development direction of the baijiu industry. ZJLD places high emphasis on the various impact climate change may have on operation of its supply chain and production processes and has proactively advanced a series of sustainable practices in response to climate change. The Group engages in deep collaboration with stakeholders including employees, suppliers and consumers to address the challenges brought by climate change, continuously enhance its resilience to climate risks, and actively seize new development opportunities arising from climate governance.

Governance Structure and Division of Responsibilities

We have incorporated the climate change management system into the Group's overall ESG governance framework, establishing a 3-level management structure comprising the governance, management, and execution layers. Clear responsibilities are defined at each level to ensure effective implementation of climate response strategies.

The Board and its ESG Management Committee serve as the highest governance bodies to bear overarching responsibility for climate action. They oversee the formulation of climate strategic targets and the execution of climate transition plans, integrate environmental considerations into business strategy, conduct discussions on climate-related topics at least annually, monitor climate performance, and approve relevant employee incentive mechanisms. At the management level, the Group's ESG Management Department acts as the primary management body for climate-related matters, assisting the Board and the ESG Management Committee in setting climate targets, tracking implementation progress, evaluating significant climate risks and opportunities, developing and executing climate transition plans, and regularly reporting outcomes to the Board. ESG execution teams at each subsidiary are tasked with implementing specific operational actions, including routine carbon emission data collection, annual climate scenario analysis, transition risk and opportunity identification, risk mitigation plan formulation, energy conservation and emission reduction support for core suppliers, and required disclosure of climate-related risks, opportunities, and management measures.

To advance climate change management initiatives, ZJLD has established clear incentive mechanism. Progress towards the Group's overall carbon reduction targets is directly linked to the annual bonuses of ESG Management Committee members. And the Group ties the fulfillment of energy-saving and emission-reduction metrics to the performance bonuses of managers at all levels and relevant functional staff.



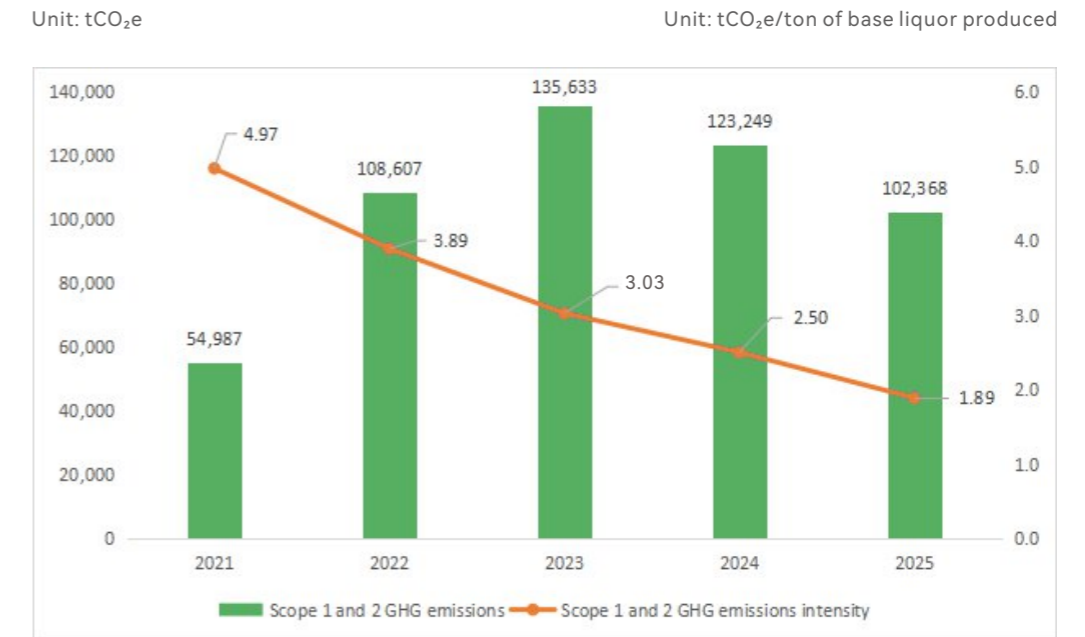
Management Policies and Systems

The Group has developed systematic and specific policies for addressing climate change and incorporated relevant requirements into the ZJLD Group Environmental Protection Policy. Centered on achieving dual-carbon goals, decreasing the entire value chain, managing climate risks, and coordinating with stakeholders, the Group has established a multi-dimensional climate change response system that covers production and operations, supply chain and risk management, carbon emission control and ecological collaboration, training and communication.

Policy Requirements	Implementation Measures
Production & Operations	Prioritize green building technologies (natural ventilation, energy-saving lighting) in technical upgrades and capacity expansion. Increase clean energy use and reduce greenhouse gas emissions. Advance energy conservation, low-carbon upgrades, expand wastewater treatment projects, promote reclaimed water reuse, and lower production energy consumption through water-saving processes to indirectly cut carbon.
Supply Chain	Conduct on-site visits to core suppliers to help identify energy-saving and emission-reduction opportunities. Incorporate climate considerations into procurement, shift to low-carbon fuels and electric vehicles, and prioritize products and materials of low-carbon and high-energy-efficiency. Partner on reuse of waste and packaging materials to reduce supply chain carbon emissions.
Risk Management	Perform annual climate scenario analysis to quantify the impact of climate risks on assets and operations. Integrate climate change risks into enterprise risk management procedures and business continuity plans. Develop specialized production and material reserve plans to address extreme weather events caused by climate change.
Carbon Offset & Optimization	For remaining carbon emissions, balance environmental impact through selected carbon removal and avoidance projects. Leverage national dual-carbon policies to formulate business strategies that balance emissions and capture market opportunities arising from low-carbon development.
Stakeholder Engagement	Provide environmental training to employees and encourage daily water and electricity conservation. Communicate climate impacts and corporate response strategies to suppliers and consumers through awareness campaigns and training. Offer water-saving irrigation training to agricultural suppliers to enhance internal and external low-carbon awareness and risk resilience.
Ecological Collaboration	Cooperate with local governments and communities on watershed ecological protection (afforestation, wetland restoration, etc.). Support forest conservation projects (preventing illegal logging, protecting wildlife) to strengthen climate regulation through ecosystem protection.

Our Carbon Footprint

2021-2025 Scope 1 and 2 Ghg Emissions and Intensity⁴



2025 GHG Emissions by Scope (Scope 1, 2, and 3)⁵

	Scope 1	Scope 2 (market-based)	Scope 3
Emissions (tCO ₂ e)	102,368	0	893,416
Proportion	10.28%	0	89.72%

⁴ The data shown in the chart represents market-based Scope 1 and Scope 2 GHG emissions and intensity. The scope of statistics primarily covers the consumption of natural gas, diesel and gasoline by our self-owned equipment, methane escape during sewage treatment process, and the use of grid-mixed purchased electricity. Emission factors are derived from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, as well as the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Power Generation Facilities and the 2022 Grid Emission Factors issued by the Ministry of Ecology and Environment of the People's Republic of China.

⁵ Scope 3 covers all categories applicable to ZJLD Group, including C1 Purchased Goods and Services, C2 Capital Goods, C3 Fuel- and Energy-Related Activities (Not Included in Scope 1 or 2), C4 Upstream Transportation and Distribution, C5 Waste Generated in Operations, C6 Business Travel, C7 Employee Commuting, C8 Upstream Leased Assets, C9 Downstream Transportation and Distribution, C12 End-of-Life Treatment of Sold Products, and C14 Franchises.

Product Carbon Footprint⁶

Product life cycle stage	Raw material sourcing	Production and logistics	Sales	Consumption and end-of-life processing
Scopes and categories covered	<ul style="list-style-type: none"> Scope 3: C1 Purchased Goods and Services Scope 3: C4 Upstream Transportation and Distribution 	<ul style="list-style-type: none"> Scope 1 Scope 2 Scope 3: C2 Capital Goods -Related Activities Scope 3: C3 Fuel- and Energy -Related Activities Scope 3: C4 Upstream Transportation and Distribution Scope 3: C5 Waste Generated in Operations Scope 3: C7 Employee Commuting 	<ul style="list-style-type: none"> Scope 3: C6 Business Travel Scope 3: C8 Upstream Leased Assets Scope 3: C14 Franchises 	<ul style="list-style-type: none"> Scope 3: C9 Downstream Transportation and Distribution Scope 3: C12 End-of-Life Treatment of Sold Products
Emission Proportion	65.20%	33.51%	1.25%	0.05%

During the reporting period, there was no material change in the measurement approach, inputs or assumptions used for the calculation of greenhouse gas emissions.

Climate-related Risks and Opportunities

With reference to the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD), which have been incorporated into the IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB). The Group has established the "Net Zero Emissions by 2050" (IEA NZE 2050) as its climate transition scenario and the Shared Socioeconomic Pathway 3-7.0 (SSP3-7.0) as its climate physical scenario, conducting annual climate scenario analysis as standard practice. Through this analysis, the Group systematically identifies and assesses climate-related risks and opportunities, comprehensively evaluating the impact of climate change on its business operations and entire value chain.

During the reporting period, the ESG Management Committee identified **4** physical risks and **5** transition risks. Each type of climate-related risk was quantitatively analyzed, and corresponding mitigation measures were developed. Additionally, the Group identified **3** climate-related opportunities and formulated responsive plans to ensure risks are managed and opportunities are realized.

⁶ Note 1: According to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, upstream transportation refers to transportation and distribution services purchased by ZJLD Group in 2025, including inbound and outbound logistics. Therefore, carbon emissions resulting from the transportation of raw materials, packaging materials, and finished products—where the Group bears the cost—are classified under C4 Upstream Transportation and Distribution. Emissions generated by the transportation between offline stores and our end consumers are classified under C9 Downstream Transportation and Distribution.

Note 2: Baijiu sold by ZJLD Group are finished products – no processing required. Therefore, there are no emissions related to C10 Processing of Sold Products.

Note 3: The consumption of our Baijiu by end consumers does not involve energy use or carbon emissions generation. Thus, C11 Use of Sold Products is not applicable.

Note 4: For ZJLD Group, C12 End-of-Life Treatment of Sold Products primarily refers to emissions generated from the disposal of non-recyclable packaging materials, such as ceramic bottles. To address this, we are actively promoting the replacement of ceramic bottles with recyclable glass bottles to further reduce emissions at the product end-of-life stage.

Climate-related Risks (9 items)

Risk category	Risk name	Risk description	Time ⁷ frame of impact	Mitigation measures
Physical risk	Extreme heat/cold	<ul style="list-style-type: none"> Product Quality: Long-term extreme high temperatures may destabilize fermentation microbial communities, affecting the consistency of base-liquor flavor. Raw material supply: Extreme high or low temperatures will affect the yield of crops such as sorghum, wheat and rice, thereby impacting the stability of raw materials for base-liquor-making. Operational Energy Consumption: Sustained high temperatures in summer in regions such as Hunan and Jiangxi would increase energy use for workshop cooling, reduce the efficiency of cooling systems, and raise additional operating expenses. Employee Health: Extreme heat notably impacts employee productivity and physical well-being, potentially leading to extra medical costs and high-temperature allowances. Facility Integrity: Extreme low temperatures in winter in areas including Hunan and Jiangxi could cause waterpipe freezing and bursting, as well as production equipment failures. 	Short-, medium-term	<ul style="list-style-type: none"> Implemented: The group's R&D team, in collaboration with universities and research institutions, has studied the suitable growth environments for various microbial communities and strictly managed the temperature during qu's fermentation. Implemented: Signed strategic cooperation agreements with farmers and established cultivation bases to ensure supply chain stability through advanced contracting, targeted procurement, and planting guidance. Implemented: Installed distributed photovoltaic panels on workshop rooftops in Hunan, Jiangxi, and other regions to reduce workshop temperatures during extreme heat. Implemented: Implemented high-temperature operation safety and health measures to prevent harm to personnel from extreme heat. In Progress: Upgraded relevant equipment technology to mitigate the impact of extreme high/low temperatures on thermo-sensitive equipment.
	Water scarcity	<ul style="list-style-type: none"> Water Supply: High temperature and drought conditions in summer may reduce water availability in relevant watersheds, affecting liquor production water supply and thereby raising external water procurement costs. Product Quality: Extreme drought environments adversely affect the growth of fermentation microorganisms, negatively impacting the stability of base liquor quality and compromising raw material yield or quality. Supply Chain: Water scarcity intensifies food crises, threatening the stability of the Group's supply chain and driving up raw grain prices, leading to higher procurement costs. Water Security: Protracted summer droughts may increase the number of populations and regions facing water security risks. 	Medium-, long-term	<ul style="list-style-type: none"> Implemented: Continuously identify water-saving opportunities at the production level, expand the reuse of cooling water, bottle-washing water, and recycled water, and consistently improve water-use efficiency. In Progress: Conduct temperature and humidity monitoring in the brewing process, provide water-saving technology training for major crop suppliers. In Progress: Continuously advance water-security risk response training within internal operational management. To be implemented: Expand water sources through multiple channels and establish a backup water-supply network.
	Flooding	<ul style="list-style-type: none"> Costs & Revenue: Extreme rainfall and flooding may damage infrastructure and production equipment. Increasing repair expenses and adversely affecting product transportation, goods delivery, operational costs, and sales revenue. Supply Chain: Summer rainstorms and flooding in relevant watersheds disrupt supply chain stability and production continuity. Water Pollution: Flooding triggered by extreme precipitation during wet seasons risks contaminating brewing water sources and damaging production facilities and fermentation pits. Water Security: Persistent rainfall during the plum rain season (East Asian rainy season) can cause waterlogging in factory areas and erosion of finished-product storage facilities, posing disruptive impacts on continuous production and existing assets. 	Short-, medium-, long-term	<ul style="list-style-type: none"> Implemented: Upgraded drainage systems at production sites and implemented flood protection improvements for liquor storage areas and key production equipment; continuously optimized stormwater and wastewater separation systems to ensure efficient and compliant wastewater treatment after flooding. Implemented: Each distillery organizes at least one annual internal flood prevention drill to enhance problem identification and emergency management capabilities. In Progress: Developed flood emergency response plans specifying trigger conditions for production halts and raw material transition, equipped sufficient flood control supplies. In Progress: Deepened public-private cooperation by participating in river embankment cleanup and stream ecological restoration efforts to enhance watershed flood resilience.

⁷ According to the Group's business planning cycle and the lifecycle of our equipment and assets, the short term is defined as the next 5 years from the reporting year, the medium term as 5 to 10 years, and the long term as 10 to 30 years.

Risk category	Risk name	Risk description	Time frame of impact	Mitigation measures
Physical risk	Landslides	<ul style="list-style-type: none"> Product Quality: Landslides may cause erosion of finished-product storage facilities, resulting in disruptive impacts on continuous distillery operations and product quality. Equipment Safety: Landslides could damage distillery infrastructure; if critical facilities or equipment were affected, this would lead to property losses and production interruptions. Supply Chain: Should landslides cause road blockages or damage, the stability of the enterprise's supply chain could be adversely affected. 	Medium-, long-term	<ul style="list-style-type: none"> Implemented: Conduct regular slope geological surveys, implement prevention and control measures in unstable areas to reduce landslide risks. In Progress: Establish a slope displacement monitoring, forecasting, and early-warning mechanism, and perform regular deformation, stress, vibration, and hydrological monitoring. In Progress: Diversify raw material and product transportation methods to enhance resilience to road risks.
Transition risk	Policy and regulatory risk	<ul style="list-style-type: none"> Carbon Reduction Requirements: The tightening of national dual-carbon policies and the elevation of local emission reduction standards in Guizhou, Hunan, and Jiangxi; with the expansion of coverage in the national carbon market, the brewing industry may be required to implement mandatory emission controls. Corporate Transition Requirements: China has established the "1+N" policy framework for carbon peak and carbon neutrality. The release of the "Work Plan for Accelerating the Establishment of a Dual-Control System for Carbon Emissions" in 2024 has accelerated the low-carbon transition across various industries. Legal Compliance Requirements: Failure to comply with relevant national laws and regulations would expose the Group to compliance risks. Simultaneously, to meet regulatory requirements, the Group will allocate funds to engage professionals for guiding carbon reduction and emissions disclosure, thereby increasing related management costs. 	Medium-, long-term	<ul style="list-style-type: none"> Implemented: In response to the national "3060" dual-carbon strategy, the Group has taken the lead in formulating its "2850" dual-carbon target and corresponding emissions monitoring; strengthened climate governance by establishing climate governance mechanisms and structures; and conducts annual assessment and disclosure of climate risks and opportunities. In Progress: Leveraging internal and external professional advisory resources to comprehensively analyze policy requirements in operational regions, ensuring compliant emissions control and regulatory reporting.
Transition risk	Market risk	<ul style="list-style-type: none"> Consumer Preference Requirement: Growing awareness of green and healthy lifestyles is increasing demand for low-carbon products and services. Products and packaging that lack sufficient green credentials may affect brand recognition. Investor Preference Requirement: Investors' increasing focus on ESG ratings means the Group's climate-related performance may impact its market valuation. 	Medium-, long-term	<ul style="list-style-type: none"> Implemented: Accelerated green packaging innovation by replacing non-recyclable materials such as foam and ceramic bottles with eco-friendly alternatives, and advanced packaging-reduction initiatives. Implemented: Established a packaging recycling system, highlighted by reprocessing recovered liquor bottles into cultural-creative products to increase bottle-recovery volumes. Implemented: Enhanced external communication of green packaging efforts to ensure consumer recognition of environmental initiatives. In Progress: Building the Group's "Green Brewing" brand identity to align with market consumption trends.
Transition risk	Reputational risk	<ul style="list-style-type: none"> As the public and investors pay increasing attention to climate change and green, low-carbon initiatives, failure to align the company's business model with the low-carbon economy could harm its reputation and affect its ESG ratings. 	Short-, medium-, long-term	<ul style="list-style-type: none"> Implemented: Proactively conducted external communication through official websites, ESG reports, and other channels, actively participated in various ESG award selections to enhance the Group's ESG capabilities and reputation. Implemented: Strengthened ESG disclosure, with a focus on publishing environmental achievements such as carbon emission reduction, water conservation, and green packaging. This effort aims to improve ESG ratings, actively address stakeholder concerns regarding climate and other ESG issues, and elevate the Group's international image and credibility.

Risk category	Risk name	Risk description	Time frame of impact	Mitigation measures
Transition risk	Technology risk	<ul style="list-style-type: none"> Compliance and Operating Costs: Against the backdrop of global warming and heightened environmental protection, China continues to introduce new energy consumption and carbon emission control policies and measures, imposing heightened energy-saving requirements across brewing processes. This increases pressure on the Group to transition to low-carbon technologies and may lead to higher compliance and operating costs. Technology Costs: The comprehensive low-carbon transformation of traditional brewing processes presents significant challenges. Substantial capital expenditure is required for energy-saving equipment and carbon emission reduction technology R&D. Should investments in or development of new low-carbon technologies encounter issues, direct financial losses could result. 	Short-, medium-, long-term	<ul style="list-style-type: none"> Implemented: Increased the proportion of renewable energy use across production and operational processes; carried out phased equipment upgrades and invested in low-carbon equipment, with priority given to high-energy-consumption processes such as steaming and cooling, and prioritized procurement of energy-saving equipment. In Progress: Collaborated with universities and enterprises to accelerate investment in "carbon neutrality" technology applications, pursued breakthroughs in core industrial energy-saving technologies, and continued to advance low-carbon and energy-efficiency technological upgrades. In Progress: Integrated low-carbon technology applications into comprehensive KPI assessments for workshop operations, provided energy-saving and emission-reduction training to internal staff, and ensured comprehensive implementation of emission-reduction measures.
Transition risk	Supply chain risk	<ul style="list-style-type: none"> Insufficient green practices in the upstream supply chain, such as in the cultivation of raw materials like sorghum and wheat, may lead to compliance pressure regarding supplier access. 	Short-, medium-term	<ul style="list-style-type: none"> Implemented: Expanded collaboration with green raw material cultivation bases. In Progress: Incorporated green production into supplier access criteria, conducting low-carbon assessments and providing energy-saving and emission-reduction training for suppliers. To be implemented: Conduct on-site inspections of core suppliers annually, hold green cultivation discussions, and provide low-carbon cultivation recommendations.

Climate-related Opportunities (3 items)

Opportunity category	Opportunity description	Time frame of impact	Response plan
Ecological quality premium	<ul style="list-style-type: none"> Maintaining ecological conservation in watersheds such as the Chishui River and Fu River, the Group translates "green brewing" into strengthened product quality credentials, which supports its positioning in the premium market. By integrating the living heritage conservation of the "Tang-Yuan Sites" with green brewing practices, products of Lidu have formed a distinct brand identity that blends culture and ecology, thereby boosting product value. 	Medium-, long-term	<ul style="list-style-type: none"> Group Coordination: Integrating watershed ecological protection into core ESG assessments to build a unified "ecological brewing" foundation. Subsidiary Implementation: Zhenjiu actively participates in the ecological management of tributaries of the Chishui River and launches related products to highlight the ecological advantages of its water source. Lidu can advance the development of an "Ancient Cellar Ecological Brewing" IP, showcasing full-chain quality enhancement through its cultural-tourism sites. Xiangjiao can establish a "shaoyang Ecological Brewing Base", incorporating ecological strengths into its blended-aroma liquor positioning.
Benefits of technological innovation	<ul style="list-style-type: none"> The protection and utilization of ancient cellar microorganisms can establish specialized technical barriers, further enhancing product quality. The development and application of digital management platforms, along with the exploration of cutting-edge low-carbon brewing technologies, can optimize energy utilization efficiency, unlock additional energy-saving potential, reduce production costs, and generate economic benefits. 	Short-, medium-term	<ul style="list-style-type: none"> Industry-Academia Collaboration: Establish a joint research laboratory with local universities to study ancient cellar microorganisms, develop adaptive technologies, and file patents. Digital Management: Continuously optimize and expand the functionality and monitoring scope of the Group's energy and emission management platform to enable refined, full-process oversight of production and operations. Low-Carbon Brewing Technology: Through the exploration and application of cutting-edge low-carbon brewing technologies, the Group can achieve its own energy saving and emission reduction goals while commercializing related technologies to generate economic benefits for the industry.
Brand value enhancement	<ul style="list-style-type: none"> Growing consumer demand for low-carbon products and services, along with willingness to pay a green premium, aligns with consumer upgrade trends. Green transition practices enhance brand loyalty. 	Short-, medium-, long-term	<ul style="list-style-type: none"> Consumer Communication: Continuously conduct green experience activities, highlighting ecological credentials at the product level. External Resource Engagement: Convey the value of green transformation to external stakeholders, such as community groups, capital markets, and non-profit organizations, through formats like ESG roadshows, fostering green ecosystem alliances and strengthening brand recognition. ZJLD Brand IP: Build the Group's core "Green Brewing" IP, with each distillery highlighting a differentiated green identity.

In 2025, the Group's carbon emissions intensity of its own operations further decreased to **1.89** tCO₂e/ton of base liquor produced

Representing a year-on-year reduction of **24%**

Energy Management

All three distilleries of the Group have obtained ISO 50001 Energy Management System certification and have carried out internal and external energy audits in an orderly manner in accordance with the system requirements, continuously improving energy efficiency performance.



Zhenjiu ISO 50001 | Lidu ISO 50001 | Xiangjiao ISO 50001

Management Actions and Implementation Measures

Low-carbon Operations (Scope 1 & Scope 2)

ZJLD has consistently integrates its green manufacturing strategy throughout all stages of production and operations, firmly pursuing a green development path characterized by high efficiency, cleanliness, low carbon, and circularity. Through a series of measures including the promotion and application of renewable energy, technological innovation, upgrading of production equipment, refined energy management and the implementation of low-carbon technologies, the Group continuously improves energy efficiency, effectively reduces greenhouse gas emissions, and fully drives its transition toward clean and low-carbon development. Supported by the implementation of various green and low-carbon measures and the collaborative efforts across the entire ecosystem, our progress in low-carbon operations continues to show results. In 2025, the carbon emission intensity (Scope 1 and 2) from the Group's operations was further optimized, decreasing to 1.89 tCO₂e/ton of base liquor produced, representing a year-on-year reduction of 24%.

During the reporting period, the Group continued to focus on improving the quality and efficiency of energy management. In line with each distillery's development stage and operational characteristics, tailored energy management targets and dedicated implementation plans have been established, driving continuous improvement in energy utilization efficiency through multiple measures.

In daily production and operations

Each distillery has fully implemented analysis and assessment mechanisms for electricity and energy consumption. By adopting a walk-around management approach at the production site, we accurately and promptly identified various forms of energy waste and immediately formulated targeted rectification measures, creating a management closed loop of "prompt identification, prompt correction and practical results".

In equipment procurement and management

The Group strictly controls green and low-carbon access. Each distillery has issued internal procurement guidelines specifying that newly purchased equipment must prioritize energy-efficient models with a Grade 1 or 2 energy efficiency rating. High-energy-consuming equipment is being steadily phased out and replaced to mitigate stranded asset risks from high-carbon investments at the source. For the procurement of owned operational vehicles such as forklifts, commuter buses, and in-plant transport vehicles, the Group has established unified green procurement requirements, emphasizing the priority of purchasing new energy vehicles. This supports the ongoing reduction of the Group's overall carbon footprint through low-carbon transportation energy use.

Natural Gas Conservation

In 2025, carbon emissions from natural gas combustion accounted for 83% of the Group's total operational carbon emissions. Therefore, improving the efficiency of natural gas use has become a key measure for advancing the Group's "2850" dual-carbon targets. To effectively enhance natural gas utilization and reduce consumption, each of the Group's distilleries has implemented integrated and targeted approaches, carrying out natural gas conservation efforts from both "reduction" and "recycling" perspectives through optimized production management, equipment upgrades, and operational controls.

On the "Reduction" Side

Each distillery strengthened centralized production management over the past year. By unifying the production schedules of workshops, adjusting gas-supply and production modes, and reducing machine standby time, we further improved natural gas utilization efficiency.

Case

Off-peak Production Plan at Zhenjiu's Shuanglong Base

At present, the brewing workshops at Zhenjiu's Shuanglong Base adopt a dual-boiler production mode, where the boilers often operate below full capacity, resulting in relatively high overall gas consumption. To maximize boiler efficiency and reduce gas consumption, the Shuanglong Base piloted an off-peak production plan in July, exploring a shift to a single-boiler gas-supply mode during periods of lower production demand and thereby reducing consumption through concentrated combustion.

On the "Recycling" Side

We have upgraded and retrofitted certain boilers at older plants by enhancing flue gas waste heat recovery efficiency. Through the activation of heat recovery systems, the reclaimed thermal energy is repurposed to replace the need for natural gas combustion for heating water in production and daily use, thereby lowering natural gas consumption.

Case

Heat Recovery System at Lidu Distillery

In 2025, Lidu officially launched a heat recovery system at its older plant, with recovered heat reaching approximately 58°C. The reclaimed thermal energy is mainly used for boiler makeup water heating, floor washing, blending, bathing, and other purposes. At the same time, a new condenser and water circulation system was piloted in the older plant's new brewing workshop, utilizing waste heat to raise the temperature of boiler makeup water. The plant continues to work with equipment suppliers to monitor the performance of the boiler heat recovery solution.



Heat Recovery System at Lidu

Accelerating Photovoltaic Development and Green Power Trading

In 2025, we continued to advance photovoltaic (PV) projects across our distillery sites and actively engaged in green power and green certificate trading. As a result, the use of renewable electricity reached 100% of the Group's total power consumption. Xiangjiao Distillery took the lead by completing a 4.68 MWp PV power station in August 2023, which supplied 2,242,575 kWh of green electricity in 2024. Building on this foundation, Xiangjiao further expanded its renewable energy capacity in 2025 by commissioning a 0.52 MWp rooftop PV system on its qu-making workshop, covering an area of 6,698 square meters.



Xiangjiao PV development in 2025

Building on Xiangjiao's successful experience in rooftop PV development, Zhenjiu Distillery continued to advance the construction of distributed rooftop PV power generation projects from October 2023 to May 2025, with total installed capacity reaching 17.02 MWp, covering 156,586 square meters of rooftop area and involving a total of 29,608 photovoltaic panels. Among them, the Zhaojiagou West and East zones were commissioned in July 2024 and April 2025 respectively, with installed capacities of 7.36 MWp and 3.31 MWp. The Shizipu plant zone has an installed capacity of 6.35 MWp and completed commissioning and commenced operation in May 2025. As of December 31, 2025, Zhenjiu's PV projects across all sites had cumulatively generated 12,178,664.8 kWh of electricity, of which Zhenjiu consumed 7,538,189.69 kWh, representing a consumption ratio of 61.9%. The remaining electricity was fully fed back into the Southern Power Grid.



Zhenjiu PV Development in 2025

Lidu Distillery completed and put into operation the PV project in 2025, with an actual installed capacity of 2.7 MWp, a total of 4,680 photovoltaic panels, rooftop coverage of approximately 11,700 square meters, and developing power generation exceeding 2.5 million kWh annually.



Lidu PV Development in 2025

Throughout 2025, the construction and operation of ZJLD's PV projects resulted in standard coal savings of 7,147.86 tons, CO₂ emission reductions of 8,481.18 tons, and generated an ecological benefit equivalent to planting 11,583 trees.

As China continues to expand the green power trading market, the Group has maintained communication and coordination with local electricity retailers and power supply bureaus in each distillery's operating region, actively engaging in medium- to long-term green power trading. Purchasing green electricity serves as an important supplement to on-site rooftop PV generation. In 2025, Xiangjiao signed a supplementary green power trading agreement with State Grid Hunan Comprehensive Energy Services Co., Ltd (国网湖南综合能源服务公司). During the reporting period, the Group procured a total of 10,125,000kWh of green electricity, of which 9,825,000 kWh were purchased by Zhenjiu Distillery and 300,000kWh by Xiangjiao Distillery.



Xiangjiao Distillery Green Electricity Consumption Certificate in 2025

In addition to expanding PV development and externally purchasing green electricity, Xiangjiao also continued to follow up on the purchase of green certificates. By the end of 2025, Xiangjiao had purchased a total of 11,760 green certificates, equivalent to 11,760,000 kWh of green electricity.

The Group purchased a total of **11,760** green certificates



11,760,000 kWh of green electricity

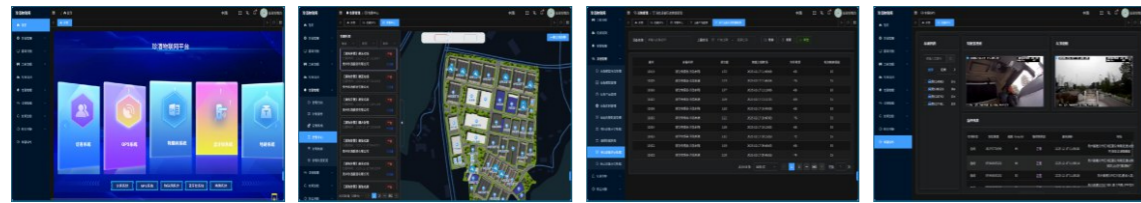
Electricity Conservation

In 2025, while actively promoting PV deployment and green electricity trading, the Group also implemented a range of electricity-saving measures across multiple dimensions to reduce carbon emissions from various electricity-consuming aspects of production and operations.

Case

Electricity-saving Measures at the Distilleries

- Zhenjiu Distillery has completed Phase I of its IoT platform and is advancing the construction of an energy management system and an IOC smart dashboard. By integrating multi-source data for intuitive display and analysis, real-time monitoring of electricity consumption is achieved, enabling timely energy-saving interventions.



Real-time Monitoring of Electricity Consumption

- Lidu Distillery routinely carries out inspections of energy storage usage and implements equipment retrofits for electricity conservation. Among these efforts, new technology applied at the wastewater station has reduced chemical consumption, lowered electricity losses, and decreased operating costs. Additionally, energy-saving modifications to the landscape pump in front of the qu-workshop have cut monthly electricity consumption by approximately 6,000 kWh.



Lidu Distillery Routine Electricity Inspection

Case

Electricity-saving Measures at the Distilleries



Lidu Distillery Wastewater Station New Technology Application



Lidu Distillery Qu-Workshop Landscape Pump Retrofit

- Xiangjiao Distillery implemented energy-saving upgrades for site-wide street lighting, saving about 300kWh per day and approximately 100,000kWh annually. Energy-efficient lighting retrofits in workshops reduced electricity use by 75,000kWh per year. Timed control of high-power landscape circulation pumps based on demand lowered consumption by 50,000kWh annually. Management of the central air-conditioning system through temperature, timing, and volume controls, combined with enhanced inspection and assessment, resulted in a reduction of 120,000kWh per year.

Green Value Chain (Scope 3)

In 2025, the Group's Scope 3 GHG emissions accounted for approximately 90% of the total Scopes 1, 2 and 3 emissions. Low-carbon transformation across the supply chain plays a critical role in enabling the Group's low-carbon development throughout its entire value chain.

Low-carbon Procurement

In procurement, the Group consistently follows green procurement principles, giving priority to suppliers with strong performance in energy conservation, emissions reduction and clean energy application. In 2025, the Group completed on-site visits and assessments of 6 core suppliers to comprehensively review their ESG management status. Based on the findings, the Group proposed 36 recommendations to strengthen ESG capabilities, including 17 recommendations related to energy saving and water conservation, while also providing dedicated ESG management training for suppliers and urging them to establish targets on carbon reduction, water conservation and related areas. The Group also held multiple supplier exchange meetings during 2025 to communicate ESG concepts and share leading practices.

In 2025, The Group conducted on-site visit to **6** significant suppliers

Provided **36** ESG capability enhancement recommendations

Including **17** energy and water saving recommendations

Low-carbon Farming

High-quality agricultural products are the core raw materials for liquor brewing. To further promote low-carbon and sustainable development in the baijiu industry, Zhenjiu collaborated with crop suppliers to establish green cultivation bases and systematically implement greener planting models. Specific measures include strictly controlling nitrogen fertilizer application for sorghum and wheat farmers: applying low-nitrogen compound fertilizer as base fertilizer before sowing and using foliar fertilizers and medium-element fertilizers during the top-dressing stage, effectively reducing greenhouse gas emissions in the purchased grain production phase. In 2025, Lidu obtained certification for Protected Eco-Origin Product (PEOP).

Low-carbon Logistics

Scope 3 emissions of ZJLD are primarily concentrated in the logistics and transportation segment. Promoting low-carbon transformation in logistics is therefore a key initiative for the Group to achieve its emission-reduction targets across the entire value chain.

We have incorporated provisions "encouraging logistics suppliers to give priority to clean and environmentally friendly new-energy vehicles" into our cooperation contracts with logistics providers. During tendering and procurement, we also gave preference to logistics suppliers that use new-energy transport vehicles and environmentally friendly reusable materials. At the same time, we actively promoted the use of electronic waybills to reduce paper consumption, and improved vehicle loading efficiency and optimized transport route planning through a combined full-load and less-load models, thereby reducing carbon emissions from logistics and transportation through multiple measures.



New-energy Logistics Transport Vehicles of Zhenjiu

Case

Zhenjiu's Low-carbon Transport Initiatives

Zhenjiu has included the recommendation to "prioritize new-energy transport modes" in both the tendering and evaluation criteria for logistics carriers, encouraging the use of new-energy vehicles for goods transportation. Concurrently, we are exploring with logistics carriers the feasibility of increasing rail transport to raise the proportion of low-carbon transport modes.

In packaging logistics, We actively promote the circular use of outer packaging boxes for finished-product transportation. Damaged cartons are sent to qualified third-party organizations for recycling and regeneration. Recognizing that plastic pallets offer longer service life, recyclability, and reusability compared to wooden pallets, we are gradually replacing wooden pallets with plastic ones to effectively reduce timber consumption and waste generation.

Case

ESG Enablement Helps Suppliers Reduce Costs and Improve Efficiency

2025 marks the third year of ZJLD's ESG enablement program for core suppliers. This year, the Group visited 6 core suppliers. Beyond reviewing their ESG performance, we placed greater emphasis on understanding the challenges and pain points they face in production, transportation, and quality enhancement, to help them achieve cost reduction and efficiency gains while advancing ESG practices.

During a visit to a core glass-bottle supplier, our enablement team identified resource waste and cost pain points in the bottle-transport process. To minimize breakage and contamination during transit, the supplier traditionally used multiple layers of protection—cartons, foam, dust-proof bags, etc. for each bottle. Once delivered to the filling line, these packaging materials were discarded as non-reusable, resulting in annual material-cost losses of tens of thousands of RMB for the supplier and generating substantial waste, which conflicted with ESG goals for plastic reduction.

To address this, the enablement team coordinated with the Group's filling-line and warehouse departments. The filling line now retains the packaging materials delivered with the bottles instead of discarding them, while the warehouse has allocated a "packaging-material turnover storage area". Each time the supplier delivers bottles, they can retrieve the previously used cartons, dust-proof bags, and other packaging materials for reuse at their own facility. This subtle yet practical adjustment not only helps the supplier cut costs but also fosters a collaborative effort to build a more sustainable supply chain.

Low-carbon Sales

We have extended energy-saving and consumption-reduction measures to distribution centers and retail outlets. In 2025, Lidu implemented an energy-efficiency project in the courtyard of the National Treasure Lidu Winery by installing solar panels and solar lighting fixtures, effectively reducing carbon emissions from electricity use. Moving forward, Lidu will continue to expand its green store network and promote carbon reduction across a broader base of franchised stores.



Lidu's Courtyard Solar Project

Quantitative Indicators and Performance

In 2025, the total electricity consumption of the Group was 27,167,195 kWh, all of which was renewable electricity, achieving 100% sustainable electricity use. Market-based Scope 1 and 2 GHG emissions were 102,248 tCO₂e, with an emission intensity of 1.89 tCO₂e/ton of base liquor produced. Scope 3 GHG emissions were 893,416 t Co₂e.

Indicator	2021	2022	2023	2024	2025
Electricity consumption (kWh)	11,791,980	19,052,763	22,426,343	26,336,270	27,167,195
Renewable electricity consumption (kWh)	0	0	2,376,024	13,379,285	27,167,195
Market-based Scope 1 and 2 GHG emissions (tCO ₂ e)	54,987	108,607	135,633	123,249	102,368
Market-based Scope 1 and 2 GHG emissions intensity (tCO ₂ e/ton of base liquor produced)	4.97	3.89	3.03	2.50	1.89
Scope 3 GHG emissions (tCO ₂ e)	Uncounted	Uncounted	1,231,572	1,243,042	893,416

Targets and Commitments

To lead the green and low-carbon transition of the baijiu industry, ZJLD formally established its "2850" dual-carbon strategy in August 2024 and solemnly committed that the Group would achieve carbon peaking within its own operations no later than 2028 and carbon neutrality within its own operations before 2050. We implemented proactive measures ahead of the national "3060" carbon goals, demonstrating industry leadership.

This target reflects the Group's 2021 carbon emission intensity baseline, and is being advanced through multiple pathways including energy structure optimization, production process upgrades, and green supply chain development. The Group took the lead in disclosing Scope 3 emissions data and established a full-lifecycle carbon management system, collaborating with upstream and downstream partners to build a low-carbon ecosystem for the baijiu industry. Through these science-driven actions, we are delivering on our sustainability commitment of "Advancing Together for Good, Delivering Value to Society".



Water Resource Protection

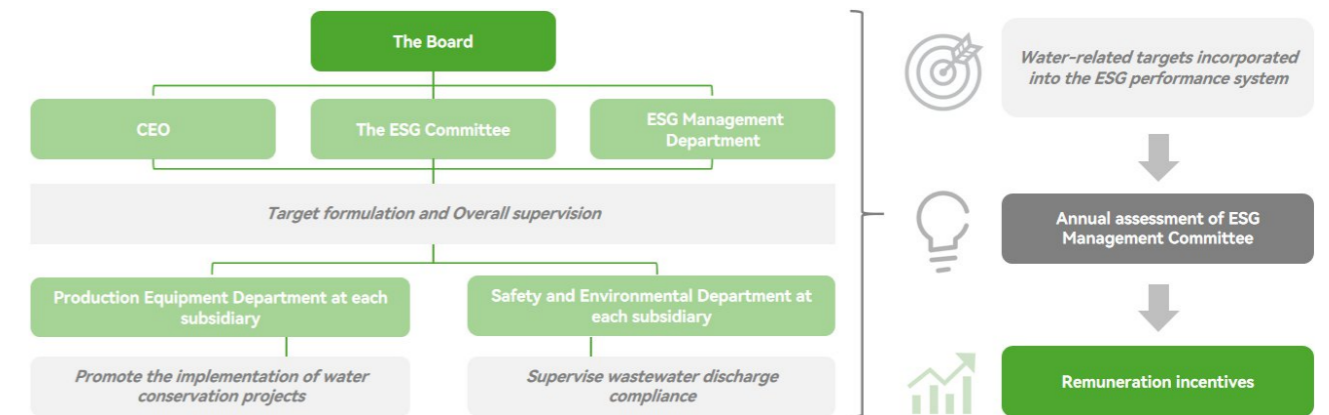
Water is a core resource for human survival and development, as well as a key raw material in baijiu production that determines product quality. The purity and taste of water directly affect the aroma and quality of the liquor. We consistently uphold the philosophy that "good water makes good baijiu" and regard the protection of water resources as a fundamental prerequisite for producing high-quality baijiu.

Currently, intensifying climate change and continuous population growth are driving increasing global water stress. According to the World Resources Institute's (WRI) Aqueduct Water Risk Atlas, in 2025, the areas where Zhenjiu and Lidujiu production sites are located are classified as high water-stress risk zones, while the area of Xiangjiao production site falls within a medium-high water-stress risk range.

To systematically address the growing water resource challenges, ZJLD focuses on technological innovation and equipment upgrades to continuously improve water-use efficiency. At the same time, through multiple measures such as ecological restoration of production bases and conducting green public initiatives, we actively protect the aquatic ecosystems of the watersheds where our production bases are located. With long-term investment and forward-looking planning in water resource management, we ensure superior water quality, which safeguards the purity and flavor stability of our baijiu, thereby strengthening the ecological foundation for producing high-quality baijiu products.

Governance Structure and Division of Responsibilities

The Group places water resource management and protection at a strategic level, establishing a top-down accountability system overseen by the ESG Management Committee under the Board of Directors and the Group's senior management. The CEO, the ESG Management Committee, and the ESG Management Department coordinate water resource management efforts at the Group level, primarily responsible for target setting and end-to-end supervision. The Production Equipment Department and the Safety & Environmental Protection Department at each distillery are tasked with specific implementation functions, advancing water conservation projects and enforcing daily controls to ensure wastewater discharge compliance. Furthermore, water-related targets have been integrated into the ESG key performance indicator system, directly linking them to the annual performance evaluations of responsible managers and forming a compensation incentive mechanism based on assessment results.



Management Policies and Systems

To strengthen the compliance foundation, the Group strictly adheres to the Water Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the National Water Conservation Action Plan, and other applicable regional, national, and international standards. We have systematically updated the water resource management provisions within ZJLD Group Environmental Protection Policy and the wastewater management policies at each distillery, focusing on reducing the environmental impact of wastewater discharge, improving water use efficiency, and protecting the ecosystems of the watersheds where it operates. This policy will be comprehensively reviewed at least every three years, with annual updates based on changes in laws and regulations, public policy adjustments, industry best practices, and the Group's sustainable development strategy, ensuring that water resource management requirements remain dynamically aligned with the Group's growth, industry standards, and regulatory demands.

The policy mandates that the Board of Directors and the CEO fulfill governance responsibilities, the ESG Management Committee and the Group ESG Management Department fulfill management duties, and each distillery and relevant department under the Group implement specific measures. All internal employees are engaged in water resource control, integrating water-saving requirements into daily work practices. Furthermore, the policy specifies that key agricultural suppliers providing core raw materials to the Group shall cooperate in implementing water-saving irrigation training and conservation measures.

All distilleries, departments, employees, and relevant suppliers covered by the Group's policy must implement specific water resource protection actions across 5 dimensions: internal water conservation and emission reduction, wastewater recycling and reuse, watershed ecological protection, water conservation in the supply chain, and comprehensive employee awareness and education on water saving.

Policy Requirements	Implementation Measures
Internal Water Conservation & Emission Reduction	Advancing Wastewater Treatment and Circular Utilization: Expand wastewater treatment projects to increase water reuse capacity; pilot zero-liquid-discharge facilities by adopting technologies such as reverse osmosis systems to enable production water recycling; develop water-saving production processes to reduce water intake and discharge intensity across all production and operational stages, thereby improving comprehensive water resource utilization efficiency.
Wastewater Recycling & Reuse	Conduct collaborative agricultural water-saving practices: Partner with base farmers to implement farmland water conservation measures, promote efficient agricultural water use, and coordinate with upstream and downstream stakeholders to achieve water resource conservation.
Watershed Ecological Protection	Protecting watershed ecosystems across subsidiary locations: Collaborate with local governments, communities, environmental organizations, and other stakeholders to carry out watershed ecological conservation activities such as afforestation, wetland restoration, river clean-ups, and environmental awareness campaigns, ensuring water resource quality from an ecological dimension.
Water Conservation in the Supply Chain	Promoting water conservation management in the supply chain: Conduct water-saving irrigation training for crop suppliers; ZJLD's Group Procurement Department and Distillery Production Equipment Department conduct on-site visits to core suppliers, assisting them in identifying water-saving opportunities and maximizing assistance to help suppliers reduce water use intensity.
Organization-wide Water Conservation Awareness	Enhancing water conservation awareness among all internal staff: Provide specialized training to employees to communicate the impacts of work activities on water resources, encourage them to cultivate water-saving habits in daily work, and integrate water conservation requirements into their routine work behaviors.

Additionally, all three distilleries under ZJLD have obtained ISO 14001 Environmental Management System certification. Based on its requirements, a standardized wastewater management mechanism has been established, and regular water efficiency evaluations are conducted to identify opportunities for improving water resource utilization efficiency and reducing wastewater discharge across the entire production and operation chain. Through continuous investment and systematic management in water resource management, during the reporting period, the Group experienced no operational issues related to water resources in terms of water intake compliance and water quality stability, nor did any major water-related incidents occur.

Management Actions and Implementation Measures

Water Conservation Management

To enhance water resource utilization efficiency, ZJLD Group set a target in 2022 to reduce its water intake intensity (calculated per unit of base liquor production) by 20% by 2025, using 2021 as the baseline. Through a series of water-saving technological upgrades and management optimization measures, the Group continuously improved production water efficiency and achieved this target ahead of schedule by the end of 2023.

In 2025, each distillery continued to advance various water-saving initiatives, implementing over ten water-saving technical improvement projects. These included promoting wastewater reuse from treatment stations, conducting extensive pipeline and valve maintenance, utilizing tail liquor as boiler feed water instead of freshwater, recycling reclaimed water for winery landscape irrigation, and installing water-saving faucet devices in residential areas. The Group gradually established water usage monitoring, metering, and statistical systems, improved water meter configuration across all usage points, and provided data analytics support for water conservation management. During daily operations, each distillery further strengthened routine inspection mechanisms for water efficiency, enabling prompt responses to anomalies detected during inspections. Coupled with strict reward and penalty measures, these efforts effectively addressed issues of "leakage, spillage, dripping, and waste" in the production process.

Water Conservation Management in 2025

Zhenjiu

- Installation of small-diameter flush faucets on workshop flushing pipes at the Shuanglong Base.



Installation of Water-saving Faucets at Shuanglong Base

- Modification of pipelines and valves in the elevated water tank of the Shizipu Base, replacing them with stainless steel valves; utilization of reclaimed water at the wastewater station of the Shizipu plant for chemical preparation and site flushing, achieving a reduction of 15,500 tons of freshwater consumption in 2025; installation of a steam deaeration system in Boiler Room No. 1 of the Shizipu plant, reducing wastewater discharge and achieving water savings of 38,000 tons in 2025.



Modification of Pipelines and Valves in the Elevated Water Tank of the Shizipu Plant Area

- Implementation of the reclaimed water reuse project at the Zhaojiagou Wastewater Treatment Station, with water meters installed for tracking reused water volumes.



Zhaojiagou Plant Reclaimed Water Reuse Project

Lidu

- Implementation of the reclaimed water reuse project at Phase I Wastewater Station of the Winery.
- Upgraded the water circulation system for the landscape water at the site entrance, achieving water savings of 80 tons/day.
- Completed maintenance of the well in the old plant's brewing workshop, using well water to replace tap water in certain production processes



Winery Phase I Wastewater Station Reclaimed Water Reuse Project



Old Plant Brewing Workshop Well Maintenance

Xiangjiao

- Achieved full recycling of bottle washing water in the packaging workshop, with an estimated annual reduction in water usage of 20,000 tons.



Packaging Workshop Bottle Washing Water Recycling

Xiangjiao (Cont'd)

- Completed installation and commissioning of the reuse of cooling water from the strong baijiu workshop and the sauce-flavor baijiu workshop for bathing facilities, with an estimated annual reduction in water usage of approximately 40,000 tons.



Sauce-Flavor Baijiu Workshop Cooling Water Reuse for Bathing Facilities

- Implemented recycling of cooling water in production workshops, achieving annual water savings of approximately 70,000 tons.
- Implemented time-based controlled usage of water from the Caopo Well system according to actual needs, with an estimated annual reduction in water usage of 35,000 tons.
- Completed upgrades to the wastewater treatment station for clear water reuse and reclaimed water reuse.
- Utilized water trucks to apply reclaimed water from the wastewater treatment station for landscaping irrigation.



Wastewater Treatment Station Reclaimed Water Utilization for Landscaping Irrigation

While strictly advancing various water conservation initiatives across our distilleries, ZJLD's production technology team regularly organizes thematic seminars to share cutting-edge water-saving technologies and equipment retrofitting experiences from the baijiu industry. These sessions thoroughly assess the feasibility of introducing advanced water-saving technologies and equipment into various production processes, promoting deep integration of technological innovation with production practices. Production teams consistently conduct specialized water-saving training for employees. By exchanging case studies on implementing water-saving technologies and practical methods for conserving water in each production stage, they foster the deep integration of water-saving principles into the entire production workflow, making water conservation awareness a self-driven action for all staff.

Wastewater Management

ZJLD strictly adheres to national and local wastewater discharge standards, implementing comprehensive control over internal wastewater management to establish a robust defense against water pollution at its source. Zhenjiu, Lidu, and Xiangjiao have established separate drainage systems for rainwater, production wastewater, and domestic wastewater at their main production sites, enabling the segregated collection and precise treatment of different wastewater types. Additionally, specialized wastewater treatment stations have been constructed, with real-time online monitoring devices for chemical oxygen demand (COD), ammonia nitrogen, total phosphorus, and total nitrogen installed at discharge points. This allows for digital monitoring of discharge indicators, ensuring 100% compliance with regulatory requirements.

Based on strictly maintaining compliance, the Group proactively launched a special initiative to improve wastewater cleanliness. Each distillery has upgraded wastewater treatment processes and optimized treatment technologies to specifically reduce the concentration of pollutants such as COD and ammonia nitrogen in wastewater, aligning discharge indicators with or exceeding the core benchmarks of the Discharge Standard of Water Pollutants for Fermentation Alcohol and Baijiu Industry (GB27631-2011) Table 3 direct discharge standards, further enhancing water resource management and wastewater treatment capabilities.

In 2025

ZJLD Group's total wastewater discharge amounted to **842,351** tons, with a discharge density of approximately **15.54** tons per ton, representing a **33.65%** reduction compared to 2024.

Water Source and Biodiversity Protection

Biodiversity serves as a crucial foundation for human survival and development, as well as a core link in maintaining the healthy functioning of Earth's community of life. ZJLD deeply recognizes that its sustainable development is closely intertwined with and mutually dependent on the health of ecosystems in the watersheds where it operates. The Group regards ecosystem conservation as a long-term strategic direction, actively collaborating with local governments, communities, and environmental organizations to promote dedicated actions for protecting water sources and biodiversity, thereby safeguarding the integrity and stability of watershed ecosystems through concrete measures.

ZJLD publicly commits to upholding ecosystem conservation and continuously advancing biodiversity protection measures across its entire value chain. We collaborate comprehensively with stakeholders such as suppliers, clients, local communities, and non-governmental organizations to jointly conduct environmental initiatives including business activity risk assessments, biodiversity conservation, and forest ecosystem protection. In 2025, the Group assessed its operational sites, surrounding areas, and key upstream and downstream supplier regions using the TNFD framework's LEAP methodology, incorporating these into its overall risk management processes. Currently, no significant biodiversity-related risks have been identified in these areas.

Public Commitment to Biodiversity Protection

- Align with the Kunming-Montreal Global Biodiversity Framework on biodiversity-related public policies and contribute corporate efforts to achieving its 4 long-term goals in 2050.
- Implement biodiversity protection across the entire value chain, avoiding operational activities near global or nationally significant biodiversity areas, and ensuring that business activities do not negatively impact biodiversity-sensitive zones.
- Apply the “mitigation hierarchy” approach in conservation efforts, prioritizing avoidance of biodiversity impacts, followed by limiting or reducing impacts, while actively restoring areas and ecosystems adversely affected by the Group’s operations.
- Conduct biodiversity risk assessments for all business activities, where technically feasible, to identify and mitigate potential risks in advance.
- Collaborate with and empower all-dimensional stakeholders, including employees, suppliers, clients, local communities, and non-governmental organizations, to jointly advance biodiversity conservation work.
- Strictly commit to prohibiting any deforestation activities across the entire business value chain, thereby preventing harm to forest ecosystems and biodiversity at the source.

During the reporting period, ZJLD focused on watershed ecological governance and synergistic ecological conservation, establishing a protection system characterized by "Group-level coordination, distillery-level implementation, and public welfare collaboration". The Group continued to deepen cooperation with environmental organizations by participating in key watershed protection programs, organizing river clean-up initiatives, and conducting environmental awareness campaigns, thereby advancing the implementation of ecological practices.

To actively fulfill corporate social responsibility and promote the spirit of volunteer service, Zhenjiu has collaborated multiple times with local governments, communities, and environmental organizations, mobilizing employee volunteers to engage in environmental patrols and clean-up activities along nearby watersheds. On April 19, Zhenjiu partnered with the Huichuan Branch of the Zunyi Ecological Environment Bureau, the Tuanze Town Government of Huichuan District, and other relevant entities to carry out a volunteer activity for water source protection at Zhongqiao Reservoir. Participants patrolled the reservoir’s surrounding waters, cleaned up trash and debris along the banks, distributed educational materials on water conservation and environmental protection to local villagers to promote knowledge about water resource preservation, and presented gifts to reservoir managers and sanitation workers in appreciation of their long-term contributions to protecting the water source. On April 27, Zhenjiu collaborated with the Huichuan Branch of the Zunyi Ecological Environment Bureau, the Sidu Town Government of Huichuan District, and other units to conduct a water source protection activity in the Magou Reservoir watershed in Zunyi. Volunteers patrolled the reservoir area and cleared trash from the banks, taking concrete actions to maintain water cleanliness. Additionally, various brewing workshops of Zhenjiu have organized multiple visits to different water sources for watershed protection activities.



Water Source Protection Volunteer Activity at Zhongqiao Reservoir by Zhenjiu



Water Source Protection Volunteer Activity at Magou Reservoir by Zhenjiu



Water Source Protection Activities by Brewing Workshops of Zhenjiu

Lidu joined the Jiangxi Poyang Lake Ecological Protection Foundation, a project center of the SEE Ecology Association for Poyang Lake, in June 2024. In 2025, Lidu launched a "Purchase for Donation" mechanism for its sealed altar Baijiu: for every altar purchased by consumers, Lidu donates RMB 500 on their behalf to the Poyang Lake Ecological Foundation, specifically for protecting rare species such as migratory birds and the Yangtze River finless porpoise, as well as their habitats in Poyang Lake. At the "Wings for Jiangxi, Coexisting for the Future" 2025 Alashan SEE Ecological Association Annual Gala Dinner on December 5, Lidu donated the full auction proceeds of "Lidu Sealed Altar Baijiu" to the Alashan SEE Ecological Association, making a significant contribution to Poyang Lake ecological conservation. Meanwhile, throughout the year, Lidu continuously carried out activities related to the protection of the Fu River basin, promoting the message that protecting the Fu River is everyone’s responsibility and strengthening ecological awareness among all employees and residents, thereby fostering a multi-party participatory ecological protection framework.

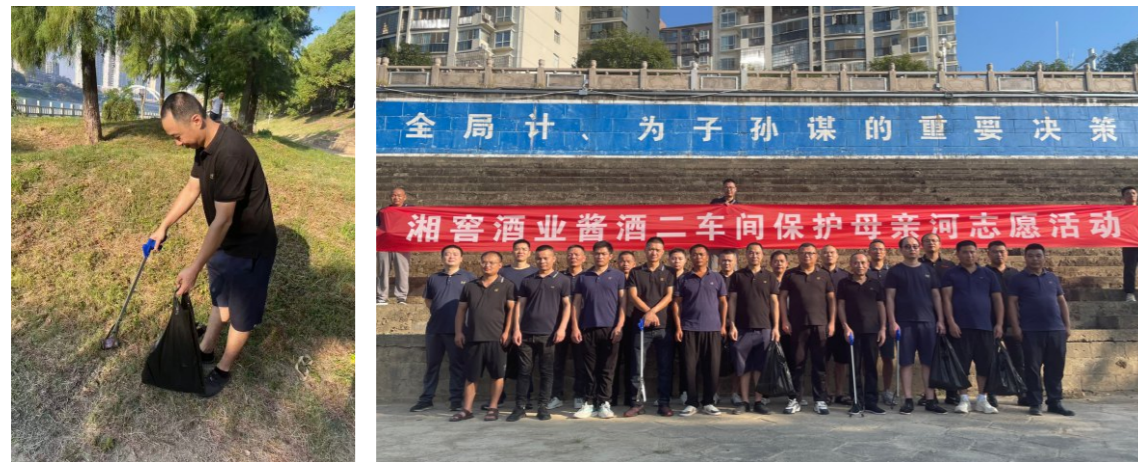


Lidu and Alashan See Brewing A Sustainable Future



River Remediation Ecological Protection Public Welfare Action by Lidu

Xiangjiao issued the Notice on Regularly Organizing Public Welfare Activities for Ecological Protection of the Zi River Basin in October 2024, requiring continuous implementation of protection activities in the Zi River basin. By the end of 2025, the company's logistics department, blending and storage workshops, and several sauce-flavor baijiu workshops had completed Zi River basin protection actions. On July 6, Xiangjiao's Party Branch organized a thematic activity focused on riverside garbage classification and environmental protection. Guided by the principle of Party building leading civilizational trends, environmental concepts nurturing hearts, they conducted a comprehensive cleanup of garbage on both banks and floating in the river, further strengthening ecological and environmental protection and fulfilling their responsibility for regional ecological governance.



River Remediation Ecological Protection Public Welfare Action by Xiangjiao



Riverside Environmental Protection the Matic Activity by Xiangjiao

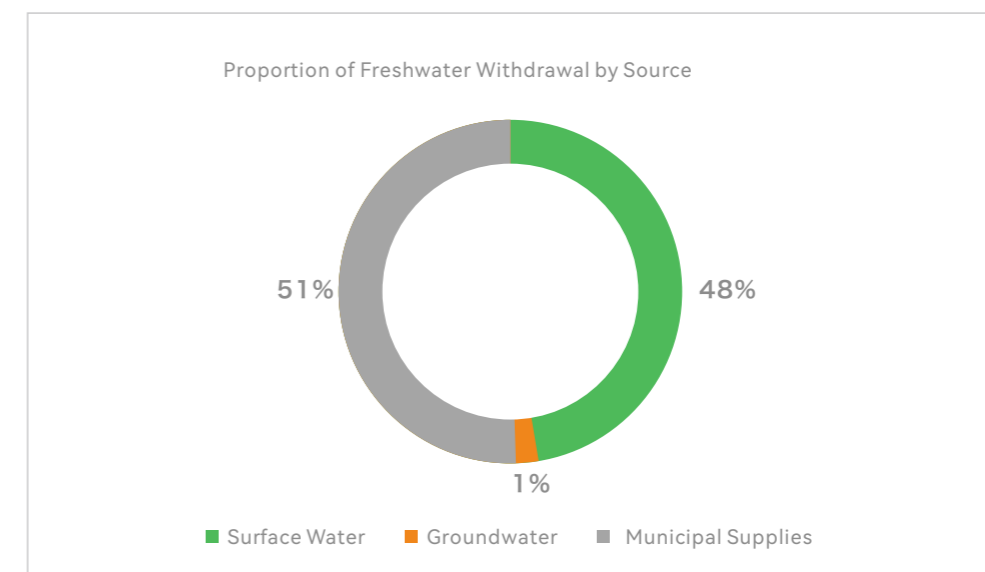
In 2025, the Group and its distilleries further integrated biodiversity protection into overall operations and development, fulfilling environmental responsibilities through various initiatives. Going forward, we will continue to deepen ecological protection practices and promote sustainable coexistence between the baijiu industry and the natural environment.

Quantitative Indicators and Performance

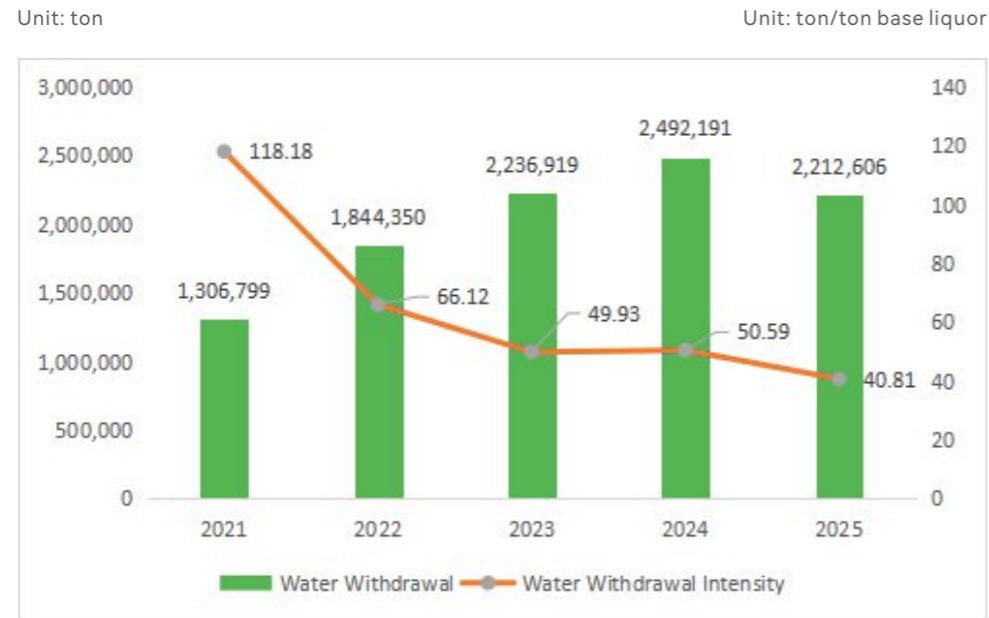
In 2025, the Group's total water intake was 2,212,606 tons. The volume of water recycled and reused (including recirculated water, reclaimed water, and replacement water sources) amounted to 386,466 tons, resulting in a water recycling rate of 14.87%, an increase of 8.45% compared to 2024.

Indicator	2021	2022	2023	2024	2025
Freshwater withdrawal (ton)	1,306,799	1,844,350	2,236,919	2,492,191	2,212,606
Freshwater withdrawal intensity (ton/ton)	118.18	66.12	49.93	50.59	40.81
Water consumption (ton)	882,385	1,009,138	1,168,775	1,338,509	1,370,256
Water consumption intensity (ton/ton)	79.80	36.18	26.09	27.17	25.27
Wastewater discharge (ton)	424,414	835,212	1,068,144	1,153,682	842,351
Wastewater discharge intensity (ton/ton)	38.38	29.94	23.84	23.42	15.54

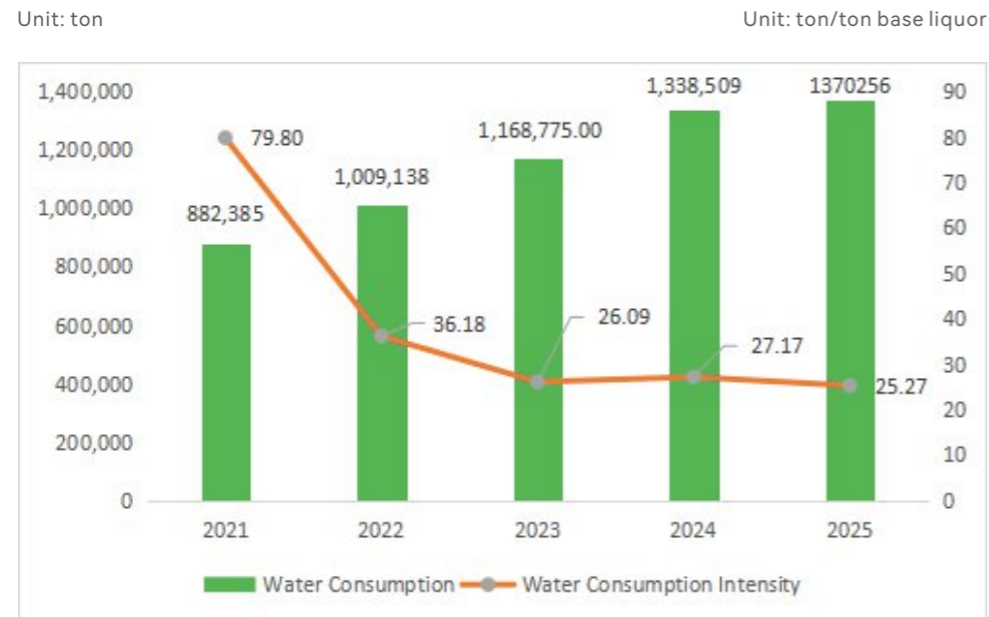
2025 Freshwater Withdrawal by Source (Surface Water, Groundwater, Municipal Supplies)



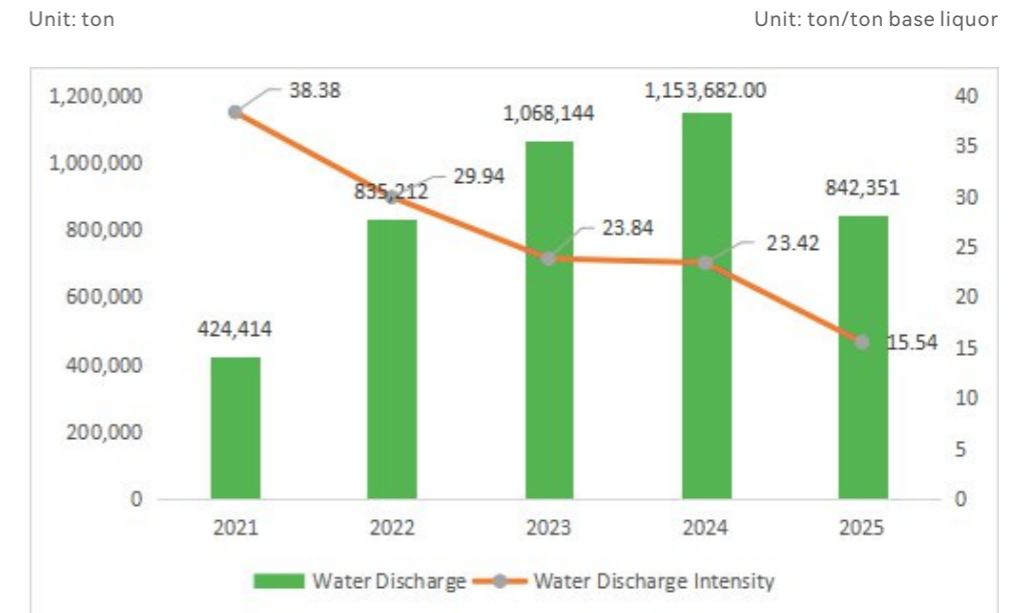
2021-2025 Freshwater Withdrawal and Intensity



2021-2025 Water Consumption and Intensity



2021-2025 Water Discharge and Intensity



Targets and Commitments

To continuously strengthen water resource management, we will continuously upgrade and transform existing production equipment to achieve water conservation and reuse, and carry out ongoing river basin protection activities at our production locations, contributing the strength of ZJLD to water resource protection. The Group strives to achieve a 25% Circulating water utilization rate⁸, across its operations by 2030. Additionally, in the next five years, we will promote employees to participate in no less than 100 public welfare activities related to river basin protection, with a total volunteer service time of no less than 20,000 hours.

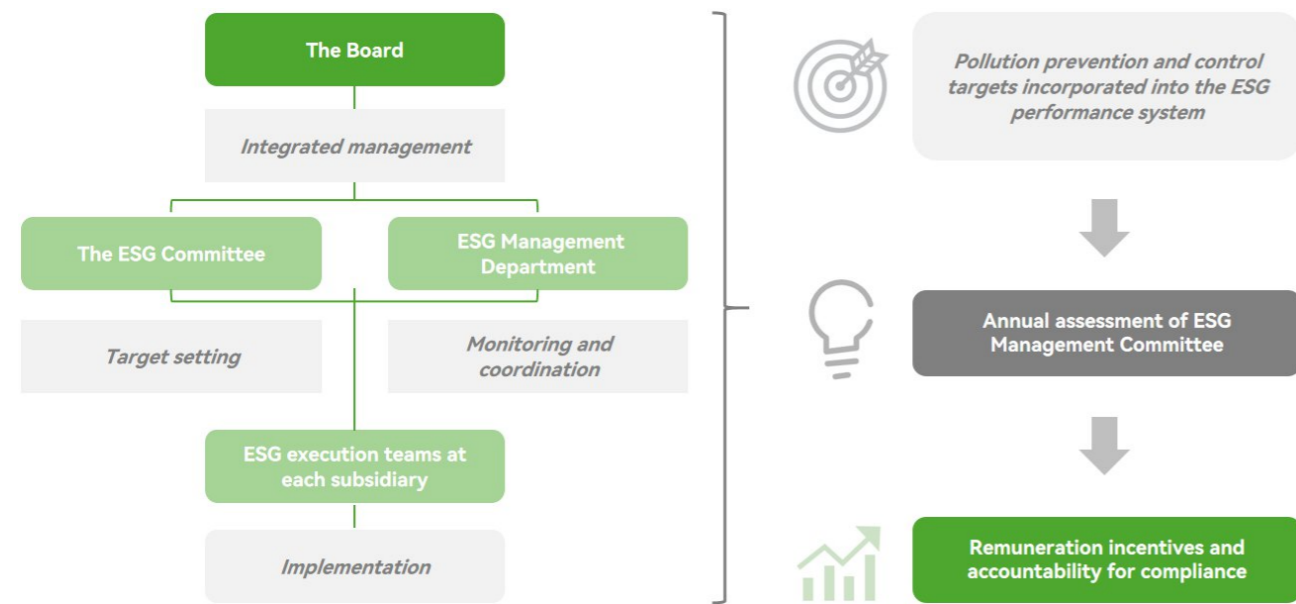
⁸ Circulating water utilization rate: Calculated as circulated water volume / (circulated water volume + water intake)

Pollution Prevention

All stages of the liquor brewing process—from raw material storage, starter "qu" making, and liquor production to auxiliary production—generate multiple types of pollutants such as wastewater, waste gas, and solid waste. These pollutants not only exert pressure on the surrounding ecological environment but also pose potential risks to the quality and safety of baijiu products. Therefore, ZJLD has always deeply integrated the concept of green ecological brewing into its entire industrial chain operations, and continuously increased investment in pollution prevention and control. Through continuous technological innovation and process optimization, we improve resource utilization efficiency, guide each distillery to actively explore resource utilization paths that "turn waste into wealth", and promote the in-depth integration of circular economy and green development. With concrete actions, ZJLD practices the sustainable development philosophy that "Lucid waters and lush mountains are invaluable assets".

Governance Structure and Division of Responsibilities

To effectively carry out and implement pollution prevention and control work, ZJLD has built a four-tier accountability system featuring "overall coordination by the Board of Directors, target setting by the ESG Management Committee, supervision and coordination by the ESG Department, and on-the-ground implementation by each distillery". At the distillery level, the Production Equipment Department and Safety & Environmental Protection Department are specifically responsible for the daily operation and maintenance of pollution prevention facilities, monitoring of pollutant emissions, and implementation of rectification measures. Meanwhile, pollution prevention-related indicators such as wastewater discharge compliance rate, solid waste utilization rate, and waste gas purification rate are incorporated into ESG Key Performance Indicators (KPI) assessments. Assessment results are directly linked to the annual performance reviews and remuneration of responsible persons at all levels; a strict accountability mechanism will be strictly enforced for ineffective pollution prevention and control and illegal discharge behaviors.



Management Policies and Systems

We strictly comply with applicable laws and regulations including the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, and Law of the People's Republic of China on the Prevention and Control of Noise Pollution. We also align with industry-specific standards such as Discharge Standard of Water Pollutants for Fermented Alcohol and Baijiu Industry (GB 27631-2011), and align with relevant requirements of the United Nations Sustainable Development Goals (UN SDGs). We continuously update and refine the waste management provisions in ZJLD's Environmental Protection Policy.

In accordance with the management policy, we adhere to the management principle of "Prevention First, Comprehensive Treatment, Continuous Improvement", integrating pollution prevention and control into the entire production process. Through system updates, technological upgrades, and equipment transformation, we achieve dual improvements in pollutant discharge compliance and resource utilization efficiency. We explicitly prohibit any production activities that may cause severe environmental pollution.

Policy Requirements		Implementation Measures
Wastewater Pollution Prevention	Control System	Build a "three-water separation" system for rainwater, production wastewater, and domestic wastewater to enable classified collection and precise management of different wastewater types, avoiding cross-contamination risks at the source.
	Treatment & Monitoring	Core distillery sites (Zhenjiu, Lidu, Xiangjiao) are all equipped with professional wastewater treatment stations and hold valid discharge permits. Online real-time monitoring devices for COD (Chemical Oxygen Demand), ammonia nitrogen, total phosphorus, and total nitrogen are installed at discharge outlets to realize real-time tracking of emission data, ensuring 100% compliant wastewater discharge.
	Advanced Treatment	Launch a wastewater cleanliness improvement initiative, upgrade treatment processes and workflows, and targetedly reduce concentrations of pollutants such as COD and ammonia nitrogen to align emission indicators stricter than industry standards. Meanwhile, promote reclaimed water reuse projects, expand the scale of circular utilization for cooling water, bottle-washing water, etc., to reduce freshwater intake and wastewater discharge volume.
Waste Gas Pollution Prevention	Structure Optimization	Promote clean substitution of fossil energy by replacing traditional coal-fired boilers with natural gas boilers, reducing the generation of exhaust pollutants such as sulfur dioxide and soot at the source.
	End-of-Pipe Purification	Install professional equipment including bag filters, cyclone dust collectors, and fume purification systems to achieve high-efficiency purification of pollutants such as dust and cooking fume generated.
	Emission Control	Set up dedicated exhaust stacks to ensure centralized, compliant exhaust emission. Establish a daily monitoring mechanism for exhaust emissions, and regularly inspect the operation status of purification facilities to maintain stable treatment effects.
Solid Waste Pollution Prevention	Classified Storage	Establish a refined solid waste classification system. Hazardous waste is stored separately and managed by designated personnel, with strict implementation of the hazardous waste transfer manifest system. General solid waste such as distiller's grains and dewatered sludge is collected and stored in zoned areas.
	Resource Utilization	Practice the circular economy concept and launch "turn waste into value" campaigns: Distiller's grains are sold externally for feed processing or organic fertilizer production; mechanically dewatered sludge is recycled and processed for use as agricultural fertilizer, realizing high-value utilization of general solid waste.
	Compliant Disposal	Entrust qualified third-party agents to conduct harmless disposal of solid waste that cannot be resource-reused, ensuring a 100% compliant disposal rate for hazardous waste and continuous improvement of the recycling rate for general solid waste.

As a core component of ZJLD's Environmental Protection Policy, the pollution prevention and control-related systems operate under a dynamic optimization mechanism. A comprehensive review is conducted at least once every three years, and prevention measures and management requirements are continuously improved based on updates to laws and regulations, industry's best practices, and the Group's ESG strategy.

Currently, all three distilleries of ZJLD have obtained the ISO 14001:2015 Environmental Management System Certification.



Zhenjiu ISO 14001

Lidu ISO 14001

Xiangjiao ISO 14001

Management Actions and Implementation Measures

By the end of 2025, ZJLD has fully obtained and continuously updated all necessary pollution discharge permits. We strictly abide national and local laws and regulations related to pollution discharge, taking compliant operation as the core bottom line of environmental management. Based on compliance, the Group continues to deepen work on pollution and carbon reduction as well as resource conservation. Through technological upgrading, process optimization and management innovation, we manage to systematically reduce the environmental impact of production and business activities.

To consolidate environmental protection responsibilities for all employees, each distillery under the Group regularly carries out training on waste and emission reduction, pollution prevention and control, and ESG-related topics, covering all production and management positions. This effectively enhances employees' environmental awareness and practical skills, and promotes the integration of environmental protection concepts into daily operations.

Looking back at 2025 and the previous four fiscal years, the Group has always maintained environmental compliance, achieved zero major violation records, and has not experienced any major environmental-related violations or administrative penalties, demonstrating its firm commitment to sustainable development.

Solid Waste Management

In 2025, ZJLD still take "harmlessness, reduction, and resource utilization" as its core goals, and continue to improve the whole-process management system for solid waste, hazardous waste, and hazardous chemicals, standardizing multiple stages such as classification, storage, recycling, and disposal of waste discharge. All distilleries are required to strictly implement the "three prevention" standards of anti-leakage, anti-loss, and anti-dispersion to ensure 100% compliant disposal of solid waste, hazardous waste, and hazardous chemicals.

In the practice of waste reduction, the group further strengthens data-driven management. Zhenjiu conducted waste statistics throughout the year, tracked the quantities of various solid waste and hazardous waste and established account records, set quantitative waste discharge targets at the end of the year, and studied the feasibility and specific value ranges of waste reduction, resulting Zhenjiu to complete the statistics of solid waste disposal volume at the Shizipu, Zhaojiagou, and Shuanglong distilleries comprehensively; Lidu organized the "Turning Waste into National Treasures, Re-creating with Ingenuity" activity to promote the resource utilization of brewing by-products; Xiangjiao continued to advance waste reduction training, refined statistics on disposal methods and volumes of various wastes, and concurrently carried out the estimation of quantitative waste reduction targets for 2026.



Turn Waste into Value

Looking ahead, the Group will continue to deepen research on pathways for waste reduction, reduce waste generation while strictly standardizing waste discharge, and continue to practice the circular economy development model.

Case Zhenjiu Crosses Industries to Launch "Distillers' Grains Sofa", a Solid Waste Recycling Product

In 2025, Zhenjiu joined hands with PEELSPHERE, a leading domestic innovative company in plant fiber fabrics, to jointly launch an eco-friendly sofa using distillers' grains, a solid waste from liquor brewing, as the core raw material. The initiative integrates the concept of solid waste recycling into product innovation and empowers green development with technology.

Distillers' grains, the main by-product of liquor brewing, are one of the core solid wastes. With large output and high-water content, improper disposal can easily lead to resource waste and environmental pollution, which is also a key challenge in solid waste management for the baijiu industry. The Group has always attached great importance to standardized solid waste management as well as resource utilization. We have updated waste management regulations in the ZJLD Environmental Policy, incorporated "solid waste recycling" into the core measures of sustainable development, and formed a full-chain treatment system covering various solid wastes such as distillers' grains and mechanical dewatered sludge. Among them, 100% of distillers' grains have been converted for recycling. The eco-friendly sofa launched through this cooperation is an innovative extension of the Group in the field of solid waste recycling. Its core creativity and technical highlight lie in converting distillers' grains into eco-friendly leather, which not only effectively expands the recycling pathways for brewing solid wastes and avoids potential environmental impacts during distillers' grains disposal, but also makes the concept of solid waste recycling more perceivable and communicable through a tangible product form, providing a replicable practical model for solid waste resource utilization in the baijiu industry.



Cooperation with PEELSPHERE

Waste Gas Management

ZJLD continued to deepen waste gas treatment, starting with two measures: installation of waste gas treatment facilities and optimization of energy structure. Through precise monitoring and technological upgrading, we further mitigated the environmental impact of waste gas generated by production activities.

In terms of treatment facility configuration, the Group maintained the continuous operation of bag-type dust collectors, cyclone dust collectors and oil fume purification devices. The smoke and dust removal system in the packaging workshop efficiently treated fumes produced by hot-melt packing belts and laser coding, significantly improving employees' working environment. Meanwhile, each distillery installed methane flow meters at sewage stations, enabling precise monitoring of greenhouse gas emissions such as methane and providing data support for waste gas control.

Going forward, the Group will continue to promote technological upgrading of waste gas treatment, strengthen emission monitoring and control, and facilitate green production.

Reducing Food and Grain Waste

During the Report Period, ZJLD fully upgraded its grain conservation and loss reduction efforts, integrating grain saving into all links of production operation and employee dining, and continuously reducing the total amount of food and grain waste.

In liquor production and brewing, the Group actively responded to the national call for "grain conservation and loss reduction", continued to explore and optimize brewing techniques, and improved the utilization efficiency of per unit grain (liquor yield); we implement the grain consumption assessment and incentive mechanism in brewing workshops, rewarding teams that meet or exceed production targets to drive employees to enhance grain utilization efficiency.

In food waste reduction, all distilleries took multiple measures to strengthen management. Zhenjiu continued to carry out grain conservation activities, arranging 6S supervisors to regularly inspect and supervise; Lidu further improved the dining management system based on the actual operation of buffets and previous management regulations; Xiangjiao launched a special initiative, counted the annual food waste volume and kitchen waste recycling volume, and set a target for reducing food waste per capita volume. Meanwhile, the Group continued to implement the dining principle of "take small portions in multiple times", standardized food serving behaviors, deepened cooperation with kitchen waste recyclers, and used food waste to produce feed or industrial oil, promoting the resource utilization of food residues.

Quantitative Indicators and Performance

In 2025, ZJLD discharged 188,873 tons of general solid waste, with a generation density of 3.48 tons per ton of base liquor produced. ZJLD also discharged 5.98 tons of hazardous waste and 36.50 tons of waste gas pollutants.

Indicators	2021	2022	2023	2024	2025
Total general solid waste generated (ton)	41,592	95,113	158,301	173,623	188,873
General solid waste intensity (ton/ton)	3.76	3.41	3.53	3.52	3.48
Total hazardous waste generated (tons)	Uncounted	2.28	2.66	5.11	5.98
Hazardous waste intensity (ton/ton)	Uncounted	0.08	0.06	0.10	0.11
Total air pollutants emissions (ton)	13.29	29.62	38.49	41.79	36.50
Air pollutants emissions intensity (ton/ton)	1.2	1.1	0.9	0.8	0.7

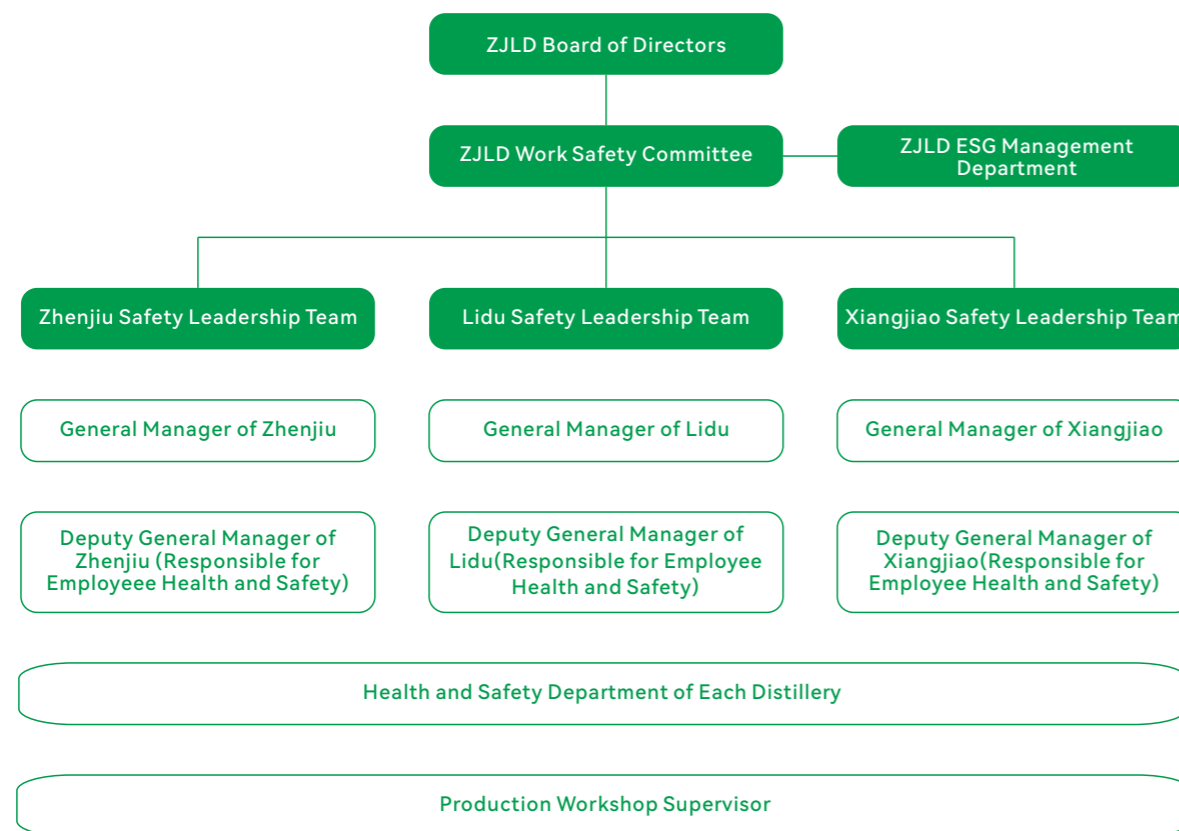
Health and Safety

The production of premium baijiu relies not only on exquisite traditional techniques, but also on the dedication and hard work of brewing practitioners. ZJLD has always embedded a people-oriented philosophy into its operations and management, treating employees as the cornerstone of corporate development and placing production safety and occupational health at the top of its development agenda.

Governance Structure and Division of Responsibilities

To effectively strengthen the Group's occupational health and safety protection, we have continued to improve a three-tier occupational health and safety governance system consisting of "the Board, the Work Safety Committee and the Safety Leadership team".

As the highest decision-making body for the Group's occupational health and safety work, the Board exercises the highest decision-making and oversight authority. It regularly reviews and approves policies, systems, key indicators and targets in the health and safety field, providing top-level strategic guidance and institutional safeguards.



Board of Directors

Authorized by the Board, the Group CEO and senior management have established the Work Safety Committee to coordinate the Group's production safety management, formulate safety indicators and targets, prepare technical plans and labor protection plans, organize production safety inspections, investigate and handle production safety accidents, and determine accountability.

ZJLD Work Safety Committee / ESG Management Department

The Group ESG Management Department assists the Work Safety Committee by coordinating strategic planning and performance management for employee health and safety, regularly collecting and analyzing safety production indicators, and implementing performance assessments for occupational health and safety management at subordinate production units to ensure the implementation of the Group's safety management strategy.

Safety Leadership Team

Each production unit under the Group has established a Safety Leadership team headed by the general manager of the unit, with the deputy general manager in charge of daily safety management and full-time safety management personnel appointed as required. These leadership teams coordinate the establishment and optimization of their own safety management systems, carry out employee safety training, formulate implementation rules and operating procedures, and organize drills and inspections.

At the same time, the Group has incorporated key indicators such as work-related injury accidents into the annual key performance indicators of each unit and its responsible persons, directly linking them to remuneration to reinforce safety production responsibility through rigid mechanisms.

Management Policies and Systems

We strictly comply with the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Labor Law of the People's Republic of China, the Fire Protection Law of the People's Republic of China and other relevant laws and regulations. Guided by the ISO 45001 Occupational Health and Safety Management System, we have established and implemented management systems covering the entire Group.

ZJLD Occupational Health and Safety Policies and Procedures

- | | |
|---|--|
| ● Occupational Health and Safety Policy | ● Work Safety Management Policy |
| ● Work Safety Training Procedure | ● Occupational Health Protection Procedure |
| ● Production Safety Responsibilities and Duties | ● Machinery And Equipment Operating Procedures |
| ● Special Equipment Operating Procedures | ● Hazardous Chemicals Handling Procedure |
| ● Safety-Related Incident Reporting Procedure | ● Contractor Safety Policy |
| ● Fire Prevention Procedure | ● Position Work Safety Operating Procedures |

Occupational Safety Certification

In 2025, the Group achieved full coverage of ISO 45001 Occupational Health and Safety Management System certification across all production units. The Group strictly adheres to the requirements of this standard and routinely conducts occupational health and safety risk identification and hazard assessments to systematically identify and control various safety hazards that could jeopardize employee well-being or lead to workplace injuries. The Group's ESG Management Department verifies the effectiveness of safety management systems at each production unit through an annual surveillance audit mechanism, ensuring that occupational health and safety management is comprehensively implemented, effectively executed, and continuously maintained.



Zhenjiu ISO 45001



Lidu ISO 45001



Xiangjiao ISO 45001

Management Actions and Implementation Measures

Safety Training

The Group has established a three-level training system covering distilleries/production units, workshops/departments and teams, providing systematic occupational health and safety training to frontline production employees. The training covers production safety, fire safety, job-specific safe operating standards, occupational health protection, work injury prevention, first aid and special operations, thereby comprehensively improving the safety awareness and emergency response capabilities of all employees. In 2025, the Group conducted a total of 6,477 safety education and training sessions: 75 at the company level, 379 at the workshop (department) level, and 6,023 at the team level. These sessions engaged a cumulative total of 285,971 employee participations, achieving 100% coverage across the entire workforce and successfully fulfilling the Group's annual safety training objectives.

Furthermore, we place strong emphasis on fostering a robust safety culture. Through dedicated initiatives such as regular safety meetings, Safety Month campaigns, and safety knowledge competitions, we actively promote safety awareness and cultivate an organizational environment where "everyone prioritizes safety, and everyone is equipped to respond in emergencies."



Safety Training

Emergency Drills

The Group has developed specialized emergency response plans addressing various safety hazards, including fire safety, gas safety, dust explosions, falls from height, heatstroke due to high temperatures, elevator entrapment, and sudden environmental incidents. Regular emergency drills are conducted to enhance emergency response capabilities, minimize the impact of potential incidents, and strengthen employees' awareness of risk prevention. In 2025, the Group carried out a total of 2,102 emergency drills at all levels, with 46,830 employee participation.



Emergency Drills

Case

Zhenjiu's Fall Prevention Drill

To further strengthen fall prevention and safety controls, Zhenjiu conducted targeted safety inspections focused on fall hazards at its Shizipu Production Site and Zhaojiagou Base. The company established a hazard register, clearly assigned responsibility for each identified risk, and implemented a closed-loop rectification process to effectively eliminate all types of safety hazards.

In parallel, the company organized specialized training sessions across departments on fall prevention, systematically covering topics such as safety-at-height procedures, key points for hazard identification, and requirements for personal protective equipment. Practical, scenario-based emergency drills were also carried out in strict accordance with emergency response plans to enhance employees' capabilities in both prevention and emergency response.

Additionally, Zhenjiu upgraded physical safety infrastructure by installing protective guardrails along walkways beside fermentation pit pools and on inclined roof ladders at the Qu-making workshop in the Zhaojiagou Base. These hardware improvements proactively reduce the risk of falling from height at the source.

◆ Incident Prevention and Management

The Group has established a comprehensive safety risk management mechanism covering the full cycle of hazard identification, assessment, and control. Dynamic monitoring is implemented at critical production stages and high-risk areas, and a closed-loop management process, "identification, registration, rectification, re-inspection, and closure", is rigorously enforced to ensure all identified hazards are promptly and effectively addressed. Based on the findings of the annual occupational health and safety risk review, the Group has developed targeted action plans. These include maintaining detailed records of occupational hazard factors, installing additional equipment safety guards and personal protective equipment (PPE), conducting regular occupational health examinations, and delivering ongoing safety training and emergency drills—all aimed at continuously mitigating safety risks.

Across all production units under the Group, a "snap-and-Report" initiative encourages employees to immediately identify and report safety hazards using mobile devices. This is supported by an internal hazard reporting reward system that provides positive incentives for proactive participation. Employees who report hazards are recognized and rewarded, significantly boosting workforce engagement in hazard identification, inspection, and reporting. For every reported hazard, the Group implements end-to-end tracking, documentation, and corrective actions to ensure timely elimination and achieve true closed-loop management. Moreover, all distilleries require employees to complete pre-shift safety inspections and provide specialized training on common workplace incidents—such as mechanical injuries, struck-by-object accidents, slips and falls, and burns—to effectively enhance staff capabilities in emergency response and incident handling. In 2025, production units across the Group reported over 10,000 safety hazards and distributed a total of RMB 34,890 in rewards, providing strong grassroots support for continuously strengthening the Group's safety management system.

Additionally, each distillery regularly publishes Hazard Identification and Risk Control Reports and installs four-color risk visual boards at production sites to clearly indicate risk levels by area, enabling categorized and targeted risk management.

In 2025, the Group further enhanced its accident prevention efforts by organizing physical fitness activities—such as running and pull-ups—to improve employees' physical resilience and reduce work-related muscle strain injuries. In terms of traffic safety, the Group routinely conducts road safety regulation training and case-based training to reinforce traffic safety consciousness across all staff. Dedicated personnel are stationed at key intersections within factory premises to provide dynamic traffic guidance, optimizing traffic flow management and effectively curbing potential traffic hazards—thereby safeguarding both employee commutes and on-site logistics operations.

Case

Lidu – Ensuring Safety in Fermentation Pit Operations

Fermentation pits are core facilities in baijiu production, yet they present multiple hazards during operations, including oxygen deficiency, exposure to toxic and hazardous gases (such as hydrogen sulfide and carbon dioxide), risks of falls from height, and mechanical injuries. To address these risks, Lidu has implemented a comprehensive end-to-end safety control process "prevention before work, monitoring during work, and review after work", to firmly establish a robust safety foundation for pit operations.

Lidu strictly manages personnel qualifications, requiring all employees assigned fermentation pit duties to complete specialized safety training and pass assessments before being certified to work. Prior to any pit operation, environmental conditions within the pit must be inspected, and a formal work permit must be obtained; work may commence only after approval is granted by the workshop supervisor.

Furthermore, a "dual supervision" model is enforced during pit operations: the workshop team leader and crane operator closely monitor the on-site worker's condition in real time to prevent incidents caused by excessive concentrations of hazardous gases.

Upon completion of the task, operational data is promptly archived, and periodic reviews of identified hazards are conducted to reinforce closed-loop safety management.



Fermentation Pit Operation Safety

◆ Investigation and Handling of Work-related Injuries

In the event of a workplace injury or occupational illness, the Group promptly initiates an incident investigation in strict accordance with established policies and procedures. The department where the incident occurred must immediately report full details of the event and actively cooperate with the safety management department throughout the investigation. Simultaneously, in line with the Regulations on Workplace Injury Management, injured personnel receive appropriate medical care, support, and compassionate follow-up.

The safety management department is responsible for conducting a thorough root-cause analysis of the incident, proposing disciplinary or corrective recommendations, and formulating targeted preventive measures. These findings are compiled into a Workplace Injury Incident Analysis Report, which is submitted to the Work Safety Leadership Team for review and approval. Once approved, the safety department leads the implementation of all follow-up actions and corrective plans, convenes a safety incident review meeting, and delivers safety warning training to reinforce organization-wide safety awareness and effectively prevent recurrence of similar incidents.

◆ First-aid Training and Certification

To enhance employees' first aid awareness and equip them with essential life-saving skills, the Group continues to advance its "Life Guardian Program." Professional first aid instructors from local Red Cross societies, hospitals, and universities are invited to deliver training to employees in critical roles—including production, logistics, and visitor services—covering cardiopulmonary resuscitation (CPR), bleeding control and wound dressing, fracture immobilization, and airway obstruction management. Upon successfully passing both theoretical exams and practical assessments, participants receive a certified First Aider Skills Certificate, empowering them to protect themselves and assist others in emergencies.

Furthermore, given the considerable distance between the distilleries and hospitals, each distillery has been equipped with an AED (Automated External Defibrillator), and relevant staff have undergone training in the use of AEDs and CPR to ensure a rapid response to emergencies such as cardiac arrest among employees and visitors.



First Aid Training

Quantitative Indicators and Performance

Statistical category	Employee category	2025
		Working hours affected (number of working days)
Workdays Lost Due to Work-Related Injuries	Full-time Employees	2,097
	Contract Workers, Contractors	0

Statistical Categories	Employee Category	2025
		Incidence Rate (Number of Occurrences)
Fatalities	Full-time Employees	0
	Contract Workers, Contractors	0
Lost Time Injuries	Full-time Employees	48
	Contract Workers, Contractors	2
Restricted Work Injuries	Full-time Employees	13
	Contract Workers, Contractors	0
Unrestricted Work Injuries	Full-time Employees	6
	Contract Workers, Contractors	0
First-aid (self-treated) Injuries	Full-time Employees	266
Near Misses	Full-time Employees	10

Statistical category	Employee category	2025
Lost-time Injury Rate (LTIR) ⁹	Full-time Employees	0.45
	Contract Workers, Contractors	0.02

Targets and Commitments

Employee health and safety are critical to our sound development. To this end, we set 2026 occupational health and safety management targets, including zero fatal workplace accidents, a lost-time injury rate not exceeding 0.05%, and the elimination of serious (defined by loss over RMB 5,000) safety incidents involving contractors, visitors and other external personnel. Such KPIs are all incorporated into our ESG appraisal system and linked to management's performance as well as remuneration.

⁹ Lost-time injury rate = Number of lost-time injuries × 200,000 / Total annual working hours

Green Packaging and Reliable Product

Green Packaging

In 2025, against the dual backdrop of the deepening advancement of the "Dual Carbon" goals and the iterative upgrade of consumer concepts, packaging innovation in the baijiu industry has evolved from a compliance requirement to a core competitive driver of brands' sustainable development. To address the issue of overpackaging that once existed in industry, national standards such as the National Standard for Limiting Excessive Packaging of Goods - Food and Cosmetics (GB 23350-2021) have continued to play a rigid regulatory role. By strictly controlling core indicators such as packaging layers and void ratio, these standards have driven the industry toward lightweight and simplified packaging. Meanwhile, the mechanism for removing and rectifying non-compliant products has been further strengthened.

Our Group continuously monitors industry trends and regards green packaging as an important carrier for fulfilling ESG commitments and demonstrating brand value. We firmly believe that the long-term vitality of a brand is rooted in its adherence to quality, sense of social responsibility, and respect for nature. Based on this, in 2025, the Group further deepened its established green packaging strategy, with the core framework of "4R1D" (Reduce, Recycle, Renew, Reuse, Degradable) to reshape the full-life-cycle management system of product packaging.

During design, we abandoned complex structures, optimized packaging designs, and reduced the overall weight of packaging. During material selection, we scaled up the piloting and application of environmentally friendly materials to continuously advance the green transformation of packaging materials. During consumption, we proactively assumed the responsibility of an industry trailblazer: through product upgrades and scenario-based promotion, we communicated the concept of green consumption to the market and guided consumers to embrace the value orientation of "prioritizing quality over excessive packaging". We are taking concrete actions to drive the green transformation of packaging in the baijiu industry and contribute to the development of a circular economy.

Governance Structure and Division of Responsibilities

The Board of Directors and the CEO oversee the formulation and implementation of green packaging goals in a coordinated manner. The ESG Management Committee is responsible for formulating relevant implementation rules for green packaging and measuring the progress of goal achievement. The Group's ESG Department is tasked with breaking down the Group's strategic goals for green packaging materials for each brand, verifying packaging statistics, and conducting annual assessments of the green packaging work of the Product Center. As the executing entities, the relevant departments of each subsidiary brewery are responsible for specific tasks such as the replacement of green packaging materials, supply chain collaboration, and tracking of implementation effectiveness to ensure that green packaging goals are advanced as planned.



Management Policies and Systems

ZJLD has integrated "Green Packaging Development" into the overall framework of the Group's Environmental Protection Policy, positioning it as a core objective for the enterprise's sustainable development and environmental management. These requirements apply to the Group itself as well as its brands Zhenjiu, Lidu, and Xiangjiao, covering the entire business lifecycle including product production, packaging, distribution, and logistics. Our green packaging management system has been established around three pillars: packaging material upgrading, quantitative target setting, and industrial chain collaboration and explicitly encourages all value chain stakeholders, including suppliers, service providers, and contractors, to comply with relevant green packaging requirements.

Meanwhile, the Group updates and optimizes the green packaging management provisions in the Group's Environmental Protection Policy annually, based on updates to national environmental regulations, industry best practices for green packaging, and the Group's sustainable development strategic needs. This ensures that the Group's green packaging management requirements keep pace with industry development and regulatory standards. In addition, we have issued a List of Prohibited and Restricted Packaging Materials, which details non-environmentally friendly packaging materials that are prohibited for mass production of existing products and prototyping of new products.

Policy Requirements	Specific Implementation Measures
Resource Utilization of Packaging Materials	All brewery subsidiaries of ZJLD collaborate with supply chain partners to launch packaging material reuse initiatives. Through industrial chain collaboration, we aim to increase the recycling rate of packaging materials, reduce packaging waste generation, and drive the implementation of green packaging from the end-use perspective.
Green-Oriented Procurement	Environmental and climate change factors are integrated into the entire packaging material procurement process. We prioritize low-carbon, high environmental-benefit green packaging materials, and encourage packaging suppliers to develop and provide products that meet ZJLD's green packaging requirements, thereby controlling the environmental attributes of packaging from the source of the supply chain.
Waste Reduction Collaboration Across the Entire Value Chain	The concept of green packaging is integrated into all value chain links including production, distribution, and logistics. We collaborate with value chain stakeholders such as suppliers and service providers to promote packaging reduction and environmentally friendly practices, minimizing the environmental impact throughout the entire lifecycle of packaging.

In 2025, ZJLD continued to implement the "4R1D" green packaging strategy established in 2024. Strictly aligning with the National Standard for Green Packaging Evaluation Methods and Criteria (GB/T 37422-2019) and leading practices in the consumer goods industry, the Group further advanced the implementation of the strategy, refined specific measures, and drove high-quality, efficient progress in green packaging initiatives. ZJLD has consistently adhered to the core principles of 4R1D, continued to optimize the lightweight design of product packaging materials ("Reduce"); expanded the application of recyclable material replacements ("Recycle"); scaled up the piloting and promotion of renewable and bio-based packaging materials ("Renew"); fully advanced the replacement and upgrade of non-degradable and hard-to-recycle packaging materials with degradable alternatives ("Degradable"); improved the packaging recycling chain and enhance the system for reprocessing and reusing waste packaging ("Reuse"), promoting the greening of the entire packaging lifecycle.

Thanks to the continuous advancement of the "4R1D" green packaging strategy, ZJLD steadily delivered on its established targets and successfully achieved the strategic task of "over 95% (by weight) of packaging materials being recyclable or degradable" in 2025. Meanwhile, the Group launched the research and formulation of its 2030 green packaging strategic goals in an orderly manner throughout the year, ensuring the goals are scientifically sound, feasible, and aligned with the Group's overall low-carbon development plan. ZJLD will continue to play a leading role in the industry and drive high-quality development in the green packaging field of the baijiu industry.

Management Actions and Implementation Measures

◆ Packaging Reduction ("Reduce")

Reducing Packaging Volume and Weight of Top-Selling SKUs

We conducted item-by-item research on top-selling SKUs to explore potential for packaging material reduction. In 2025, Zhenjiu launched a packaging reduction pilot for its core SKU Zhenjiu · Zhen 15 (珍酒·珍十五). While upgrading the product's appearance, the new generation achieved a 50g weight reduction per unit. Lidu reduced the packaging volume and weight of its top-selling Lidu Wang (李渡王), cutting the unit weight from 709g to 666g—a 43g reduction per bottle. Xiangjiao further implemented lightweight transformation for its 500ml Shaoyang Daqu (邵阳大曲), reducing the glass bottle weight from 305g to 220g. Additionally, all vintage series products of Kaikouxiao (开口笑) have completed packaging reduction, with weight reductions ranging from 30g to 140g per bottle. We will continue to seek the optimal balance between product aesthetics, user experience, and environmental benefits.



Packaging Volume and Density Reduction

Integrating Packaging Reduction into Core Product

In 2025, Zhenjiu launched its new strategic flagship product Da Zhen (大珍). While pursuing ultimate product quality, this SKU serves as a tangible example of ZJLD's packaging reduction efforts with a 600g transparent glass bottle and a simple, high-seal iron cap. The packaging volume of the 500ml SKU is only 1975 cm³, far below the national standard upper limit of 9285.7 cm³, setting a benchmark for future core SKU development in the baijiu industry. Meanwhile, Lidu launched its new product Lidu Sorghum 1965 (李渡高粱 1965) in 2025. Building on its premium box-free baijiu SKUs Lidu Sorghum 1955 (李渡高粱 1955) and 1975 (李渡高粱 1975), Lidu further enriched its product portfolio and led the consumption trend of premium bare-bottle baijiu.

◇ Degradable Material Replacement ("Degradable")

Plastic Reduction in Packaging Fillers

Reducing traditional plastic usage in packaging not only reduces plastic waste pollution to ecosystems such as soil and oceans, easing the pressure on white waste management, but also aligns with the development needs of a circular economy and drives the green and low-carbon transformation of the packaging industry. To this end, ZJLD is committed to replacing plastic fillers like pearl cotton (EPE) in packaging with degradable materials such as corrugated paper. In 2025, Lidu adjusted the pearl cotton structure on the upper cover of its Lidu Sorghum Ready-to-Drink Edition (李渡高粱畅饮版) to a 5-layer corrugated card insert. Lidu also modified the full-wrap pearl cotton packaging of box-free products including Lidu Sorghum 1955, Lidu Sorghum 1975, Lidu Sorghum · Ulaanbaatar Series (李渡高粱酒·乌兰巴托系列), and other products to a half-wrap structure.



Packaging Structure Adjustment

Optimization of Handbag Materials

Meanwhile, the Group is piloting the use of non-woven fabric handbags to further enhance plastic reduction feasibility. Lidu has taken the lead in upgrading the paper handbags of its Lidu Sorghum series to degradable non-woven fabric bags. This initiative breaks away from the single-use packaging cycle of "consume and discard", upgrading packaging from "material reduction" to "reusability", and stands as a leading practice in recyclable, low-waste green packaging.



Handbag Material Optimization

◇ Substitution with Environmentally Friendly Materials ("Recycle")

Optimization of Bottle Materials

In 2025, with Xiangjiao's successful product upgrade—replacing porcelain bottles with glass bottles for its Yaoqing Sauce-flavor Baijiu (要情酱酒)—ZJLD's "Porcelain-to-Glass" project is nearing completion. Over the past three years, starting from defining the strategic direction of "glass replacing porcelain", to collaborating with suppliers to break through traditional technologies and successfully develop glass bottles that combine ceramic-like texture with environmental benefits, and finally to Zhenjiu, Lidu, and Xiangjiao sequentially sampling, finalizing, and replacing over ten core porcelain-bottled products, ZJLD has not only pioneered the green upgrade of baijiu bottles but also taken the lead in achieving large-scale implementation of green packaging material transformation.

Furthermore, the Group has collaborated with glass bottle suppliers to explore pilot applications for glass materials that are more resource-efficient and produce fewer carbon emissions and pollutants during production. Physical sample comparisons show that eco-friendly glass has no aesthetic or functional differences from traditional glass, except for a slight variation in transparency. Once the new material is rolled out, it will further optimize the environmental performance of bottle packaging while meeting functional requirements.

Optimization of Cap Materials

As the most plastic-intensive component of the Group's packaging, bottle caps have been prioritized in ZJLD's "Eco-Friendly Material Replacement" agenda. In 2025, Lidu replaced plastic caps with aluminum-plastic caps for products such as Lidu Laojiao (李渡老窖) and Lidu Sorghum · Jiajia Youxi (李渡高粱酒·家家有喜), reducing the plastic content of caps while ensuring product quality and safety. Xiangjiao conducted a full inventory of cap materials across all its products, carried out feasibility studies for 141 products using plastic caps, and formulated replacement plans accordingly.



Plastic Reduction in Bottle Caps



Bottle Packaging Optimization



Bottle Packaging Optimization

◇ Packaging Material Recycling ("Reuse")

Bottle Recycling Program

Addressing the industry pain point that high-quality baijiu bottles—characterized by sophisticated design, high production energy consumption, and high procurement costs—are often discarded casually after use, resulting in massive resource waste, ZJLD has built an integrated closed-loop management model of "Recycling - Refurbishment - Reborn" through whole-industry-chain collaboration. Following the bottle recycling plan formulated in 2023, all subsidiaries continued to advance bottle recycling efforts in 2025. As of the end of 2025, the Group has collected a total of 17,025 used bottles, including 10,334 bottles collected by Zhenjiu, 3,025 bottles collected by Lidu, and 3,666 bottles collected by Xiangjiao.

Cultural and Creative (C&C) Scenarios for Bottle Reuse

In 2024, ZJLD collaborated with packaging suppliers to launch a bottle-to-C&C conversion project, while establishing a full-process quality control mechanism covering collection statistics, processing technology, and finished product inspection. Recovered bottles undergo professional cleaning and artistic processing. In 2025, the Group focused on exploring recovered bottles as design materials to develop and create a variety of C&C products. While continuously exploring diversified reuse scenarios for bottles, we also popularize the concept of green and low-carbon environmental protection to the public.



Achievements of Bottle Recycling Program

◇ Renewable Material Replacement ("Renew")

We continue to deepen cutting-edge practices in green packaging and steadily advance the application of renewable and bio-based packaging materials. In 2025, Zhenjiu focused on the resource utilization of distiller's wasted grains generated during production, which are then collected, dried, and refined. Pilot cooperation with packaging suppliers, Zhenjiu jointly developed C&C products made from recycled distiller's grains, successfully launching a diversified product line including office stationery, crossbody bags, table lamps, and decorative items. These distiller's grain-based C&C products not only realize the resource recycling of distiller's grain waste but also convey environmental protection concepts in a consumer-friendly way, further enhancing consumers' awareness of green environmental protection and promoting the deep integration of renewable material applications with the Group's environmental philosophy.



C&C Scenarios for Distiller's Grain Reuse

○ Quantitative Indicators and Performance

In 2025, total packaging used for finished products was 39,739 tons, of which recyclable, reusable and degradable packaging materials amounted to 39,397 tons, accounting for 99.14% of the total.

Strategy	KPIs	2022	2023	2024	2025
Eco-Friendly Packaging Materials	Total weight of recyclable, reusable, and degradable packaging materials (tons)	45,913	46,590	51,327	39,397
	Weight proportion of recyclable, reusable, and degradable packaging materials (%)	97.26%	98.32%	99.10%	99.14%
Packaging Material Recycling	Number of recycled bottles (units)	0	11,642	29,922	17,025

Targets and Commitments

To further advance its green packaging strategy, ZJLD Group hereby makes a solemn commitment: by 2030, 100% of its core-selling products will use broadly recyclable materials.

"The last leg of a journey only marks half of the whole trip."¹⁰ This target builds on ZJLD's 2025 strategic goal of achieving 95% eco-friendly packaging material coverage. Through material innovation, structural optimization, and circular system construction, we will continuously reduce the full-life-cycle carbon footprint of core-selling products, further improve its packaging design as well as traceability, and take the lead in the industry to fulfill its "2850" Dual Carbon commitment. ZJLD will aim to drive the sustainable transformation of baijiu packaging and contribute to the realization of the carbon neutrality vision.

Product Quality

The Group firmly believes that the core value of premium baijiu lies not only in its pleasant flavor experience, but also in its commitment and responsibility towards consumer health. Driven by consumption upgrades towards premiumization and health-consciousness, high-quality and sustainable brewing has become a key variable in the industry's value development. We continuously improve the whole-industry-chain quality control system from field to table, empower transparent governance through digitalization, drive quality enhancement with technological innovation, constantly elevate product quality towards the "high-value line," and solidly build a quality moat for the Group's sustainable development.

Management Policies and Systems

In terms of product quality management, the Group has designed and issued comprehensive policies and systems, such as the Production Enterprise Quality Management Procedure, Food Safety Management Procedure, Food Safety and Product Recall Policy, and Product After-sales Service and Management Procedure, covering the entire operation chain including R&D, procurement, production, quality inspection, sales, and after-sales service. The Group regularly conducts system reviews and optimizations, continuously improving the above management systems by incorporating the latest national regulatory requirements and industry best practices to ensure their scientific nature, applicability, and effectiveness.

Regarding product quality management processes, the Group has issued the Production Enterprise Quality Management Procedure, which covers key stages such as product R&D and design, control of raw and auxiliary material procurement, quality supervision during production, finished product inspection and testing, management of measuring instruments, customer complaint handling, and supplier performance evaluation. This system clarifies the division of responsibilities and operational standards for each department, forming a standardized, traceable closed-loop quality control process to ensure quality standards are upheld throughout the production and operation chain.

In the area of food safety, the Group has implemented the Food Safety Management Procedure, detailing requirements for food safety management. These include health monitoring and training assessment of personnel, standards and procedures for raw material acceptance, finished product inspection protocols, storage and logistics environment control, maintenance of production equipment, and the establishment of a food safety traceability system. This clarifies the specific responsibilities and operational procedures of each department in food safety management, building a comprehensive food safety protection network from raw materials to finished products.

For food safety risk prevention and control, the Group has formulated the Food Safety and Product Recall Policy, defining emergency response mechanisms for food safety incidents, the roles and authorities of the food safety team, and procedures for handling and recalling non-compliant products. In the event of a food safety incident, an emergency response procedure is immediately activated, involving the prompt halt of related product sales, reporting to the Group's food safety leadership team and regulatory authorities, and initiating a recall mechanism based on the severity of the incident, thereby effectively safeguarding consumer rights and safety.

Regarding product after-sales service, the Group has established the Product After-sales Service and Management Procedure, specifying time requirements and departmental responsibilities for the entire after-sales process—from response initiation, case handling, product return, testing and compensation, solution communication, to compensation issuance. Additionally, an assessment mechanism is designed to form a closed loop for the improvement and enhancement of the product quality after-sales system, ensuring that every after-sales step is traceable, verifiable, and assessable.

The Group is committed to safeguarding product quality and safety through professional and systematic management. The quality management systems of all the Group's brands have obtained HACCP (Hazard Analysis and Critical Control Points) and ISO 9001 (Quality Management System) certifications.



Zhenjiu HACCP and Zhenjiu ISO 9001

¹⁰ Core-selling products: top 10 products in Zhenjiu, Lidu and Xiangjiao, respectively



Lidu ISO 9001

Xiangjiao HACCP and ISO 9001

To achieve a closed-loop safety management system covering raw material control, production processes, and finished product testing, ZJLD has established dedicated quality teams at Zhenjiu, Lidu, and Xiangjiao respectively. Each team is responsible for developing quality control standards tailored to the characteristics of its respective business unit, implementing Group-level quality management policies, and organizing cross-distillery quality exchange meetings to share best practices. Additionally, regular quality training for suppliers is conducted to promote coordinated improvement in quality standards across the supply chain, ensuring that all production processes strictly adhere to quality requirements and that every baijiu product complies with national regulations and internal corporate standards.

In terms of food safety management, a vertical management mechanism has been established by appointing Food Safety Directors. Each operational department is staffed with dedicated food safety officers, forming a top-down, full-process supervision network. Routine management measures and assessments such as daily controls, weekly reviews, and monthly evaluations are implemented. The Group's ESG Management Department oversees the execution of strategic goals, decomposes quality targets, verifies the authenticity and accuracy of quality data, and evaluates the performance of the Quality Department and Procurement Department, thereby ensuring that quality responsibilities are effectively cascaded and fulfilled at every level.



Zhenjiu Green Food Certification



Quality Association Awards

The Group's existing product and service quality management system has received numerous accolades from various associations: Zhenjiu obtained Green Food Certification in 2025; and was awarded the "Demonstration Level" honor for China's Quality Innovation Achievements in 2025; at the 2025 "China Quality Association Annual Conference and the 3rd Pursuit of Excellence Conference", Zhenjiu won the dual awards of "National Quality Benchmark" and "Quality Technology Award"; at the 2025 "16th China (Dalian) Light Industry Commodities Expo · Light Quality Wanhua Cup Wine Quality Competition", Da Zhen · Zhenjiu (大珍·珍酒) secured two major awards—the "Grand Gold Award" and the "Innovative Product Award"—thanks to its exceptional quality and multi-dimensional innovation. Lidu was included in the Ministry of Industry and Information Technology's inaugural list of "China's Favorite Consumer Brands", becoming the only baijiu enterprise from Jiangxi to feature on the list, and successfully obtained certification of Protected Eco-Origin Product (PEOP).



Awards at the Light Industry Commodities Expo

Management Actions and Implementation Measures

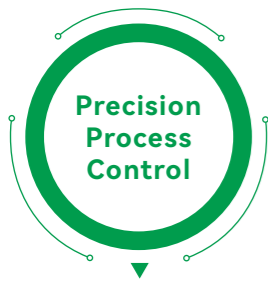
Production Quality Management System

We have established a closed-loop quality control system covering the entire product lifecycle, spanning the entire chain from raw material intake, production processes, finished product testing, warehousing and transportation to end-consumer use, ensuring that product quality remains controllable, stable and reliable throughout.



Building a Visual Supply Chain Quality Barrier

A strict access mechanism is implemented from the raw material intake stage, with multi-dimensional screening of packaging materials, grains, and various auxiliary materials to ensure all inputs meet the highest national and industry standards. Professional quality teams conduct physicochemical testing on all incoming materials, focusing on screening for risk substances such as plasticizers, sweeteners, and heavy metals, thereby fortifying food safety defenses at the source. Furthermore, the Group has established a supply chain information traceability system that meticulously records raw material acceptance data, supplier quality issues, and resolution outcomes, enabling visual tracking across the entire supply chain process.



Ensuring Quality Stability through Technology and Management

During production, full-process monitoring is enhanced through technological upgrades and process optimization, with refined control over core procedures such as fermentation, distillation, and blending, providing technical support for product quality. Each production base is equipped with dedicated Green Food inspectors responsible for developing and overseeing the implementation of specific quality control standards. Standardized production team development is promoted, creating "Quality Trustworthy Teams" to embed quality responsibility into every production step. Advanced detection equipment such as Isotope Ratio Mass Spectrometry (IRMS) and Liquid Chromatography-Mass Spectrometry (LC-MS) is introduced to enable precise compound screening and analysis, ensuring consistency in liquor flavor profile and quality stability.



Multi-dimensional Verification for Zero-defect Quality upon Dispatch

Before leaving the distillery, finished products must pass a multi-tiered quality verification system, including comprehensive inspection items such as sensory evaluation and physicochemical index testing. They must strictly comply with national food safety regulations and meet internal quality standards that exceed industry norms, ensuring every batch meets quality requirements.



Scientific Management Safeguards Product Quality

Through temperature and humidity monitoring and control during storage, we ensure the steady improvement of the baijiu's quality during the ageing process; throughout the transport phase, we implement full-process monitoring, using professional packaging and temperature-controlled measures to isolate the product from external environmental disturbances, thereby ensuring consistent quality from the warehouse to the point of sale.



Driving Continuous Quality Improvement with Market Data

A comprehensive terminal feedback mechanism is established to collect market consumption feedback and customer needs in real-time. Data analysis identifies directions for quality optimization, driving continuous iteration of product formulations and production processes, thereby achieving dynamic and long-term enhancement of product quality.

Supply Chain Quality System Enhancement

Supply Chain Standard Management

We have established a comprehensive end-to-end supplier quality standards system covering five key dimensions—from raw material procurement, production control, quality testing, on-site management to warehousing and logistics—to clearly define operational guidelines for suppliers across the board, ensuring that their products and services meet industry-leading standards.

Raw Material Procurement Standards System

Through standardized management of raw material bases, food safety testing, sensory grading assessments and a comprehensive traceability system, we secure raw material quality at source, ensuring all procured materials strictly meet the Group's quality requirements.

Production Control Standards System

We establish a list of critical control points for suppliers, set up a real-time process monitoring platform, and implement a three-tier foreign object prevention mechanism. Concurrently, we enforce rigorous equipment cleaning and validation standards to ensure the entire production process remains safe and under control.

Quality Testing Standards System

We have established multi-tiered testing checkpoints covering physicochemical indicators, physical properties and food safety. Each batch of raw materials undergoes comprehensive verification to ensure that only those meeting the highest quality standards enter the production process.

On-site Management Standards System

We implement a visual kanban management model, enforce a dynamic health monitoring mechanism for personnel, establish a four-tier pest control system, and deploy intelligent temperature and humidity monitoring systems to guarantee hygiene, safety, and stable control of the production environment.

Warehousing and Logistics Standards System

We have strengthened transport safety measures, implemented temperature-controlled transport standards, and enforced shock resistance testing requirements to ensure seamless quality integration across all supply chain stages, thereby preventing external factors from compromising product quality.

Supply Chain Process Management

Through four key initiatives -- proactive prevention, root-cause rectification, process coordination and continuous improvement -- we have established a closed-loop quality management system for the supply chain, achieving comprehensive quality control throughout the entire process.

Strengthening Proactive Quality Management

Introducing real-time monitoring and data feedback systems at the raw material and packaging material supply stages and conducting regular specialized audits of suppliers' production processes to eliminate quality risks at source, ensuring supply quality remains under control throughout the entire process.

Root Cause Analysis and Rectification

Conduct in-depth root cause analysis for recurring quality issues with suppliers; collaborate with suppliers on investigations and diagnostics; set clear rectification deadlines and require the submission of dedicated optimization reports to ensure issues are resolved thoroughly.

Integrated Monitoring of Production Processes

Implement re-inspection procedures prior to raw material intake and establish real-time quality feedback channels during production to synchronize quality information between suppliers and buyers, ensuring products maintain consistent high quality throughout the entire production process.

Implementation of Continuous Improvement Mechanisms

Regularly organize supply chain quality review meetings, conduct supplier quality management training and emergency drills, drive the iterative upgrading of suppliers' quality management capabilities, and achieve long-term improvements in supply chain quality.

Supply Chain Evaluation Management

Establish a scientific and quantifiable supplier evaluation system to select high-quality partners based on stringent standards, thereby continuously optimizing the quality structure of the supply chain.

Standard Compliance Assessment

Assessing suppliers across dimensions such as basic operational capabilities and quality standard compliance rates to ensure partners fully align with the company's quality management requirements.

Stability Assessment

Focus on evaluating the long-term stability of supplier product quality; use big data analysis to accurately identify high-quality suppliers, optimize the supply chain structure, and enhance the overall level of supply quality.

Improvement in Response Speed

Incorporating suppliers' response times to quality issues and the efficiency of corrective actions into assessment metrics, incentivizing suppliers to proactively participate in quality improvement and jointly driving the continuous optimization of overall supply chain quality.

Supplier Product Quality Training

In 2025, the Group also conducted product quality training for suppliers, systematically introducing professional knowledge on product quality control. This covered cutting-edge industry developments, the evolution of quality management systems, analysis of the current state of supplier quality management, and the application of ISO 9000 and ISO 9001 standards in supplier selection, evaluation, continuous improvement and risk management.

Quality Training and Seminars

Quality Month Themed Activities

Each year, the Group regularly organizes dedicated "Quality Month" initiatives aimed at strengthening quality awareness among all staff and laying the foundations for high-quality development. During Quality Month, the Group organized food safety training for all frontline staff and specialized seminars for management, held a signing ceremony for the Quality and Food Safety Pledge, and conducted assessments on food safety knowledge. Through sharing best-practice case studies, organizing knowledge competitions and recognizing quality excellence, employees were encouraged to proactively identify and rectify process issues, thereby driving continuous improvement in product quality. Furthermore, the activities simulated emergency scenarios such as product recalls to test and refining the Group's emergency response mechanisms in a practical setting.

From September to October 2025, Zhenjiu organized specialized quality training, competitions and inspections; Lidu designed a Quality Month campaign themed 'Excellence begins from the heart; quality responsibility is put into daily practice', encompassing quality training, knowledge competitions and specialized inspections; Xiangjiao launched a Quality Month campaign themed 'Strengthening Total Quality Management to Promote Quality-Driven Enterprise Development', comprehensively enhancing product quality and standards.



Quality Month Activities

Case

2025 Annual Production and Quality Conference

On October 10, 2025, Zhenjiu held its 2025 Production and Quality Conference, attended by approximately 600 people, including the company's General Manager, senior executives, and representatives from various departments and workshops. The conference systematically reviewed production and quality efforts during the current cycle, conveyed the spirit of the "518 Quality Conference", and held an awards ceremony and a rally. Outstanding mentors and apprentices were recognized, and appointment certificates were presented to master brewers and master malt makers, motivating all staff to commit to the new brewing cycle with even higher standards.

Zhenjiu has continued to optimize its brewing processes and drive technological innovation, achieving a steady improvement in raw material quality and a steady yet progressive enhancement in the quality of its spirits in 2025. Not only has production met the objectives of high quality and stable output, but the finished spirits have also received an enthusiastic response from the international market: Zhenjiu Zhen 10 (珍酒·珍十) was awarded a Grand Gold Medal at the 2025 Brussels International Spirits Competition, amongst other accolades. Concurrently, Zhenjiu has significantly strengthened its technical capabilities and research capacity. Process quality control and packaging production scheduling have become more standardized, whilst cost reduction, efficiency improvements and IT infrastructure development have progressed in an orderly manner.

Furthermore, at the annual conference, the Group outlined key tasks for the next phase: continuing to optimize production processes, strengthening raw material control, and enhancing the stability of the baijiu; increasing investment in research and development to drive technological innovation and the commercialization of research outcomes; refining the quality control system and optimizing production scheduling to ensure efficiency and standardization in the packaging process; and continuously advancing cost reduction, efficiency improvements, and digitalization to enhance the company's overall operational efficiency.



Annual Production and Quality Conference

Product Recall Procedure

In May 2025, Zhenjiu organized a simulated three-tier product recall exercise, modelling the recall procedure in response to feedback from a Guiyang customer regarding the absence of the company's address on the inner packaging of 500ml bottles (batch 2024-11). All departments responded swiftly and collaboratively, identifying the cause as a printing error by the supplier, and successfully simulating the recall of all products. The exercise validated the production traceability system and the efficiency of inter-departmental collaboration. In response to the issues identified, Zhenjiu has strengthened supplier management, improved quality testing, enhanced staff training, and boosted food safety emergency response capabilities.

In June 2025, Lidu completed a simulated three-tier product recall exercise. Organized by the Quality Management Department, the exercise simulated the recall and disposal of finished products manufactured on December 3, 2024. This exercise validated the effectiveness of the three-tier product recall procedures, ensuring that in the event of a three-tier recall scenario—such as labelling errors—the recall can be implemented swiftly and in an orderly manner to mitigate product risks and safeguard consumer rights.

In May and August 2025, the Quality Management Department of Xiangjiao, in conjunction with the Blending and Storage Workshop, organized and successfully completed the "Simulated Level 3 Recall Exercise for the 52% vol Shaoyang Daqu (邵阳大曲) Product Labelling Version Error" and the "Simulated Emergency Exercise for Deliberate Sabotage of Food Safety", respectively. Based on the Food Safety and Product Recall Policy, the Group continues to optimize the efficiency of its recall processes for products already on the market and enhance its response capabilities for product recalls.

Research and Innovation

The Group regards technological innovation as a core driving force, continuously investing in R&D to enhance product quality and optimize production processes. In 2025, R&D personnel accounted for 2.5% of the Group's workforce, with funding for technological innovation and R&D reaching RMB 64,765,405.

Scientific and Technological Achievements

In accordance with the national standard for "Sorghum" (GB/T 8231-2024), implemented in May 2025, the Group has, for the first time, included small-grain glutinous sorghum for the brewing of sauce-aroma baijiu within the scope of application. By incorporating past research and practical experience regarding raw materials for sauce-aroma baijiu, the Group has advanced the standardization of raw materials within the industry.

At the "2025 China Quality Innovation and Quality Improvement Achievement Presentation and Exchange Series-Lean On-site Management Improvement and 5S Management Improvement (Phase I)" event, Zhenjiu was awarded the highest honor, "Demonstration Level", for its outstanding quality management standards and lean on-site management practices. The research project "Application of VSM Tools to Improve Efficiency in the On-site Transport of Fermentation Powder" was rated as a "Professional Level" achievement. Furthermore, in the "2025 China Quality Innovation and Quality Improvement Achievement Presentation and Exchange Series - QC Teams (Phase 1)" evaluation, Zhenjiu's research projects Reducing the Defect Rate in Outer Box Packaging and Development of New Qu-Transfer Equipment were both recognized as "Professional-level" achievements.



Awarded "Demonstration-Level" Honor for China's Quality Innovation Achievements

University Collaboration

In 2025, the Group deepened its industry-academia-research strategic partnership with the Guizhou University Research Institute for the Development of Raw Materials of baijiu, continuously enhancing formulations, flavor profiles and product quality. The Institute established a dedicated team to provide long-term on-site guidance for the development of raw material bases, systematically conducting variety selection and standardized cultivation management to ensure consistent sorghum yield and quality. By the end of the year, more than ten high-standard demonstration bases, each covering over 100 mu, had been established in Huichuan District. All plots have passed authoritative testing and certification, strictly adhering to organic standards and utilizing organic fertilizers and biological agents throughout the entire process to ensure quality. Currently, Huichuan District has established nearly 120,000 mu of sorghum bases, with some products supplied exclusively to Zhenjiu, forming a sustainable raw material supply chain model characterized by "research support - standardized cultivation - contract procurement - quality assurance".

◆ Digital Quality Management

The Group has implemented end-of-the-end product quality management through the development of a series of digital applications and systems, enabling full visibility, traceability and control throughout the production process:

Quality Management System

Covers quality management across all stages from procurement, production and laboratory testing to finished products and after-sales service. It supports refined batch management, rapid quality traceability and in-depth quality analysis, ensuring compliance with national and corporate quality standards.

Intelligent Weighing System

Deployed in 2025, this system integrates video surveillance, number plate recognition and automatic weighing equipment. Using dedicated software, it enables automatic weighing, real-time data upload and full-process video recording for scenarios such as the receipt of raw and auxiliary materials into the warehouse and on-site transport, significantly improving weighing efficiency and data accuracy.

Raw Grain Supply Chain System

Enables end-to-end tracking and monitoring of grain allocation, procurement and storage, substantially improving procurement operational efficiency whilst safeguarding grain quality.

Base Liquor Management System

Assigns a unique digital code to each storage vessel, enabling precise identification and management of base liquor of different vintages and values.

To further optimize production processes and enhance the efficiency of quality supervision, we carried out a comprehensive upgrade of the quality management system in 2025, primarily introducing the following new quality management features:

○ Automatic disposal of non-compliant raw and auxiliary materials

By moving away from manual disposal methods, this feature significantly improves the efficiency of disposal processes whilst effectively reducing the risk of human error, thereby ensuring the accuracy of quality control for raw and auxiliary materials.

○ New features include batch inspection submission, batch export of test reports, and one-click issuance

These simplify repetitive inspection processes for multiple batches of materials, further enhancing the convenience and efficiency of quality inspection work.

○ Completion of the migration of QMS system reports to the Group's internal reporting system

This specifically addressed issues with the original reports, such as fixed headers and inflexible formats, making it easier for relevant personnel to quickly extract key data for analysis.

Expanded the scope of inspection coverage

Key materials such as measuring instruments, production pipelines, packaging films, canteen catering and food safety have been incorporated into the inspection system, further refining the quality control chain and enabling end-to-end quality monitoring.

Established a microbial strain repository

This serves to preserve and share microbial resources, supporting scientific research, teaching and industrial applications, whilst ensuring quality control and biosafety. It acts as a vital foundational platform for the Group's future biotechnology innovation and industrial development.

Quantitative Indicators and Performance

The number of products recalled due to safety and health issues in 2025 is **0**.
100% telephone follow-up rate for quality-related complaints. During follow-ups, consumer satisfaction with the service reaches **100%**.

Targets and Commitments

We will strictly ensure the quality and safety of our distillery products and uphold a positive brand reputation. We aim to achieve zero complaints regarding products and services resulting from food quality and safety incidents by 2026.

Intellectual Property Protection

Intellectual property is a vital component of the Group's core competitiveness. The Group attaches great importance to the protection and management of intellectual property, strictly adheres to relevant laws and regulations, and has established a comprehensive intellectual property management system, protection mechanisms and training framework. We standardize the entire process of intellectual property application, protection and utilization, strengthen awareness of intellectual property protection among all staff, and effectively safeguard the Group's brand rights, technological achievements and trade secrets, thereby providing a solid intellectual property foundation for the Group's innovative development.

Management Policies and Systems

The Group has formulated the Intellectual Property Management System based on relevant laws and regulations, including Patent Law, Trademark Law, Copyright Law and Anti-Unfair Competition Law. This system clarifies the staffing structure and job responsibilities for intellectual property management, and standardizes the procedures for the declaration, registration and filing of intellectual property rights, covering all Group employees (including temporary staff and interns). The system explicitly stipulates that the principal responsible person at each subsidiary unit is accountable for the implementation of the system, whilst the Group's Public Relations Department is responsible for supervising and inspecting all aspects of intellectual property management. The implementation of these tasks is incorporated into the annual performance appraisal of the relevant responsible persons, thereby establishing a management mechanism characterized by "clear responsibilities, effective supervision and thorough assessment", ensuring that intellectual property management is advanced in a standardized and sustainable manner.

Management Actions and Implementation Measures



The Group adheres to innovation-driven development, continuously advancing innovation and iteration in core areas such as product categories, production processes, packaging design and brand trademarks. We routinely carry out registration and application work for new processes, designs, materials and trademarks, constantly enriching our intellectual property reserves and strengthening the protective barriers for our brands and technologies. By the end of 2025, the Group had accumulated 35 copyrights, 143 patents, 1,765 trademarks and 72 domain names within China; in 2025, the Group submitted 23 new patent applications and 208 new trademark applications, further enhancing its intellectual property portfolio and providing robust support for the Group's market competitiveness and brand development.

To enhance the efficiency of intellectual property management, the Group introduced the "Doppler" trademark management system in June 2025, optimizing and upgrading existing intellectual property management processes. Through digitalization, the system standardizes and streamlines the entire process of trademark application, monitoring, maintenance and management, significantly improving the accuracy and efficiency of trademark management.

Accountable Marketing and Customer Service

Responsible Marketing

Upholding the mission of a responsible baijiu enterprise, ZJLD places great importance on the health and well-being of consumers. We advocate for responsible drinking and firmly oppose underage drinking, drink-driving and excessive consumption, leading the way towards a sustainable and healthy lifestyle. We integrate the concept of responsible marketing into the entire process of brand promotion, product marketing and sales services. By refining our governance structure, improving management systems and strengthening practical implementation, we standardize marketing practices, promote the concept of responsible drinking, safeguard consumer rights, uphold fair competition within the industry, and demonstrate our brand's responsibility and commitment.

○ Governance Structure and Division of Responsibilities

The Group has established a responsible marketing governance system characterized by clear delineation of powers and responsibilities and efficient coordination, with clearly defined roles and responsibilities for each department and business unit. In particular, the ESG Management Department is responsible for formulating annually responsible marketing targets and allocating them to each distillery, supervising and verifying the enforcement of penalties for inappropriate advertising, and conducting annual performance appraisals of the responsible marketing work carried out by each distillery's brand department. The Zhenjiu, Lidu and Xiangjiao brand departments are responsible for implementing responsible marketing initiatives and regularly organizing cross-company sharing sessions to share and draw upon industry-leading practices.

○ Management Policies and Systems

The Group has formulated and promulgated the Responsible Marketing, Advertising and Sales Policy, which sets out the principles and relevant review procedures for the execution of brand promotion, marketing and sales activities. In this policy, we commit to:

Upholding fair competition within the industry

In our marketing activities, we shall refrain from disinforming customers into competitors' products or brands, thereby safeguarding a fair competitive environment within the industry.

Protecting vulnerable consumer groups

When conducting marketing and promotional activities, we pay particular attention to and protect groups such as minors and consumers with limited discernment, preventing any inappropriate inducement.

Avoid exaggerated claims on environmental and social impacts

In brand communications, we adhere to the principles of truthfulness and responsibility and reject exaggerating the product's impacts on environmental protection or social contributions and ensure that promotional content is truthful and credible.

Provide accurate product information

In marketing practices, we provide consumers with comprehensive, accurate and easily understandable product information, truthfully describing the product's quality, brewing process and characteristics to help consumers make informed decisions. At the same time, we promote the concept of moderate and responsible drinking to convey a responsible brand image.

Infringement Protection

In terms of infringement protection, we have established a diversified intellectual property protection system. By comprehensively utilizing patents, copyright, trademark rights, trade secret protection, anti-unfair competition regulations and contractual obligations (including confidentiality clauses), we provide all-round protection against intellectual property infringement risks, effectively safeguarding the Group's legitimate rights and interests and brand reputation. Provisions regarding rights and obligations for intellectual property protection are explicitly incorporated into employment contracts and commercial cooperation agreements to strengthen pre-emptive risk prevention and standardize the conduct of all parties.

In accordance with the Group's intellectual property protection policy, the Public Relations Department has established a dedicated task force to coordinate all matters relating to intellectual property registration, archiving and ownership applications, ensuring that intellectual property management is conducted in a standardized and orderly manner. The Market Supervision Department has set up a specialized team which, in collaboration with external legal advisers, routinely monitors and addresses counterfeit goods in the market, promptly identifying and investigating infringements. Upon discovery of intellectual property infringements, such as counterfeit products, legal proceedings are immediately initiated with the assistance of intellectual property advisers and legal representatives. We take decisive action against infringements through lawful means, including litigation, to resolutely safeguard the Group's brand rights and intellectual property assets.

Awareness Training

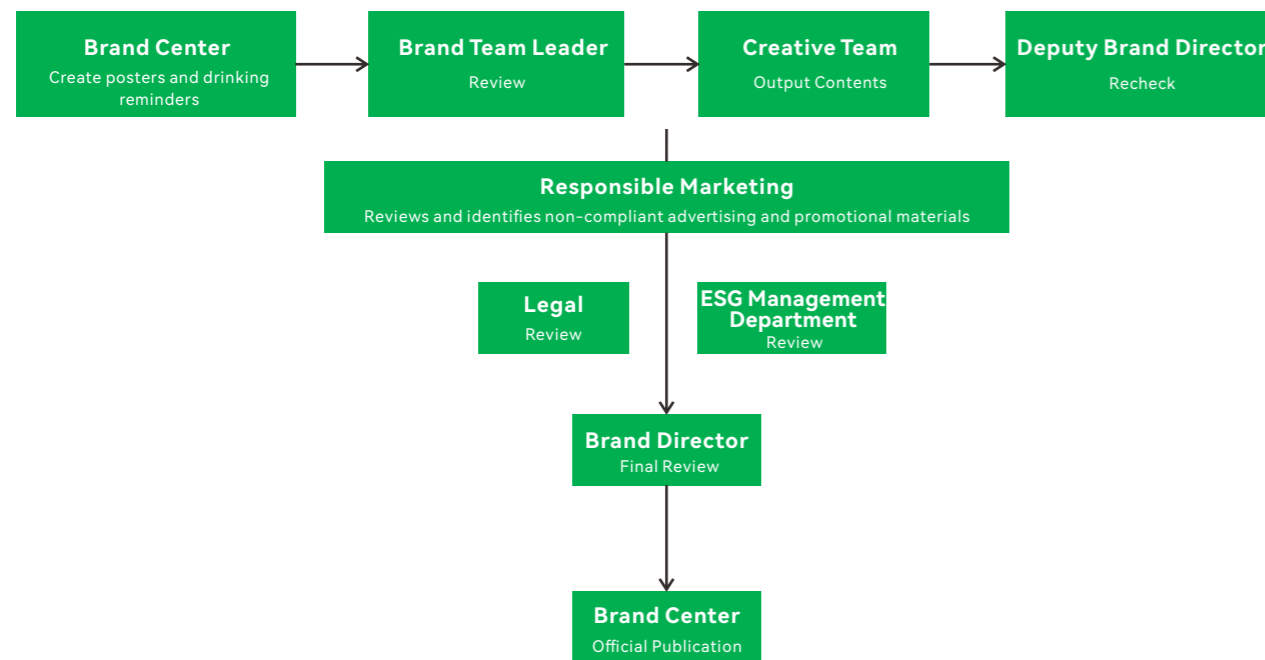
To strengthen intellectual property protection awareness across the entire workforce and mitigate risks of brand damage and infringement, the Group has established a regular intellectual property training mechanism. Monthly specialized training sessions are conducted for personnel in relevant roles, covering core modules such as the fundamentals of intellectual property, identification and prevention of typical infringement risks, practical aspects of intellectual property applications, and internal approval processes, thereby comprehensively enhancing staff members' intellectual property management capabilities and risk prevention awareness.

In November 2025, the Group organized targeted "Design Patent Case Study Training" sessions for all product designers. Through the analysis of typical cases, the identification of infringement risks, and an explanation of the rights protection process, the training further strengthened product designers' awareness of intellectual property protection, standardized design practices, and prevented design patent infringement risks at source, thereby helping to ensure the effective implementation of the Group's intellectual property protection efforts.

Management Actions and Implementation Measures

Responsible Marketing Review

To fulfil our commitment to responsible marketing, Zhenjiu, Lidu and Xiangjiao have all implemented strict advertising review mechanisms. Prior to publication, all advertisements must undergo a dual review by the Group's Legal Department and the Responsible Marketing Team under the ESG Management Department, which aims to ensure that all promotional and sales activities are lawful and compliant, effectively convey the concept of responsible drinking, and eliminate content related to excessive drinking, drink-driving or underage drinking. Furthermore, the Group conducts irregular retrospective reviews of distributors' marketing activities and materials.



Responsible Marketing Training

To implement our responsible marketing policy, we conduct annual responsible marketing training for brand promotion and sales teams, as well as distributors, to comprehensively standardize marketing and sales practices.

For marketing and sales personnel, we use training to convey authentic and compliant marketing and sales principles, requiring them not to exaggerate product benefits, encourage irrational consumption, or promote and sell alcoholic beverages to minors. Meanwhile, we are committed to enhancing sales staff's sense of responsibility, ensuring they provide detailed product information during customer interactions and promote the concept of responsible drinking, thereby helping consumers make informed decisions.

Distributors play a crucial role in putting the concept of responsible drinking into practice. To conclude, we organize annual responsible marketing training sessions for distributors, using both online and offline approaches to provide an in-depth interpretation of the core principles, compliance requirements and implementation measures of responsible marketing. The aim is to collaborate with partners across the value chain to jointly promote responsible drinking and create broader social benefits.



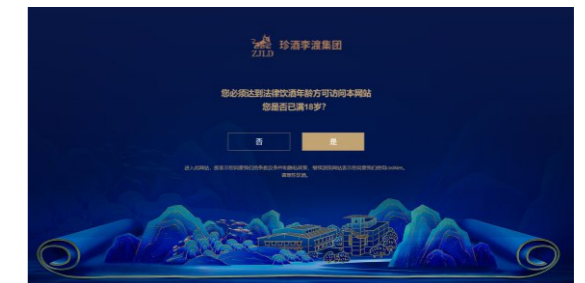
Responsible Marketing Training

Responsible Drinking Reminders

ZJLD is committed to the long-term promotion of the concept of responsible drinking. All the Group's baijiu products feature standardized responsible drinking warnings prominently displayed on their packaging, such as "Pregnant women and minors should not consume alcohol", "Excessive drinking is harmful to health" and "Driving under the influence is strictly prohibited", serving as a constant reminder to consumers to drink responsibly and healthily. To minimize brand exposure of alcoholic products to minors, the Group has implemented a comprehensive age verification mechanism across all major online platforms, including its official website and proprietary mini-programs, preventing minors from accessing alcohol-related content at source, thereby effectively fulfilling our responsibility to protect minors.



Responsible Drinking Reminder



Responsible Drinking Age Verification

Responsible Marketing Practices

The Group has uniformly incorporated responsible drinking logos and reminders across all promotional channels, including outdoor print advertisements, official WeChat accounts and video channels. We continuously strengthen the end-to-end review of marketing content to ensure compliance and appropriate messaging. Furthermore, a responsible drinking pledge is prominently displayed on the official website to actively guide consumers and partners in jointly practicing responsible drinking principles, thereby fostering a rational and civilized consumption environment.

Furthermore, prior to the commencement of various baijiu tasting events, sales and marketing personnel routinely conduct responsible drinking awareness sessions to educate on-site consumers about rational drinking practices and healthy drinking habits, advocating for a healthy and civilized drinking culture and promoting the development of a rational, civilized and healthy alcohol consumption culture.

In October 2025, the 2025 National Rational Drinking Awareness Week, organized by the China Alcoholic Drinks Association under the theme "Care for Growth, No Drinking Under 18", was officially launched. As a key representative in the baijiu industry promoting responsible drinking, ZJLD actively responded to the campaign's call. We established public awareness stations at over 50 stores nationwide, including in Guangdong, Henan, Shandong, Hunan and Jiangxi. Through various methods such as distributing leaflets, screening promotional videos and displaying public service posters, the Group widely publicized the dangers of underage drinking and called on all sectors of society to participate in the "Preventing Underage Drinking" public welfare campaign, working together to safeguard the healthy growth of minors.



“National Responsible Drinking Awareness Week” Campaign



Lidu Official Website Responsible Drinking Pledge

Quantitative Indicators and Performance

Zero non-compliance incidents related to misleading advertising or the absence of health warnings by 2025.

Targets and Commitments

To continue fulfilling our commitment to responsible marketing and further strengthen our brand image as a responsible alcohol producer, we have set the following targets for 2026: to eliminate any administrative penalties or legal proceedings arising from inappropriate advertising; to ensure that 100% of all outdoor advertisements undergo joint review by the Legal Department and the Group's ESG Management Department prior to placement; and to maintain complete records of these reviews. These targets have been incorporated into the ESG Key Performance Indicator (KPI) system and are directly linked to the annual performance evaluations of the relevant managers.

Data Security and Privacy Protection

With the advancement of digitalization and intelligent technologies, ZJLD has consistently prioritized data security and the protection of customer privacy. Data security and privacy protection have been integrated into multiple core business scenarios, including supplier collaboration, distributor management and consumer engagement. We have established rigorous management policies and comprehensive management processes, utilizing advanced digital technologies to safeguard the Group's data security, effectively mitigating the risks of regulatory penalties and market access restrictions, and earning the trust of our clients, partners and consumers.

Management Policies and Systems

We strictly adhere to the requirements of laws and regulations such as the Personal Information Protection Law of the People's Republic of China. We have issued and disclosed the ZJLD Information Security Policy and established a data security and privacy protection framework. We classify data according to sensitivity levels, define specific security protection procedures, and safeguard data and customer privacy.

In terms of management structure, the Group's Board of Directors is responsible for the overall supervision of information security, whilst the Director of the Information Center leads the formulation of specific information security strategies and the deployment of work plans. To achieve refined control, the Group has categorized data assets into four security levels, establishing differentiated approval authorities and security processing procedures for the extraction and distribution of data at different levels, and clarifying the specific responsibilities of each department regarding the use of data assets. In response to data security risks, a strict disciplinary mechanism has been established: in the event of incidents such as data loss or leakage, the responsible parties will be subject to disciplinary measures including reprimands, financial penalties and administrative sanctions, depending on the severity of the offence; where such incidents breach relevant national laws, involve suspected criminal offences or cause significant impact on the Group, the matter will be referred to the judicial authorities in accordance with the law, and the heads of the relevant units or departments will be held accountable.

Management Actions and Implementation Measures

Data Security and Privacy Protection Framework

The Group is continuously improving its information security systems and will implement a data backup expansion project from 2025 onwards to ensure data integrity. Firewalls will be installed on databases to defend against external unauthorized intrusions and hacker attacks, establishing the first line of defense for business data and ensuring real-time monitoring and timely response to information security threats. Concurrently, we are establishing an off-site backup system to safeguard the integrity and security of business data. Access to the Group's core business data is restricted to the Group's dedicated VPN, thereby eliminating the risk of data leakage at the access level. Furthermore, we utilize third-party systems to collect and manage customer data, with strict access permissions in place; sales staff are only permitted to view information relating to the customers for whom they are responsible, thereby reducing the scope of information exposure. Security restrictions are built into the system to prohibit the bulk export or viewing of customer information, thereby preventing large-scale data breaches at a technical level. In the event of an information leak, the Group has established a comprehensive response procedure; the Group's Information Center will immediately analyze the leaked information, the circumstances of the affected consumers and the order process, promptly identify risks and handle the situation appropriately.

◆ Third-Party Security Testing and Contingency Plans

Relying on the Group's internal information security team, the Group has formulated information security management and drill plans and protocols. The Group conducts database recovery drills every six months and regularly carries out application recovery drills covering key business systems such as NCC, OA and SRM. Based on the results of these drills and response procedures, analyses are conducted to identify potential information security vulnerabilities, and employees are also encouraged to promptly report any suspicious information security incidents or activities.

Drawing on the expertise of external teams, the Group commissions a third-party specialist organization to conduct an information security assessment and uses the findings to catalogue its existing information assets. At the same time, the third-party specialist organization carried out systematic penetration testing on certain key business operations, effectively enhancing the Group's cybersecurity defenses. The Group has now obtained cybersecurity certification from Huawei Cloud.

◆ User Privacy Protection Mechanisms

The Group attaches great importance to users' privacy rights. Users may log in to the platform at any time to amend or update their personal registration details, thereby indirectly taking control of their data management. We undertake that any sharing of users' personal data must be preceded by clear notification to the user regarding the scope, purpose and recipient details of such sharing. Data sharing operations may only be carried out with the user's explicit consent. Upon termination of the service relationship, we will promptly delete users' personal information to ensure that user data is neither retained nor used after the service has ended, thereby avoiding the risks associated with long-term data retention.

◆ Data Security and Customer Privacy Protection Training

We have incorporated information security training into the mandatory induction programmed for new employees, providing them with information security training. For existing staff, the Group organizes information security refresher training at least once a year, combining the latest data security regulations, industry case studies and internal management requirements to guide employees on how to handle data of different sensitivity levels appropriately. Through regular information security awareness training and debriefings, we reinforce the sense of personal responsibility for information security among all employees.

In 2025, the Group conducted multiple customer privacy protection training sessions; every six months, we dispatched specialists to deliver information security briefings to information management personnel across all the Group subsidiaries. In March 2025, Zhenjiu conducted a network self-assessment and cybersecurity training for all management and technical staff, providing a detailed introduction to the fundamentals of computer and network security, as well as relevant cybersecurity laws and regulations, and organized an online cybersecurity examination. During the same period, Xiangjiao organized online training on the "Database Security Management Regulations" for key personnel, whilst the entire sales team undertook online learning modules on "Data Privacy and Security, and Anti-Corruption Training" and "Regulations on the Use of AI Tools and Confidentiality Management".

○ Quantitative Indicators and Performance

In 2025

The number of complaints regarding breaches of customer privacy and leaks of customer data was 0, and the number of information security incidents was 0.

Customer Service

The Group consistently adheres to a customer-centric development philosophy, treating customer service as a key pillar for safeguarding consumers' legitimate rights and enhancing the brand's core competitiveness. We are committed to establishing a comprehensive, full-cycle and highly efficient customer service assurance mechanism to effectively improve customer satisfaction and brand trust, thereby laying a solid foundation for the Group's high-quality sustainable growth.

○ Management Policies and Systems

◆ Customer Service System and Policy

In response to the diverse needs of customers across various consumption scenarios, the Group has established a tiered response and omnichannel customer management system, while refining service regulations and operational standards to ensure that all customer enquiries are addressed in a timely, professional and efficient manner.

● For offline customers

The Quality Department leads the establishment of a closed-loop management mechanism for the service hotline, implementing systematic recording, task allocation, resolution and follow-up for customer feedback regarding quality and service issues, thereby achieving closed-loop management of the entire customer complaint process.

● For online customers

A comprehensive private domain operations matrix has been established. Upon completion of online order payment, an intelligent system automatically triggers a contact protocol, enabling proactive outreach via the Group's official WeChat Enterprise account to provide full-cycle after-sales support and repurchase consultation services.

Concurrently, we have formulated the After-Sales Service Policies and Procedures, establishing three core principles for handling customer complaints: "clear guidelines, prompt resolution, and defined accountability". This framework standardizes the entire management process—from receipt and documentation, responsibility assessment, solution development and implementation, to customer follow-up and continuous improvement. Responsibilities and operational requirements for each step are clearly assigned to relevant departments, ensuring that all customer concerns are resolved in a professional, efficient, and transparent manner.

Management Actions and Implementation Measures

Handling Customer Complaints

We have established a diverse, transparent and efficient customer complaint response mechanism. By integrating the official service hotlines for Zhenjiu (400-099-8899), Lidu (400-855-1308) and Xiangjiao (400-822-2979), dedicated email addresses and offline service outlets, we provide 24/7 complaint handling and after-sales support.

To ensure transparency in communication channels, we require sales staff to proactively provide customers with the Group's dedicated complaints hotline, ensuring that in the event of a dispute, customers can directly raise issues and avoid delays in complaint resolution. Furthermore, we have established a dedicated role in liaising with market supervision authorities, negotiating and resolving cases where complaints are lodged with the Market Supervision Administration due to service experience or communication misunderstandings. We intervene immediately and coordinate the handling of such cases to ensure that every customer concern is resolved satisfactorily.

Handling Customer Complaints

The Group has established a tiered response system for customer complaints to address diverse customer concerns with precision.

Regarding the handling of product and logistics anomalies, we have established a comprehensive management mechanism covering the entire process from issue identification to the implementation of solutions. We implement categorized authorization management for issues such as missing items, breakages, soiling, and incorrect deliveries, and flexibly apply disposal strategies including "small-claim expedited refund", "refund before return", "return-and-verify-before-refund", "after return verification", "refund only, no return", and "direct replacement" to efficiently safeguard customers' legitimate rights and interests.

For personalized return requests not related to product quality, we have implemented a dual-assurance mechanism comprising "intact packaging" and "quality inspection verification". When the original packaging remains intact and the quality inspection department assesses that there is no risk in resale, we swiftly initiate the refund process.

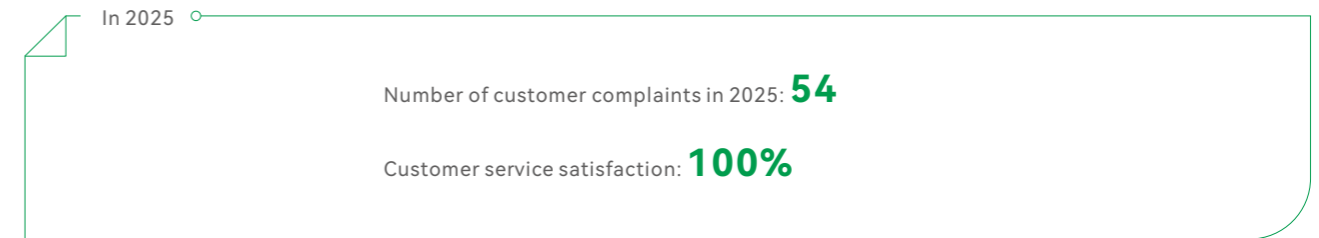
Furthermore, we track and maintain records of all customer complaints, investigation processes and resolution results, strengthening the monitoring and evaluation of service quality to continuously optimize the customer experience.

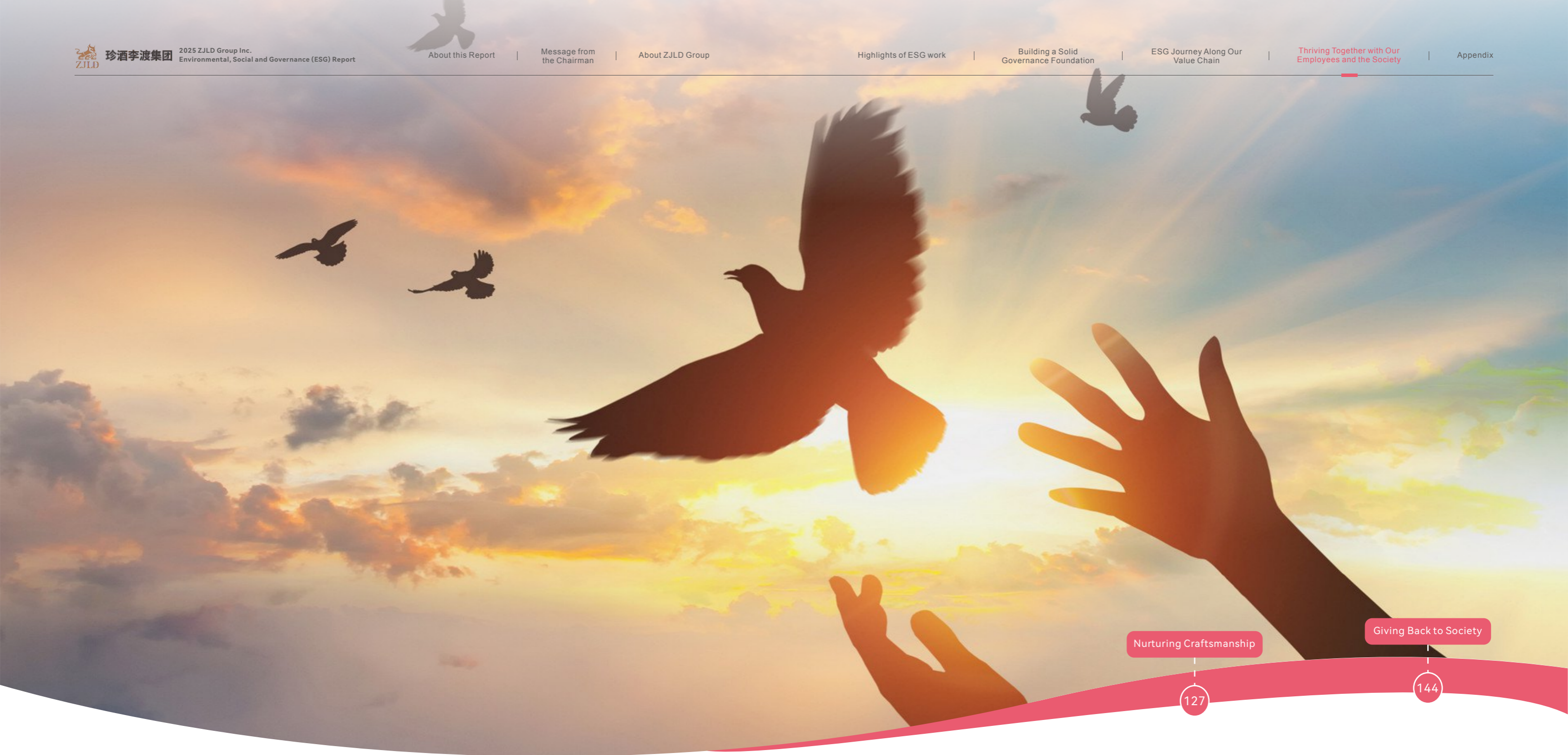
Surveys to Enhance Customer Satisfaction

Enhancing customer satisfaction is a key strategic initiative for the Group to build a solid foundation of customer trust and shape its brand image. The Group has established a customer satisfaction survey and service improvement mechanism, under which the Quality and Customer Service teams conduct regular satisfaction surveys to dynamically collect customer feedback. They carry out quantitative analyses of core service indicators, such as service response times and the resolution rate of customer complaints and use these findings to optimize service processes and elevate service standards.

For offline channels, regular satisfaction surveys are conducted with offline dealers on a monthly and quarterly basis to accurately identify service shortcomings and implement targeted improvement measures. For online channels, we have assigned dedicated "one-to-one" customer service representatives to ensure comprehensive service coverage throughout the entire customer journey: pre-sales support includes professional product advice and purchasing guidance; post-sales support strictly adheres to standardized procedures, with logistics updates proactively provided the day after an order is placed, delivery confirmation and resolution of any post-sales issues on the third day, and follow-up calls regarding the customer experience on the seventh and fifteenth days, thereby comprehensively ensuring customer satisfaction.

Quantitative Indicators and Performance





Nurturing Craftsmanship

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Giving Back to Society

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03

Thrivng Together with Our Employees and the Society

ZJLD has always believed that the warmth of an enterprise stems from respect for people and contribution to society. We are committed to nurturing employees' growth, collaborating sincerely with communities, and continuously promoting charitable initiatives, integrating social responsibility into every detail of our operations. Through our commitment to growing alongside our employees, thriving with our communities, and progressing with society, we ensure that our corporate development resonates in harmony with the well-being of the region.

Nurturing Craftsmanship

Diversity and Inclusion

Diversity and inclusion are among core development philosophies of ZJLD. The Group consistently adhere to a people-oriented approach, strictly complies with relevant domestic and international laws, regulations and standards, integrating diversity and inclusion into the entire process of talent recruitment, management and development. We strive to build an equal, respectful, inclusive and diverse workplace, effectively protect the legitimate rights and interests of all employees and business partners, and promote high-quality and sustainable development of the Group.

Management Policies and Systems

In accordance with the Law of the People's Republic of China on the Protection of Women's Rights and Interests, the Labor Law, the Labor Contract Law, the Regulations on the Employment of Persons with Disabilities, The Civil Code of the People's Republic of China, and other relevant laws and regulations, we have formulated and promulgated the "ZJLD Group Policy on Respect, Diversity, Equality, and Inclusion". This policy applies to all employees of the Group and all business partners including suppliers, contractors and distributors. We commit to strictly complying with the United Nations' Universal Declaration of Human Rights, the Convention on the Elimination of All Forms of Discrimination Against Women, and the ILO Convention on Discrimination (Employment and Occupation). We uphold human rights standards, explicitly prohibit any discrimination, harassment and human rights violations, and adopt zero tolerance for forced labor, human trafficking, child labor, and detention of identity documents. We adhere to the principles of equal employment and equal pay for equal work. The Policy clarifies the whole-process control procedures from background checks, incident reporting to issue handling, and incorporates relevant topics into mandatory annual training for all employees to effectively safeguard the basic human rights of all employees, business partners and other stakeholders.

In addition, the Group has formulated and implemented the "Board Diversity Policy" to further refine its diverse governance system, which stipulates that when selecting board candidates, a comprehensive range of diversity factors including gender, age, cultural and educational background, professional experience, skills, knowledge, and tenure must be considered. Besides, the Group actively creates conditions to increase the proportion of female members and those from diverse ethnic backgrounds, striving to promote gender equality and diversified backgrounds in the Board, thereby enhancing the scientific nature, comprehensiveness, and foresight of Board's decision-making.

Management Actions and Implementation Measures

Respect for Human Rights

The Group integrates human rights protection into its daily operations and management. The "ZJLD Group Policy on Respect, Diversity, Equality, and Inclusion." outlines provisions related to human rights protection, resolutely prohibits illegal acts such as forced labor, restrictions on personal freedom, human trafficking, child labor, and detention of identity documents. The policy also guarantees all employees' rights to statutory rest, leave and labor remuneration according to relevant law. In the recruitment and onboarding process, strict identity document verification is implemented to check employees' age and identity information, preventing the risk of child labor employment and adhering to human rights protection.

The Group effectively safeguards all employees' rights to collective bargaining and freedom of association. We actively support unions in carrying out their work in accordance with the law, fully utilizing the union's role as a bridge and links to facilitate channels for employees to express their concerns, represent and safeguard their legitimate rights and interests, and build harmonious, stable, mutually beneficial labor-management relations, thereby uniting efforts for the Group's development.

Meanwhile, the Group maintains a routine approach to human rights protection, organizing comprehensive human rights due diligence annually, establishes a closed-loop mechanism of daily monitoring, regular review and continuous improvement, and evaluates the implementation progress of the human rights protection action plan. The scope of due diligence fully covers all employees within the Group's operational scope, female employees, minors, residents, migrant workers, as well as third-party employees, local communities and contractors. It focuses on reviewing core issues such as forced labor, human trafficking, child labor, the right of freedom of association and collective bargaining, equal pay for equal work, and anti-discrimination. For potential human rights risks identified in the due diligence, the Group promptly formulates targeted rectification plans, clarifies responsible parties, specific measures, implementation timelines and expected objectives, and continuously mitigates various human rights risks through regular follow-up and supervision. In 2025, no human rights violations occurred in any operating entities or relevant contractors of the Group.

In addition, the Group firmly opposes all forms of harassment and has already established and constantly improved the robust reporting mechanism for such incidents. Dedicated public reporting email addresses and hotlines have been set up to encourage employees to promptly report or file anonymous complaints when they experience or witness harassment. The Group strictly commits to protecting the privacy of whistleblowers, ensuring that harassment is addressed promptly and maintaining a safe and respectful workplace environment.

Equal Employment

The Group is committed to building a diverse, inclusive and equal employment workplace. In all aspects of talent selection, development, appointment and incentives, we maintain a zero-tolerance policy towards any form of employment discrimination. Besides, we do not discriminate against, exclude or grant special treatment to any applicants or employees on the grounds of their gender, age, ethnicity, marital status, nationality, race or religious belief, effectively protecting the equal employment rights of all parties. We have formulated the "Recruitment Fairness Management Guidelines", which explicitly prohibits employment discrimination and standardizes the recruitment procedures. All job postings are simultaneously published on the company's official website, legitimate recruitment platforms, and internal bulletin boards to ensure transparency, openness, fairness, and impartiality in the hiring process, accepting supervision from all employees and society.

We place high importance on the employment and development of veterans. We actively establish long-term cooperative mechanisms with veterans' affairs organizations, set up dedicated recruitment channels for veterans, and provide targeted on-the-job training to help them quickly integrate into the new working environment, master job skills, and achieve career transition. In this way, we earnestly fulfill corporate social responsibility to support the military and their families and assist veterans in finding employment.

To ensure diversity and compliance with the recruitment procedures, the Group has specially established a recruitment diversity supervision team, which conducts comprehensive reviews of the recruitment procedures and recruitment results regularly, and promptly investigates and rectifies potential problems. In 2025, the team carried out 6 recruitment compliance inspections and rectified 3 types of problems, effectively preventing various employment discrimination risks and ensuring the effective implementation of the equal employment policy.

Case

Zhenjiu — Diverse Recruitment

Zhenjiu has deeply integrated the principles of equality and diversity into every stage of its recruitment process. Considering the ethnic characteristics of Guizhou and corporate development needs, we have implemented multiple measures to promote diversified employment environment, supporting local talent development and boosting employment and income. On the one hand, for ethnic minority groups in Guizhou such as the Miao and Buyi, we specially set up "ethnic cultural heritage positions", which successfully recruited 5 ethnic minority cultural specialists in 2025, promoting the in-depth integration of traditional brewing culture and ethnic minority cultures, and realizing win-win situation for both ethnic cultural inheritance and corporate development. On the other hand, Zhenjiu actively cooperates with vocational schools from ethnic minority areas in Guizhou province, innovatively implementing the "targeted talent training" cooperation model. The company has specifically recruited 43 ethnic minority technical trainees, designing bespoke specialized skills training programs to focus on enhancing their professional skills in baijiu making. This initiative helps ethnic minority trainees acquire specialized skills and secure stable employment.

In addition, Zhenjiu adheres to the principle of "prioritizing recruitment of local talents". Among the new joiners in 2025, 75% are from Guizhou province, of which 52% are from Zunyi city, effectively helping increase local employment and income growth, driving regional talent development, demonstrating the company's commitment to the local community.

Women's Rights and Development

The Group attaches great importance to the protection of female employees' rights, implements the concept of gender equality in all aspects of talent management, strives to break gender barriers, and builds a fair competition and comprehensive development career platform for female employees. In 2025, women accounted for 19.0% of the Group's management team, with women comprising 11.9% of senior management. Meanwhile, the Group strictly implements the principle of equal pay for equal work. In 2025, we conducted a dedicated annual gender pay equity review to comprehensively examine compensation distribution across all positions, ensuring that employees in equivalent roles with same performance receive equal pay regardless of gender, effectively safeguarding the compensation rights of female employees and enhancing their sense of fulfillment, happiness, and belonging.

At the same time, we place high importance on the health and well-being of our female employees and have established a comprehensive care and protection system to safeguard their physical and mental health. The Group provides all female employees with special disease commercial insurance and regularly organizes free screenings for 2 types of cancer. The labor protection system for women during the 4 specific physiological periods is strictly enforced, along with related supportive measures. In addition, we regularly organize special lectures on women's mental health, inviting professionals to disseminate mental health knowledge and provide psychological counseling services, ensuring holistic care for our female employees.

In March 2025, Lidu held the International Women's Day activity named "Ingenuity Taste, Fan Charm", which included parts of innovative fan painting, flower arrangement, Baijiu tasting to enrich female employees' life, also fully demonstrated the company's humanistic care and attention to female employees. In the same month, Xiangjiao held a special lecture "Women's Mental Health and Legal Awareness", with more than 60 female employees attending on site. This event further enhanced female employees' awareness of mental health and legal rights protection, conveying humanistic care and improving employees' sense of belonging.



Women's Day Themed Activities

Seminar on Women's Mental Health and Legal Awareness

Case

Zhenjiu Packaging Workshop - "Zunyi City International Women's Day - Red Flag Group"

Team 1 from the packaging workshop of Zhenjiu has 60 members, 52 of whom are female employees, accounting for 87%. From January to December 2025, Packaging Team 1 completed 810,000 packaging tasks, accounting for 27.9% of the total tasks of the packaging workshop, with a product quality pass rate of 100%, completing the annual production tasks with quality and quantity guaranteed.

On March 5, 2025, Zhenjiu labor union organized female employees in the packaging workshop to participate in the International Women's Day activity held by the Women's Federation of Huichuan District, Zunyi City. Packaging Team 1 demonstrated professional skills on site and won the title of "Zunyi City International Women's Day-Red Flag Group", reflecting the spirit of Zhenjiu female employees. Through their meticulous, resilient and collaborative spirit, they have worked tirelessly on the packaging production line, achieving the goals of product quality compliance and safe, efficient and orderly production. Their outstanding achievements have made them a vital force driving the development of Zhenjiu.



Zhenjiu Packaging Team 1 Awarded the Title of "Zunyi City International Women's Day—Red Flag Group"

Furthermore, we are committed to breaking down gender barriers in the traditional baijiu industry. Through a series of training programs for female employees, we are creating a fair, transparent, and opportunity-rich environment for professional growth. Each distillery has established specialized training programs for female blending master's and traditional Qu-making masters, providing one-on-one guidance from professional mentors to systematically enhance their professional skills, helping them overcome career bottlenecks and achieve professional growth.



Internal Training for Female Employees

To enhance the marketing capabilities of its female staff, Zhenjiu has organized specialized sales training for a total of 803 female sales staff to enhance their marketing capabilities. The training focuses on core topics such as negotiation and client communication, aiming to improve professional skills and broaden career development pathways. Xiangjiao has implemented a mentorship program led by female leaders, assigning experienced female team leaders to serve as mentors for new female employees. Within 180 days, new joiners need to complete multiple training modules—including pre-probationary on-the-job training, job familiarization, system operation training, brand culture orientation, client visits, client profiling, tasting sessions, product policy exams, and business simulation exercises, which could help new female employees quickly integrate into the team, adapt to job requirements, and build a solid foundation for their career development.



Female Leaders Mentors

Case

Zhenjiu: Craftsmanship Heritage and Women's Empowerment—Zhao Cuimei's Career Journey

Zhao Cuimei, a baijiu designer of Zhenjiu, joined Zhenjiu after graduating from university in 2021. Since joining the company, with her persistent pursuit of distilling skills and support from systematic skill training and mentor mode in the company, she has earnestly studied and accumulated practical experience, growing from an ordinary operator to a technical backbone and has successively won honors such as "Guizhou Provincial Baijiu Industry Technical Expert" and "Excellence Award in the First National Baijiu Designer Vocational Skills Competition". With her exquisite skills, not only did she win champion of baijiu blending in the 2nd Guizhou Provincial Staff Vocational Skills Competition in 2024 but also won second place in 2025 National Baijiu Taster Competition, achieving a career leap from a technical worker to an industry expert. This is not only the fruitful achievement of Zhao Cuimei in person, but a vivid example of Zhenjiu's concept of gender equality and support for women's career development.



Champion of Guizhou Provincial Staff Vocational Skills Competition

Quantitative Indicators and Performance

Category	2025
Total number of full-time employees by gender (Male)	7,598
Total number of full-time employees by gender (Female)	2,767
Total number of employees by employment type (Full-time)	3,027
Total number of employees by employment type (Temporary)	6,611
Total number of full-time employees by age group (Under 30)	727
Total number of full-time employees by age group (30-50)	8,594
Total number of full-time employees by age group (Over 50)	1,771
Total number of full-time employees by region (From provinces where we operate))	10,365
Total number of employees by region (Not from provinces where we operate)	3
Employee turnover rate by gender (Male)	11.80%
Employee turnover rate by gender (Female)	20.03%
Percentage of women in management positions	19.02%
Percentage of women in senior management positions	11.89%
Percentage women in R&D and engineering positions	35.69%
Percentage of Employees from Ethnic Minority Groups	4.71%

Employee Rights and Benefits

ZJLD Group has always regarded the protection of employee rights and interests as the dual cornerstone of corporate humanistic value and sustainable business development. Employees are the core assets of corporate development. We have long upheld the values of "respecting employees' value and cherishing employees' dedication". A comprehensive rights and benefits system can not only enhance the enterprise's attractiveness to outstanding talents and enhance internal cohesion, but also effectively improve employees' work enthusiasm and sense of belonging.

Management Policies and Systems

We have established comprehensive human resources management systems and policies to ensure compliance with applicable Chinese laws and regulations, including the Labor Law of the People's Republic of China, Labor Contract Law, and others, covering recruitment, promotion, dismissal, compensation, working hours, leave, and benefits.

Management Actions and Implementation Measures

Employee Benefits

The Group strictly complies with national relevant laws and regulations by enrolling all employees in basic pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing fund for all employees, and fully implements statutory leave rights such as annual leave, sick leave, maternity leave, nursing leave, marriage leave, funeral leave and parental leave, protecting employees' basic labor rights.

In addition, the Group integrates the concept of respecting and protecting employees' rights into the human resource management system, establishing a compensation system that ensures a decent standard of living, scientifically setting working hour system and overtime limits, actively reducing unnecessary overtime through production optimization, strictly implementing the gender-equal salary principle to ensure salary fairness, fully implementing the paid annual leave system to protect employees' rest rights, and, in cases of organizational restructuring, strictly fulfilling employment commitments—including employee consultation procedures and statutory notification obligations—to establish a solid institutional foundation for protecting employees' legitimate rights and interests.

On the basis of statutory benefits, the Group has built a diversified benefit matrix covering multiple dimensions of employees' lives: providing daily welfare benefits such as housing allowance, transportation allowance, communication allowance, vehicle allowance and phone bill allowance; setting up special talent allowance, high-temperature allowance and disability allowance for special talents, high-temperature operators and disabled employees; providing care at important moments of employees' lives, including housing purchase subsidies, newborn gifts, birthday banquets and retirement condolences. Meanwhile, we fully support employees in working conditions and family benefits, extending the scope of welfare care: providing rental allowance for employees from out of town; providing college entrance examination travel benefits for employees' children; humanely arranging work locations and assigning jobs nearby; implementing flexible working hours for applicable positions such as sales departments and allowing employees to work from home.

In response to feedback from the employee satisfaction survey, the Group optimized the food and service quality of the staff canteen, improved the dining experience by using healthy and fresh ingredients, raising meal standards and implementing buffet meals, and continuously collected employees' opinions. In addition, the company renovated idle buildings into staff dormitories, equipped with air conditioners, washing machines, bathrooms, leisure areas and living and entertainment facilities, comprehensively upgrading the quality of life and enabling employees from out of town to "move in with just a suitcase".



Employee Dormitory Upgrades



Employee Birthday Celebrations

Humanistic Care

The Group integrates the philosophy of diversity, equality and inclusion into the "people-oriented" talent strategy. We pay attention to the career development, health and well-being of female employees and special and disadvantaged groups and create a warm and inclusive workplace tailored to the diverse needs of these communities.

We remain committed to supporting employees in financial difficulty and retired employees. In 2025, the Group provided support and assistance to a total of 187 employees in need. Meanwhile, leaders at each distillery regularly visited and extended care to families of employees in difficulty and retired employees, learned about their current circumstances and challenges and offered help to the best of their ability. In addition, we regularly organize symposiums and return visits to the factory for retired employees, holding exchange activities for retired veteran employees. This is not only an expression of gratitude and respect for the hard work of the older generation of baijiu makers, but also a way to inherit and carry forward the Group's craftsmanship spirit and inspire the new generation of ZJLD people to forge ahead.



Mid-Autumn Festival Greetings and Blessings

Physical and Mental Health

We prioritize investment in our employees' physical and mental well-being. The Group regularly host lectures on work stress management and health themes, mental health training and other initiatives to strengthen health awareness among all staff. Annual health examinations are arranged to enable early detection and early intervention of health issues. To enrich employees' leisure time and enhance team cohesion, the Group regularly organizes diverse cultural and sports activities, including sports tournaments, speech contests, and team-building trips such as group travel. These initiatives foster a positive, collaborative corporate culture and improve employee well-being.

In 2025, Zhenjiu organized a series of lectures and training about mental health topics through the ZJLD Cloud Academy. A mental health consultation hotline was opened to provide employees with high-quality and convenient mental health services. The 13th Employee Games were also organized, covering basketball, football, badminton, table tennis, rope skipping, tug-of-war and fun sports activities, attracting the active participation of many employees.



Zhenjiu Singing Competition

Zhenjiu Soccer Tournament

Zhenjiu Chess Tournament

In March 2025, Xiangjiao launched the "Health Care and Wisdom Empowerment" activity, providing blood pressure monitoring for employees, publicizing health knowledge and popularizing the use of health mini apps, serving nearly 100 employees in total. In May, Xiangjiao organized the first ball games, integrating health management and team cooperation into employees' daily lives.



Employee Mental Health Training



Xiangjiao Ball Games



Model Workers and Advanced Collective Awards

Employee Communication and Satisfaction

The Group has established a diversified and transparent employee communication system to ensure that employee concerns can be promptly identified and responded. Each business department listens comprehensively to employee feedback through multiple channels, including the CEO Mailbox, employee interviews, life-sharing sessions, and weekly frontline meetings. QR codes directly linking to mailbox addresses are publicly displayed in all departments office and CEO office. Employees could scan the code and submit feedback and suggestions directly, thereby breaking down communication barriers between employees and management team. We continuously follow up on the results of the previous year's employee satisfaction survey and fully implement improvement plans as required. In 2025, we conducted the 2025 Annual Employee Satisfaction Survey covering all employees among the Group Headquarters and the three distilleries. The response rate reached 91.85%, and 85.97% of respondents rated their overall satisfaction as "satisfied" or higher.

Lidu holds democratic life meetings within one week after the end of each monthly performance cycle to review the achievement of monthly key tasks, employee work status, and team collaboration. Xiangjiao publicly discloses the email address of the first responsible officer and sets up employee communication hotlines, while members of the management committee take charge of and receive one-on-one employee feedback and communication. Departments and markets also organize morning meetings, weekly meetings and monthly meetings in various forms, creating an open and positive communication environment for employees.

We collect employee feedback on topics such as strategic alignment, cultural fitness, work experience, goal perception and stress management. In May, Xiangjiao held a three-day senior management exchange meeting and team-building activity. For dimensions where employee satisfaction was relatively low, detailed improvement plans were formulated, and heads of departments were required to conduct in-depth follow-up, making every effort to promote implementation and continuously improve employees' sense of belonging and satisfaction.



Mid-to-Senior Management Exchange

◇ Performance Appraisal and remuneration

The Group's employee remuneration system comprises three components: basic salary, performance-related bonus and special allowances. We continue to refine the performance assessment management system and comprehensively assess staff performance based on the principles of objectivity and fairness, with the results serving as the primary basis for salary payments, promotions and annual awards.

In terms of performance management, the Group has established and implemented a "monthly and annual" performance management mechanism, covering employees at all grades and positions, ensuring that assessment process is scientific, fair and standardized. Differentiated assessment methods are applied to employees in different positions and grades to ensure that 'those who perform well are rewarded accordingly, thereby fully unleashing individual potential and continuously enhancing organizational vitality. Employees' annual performance goals and plans are jointly discussed and formulated by their line managers and employees themselves and confirmed by signature. Each department is responsible for conducting monthly assessments and reviewing progress against monthly targets and tasks. Annual assessments are coordinated by each distillery, providing a comprehensive evaluation of the achievement of annual targets and key initiatives.

We place great emphasis on performance feedback and staff development and have implemented a "face-to-face" performance review mechanism. Supervisors are required to engage in in-depth discussions with staff regarding their appraisal results, fully acknowledging their achievements whilst highlighting areas for improvement, and jointly devising targeted improvement plans. Appraisal results must be signed and confirmed by the employee to ensure that the feedback is effectively implemented. At the same time, the HR department centrally collates and publishes the principles and methods of the annual appraisal process, entering all appraisal data into the HR management system. Employees are allowed to view their appraisal results at any time. If employees have objections to an assessment, they may submit an appeal according to the procedure, thereby effectively safeguarding openness and transparency in the assessment process and ensuring the standardized application of appraisal outcomes.

🕒 Quantitative Indicators and Performance

	2024	2025
Employee satisfaction survey response rate (%)	93%	92%
Percentage of employees rating as satisfied	68%	86%

🕒 Targets and Commitments

ZJLD Group has long upheld the value of "respecting the worth of our employees and cherishing their dedication". In our operational philosophy, employee welfare always occupies a core position. Employees' recognition is the driving force behind our work. The Group has set targets for a response rate of not less than 90% for the 2026 annual employee satisfaction survey, an employee satisfaction rate of not less than 85%, and an internal job-promotion rate of not less than 50%. We will analyze the previous year's employee satisfaction survey results and implement targeted improvement measures, with the HRs Department compiling the survey report.

Employee Training and Development

The Group's sustained and steady development is rooted in the hard work and dedication of all ZJLD employees. ZJLD places great emphasis on talent development, treating talent management as the cornerstone of the Group's high-quality development. We have established a comprehensive talent management system covering the entire process of selection, appraisal, training and development, effectively safeguarding employees' career development rights and interests, and laying a solid talent foundation for the Group's sustainable development.

🕒 Governance Structure and Division of Responsibilities

The Group has established a talent management governance system characterized by clear delineation of powers and responsibilities and a well-defined hierarchy. The ESG Management Committee, established under the Board of Directors, and the relevant departments of the distilleries are specifically responsible for employee development and training management. In particular, the ESG Management Committee is charge of coordinating the overall strategic direction of the Group's talent management, supervising and guiding the talent management work of each distillery, and ensuring that ESG principles are integrated into the entire talent development process. The General Managers and Human Resources Departments of each distillery are responsible for formulating and implementing annual employee development and training plans, as well as assessment systems. They also track and monitor progress towards annual training targets to ensure that talent development initiatives are implemented in an orderly and effective manner.

🕒 Management Policies and Systems

To standardize talent management practices, the Group has issued documents such as the ZJLD Human Resources Management Policy, establishing a systematic and comprehensive talent training and career development framework. This framework covers every stage of the process, including talent selection, performance appraisal, onboard training for new-hires, leadership training, professional skills development, and regular quarterly and annual training sessions. It clearly defines the standards and requirements for each stage, providing a solid institutional foundation for employees' career development and promoting the standardization, systematization and sustainable development of talent management.

🕒 Management Actions and Implementation Measures

◇ Talent Selection and Assessment

The Group adheres to a balanced approach of "attracting, developing and retaining talent", focusing on high-caliber candidates who align with the Group's development needs. We have established a diversified recruitment system that integrates online and offline channels and fosters internal and external recruitment. Concurrently, the Group has refined its employee referral incentive scheme to further broaden talent acquisition channels and enhance the quality and efficiency of recruitment.

In 2025, the Group actively promoted employer branding and continued to optimize the candidate interview experience. A total of **827** new employees were recruited, with **639** hired internally, filling **67%** of vacant positions and effectively optimizing the talent pool structure.

Among these initiatives, Zhenjiu established a digital management system covering the entire recruitment process, enabling online resume screening, interview scheduling and offer issuance, thereby significantly enhancing the efficiency of recruitment. Furthermore, the company provided travel allowances and accommodation arrangements for candidates travelling from other areas and strictly implemented a mechanism to provide interview feedback within three working days, achieving a candidate satisfaction rate of 92%.

Lidu leveraged university-enterprise partnership to conduct campus recruitment, specifically recruiting management trainees to precisely match the company's talent needs; at the same time, it strengthened its internal talent referral mechanism, successfully onboarding over 50 people in 2025 through referrals from internal staff and distributors.

Furthermore, the Group continues to advance its strategy of integrating industry and education, precisely nurturing specialized talent through university-enterprise partnerships. In September 2025, the Group entered a partnership with Fuyao University of Science and Technology. Leveraging their respective strengths, the two parties will engage in multi-dimensional cooperation in areas such as talent development, scientific research and industrial transformation, working together to promote innovation and development within the baijiu industry. Concurrently, Zhenjiu and Lidu have established long-term research collaboration and talent development mechanisms with universities including Jiangnan University, Tianjin University of Science and Technology, Jiangxi University of Finance and Economics, and Jiangxi Agricultural University. These partnerships focus on cultivating elite talent in fields such as distilling research and corporate management, thereby supporting product upgrades and process innovation.

Case A New Model of Industry-Education Collaboration-Lidu Distillery's Brewing Industry College

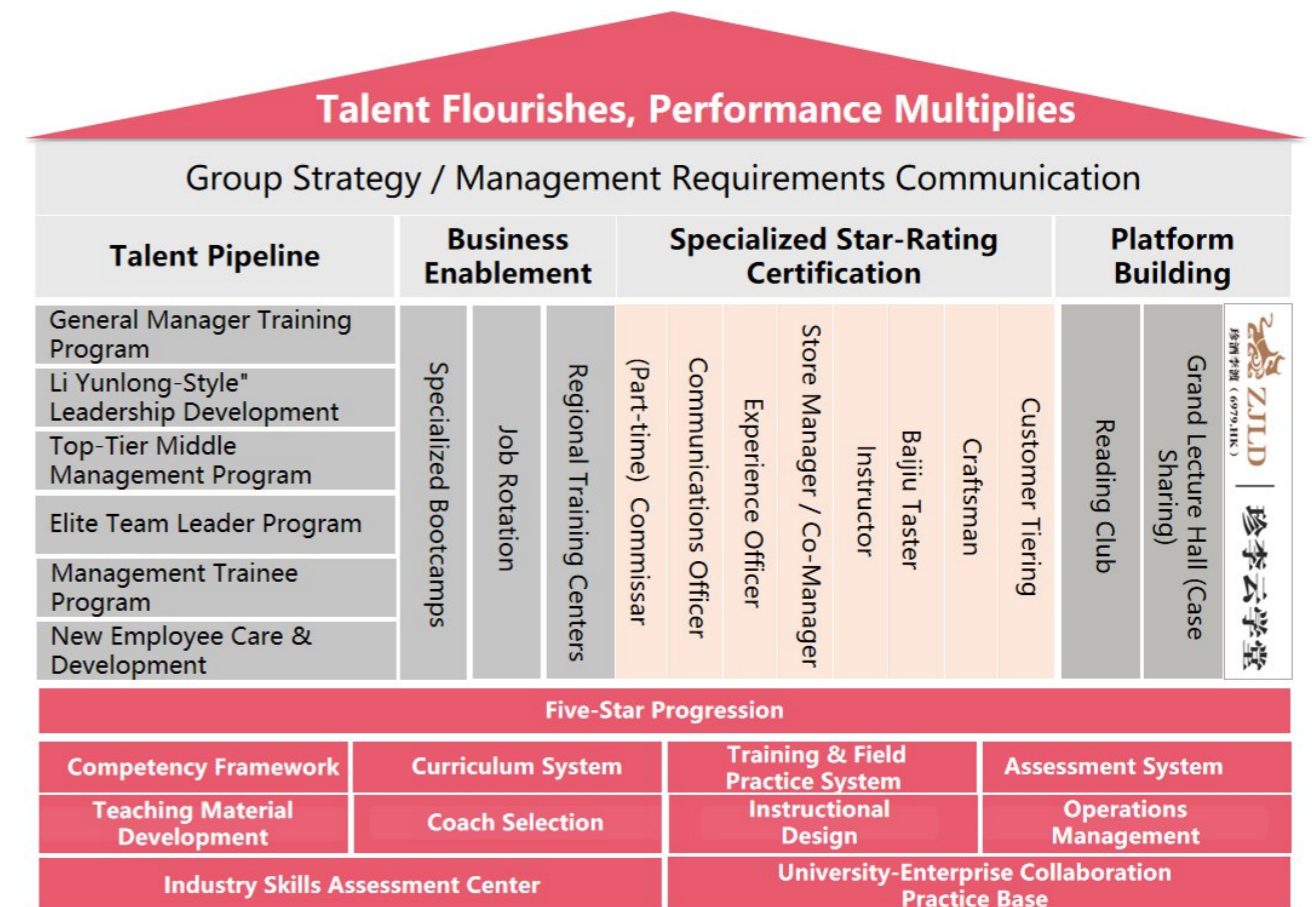
On March 11, 2025, Lidu and Jiangxi Vocational College of Biotechnology jointly founded Jiangxi's first Brewing Industry Academy—the Lidu Brewing Industry Academy—to drive the practical implementation of industry-education integration and explore new models for talent development. The Academy implements a "joint school-enterprise management" and "modern apprenticeship" model, with courses delivered jointly by university lecturers, the company's experienced distillers and inheritors of intangible cultural heritage inheritors. Training focuses on areas such as distilling techniques, spirit formulation, baijiu tasting and production management. Students spend at least one month each year working on the production floor of the distillery to gain practical experience, ensuring a precise alignment between the university's talent development and the company's recruitment need. Furthermore, the college selects outstanding students to form the "Lidu Distillery Elite Class", tailoring clear and efficient career development pathways for young talents and injecting fresh vitality into the Group's workforce.



Employee Training System

The Group regards talent development as a core strategic priority. Guided by the vision of "establishing a strategic-level talent development base", we have established a systematic training framework covering all employees across their entire career lifecycle. Through a blended approach combining online and offline methods, we provide employees with comprehensive opportunities for growth.

The system comprises four key pillars: talent pipelines, business empowerment, star-rating certification and platform development. Training categories include induction programs for new employees, leadership training for middle and senior management, general skills training and specialist skills development. Upon joining the company, every new employee undergoes pre-employment training that combines a mentor-apprentice system with coaching, helping them adapt and develop rapidly. We have established tiered boot camps tailored to different levels of employees, using a variety of specialized courses to strengthen our multi-tiered talent pipeline. Centered on the two key themes of marketing management and production management, we run star-rating skills certification programs to empower business operations and enhance the professional capabilities of staff in specific roles. At the same time, we are continuously refining our two major online learning platforms, the Zhenli Cloud Academy and the National Treasure Lecture Hall. By utilizing both internal and external training resources, we help employees continually expand their knowledge base, fostering a "learning organization" that injects long-term momentum into both employee development and the company's sustainable growth.



Leadership Training

The Group is committed to cultivating versatile management talent with the caliber of a helmsman. We have launched leadership development programs such as the "General's Camp" and "Commander's Camp" for senior executives across the company and its subsidiaries, supporting the company's sustained development. The curriculum spans topics including strategy and decision-making, organizational development and human resources, financial management, advanced project management, and ESG training. Leveraging a diverse array of methodologies—such as experiential learning, benchmarking visits to leading enterprises, sponsored training, overseas assignments, university-industry collaborations, and action learning, the programs integrate internal senior executive instructors with external industry experts. Through five key stages—classroom study, mentor guidance, practical project work, online assessment and final presentation, the Group systematically hones the management team's capabilities, professional competence and strategic vision. In addition, ZJLD selects outstanding executives to participate in executive development programs such as the President's EMBA and Condensed EMBA, thereby enhancing management capabilities through external training.



Leadership Training

Talent Retention and Development

The continuous and effective attraction, development and retention of key talent is a crucial measure for driving the Group's high-quality and sustainable growth. The Group implements a dual-track promotion system comprising management and technical specialization streams. It actively applies for autonomous certification of vocational skill levels for roles such as Baijiu tasters, master brewers and baijiu distillers, ensuring that technical specialists can achieve corresponding rank promotions, salary increases and professional recognition through skill advancement. This breaks down career barriers, guaranteeing that both technical and managerial talent have clear career progression pathways and development opportunities.

Lidu thoroughly implements the talent philosophy of "retaining talent through development", creating a full-career-cycle training program for employees. Through targeted training initiatives—including management trainee programs, "Strike Force" development, "Junior Commander", "First-Class Middle Management" development, "Experience Officer" and "Ambassador" certification, the "National Treasure Lecture Series", and "National Treasure Artisan"—the program covers employees across different roles and specializations, helping them grow rapidly and realize their personal value.

Case

Five-Star Progression

To strengthen the Group's talent pool and unlock employees' growth potential, the Group has innovatively established and continuously refined the "Five-Star Assessment" development mechanism. Centered on open, competitive internal recruitment approach for all roles, this mechanism features a comprehensive evaluation system encompassing theoretical knowledge tests, competitive presentations, 360-degree multi-dimensional assessments and performance reviews, holistically assessing employees' professional competencies, overall capabilities, and future potential. Employees who successfully pass this rigorous evaluation are given priority placement in the Group's high-potential talent pool and granted accelerated career advancement opportunities. By providing clear, structured career pathways, the mechanism energizes the entire workforce and lays a solid foundation of talent for the Group's stable and sustainable long-term development.



Case

Reserve Talent Forum

The Group has established a regular communication channel between mid-to-senior-level managers and high-potential talent from frontline production roles. It periodically organizes face-to-face dialogues between senior leaders and emerging talents from key departments—including Qu-making, brewing, quality control, R&D, and liquor blending.

During these forums, the management emphasizes its talent development strategy, gains in-depth insights into participants' workplace experiences, personal well-being, and career aspirations, and actively listens to their suggestions and feedback. Managers also provide tailored career development guidance to help these high-potential individuals clarify their growth paths and enhance their professional capabilities. This initiative not only empowers frontline technical specialists but also continuously strengthens the Group's talent pipeline and succession planning.



Reserve Talent Forum

Quantitative Indicators and Performance

Indicator	2025
Percentage of employees trained (Male)	100%
Percentage of employees trained (Female)	100%
Percentage of employees trained (Below managerial level)	100%
Percentage of employees trained (Managerial level and above)	100%
Average training hours per employee (Male)	45
Average training hours per employee (Female)	67
Average training hours per employee (Below managerial level)	46
Average training hours per employee (Managerial level and above)	114
Training expenditures (RMB million)	14.5

Targets and Commitments

We have always regarded talent as the core driver of enterprise growth. To continuously advance talent development and enhance employees' professional competencies, we have set an annual training target for 2026: a minimum of 40 training hours per employee and per manager. Through a multifaceted empowerment approach, including ongoing skills training, on-the-job experiential learning, and mentorship programs—we aim to unlock internal talent potential and build a stable, resilient talent pipeline. Further reaffirming our people-centered governance philosophy, ZJLD makes the following solemn commitment:

We will persistently establish multiple, parallel career pathways—spanning management, technical, and skilled tracks—and refine a tiered, category-specific talent development system. By 2030, we aim to achieve an internal promotion rate of 75%¹¹ across all positions. The Group will provide employees with a fair and transparent promotion mechanism that serves as a robust platform for professional growth, fostering a stronger sense of belonging and career fulfillment. In doing so, we honor our responsibility to support employee development and harness talent-driven momentum to power the Group's long-term, sustainable success.

¹¹ Internal promotion rate: Calculated as the number of internal promotions divided by the sum of the number of internal promotions and the number of non-entry-level hires

Giving Back to Society

Cultural Heritage

As an important carrier of Chinese civilization, baijiu has been deeply integrated with poetry, art and other cultural expressions over thousands of years. Against the backdrop of a perceptual gap among some younger consumers, the Group has used diverse cultural activities as a bridge to promote the coexistence of traditional craftsmanship and modern brands, deeply integrating intangible baijiu brewing heritage with historical context and exploring a path for passing on Chinese baijiu culture that combines experience with innovation.

Management Actions and Implementation Measures

World Heritage Nomination Cultural Festival

From March to May 2025, under the campaign theme "Trendy Carnival, Spend Your Weekends in Lidu — Cultural Season in Support of the World Heritage Nomination", Lidu launched a series of nomination-themed activities, including "Dragon Awakening on the Second Day of the Second Lunar Month" and the "National Treasure Carnival". Centered on the dual heritage assets of the Yuan-dynasty distilling workshop ruins and the Tang-dynasty Hongzhou Kiln ruins, and supported by a wide range of cultural activities, the program attracted nearly 20,000 visitors. Guests were able to experience Yuan-dynasty ancient cellars, traditional brewing techniques and century-old baijiu cellars, as if stepping into a live archaeological site. The dual heritage sites from the Yuan and Tang dynasties provide compelling archaeological evidence of the long history of brewing in Lidu Town, linking together ancient vessels, ancient kilns and ancient cellars to trace the development of baijiu culture across different eras and vividly illustrating a millennium-spanning picture of the symbiosis of ceramics and baijiu.

During the event, Lidu opened the Tang-dynasty Hongzhou Kiln ruins and transformed archaeological discoveries into immersive cultural experiences, including guided site visits, participation in a millennium-old baijiu ritual, reenactments of a Northern Song imperial wedding, tastings of spirits recreated from a Western Han distiller, and the sealing ceremony for commemorative "Dragon and Phoenix in Harmony" jars. The event also featured a cask-sealing ceremony, with 5% of sales revenue from sealed jars directed to the "My University Dream" education support fund. In addition, online participation channels spanning 16 provinces, autonomous regions and municipalities were introduced, and Lidu partnered with 100 Zhiweixuan (brand experience center) nationwide to create "sub-venues", thereby broadening the reach of cultural communication around the World Heritage nomination.



Cultural Season in Support of the World Heritage Nomination

The Second Heritage Cultural Festival

On August 30, 2025, Lidu held the "second World Heritage Nomination Cultural Festival" under the theme "Ceramics and Baijiu in Symbiosis, Opening the First Batch of Cellars, Bringing Blessings to Thousands of Homes". On the opening day, the first batch of cellar owners was welcomed with the first liquor drawn in 2025. CEO Tang Xiangyang inaugurated the "First Lecture of Lidu's Millennial Ancient Town", and through the Lidu Banquet offered an in-depth recreation of the food and drinking culture of the Tang, Song, Yuan, Ming and Qing dynasties, enhancing the richness and appeal of the experience. On the same day, one hundred cellars were opened simultaneously, and the Yuan-dynasty ancient cellar complex and the Tang-dynasty Hongzhou Kiln ruins were jointly opened to the public, showcasing the distinctive appeal of "living heritage" and creating scenario-based tasting experiences that used historical depth to shape a premium baijiu cultural narrative.



Second World Heritage Nomination Cultural Festival

During the Second World Heritage Nomination Cultural Festival in August 2025, Lidu planned and presented the themed immersive performance "Ceramics and Baijiu in Symbiosis, A Heritage Passed Down for a Thousand Years". The performance integrated three strands of heritage—the living brewing practices of Yuan—dynasty cellars, the ceramic craftsmanship of the Tang—dynasty Hongzhou Kiln, and the historical legacy of the Haihunhou distiller—transforming 800 years of brewing techniques and archaeological evidence into an experiential cultural setting. Through interactive presentation, it brought to life the rich aroma of baijiu and the thousand-year inheritance of craftsmanship, helping baijiu culture reach a broader audience.



Scenario performance "Lidu Banquet"

Documentary Film Supporting the World Heritage Nomination

In June 2025, ZJLD invited Yao Anna, a young actress and singer from mainland China, to serve as the ambassador for the Chinese baijiu World Heritage nomination campaign and produced a 240-second documentary, "Exploring Zhenjiu's Intangible Cultural Heritage Brewing", documenting the 165 steps of Zhenjiu's brewing process. In the film, Yao Anna experiences the rare water source in the upper reaches of the Chishui River and explores the origins of the centuries-old baijiu heritage. In warehouses stacked high with Hongyingzi sorghum, she learns that only carefully selected premium grains can withstand "nine rounds of steaming without falling apart". In the qu-making workshop, she joins female workers in stepping on the qu bricks and experiences the handmade craft that has been passed down to this day. In the brewing workshop, she follows a second-generation inheritor of Zhenjiu's brewing techniques to learn the airing and cooling process and the art of judging liquor by aroma. In the blending room, confronted with the complex flavor spectrum created by thousands of base liquors, she further appreciates the depth of Zhenjiu's craftsmanship. Through this first-hand exploration, the documentary helped make the Chinese baijiu World Heritage nomination campaign more vivid, tangible and accessible to the public.



Yao Anna Filming the World Heritage Nomination Documentary as Campaign Ambassador

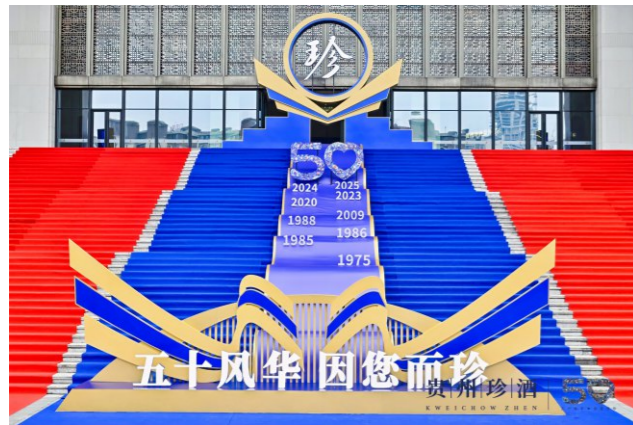
Public Welfare

ZJLD Group has always regarded the fulfilment of social responsibility as a cornerstone of development and a steadfast way of giving back to society. We have worked deeply in areas such as educational philanthropy, rural revitalization, environment protection and ecological development, translating ESG concepts into measurable social contributions through systematic action. In 2025, the Group continued its public welfare activities, with charitable efforts extending from Guizhou and Hunan to Jiangxi province. While further enhancing the brand's international recognition, we also deepened networks of cooperation with government and social organizations to provide sustainable momentum for regional progress.

Management Actions and Implementation Measures

Charity Banquets

In 2025, taking the 50th anniversary of Zhenjiu's founding as an opportunity, Zhenjiu held a series of charity education-support dinners across the country, creating a multi-stakeholder public welfare platform involving government, enterprises and social elites to pool social resources and jointly support charitable education. On February 28, the first charity education-support dinner was held in Zunyi, attended by more than 700 Zhenjiu distributors and representatives from various sectors across the country, raising RMB 340,000 through auction donations. On March 3, the second Zunyi session of the charity education-support dinner was successfully held, with Chairman Wu Xiangdong, partners, supplier representatives and nearly 1,000 participants from all sectors raising RMB 472,000 through auction donations.



Opening of the First Charity Banquet for Zhenjiu's 50th Anniversary



On April 3, Zhenjiu hosted the "Zhenjiu Charity Support, Warmth for Xinhua and Zhenjiu 50th Anniversary Charity Dinner" (the sixth session) in Xinhua, raising nearly RMB 1.4 million, all of which was donated to the Xinhua County Charity Federation for local charitable education-support work. As of now, the 50th anniversary series of charity education-support events has held six sessions across Guangdong, Hunan and Guizhou provinces, raising nearly RMB 5 million in total. In the future, Zhenjiu plans to hold 100 charity education-support events across the country, continue building a national public welfare platform and help more underprivileged students realize their dreams of education.



Sixth Charity Banquet for Zhenjiu's 50th Anniversary

Charity Auction

On December 5, 2025, at the "Winging Jiangxi, perching into the Future" 2025 Alashan SEE Ecological Association annual dinner, the Group contributed a jar of Lidu sealing baijiu bearing the marks of time and craftsmanship to the charity auction, with the full auction proceeds donated to the Alashan SEE Ecological Association. In addition, we transformed this ecological stewardship into an ongoing action mechanism: for every jar of Lidu sealing baijiu subscribed by a consumer, Lidu donates RMB 500 on the consumer's behalf to the Poyang Lake Ecological Foundation, earmarked for the protection of rare species such as migratory birds in Poyang Lake and the Yangtze finless porpoise, as well as their habitats, so that fine baijiu and public welfare resonate together in the present.

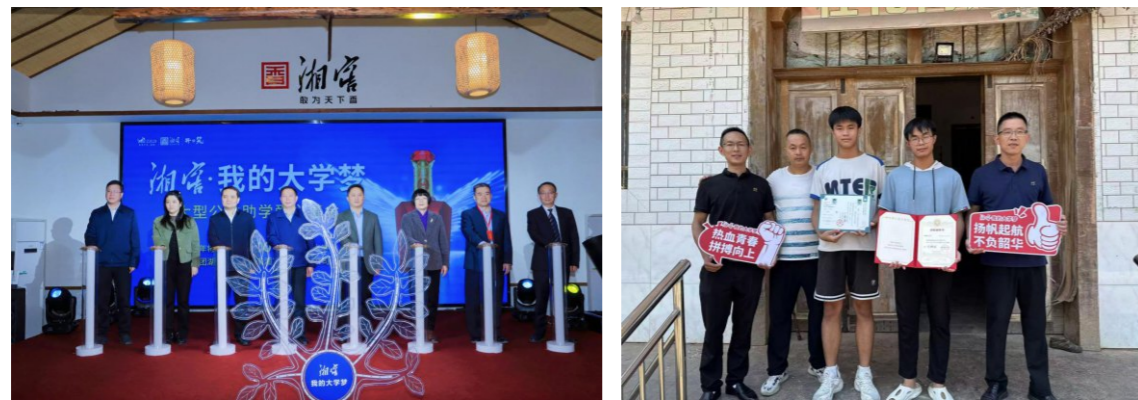


Charity Auction by Lidu and Alxa SEE

◇ Education Support

Special Funds

Xiangjiao continued to operate the "My University Dream" public-welfare education-support fund. In 2025, it donated RMB 5 million to provide grants of RMB 5,000 each to 1,000 students in financial difficulty. To date, Xiangjiao has donated more than RMB 43.5 million in total, lighting the path to higher education for more than 8,500 students from Hunan. At the end of August, the Group held a grant-award ceremony, using a solemn ritual to strengthen the students' sense of mission and promote the "University Dream" public-welfare initiative towards sustainable development from emergency relief to capability building and cultural inheritance.



"My University Dream" Public Welfare Education Fund

As "charitable education support" formed a core agenda of Zhenjiu's 50th anniversary, Zhenjiu has held multiple dedicated events in Guangdong, Hunan, Guizhou and other places, building a nationwide public-welfare education platform. On August 25, 2025, Zhenjiu launched the "Zhenjiu Guangcai Education Support Initiative", working with the Zunyi Guangcai Cause Promotion Association to distribute grants to 100 newly admitted university students from financially disadvantaged but academically outstanding families at Zhenjiu's Shizipu plant in Zunyi.



Zhenjiu Guangcai Education Support Initiative

Special Funds (Cont'd)

In 2025, after the "Xiangjiao Sealing Ceremony" was included in the Municipal Intangible Cultural Heritage List of Shaoyang, Xiangjiao continued to deeply link intangible cultural heritage transmission with public-welfare education support, directing 5% of revenue from sealing baijiu sales into the education-support fund, so that every consumer participating in the sealing ceremony also becomes a participant in public welfare. Xiangjiao continued to carry out the "Xiangjiao · My University Dream" field-visit initiative and received the titles of "Outstanding Contributor to 30 Years of Project Hope" and "Public Welfare Ambassador of the Hope Friends Series of New-Era Project Hope Activities" from the China Youth Development Foundation.



"Sealing Ceremony" Public Welfare Education Support

Lidu's "National Treasure Lidu · My University Dream" public-welfare education-support fund was warmly upgraded in 2025, with total donations of RMB 2 million providing grants of RMB 5,000 each to 400 students in need. The program was jointly launched by Lidu and the Jiangxi Youth Development Foundation in 2022, with a five-year donation plan of RMB 10 million. Since its launch, it has helped 800 financially disadvantaged students from Jiangxi realize their university dreams.

End-to-End Support

In addition to financial assistance, the program has innovatively created a systematic "education support + empowerment" talent development model, providing students with full-cycle support from academic assistance to career exploration. Through the "First Job in Life" public-welfare internship program, Lidu provides valuable practical growth platforms for sponsored students and disadvantaged new students. Selected students undertake practical training in different departments at Lidu Distillery, with positions covering production quality inspection, reception and interpretation, marketing assistance and administrative support. While popularizing and promoting baijiu culture, the program also gives them valuable social identity and initial career awareness. Xiangjiao, meanwhile, involves previously sponsored students in public welfare activities, encouraging them to give back to new students in need with their own educational experience, thereby promoting an upgrade from financial aid to talent cultivation and exploring sustainable pathways for public-welfare development.



"My University Dream" Education Support Activity

"My University Dream" Exclusive Internship Positions

Case

Lidu's 2025 University Entrance Exam Support and Application Guidance Session

During the 2025 Chinese college entrance examination period, Lidu collaborated with local organizations across 11 prefectures in Jiangxi Province to organize teams of "Dream Support Officers", providing compassionate support services for candidates, including the establishment of public welfare exam support centers, charitable transport services and emergency support.

Following the release of exam results, Lidu partnered with the Jiangxi Education Media and Publishing Group and the Jiangxi Daily to host the "Jiangxi Daily College Admissions 2025 University Application Consultation Sessions", covering the cities of Nanchang, Ganzhou and Jiujiang. The event featured a "My University Dream Public Consultation Zone", where experts were invited to provide one-to-one guidance to candidates, reaching over 500,000 candidate households. Concurrently, public tutoring sessions were held, inviting sophomore and junior students to offer advice to prospective students, helping them make a smoother transition into university life.



February: Lidu 2025 University Entrance Exam Support



2025 Gaokao Application Guidance Session

Support for Vulnerable Groups

In 2025, we focused on support for vulnerable groups in society and demonstrated the warmth of people's livelihoods and the responsibility of ZJLD Group through regular and sustained public-welfare actions.

Zhenjiu launched a year-long public-welfare breakfast delivery initiative in Dongguan, providing nutritionally balanced breakfast with a frequency of once per month to local solitary elderly people and grassroots groups in difficulty. During the initiative, a dedicated Zhenjiu public-welfare service team planned meal combinations in advance, balancing nutrition and taste, and conveyed corporate care through warm meals that helped address practical daily living needs among grassroots groups.

On World Autism Awareness Day, colleagues from Zhenjiu's Premium baijiu Business Division formed a volunteer team and visited a rehabilitation institution to see children with autism. Through interactive games, handicrafts and warm-hearted exchanges, the volunteers brought them social care and used compassionate companionship to brighten their growth journey.

From April 15 to 17, Zhenjiu held a volunteer activity at the Changsha Children's Welfare Institute. Volunteers not only brought cash donations, daily necessities, school supplies and educational toys to the children, but also actively participated in daily care, homework tutoring, fun games and interactive Q&A sessions. Zhenjiu volunteers spent three warm days with the children at the welfare institute, creating a growth environment full of warmth, filling emotional gaps and safeguarding children's healthy development through concrete actions.



Volunteer Service at Changsha Children's Welfare Institute

Company-wide Volunteer Service

Under Chairman Wu Xiangdong's call for "everyone to engage in public welfare", Zhenjiu issued a Notice on Conducting All-Staff Social Volunteer Activities, while Xiangjiao issued a Notice on Regularly Organizing Public Welfare Activities for Ecological Protection in the Zijiang River Basin, mobilizing employees to widely participate in volunteer activities and creating a public-welfare atmosphere of "enterprise leadership + employee participation". This year, the Group added three new categories of scenarios - festival-themed care, interaction between persons with and without disabilities, and professional rehabilitation assistance - upgrading from one-off material donations to a composite model of "supplies + companionship + professional services". Activities including water-source protection, blood donation, showing care to sanitation workers, elderly care, care for special groups and care for left-behind children exceeded one hundred sessions in total, continuously integrating social responsibility into the Group's day-to-day operations.

In 2025, Lidu Public Welfare Initiatives carried out activities nationwide: the "In the Name of Love" campaign worked with the "Little Snail Love Support Organization for Children with Cerebral Palsy" to support the rehabilitation journey of children with cerebral palsy and light the stars of hope; the sales department visited the Nanchang Children's Welfare Institute to deliver supplies and warmth; and local employees in Yichun visited the Yichun Children's Welfare Institute to carry out the 2025 autism-care initiative "Lidu Walks with Children in Love".



Rehabilitation Support for Children with Cerebral Palsy



Nanchang Children's Welfare Institute



Yichun Children's Welfare Institute

In 2025, Xiangjiao organized 576 employee volunteers to carry out 23 large-scale activities caring for special groups across Hunan Province, benefiting public welfare institutions and people including mental health patients, solitary elderly people, orphaned and disabled children, and children with dementia and disabilities. Employees also voluntarily raised funds and in-kind donations including daily necessities, food, toys, stationery, and rehabilitation equipment—were voluntarily collected, with a total value exceeding RMB 170,000. The cumulative interaction time between volunteers and recipients surpassed 1,861 hours, providing orphaned and disabled children with their first experiences in activities such as scented sachet making, song and dance interaction, and bringing festive warmth to isolated elderly people through Dragon Boat Festival performances, thereby raising broader social awareness of special groups.

On April 26, 2025, Xiangjiao jointly carried out the "Love and Companionship" public welfare activity with the Meihua Branch of the Third Social Welfare Institute of Changsha and the Changsha Xinyi Mental Rehabilitation Center, aiming to provide practical care and support to homeless people and people with mental disorders. On May 10, 2025, Xiangjiao also visited the First Social Welfare Institute of Changsha to conduct the "Heartwarming Mother's Day • Caring for Children" charity volunteer activity. Additionally, Xiangjiao mobilized over 40 volunteers to visit Shaoyang Social Welfare Institute, where they carried out the "Sunshine Public Welfare: Care and Warmth Together" initiative, preparing "growth gift packs" as well as dedicated picture books and educational toys for more than 70 orphaned and disabled children.



Xiangjiao Welfare Institute Volunteer Service

Xiangjiao public welfare volunteers also visited Changsha Second Social Welfare Institute and Changsha Third Social Welfare Institute, conducting two public welfare activities targeting elderly individuals and children with intellectual or physical impairments. At Changsha Third Social Welfare Institute, they provided "farm-based rehabilitation experience" for residents with mental disabilities to support their recovery. For children with intellectual or physical impairments, they donated rehabilitation equipment and invited the chief physician of the psychological department from Changsha Ninth Hospital to conduct specialized training on "Adolescent Interpersonal Communication" for volunteers, enhancing the professionalism of services. Through these concrete actions, the company bridges generational divides, allowing the humanistic spirit of traditional festivals and the responsibility of modern public welfare to complement each other, continually crafting a warm brand narrative.



Welfare Institute Fieldwork Rehabilitation Experience

On the first day of the 2025 National College Entrance Examination, Xiangjiao launched the disability-inclusion initiative "Send You a Small Red Flower," organizing four previously supported students and 20 volunteers to visit the Hunan Disabled Persons' Federation's disability-inclusion experience center, "Youyou's Shop", where they jointly made small red flowers for public welfare distribution. The activity attracted over a hundred citizens to participate in passing on the small red flowers, promoting emotional connections between disabled and non-disabled communities. During the event, Chen, a hearing-impaired student, expressed in sign language: "Although I cannot hear sounds, I can see light. Public welfare connects everyone's hearts." This initiative achieved a "from beneficiary to helper" public welfare cycle, demonstrating that educational support not only addresses financial difficulties but also cultivates students' sense of social responsibility.



Inclusive "A Little Red Flower for You" Initiative

◆ Blood Donation

On May 12 to 13, 2025, Zhenjiu partnered with the Zunyi Central Blood Station and the Huichuan District Red Cross Society to organize a voluntary blood donation drive at its Cross-Pu Plant and Zhaojiagou Eco-Distillery, attracting over 120 employee participants. This marked the third consecutive year Zhenjiu has held such an initiative, with cumulative employee participation exceeding 320 person-times and total blood donated surpassing 100,000 milliliters. Encouraged by the Group's philanthropic philosophy and the company's active support, employees have also independently engaged in community blood donation efforts beyond the regular collective drives. On October 15, 2025, Zhenjiu employee Wang Ling successfully donated hematopoietic stem cells at the Affiliated Hospital of Zunyi Medical University, extending hope to a child with leukemia. Wang Ling became the 565th voluntary hematopoietic stem cell donor in Guizhou Province, the 104th in Zunyi City, and the second such donor from Zhenjiu. On June 14, 2025, Lidu organized the "Warm Blood, Brewing Love" voluntary blood donation charity event, mobilizing employee volunteers to donate blood for the Nanchang Central Blood Station and receiving the "Provincial Blood Donation Promotion Unit Award".



Zhenjiu Voluntary Blood Donation Activity



Lidu Voluntary Blood Donation Activity

◇ Care for the Elderly

In May 2025, Zhenjiu collaborated with the Huichuan District Civil Affairs Bureau and the Red Cross Society in Zunyi to organize over a hundred employee volunteers who visited five nursing homes in the district. They carried out the themed activity "Respecting and Cherishing the Elderly," providing daily assistance and emotional support to 238 elderly individuals living in extreme poverty or receiving basic livelihood assistance. The volunteers offered haircuts, massages, care packages, and courtyard cleaning, and also prepared dumplings on-site and organized group singing interactions, bringing warmth and companionship to the seniors.



Respect and Care for the Elderly Public Welfare Activity

In October 2025, Lidu launched the Double Ninth Festival gratitude event "Honoring Master Artisans, Inheriting the Lidu Spirit," donating RMB 15,000 to the Lidu Distillery Branch of the Lidu Town Elderly Sports Association. At the same time, the company gathered elderly residents of Lidu Town to celebrate the festival together. Alongside sharing meals and conversations, the participants enjoyed diverse cultural performances such as dance and traditional opera, creating a warm festive atmosphere. This expression of gratitude for artisans not only pays tribute to the spirit of craftsmanship but also carries forward the traditional Double Ninth Festival value of respecting and caring for the elderly, thereby strengthening cultural identity between the enterprise and its employees.



Double Ninth Festival Appreciation Activity

Ecological Protection

On the eve of Arbor Day on March 9, 2025, Lidu held the public-welfare activity "Planting Greenery in Support of the World Heritage Nomination" at its chateau. Hundreds of participants, including alliance merchants and community volunteers, planted hundreds of saplings by hand to create a green landmark garden supporting the Chinese baijiu World Heritage nomination campaign. In the future, the site will become a green landscape rich in local biodiversity and a place where people can plant trees and make wishes. Through multiple innovative scenarios, the activity also interpreted Lidu's ESG philosophy: in circular regeneration, participants transformed used baijiu bottles into creative vases, conveying the environmental concept that "everything can be recycled"; in low-carbon farming, participants claimed exclusive saplings through recycled bottles, and the hundreds of trees planted on site will form a cultural landmark forest for the World Heritage nomination. And through cultural-creative empowerment, discarded baijiu vessels were repurposed into flowerpots and creatively painted, merging forestry with artistry to breathe new life into old containers. Previously, Lidu has consistently acted on its role as a "Jiangxi Ecology Ambassador" by establishing public bird-watching stations and organizing ecological photography exhibitions.



Plant Green for the Future Public Welfare Activity

On April 19, 2025, Zhenjiu partnered with the Huichuan Branch of the Zunyi Ecological Environment Bureau, the Tuanze Town Government of Huichuan District, and other relevant organizations to conduct a volunteer activity aimed at protecting the water source at Zhongqiao Reservoir, jointly safeguarding this vital water body. More than 150 participants, including Group executives and employee representatives, took part in the event. They delivered care packages to the reservoir managers and cleaning staff in recognition of their long-term contributions to water source protection. At the same time, they distributed educational materials on water conservation and environmental protection to local villagers, raising awareness about water resource preservation and encouraging broader community involvement in protecting the water source area.



Zhongqiao Reservoir Water Source Protection Volunteer Activity

Quantitative Indicators and Performance

Charitable Donations	2025
Areas of Focus (e.g. education, environmental issues, labor needs, health, culture, sport) and Funds Allocated to These Areas (RMB million)	14.52
Education (RMB million)	7.60
Disaster relief (RMB million)	0.10
Charity (RMB million)	3.89
Culture and sports (RMB million)	2.61
Community welfare/poverty alleviation (RMB million)	0.15
Environment (RMB million)	0.16
Other (RMB million)	0.05

Time Spent on Charitable Activities	2025
Areas of focus (e.g. education, environmental issues, labor needs, health, culture, sport) and time spent on these areas (hours)	37,249
Education (hours)	5,224
Disaster relief (hours)	0
Charity (hours)	9,684
Cultural and sporting activities (hours)	3,162
Community welfare/poverty alleviation (hours)	1,611
Environment (hours)	17,417
Other (hours)	152

○ Targets and Commitments

As a leading baijiu brand, while promoting enterprise development, we are also committed to benefiting local economies and continuously advancing rural revitalization. The Group's strategic aim is to establish a public-welfare working group to take overall responsibility for related work, form standardized and sustained working mechanisms and formulate annual charitable objectives. In 2026, we will encourage every employee of the Company to participate in at least one public-welfare activity.

Rural Revitalization

Rooted in the industry characteristic that "grain is the foundation of baijiu", ZJLD has always empowered agriculture and benefited farmers through industrial development, promoting coordinated development among capacity expansion, farmers' income growth and ecological protection, and deeply practicing the rural revitalization strategy. In 2025, the Group continued to increase capital investment and industrial assistance. Through measures such as directed procurement and storage of locally sourced brewing crops, it effectively drove farmers' income growth and regional agricultural capacity enhancement. The Group carried out directed procurement and storage of local agricultural products such as rice, rice husks, sorghum and straw from local farmers, with total procurement amounting to RMB 304.61 million. In addition, by relying on industry-driven development and employment support and other diversified measures, the Group injected momentum into rural development and regional economic revitalization and steadily transformed itself from a "practitioner of rural revitalization" into a "leader of shared prosperity in the baijiu industry".

○ Management Actions and Implementation Measures

◇ Job Creation

Across the industrial chain spanning grain cultivation and baijiu production, we actively create employment platforms and job opportunities for residents. Taking the processing and sales chain of Hongyingzi sorghum as a link, the Group has implemented a series of talent cultivation plans, nurturing new industrial workers through the inheritance and innovation of brewing technology and absorbing returning residents into frontline production positions and specialized brewing technical roles.

At the same time, the Group guides farmers to obtain rental income through land transfer and encourages them to participate in seasonal farm work to earn labor income, thereby building a dual-income support model of "rental income plus wages". Zhenjiu adheres to purchasing farmers' sorghum at concessionary prices, truly feeding back benefits to farmers and promoting the sorghum industry to become a distinctive pillar industry of rural areas. Zhenjiu encouraged farmer Yang Kaiying in Huichuan District to shift into sorghum cultivation in 2022. His planting scale expanded from 200 mu to more than 400 mu. In 2025, his per-mu yield reached approximately 350 kg, generating sales exceeding RMB 1 million and a profit of about RMB 200,000, enabling him to achieve prosperity right on his doorstep.

◇ Supporting Farmers' Income Growth

From April to July 2025, the Group carried out the special initiative "Purchase-for-Support" to boost farmers' incomes. Lidu partners in various regions worked with local township and village committees to activate idle farmland and jointly carry out crop planting and livestock raising work, thereby enabling agricultural products to be supplied directly to the Group's partner customers. Through batch procurement of agricultural and sideline products from local farmers - such as purchasing farmers' eggs for distillery experience activities featuring vinasse-fed eggs, procuring local ingredients for various events, and helping farmers develop new agritourism formats - the Group supported local villagers in broadening their income channels through multiple pathways.



"Procurement-based Assistance" Initiative to Increase Farmers' Income

Case

Charity Livestream to Support Farmers in Selling Gan Nan Navel Oranges

On December 1, 2025, Lidu organized a dedicated charity live-streaming event for Gan Nan navel oranges at the Huichengwang Agricultural Plantation Base in Sunwu Village, Qingtang Town, Ningdu County. In collaboration with local media in Jiangxi, the Group leveraged Lidu's brand influence and online channel resources to precisely support the promotion and sales of the Gan Nan navel orange brand in Ningdu County, with orders exceeding 5,000kg during the first live-streaming session.

Lidu has actively responded to the Rural Revitalization Strategy, having successfully organized charity livestreams to support Gan Nan Navel Orange farmers for two consecutive years. Cumulative sales have reached nearly 50,000 kg of Gan Nan Navel Oranges, effectively promoting local specialty agricultural products and boosting farmers' incomes.



Charity Livestream to Support Farmers

◇ Support and Visits to Households Lifted out of Poverty

In December 2025, Lidu launched the "One Hundred Villages and Ten Towns" public-welfare initiative and carried out visits and support work for households lifted out of poverty in Sanyang Town near the plant area. Volunteers delivered daily necessities such as rice, flour, oil, milk and cold-weather supplies, helped clean courtyards and tidy living spaces, replaced bedding for elderly people with limited mobility, reminded them to keep warm, and spent time talking with elderly people living alone. In the cold winter, the Group's employees conveyed care and blessings to households lifted out of poverty and transmitted social warmth and humanistic assistance.

Infrastructure Investment

Cangtian Village in Zixing, Hunan, was severely hit by Typhoon Gaemi in July 2024, suffering road collapses, damaged facilities and communications disruptions, with direct economic losses reaching RMB 110 million and village development falling into difficulty. In July 2025, Xiangjiao launched a "Revitalization and Rebirth" support plan for Cangtian Village, actively participating in post-disaster reconstruction and infrastructure improvement work. It funded the construction of the "Tongxin Pavilion", substantially improving the village's living environment, not only creating a new space for villagers' rest and leisure but also demonstrating firm support for standing together with people in the disaster-stricken area.



Post-disaster Reconstruction of Cangtian Village

Activating Idle Land, Deepening Cooperation and Promoting Industrial Upgrading

In terms of revitalizing idle land, Zhenjiu makes use of the local mountainous terrain and actively guides farmers to plant sorghum on scattered idle plots, revitalizing cultivated land resources, stimulating farmers' enthusiasm for grain cultivation, ensuring supply of brewing raw materials, and forming a virtuous cycle of industrial development, thereby creating a new pattern of urban-rural integrated rural revitalization. As of December 2025, the Group had jointly built more than 400,000 mu of sorghum planting bases, and sorghum procurement and storage work had helped more than 40,000 rural households increase their income.

In terms of industrial optimization and upgrading, Zhenjiu attracted 25 upstream and downstream packaging-material supporting enterprises to settle in Zunyi, increasing the local supporting rate for paper packaging materials to over 90% and helping promote diversified upgrading of the regional industrial chain.

Leveraging the development opportunities of sorghum planting bases in Zunyi, Zhenjiu continued to deepen cooperation with planting bases and fully promoted the contract planting and directed procurement model of "company + planting base + agricultural cooperative + farmers", which not only ensures the stable, fresh and controllable quality of brewing raw materials, but also enables farmers to sell grain at guaranteed prices and quantities, thereby stabilizing farmers' income.

In addition, Lidu launched a model rural revitalization project and signed a strategic cooperation agreement with the government of Lidu Town on contract cultivation of high-quality brewing rice, jointly building a premium brewing rice base. At the same time, working with local Party committees and governments, it implemented the "Party Building Empowerment + Rural Revitalization" project in Nanxi Village and Chaibu Village, upgrading and renovating Party-member and community service centers in the two villages, improving grassroots Party-building work, and promoting the deep integration of ecological and human harmony, industrial development and rural revitalization.



Signing Ceremony for the Strategic Cooperation Agreement on Contract Rice Planting

Quantitative Indicators and Performance

Indicators for Rural Revitalization	2025
Number of Distillery Employees Hired from Rural Areas	5,430
Number of Sales Employees Hired from Rural Areas	1,408
Total Agricultural Products Procured (tons)	176,758

Targets and Commitments

ZJLD solemnly commits that by 2030, 100% of farmers providing agricultural raw materials will receive sustainable agriculture training and empowerment. Building on the mature industrial model already established by the Group of "company + planting base + agricultural cooperative + farmers", we will create an integrated training system combining classroom teaching, field guidance and technical certification, teaching farmers core content such as green planting techniques, green pest control, efficient water use and low-carbon agricultural practices. At the same time, we will provide supporting empowerment measures such as guaranteed-price procurement, seed improvement and agricultural machinery subsidies, helping farmers improve planting efficiency and income, consolidating the foundation of high-quality raw-material supply, and achieving a win-win outcome between industrial revitalization and rural prosperity.

Appendix

Reporting Principles

This report has been prepared in accordance with the principles of Materiality, Quantification, Balance, and Consistency as outlined in Appendix C2 of the Hong Kong Stock Exchange Listing Rules.

Materiality

We have conducted a comprehensive materiality assessment involving communication with key stakeholder groups, including investors, consumers, distributors, suppliers, and employees, to identify ESG topics that are significant to our business and external stakeholders and to determine their priority. The data collected from this assessment has been used to define the disclosure content of this report.

Quantification

We disclose measurable environmental and social key performance indicators, including the standards, methodologies, assumptions, and conversion factors used to calculate emissions and energy consumption. Where applicable, we also set quantitative performance targets. Historical data is provided to facilitate comparisons and demonstrate our progress over time.

Balance

This report is structured and presented clearly to fairly reflect our initiatives, progress, and performance.

Consistency

We adopt consistent methodologies to enable meaningful ESG data comparisons over time. If there are any changes in statistical methods, key performance indicators, or other relevant factors affecting comparability, we will disclose them in a timely manner.

Performance Table

Environmental Performance

Indicator	Unit ¹²	2021	2022	2023	2024	2025
Water						
Total freshwater withdrawal	ton	1,306,799	1,844,350	2,236,919	2,492,191	2,212,606
Fresh water withdrawal intensity	ton/ton	118.18	66.12	49.93	50.59	40.81
Water consumption	ton	882,385	1,009,138	1,168,775	1,338,509	1,370,256
Fresh water consumption in areas ¹³ with high water stress	ton	531,707	641,002	658,535	955,545	1,023,399
Water consumption intensity	ton/ton	79.80	36.18	26.09	27.17	25.27
Wastewater discharge	ton	424,414	835,212	1,068,144	1,153,682	842,351
Wastewater discharge intensity	ton/ton	38.38	29.94	23.84	23.42	15.54
Ammonia nitrogen emissions	kg	740	2,021	4,202	2,000	1,222
Chemical oxygen demand (CODs) emissions	kg	18,827	33,685	37,275	52,026	39,013
Biochemical oxygen demand (BODs) emissions	kg	7,458	12,485	16,636	15,973	14,905
Energy Consumption						
Total energy consumption	MWh	163,227	332,206	392,469	468,246	426,338
Total energy consumption intensity	MWh/ton	14.76	11.91	8.76	9.51	7.86
Non-renewable energy consumption	MWh	163,227	332,206	390,093	454,866	399,171
Renewable energy consumption	Mwh	0	0	2,376	13,379	27,167
Direct energy consumption						
Natural gas	m3	13,928,629	28,832,023	33,986,739	40,575,310	39,244,078
Diesel	liters	50,200	74,700	99,891	142,912	112,000
Gasoline	liters	uncounted	uncounted	80,384	83,160	68,273
Indirect energy consumption						
Electricity consumption	kWh	11,791,980	19,052,763	22,426,343	26,336,270	27,167,195
Renewable electricity consumption	kWh	0	0	2,376,024	13,379,285	27,167,195
Electricity consumption intensity	kWh/ton	1,066.38	682.99	500.54	534.64	501.11

¹² For environmental intensity indicators, packaging related intensity indicator is calculated based on the finished products produced in 2025 (ton), other intensity indicators are calculated based on the base liquor produced in 2025 (ton).

¹³ According to the World Resources Institute (WRI) "Aqueduct Water Risk Atlas", in 2025, ZJLD Group has two distilleries located in high water stress areas, namely Zhenjiu Distillery and Lidu Distillery.

Indicator	Unit	2021	2022	2023	2024	2025
Greenhouse Gas Emissions						
Scope 1 GHG emissions	tCO ₂ e	48,136	97,538	123,719	115,661	102,368
Scope 2 GHG emissions (market-based)	tCO ₂ e	6,851	11,070	11,914	7,588	0
Scope 2 GHG emissions (location-based)	tCO ₂ e	6,851	11,070	13,326	14,132	14,578
Scope 1 and 2 GHG emissions (market-based)	tCO ₂ e	54,987	108,607	135,633	123,249	102,368
Scope 1 and 2 GHG emissions (location-based)	tCO ₂ e	54,987	108,607	137,045	129,793	116,946
Scope 1 and 2 GHG emissions intensity (market-based)	tCO ₂ e/ton of base liquor produced	4.97	3.89	3.03	2.50	1.89
Scope 1 and 2 GHG emissions intensity (location-based)	tCO ₂ e/ton of base liquor produced	4.97	3.89	3.06	2.63	2.16
Scope 3 GHG emissions	tCO ₂ e	uncounted	uncounted	1,231,572	1,243,042	893,416
Waste						
Total general solid waste generated	ton	41,592	95,113	158,301	173,623	188,873
General solid waste intensity	ton/ton	3.76	3.41	3.53	3.52	3.48
Food waste generated	ton	uncounted	uncounted	uncounted	470	246
Food waste intensity	ton/ton	uncounted	uncounted	uncounted	0.00954	0.00454
Food waste recycled	ton	uncounted	uncounted	uncounted	344	209
Total hazardous waste generated	ton	uncounted	2.28	2.66	5.11	5.98
Hazardous waste intensity	kg/ton	uncounted	0.08	0.06	0.10	0.11
Total waste recycled	ton	41,385	94,626	157,495	171,888	188,222
Total waste landfilled	ton	207	487	806	1,740	651
Air Pollutants						
Total air pollutants emissions	ton	13.29	29.62	38.49	41.79	36.50
Air pollutants emissions intensity	kg/ton	1.2	1.1	0.9	0.8	0.7
Nitrogen oxide (NO _x) emissions	ton	11.99	24.68	23.94	35.60	32.34
Sulfur dioxide (SO ₂) emissions	ton	0.36	3.54	11.92	2.04	1.50
Particulate matter (PM) emissions	ton	0.94	1.40	2.64	4.15	2.66
Volatile organic compounds (VOCs) emissions	ton	0	0	0	0	0
Packaging						
Total amount of packaging materials used for finished products	ton	70,086	47,207	47,386	51,793	39,739
Intensity of packaging materials used for finished products	ton/ton	2.28	2.00	2.03	2.06	2.28
Total amount of recyclable, reusable and degradable packaging materials used	ton	uncounted	45,913	46,590	51,327	39,397
Percentage of recyclable, reusable and degradable packaging materials (by weight)	%	uncounted	97.26	98.32	99.10	99.14
Number of recycled baijiu bottles	Number	0	0	11,642	29,922	17,025

○ Social Performance

Indicator	Unit	2021	2022	2023	2024	2025
Product Quality and Safety						
Number of complaints about products and services	number	uncounted	61	150	95	54
Percentage of products subject to recall for safety and health concerns	%	0	0	0	0	0
Employment						
All employees	number	7,264	10,980	11,008	11,380	10,365
Health and Safety						
Full-time employees: Number of work-related fatality	number	0	0	0	1	0
Full-time employees: rate of work-related deaths	%	0	0	0	0.01	0
Full-time employees: Number of lost workdays due to work-related injuries	number	78	110	68	162	48
Full-time Employees: Number of Workdays Lost Due to Injury	days	2,191	3,190	2,129	3,169	2097
Full-time Employees: Lost Time Injury Rate (LTIR) (based on 200,000 work hours) ¹⁴	/	1.09	0.98	0.62	1.44	0.45
Full-time Employees: Recordable Workplace Accidents	number	78	110	131	176	67
Full-time Employees: Total Recordable Injury Rate (TRIR) ¹⁵ (based on 200,000 hours worked)	/	1.09	0.98	1.20	1.57	0.63
Contractors: Number of Work-related Fatality	number	0	0	0	0	0
Contractors: Number of Lost Time Workplace Injuries	number	0	0	0	2	2
Contractor: Number of workdays lost due to work-related injuries	day	0	0	0	22	0
Contractor: Lost Time Injury Rate ¹⁶ (LTIR) (based on 200,000 work hours)	/	0	0	0	0.42	0.02

2025 Employee Rights and Benefits Statistics

Response Rate of Employee Satisfaction Questionnaire	%	91.85
Percentage of Employees who rated 'satisfied'	%	85.97

¹⁴ Lost Time Injury Rate (LTIR) (based on 200,000 work hours) = (Number of lost time injuries × 200,000) / Total work hours in the year

¹⁵ Total Recordable Injury Rate (TRIR) (based on 200,000 work hours) = (Number of recordable injuries × 200,000) / Total work hours in the year

¹⁶ Lost Time Injury Rate (LTIR) (based on 200,000 work hours) = (Number of lost time injuries × 200,000) / Total work hours in the year

Staff Development and Training Statistics						
Indicator	Unit	2021	2022	2023	2024	2025
Percentage of employees trained by gender (coverage)						
Male	%	98.7	96.7	98.3	100	100
Female	%	98.0	95.0	94.5	100	100
Percentage of employees trained by employee category (coverage)						
Managers	%	99.0	94.1	93.7	100	100
Non-managers	%	98.7	97.9	94.5	100	100
Average number of hours of training completed per employee, by gender						
Male	hours	34	68	107	82	45
Female	hours	38	44	86	110	67
Average number of hours of training completed per employee, by employee category						
Managers	hours	66	53	83	90	114
Non-managers	hours	35	61	95	90	46
Total investment in staff training						
Employee training expenses	RMB million	8.86	11.42	9.05	5.51	14.50

Employment Demographics in 2025		
Total number of employees by employment category		
Full-time	number	10,365
Part-time	number	3
Number of full-time employees by gender		
Male	number	7,598
Female	number	2,767
Number of full-time employees by age group		
Under 30 years old	number	3,027
30 to 50 years old	number	6,611
Over 50 years old	number	727
Number of full-time employees by region of operation		
From the provinces in which we operate	number	8,594
Outside the province	number	1,771

Employment Demographics in 2025		
Employee recruitment		
Number of new employees hired during the year	number	827
Of which, the number of newly employed female employees	number	369
Proportion of vacant positions filled by internal employees during the year	%	67.04
Proportion of newly created positions filled by internal employees during the year	%	79.01
Average recruitment cost	RMB	775.92
Number of new employees hired by age group		
Under 25 years old	number	192
26 to 35 years old	number	407
36 to 45 years old	number	216
46 to 55 years old	number	11
Over 56 years old	number	1
Number of new employees hired by category		
Junior	number	182
Middle	number	46
Senior	number	8
Number of new employees hired by ethnicity		
Han	number	783
Others	number	44
Employee turnover rate by gender		
Male	%	11.80
Female	%	20.03
Employee turnover rate by age group		
Under 30 years old	%	17.50
30 to 50 years old	%	12.81
Over 50 years old	%	11.77
Employee turnover rate by region of operation		
From the provinces in which we operate	%	9.45
Outside the province	%	31.46

Employment Demographics in 2025

Diversified employment statistics		
Percentage of female employees in management	%	19.02
Percentage of women in senior management	%	11.89
Percentage of women in middle management	%	33.77
Percentage of women in junior management	%	17.50
Percentage of women in management in the sales department	%	26.54
Percentage of female employees in R&D and engineering positions	%	35.69
Percentage of Employees from Ethnic Minority Groups	%	4.71
Percentage of Ethnic Minority Groups in management	%	4.96

Charity Statistic for 2025

Total amount of public charity donations	RMB million	14.52
Education	RMB million	7.60
Disaster Relief	RMB million	0.10
Charity	RMB million	3.89
Culture and Sports	RMB million	2.61
Community Service / Poverty Alleviation	RMB million	0.15
Environment	RMB million	0.16
Others	RMB million	0.05
Total hours of participation in public charity	hours	37,249
Education	hours	5,224
Disaster Relief	hours	0
Charity	hours	9,684
Culture and Sports	hours	3,161.5
Community Service / Poverty Alleviation	hours	1,611
Environment	hours	17,416.5
Others	hours	152


Governance Performance

Business Ethics					
Number of Verified Violations in 2025					
Corruption and bribery	number	5	Timely handling rate	%	100
Conflict of interest	number	0	Timely handling rate	%	-
Discrimination and harassment	number	0	Timely handling rate	%	-
Customer data privacy	number	0	Timely handling rate	%	-
Money laundering and insider trading	number	0	Timely handling rate	%	-
Number of Litigation Cases					
Corruption and bribery	number	1			
Conflict of interest	number	0			
Discrimination and harassment	number	0			
Customer data privacy	number	0			
Money laundering and insider trading	number	0			

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Assurance Report



Bureau Veritas Certification

INDEPENDENT ASSURANCE STATEMENT

Objectives of Work

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

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

Scope of work

ZJLD Group requested Bureau Veritas to verify the accuracy and reliability of the following:

- Data and information included in the Report from 2025.1.1 to 2025.12.31.

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

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

Level of assurance: reasonable assurance level

Assurance standard

- International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)"), developed by the International Auditing and Assurance Standards Board
- GRI Sustainability Reporting Standards, published by the Global Reporting Initiative
- GHG Protocol: Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Methodology

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

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

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To check this statement validity please call: +86 59683663

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Bureau Veritas Certification

- 5. Review of ZJLD Group data and information systems for collection, aggregation and analysis.

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

Assurance Conclusion

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

- The information and data included in the scope of our assurance are accurate, reliable and free from material mistake or misstatement;
- The information is presented in a clear, understandable and accessible manner;
- The information of the Report provides a fair and balanced representation of related ESG management activities during the period from 2025.1.1 to 2025.12.31;
- ZJLD Group has established appropriate systems for the collection, aggregation and analysis of relevant information. The performance data for 2025 has been disclosed with Comparability.

Accuracy

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

Materiality

ZJLD Group identified and disclosed material ESG issues and related information in accordance with the GRI Sustainability Reporting Standard.

Completeness

The report of ZJLD Group focuses on the aspects of "Sustainability governance", "Environmental responsibility", "Social responsibility". The report discloses data and information related to materiality analysis, product responsibility, social responsibility, environmental responsibility, and employee responsibility, which are of concern to the stakeholders of ZJLD Group. The disclosed is of relative Completeness.

Based on the work conducted, we recommend ZJLD Group to consider the following:

It is recommended that enterprises further deepen financial materiality analysis and systematically disclose the financial impacts of key ESG initiatives, in order to actively convey the substantial contribution of ESG management to corporate long-term financial resilience and value creation capacity.

Statement of independence, impartiality and competence

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
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Bureau Veritas is an independent professional services company that specialises in Quality, Environmental and Occupational Health and Safety, Social Responsibility with more than 190 years history in providing independent assurance services. Members of the assurance team have no interests or conflicts of relationship with ZJLD Group. We have conducted this Assurance independently and impartially. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities.

Fanny Zou
Director of Greater China Region
Bureau Veritas Certification (Beijing) Co., Ltd.
2026-04-16

Wendy Zhao
Assurance Team Leader
Bureau Veritas Certification (Beijing) Co., Ltd.
2026-04-16



Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
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