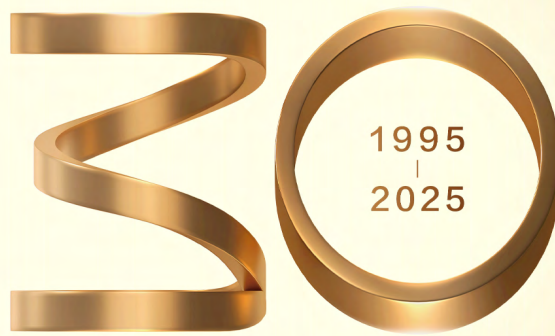


BYHEALTH

NURTURING LIFE WITH SCIENCE

BYHEALTH



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NURTURING LIFE WITH SCIENCE

2024  
BYHEALTH  
ESG Report



## About the Report

The Report is the second Environmental, Social and Governance Report ("ESG Report") released by BYHEALTH Co., Ltd. (hereinafter referred to as the "Company," "BYHEALTH"). The Report discloses the Company's achievements and performance in 2024 in areas, such as environmental resource conservation, social responsibility fulfillment, and corporate governance, during its development.

## Scope of Report

The scope of the Report encompasses BYHEALTH Co., Ltd. and its subsidiaries.

## Reporting Period

This is an annual report covering the period from January 1, 2024 to December 31, 2024. To enhance the integrity of the Report, the period may be appropriately extended for some information.

## Data Sources

The operation data in the Report is derived from the audited annual report of the Company, while other data is sourced from the data provided by relevant departments of the Company. Unless otherwise specified, all data are consolidated by the Company.

## Basis for Preparation

This report is prepared in accordance with the *Self-Regulatory Guidelines No. 17 for Listed Companies on the Shenzhen Stock Exchange—Sustainability Reports (Trial)* and the *Shenzhen Stock Exchange Guidelines No. 2 on Self-Regulatory of Listed Companies—Standardized Operations of Companies Listed on the Growth Enterprise Market (Revised in December 2023)*. In combination with the reality of the Company, the Report also refers to the *Shenzhen Stock Exchange Growth Enterprise Market Listed Companies Regulatory Guide No. 3—Preparation of Sustainability Reports and Sustainability Reporting Standards* issued by the Global Reporting Initiative (GRI Standards). The index of content in the Report is contained in the section "Index of Indicators."

## Access to the Report

To access the Report, please visit <http://www.cninfo.com.cn>, an information disclosure website designated by the Shenzhen Stock Exchange, or <https://www.by-health.com/>, the official website of BYHEALTH Co., Ltd.

In case of any questions about or suggestions for the Report, please send an e-mail to [tcbj@by-health.com](mailto:tcbj@by-health.com)

or call 020-28956666.

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## Message from CEO

National health is the cornerstone of a nation and the shared responsibility of the era. In recent years, China has attached great importance to people's health and well-being, actively practicing the people-centered development philosophy to ensure comprehensive, lifecycle-oriented health protection and advancing the Healthy China initiative in all respects. Against this backdrop, as public health awareness awakens and the demand for precision nutrition escalates, the dual drive of policy and market is reshaping the landscape of the health industry—opening new frontiers for sector growth and entrusting leading enterprises with the mission to break new ground.

In the past 2024, we faced numerous challenges yet pressed forward with resolve. According to Euromonitor Data, BYHEALTH held a 9.3% share of China's Vitamin & Dietary Supplements (VDS) retail market in 2024, maintaining our leading position<sup>1</sup>. This achievement was underpinned by the robust implementation of our Science-based Nutrition strategy. By the end of 2024, we had secured 435 domestic patents and 16 foreign patents, including 61 new patents—such as those for "vaccinium anti-glycation"—at home and abroad. Meanwhile, our collaborative research with the Shanghai Institute of Nutrition and Health, Chinese Academy of Sciences on the "homeostasis health assessment system" was published in internationally authoritative scientific journals, marking a global breakthrough in the multi-dimensional quantitative evaluation of the homeostasis concept.

Sustainable corporate development is rooted in shared responsibility and value co-creation. As a leader in China's VDS industry, we have integrated ESG principles into our strategic DNA—from operating the Transparent Factory to deliver quality commitments, to building a full-chain sustainable development system covering raw material traceability, green intelligent manufacturing, and low-carbon logistics. With integrity as our foundation, innovation as our driver, and responsibility as our promise, we are shaping a model for long-term sustainability.

<sup>1</sup> Data Source: Euromonitor Data Statistics

We continue to enhance our governance system, strengthen compliance and risk control mechanisms, and improve the transparency of information disclosure to build institutional safeguards for high-quality sustainable development. Aligning with the green development trend and guided by the "carbon peaking and carbon neutrality" goals, we are promoting clean energy substitution, innovating production processes, and optimizing smart logistics to establish a low-carbon management system across the entire green manufacturing chain. Upholding the philosophy of "employees and the Company growing together," we have created a full-cycle training system to foster an ecosystem of shared responsibility and value. We deepen innovative public welfare practices, particularly in nutritional education and children's education support, to build a science-driven, long-term social value co-creation mechanism that contributes meaningfully to society.

Thirty years of trials, led by perseverance. As we mark the 30th anniversary of the Company's founding, the *BYHEALTH 2024 Environmental, Social, and Governance (ESG) Report* systematically discloses our practices and achievements in environmental management, social responsibility, and corporate governance. This report aims to deepen communication with stakeholders and establish a transparent oversight mechanism. Looking ahead, we will pursue the Science-based Nutrition strategy with long-term vision, focus on high-quality growth in our core business, accelerate the integration of technological innovation and green productivity, and work with partners across sectors to build a more sustainable future—responsibly and collaboratively.

CEO, BYHEALTH  
Mr. Zhicheng Lin



## Events

**1995/10/28**

The Company was formally established.

**2002**

Systematically introduced Vitamin & Dietary Supplements (VDS) to Chinese non-direct sales channels.

**2004**

Launched the product differentiation strategy of "Sourced Globally, For Family Health."

**2005**

Established the core corporate value of "Respect Everyone, Enjoy Every Day" and initiated the 1+1\* Hope Project.

**2006**

Launched the brand differentiation strategy and signed Olympic gymnastics champion Liu Xuan as the brand ambassador.

**2008**

A large-scale modern production base was established in Zhuhai.

**2010/08**

Endorsed by Yao Ming as the ambassador, marking the transition into a household brand.

**2010/12/15**

Listed on Shenzhen Stock Exchange Growth Enterprise Market.

**2011**

Launched the "Health & Nutrition Express" and released the first BYHEALTH National Health Report by year-end.

**2012/03/03**

Relocated to the new BYHEALTH Science City headquarters.

**2012/09/07**

The BYHEALTH Transparent Factory was officially completed and open to the public.

**2012**

Established the BYHEALTH Nutrition and Health Research Fund.

**2013**

Co-launched the "Hope Project - BYHEALTH Nutritional Supporting Education Program" with the China Youth Development Foundation.

**2015/10/28**

Kicked off the "Extreme Challenge" series of activities.

**2016**

The "Seal of Integrity" was unveiled and installed in the BYHEALTH Transparent Factory as a permanent reminder to all employees.

**2017**

Launched the "Big Product" strategy, introducing iconic products led by HighFlex.

**2018**

Acquired the Australian probiotics brand LifeSpace and Pentavite, a children's nutritional supplement brand.

**2018**

The Transparent Factory was awarded the "Green Factory" title by China's Ministry of Industry and Information Technology and became the first AAAA-level Scenic Area in Guangdong's industry.

**2019/07/23**

The BYHEALTH Nutrition Exploratorium was open to the public.

**2019**

Formulated an internationalization strategy centered on three core brands: LifeSpace, Pentavite, and BYHEALTH, taking the lead in deploying in Australia-New Zealand and Southeast Asia markets while exploring the U.S. market to accelerate global expansion.

**2021**

Chinese R&D teams including BYHEALTH discovered the breakthrough anti-aging substance PCC1; the first product for personalized custom vitamins was launched in the same year.

**2021/12/28**

Became the Sports Food and Nutrition Supplier of TEAM CHINA.

**2022**

HighFlex was named the official bone health nutrition supplier for the 19th Hangzhou Asian Games 2022.

**2022**

Announced that its self-developed local bacterial strain had obtained two national invention patents.

**2022**

The Australian large-scale smart factory Biocarna came into operation, providing high-quality products globally with Australia as the hub.

**2022/02**

Formulated the 2030 Core Goals and Action Plan for Building BYHEALTH into A Technology-based Company.

**2023**

Became the first enterprise in the industry to submit an application for registration of a new function that "Helps maintain normal platelet aggregation and promotes blood flow health".

**2024/06/06**

Moved to the new BYHEALTH office building under the theme "New Beginnings."

**2024**

Collaborated with Chinese scientists on the "Homeostasis Health Assessment System" research project, achieving a global breakthrough in the multi-dimensional quantitative evaluation of the homeostasis concept.

**2025**

At its 30th anniversary, BYHEALTH forges ahead, nurturing life with science.

# About BYHEALTH

## About the Company

Established in 1995, BYHEALTH systematically introduced Vitamin & Dietary Supplements (VDS) into Chinese non-direct marketing sector in 2002. In 2004, BYHEALTH took the lead in developing a global raw material strategy. On December 15, 2010, BYHEALTH was listed on Shenzhen Stock Exchange Growth Enterprise Market. In 2012, BYHEALTH completed the BYHEALTH Transparent Factory and opened it to the public, becoming an industry benchmark for integrity. In 2018, BYHEALTH acquired the Australian probiotics brand LifeSpace and Pentavite, a children's nutritional supplement brand with over 80 years of history, previously owned by Bayer. In 2022, BYHEALTH Formulated the 2030 Core Goals and Action Plan for Building BYHEALTH into A Technology-based Company. Over the past 20+ years, BYHEALTH has gradually developed into a global leader in VDS industry.

Upholding the strategy of "Science-based Nutrition," BYHEALTH creates the ultimate nutritional products in the spirit of science. Relying on modern nutrition science, BYHEALTH aims to set up a comprehensive and scientific VDS system. The system includes protein, vitamins, minerals, natural animal and plant extracts, and other functional nutritional supplements. As of December 31, 2024, BYHEALTH had 435 domestic patents in mainland China, including 130 invention patents for raw materials and formulas, and 155 registered approval certificates for Health Foods. BYHEALTH has developed a series of functionality-oriented brand, including "HighFlex" for bone and joint nutrition, "Shu Bai Ning" for cardio-cerebrovascular health, "Jian An Shi" for Liver health, and "EASEYE" for eye nutrition. These brands have become leading VDS brands in China.



## About the Brands

With the VDS as its core, BYHEALTH strives to promote the R&D of functional new products. The Company aims to build a comprehensive VDS system covering all categories, wider consumers and all scenarios, and make our life better with world-class quality nutrition products.

<p><b>BYHEALTH</b> </p> <p>Global leader in VDS industry</p>	<p><b>BYHEALTH</b> </p> <p>BYHEALTH (overseas edition)</p>
<p><b>Yep</b> </p> <p>A new nutrition brand for the young</p>	<p><b>Shu Bai Ning</b> </p> <p>Cardio-cerebrovascular health care professional brand</p>
<p><b>HIGHFLEX</b> </p> <p>Bone and joint nutrition Professional brand</p>	<p><b>HIGHFLEX</b> </p> <p>HIGHFLEX (overseas edition)</p>
<p><b>Jian An Shi</b> </p> <p>Liver health care professional brand</p>	<p><b>Wei Man C</b> </p> <p>New faction Vitamin C professional brand</p>
<p><b>Nature's Bay</b> </p> <p>A professional dietary supplement brand for infants and children</p>	<p><b>GymMax</b> </p> <p>A professional brand of sports nutrition supplements</p>
<p><b>Gai Da</b> </p> <p>Professional Calcium Products Brand</p>	<p><b>EASEYE</b> </p> <p>Eye nutrition professional brand</p>
<p><b>LifeSpace</b> </p> <p>Global research pioneer brand in the field of microecology</p>	<p><b>Pentavite</b> </p> <p>A global high-quality VDS brand, providing multiple categories, multiple scenes, covering a wide range of people</p>

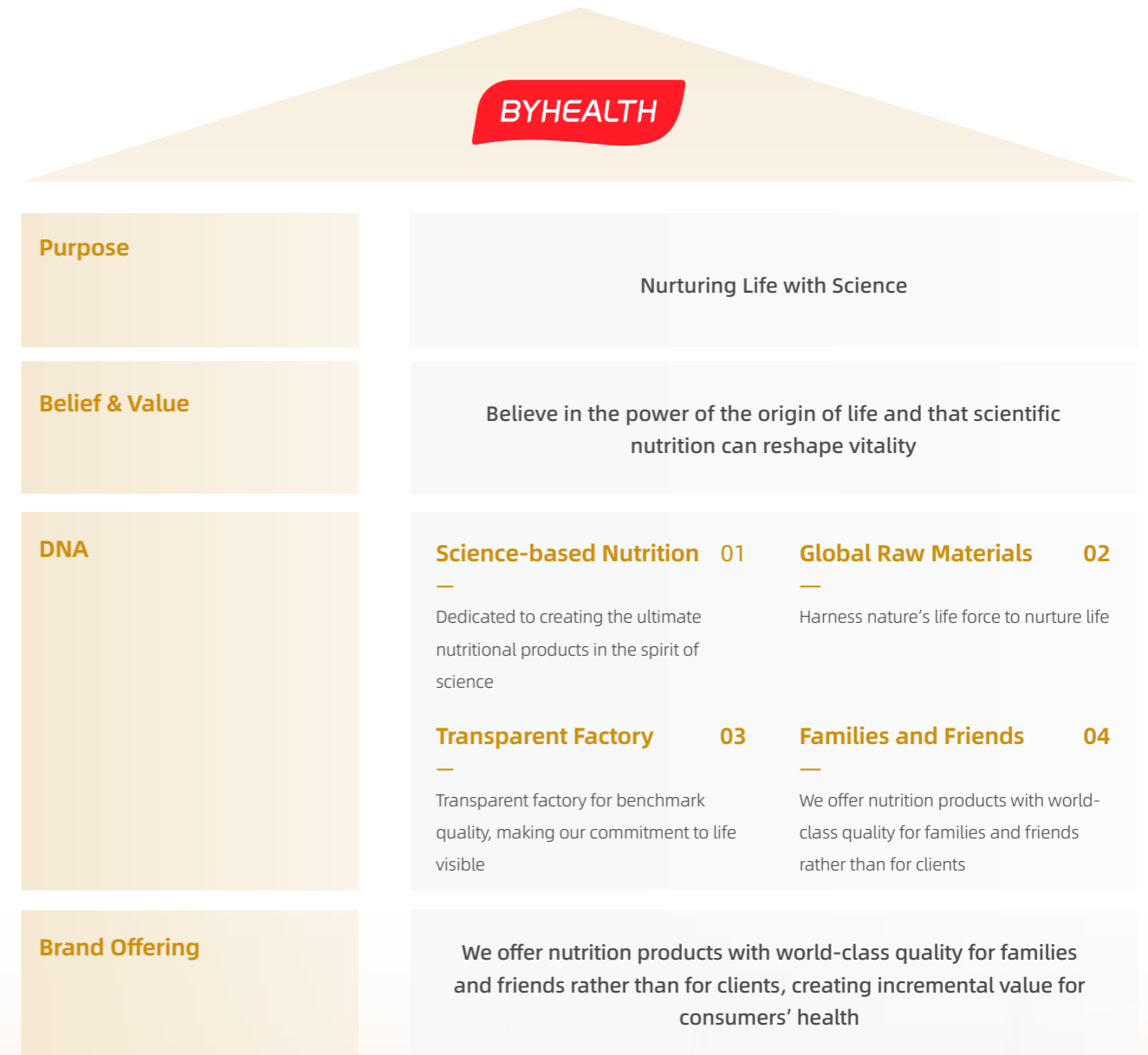
## Honors

With excellent quality and unwavering dedication, the Company has gained widespread recognition and praise from all sectors of society. In 2024, BYHEALTH was awarded numerous awards and honors, which were not only affirmations of our past efforts but also driving forces and incentives for future development.

Award Name	Awarding Organization
Famous and High-Quality High-Tech Products of Guangdong Province	Guangdong High-Tech Enterprise Association
Famous Brand Products & Excellent New Products of Guangdong Food Industry	Guangdong Food Industry Association
Key Trademark Protection Directory of Guangdong Province	Key Trademark Protection Committee of Guangdong Trademark Association
Green Supply Chain Management Enterprise of Guangdong Province	Guangdong Provincial Department of Industry and Information Technology
Third Prize of Sichuan Province Science and Technology Progress Award	People's Government of Sichuan Province
Third Prize of Hubei Province Science and Technology Progress Award	People's Government of Hubei Province
Typical Cases of Integrity-Promoting Commerce in Guangdong Province	Guangdong Provincial Department of Commerce
Zhuhai's First Quality Innovation Center	Guangdong Quality Development Promotion Association
National AAAA-level Tourist Attraction Reinspected and Maintained	Ministry of Culture and Tourism of the People's Republic of China
2024 Characteristic Study Tourism Products of Guangdong Province	Guangdong Provincial Department of Culture and Tourism
Second Batch of "Guangdong-Style New Trend" Popular Scenarios of New Cultural and Tourism Consumption Formats in Guangdong	Guangdong Provincial Department of Culture and Tourism
Received the Highest Rating "A" in Information Disclosure for Growth Enterprise Market Listed Companies on the Shenzhen Stock Exchange (2023-2024)	Shenzhen Stock Exchange
ESG Responsible Enterprise Model Award	China Business Journal
2024 DEI Employer Award (China Region)	Employer Branding Institute
Three 2024 Employer Brand Innovation Awards: Best Innovative Recruitment Award, Best Employer Brand Technology Award, and Best Onboarding Program Award	Employer Branding Institute

## Purpose

BYHEALTH is driven by the mission of "Nurturing Life with Science", believing in the power of the origin of life and that scientific nutrition can reshape vitality. We integrate nature's essence from around the world to create scientifically validated dietary and nutritional solutions, reinvigorating vitality through science-based nutrition as we grow into a global leader in VDS industry.

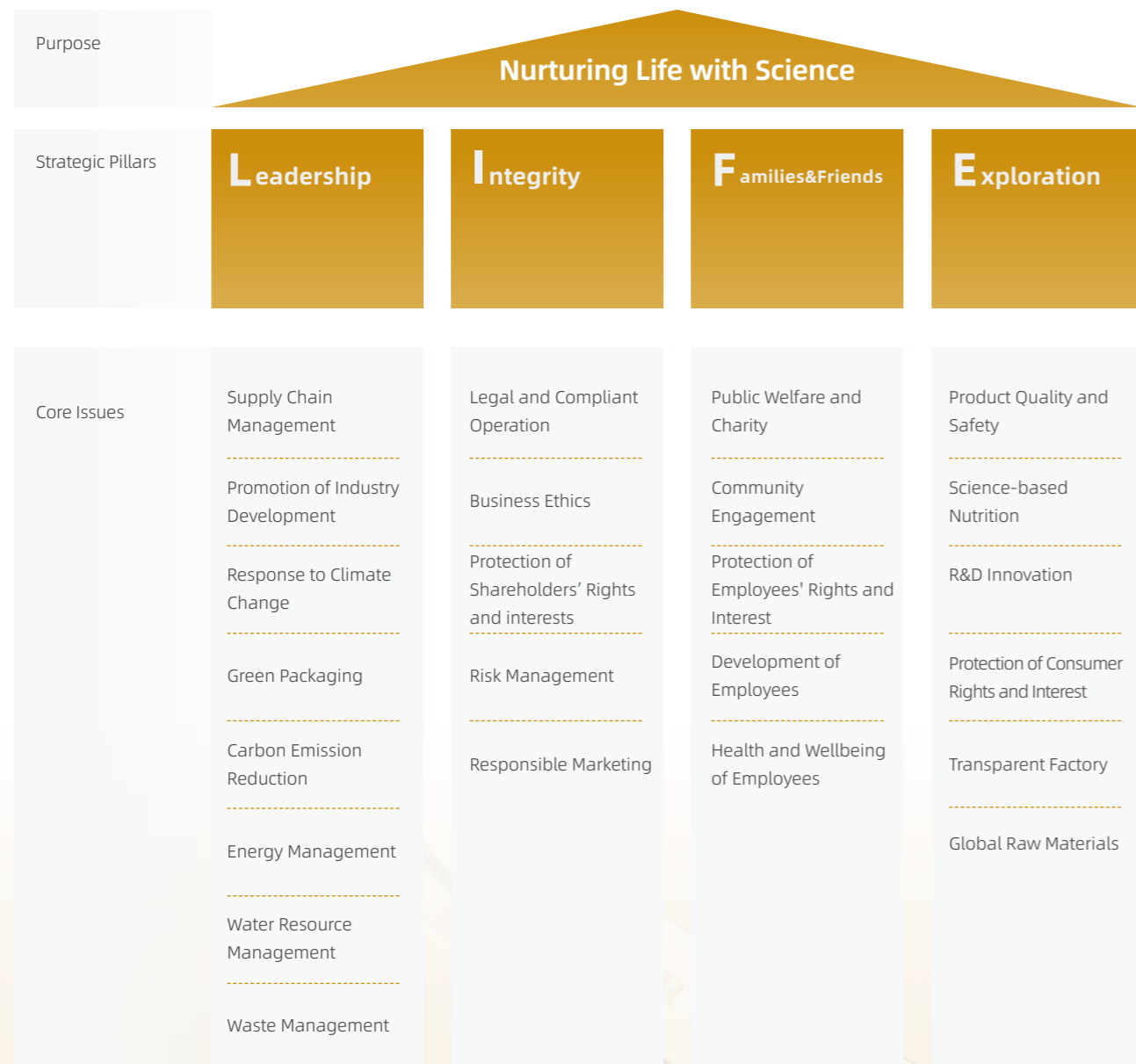


# Responsibility Management

Always believing in the power of the origin of life and that scientific nutrition can reshape vitality, BYHEALTH integrates the brand DNA of "Science-based Nutrition, Global Raw Material, Transparent Factory, and Families and Friends" in the corporate culture and long-term strategy. The Company aspires to continuously enhance our ESG management system and promote our sustainability.

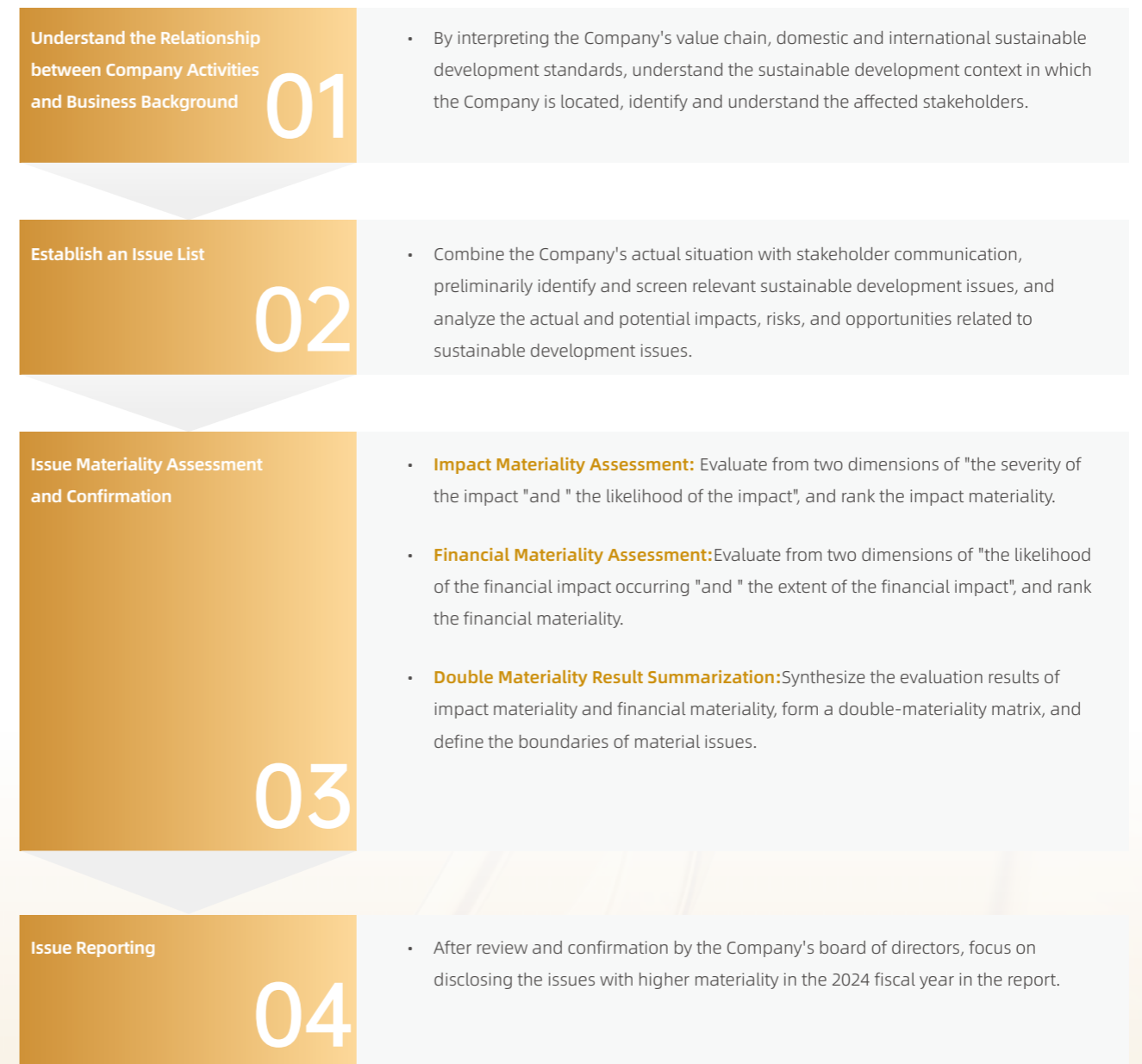
## BYHEALTH ESG Strategy

The Company systematically identifies important issues of the Company's sustainable development and forms the BYHEALTH "LIFE" ESG strategy, led by the mission of "Nurturing Life with Science", with the four strategic pillars of "Leadership, Integrity, Families and Friends, Exploration", and actively assumes responsibilities for the environment, consumers, supply chain, employees, shareholders, and the community.



# Double Materiality Analysis of ESG Issues

To further understand the focus of the Company's stakeholders on BYHEALTH's ESG efforts, the Company, in accordance with the judgment criteria for impact materiality and financial materiality in the *Shenzhen Stock Exchange Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange— Sustainability Report (For Trial Implementation)* (hereinafter referred to as the "Guidelines" ), referring to the EFRAG EFRAG IG 1: Implementation Guide for Materiality Assessment (hereinafter referred to as the "EFRAG Materiality Assessment Implementation Guide" ) and the Sustainable Development Report Standards issued by Global Reporting Initiative (GRI Standards), conducts double-materiality questionnaire surveys and quantitative analyses on a total of 23 sustainable development issues identified, including 4 in governance aspect, 7 in the environmental aspect, and 12 in the social aspect.



## Communication with Stakeholders

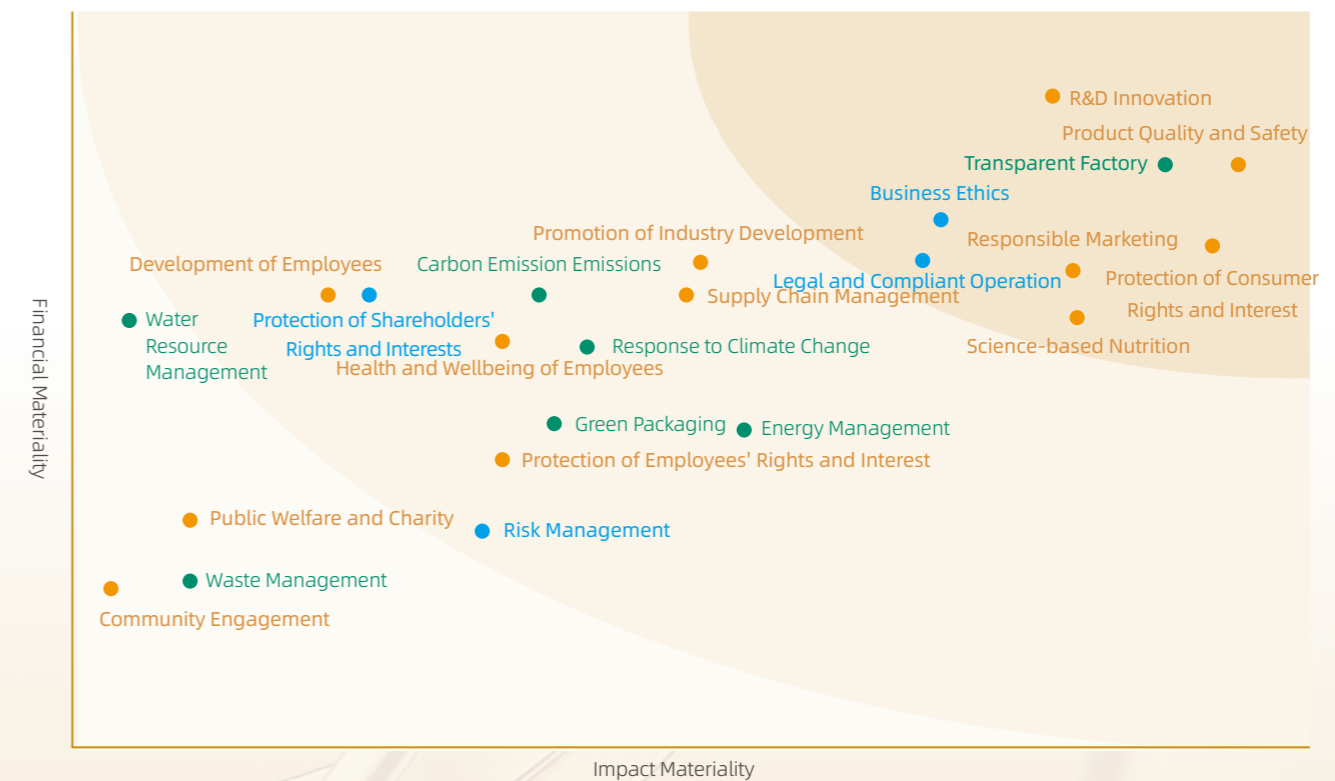
BYHEALTH has established a diversified and regular communication mechanism with our stakeholders to ensure that we fully understand their expectations and demands. The Company conducts research on issue materiality among relevant parties such as employees, shareholders, consumers, and suppliers, incorporates the opinions of the management, forms a double-materiality analysis matrix, and based on this matrix, continuously promotes the improvement of ESG governance work.

Stakeholders	Expectations and Demands	Response and Communication
<p>Government and Regulatory Authorities</p>	<ul style="list-style-type: none"> <li>Legal and compliant operation</li> <li>Business ethics</li> <li>Response to climate change</li> <li>Carbon emission reduction</li> <li>Energy management</li> <li>Water resource management</li> <li>Waste Management</li> </ul>	<ul style="list-style-type: none"> <li>Responding to national policies</li> <li>Legal and compliant operation</li> <li>Practicing green development</li> </ul>
<p>Shareholders</p>	<ul style="list-style-type: none"> <li>Legal and compliant operation</li> <li>Business ethics</li> <li>Protection of shareholders' rights and interests</li> <li>Risk management</li> <li>R&amp;D innovation</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring robust operation and development</li> <li>Strengthening information disclosure and response (email address dedicated to investor relations, service hotline, Shenzhen Stock Exchange interaction platform, performance briefings, and factory open day)</li> </ul>
<p>Employees</p>	<ul style="list-style-type: none"> <li>Protection of employees' rights and interests</li> <li>Development of employees</li> <li>Health and wellbeing of employees</li> </ul>	<ul style="list-style-type: none"> <li>Protecting employees' rights and interest</li> <li>Ensuring the occupational health and safety of employees</li> <li>Promoting employees' development</li> <li>Enhancing employee communication (performance interviews, internal "Efficient Blackboard Newspaper" forum, "Talk with BYHEALTH Employees," anonymous complaint QR codes, employee satisfaction surveys, etc.)</li> <li>Establishing whistleblowing hotline, mailbox, and email address</li> </ul>
<p>Consumers</p>	<ul style="list-style-type: none"> <li>Product quality and safety</li> <li>Science-based nutrition</li> <li>R&amp;D innovation</li> <li>Responsible marketing</li> <li>Protection of consumer rights and interests</li> </ul>	<ul style="list-style-type: none"> <li>Providing premium products and services</li> <li>Strengthening communication with customers (multi-channel customer follow-up, multiple customer feedback channels, and customer satisfaction surveys)</li> </ul>
<p>Suppliers and other partners</p>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Promotion of industry development</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing supplier management</li> <li>Empowering partners</li> <li>Driving industrial development</li> </ul>
<p>Community</p>	<ul style="list-style-type: none"> <li>Public welfare and charity</li> <li>Community's engagement in green packaging</li> <li>Transparent Factory</li> </ul>	<ul style="list-style-type: none"> <li>Carrying out public welfare donations</li> <li>Conducting volunteer service activities</li> </ul>

## Double Materiality Analysis Results

The Company conducts analyses of actual and potential impacts, risks, and opportunities for the 23 identified sustainable development issues. It evaluates the impact materiality of sustainable development-related issues from two aspects: the likelihood and severity of the impact; and assesses the financial materiality of sustainable development-related issues from two aspects: the likelihood of financial impact occurring and the extent of financial impact in the short-and medium-term (within 5 years). By synthesizing the results of impact materiality analysis and financial materiality analysis, the Company has identified a total of 23 issues with double-materiality, among which 4 are of general double-materiality, 11 are of medium double-materiality, and 8 are of higher double-materiality.

High importance	Medium importance	General importance
Transparent Factory	Response to Climate Change	Water Resource Management
Product Quality and Safety	Green Packaging	Waste Management
Science-based Nutrition	Energy Management	Public Welfare and Charity
R&D Innovation	Carbon Emission Reduction	Community Engagement
Responsible Marketing	Supply Chain Management	
Protection of Consumer Rights and Interest	Promotion of Industry Development	
Legal and Compliant Operation	Development of Employees	
Business Ethics	Protection of Employees' Rights and Interests	
	Health and Wellbeing of Employees	
	Protection of Shareholders' Rights and Interests	
	Risk Management	





## Strengthening of Green Production



ISO 14001 Environmental Management System Certification of BYHEALTH

In 2024, BYHEALTH upholds the management policy of "clean production, full-process control, compliance with regulations, and continuous improvement." The Company actively responds to the national "Carbon Peaking and Carbon Neutrality" strategy and the Light Industry Steady Growth Work Plan (2023-2024) issued by the Ministry of Industry and Information Technology, striving to build a green factory.

To achieve environmental management objectives, the Company strictly complies with national and local laws and regulations. To achieve environmental management goals, the Company strictly follows national and local laws and regulations. Following the ISO 14001: 2015 Environmental Management System, the Company has formulated a series of regulations and documents, including the *EHS Management Manual*, the *Procedures for Management of EHS Target Indicators and Plans*, the *Procedures for Control of Environmental Factor Identification and Evaluation*, the *Procedures for Control of Environmental Operation*, and the *Procedures for Control of EHS Monitoring and Measurement*. Through effective implementation of these documents, the Company ensures comprehensive environmental protection controls and management across all stages—from raw material procurement and production to packaging, warehousing, and logistics.

## Carbon Emission Management

BYHEALTH GHG emissions in 2024 was

**218,382** tCO<sub>2</sub>e

BYHEALTH actively supports the national strategy of "carbon peaking and carbon neutrality," integrating energy conservation and carbon reduction into all aspects of operations to contribute to green and low-carbon transformation. To scientifically identify opportunities for improvement, the Company has commissioned qualified third-party institutions since 2022 to audit greenhouse gas (GHG) emissions from raw material procurement, transportation, production, and finished product logistics. Based on audit results, BYHEALTH implements concrete measures, such as developing green products, constructing green factories, adopting green packaging, building a green supply chain, and establishing a green logistics system, to holistically reduce GHG emissions.

The Company has conducted GHG verification for three consecutive years. Verified data shows that BYHEALTH's total GHG emissions in 2024 were 218,382 t CO<sub>2</sub>e (covering Scope 1, 2, and 3), significantly decreasing compared to previous years.

Scope	Year	GHG Emissions (t CO <sub>2</sub> e)
Scope 1 GHG Emissions (t CO <sub>2</sub> e)	2022	1,214.15
	2023	1,297.01
	2024	1,334.96
Scope 2 GHG Emissions (t CO <sub>2</sub> e)	2022	18,733.23
	2023	22,602.03
	2024	18,052.48
Scope 3 GHG Emissions (t CO <sub>2</sub> e)	2022	208,663.74
	2023	311,707.96
	2024	198,994.59

**CASE | Retrofit of Air Conditioning Drain Valves**

In October 2024, BYHEALTH upgraded the drain valves of air conditioning units in the Softgel Workshop III. By installing more efficient components, steam leakage caused by valve failures was reduced. Statistics show that the workshop's monthly output increased by 8.4% in November 2024 compared to October, while steam consumption decreased by 72 t. This retrofit is expected to save 865 t of steam annually, reducing indirect GHG emissions by 564.21 t CO<sub>2</sub>e.

## Energy Management

Prioritizing energy conservation in its operations, BYHEALTH has built a comprehensive and efficient energy management system. The Utility Engineering Department spearheads cross-departmental collaboration by establishing an Energy Management Team tasked with identifying energy-saving opportunities, maintaining critical energy-consuming equipment, analyzing energy data, and implementing process optimizations. Each department has defined responsibilities within this framework: the Administration department organizes energy education and training programs, the Quality Assurance department participates in technical upgrades and process optimization initiatives, the Procurement department evaluates suppliers' energy performance as part of vendor assessments, and the Finance department provides funding for energy-related projects while analyzing energy costs to ensure financial efficiency. The Company has continuously improved its institutional development, strictly adhering to relevant laws and regulations on national energy conservation management. Following the *Energy Management Systems-Requirements (GB/T23331)*, the Company has formulated a series of management documents, including the *Energy Management Manual*, the *Procedures for Management of Energy Target Indicators and Plans*, and the *Procedures for Management of Energy Consumption*, providing a solid institutional foundation for its energy conservation efforts.

The Company strictly adheres to the guidelines of the National Development and Reform Commission (NDRC) on energy control, prudently establishing its 2024 total energy consumption target at 9,333.54 tonnes of standard coal in accordance with relevant requirements. Through meticulous planning and scientifically rational control measures, it has jointly implemented various energy-saving and consumption-reduction tasks. After verification, the actual total energy consumption in 2024 amounted to 70,001.36 tonnes of standard coal, successfully meeting and exceeding the annual target, thus achieving phased progress in energy management.



Established the total energy consumption target for 2024 at

**9,333.54** tonnes of standard coal

Actual 2024 total energy consumption reached

**7,001.36** tonnes of standard coal

Installed photovoltaic (PV) carport covered approximately

**900** square meters

Installed capacity of the distributed solar panels reached

**1.014** MW

Total photovoltaic electricity consumption at the Transparent Factory reached

**1,297,762** kWh

In implementing energy-saving initiatives, BYHEALTH actively introduces advanced information and process technologies, upholding high-standard production principles of clean production, low-carbon energy, and harmless raw materials. During production, the Company employs intelligent control systems to achieve precise monitoring and optimization of production processes, effectively reducing energy consumption, improving production efficiency, and striving to build a green and transparent factory that balances economic and environmental sustainability. Since 2015, BYHEALTH has continuously invested resources to establish and gradually enhance its Energy Management Center, equipped with advanced fully automated control systems that enable real-time and accurate monitoring of equipment operation and energy consumption. This provides reliable data support for statistical analysis and evaluation of energy-saving efforts, further promoting the scientific and standardized management of the Company's energy-saving work.

The Company continues to advance green energy projects: since the end of 2023, BYHEALTH has installed a photovoltaic (PV) carport with a coverage area of approximately 900 square meters, generating about 100,000 kilowatt-hours (kWh) of electricity annually and reducing carbon dioxide emissions by an estimated 36 tonnes. As of the end of 2024, the distributed solar panels at the Company's Transparent Factory have a total installed capacity of 1.014 megawatts (MW), with an annual power generation of 1.3 million kWh. In 2024, the factory consumed 1,297,762 kWh of photovoltaic electricity, accounting for 3.8% of its total annual power consumption.

Furthermore, the Company has established a robust incentive mechanism: the implementation of the *System of Energy Conservation Rewards and Punishments* and the *Plan for Evaluation of Energy Management Reward Mechanism* closely links energy-saving achievements to employees' performance. Meanwhile, BYHEALTH publishes a quarterly "Energy Performance Scorecard", transparently disclosing the specific outcomes of each department and workshop in areas such as energy-saving opportunity identification, key energy-consuming equipment improvement, and energy management system operations. Through the implementation of its incentive and accountability systems, BYHEALTH has significantly boosted employees' energy-saving awareness and innovative enthusiasm. Employees actively engage in energy-saving technology research and operational innovation, initiating energy-saving projects and identifying opportunities from perspectives ranging from process technology, production, quality inspection, to administrative operations. Their practical energy-saving suggestions and measures have injected new vitality into the Company's energy conservation efforts.



Photovoltaic (PV) Carport

## Management of Wastewater, Exhaust Gas, and Solid Waste

BYHEALTH has always regarded environmental protection as an important responsibility in its corporate development. During the production and operation process, it has adopted comprehensive and strict measures for the control of wastewater, waste gas, and solid waste. The Company has established a complete set of daily management systems and detailed operation procedures to strictly control the generation of pollutants from the source. At the same time, professional personnel are arranged to regularly maintain the pollutant treatment equipment and facilities to ensure that the equipment is in the best operating condition. In addition, the Company has also established long-term cooperative relationships with qualified third-party institutions to conduct accurate monitoring of the discharge of wastewater and waste gas on a regular basis, ensuring that all emission indicators strictly comply with the requirements of laws and regulations and achieving standardized management of pollutant emissions. For all solid waste, the Company entrusts professional third-party institutions to carry out scientific classification and disposal to minimize the impact on the external environment.

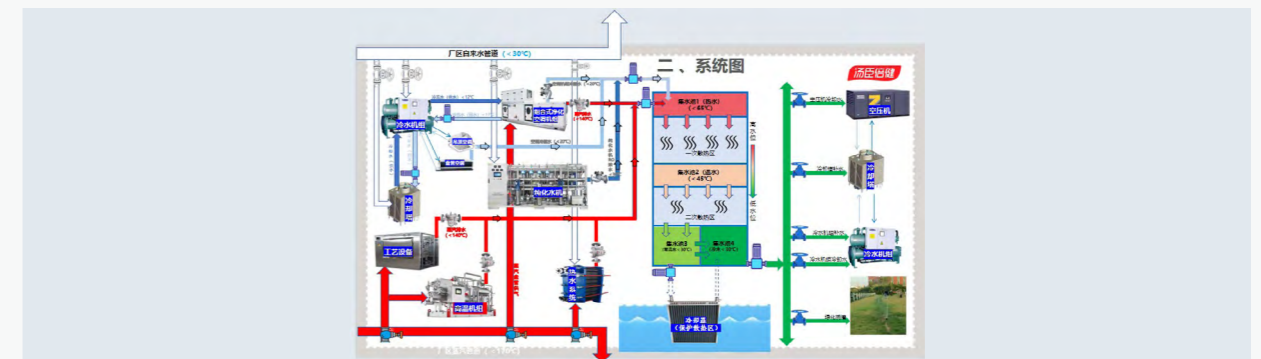
## Wastewater Management

BYHEALTH is actively engaged in innovative exploration of wastewater treatment technologies, committed to achieving efficient treatment of wastewater discharge. The wastewater treatment plant independently built by the Company adopts advanced wastewater treatment processes, taking fully into account the development trends in the environmental protection field. The design standards are far higher than the current wastewater discharge standards, laying a solid foundation for the high-quality completion of wastewater treatment. The Company has transformed all wastewater pipelines into above-ground open pipes. This transformation not only makes the daily inspection of the pipeline network more convenient and efficient but also effectively avoids environmental pollution of the ground surface caused by pipeline rupture, further enhancing the safety and reliability of the factory environment.

The Company has also introduced an advanced digital twin management system, which is applied to the operation and management of the wastewater treatment plant. This system replaces traditional manual operations with intelligent control means, greatly reducing the probability and risk of human operation errors, and significantly improving the operation efficiency of wastewater treatment. The wastewater deeply treated by the wastewater treatment plant meets the recycling standards and is widely used for the greening and irrigation in the factory area, effectively saving the consumption of tap water and achieving the recycling of water resources.

### CASE | Renovation of the Water Circulation System in the Factory Area

In 2024, BYHEALTH carried out an upgrade and renovation of the collection systems for steam condensate water, air-conditioning condensate water, and concentrated water from purified water in the factory area. The Company uniformly collects the water through pipelines into a storage tank, and then send back to the cooling tower for water replenishment or greening irrigation. It realizes the recycling of water resources and cost savings. It is estimated that the annual savings in water fees and the operation and treatment costs of the wastewater treatment plant are about RMB 346,700.



Condensate Water Recycling System in the Factory Area

## Exhaust Gas Management

The Company attaches great importance to the maintenance and management of various waste gas treatment facilities, formulating detailed regular daily inspection and maintenance plans to ensure that the facilities are always in good operating condition. At the same time, the Company regularly entrusts professional third-party testing institutions to conduct comprehensive testing of waste gas, strictly controlling the quality of waste gas emissions to ensure that the waste gas meets the discharge standards. To prevent the odor generated in some wastewater treatment pools from escaping and having an adverse impact on the surrounding environment, the Company has installed additional sealed covers above the wastewater collection pools and some wastewater treatment pools. These sealed covers can effectively collect the odor and transport it to the centralized treatment facilities for purification, completely eliminating the pollution of the odor to the surrounding environment, creating a fresh air environment for the factory area and its surroundings, and setting an example for the surrounding enterprises.

## Solid Waste Management

In terms of the treatment of general solid waste, the Company entrusts qualified third-party institutions to carry out compliant cleaning, transportation, and disposal, and conducts regular supervision and inspection of the cleaning and disposal situation. Through strict supervision and management, it ensures that the disposal of general solid waste complies with relevant management regulations, effectively reducing the potential harm of solid waste to the environment. For hazardous waste, the Company has established a complete hazardous waste management plan and detailed hazardous waste ledgers, and strictly collects and stores hazardous waste in accordance with relevant requirements. The Company signs hazardous waste disposal contracts with professional third-party institutions with qualifications to ensure that the hazardous waste is safely and compliantly disposed of. At the same time, the Company also conducts regular internal inspections of the hazardous waste disposal situation, strengthening supervision and management to ensure that the entire process of hazardous waste disposal complies with regulatory requirements.



## Practice of Green Logistics

BYHEALTH focuses on green logistics practices, adopting efficient and intelligent innovative measures. While significantly improving logistics efficiency, it has effectively promoted the energy conservation and carbon reduction work at the product logistics end, taking solid steps towards achieving the goal of sustainable development.

In terms of green warehousing, BYHEALTH actively explores innovatively and makes great efforts to invest in the construction of modern warehousing facilities. The Company has built automatic stereoscopic warehouses and introduced a modern Warehouse Management System (WMS), an Automatic Control System (ACS), and an all-round Camera-Monitoring System (CMS). In the goods sorting process, in 2024, the Company added two robotic arms for sorting, eliminating the need for on-site manual operations. At the same time, in the processes of transfer and allocation, it coordinates with intelligent systems to achieve intelligent and automated warehousing management. The sorting, storage, retrieval, and allocation of goods are more rapid and accurate, greatly improving the operation efficiency of warehousing logistics. Moreover, the robotic sorting does not require lighting for operation, further reducing the energy consumption level in the warehousing process.

In addition, the Company employs more scientific cross-stacking methods, making the stacking of goods more stable and secure, and reducing the losses and resource waste caused by the collapse of goods. At the same time, the Company has replaced traditional packaging fillers, significantly reducing the use of consumables such as wrapping films, thus lowering resource consumption and waste generation.

In terms of transportation, BYHEALTH adheres to its consistent green transportation strategy and works closely with carriers to jointly explore and optimize transportation solutions. When orders from neighboring customers in each province meet the requirements for shared dedicated vehicles, the Company adopts shared-vehicle transportation, effectively reducing the number of product transfers and avoiding the time loss and energy waste caused by multiple loading and unloading operations. Meanwhile, the Company has put forward strict environmental protection standards for the logistics vehicles controlling the participation of high-emission vehicles in transportation, and actively promoting carriers to use new energy vehicles for distribution. With the help of new energy vehicles, the greenhouse gas emissions during the distribution process have been significantly reduced. For products with a large warehousing volume, the Company gives priority to sea transportation. Compared with road transportation, it is not only more cost-effective but also significantly reduces exhaust emissions, effectively promoting more environmentally friendly logistics practices.



Automated Warehousing

## Promotion of Green Packaging

Guided by the concept of sustainable development, BYHEALTH actively fulfills its commitment to green development and continuously explores measures for green packaging initiatives. The Company has a deep understanding of market demands and environmental protection trends. On the premise of meeting market demands and production realities, it strives to minimize the use of packaging materials to the greatest extent, fully promotes the optimization of green and environmentally friendly packaging, effectively reduces resource consumption, and contributes to environmental protection.

In terms of material innovation, the Company actively explores the application of new environmentally friendly materials. During the development of new products, the Company replaces traditional PVC inner trays with PP/PS/PET inner trays. PVC materials degrade slowly in the natural environment, imposing a great burden on the environment. In contrast, PP/PS/PET materials not only have excellent performance but also possess better recyclability and environmental friendliness, reducing the potential harm of product packaging to the environment.

Regarding process improvement, the Company has adjusted the surface treatment processes of paper packaging materials such as color boxes and bottle labels. It has abandoned the unnecessary laminating process and instead adopted oil-based coatings. Oil-based coatings can not only achieve similar protection and decoration effects as lamination but also avoid problems such as the difficulty of recycling paper after lamination. This effectively improves the convenience of waste disposal and recycling and reduces the risk of pollution to soil and water bodies.

In the proofing stage, the Company has actively introduced digital proofing technology. In the past, traditional plate-making and printing proofing methods would generate a large amount of plate-making waste and printing scraps, resulting in a great waste of resources. However, digital proofing technology is precise and efficient. Without the need for plate-making, it directly outputs and prints through digital signals, effectively reducing the waste generated during the plate-making and printing processes.

In addition, the Company has also innovated the transportation cartons for product outer packaging, replacing disposable cartons with recyclable packaging materials. These recyclable packaging materials are sturdy, durable, and easy to recycle. They can maintain good performance during multiple transportation processes, greatly reducing the use of packaging cartons and minimizing the impact of packaging waste on the environment.

The Company integrates the concept of green packaging into the management of the entire product life cycle. In 2024, through research and testing, the Company independently developed a bottle and can cutting device, enabling the separation, recycling, and treatment of packaging, effectively increasing the packaging recycling rate.



Bottle and Can Cutting Device

## Creation of Green Culture

BYHEALTH has always upheld the philosophy of green development, deeply integrating environmental protection into every aspect of its operations. The Company is actively committed to creating a green workplace, practicing energy conservation and emission reduction in all areas, and contributing to environmental protection initiatives.

In daily office management, BYHEALTH implements a series of practical energy-saving measures. It strongly encourages employees to use double-sided black-and-white printing to reduce paper consumption and promotes reducing the use of non-essential office equipment to minimize unnecessary energy waste. The Company leverages intelligent platforms to manage and control lighting and fan coil units in office buildings smartly. Property security personnel are scheduled for regular patrols to turn off lights in unoccupied areas promptly, eliminating energy waste. In air conditioning system management, the Company scientifically adjusts the operation modes according to seasonal changes. Through these effective energy control measures, the Company's electricity consumption dropped significantly, from 683,870 kilowatt-hours (kWh) in August to 384,490 kWh in November, demonstrating remarkable energy-saving results.

The Company places great emphasis on cultivating employees' environmental awareness and habits. It encourages green commuting by providing new energy shuttle buses and mobilizes employees to participate in various environmental volunteer activities. Since 2015, BYHEALTH has held the "极" Extreme Challenge of BYHEALTH for 10 consecutive years, aiming to advocate respect for nature, love for life, and continuous self-challenge. These efforts have successfully fostered a corporate culture of Company-wide environmental participation, embedding green concepts in employees' minds and contributing to sustainable development.



Intelligent Management of Electrical Equipment



## Promotion of Intelligent Manufacturing

In pursuit of superior quality and efficient production, BYHEALTH actively embraces technological transformation, successfully transforming from traditional "manufacturing" to advanced "intelligent manufacturing." As of the end of 2024, the Company has adopted an open learning approach, drawing on global technological achievements by introducing over 200 advanced production and auxiliary devices from more than 15 countries. Through intelligent integration, these devices have significantly enhanced the stability of the manufacturing process, laying a solid foundation for improving product quality and output.

BYHEALTH is fully advancing the intelligent upgrading of production lines, having successfully established multiple continuous production lines, including fully automated protein powder production lines, high-speed bottled liquid, and solid preparations form production lines. These lines achieve end-to-end intelligent and precise control—from the accurate delivery of raw materials to real-time production monitoring and strict finished product testing. Every step utilizes advanced information technology and automated control to enable intelligent and transparent production, leading to a qualitative leap in production efficiency. Additionally, an automated material management system ensures precise material delivery and efficient utilization, an intelligent environmental management system maintains production environments that meet high-quality standards, and automated production and testing equipment reduce human errors and interference. These initiatives not only enhance product quality but also ensure stable output.

BYHEALTH's achievements in intelligent manufacturing have been highly recognized by the industry, receiving honors such as the Demonstration Application of Intelligent Manufacturing in Continuous Production of the Industry and the Intelligent Manufacturing Demonstration in Guangdong Province. These accolades affirm the Company's strength in intelligent manufacturing and inspire it to continue innovating, breaking boundaries, and leading the industry in intelligent manufacturing—driving the delivery of higher-quality products to consumers.



# 02.

## VDS Industry Leader

Facing a rapidly changing market environment, BYHEALTH remains convinced that unparalleled product quality, profound research strengths, and extensive market reach are key to its role as an industry leader. The Company integrates its business growth with the societal ecosystem of the entire value chain, deepening collaborations with suppliers, industry partners, brand service providers, and academic institutions. By leveraging its platform through training, funding, advocacy, and research, BYHEALTH empowers all parties to foster the mutual development of the Vitamin & Dietary Supplements (VDS) industry. In 2024, BYHEALTH held a 9.3% share of China's Vitamin & Dietary Supplements retail market, retaining its crown as the number one player for consecutive years<sup>1</sup>.

<sup>1</sup> Data Source: Euromonitor Data Statistics

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### 1. Environmental

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### 2. VDS Industry Leader

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### 3. Integrity Enterprise

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### 4. Nutrition Science Advocate

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### 5. Public Welfare Practitioner

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### 6. Respect Everyone, Enjoy Every Day

## Industry Development

The BYHEALTH Scientific Nutrition Research Fund was established for

**13** years

The cumulative funded projects spanned over

**50+** directions

The cumulative number of SCI papers published reached

**50+** Papers

The number of industry associations and organizations with which BYHEALTH maintains long-term interactive exchange reached

**23** organizations

BYHEALTH firmly believes that industry prosperity requires collective effort. As it pursues its own growth, the Company recognizes the critical value of mutual support and collaborative growth with industry partners, taking proactive measures across multiple dimensions to elevate the industry to new heights.

Since establishing the BYHEALTH Nutrition & Health Research Fund in 2012, the Company has successfully organized fund project application and review processes for 13 consecutive years, leading corporate efforts to consolidate research strength and advance basic and applied research focusing on Vitamin & Dietary Supplements (VDS). In 2024, to enhance the inclusion and diversity of the project, the fund was renamed the BYHEALTH Scientific Nutrition Research Fund, offering Innovation Funds, Research Funds, and International Research Funds for scholars across different fields and levels. These initiatives aim to drive scientific innovation in nutrition, foster international technical exchanges, and promote shared outcomes, uniting stakeholders to advance the nutrition cause. Through the International Research Fund, BYHEALTH also partnered with the University of Aberdeen to launch the "Nutrition MSc by Research Programme", providing financial support for cutting-edge nutrition projects and advancing global research collaboration.

During the reporting period, the BYHEALTH Scientific Nutrition Research Fund received 124 applications from 87 research institutions nationwide. After three rounds of review, including preliminary screening, written evaluation, and panel review, 6 projects were selected for funding, covering fields such as nutrition and anti-aging, new ingredient research and development, dried blood spot metabolomics testing, and natural functional ingredient screening. The fund has yielded prolific results, with over 50 SCI papers published to date.

BYHEALTH maintains close collaboration with 23 industry associations and organizations, including the European Nutrigenomics Organization (NuGO), the Chinese Nutrition Society (CNS), and the China Nutrition and Health Food Association (CNHFA). The Company actively participates in standard-setting, report/book compilation, and industry forum organization, publishing 68 research outcomes in global authoritative scientific journals and contributing to over 50 standard setting, including international, national, industry, and group standards.

As a responsible industry leader, BYHEALTH continues to advance the standardization of the VDS sector. In 2024, it co-drafted group standards such as *Determination of Advanced Glycation End Products (Carboxymethyllysine, Carboxyethyllysine) in Plasma by Liquid Chromatography-Tandem Mass Spectrometry (T/CNHFA 436-2024)* and *Microbiological Examination of Food-Grade Strains: PMA-qPCR Method for Lactobacillus rhamnosus (T/CIFST 020-2024)*, the first global standard applying PMA-qPCR technology to viable bacteria quantification in food-grade strains. The Company also contributed to revising formulation standards for health foods and candies, with proposals publicly solicited by China's Market Regulation Administration.

At the 9th China Special Food Conference, BYHEALTH sponsored the *New Quality Productivity Development Forum for Health Foods*, convening industry experts and enterprise representatives to discuss innovation technology applications and industrial trends. The forum served as a bridge for information sharing and experience exchange, facilitating consensus and collaboration in technological innovation and industrial upgrading.

Additionally, the Company engages in industry research and report/book compilation. During the reporting period, it co-authored *Common Ingredients and Applications in China's Special Foods* in collaboration with the China Nutrition and Health Food Association (CNHFA), contributing to the development of China's dietary supplement industry.



BYHEALTH and the University of Aberdeen jointly launched the "Nutrition MSc by Research Programme"



BYHEALTH sponsored the 9th China Special Food Conference

# Supplier Management

Upholding principles of integrity and transparency, BYHEALTH extends these values to supplier management, fostering responsible, win-win partnerships. The Company has established a comprehensive supplier management system covering the full lifecycle: supplier admission, audit, quality management, and capacity building. At the admission stage, strict criteria are applied, evaluating not only product quality, supply stability, and cost-effectiveness but also social responsibility, including environmental practices, labor rights, and business ethics. Suppliers must complete written surveys, provide certification documents, and align with BYHEALTH's green development philosophy.

In 2024, to optimize procurement efficiency and ensure quality, the Company established a Group-Level Commercial Procurement Center, overseeing non-production material/equipment procurement. In July, it released three key documents: *the BYHEALTH Procurement Policy*, *Supplier Management System*, and *Annex - Procurement Operation Guidelines*. The center evaluates suppliers based on scale, qualifications, case history, and risk, requiring anti-bribery and confidentiality agreements and on-site inspections to form an approved supplier list. It also defines clear rules for supplier selection, performance management, exit mechanisms, and blacklisting, ensuring orderly operations.

For raw material, packaging, and non-production material suppliers, the Supply Chain Center enforces six rigorous admission steps: qualification review, compliance audit, written survey, trial production/inspection, on-site verification, and performance rating. Existing suppliers undergo monthly/annual evaluations across dimensions like product quality, delivery timeliness, service, and pricing, with differentiated management strategies:

Suppliers	<b>A</b> Grade	Trusted partners receiving support and production tests every 3-5 years to explore optimized collaboration.
Suppliers	<b>B</b> Grade	Subject to biennial production tests and encouragement to improve toward Grade A.
Suppliers	<b>C</b> Grade	Annual production tests with enhanced supervision and assistance to address issues.
Suppliers	<b>D</b> Grade	Phased out or suspended for failing to meet standards, ensuring supply chain quality.

In addition, to address potential emergencies from suppliers, the Company has specifically established unannounced inspections. When suppliers encounter temporary abnormalities or major issues, the Company's supplier team will respond promptly, launch an immediate investigation, and take timely measures to resolve problems, ensuring the stability of the supply chain and that product quality remains unaffected. Through this series of strict yet flexible management measures, BYHEALTH has successfully built a high-quality, stable, and reliable supply chain, laying a solid foundation for the Company's sustainable development.

## Supplier Review Mechanism of BYHEALTH

<b>Supplier Admission</b> 	The Company selects quality suppliers from industry benchmark companies through a series of processes including standard and qualification confirmation, sample screening, sample testing, result comparison, analysis and selection, data collection, review confirmation, and additional inspections. The screening cycle typically takes 1-3 months.
<b>Quality Compliance Review</b> 	The Company reviews manufacturers' qualifications, regulatory compliance, conformance with BYHEALTH's enterprise standards and supply standards, and analyzes material hazards.
<b>Written Survey</b> 	The written survey covers six main modules: quality management system, production system, material system, facility and equipment system, laboratory control system, as well as packaging and labeling system.
<b>Trial Production/ Inspection of Materials</b> 	The Company conducts material property testing, sensory testing for finished products, process compliance testing, and stability testing. After the material testing is passed, the Company will conduct a trial production inspection within 1-4 months.
<b>On-site Audit</b> 	Based on the supplier audit checklist, good manufacturing practices, and regulatory requirements, the Company conducts a 1-day or 2-day on-site verification and assessment of the suppliers. After the verification, the suppliers undergo regular inspections and appraisals to ensure that the raw material quality remains consistently compliant. The Company establishes strategic partnerships with suppliers, enhances technical exchanges, collaborates on R&D projects, and implements quality improvement plans to jointly promote the establishment of a sound and sustainable supply chain structure.
<b>Appraisal and Rating</b> 	The Company conducts monthly/annual appraisals, quality reviews, grade appraisals, and on-site audits and adjusts supply status for suppliers.

The number of participants in the supplier empowerment training reached

**326** people

In 2024, the Company continuously integrated green development into supply chain management, achieving certification as a "Guangdong Province Green Supply Chain Management Enterprise" and conducting two supplier empowerment training sessions attended by 326 participants from 98 enterprises. The training focused on risk control and supplier evaluation, deepening collaboration with partners.

### 2024年广东省绿色供应链管理企业名单

序号	地市	企业名称	类型
2024年39家			
1	广州市	广州白云山医药集团股份有限公司	绿色供应链管理企业
2	广州市	广州医药集团有限公司	绿色供应链管理企业
3	广州市	广州医药集团有限公司	绿色供应链管理企业
4	广州市	广州医药集团有限公司	绿色供应链管理企业
5	广州市	广州医药集团有限公司	绿色供应链管理企业
6	广州市	广州医药集团有限公司	绿色供应链管理企业
7	广州市	广州医药集团有限公司	绿色供应链管理企业
8	广州市	广州医药集团有限公司	绿色供应链管理企业
9	广州市	广州医药集团有限公司	绿色供应链管理企业
10	广州市	广州医药集团有限公司	绿色供应链管理企业
11	广州市	广州医药集团有限公司	绿色供应链管理企业
12	广州市	广州医药集团有限公司	绿色供应链管理企业
13	广州市	广州医药集团有限公司	绿色供应链管理企业
14	珠海市	汤臣倍健股份有限公司	绿色供应链管理企业
15	广州市	广州医药集团有限公司	绿色供应链管理企业
16	广州市	广州医药集团有限公司	绿色供应链管理企业

BYHEALTH certified as a Guangdong Province Green Supply Chain Management Enterprise

## Empowerment for Brand Service Providers

BYHEALTH attaches great importance to the dissemination of nutritional expertise and instructor team building, establishing an Academic Development Department to drive related initiatives. The Company actively cooperates with brand service providers, sets strict requirements for the professional qualifications and capabilities of instructors, and enhances the team's capacity building through a number of enabling activities. It is committed to improving the service capabilities of service providers, building a win-win cooperation, and ensuring that the Company's nutrition instructors and service provider teams can provide consumers with correct and scientific nutrition guidance.

To ensure the professionalism of the instructor team, the Company has established a comprehensive assessment mechanism. The Company requires that all socially-recruited instructors obtain nutritionist/health manager certifications and links the certification qualifications to the rating of nutrition instructors. For campus-recruited instructors, the Company also organizes nutritionist certificate examinations every year to help all instructors obtain qualifications as soon as possible and strictly controls the professional level of the team. In 2024, except for the campus-recruited instructors who joined the Company that year, more than 99% of the service provider instructors in the Company held nutritionist/health manager certifications.

In addition, BYHEALTH has launched a series of educational and seminar projects to provide professional empowerment for service provider instructors. The Company has introduced a mentorship program, regularly organizes national academic representatives to conduct academic discussions and assesses the teaching abilities of instructors across the country every year. The Company also organizes national expert instructors to participate in the online lecture competition at the end of each year, using the competition as a form of training to promote the professional development and knowledge inheritance of the instructor team. In 2024, the Company compiled the *Compilation of Nutrition and Medicine Knowledge* based on the latest nutrition textbooks. After going through strict professional and legal review processes, it carried out standardized teaching and dissemination nationwide, further strengthening the standards and professionalism of the instructor team.



Supplier Training

### CASE | Service Provider Instructor Mentorship Program

In 2024, the BYHEALTH New Instructor Mentorship Program continued to combine online training with region-specific one-on-one guidance, offering professional and localized courses, projects, hosting activities, and sales-driven events.

During the reporting period, 145 service provider instructors participated, averaging 30.65 hours of online learning, 3.85 hours more than that in 2023.



New Instructor Mentorship Training

# 03.

## Integrity Enterprise

Scientific and efficient corporate governance serves as the core safeguard for compliant and stable operations, as well as a key driver for coordinated economic, social, and environmental development with stakeholders. Recognizing that, BYHEALTH has always rooted its development in law-based operations, continuously improving governance structures, strengthening risk management, protecting investor rights, and setting a benchmark for integrity-driven management.

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### 2. VDS Industry Leader

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### 3. Integrity Enterprise

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### 4. Nutrition Science Advocate

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### 5. Public Welfare Practitioner

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### 6. Respect Everyone, Enjoy Every Day

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# Enhancement of Governance Foundation

## Governance of the Board of Directors

### Meetings of General Meeting of Shareholders, Board of Directors and Its Committees, and Board of Supervisors of BYHEALTH in 2024

**3** Shareholder Meetings  
**16** Proposals deliberated and approved

**7** Supervisor Meetings  
**25** Proposals deliberated and approved

**9** Board Meetings  
**35** Proposals deliberated and approved

**7** Audit Committee meetings  
**23** Proposals deliberated and approved

**4** Nomination, Remuneration and Appraisal Committee meetings  
**7** Proposals deliberated and approved

**3** Independent Director Meetings  
**3** Proposals deliberated and approved

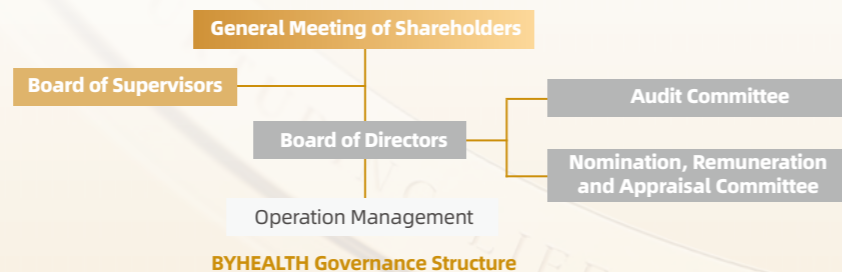
BYHEALTH continuously consolidates its corporate governance foundations, optimizing decision-making processes and enhancing oversight mechanisms to ensure operational standardization and efficiency. The Company focuses on improving management systems and regulations, enhancing internal structures, streamlining processes, and upgrading risk control mechanisms to comprehensively improve risk response capabilities and ensure stable operations.

Adhering strictly to laws and regulations such as the *Company Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies in China*, BYHEALTH formulates and improves rules for the three governing bodies (general meeting, board of directors, and board of supervisors). In 2024, the Company revised and refined institutional documents including the *Articles of Association*, *External Guarantee Management System*, and *Fundraising Management System*, strengthening standardized management of major decisions and process traceability to fortify risk prevention.

The Company maintains a clear and efficient governance structure comprising the General Meeting of Shareholders, Board of Directors and its Committees, the Board of Supervisors, and management team. The General Meeting of Shareholders, as the highest authority of the Company, is composed of all shareholders and decides on major matters related to the Company's operation and management. The Board of Directors is the executive authority of the General Meeting of Shareholders and is responsible for the General Meeting of Shareholders. The Board of Directors has established an Audit Committee and a Nomination, Remuneration and Appraisal Committee, enhancing professional decision-making. The Company's management is responsible for the Company's production, operation, and management, implementing the resolutions of the Board of Directors and exercising other authorities delegated by the Board of Directors.

The Company places significant emphasis on the positive impact of independent directors' professional backgrounds and independent perspectives on the Company's standardized operations. Among the Company's seven-member Board of Directors, three are Independent Directors. The Company has specifically instituted special meetings for independent directors. Through the working mechanism of these special meetings, it enables independent directors to concentrate on and conduct independent reviews of crucial aspects of the Company, including profit distribution, business performance, and other key elements. This is to effectively protect the interests of shareholders, particularly small and medium-sized shareholders. In 2024, in compliance with policies and regulations such as the *Administrative Measures for Independent Directors of Listed Companies* and in consideration of the Company's actual circumstances, BYHEALTH convened a total of three special meetings for independent directors. By leveraging a wider range of duty-fulfillment approaches, the Company fully maximized the role of independent directors, thereby enhancing the level of its standardized operations.

To secure independent and fair decision-making, the Company's Board of Supervisors is established, consists of three supervisors, including two employee representatives elected democratically by the employees' congress. The Board of Supervisors oversees the performance of the Board of Directors, its specialized committees, officers, as well as the Company's finances, internal control, risk management, and information disclosure. It safeguards the legitimate rights and interests of the Company, shareholders, and other stakeholders from infringement.



# Guarantee of Investors' Rights and Interests

The number of performance briefing held was

**1** time

The number of investor conference calls held was

**4** times

The number of research and communication activities organized was

**13** sessions

The maximum of participants in a single activity was

**150+** people

BYHEALTH places paramount importance on safeguarding investor rights, committing to creating long-term value and protecting legitimate interests through transparent information disclosure, seamless investor communication, and robust operational management. In terms of information disclosure, BYHEALTH adheres strictly to regulations such as the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, and the *Administration Measures for the Disclosure of information of Listed Companies*, BYHEALTH has established the *Management System for Information Disclosure*. The Company releases information to investors through annual reports, interim reports, and temporary announcements, ensuring the authenticity, accuracy, and completeness of disclosed information and safeguarding investors' right to know. Company information is accessible on the CNINFO platform (<http://www.cninfo.com.cn>). In 2024, the Shenzhen Stock Exchange awarded BYHEALTH the highest "A" rating in its *2023-2024 Information Disclosure Evaluation for Companies listed on the Shenzhen Stock Exchange*, affirming its excellence in disclosure quality and investor protection.

In terms of investor communication, the Company has formulated the *Management System for Investor Relations*. The Company introduced various forms and channels of communication, such as dedicated email addresses, service hotlines, the Shenzhen Stock Exchange interaction platform, performance briefings, factory open days, and roadshows, ensuring smooth investor communication and interaction, boosting investors' understanding and recognition of the Company. The Transparent Factory is open to the public, with investor open days inviting on-site visits for in-depth insights. In 2024, BYHEALTH held one performance briefing, four investor conference calls, and 13 research and communication activities, with the highest participation of over 150 people in a single event.

In terms of safeguarding investors' returns, the Company implements a proactive, sustainable, and robust profit distribution policy to balance investor returns and operational growth. The Company formulated *Shareholder Dividend Return Plan (2023-2025)*. With a three-year cycle, BYHEALTH formulates a shareholder dividend return plan based on its actual operating conditions while taking into account the opinions of shareholders, especially minority shareholders, as well as the opinions of independent directors and supervisors. From 2010 to 2024, cumulative dividends reached RMB 8,321.0641 million, accounting for 74.76% of cumulative net profit attributable to parent Company shareholders.



## Risk Management

BYHEALTH has established a Risk Management Committee and a Risk Management Department, continuously improving the dual-control organizational mechanism for internal control and risk management. The Company actively conducts risk identification and control work to accurately identify and strictly control various potential risk events that may affect the Company, and effectively enhances its overall risk management capabilities. The Company has formulated the *Group Decentralization Manual* and the *Internal Audit System* etc., providing important institutional guarantees to make various business risks of the Company under control. The Company conducts comprehensive audits of its business throughout the year, covering aspects such as production, procurement, sales, marketing, funds, engineering, fraud investigation. The Company provides practical optimization solutions for the issues identified during the audits. In 2024, the Company completed routine project audits, raised funds and quarterly funds expenditure audits, and 5 comprehensive business audits.

In 2024, BYHEALTH formulated the *BYHEALTH Group Enterprise-Wide Risk Management System*, clarifying the attribution of rights and responsibilities of the Risk Management Committee, the Risk Management Department, and responsible business departments. With reference to the frameworks of international industry standards such as the *COSO Enterprise Risk Management Integrated Framework* and the *ISO 31000 Risk Management Guidelines*, the Company established a collaborative system from risk source identification to business control design, and built a series of risk evaluation mechanisms from goal setting, event identification, risk assessment to risk treatment. These mechanisms start from the five dimensions of strategic risk, market risk, operational risk, compliance risk, and financial risk, comprehensively evaluate the risk level based on aspects such as risk possibility and impact degree, rank risks according to major risks, important risks, general risks, and minor risks, and establish a group risk database. The Company promptly tracks and analyzes and formulates corresponding control measures and mitigation mechanisms to focus on solving the core risk items faced by the Company.

In 2024, the Company completed the risk assessment for the group's online business and at the division level. It also formulated and updated multiple legal work guidelines, including the *Legal Guidelines on the Creation/Use of AI Works (Including Human Portraits)* and the *Risk Report on a Series of Cases of Pre-payment Collection for E-commerce Live-streaming Contracts by the Legal Department*. These measures effectively addressed several risk areas identified by the Company, such as artificial intelligence, live-streaming e-commerce, and contract management. In the future, the Company plans to expand the scope of risk assessment and conduct risk assessment work for the group's offline business, production and supply chain systems, and functional departments.



## Implementation of Compliant Operation

BYHEALTH adheres to the core values of "Integrity is more important than cleverness" and regards compliant operation as the fundamental cornerstone for its robust and long-term development. From senior management to front-line employees, the Company strengthens compliance awareness from top to bottom. It actively constructs and continuously improves a comprehensive and rigorous compliance management system, intensifies the implementation of honest corporate governance, and safeguards data security and customer privacy.

### Compliance Management

The number of compliance trainings conducted was

5 sessions

The proximate number of training attendances was

4,600 Person-times

Adhering to the philosophy of compliant operations, BYHEALTH strictly abides by national laws and regulations in its operating regions, regularly tracking relevant domestic and international policies to clearly identify potential risks and respond effectively, integrating compliance management into all aspects of corporate operations.

The Company continuously promotes a compliance culture through policies such as the *Group Employee Manual* and the *Management System for Conflict of Interest*, strictly prohibiting misconduct that violates laws, regulations, and ethical standards. In 2024, the Management System for Conflict of Interest was updated to expand its scope, explicitly classifying "competitive business operations by directors, supervisors, and senior executives" and "employees seeking illegal benefits for relatives or friends" as conflicts of interest.

Internally, the Company launches multi-dimensional compliance initiatives, including thematic training, promotional articles, and prize-based quizzes, covering professional ethics, anti-commercial bribery, anti-fraud, and privacy protection, with tailored training for different roles and responsibilities. In 2024, five compliance training sessions were held, reaching approximately 4,600 participants.

### Business Ethics

Committed to fostering an honest and transparent business environment, BYHEALTH adopts a "zero-tolerance" policy toward corruption, bribery, fraud, and unfair competition. It establishes institutional safeguards through documents like *Anti-Fraud System* and the *Procurement Personnel Rotation System*. In 2024, the *Anti-Fraud Policy* was updated to include "undervaluing or selling Company assets at a loss" as fraudulent behavior, with enhanced confidentiality measures for whistleblowers and annual anti-fraud campaigns by the Audit Department.

Procurement is a key focus of the Company's anti-corruption efforts. BYHEALTH makes the *Anti-Bribery Agreement* a mandatory requirement in all customer and supplier contracts. Sales and procurement teams are subject to strict monitoring: the Company stipulates that sales personnel must not unilaterally promise any cooperation conditions to partners without the Company's approval or sign a commitment with them. Furthermore, the Company requires all personnel involved in procurement execution, supervision, and development within the Group who have been in their positions for more than three consecutive years to undergo job rotation under the premise of friendly negotiation between the first-level department heads and the employees, preventing collusion and corruption.

BYHEALTH has established a supervision and whistleblowing system and has published whistleblowing channels on the internal portal website, marketing clouds, supplier portal websites, etc. All regular employees, customers, suppliers, and other parties that have direct or indirect economic relations with the Company can whistleblow any suspected fraudulent activities such as bribery and embezzlement of the Company's assets through the Company's anti-fraud whistleblowing channels. Reports are promptly escalated to the CEO, investigated confidentially, and resolved with findings submitted to HR and the CEO for action.



Anti-Fraud Awareness Card

**Whistleblowing Email**

shenjibu@by-health.com



The Company strictly implements whistleblower protection measures, keeping the personal information of whistleblowers and all whistleblowing materials provided by them strictly confidential. Any suspicions submitted honestly by employees or their cooperation in investigations cannot be used as a reason for any adverse changes in their employment relationship. However, malicious submissions of false reports, deception of investigators, dissemination of whistleblowing content through improper means, or obstructing investigations are considered serious disciplinary offenses. Once discovered, such cases will be handed over to the Human Resources Department by the Audit Department for handling according to the employee code of conduct. In 2024, the Company received 11 reported incidents, and no whistleblower information leakage occurred. At the same time, the Company publicly announced the violating personnel across the entire group, held the parties and managers accountable and imposed penalties, playing a warning role.

BYHEALTH attaches importance to the creation of an anti-corruption culture, regularly conducts anti-fraud promotion, and carries out anti-fraud training through the Group's online learning platform "BYHEALTH Workshop", striving to create a transparent and honest working environment. In September 2024, the Company launched the "Honesty First, Integrity Operations" publicity month activity. Through releasing anti-fraud publicity tweets, holding integrity wall signing activities, and posting publicity posters in multiple regional offices and factories, it strengthened the integrity awareness and risk prevention capabilities of all employees.



Integrity Wall Signing

## Integrity Is More Important Than Cleverness

### Open and Transparent System

The Transparent Factory in total received over

**1.7** million visits

Upholding the core concept of openness and transparency, BYHEALTH spares no effort to build a distinctive Transparent Factory. To achieve intelligent and precise production management, the Company has established a "Global Raw Material Traceability System" for the whole process through technological enabling means such as WMS (Warehouse Management System), MES (Manufacturing Execution System), counterfeit tracking system, RF (Radio Frequency) technology, and all-around barcode management.

This system has a powerful real-time data collection capability and can record in detail and accurately all the links in the whole chain from material warehousing, storage, material requisition, production, inspection, and until sales. With this complete system and reliable data, BYHEALTH has achieved two-way traceability of raw materials and finished products. By entering the name of a raw material, the system immediately presents detailed information such as the importing country, batch, quantity, time, customs declaration form, health inspection certificate, as well as the types of products produced from this raw material and the sales regional market; if the product name and batch number are entered, key data such as the source and batch of the raw and auxiliary materials used in the product, customs clearance port of imported raw materials, the health inspection certificate, and the product flow can be traced and queried, making the whole process information of raw materials and products clearly traceable.

Since the opening of the Transparent Factory in 2012, it has received more than 1.7 million on-site visits as of the end of December 2024. The public can observe the core production process, raw materials and finished product inspection up close, feel BYHEALTH's strict control over product quality. This also forms an effective social supervision on the Company's continuous practice of transparent and open production.



# 04.

## Nutrition Science Advocate

BYHEALTH upholds the brand DNA of Science-based Nutrition, Global Raw Materials, Transparent Factory, Families and Friends, implementing the Science-based Nutrition. In the spirit of science, the Company creates the ultimate nutritional products. BYHEALTH gathers the nutritional essence from 32 countries around the world<sup>1</sup>, harnessing nature's life force to nurture life. Through the Transparent Factory, the company is committed to creating globally benchmark-quality products, making our commitment to life visible. We offer nutrition products with world-class quality for families and friends rather than for clients. In addition to high-quality nutritional products, BYHEALTH pays more attention to people's health issues and the improvement of life quality.

<sup>1</sup> Data statistics is as of August 31,2024

<b>1. Environmental</b>	
<b>2. VDS Industry Leader</b>	
<b>3. Integrity Enterprise</b>	
<b>4. Nutrition Science Advocate</b>	
Science-based Nutrition	46
Global Raw Materials	53
Transparent Factory	54
Families and Friends	60
<b>5. Public Welfare Practitioner</b>	
<b>6. Respect Everyone, Enjoy Every Day</b>	

# Science-based Nutrition

BYHEALTH creates the ultimate science-based nutrition products in the spirit of science. The Company highly focuses on the science-based nutrition strategy, establishes the *BYHEALTH Nutrition and Health Research Institute*, and gathers authoritative scientific researchers in the fields of life science and nutrition from around the world, and collaborated with global authoritative scientific research institutions to study life, nourish life, is committed to researching public nutrition and health issues, and improving life quality. Under the guidance of the innovative R&D spirit, the Company continuously explores in-depth in the application of science and technology, accelerates the integration of cutting-edge technology and nutritional products, and at the same time makes bold breakthroughs in product innovation, bringing forth the new through the old. In addition, the Company actively engages in the popularization of scientific nutrition concepts, and conveys scientific nutrition knowledge to the public through multiple channels, continuously meeting the public's continuously advancing needs in the field of nutrition, helping the public improve their nutritional level and enjoy a high-quality life.

## BYHEALTH Science-based Nutrition Strategy Implementation Milestones

<b>2014</b>	Launching the strategic transformation into functional autonomous innovative R&D
<b>2015</b>	Collaborating with the Shanghai Institute of Materia Medica, CAS on Nutrient Delivery System Technology and Product Development
<b>2016</b>	Joining the European Nutrigenomics Organization (NuGO)
<b>2017</b>	Established the Alliance of Precision Nutrition: Research and Application together with the Shanghai Institutes for Biological Sciences of CAS, the Netherlands Organization for Applied Scientific Research and BASF of Germany
<b>2018</b>	Completing an Automatic Dried Blood Spot Test Center
<b>2019</b>	Establishing the "Nutrition and Anti-aging Research Center" with the Shanghai Institute of Nutrition and Health of CAS
<b>2020</b>	Reaching a strategic cooperation with the Zhuhai People's Hospital Medical Group and jointly launching the Scientific Research Platform for Nutritional Intervention on Chronic Disease Risks of Elderly Health
<b>2021</b>	The team with members from the Shanghai Institute of Nutrition and Health of CAS, BYHEALTH Institute of Nutrition & Health and other professional organizations has discovered the anti-aging substance PCC1 from a certain grape seed extracts. The research achievement has been published in the world's top scientific journal <i>Nature Metabolism</i> .
<b>2022</b>	Developing a high-quality strain <i>Lactobacillus paracasei</i> LPB27 obtained from the intestines of healthy Chinese infants together with Sichuan University West China School of Public Health and other authoritative institutions
<b>2023</b>	In response to the Implementation Rules for the Technical Evaluation of New Functions and Products of Health Food (for Trial Implementation) issued by the State Administration for Market Regulation, BYHEALTH took the lead in submitting a new function that helps maintain normal platelet aggregation function
<b>2024</b>	Collaborated with Chinese scientists on the "Homeostasis Health Assessment System" research project, achieving a global breakthrough in the multi-dimensional quantitative evaluation of the homeostasis concept

# Innovative R&D System

BYHEALTH highly focuses on the science-based nutrition strategy, established the BYHEALTH Institute of Nutrition & Health, gathered authoritative scientific researchers in the fields of life science and nutrition from around the world, and fully builds its core competitive edge in science and technology. The Company actively cooperates with globally renowned universities and professional research institutes to establish a "Collaborative Innovation R&D Cooperation Platform". Based on this, BYHEALTH focuses on product R&D around new functions, new raw materials, and new technologies. At the same time, in practice, BYHEALTH takes the existing R&D and registration of heavy-function and health food as the cornerstone, and continuously strengthens and consolidates its outstanding product scientific and technological strength in the field of high-precision and sophisticated heavy-function health food. The Company vigorously layouts scientific research and transformation work related to future precision nutrition technology, continuously promotes new technology innovation, and effectively implements scientific research strength into product power, leading the innovation and upgrading of the industry in an all-round way.

BYHEALTH consolidates the R&D foundation from multiple key dimensions, injecting strong impetus into the long-term development of the enterprise. System construction is the cornerstone of BYHEALTH's standardized R&D system. The Company has carefully formulated a series of complete and detailed systems, including the *Scientific Research Project Management System*, the *R&D Reserve Fund and R&D Expense Accounting Management System*, the *BYHEALTH Nutrition Science Research Fund Management Regulations* and other systems. These systems build a rigorous R&D organization management system and R&D investment accounting system. Through special account management, the project R&D expenses are accurately and reasonably distributed and comprehensively monitored to ensure that every R&D fund is used effectively, providing solid financial support and institutional norms for the smooth progress of R&D work.

The BYHEALTH Nutrition and Health Research Institute focuses on talent development and collaborates with global authoritative scientific research institutions to study life, nourish life, is committed to researching public nutrition and health issues, and improving life quality. Led by the BYHEALTH Nutrition and Health Research Institute, innovation research and product research are carried out through the established Innovation R&D Center, Product R&D Center, and Microecology R&D Center. In addition, BYHEALTH invites many well-known domestic and foreign experts to serve as members of the Academic Expert Committee, gathering talents from multiple fields to provide professional support. At present, the research institute boasts a professional R&D team consisting of more than 200 people. The team members come from multiple fields such as medicine, nutrition, and microbiology, with diverse professional backgrounds and complementary knowledge structures. In order to further improve the talent structure and professional level of the R&D team, BYHEALTH has developed and strictly implemented systems such as the *Science and Technology Talent Training System*, *Employee Further Education and Training System*, and the *Management Measures for Introducing Excellent Talents*, continuously optimizing the innovative talent team to ensure that the R&D team always maintains industry-leading professional qualities and innovative vitality.



BYHEALTH Nutrition and Health Research Institute Core members

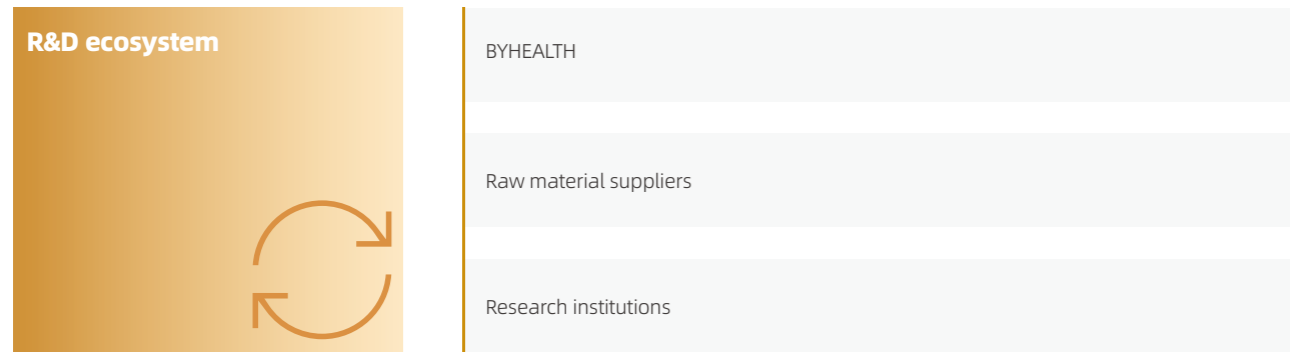
The incentive mechanism is the key engine for BYHEALTH to stimulate the innovative power of the R&D team. The Company has established incentive systems such as the *Management System for the Transformation of Scientific and Technological Achievements*, the *Management Measures for Rewarding Scientific Research Projects*, the *Quality Control Circle (QCC) Management Procedures* and the *Improvement Management Procedures*, etc. According to the actual situation of the transformation of scientific and technological achievements each year, the Company implements corresponding incentive measures for the R&D team, closely linking R&D achievements with team and individual rewards. This incentive mechanism has greatly inspired the innovative enthusiasm of the R&D team, prompting the team to constantly pursue excellence, continuously contribute wisdom and strength to the Company's innovative development, and promoting the Company to continuously reach new heights on the road of scientific and technological R&D, leading the innovation and upgrading of the industry. From 2021 to 2024, BYHEALTH unswervingly increased its R&D investment, with a cumulative investment of more than RMB 637 million, demonstrating the Company's high attention and firm determination to R&D innovation.

On the road of innovative development, BYHEALTH actively cooperates with scientific research institutions and industrial partners at home and abroad, constructing a two-wheel drive model of a collaborative innovation system of industry, academia, and research and a global industrial cooperation alliance.

In terms of the collaborative innovation system of industry, academia, and research, since 2019, BYHEALTH has carried out more than 100 cooperation projects, including but not limited to exploring the standardization of the nutrition and health industry with the China National Institute of Standardization; jointly establishing the Geriatric Chronic Disease Clinical Nutrition Intervention Research Center with the Chinese Geriatric Health Care Research Association, focusing on geriatric health management; and jointly building the UCAS Hangzhou Institute-BYHEALTH Precision Nutrition Research Center with the University of Chinese Academy of Sciences, Hangzhou Institute, delving into cutting-edge directions such as precision nutrition testing and new raw materials for health food.

In terms of global industrial cooperation, BYHEALTH widely allies with the industry, signing R&D agreements with companies such as Fonterra (New Zealand), BASF (Germany), and DuPont Nutrition & Biosciences, and conducting in-depth cooperation in fields such as functional raw material development, precision nutrition technology transformation, and probiotic scientific research applications. In addition, the Company has also jointly established the Intestinal Health Standardization Research Alliance with well-known enterprises and institutions such as ADM and Chr. Hansen to jointly promote the standardized development of the probiotic industry and empower the industry's innovation and upgrading through diversified cooperation.

**BYHEALTH Collaborative Innovation R&D Cooperation Platform**



**New Materials**

Enhancing product innovation and differentiated competitive advantage

**New Functions**

Predict and meet consumer needs and expand business footprints

**New Technologies**

Planning precision nutrition, anti-aging and so forth, and promoting the industry to the high-end of the global value chain

**R&D Achievements**

In 2024, BYHEALTH achieved remarkable R&D results, publishing 31 scientific research papers in international high-level journals such as *Gut Microbes*, *Food & Function*, *European Journal of Nutrition*, and *Frontiers in Microbiology*. The patent for *Bifidobacterium breve* 207-1 and its uses obtained PCT patent authorizations in four countries and regions, namely Hong Kong, China, South Korea, Europe, and Australia, further strengthening BYHEALTH's scientific research competitiveness.

The Company continued to focus on new technology innovation, conducting research on the Homeostasis Health Assessment System for six consecutive years. Through years of dedicated research efforts with the Shanghai Institute of Nutrition and Health, Chinese Academy of Sciences, and the Center for Excellence in Molecular Cell Science, Chinese Academy of Sciences, the results of this project were successfully published in the international authoritative scientific research journal *National Science Review*. The Homeostasis Health Assessment System uses health models and algorithms to establish an industry-leading homeostasis health assessment and quantification system for the Chinese population, achieving a major breakthrough in homeostasis research. It can more accurately assess health and predict risks, helping to achieve precision nutrition intervention in the future.

BYHEALTH pays attention to research in the field of probiotics. Through the collaborative research of multiple professional institutions, the Company successfully achieved the identification and viable count of *Lactacaseibacillus rhamnosus* in compound probiotic products, making a new breakthrough in the method of precise identification and viable quantification detection technology of compound probiotic strains. In the future, with the gradual implementation of a series of research results, it is expected to improve the quality control of compound probiotic products, help improve the supervision efficiency of food-used strains, and provide solid support for the development of the industry from the technical and standard levels. The first-round results of this research have currently been published in the authoritative journal *Frontiers in Microbiology*, fully demonstrating BYHEALTH's scientific research strength and industry-leading position.



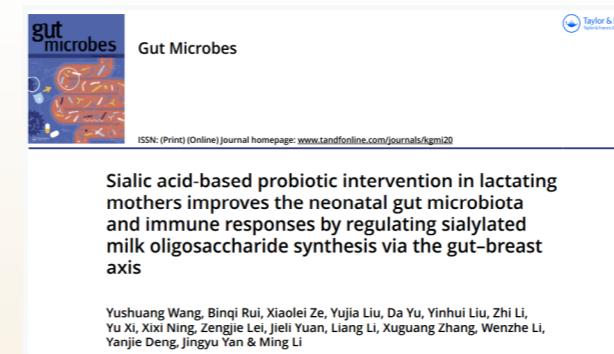
The Homeostasis Health Assessment System Research Went Published on *National Science Review*



Breakthrough in the Method of Precise Identification and Viable Quantification Detection Technology of Compound Probiotic Strains Went Published on *Frontiers in Microbiology*

At the same time, BYHEALTH, in collaboration with institutions such as Dalian Medical University and Dalian Central Hospital, focused on conducting human clinical research on probiotic products. The results were published in *Gut Microbes*, a well-known international journal in the field of intestinal health. It was first discovered that the combination of sialic acid and probiotics can regulate the synthesis of sialylated oligosaccharides (S-HMOs) in breast milk through the gut-mammary axis, which has a positive effect on the healthy development of the neonatal gut microbiota and the enhancement of immune responses.

In addition, in 2024, BYHEALTH also achieved phased results in the scientific evidence-based research of products. The Company conducted clinical research on the Jian An Shi product with professional and authoritative institutions such as the School of Public Health, Sun Yat-sen University, and Sun Yat-sen Memorial Hospital, Sun Yat-sen University. Through research, the Company effectively confirmed that Jiananishi has a positive impact on improving non-alcoholic fatty liver and protecting liver health, providing a solid scientific basis for consumers' liver protection needs. The relevant research results were heavily published in *Clinical Nutrition ESPEN*, a well-known international journal of nutrition.



Positive Effect of the Combination of Sialic Acid and Probiotics Went Published on *Gut Microbes*



Clinical Effect on the Jian An Shi Product Went Published on *Clinical Nutrition ESPEN*

## Intellectual Property Protection

The number of domestic patents owned was

**435** patents

The number of invention patents for raw materials and formulas was

**130** patents

The number of registered approval certificates for Health Foods was

**155** certificates

The cumulative number of overseas patent authorization obtained was

**16** authorizations

BYHEALTH attaches great importance to the protection of R&D achievements. Centered around the core strategic direction of "scientific nutrition", it has constructed a complete and efficient intellectual property management system, developed a group-level intellectual property management strategic policy, and planned the annual key intellectual property work to ensure that intellectual property work is closely integrated with the overall development of the Company. During the process of R&D project advancement, the Company has established a strict intellectual property assessment mechanism and strictly follows the standardized patent application and approval process at every link to ensure that R&D achievements can be timely and effectively transformed into legally protected intellectual property.

To achieve professional and refined intellectual property management, BYHEALTH has formed a professional team. The team members are well-versed in intellectual property laws and regulations and business processes, and are fully responsible for the discovery, application, protection, operation, and rights protection of intellectual property, fully safeguarding the Company's intellectual property rights. At the same time, the Company fully respects the achievements of others and strictly complies with the *Enterprise Intellectual Property Compliance Management System (GB/T 29490 - 2023)*, avoiding infringement risks during R&D, reviewing the intellectual property status of suppliers during procurement, using relevant logos in a standardized manner during production, and ensuring that publicity and promotion during operation meet regulatory requirements.

Under the guidance of the "science-based nutrition" strategy, the number of the Company's patents has steadily increased. As of December 31, 2024, BYHEALTH had 435 domestic patents in mainland China, including 130 invention patents for raw materials and formulas, and 155 registered approval certificates for Health Foods. The Company's patent layout in multiple countries and regions such as Australia, Europe, the United States, Canada, and Japan has also been fruitful, and it has currently obtained a cumulative total of 16 overseas patent authorizations.



## Science-based Nutrition Advocate

BYHEALTH takes the initiative to shoulder the responsibility of spreading the concept of scientific nutrition. With the Nutrition Exploratorium as a physical science popularization platform, it allows the public to directly experience the charm of nutritional science through immersive experiences; at the same time, by hosting large-scale events such as the 518 Nutrition Day, it conducts various forms of interactive science popularization activities, such as fun knowledge competitions, expert lectures, and online live broadcasts. The Company is committed to helping the public easily understand and master scientific nutrition knowledge through these in-depth and accessible forms, gradually improving the public's health literacy and contributing to the construction of a healthy China.

### CASE | Nutrition Exploratorium

As a global leader in VDS industry, BYHEALTH actively responds to the national strategy of invigorating China through science and education. We built the Nutrition Exploratorium in Zhuhai City, which integrates science education and public interaction, contributing to the promotion of the national nutrition awareness. The Nutrition Exploratorium covers an area of 7,330 m<sup>2</sup> and has a building area of 15,558 m<sup>2</sup>. The building's exterior is inspired by the mathematical topological structure of the Möbius strip, metaphorizing the infinite possibilities of life science and nutrition exploration. The Exploratorium has four major touring areas nested in it. With the help of lighting art and intelligent technology, abstract nutritional knowledge is transformed into perceivable immersive scenes. Visitors can participate in somatosensory interactive games and personalized health tests, and understand the principles of nutrition and explore the mysteries of life science in visual shock and sensory experience.

In 2024, BYHEALTH held 1,122 nutrition classes for visitors in the Nutrition Exploratorium, popularizing knowledge to 77,634 members of the public.



Nutrition Exploratorium

CASE | 518 Nutrition Day

In order to help the people develop scientific dietary habits and improve the national nutrition level, under the guidance of the Chinese Nutrition Society, for three consecutive years, Xinhua News Agency has hosted and BYHEALTH has co-organized the "518 Nutrition Day". Through this nutrition festival, it has increased the public's attention to nutrition issues and injected "nutritional power" into a healthy China through the popularization of scientific nutrition knowledge.

In 2024, the 3rd 518 Nutrition Day put forward the scientific nutrition advocacy of "precisely ingesting 9 key nutrients to scientifically enhance immunity" for the first time. Multiple studies have confirmed that 9 key nutrients, including high-quality protein, vitamins (A, C, D, E, B6), and zinc, iron, and selenium, play a significant role in enhancing immunity. The event focused on the problem of enhancing the immunity of the Chinese people, pointing out that there are irrationalities in the dietary structure of Chinese residents, and key nutrients are generally lacking.

518 Nutrition Day advocates nutrition with the help of experts and scholars, athletes, celebrities, and more than 300 nutritionists, used multiple platforms such as Weibo, Douyin, and WeChat to carry out a series of scientific-popularization interactions through professional reports, science-popularization cartoons, posters, and videos. At the same time, Xinhua News Agency conducted a live broadcast, providing personalized nutrition advice for different groups of people, helping the people scientifically enhance their immunity and develop good dietary habits. The online communication of the event was quite effective, with a total online communication volume of over 100 million and a total interaction volume of over 500,000, achieving the wide dissemination of scientific nutrition awareness and knowledge.



Popular Science Advocacy of 9 Key Nutrients

## Global Raw Materials

There are huge differences in animals and plants from different regions and at different times. BYHEALTH takes full account of the natural environment of raw materials and adheres to a near-stringent raw material traceability and review system, creating a unique BYHEALTH. It nourishes life with the life force of nature. To date, BYHEALTH's raw materials originate from 32 countries around the world, building a "United Nations" of nutraceuticals with the best selected ingredients.

The Company selects high-quality raw materials from around the world. In the golden pastures of New Zealand, cows are wild-grazed and naturally grass-fed for about 350 days a year, and the whey protein produced becomes high-quality raw material for BYHEALTH. In the black soil of Northeast China, BYHEALTH has a 150,000 Mu of non-genetically modified soybean exclusive supply base. The whole process from seeds, planting to processing is traceable and controlled, and double-patented soybean protein isolate is extracted. In the Peruvian sea area in the southern hemisphere, the Company selects wild small fish rich in Omega-3 in their bodies and extracts high-purity EPA fish oil from them. In the hot salt lakes of Australia, Dunaliella salina grows a large amount of  $\beta$ -carotene to resist light damage. In the virgin rainforests of Brazil, "killer bees" produce precious green propolis uniquely containing "artepillin C". Under the coniferous forests at an altitude of 2,200-2,500 meters in Europe, wild bilberries contain about 3-4 times more anthocyanins than ordinary blueberries.

In order to effectively strengthen the control over the global procurement of high-quality raw materials, BYHEALTH actively makes overseas layouts and has successfully established a number of dedicated raw material supply bases in Brazil, Australia and other places. So far, BYHEALTH has gathered the nutritional essence from 32 countries around the world<sup>1</sup> building a "United Nations" of nutraceuticals with the best-selected ingredients, and fully implementing the global raw material quality advantage strategy to bring products of excellent quality to consumers.

<sup>1</sup> The data statistics are as of August 31, 2024.



## Transparent Factory

Integrity and transparency in the VDS industry are particularly important to the long-term development of companies and the industry. As a leader in the industry, BYHEALTH has taken the lead in building the Transparent Factory. The Company adheres to a high-standard quality control concept. By constructing a multi-dimensional transparent management system, it strictly controls and publicly presents every link of products, from raw material procurement, production and processing to product delivery, aiming to ensure that all products are safe, reliable and of excellent quality. It leads the improvement of industry quality with an integrity model and promotes the dietary supplement industry to develop in a more standardized, transparent and high-quality direction.

## "Integrity is more important than Cleverness" of BYHEALTH Eight Concepts for Quality Control

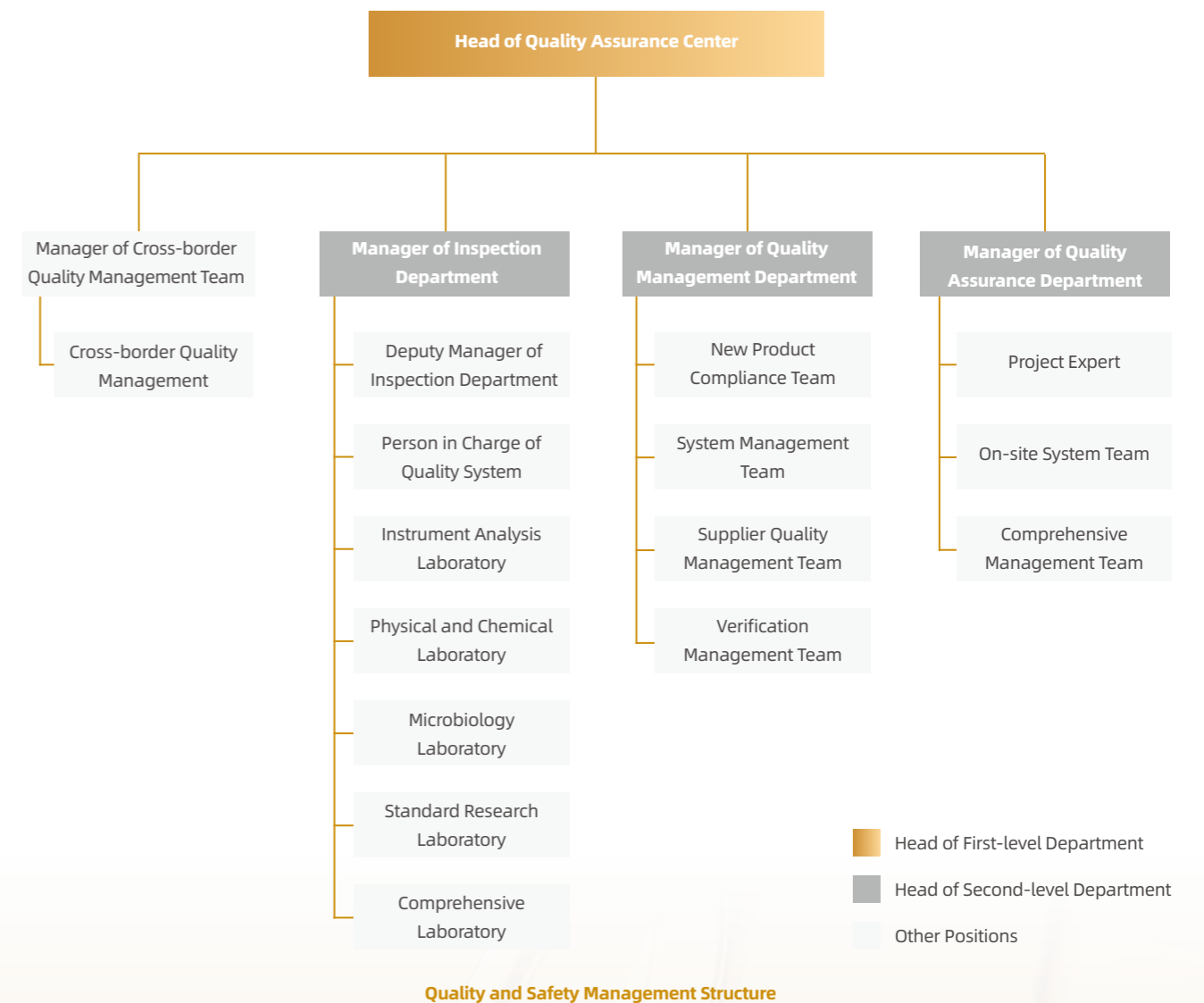
On July 31, 2018, Chairman of BYHEALTH summarized basic quality control philosophy as followed by the company over the years and proposed eight concepts for quality control to be taken as the cornerstone for an enterprise' survival and development. These points are like the anchor for the survival and development of the enterprise, helping the enterprise maintain a stable course in the complex and changing market tide, and are the core guarantee for the long-term foothold and continuous development of the enterprise.

### "Integrity is more important than Cleverness" of BYHEALTH Eight Concepts for Quality Control:

- 01** National regulations are just baseline standards. BYHEALTH needs to surpass all national standards.
- 02** It is strictly prohibited to cross and thinking to cross the red line. And it is also strictly prohibited to perform under the law while with obvious awareness of health risks.
- 03** An enterprise in connection with food is placed upon the point of sword. Every step we take is like walking on a sword edge or walking on thin ice with great care, always maintain a sense of awe, without any slack. Quality is the lifeline of a food producer, and no mistake is acceptable in the market.
- 04** Quality is a matter of integrity, not a matter of money and technology. Every life deserves a sense of awe.
- 05** Neglecting quality or increasing the risk of quality is literally immoral for any high-sounding reasons, including efficiency, effectiveness, cost, supply shortage, and so on. With quality first, no reasons for compromising quality will be accepted.
- 06** It is required to ensure the professional authority and independence of quality control which shall be independent from the business.
- 07** BYHEALTH aims to offer nutrition products of the highest quality in the world for families and friends rather than for clients. We produce products for our own kids, families and friends.
- 08** With the concept of "Integrity is more important than cleverness," Zhuhai Factory values integrity as its foundation. The Seal of Integrity sculpture weighing 100t stands like a mirror to warn everyone of BYHEALTH.

## Quality Management System

BYHEALTH always adheres to the quality management principle of "Right First Time, Keep Improve", consolidating the foundation of quality management. The Company has established a multi-level product quality and safety management structure, with the Quality Assurance Center as the core department of quality management. It coordinates the professional teams of the Cross-border Quality Management Group, the Inspection Department, the Quality Management Department, and the Quality Assurance Department to form a management structure with clear rights and responsibilities and collaborative division of labor, controlling key links and achieving full-chain closed-loop management.



Based on the four key dimensions of Police, Process, People, and Performance, BYHEALTH has developed the RFTI-4P quality management system that covers the entire product life cycle. The Company is committed to ensuring that the policy level is rigorous, standardized, and compliant; the process level is strictly controlled and finely managed; the people level focuses on strengthening team management and enhancing individual capabilities; and the performance level features scientific assessment and effective incentives. In 2024, the Company met the requirements of the ISO 9001:2015 Quality Management System and the ISO 22000:2018 Food Safety Management System, obtained relevant certifications, and also received the GMP Good Hygiene Practice Certification.



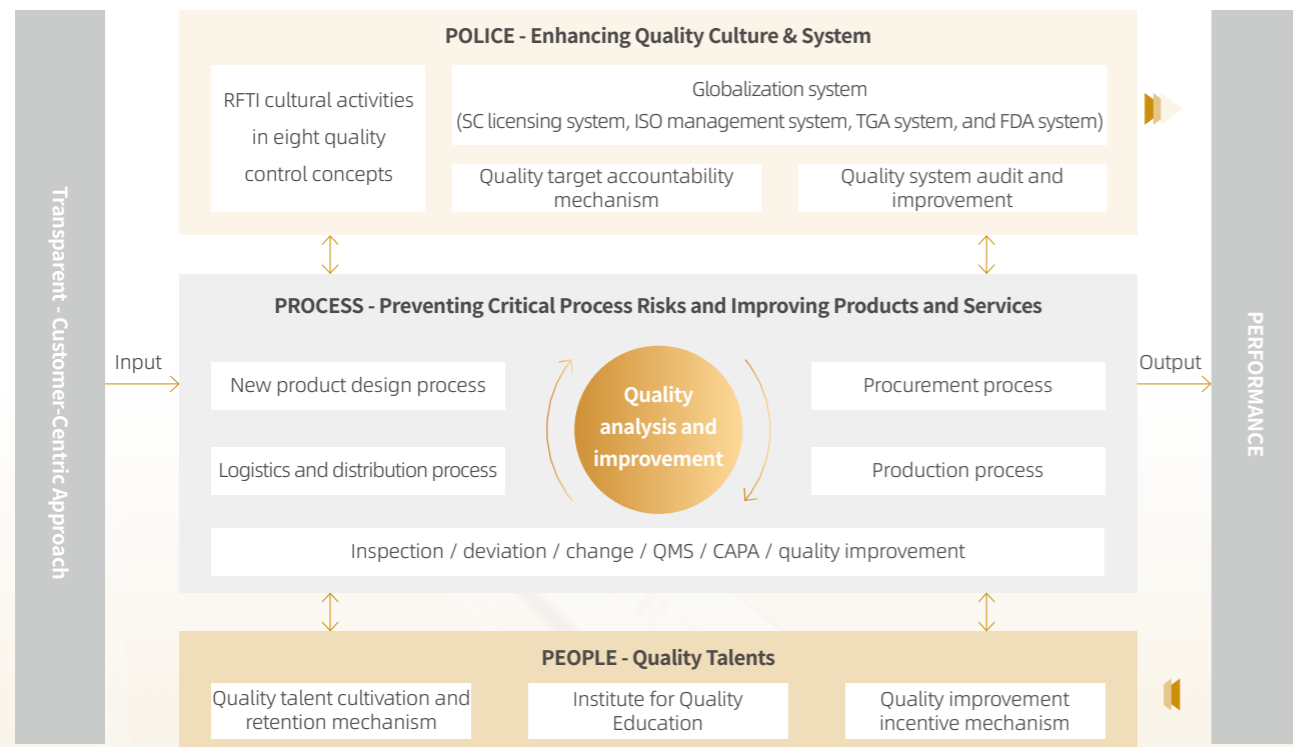
BYHEALTH's ISO 9001:2015 Quality Management System Certificate



BYHEALTH's ISO 22000:2018 Food Safety Management System Certificate



GMP Good Hygiene Practice Certification



BYHEALTH's RFTI-4P Quality Management Method

Note: RFTI: Right First Time, Keep Improve 4P: POLICE, PROCESS, PEOPLE, and PERFORMANCE

## Quality Control Process

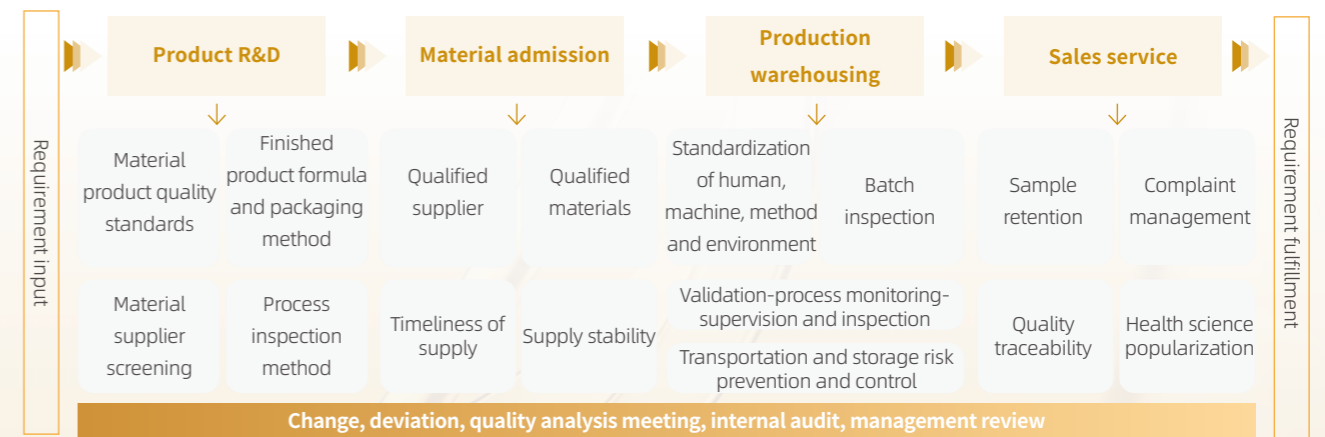
BYHEALTH implements the main responsibility system for quality and safety. Through the deviation, change, corrective and preventive action system, it implements the QbD (Quality by Design) concept and the process risk prevention and control management method to control product quality from the source. By establishing a key process risk prevention mechanism covering the entire value chain from R&D, supply, production to sales. The mechanism is intended to realize the observability and control of all employees, all elements, and all processes, and promote the co-construction and co-governance of a multi-interface quality and safety system, ensuring that every link meets high-quality standards.

For the quality control of key links such as new product R&D, production, launch, after-sales service, and quality upgrading, the Company has set up a series of control and evaluation processes such as project approval and change procedures for new product R&D according to the *New Product R&D and Registration Management System* to achieve the safety control. In the product R&D project approval stage, R&D personnel identify product types, regulations, and risks, and confirm the characteristics of raw and auxiliary materials to provide theoretical support for the product. In the process design stage, the Company designs and optimizes the process suitable for commercial production based on the characteristics of raw materials. In the product production conversion stage, the Company constructs the technical evaluation system and related evaluation management procedures for each stage, and continuously improves to meet the needs of customers and industry development, providing a process-based, manageable, controllable, and traceable basis for the conversion from R&D to production.

In experiments and product tests, BYHEALTH always adheres to ethical standards and insists on considering factors such as animal protection and human rights. When conducting animal function tests, the Company prefers to use laboratory rodents. When conducting human food-testing experiments, it ensures that the experiments can be carried out only after obtaining ethical approval and completing toxicological research.

In terms of hardware facilities, the Transparent Factory is equipped with complete laboratory facilities and a dedicated independent quality control laboratory. This laboratory was successfully accredited by the China National Accreditation Service for Conformity Assessment as early as 2013. Its operation fully complies with the CNAS-CL0 Accreditation Criteria for the Competence of Testing and Calibration Laboratories and the general requirements of ISO/IEC 17025 for the competence of testing and calibration laboratories, providing solid technical support and guarantee for product quality testing.

For potentially non-conforming products, the Company strictly follows the controlled document *MS-QM-1007-Non-conforming Product Management Procedure*. The Company follows the detailed regulations of this procedure from the discovery, identification, and isolation of non-conforming products to subsequent evaluation, disposal, cause analysis, and the formulation of preventive measures to prevent recurrence, ensuring that non-conforming products do not enter the market and maximizing the protection of consumers' rights and interests and the Company's brand reputation.



Key process control flow

## Quality Culture Development

BYHEALTH implements the value of "Integrity is more important than cleverness," forms eight concepts of quality control, and lays a solid foundation for quality culture development. BYHEALTH has set up the Quality Culture Management Department to develop quality culture from the five levels of the quality culture pyramid including concept, knowledge, institution, behavior, and material in conjunction with the *Guidelines for the Corporate Quality Culture Development*, systematically promotes the work of quality culture construction.

During the whole-year quality culture construction process, BYHEALTH skillfully takes advantage of important festivals such as World Metrology Day on May 20, World Accreditation Day on June 9, and World Quality Day on November 10 to carefully plan and carry out a series of quality-themed day activities. The activities are rich and diverse in form. By deeply conveying the background cultural significance of the theme days, quality knowledge is presented to employees in a vivid and easy-to-understand way. At the same time, a comparative analysis of BYHEALTH culture and quality concepts is carried out, and excellent cases in actual work are shared. These activities effectively strengthen the intensity of quality publicity, further deepen the influence of quality culture within the enterprise, and make the quality awareness deeply rooted in the hearts of the people.

In 2024, BYHEALTH successfully held the Quality Month activity with the theme of "Strengthening the Foundation, Enhancing Collaboration, Promoting Digital Intelligence, and Creating New Quality". The activity centered around the five levels of the quality culture pyramid, carefully planned and carried out a total of 18 specific activities, widely mobilizing the participation of multiple departments and lines such as production, logistics/warehousing, equipment, quality management, process, and the Transparent Factory, and comprehensively promoting the improvement of the Company's quality management level.

To improve the professional qualities and quality awareness of employees in the quality sector, BYHEALTH has organized a number of training sessions covering key contents such as learning food safety supervision regulations, food safety risk control list training, and training for obtaining certifications related to product quality, such as cGMP (current Good Manufacturing Practice) for dynamic drug production management and PCQI (Preventive Controls Qualified Individual) for preventive control measures. This enables employees to master the standards of the quality management system and professional knowledge proficiently. At the same time, the Company systematically understands and objectively evaluates the contributions of employees to quality work. By carrying out the "Portraying Quality Craftsmen" competition and awarding bonuses to "Quality Craftsmen", the Company builds a display platform, sets up exemplary benchmarks, so as to motivate employees who perform outstandingly in quality work, effectively mobilize the enthusiasm and sense of honor of all employees to engage in quality work, and promote the creation of a more professional and efficient quality team.



"Integrity is More Important than Cleverness" Core Value of BYHEALTH



On-site Product Quality and Safety Training

## Families and Friends

BYHEALTH practices the commitment of treating consumers as families and friends, providing consumers with world-class quality supplements and serving users with care. With sincere empathy, it fulfills its commitment to selecting high-quality nutritional products from around the world. In addition to high-quality nutritional products, BYHEALTH pays more attention to people's health issues and the improvement of life quality. It collects opinions and listens to user feedback through multiple channels, continuously optimizes its service level, and strives to bring consumers a service experience beyond their expectations, making every brand interaction full of care and respect.

### "Integrity is more important than cleverness" Corporate Cornerstone

- 01 Measure with our own values and conscience, and with the empathy of "families and friends". With the spirit of "commitment" and "excellence", we fulfill the commitment and empathy of "families and friends" to create value for the health of consumers.
- 02 The industry on the tongue, the enterprise on the tip of the knife. Quality is the lifeline of a food company, and BYHEALTH is always on thin ice and always in awe.
- 03 Require that all product labels and product display pages are labeled with special taboos in oversized font as a reminder, just because we treat them as family members, not users.
- 04 Legal compliance is only a red line and a basic line, but there is also a moral line.
- 05 Only safe materials are used on the bottles. We are more concerned about the safety of our family members than the external beauty.
- 06 Insist on the "no change" among all changes: consumers do not look at what we say, but what we do. Not to see what we do for a while, but to see what we have been doing. With the core value of "honesty is more important than intelligence" and the brand DNA of "families and friends", we will win the trust of consumers for a long time.

## Nutrition Counseling

The Company is well aware that consumers' pursuit of nutrition is not only a desire for high-quality products but also a need for professional nutrition guidance. Therefore, in addition to providing high-quality products, the Company takes professional nutrition guidance as a core task and integrates it into customer service.

To enable consumers fully understand products before purchase, the Company comprehensively displays detailed information of various products on official channels. Product ingredients, efficacy, specific usage methods are all clearly presented to help consumers determine whether the products meet their own needs. At the same time, to promptly address consumers' questions, the Company has opened multiple communication channels such as online customer service, telephone, email, and social media. No matter when and where consumers are, they can receive timely and professional answers.

After consumers complete their purchases, the Company's service has just begun. BYHEALTH has carefully formed an elite team composed of professional health managers and nutritionists to provide consumers with scientific and professional nutrition services. Consumers can communicate one-on-one with the Company's professionals through various convenient methods such as telephone, online consultation, and offline consultation, and obtain personalized nutrition management advice, truly achieving comprehensive nutrition protection from products to services.

## Consumer Experience

Consumer feedback is a crucial guide in the development process of an enterprise. BYHEALTH adheres to a highly responsible attitude and actively constructs diversified and comprehensive feedback collection channels to build a solid bridge for close communication with consumers. Consumers can conveniently provide feedback through various channels with any suggestions or ideas, including but not limited to the official website of BYHEALTH, the WeChat official account of BYHEALTH Nutritionist, mini programs, the Weibo account of BYHEALTH Nutritionist, and email. For overseas consumers, the Company has also set up feedback mailboxes to handle customer opinions and actively communicates with consumers through the official social media of some core overseas markets.

The Company is committed to bringing consumers a service experience beyond their expectations. It continuously tracks and follows up on customer satisfaction and takes multiple measures to comprehensively improve service quality. The Company monitors the satisfaction of robots and human operators in real time. For service cases with ratings in the average and dissatisfied ranges, it conducts comprehensive quality inspections and promptly initiates follow-up mechanisms to ensure that every service shortcoming can be promptly addressed and optimized.

In response to customer complaints, the Company has formulated the *Service Risk Warning and Prevention and Control Mechanism*, strictly requiring nutrition consultants to take the initiative to intervene immediately upon receiving complaints and objections, and to follow up and conduct return visits throughout the process until the problem is completely resolved, achieving 100% closed-loop management of customer complaint handling. At the same time, the mechanism clearly specifies on the processing time limits: requiring follow-up and callback for ordinary complaints or incidents within 2 hours. In special cases (such as no answer from the customer), it is necessary to follow up within 24 hours until the problem is resolved. Complaints requiring inter-departmental assistance shall be followed up within 2 working days until they are resolved.

In 2024, in order to comprehensively optimize the service experience, the Company newly introduced the 72 hour one-time resolution rate indicator, matched it with an incentive-based compensation plan and promotion system, and fully empowered frontline nutrition consultants with the independent decision-making power for product compensation within three times the amount, effectively improving the problem-solving efficiency. In addition, the Company continuously optimizes and improves the standard operating procedures (SOP) of the service process to ensure the standardization and normalization of services.

In terms of return and exchange services, the Company actively integrates the resources of various brands within the group, unifies the return and exchange processes and rights of consumers, and opens up express return and exchange green channels for high-quality customer groups such as gold/platinum members, significantly enhancing the shopping convenience and satisfaction of customers.

At the same time, BYHEALTH adheres to the customer-first service spirit and actively explores overseas markets with brands such as LifeSpace and Pentavite, providing scientific nutrition products for global users and encouraging them to enjoy a healthy life. In 2024, the Company held the "VITALITY IN EVERY SPACE HEALTHY WALK" activity in Malaysia, mobilizing the public to take healthy walks and fully release their vitality wherever they went. At the same time, the Company carried out various forms of nutrition education and medical knowledge dissemination in many Southeast Asian countries such as Singapore, Malaysia, Thailand, and Vietnam, covering online media promotion, offline exhibitions, store activities, etc., helping overseas consumers establish nutrition awareness, maintain good living habits, and enhance the consumer experience.



VITALITY IN EVERY SPACE HEALTHY WALK Activity



Offline Health Promotion Activity in Malaysia

# 05.

## Public Welfare Practitioner

BYHEALTH has always been fulfilling its social responsibility, adhering to the public welfare concept of "Gain More and Share More." In the field of public nutrition and health, BYHEALTH continues to focus on improving public nutrition and promoting equitable educational opportunities for children. Through these initiatives, the Company contributes to sustainable social development with enduring momentum.

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1. Environmental

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2. VDS Industry Leader

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3. Integrity Enterprise

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4. Nutrition Science Advocate

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5. Public Welfare Practitioner

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Supporting Education Development 66

Passionate about Charity 68

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6. Respect Everyone, Enjoy Every Day

# Concern for Public Health

As a leader in its industry, BYHEALTH is committed to enhancing public health literacy and supporting the realization of the Healthy China initiative. The Company has launched a series of nutrition education and health campaigns, creating science-based content and organizing professional teams to conduct health screenings, lectures, and outreach activities in communities, rural areas, and remote regions. These efforts provide tailored nutritional guidance to populations with limited health knowledge and medical resources, demonstrating the Company's dedication to safeguarding national health.

## Improving Children's Nutrition

The number of years BYHEALTH has continuously conducted children's nutrition projects was

**13** years

The number of teachers and students benefitted was approximately

**131,500** people

The social influence exceeded

**8.16** million person-times

Nutritional health plays a decisive role in the physical and intellectual development of children. Protecting children's nutritional health is the shared responsibility of the whole society and a crucial cornerstone for building national health. In response to the policy guidance of *the Action Plan for the Promotion of Healthy Children (2021-2025)*, BYHEALTH actively focuses on and conducts work related to the health of rural children, committing to narrowing the gap in children's health protection between urban and rural areas and among different regions, and comprehensively caring for children's healthy growth. Since 2012, BYHEALTH has been carrying out public welfare programs to improve children's nutrition and education for 12 consecutive years. The Company has joined forces with the Global Child Nutrition Foundation (GCNF), the United Nations International Children's Emergency Fund (UNICEF), and the China Youth Development Foundation to carry out three major programs, namely the "Improvement Program of School-age Children's Nutrition in Poverty-stricken Areas," the "First 1,000 Days Early Childhood Nutrition Plan," and the "Nutritional Supporting Education Program." These programs cover children from early life to school age, and provide nutritional supplies, health guidance, and health science popularization to low-income families and children in underdeveloped areas and cities, to help improve children's nutrition through practical actions. To date, BYHEALTH has donated more than RMB 10 million to various children's nutrition programs, trained 460 nutritionists, attracted more than 700 volunteers to participate, with more than 60,000 viewers of its online training programs on infant and young child feeding counseling. These efforts have benefited 131,500 teachers and students and influenced more than 8.16 million person-times.



### CASE | Hope Project - BYHEALTH Nutritional Supporting Education Program

Since 2013, BYHEALTH has partnered with the China Youth Development Foundation to launch the "Hope Project - BYHEALTH Nutritional Supporting Education Program", which focuses on improving nutrition for students in impoverished primary schools. Through nutrient donations, nutrition classes, and teacher training, the program builds a sustainable nutrition education system. As of 2024, it has reached over 170 schools across China, trained 460 teachers, and benefited over 120,000 students.

In 2020, the Company collaborated with the China University Student Action Plan to expand the program. University student teams and employees were mobilized to conduct nutrition workshops and dietary surveys in rural areas. By 2024, 40 university teams from institutions like Tsinghua University, Peking University, and Zhejiang University had completed 787 days of activities in 22 provinces, delivering 2,458 lessons, benefiting over 5,500 teachers and students, with a social influence over 4.2 million people.

In the future, BYHEALTH will continue to make efforts, actively encourage the public to contribute to improving the nutrition of rural children, and firmly contribute to the growth of rural children.



BYHEALTH Nutritional Supporting Education Program

## Contributing to Public Health Improvement

The "Health and Nutrition Express" drove passed

**30+** provinces

Held in total over

**18,900** activities

Benefitted

**3.45+** million person-times

Improving public health literacy and building a healthy China are inseparable from understanding the current health status of residents and popularizing nutritional knowledge. In 2011, BYHEALTH launched the "Health & Nutrition Express" project, providing residents with health tests such as body composition, bone mineral density, and arterial health status, as well as nutritional consultation services including report interpretation, nutrition and health consultation, and popular science of health knowledge. During the implementation of the project, based on the collected survey data, BYHEALTH has released the *BYHEALTH National Health Report* several times, providing basic data support for health issues such as obesity, bone mineral density, and cardiovascular health, and actively calling on the whole society to pay attention to and practice a healthy lifestyle. As of the end of the reporting period, the Company's "Health Express" has visited more than 30 provinces (municipalities, autonomous regions) across the country, holding more than 18,900 activities in total, benefiting over 3.45 million person-times.

In addition, BYHEALTH has joined hands with the Zhong Nanshan Medical Foundation of Guangdong Province to jointly establish the "Scientific Nutrition Special Fund" and has fully promoted the implementation of the scientific nutrition community health plan for three consecutive years. Focusing on themes such as growth and development, bones and joints, three highs (high blood pressure, high blood sugar, high blood lipid), immunity, and respiratory health, the project has gone deep into 21 communities, providing comprehensive and professional health testing services for 8,486 residents, helping them to understand their own health status in a timely manner. The Company has also carried out online consultations for 1,000 people, breaking through geographical limitations and enabling residents to obtain medical advice conveniently. In addition, through a combination of online and offline popular science education methods, the project has vigorously popularized scientific nutrition knowledge, covering a total of more than 4 million people, effectively improving residents' awareness of scientific nutrition and helping community residents move towards a healthy life.

## Supporting Education Development

BYHEALTH has always been concerned about the healthy growth of children. In addition to public welfare activities for nutrition improvement, it has been deeply involved in the field of public welfare for children's education for many years. From assisting in building Hope Primary Schools to improve educational infrastructure and promote equal educational opportunities, to carrying out physical education to help children build up their bodies, and building scientific laboratories to promote scientific and technological innovation cultivation, BYHEALTH has comprehensively supported the balanced development of children and built a solid growth ladder for children with practical actions.

### CASE | Student Physical Education Project

BYHEALTH has continuously promoted the implementation of physical education in Hope Primary Schools, helping more children to build strong bodies and lead healthy lives. Since 2013, the Company has joined hands with the Yao Foundation, deeply participated in and continuously supported the Yao Foundation Hope Primary School Basketball Season project. Through the carrier of basketball, it has vigorously promoted the sports spirit, enabling children to learn perseverance in the struggle and understand responsibility and commitment in team cooperation, achieving all-round development of physical and mental health.

The Company has donated nutritional products to tens of thousands of primary school students participating in the basketball season, helping them to quickly recover their physical strength, reduce exercise fatigue, and better enjoy the joy brought by sports. In addition, BYHEALTH has also turned its attention to the football project, actively assisting the "Hope Project - Soccer Carnival in Greater Bay Area" project organized by the China Youth Development Foundation for three consecutive years. With practical actions, BYHEALTH has contributed to the promotion of the national strategy of integrating sports and education and building a sports power, planting the seeds of sports dreams in the hearts of children and enabling them to thrive in sports.

### CASE | 1+1\* Hope Project

As one of the earliest public welfare projects launched by BYHEALTH, the "1+1\* Hope Project" has been running for 20 consecutive years. The project has cumulatively assisted in the construction and completion of 18 Hope Primary Schools, covering many provinces and cities such as Guangdong, Yunnan, Liaoning, Jiangsu, Shandong, Chongqing, Inner Mongolia, Hunan, Hubei, Guizhou, Jiangxi, Gansu, Shaanxi, Fujian, Shanxi, Guangxi, and Hebei. It has enabled more children who originally lacked economic conditions and educational resources to obtain better educational opportunities. While promoting the development of local compulsory education, it has contributed to social educational equity. In 2024, BYHEALTH continued to invest, donating RMB 500,000 to support the construction of the dormitory of BYHEALTH Hope Primary School in Shahe, Hebei.

### CASE | Science and Technology Innovation Laboratory

Focusing on cultivating the scientific and technological innovation spirit and practical ability of teenagers, BYHEALTH has taken active actions. Since 2021, it has established a cooperation with the China Youth Development Foundation and jointly launched the "Science and Technology Innovation Laboratory" project of BYHEALTH Life Sciences, covering inquiry experiment teaching and practical tasks in multiple disciplines such as molecular biology, microbiology, and botany. Here, teenagers can operate experimental instruments with their own hands, observe life phenomena, and verify scientific theories. Through a series of practical activities, the project has effectively stimulated their strong interest in science, continuously improved their innovation awareness and ability, and contributed to cultivating reserve talents for scientific and technological innovation for the country. As of the end of 2024, the Company has donated and built 4 laboratories in the field of life sciences. The life science laboratories of Yancheng Middle School in Jiangsu Province, Pinghe No. 4 Middle School in Fujian Province, and Langzika Middle School in Shannan, Tibet have all been completed and put into use. The life science laboratory of Lingtai No. 1 Middle School in Gansu is under construction and is expected to be put into use in the autumn of 2025.



Science and Technology Innovation Laboratory

## Passionate about Charity

BYHEALTH always maintains a keen insight into social needs. With love as the bond, it spreads the warmth of the brand to every corner in need. Over the years, BYHEALTH has always responded promptly to the challenges of various natural disasters, repeatedly going to the front line to provide urgently needed materials and financial support. At the same time, the Company has actively responded to the rural revitalization strategy. As of the end of 2024, it has cumulatively donated RMB 3.6 million to charitable organizations such as the Zhuhai Rural Development Foundation, and donated nutritional supplies with a market value of over RMB 70 million to multiple foundations including the China Rural Development Foundation, improving the nutritional level in rural areas.

BYHEALTH not only steps forward in the face of major social crises and challenges but also focuses on the long-term development of the local community, fulfilling its social responsibilities in all aspects. The Company has taken the initiative to work closely with the Zhuhai Charity Federation and jointly established the "BYHEALTH Charity Fund", continuously injecting warmth and vitality into the community.

The Company attaches great importance to employee care and community feedback. When an employee's family encounters difficulties, the association quickly extends a helping hand, providing all-round support and care, from financial assistance to psychological counseling, to help them get through difficult times in life.



# 06.

## Respect Everyone, Enjoy Every Day

BYHEALTH regards "Respect Everyone, Enjoy Every Day" as one of its core values. The Company safeguards employees' rights and interests, offers generous benefits, protects employees' health and safety, creates a secure working environment, provides diverse training, plans career development, advocates equity and inclusion, respects diverse cultures, and helps employees grow at work, thus moving towards a brighter future together with BYHEALTH.

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1. Environmental

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2. VDS Industry Leader

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3. Integrity Enterprise

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4. Nutrition Science Advocate

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5. Public Welfare Practitioner

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6. Respect Everyone, Enjoy Every Day

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## Employees' Rights, Interest, and Welfare

### Employee Employment and Rights

BYHEALTH considers talent as the core of enterprise development. It effectively safeguards employees' rights and interests, comprehensively implements employee care, builds smooth communication and feedback channels for employees, listens to their voices, and jointly creates a harmonious and progressive working environment.

BYHEALTH always adheres to the principle of legal employment, firmly prohibits the use of child labor and forced labor, and regards safeguarding employees' rights and interests as an important cornerstone of enterprise operation. The Company strictly abides by a series of relevant laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and has issued complete rules and regulations such as the *Employee Manual*, the *Salary Management System*, the *Performance Management System*. From the fair and just selection in the employee recruitment process, to the reasonable and compliant setting of working hours, the transparent and orderly construction of the promotion mechanism, the accurate and timely payment of salaries, and the comprehensive implementation of welfare benefits, every aspect has been carefully regulated. Through these measures, BYHEALTH effectively safeguards the legitimate rights and interests of employees and has successfully established a strict and complete employee rights protection system, creating a secure and fair working environment for employees.

### Employee Care and Benefits

BYHEALTH attaches great importance to the construction of the employee welfare system. Always starting from the protection of employees' rights and interests, it strictly complies with laws and regulations to ensure that employees can legally obtain full labor remuneration and fully enjoy basic rights such as legal social insurance, legal holidays, and legal annual leave. On this solid foundation, the Company continuously innovates and expands the scope of benefits, striving to create a comprehensive and multi-level welfare guarantee for employees. In addition to the basic five social insurances and one housing fund, the Company purchases commercial insurance for employees and has established a caring fund. When employees encounter sudden difficulties or major changes, they can receive timely financial support and assistance, effectively protecting employees and their families from potential risks. At the same time, the Company thoughtfully provides Company-specific welfare holidays, communication and transportation subsidies, and helps fresh graduates with household registration procedures and other welfare guarantees, offering comprehensive care to employees.

Furthermore, to enrich employees' spare time lives and relieve work pressure, the Company has established interest associations such as basketball, dance, and baking, encouraging employees to actively join according to their personal hobbies, so as to release energy and enjoy themselves after work. The Company pays attention to employees' health, holds gym classes, various dance and aerobics classes, and sports competitions to help employees develop healthy living habits. On festivals such as Children's Day, Women's Day, Father's Day, and at festival-related events such as the Company's annual meeting and Family Open Day, the Company also invites employees and their families to participate and share happy times together. The Company provides team building funds for all employees every year, encouraging employees to deepen mutual understanding and promote team communication and collaboration in a relaxed atmosphere.



Mid-Autumn Festival Handmade Mooncake Making Activity



Employee Badminton Competition

## Employee Communication and Feedback

Adhering to the core value of "Respect Everyone, Enjoy Every Day", the Company is committed to creating an equal and open working environment for all employees and building a comprehensive and efficient communication mechanism.

In terms of building communication channels, the Company has carefully planned various forms of communication platforms. Through semi-annual and annual performance interviews, supervisors and employees can have in-depth discussions on work performance and career development plans, achieving two-way communication. The internal "Efficient Blackboard News" forum provides a space for employees to speak freely, where they can share work experiences and put forward innovative ideas. The "Give a talk from BYHEALTH Employees" activity invites employees from different positions to share their experiences and professional knowledge, promoting cross-departmental communication. In addition, the Company has set up an anonymous complaint QR code, allowing employees to express their opinions and dissatisfaction with work without any concerns.

To ensure that employees' questions and demands are properly addressed, the Company uses the internal cultural publicity column "BYHEALTH Intelligence Bureau" to promptly answer employees' questions regarding work, benefits, Company policies, etc., so that employees can find answers to their questions. At the same time, to accurately understand employees' satisfaction with the Company's operations, the Company insists on conducting employee satisfaction surveys every year, widely collecting employees' opinions. In response to the issues feedback by employees in the surveys, the Company takes prompt action, makes targeted improvements and optimizations, and continuously improves the Company's management level and employees' work experience.

## Health and Safety of Employees

The health and safety of employees are the foundation of the stable development of an enterprise. In daily operations, the Company integrates the awareness of safe production into every link of enterprise operation, conducts safety training for employees, and whole-heartedly protects every employee to ensure safe production and employees' health.

### Building a Solid Safety Defense Line

BYHEALTH adheres to the occupational health and safety management policy of "People-oriented, Cherishing Life, Vigilant in prosperity, and Take Precautions Early". It always places the protection of employees' health and safety at the top of the Company's safety management, aiming for "zero accidents". In 2024, the Company obtained the GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management System Certification for consecutive years and continuously carried out strict systematic management work in accordance with this standard.

The Company strictly abides by laws and regulations like the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*. It continuously optimizes and improves the occupational health and safety management system and all kinds of emergency management plans. By formulating a series of documents such as the *Environmental and Occupational Health and Safety Management Manual*, the *Work Safety Standardization Management System*, and the *Hazard Identification and Risk Assessment Control Procedure*, it constructs a stable long-term work safety mechanism from multiple dimensions. To further implement safety management responsibilities, the Company has specially established the Safety and Environmental Protection Department. With the help of job responsibility lists and work safety responsibility letters, it clarifies the scope of responsibilities at all levels, effectively strengthens risk prevention, strictly urges the implementation of rectification, and spares no effort to create a safe and reliable production environment for employees.

### Work Safety

Conducted company-level emergency drills for

**3** sessions

Conducted department-level emergency drills for

**71** sessions

Number of participants reached

**1,000+** person-times

BYHEALTH always adheres to the principle of "Employees' Safety First" and strictly formulates and improves systems such as the *Environmental Occupational Health and Safety Target Indicator and Program Management Procedures*, the *Work Safety Responsibility System*. The Company conducts EHS planning every year, sets annual EHS management objectives, and accordingly develops EHS training, inspection, and emergency drill plans to ensure the effective implementation of all work.

The Company has compiled and improved systems such as the *Safety Protection Equipment Management System*, the *Safety Warning Sign Management System*, and the *Work Safety Inspection and Rectification Management System* to strengthen work safety measures and strictly carry out process supervision. According to the requirements of the systems, the Company purchases and distributes various labor protection equipment to employees, updates safety warning signs, and regularly conducts various safety inspections. Once potential safety hazards are found, immediate rectification is carried out to eliminate unsafe factors and avoid casualties and property losses.

In 2024, the Company carried out 3 Company-level emergency drills and 71 department-level emergency drills, with more than 1,000 participants. The EHS hazard rectification rate reached 100%. During the reporting period, no work-related accidents or work-related deaths occurred in the Company, nor were there any EHS public opinion incidents with significant negative impacts.



Emergency Drills



Emergency Drills

## Employees' Occupational Health and Safety

The number of employees exposed to occupational hazards covered by occupational health examinations reached

**583** people

Physical Examination completion rate was

**100%**

BYHEALTH attaches great importance to employee health management and strictly implements the *Occupational Health Management Procedure*. It regularly organizes employees to undergo various physical examinations and conducts occupational hazard factor detection. The Company has specially established a Health Education Department internally to provide employees with health consultation services and hold health knowledge lectures, so as to enhance employees' health protection awareness, guide employees to actively participate in exercise, and improve their physical fitness. In 2024, for 583 employees exposed to occupational hazards, the Company carried out occupational health examinations and established personal guardianship files, achieving a 100% full-staff physical examination rate and a 99.6%<sup>1</sup> occupational health examination rate. No occupational diseases occurred throughout the year.

To enhance safety awareness, knowledge, and skills, the BYHEALTH Safety Education Institute organizes work safety training in a combination of "online and offline" methods, conducting systematic safety education for all employees. In 2024, the Safety Management Department of BYHEALTH issued the *2024 Annual Safety, Environmental Protection, and Occupational Health Training Plan*. According to the plan, the Company organizes each department to carry out safety education training and essential knowledge quizzes every month, regularly analyzes the safety education training and examination situations of each department, and invites external experts to the Company for safety education training from time to time to continuously improve the safety awareness of all employees. During the reporting period, the Company carried out a number of activities such as safety knowledge competitions, fire-fighting practical skills competitions, safety essay competitions, safety micro-video competitions, and fire-escape house experiences, with more than 1,000 participants, effectively enhancing employees' safety awareness.



Monthly Safety Education and Training



Inviting Experts to Conduct Safety Education and Training

<sup>1</sup> During the reporting period, two employees did not participate in occupational health checkups, and it was verified that these two employees were non-workshop operators and could not participate in the on-the-job occupational health checkups.

# Training and Development of Employees

## Talent Strategy

BYHEALTH deeply understands that every employee has unlimited potential. Adhering to the people-oriented concept, it recruits talents widely, injecting innovative vitality and development momentum into the enterprise. The Company helps employees continuously enrich themselves by building a comprehensive and diverse training system, and provides broad promotion space and rich practical opportunities, enabling employees to move forward steadily on the path of realizing personal value and creating a brilliant future hand in hand with the enterprise.

Talent is the core driving force for enterprise development. To effectively attract, retain, and fully motivate all kinds of outstanding talents, BYHEALTH has established a scientific and complete salary incentive system and performance management system. This system is in line with the overall development strategy of the Company. It not only ensures internal fairness, making employees' efforts proportional to their rewards, but also has strong external competitiveness, enabling it to stand out in the talent market. It closely links the performance of the Company, departments, teams, and individuals, and conducts performance appraisals and promotion management in accordance with the principles of fairness and openness, so that employees can clearly understand the close connection between their own efforts and the Company's development goals, and motivates employees to strive actively and create greater value for the Company.

In 2024, focusing on the Company's long-term development strategy, BYHEALTH continuously optimized and improved the forward-looking talent strategy system and continuously optimized the talent supply chain to provide a solid guarantee for the Company's continuous innovation and stable development. The Company comprehensively upgraded the excellent graduate project, aiming to improve the quality of talents. By widely recruiting excellent graduates from global universities, the Company cultivates reserve talents with international perspectives and excellent comprehensive qualities for the Company, further improving the talent echelon construction and injecting a continuous stream of new forces into the Company's continuous development.

### BYHEALTH Talent Strategy System

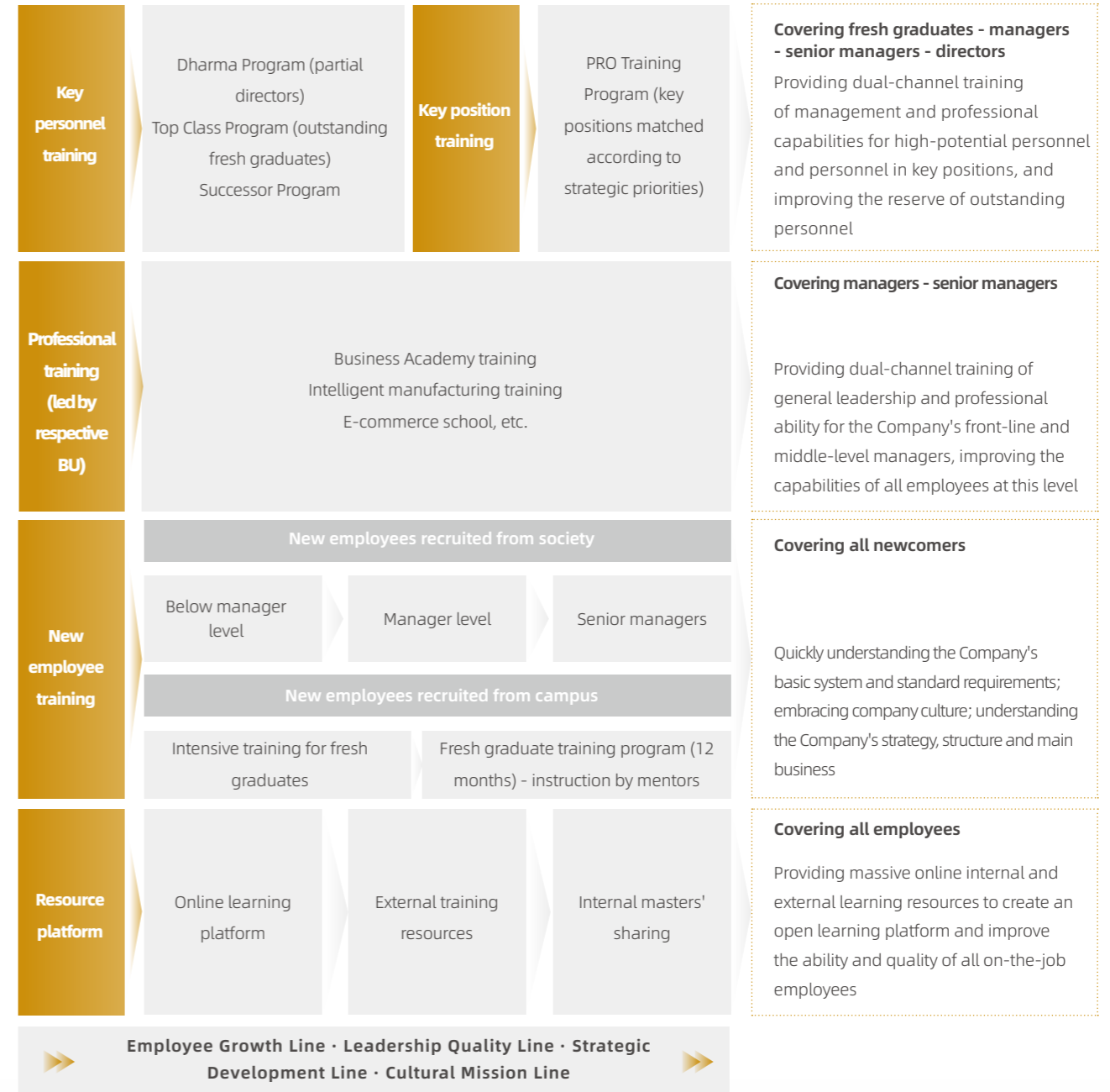
<b>Core Talent Level</b>	Attract mid-to-high-level core scarce talents with highly competitive compensation, comprehensive welfare provisions, etc., and deeply bind the interests of core talents with the Company's development through equity incentive plans.
<b>Outstanding Graduate Program</b>	Launch the "Elite Talent Plan," which follows one cultivation principle overall, is divided into three cultivation phases, and is supported by four major mechanisms to facilitate graduates' rapid growth.
<b>Talent Flow Program</b>	The internal job competition mechanism is fair and transparent, regularly announcing job vacancies for employees to compete based on their capabilities and unblock career advancement channels.
<b>International Talent Deployment</b>	Relying on the talent demands of global raw material procurement, overseas mergers and acquisitions, overseas marketing, and other business expansions, attract talents with a global vision, build a reserve of international talent for the Company, and comprehensively ensure that talent drives the Company's sustained development.

## Employee Training

BYHEALTH focuses on the ability requirements of employees at different development stages and spares no effort to create matching training plans to help employees grow. To achieve this goal effectively, the Company continuously deepens the construction of the employee training system and carefully formulates a training strategy that is highly consistent with the Company's development strategy. At present, the Company has successfully established a comprehensive and systematic training system covering key personnel training, key position training, management training, professional training, and new employee induction training, providing strong talent support for the Company's continuous development.

In terms of training implementation, the Company actively explores diversified training channels. Through the online learning platform T+ Study Club, introducing external training resources, and organizing internal experts to share, it provides employees with fair and high-quality learning opportunities and resources. Through these diversified training methods, the Company helps employees improve their abilities, achieve personal growth, and thus promotes the continuous development of the Company's business.

### BYHEALTH Talent Training System



In 2024, BYHEALTH further promoted the refined development of employee vocational training. According to the characteristics and needs of different types of employees, it carefully designed exclusive vocational training activities. For newly recruited campus-based employees, the Company held the 2024 Campus Recruitment Induction Camp, helping new employees quickly understand the Company culture, business processes, and integrate into the working environment, laying a solid foundation for their career development journey in BYHEALTH. For high-potential employees, on the one hand, the Company organized them to participate in the Innovative Thinking Workshop. Through professional training and interactions, it stimulated their innovative thinking and improved their ability to solve complex problems. On the other hand, the Company arranged for them to visit external benchmarking enterprises, learn advanced industry experience and management models, and broaden their horizons, injecting new vitality into the Company's innovative development. For senior management, the Company implemented the "Columbus Plan". This plan arranged for management personnel to go abroad to investigate the international market and visit and research raw material producing areas. Through on-site investigations, management personnel can accurately grasp the international market trends and raw material supply trends, providing a strong basis for the Company to make scientific and reasonable strategic decisions and promoting the Company's continuous progress in global competition.

## Development of Employees

To attract high-quality talents that meet the Company's development needs, BYHEALTH has developed a "Young Talent Portrait" to accurately identify outstanding talents. At the same time, BYHEALTH actively builds bridges for school-enterprise cooperation, actively participates in various employment activities of universities, and jointly develops talent training plans to closely combine the Company's development needs with talent growth, providing strong talent support for the Company's continuous development.

In terms of talent attraction, BYHEALTH always focuses on in-depth cooperation with first class universities, aiming to promote the efficient and organic integration of resources between the two sides. At present, the Company has established school-enterprise cooperation with nearly 30 first class universities, including South China University of Technology, Sun Yat-sen University, Jinan University, the University of Hong Kong, City University of Hong Kong, Fudan University, Wuhan University, Huazhong University of Science and Technology, Huazhong Agricultural University, the Chinese Academy of Sciences, and Ocean University of China. On this basis, the Company has further established employment and entrepreneurship practice bases, laying the foundation for carrying out cooperation projects such as career lectures, corporate study tours, and industry trend sharing meetings. By complementing resources with universities, the Company jointly explores new models for talent cultivation, scientific research cooperation, and the development of the health industry in the context of the new cycle of VDS industry development.

### BYHEALTH Talent Portrait

Independent Thinking Team Partner

Adventurous and Passionate Activist

Ambitious Leader

Bold and Sharp Idea Creator

Open Communicator



BYHEALTH Participates in University Promotion Conferences

### CASE | Campus Recruitment Brand Roadshow

During the 2024 campus recruitment season, BYHEALTH, Jianli duo, Weiman C, LifeSpace, and Yep, carried out offline brand roadshow activities in various universities. At the event site, through interactive game sessions and diverse food tasting experiences, it attracted the enthusiastic participation of numerous college students, allowing the young generation to experience the unique charm of scientific nutrition up close. At the same time, the Company specially invited senior executives of the group to the promotion conference to share industry insights and provide in-depth interpretations of campus recruitment strategies. With their rich industry experience and keen market insights, the senior executives clearly conveyed BYHEALTH's high hopes for future talents to the students, effectively enhancing the Company's brand image and attractiveness among college students.

### CASE | Elite Talent Program-Selecting the Best of the Best to Specifically Recruit and Cultivate Outstanding Graduates from Top Domestic and Overseas Universities with Leadership Potential and a Global Perspective

The BYHEALTH Elite Talent Program is a newly designed talent strategy project launched in the new cycle of VDS industry development. It aims to recruit outstanding graduates with great leadership potential and a global perspective from well-known top universities at home and abroad, and cultivate them into future comprehensive leaders of the BYHEALTH Group and leading figures in various professional fields, jointly exploring the vast prospects of the VDS industry.



Elite Talent Intensive Training

In terms of talent retention, the Company has established dual-track development paths for management and professionals and has formulated the *Talent Development Rules, Systems, and Processes* to standardize the development systems of various types of talents and help employees grow. The Company coordinates the selection of outstanding employees, annual training planning, and the interpretation of corporate culture to comprehensively assist employees' career development. The Company conducts an annual talent inventory every year to accurately identify high potential talents in various positions and formulates and implements targeted training plans based on the inventory results. At present, the Company has specially opened special promotion and development channels such as the Top Class Program, the Dharma Plan, and the Succession Plan according to the characteristics of different personnel and positions, providing exclusive promotion opportunities for employees who perform well in these plans and motivating employees to keep striving.

The Company cherishes the huge potential of new forces in enterprise development and actively builds a broad development platform for them. In 2024, the Company comprehensively upgraded the "Top Class Program", a development plan for high-potential young groups, aiming to create a fast track for the growth and promotion of young high-potential talents, helping them realize their personal value in the Company and grow together with the Company.

**CASE | Top Class Program - Selecting the Best of the Best to Discover and Nurture High-Potential Young Talents within BYHEALTH**

BYHEALTH has customized the "Top Class Program" for fresh graduates. This one-and-a-half-year special training and promotion project aims to discover and cultivate new forces with management potential. Each business line selects at most the top 20% of fresh graduates to enter the plan based on the criteria of achieving at least one B or above in the semi-annual performance assessment, meeting the Company's young talent profile, and showing management willingness and potential.

The "Top Class Program" is divided into stages every six months, and each stage has a matching training theme and corresponding courses. Selected employees will receive a wide variety of training courses, including work guidance, performance coaching, basic leadership training, and sand table workshops. During the project, a review committee composed of coaches, mentors, and HR staff will rate the participants' quality, ability, and leadership potential. The Company offers generous grade promotions to those with excellent and outstanding comprehensive evaluations. It also ensures that employees who rank among the top 10% in the total score and receive at least one outstanding evaluation in the final assessment can be directly promoted in job rank.

Through this scientific curriculum design and promotion incentives, the Company helps the plan members comprehensively improve their self-management, communication and collaboration, and team management skills during the project. They can also gain a deep understanding of the Company's cultural values and strategic direction. This not only enables employees to closely align with the Company's strategy in subsequent work but also allows them to accurately convey the Company's strategy and values downward when taking on management responsibilities in the future, injecting a continuous stream of new impetus into the Company's sustainable development.



Top Class Program Training

## Equity and Inclusion

Female employees totaled **1,649** people

At a proportion of approximately **55.8%**

BYHEALTH always adheres to the principle of equal employment and actively creates a diverse, equal, creative, and inclusive working environment. The Company strictly prohibits any form of discrimination based on nationality, region, race, ethnicity, gender, age, etc., and fully guarantees that employees enjoy equal rights in all aspects such as recruitment, employment, salary and benefits, training, and promotion.

BYHEALTH attaches great importance to the rights and interests of female employees. In addition to providing maternity leave, breastfeeding leave, and parental leave as required by local regulations, the Company also provides pregnant employees with a special dining area in the restaurant, a baby care room as well as maternity gift packs. In terms of female employees' return to work after childbirth and career development, the Company treats them equally and provides fair competition opportunities and strong support. In 2024, the total number of female employees reached 1,649, accounting for approximately 55.8%. To express gratitude for the contributions made by female employees to the Company's development, the Company also held a special Women's Day event, preparing exclusive flowers for each female employee and organizing a handmade scented wax tablet salon, allowing everyone to feel the warmth and healing of spring.



Employee Gym Class

In the reporting period, disabled employees recruited totaled

**14** people

The Company adheres to the concept of equal employment and provides equal employment opportunities for people with disabilities. According to their physical conditions and abilities, it matches suitable job positions and appropriate working conditions. In terms of welfare benefits, employees with disabilities enjoy the same treatment as ordinary employees. During the reporting period, the Company recruited 14 employees with disabilities.

In 2024, BYHEALTH won several employer awards and was highly recognized by all sectors of society and authoritative institutions from multiple dimensions such as diversity, equity, and inclusion (DEI), employer brand, employee recruitment, workplace credit, and popularity among college students.



DEI Employer Award 2024



Employer Branding Creativity Award

# Key Performance Indicators

## Environmental

Indicator	Unit	2022	2023	2024
<b>Energy Management</b>				
Direct Energy Consumption <sup>1</sup>	Tonnes of Standard Coal Equivalent	6,643.57	9,235.27	6,661.67
Indirect Energy Consumption <sup>1</sup>	Tonnes of Standard Coal Equivalent	268.50	303.57	339.69
Total Energy Consumption <sup>1</sup>	Tonnes of Standard Coal Equivalent	6,912.07	9,538.84	7,001.36
Energy Intensity <sup>1</sup>	Tonnes of Standard Coal Equivalent per Million RMB Revenue	0.88	1.01	1.02
Clean Energy Consumption <sup>1</sup>	Tonnes of Standard Coal Equivalent	162	160	147
Factory Natural Gas Consumption <sup>1</sup>	Cubic Meters	50,548	101,238	63,366
Factory Steam Consumption <sup>1</sup>	Tonnes	26,859	31,593	27,606
Factory Diesel Consumption <sup>1</sup>	Liters	32,587.99	35,597.86	23,541.04
Factory Gasoline Consumption <sup>1</sup>	Liters	104,710.82	141,241.81	25,500.01
Factory Electricity Consumption <sup>1</sup>	Kilowatt-hours	33,430,738	40,019,705	34,363,138
Factory Photovoltaic Electricity <sup>1</sup>	Kilowatt-hours	1,314,914	1,283,320	1,297,762
Office Electricity Consumption <sup>2</sup>	Kilowatt-hours	883,919	1,060,914	1,179,327
<b>Climate Change Response<sup>1</sup></b>				
Direct (Scope 1) Greenhouse Gas Emissions	Tonnes of CO <sub>2</sub> Equivalent	1,214.15	1,297.01	1,334.96
Indirect (Scope 2) Greenhouse Gas Emissions	Tonnes of CO <sub>2</sub> Equivalent	18,733.23	22,602.03	18,052.48
Other Indirect (Scope 3) Greenhouse Gas Emissions	Tonnes of CO <sub>2</sub> Equivalent	208,663.74	311,707.96	198,994.59
Total Greenhouse Gas Emissions (Scope 1 and 2)	Tonnes of CO <sub>2</sub> Equivalent	19,947.38	23,899.04	19,387.44
Greenhouse Gas Emission Intensity (Scope 1 and 2)	Tonnes of Standard Coal Equivalent per Million RMB Revenue	2.54	2.54	2.84
Total Greenhouse Gas Emissions (Scope 1, 2 and 3) <sup>3</sup>	Tonnes of CO <sub>2</sub> Equivalent	228,611.12	335,607.00	218,382.03
Greenhouse Gas Emission Intensity (Scope 1, 2 and 3)	Tonnes of Standard Coal Equivalent per Million RMB Revenue	29.08	35.68	31.93
Greenhouse Gas Emission Reduction <sup>4</sup>	Tonnes of CO <sub>2</sub> Equivalent	3,233.44	2,345.3130	2,372.8906
Number of Major Environmental Incidents	Times	0	0	0
Number of Environmental Incidents Resulting in Major Administrative Penalties by Ecological and Environmental Departments or Criminal Liabilities	Times	0	0	0

Indicator	Unit	2022	2023	2024
<b>Water Resources Management</b>				
Factory Municipal Water Withdrawal <sup>1</sup>	Tonnes	328,371	436,579	431,010
Factory Water Savings <sup>1</sup>	Tonnes	84,017	36,620	40,746
Factory Water Consumption <sup>5</sup>	Tonnes	412,388	473,199	471,756
Office Water Consumption <sup>2</sup>	Tonnes	6,439.40	7,123.94	13,469.68
Total Water Consumption <sup>6</sup>	Tonnes	418,827	480,323	485,226
Water Consumption Intensity	Tonnes per Million RMB Revenue	53.28	51.06	70.96
Factory Wastewater <sup>1</sup>	Tonnes	110,136	96,748	88,816
Factory Water Reuse Rate <sup>1, 7</sup>	%	20	8	9
<b>Waste Management<sup>1</sup></b>				
Total Factory VOCs Emissions	Tonnes	Not Applicable	Not Applicable	Not Applicable
Annual Nitrogen Oxide Emissions	Tonnes	0	0	0
Annual Sulfur Oxide Emissions	Tonnes	0	0	0
Annual Particulate Matter (PM) Emissions	Tonnes	10.833	2.954	0.387
Annual Chemical Oxygen Demand (COD) Emissions	Tonnes	2.521	1.967	1.313
Annual Ammonia Nitrogen Emissions	Tonnes	0.005	0.015	0.015
Annual Total Nitrogen Emissions	Tonnes	1.075	0.662	0.013
Total Factory Solid Waste <sup>1</sup>	Tonnes	816.042	1,150.15	836.83
Solid Waste Intensity <sup>1</sup>	Tonnes per Million RMB Revenue	0.10	0.12	0.12
Total Factory Hazardous Waste <sup>1</sup>	Tonnes	16.12	16.48	18.76

## Social

Indicator	Unit	2022	2023	2024
<b>Employee Management</b>				
Number of Employees in BYHEALTH Group	Persons	3,602	3,745	2,955
Number of Employees in BYHEALTH Co., Ltd.	Persons	1,288	1,452	1,231
Number of Female Employees	Persons	/	/	1,649
Number of Male Employees	Persons	/	/	1,306
Number of Employees Under 30 Years Old	Persons	/	/	1,130
Number of Employees Aged 30 to 50	Persons	/	/	1,764
Number of Employees Over 50 Years Old	Persons	/	/	61
Number of Management Employees	Persons	/	/	641
Number of Female Management Employees	Persons	/	/	312
Number of Male Management Employees	Persons	/	/	329
Proportion of Undergraduate Employees	%	50.11	50.6	51.34
Proportion of Master's Degree or Above Employees	%	9.38	10.49	12.42
Proportion of Employees with Other Educational Backgrounds	%	40.51	38.91	36.24
Number of Newly Hired Employees	Persons	/	805	367
Employee Turnover Rate	%	/	17.87	29.30
Number of Disabled Employees	Persons	12	13	14
Total Number of Employee Training Attendances in BYHEALTH Co., Ltd. (including New Employees)	Person-times	/	/	617
Total Number of Employee Training Attendances in BYHEALTH Co., Ltd. (excluding New Employees)	Person-times	273	292	309
Number of Female Employee Training Attendances (excluding New Employees) in BYHEALTH Co., Ltd.	Person-times	200	209	216
Number of Male Employee Training Attendances (excluding New Employees) in BYHEALTH Co., Ltd.	Person-times	73	83	93
Employee Training Coverage Rate in BYHEALTH Co., Ltd. (including New Employees)	%	/	/	50.12
Total Employee Training Hours in BYHEALTH Co., Ltd.	Hours	136	200	210
Average Training Hours per Employee in BYHEALTH Co., Ltd.	Hours	8	8	8
Employee Training Investment in BYHEALTH Co., Ltd.	RMB 10,000	32	45	49
Number of Work-related Deaths	Persons	0	0	0
Number of Minor Work-related Injuries	Persons	0	0	0
Number of Severe Work-related Injuries	Persons	0	0	0
Number of Recordable Work-related Injury Incidents	Cases	1	4	2
Number of Occupational Diseases	Persons	0	0	0
Occupational Health Physical Examination Rate <sup>a</sup>	%	100	100	99.6
Certification Rate for Special Workers	%	100	100	100
Annual Inspection and Qualified Use Rate for Special Equipment	%	100	100	100
Investment in Work Safety	RMB 10,000	233	333	177
Number of Work Safety Training Sessions	Times	25	21	22
Total Duration of Work Safety Training	Hours	215	212	266
Total Number of Participants in Work Safety Training	Person-times	9,103	10,195	10,070

Indicator	Unit	2022	2023	2024
Number of Emergency Drills	Times	56	69	74
<b>Innovation and R&amp;D</b>				
Total R&D Investment	RMB 10,000	15,849.73	17,933.31	14,862.85
Proportion of R&D Expenses in Operating Revenue	%	2.02	1.91	2.17
Number of R&D Personnel	Persons	286	301	206
Proportion of R&D Personnel	%	7.94	8.04	6.97
Number of Valid Patents (Domestic)	Items	339	383	435
Number of Valid Patents (Overseas)	Items	4	12	16
Number of Newly Added Invention Patents	Items	22	27	18
Number of Newly Added Utility Model Patents	Items	9	10	5
Number of Newly Added Design Patents	Items	30	26	32
<b>Product Quality and Safety</b>				
Number of Registered Approval Certificates for Health Food	Items	137	150	155
Number of Record-filing Certificates for Health Food	Items	149	158	184
Number of Newly Added Registered Approval Certificates for Health Food	Items	6	13	12
Number of Newly Added Record-filing Certificates for Health Food	Items	14	9	27
Product Qualification Rate	%	100	100	100
Number of Major Product and Service Safety and Quality Liability Accidents	Times	0	0	0
Amount of Impact and Damage Caused by Major Product and Service Safety and Quality Liability Accidents	RMB 10,000	0	0	0
Number of Quality Management Training Sessions	Times	/	2	3
Number of Employees Participating in Quality Management Training	Persons	/	113	105
Quality Management Training Coverage Rate for Front-line Production Employees	%	/	100	100
Number of Training Sessions for Front-line Production Employees	Times	/	873	912
<b>Supplier and Brand Service Provider Management</b>				
Total Number of Suppliers	Companies	231	206	536
Number of Suppliers in Mainland China	Companies	180	151	474
Number of Suppliers in Hong Kong, Macao and Taiwan Region of China	Companies	2	3	5
Number of Overseas Suppliers	Companies	49	52	57
Number of Supplier Training Sessions	Times	2	2	2
Supplier Training Hours	Hours	6	6	6
Supplier Training Coverage Percentage	%	70	72	80
Proportion of Suppliers Obtaining ISO 45001	%	27	30	32
Proportion of Suppliers Obtaining ISO 14001	%	25	27	29
Proportion of Suppliers Obtaining ISO 9001	%	100	100	100
Proportion of New Suppliers Screened by Environmental Standards	%	25	27	30
Number of Brand Service Provider Training Sessions	Times	200	240	230
Total Brand Service Provider Training Hours	Hours	520	660	500
Number of Brand Service Providers Covered by Training	Items	75	80	89

## Governance

Indicator	Unit	2022	2023	2024
Number of Board Members	Persons	7	7	7
Number of Female Board Members	Persons	0	0	0
Proportion of Female Directors on the Board	%	0	0	0
Number of Independent Directors on the Board	Persons	3	3	3
Proportion of Independent Directors on the Board	%	42.86	42.86	42.86
Number of Employee Directors on the Board	Persons	0	0	0
Number of Employee Representatives in the Supervisory Committee	Persons	2	2	2
Number of Shareholders' General Meetings	Times	1	2	3
Number of Board Meetings	Times	7	7	9
Number of Supervisory Committee Meetings	Times	6	5	7
Number of Meetings of Various Special Committees of the Board	Times	9	13	11
Meetings of Independent Directors of the Board	Times	0	0	3
Number of Corruption Incidents	Cases	4	4	7
Amount Involved in Commercial Bribery and Corruption Incidents	RMB 10,000	/	/	22.64
Number of Anti-corruption Training Sessions	Times	3	7	5
Total Anti-corruption Training Hours	Hours	3	12	15
Percentage of Management Personnel Covered by Anti-commercial Bribery and Anti-corruption Training	%	/	/	100
Number of Employee Participants in Anti-corruption Training	Person-times	3,570	3,590	4,600
Proportion of Employees Covered by Anti-corruption Training	%	99	99	100

<sup>1</sup> The scope of data is BYHEALTH Transparent Factory IN Zhuhai

<sup>2</sup> The scope of data for 2022 and 2023 is the BYHEALTH Kehui Golden Valley office area, and the scope of data for 2024 includes the Kehui Golden Valley office area in January-July and the Yuzhu office area in August-December

<sup>3</sup> BYHEALTH's greenhouse gas (GHG) accounting adopts the emission factor method, based on ISO 14064-1-2018 Greenhouse Gases Part 1: Norms and Guidelines for Quantification and Reporting of Greenhouse Gas Emissions and Removals at the Organizational Level and ISO 14064-3:2019 Greenhouse Gases Part 3: Norms and Guidelines for the Validation and Verification of Greenhouse Gas Declarations. The operational boundary for the accounting is the direct greenhouse gas emissions, indirect greenhouse gas emissions from energy input, and other indirect greenhouse gas emissions from the production of health food (tablets, powder, capsules, soft capsules) and solid beverages of BYHEALTH Co.

<sup>4</sup> Greenhouse gas emission reduction statistics are based on the total amount of emission reductions generated by various energy-saving measures at BYHEALTH Transparent Factory in the current year

<sup>5</sup> Total water consumption of the factory = Municipal water intake of the factory + Water saving of the factory

<sup>6</sup> Total Water Consumption = Factory Water Consumption + Office Water Consumption

<sup>7</sup> Water Reuse rate = Reused Water (saved water) / Total Water Consumption

<sup>8</sup> During the reporting period, 2 employees did not participate in medical checkups, and it was verified that they were non-workshop operators who voluntarily gave up the annual medical checkups

<sup>9</sup> The scope of supplier statistics in 2022 and 2023 is production material suppliers, and the scope of supplier statistics in 2024 is production material suppliers and non-production material suppliers

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