

农夫山泉

農夫山泉股份有限公司

NONGFU SPRING CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 9633

2025 SUSTAINABILITY REPORT



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ABOUT THIS REPORT

OVERVIEW

This is the 2025 sustainability report (hereinafter referred to as the “Report”) published by Nongfu Spring Co., Ltd. (hereinafter referred to as “Nongfu Spring”, the “Company”, or the “we”). The report discloses our responsible practices and environmental, social and governance (“ESG”) performance in relation to our shareholders, customers, partners, employees, the environment, communities, and other key stakeholders. This report covers the financial year from 1 January 2025 to 31 December 2025 (the “reporting period”), with some information extending to before the publication of this report or tracing back to previous years.

PREPARATION BASIS

This report was prepared in accordance with the Environmental, Social and Governance Reporting Code, as set out in Appendix C2 of the Listing Rules of the Stock Exchange of Hong Kong Limited (hereinafter referred to as “HKEX”) and also the principle of “Comply or Explain”, while taking into account the materiality, quantitative, balance and consistency of the specific indicators relating to the performance disclosure of the main topics. We will continue to adjust and optimize the disclosure indicators in future reports.

In addition, this report makes reference to GRI Standards 2021 published by the Global Reporting Initiative (hereinafter referred to as “GRI”) in 2021, and responds to the concerns of capital market ESG index rating agencies, such as Morgan Stanley Capital International ESG Ratings (i.e. MSCI ESG Ratings) and the S&P Dow Jones Sustainability Index (S&P DJSI).

The content of this report was determined in accordance with a set of procedures. The process includes identifying and prioritizing significant stakeholders and important ESG-related issues, determining the boundaries of this report, collecting relevant materials and data, preparing the report based on the information, and reviewing the information in this report.



REPORT SCOPE AND BOUNDARIES

The policies and data provided in this report cover the Company’s head office and subsidiaries (hereinafter referred to as “the Group”), and the scope of the report is consistent with that of the Annual Report. Unless otherwise stated, the currency used in the report is RMB. The intensity data involved are all based on the Company’s qualified production output data in 2025 as the denominator.

SOURCES OF INFORMATION AND ASSURANCE OF RELIABILITY

The data and examples in this report were derived mainly from the Group’s statistical reports and relevant documents. The Board of Directors of the Company undertakes that this report does not contain any false records or misleading statements and that it is responsible for the truthfulness, accuracy, and completeness of its contents.

CONFIRMATION AND APPROVAL

This report was reviewed and confirmed by management and approved by the Board of Directors on 24 March 2026.

MESSAGE FROM THE CHAIRMAN

Time flies, yet our commitment remains unwavering. In 2025, Nongfu Spring took a solid stride forward on our journey toward sustainable development. On behalf of the Board of Directors, I extend my heartfelt gratitude to our shareholders, partners, consumers, and every dedicated employee for your enduring trust and support. Let us reflect together on our dedication and exploration in 2025 and review the progress we’ve made in advancing our ESG commitments.

Remain steadfast in original missions and nurture rural communities with industrial vitality. At Nongfu Spring, by adhering to the philosophy of “Drinking water, Remembering the source,” we have aligned our growth with China’s rural revitalization strategy. We deepened agricultural partnerships, expanded industrial support, advanced technological empowerment, and co-built trusted brands, effectively strengthening farmers’ resilience to risks and increasing their income. Meanwhile, we deepened our engagement in disaster relief, educational support, and rural infrastructure development, demonstrating our corporate citizenship through tangible actions. Every bottle of Nongfu Spring’s drinking water carries a force for good.

Steady in stride and build enduring strength through compliant governance. In an ever-changing landscape, we used a mature, three-tier ESG governance framework to guide our actions. We strengthened top-down risk management and compliance practices, embedding business ethics and integrity into the core of our culture. Only through principled leadership and diligent governance can we maintain resilience in a fiercely competitive landscape and deliver sustainable value to all stakeholders.

Pursue excellence and safeguard health through natural and high-quality products. We consistently upheld the core philosophy of “natural and healthy.” We intensified investment in foundational and applied research, unlocking the full nutritional potential of natural ingredients. With stricter standards and a more diverse product portfolio, we responded effectively to evolving consumer demands for health and diverse flavors. We remained committed to inspiring healthier lifestyles and fostering harmony between people and nature.

Unite in purpose and advance progress through a people-centered approach. Our employees are our most valuable assets and the driving force behind our growth. We strive to create a diverse, inclusive, equitable and safe workplace. In 2025, we further refined our talent development and incentive systems, placing greater emphasis on physical and mental health and professional growth. By listening, supporting, and investing in our people, we are building a shared future – one where every individual thrives, and the Company grows in harmony with its people.

Embrace green development and chart a science-based decarbonization path. Climate action is not just a global imperative but a corporate responsibility. In 2025, we deepened our environmental stewardship while achieving a milestone: the first comprehensive greenhouse gas inventory across our entire value chain. From raw material sourcing and production to distribution and end-of-life management, we now have a clear, data-driven understanding of our carbon footprint, laying a solid foundation for science-based emission reduction and our journey toward carbon neutrality.

Looking ahead, we remain true to our purpose. Guided by China’s “dual carbon” goals, we will continue to drive progress through technological innovation, grounded in green and low-carbon principles. Together with all stakeholders, we are writing a new chapter where business, nature, and people thrive in harmony.

Zhong Shanshan
Chairman

HIGHLIGHTS IN 2025

ABOUT NONGFU SPRING

Nongfu Spring is a benchmark enterprise in China’s packaged drinking water and beverage industry, specializing in the production and sales of packaged drinking water, tea beverages, juice beverages, functional beverages, and agricultural products. The Company has built an increasingly improved and dynamic product matrix. While maintaining steady growth in business scale, the Company has long adhered to providing consumers with natural and healthy premium products. In 2020, the Company was listed on the Main Board of the Hong Kong Stock Exchange (stock code: 9633.HK), entering a new stage of development. In 2025, the Group’s revenue amounted to RMB52,553 million, with total payment of taxes and dues of RMB9,135 million, including an income tax expense of RMB5,049 million.

“Building factories at the source of water supply and bottling at water source areas” is the production concept adhered to by Nongfu Spring, and it is also our solemn commitment to product quality and the ecological environment. With awe for nature, we seek natural water sources with superior water quality, strictly practice biodiversity protection in water source areas, and drive the surrounding economic development through our industry, realizing the coexistence and mutual prosperity of the enterprise and communities. By the end of the reporting period, our main water source areas have expanded to 15, including Thousand-island Lake in Zhejiang, Changbai Mountains in Jilin, Danjiangkou in Hubei, Wanlv Lake in Guangdong, Manas of Mount Tianshan in Xinjiang, Mount Emei in Sichuan, Longmen Mountain in Sichuan, Mount Taibai in Shaanxi, Wuling Mountain in Guizhou, Greater Khingan in Heilongjiang, Mount Wuyi in Fujian, Daming Mountain in Guangxi, Huangshan in Anhui, Nyainqêntanglha Mountains in Tibet, and Badagong Mountains in Hunan. Every water source is nature’s precious gift, and every drop of Nongfu Spring is traceable back to its pristine origin.

Empowering natural quality with cutting-edge technology and casting an excellent brand with a spirit of craftsmanship. Relying on strong R&D capabilities and a strict product quality management system, Nongfu Spring continuously introduces innovations to precisely meet the upgrading health needs of consumers. Over the past nearly three decades of profound accumulation, the Group has successfully created more than ten national-level flagship products, including “Nongfu Spring”, “Tea π”, “East Leaf”, “Water Soluble C100”, and “Scream”. Looking ahead, we will remain true to our original aspirations and advance steadily on the path of sustainable development. We will continuously expand our product categories, enhance service experiences, and remain committed to delivering a “natural and healthy” lifestyle to every consumer.

SUSTAINABLE DEVELOPMENT HIGHLIGHTS

Society: Cultivating Shared Prosperity and Co-building a New Chapter in Rural Revitalization.

Rural Revitalization

Industry Revitalization



We advanced agricultural modernization through refined, systematic, and model-driven approaches, tailoring strategies to local conditions to support the development of distinctive rural industries, and help increase employment and income for local farmers, contributing to rural revitalization. During the reporting period, we have procured a total of over 100,000 tons of tea leaves and flowers, to drive agricultural output growth and increase farmers' income.



Precision agriculture: We implemented science-based fertilization plans and integrated water-fertilizer systems, reducing fertilizer application for navel orange by 30% while increasing yields by 15%. For apple projects, centralized procurement and distribution of agricultural inputs lowered farmers' purchasing costs by approximately 30%, significantly reducing resource waste.



Systematic agriculture: We actively advanced industrial upgrading and advanced the transformation of the jasmine industry from raw agricultural products to deep processing. Through capacity-building support for refined and scented flower suppliers, individual processing factories have achieved a 100% increase in daily production capacity compared to 2024 benchmarks.



Model-driven agriculture: We adopted a model of "land equity participation + minimum dividend guarantee + profit sharing," creating diversified income channels for farmers, effectively driving rural revitalization. In Apple Cultivation Base, a special project was launched to transform its industrial landscape from the agriculture-reliant model to an integrated "agriculture + processing + tourism" ecosystem, achieving apple yields of 1.5 tons per mu and annual income growth of over RMB8.5 million.

Technological Revitalization



We donated and constructed five primary tea processing factories in major tea-producing areas such as Lincang and Pu'er in Yunnan. These facilities benefit nearly 10,000 tea farming households and cover over 200,000 mu of tea plantations. During the reporting period, over 1,500 tons of dried rough tea were produced.



Through the "one garden, one nursery" model, we enhanced yield protection and provided virus-free seedling greenhouses free of charge to navel orange farmers in southern Jiangxi, effectively mitigating risks of Huanglong disease (citrus greening disease), reducing management costs, and enhancing seedling survival rates. This initiative fosters sustainable development of the regional navel orange industry.



We supported suppliers in their process optimization and output enhancement, effectively driving the scale-up and standardization of the industry.

Ecological Revitalization



We launched water-efficient apple cultivation across over 3,800 mu, leveraging shelterbelt forest and water-saving irrigation technology. This initiative reduced water consumption by over 60% compared to traditional local crops. The large-scale adoption of drought-resistant irrigation infrastructure has improved desert ecosystems and effectively alleviated agricultural water stress.



Within the reporting period, three water source areas in Badagong Mountains (Hunan), Longmen Mountain (Sichuan), and Nyenchen Tanglha Mountains (Tibet) commenced operations. We adopted a factory design concept that harmonizes with local cultural heritage and natural landscapes and created over 1,000 local jobs. Industrial tourism initiatives were launched to drive community cultural and tourism development, achieving synergistic advancement of water source protection and rural revitalization.

Social Welfare

Corporate Citizenship



Guided by the *Emergency Response and Handling Policy for Public Crisis Events related to People's Livelihood*, we responded swiftly to emergencies such as the Tai Po fire incident in Hong Kong within the reporting period. We promptly provided drinking water and cash donations for post-disaster recovery, fulfilling emergency safeguard responsibilities.



During the reporting period, we conducted over 16,000 sessions of heat-relief water distribution campaign, distributing 2.35 million bottles of drinking water to outdoor workers.



We provided drinking water for over 60 sporting events, including the World Aquatics Championships, where we pioneered an on-demand large-pack water supply system, reducing small-pack water usage by 50% and minimizing packaging material consumption.

During the reporting period, we supported over 470 marathons, serving more than 7.1 million runners cumulatively.



The total amount of charitable donations reached RMB89,400 thousand during the reporting period, and there was a total of 88,087 hours of employee participation in volunteer activities throughout the year.



During the reporting period, Mr. Zhong Shanshan, founder of Nongfu Spring, donated RMB 100 million to Zhuji Middle School through the Zhong Ziyi Education Foundation established by him, continuously supporting the high-quality development of local education.

Products and Services

Natural and Healthy



Products of Nongfu Spring are developed with the “natural and healthy” concept. Products that are sugar-free or low-sugar, sodium-free or low-sodium, or fat-free or low-fat reached over 85% of total sales by weight during the reporting period.¹

R&D and Innovation



We launched multiple new products including newly introduced East Leaf Chenpi White Tea, Iced Tea, TANBING Classic Black Coffee, and TANBING Classic Latte, enriching the diversified product matrix.



There were a total of 253 research and development personnel, with R&D expenditures reaching RMB311 million.



Brands including Nongfu Spring, East Leaf, Tea π, and 17.5° Juice were listed in the Zhejiang Province’s key trademark protection catalogue.



Number of valid national patents held within the reporting period: 446.

Safety and Quality



Eight subsidiaries of the Company received FSSC 22000 Food Safety System Certification, and five subsidiaries received the Foreign Supplier Verification Programs (FSVP) certification.



Zero recall due to product safety or quality issues.

Responsibility and Services



We have performed dedicated audits on marketing activities, with a particular focus on advertising compliance, marketing information accuracy, and data privacy protection.



Within the reporting period, three dedicated audits were performed on responsible marketing activities.



Within the reporting period, the complaint handling rate reached 100%.

Employment Development & Care

Organization Development



The total number of employees is 28,444, with a year-on-year increase of 9% and a total of 5,381 new employees joining the Company.



Adhering to the diversified talent recruitment strategy that prioritizes local candidates.

Salary and Welfare



Employees’ income has continued to grow for many years and ranks among the top in the industry in terms of cash income. Within the reporting period, total employee benefits expenditure (inclusive of directors’ remuneration) was RMB5,100 million, representing an increase of 19%.



We launched the “Water Source Exploration by Employees and Their Family Members” campaign to strengthen organizational identification and sense of belonging among employees and their families. During the reporting period, 108 sessions were conducted, covering approximately 5,000 employees and their family members.



During the reporting period, the “Heart to Heart Care Program” had benefited over 309 families, with total assistance costs reaching nearly RMB8 million.

¹ The definitions of sugar-free/low-sugar, sodium-free/low-sodium, and fat-free/low-fat comply with the requirements specified in the *National Food Safety Standard - General Rules for Nutrition Labelling of Prepackaged Foods* (GB 28050-2025).

Sustainable Supply Chains

Training and Development



The percentage of employees participating in training reached 100%, and the average number of training hours was 44.5.



We held seven sessions of the Qiantang Lecture Series, featuring lectures delivered by the members of Chinese Academy of Sciences and Chinese Academy of Engineering, renowned experts, and scholars to enhance employees' holistic competencies.



We developed a competency matrix model for technical roles in production systems, defining the competency matrices and knowledge-skill inventories for 165 positions. The project produced more than 5,000 course materials, 672 theoretical question banks, and 152 practical skill assessment banks, which were distributed to factories across China for implementation.

Occupational Health and Safety



By the end of the reporting period, excluding newly established factories, 100% of the factories of Nongfu Spring have passed the ISO 45001 occupational health and safety management systems certification.



We actively advanced the contractor safety training initiatives, achieving 100% coverage rate during the reporting period, with a total of 2,549 participants, effectively strengthening safety across all operational domains.

Supplier Management



Upholding the Board of Directors as the central strategic decision-making body, the Company establishes a modern supply chain ecosystem through collaborative leadership alignment and efficient execution across all operational tiers, ensuring end-to-end coverage and full lifecycle integration.



Quality audits covered 100% of entities within the supplier pools and were extended to tier-two suppliers.



To support rapid business expansion, the supplier pool increased by 55% year-on-year. We established a multi-dimensional audit framework, covering environmental protection, labor rights, and business ethics, to systematically enhance supply chain risk resilience, stability and operational continuity.

Responsible Procurement



The ratio of suppliers covered by the business conduct policy reached 100%, and the ratio of suppliers who signed business ethics clauses reached 100%. We strengthened ethical awareness campaigns during key holiday periods to reinforce supplier awareness of business ethics standards.

Environment: Safeguarding Natural Sources and Forging a Green Model for Low-Carbon Circular Economy

System Building



Within the reporting period, excluding newly established factories, ISO 14001 environmental management system has covered Nongfu Spring and all its subordinate factories.

Environmental Management



During the reporting period, Nongfu Spring achieved a 0.5% year-on-year reduction in water use intensity. During this year, 3.88 million tons of water were recycled.



During the reporting period, the Xin'an River Factory in Zhejiang received the Zero-Waste-to-Landfill Management System certification.



The Company continued to pursue its goal of 100% resource utilization of by-products, including tea residue, pomace, and fruit peel, effectively reducing food waste by 80,881 tons.



A new pomace drying facility is under construction at Xinfeng in Jiangxi Province, with an expected annual processing capacity of 200,000 tons of orange peel. The facility will convert orange peel into high-value products such as orange oil and orange fiber, enabling resource utilization of by-products.

Combating Climate Change



Nongfu Spring conducted climate-related risk and opportunity identification in alignment with *IFRS S2 Climate-related Disclosures*, updating its list of material climate-related risks/opportunities and corresponding mitigation strategies, actions, and targets.

The Company designed and implemented technical solutions for proactive response to agricultural extreme weather events.



The greenhouse gas emission intensity of Nongfu Spring during the reporting period was 0.0414 tons of carbon dioxide equivalent per ton of qualified product output², marking a 3% year-on-year decrease, with 77% progress toward its greenhouse gas emission intensity reduction target.



By the end of the reporting period, Nongfu Spring had six factories equipped with photovoltaic power generation systems, with a total installed capacity exceeding 50 megawatts and annual electricity generation reaching nearly 40,000 megawatt-hours.

Circular Regeneration



The Company achieved the objective of 100% recyclability of plastic packaging materials for water and beverages.



We deployed the Biodiversity Impact Assessment (BIA) tool to conduct systematic biodiversity risk assessments across all production facilities.



We advanced sustainable agriculture by providing planting support to farmers and promoting water-saving, soil-protecting, and ecosystem-friendly farming practices. We employed scientific methods to mitigate potential environmental impacts from agricultural production.



Leveraging its pastoral environment, the Apple Cultivation Base promoted the widespread use of organic fertilizers, with over 10,000 tons of organic fertilizer applied cumulatively. This directly reduced chemical fertilizer usage by 600 tons, cutting fertilizer consumption by over 50% compared to conventional farming practices.

Governance: Strengthening Compliance Foundations to Drive Long-Term Value through Resilient Practices

Risk Management



Environmental audits, human resources audits, and responsible marketing audits have been integrated into Nongfu Spring’s regular annual audit programs, enabling systematic, long-term implementation.

Integrity and Honesty



A comprehensive audit is conducted every three years across all operational units of the Group, including all production factories and sales regions. Within the reporting period, 101 anti-fraud and management audits were conducted across core business areas such as marketing, procurement, production, engineering, and logistics.

We introduced an terminal-based whistleblowing channel and intensified integrity awareness campaigns and training programs for suppliers.



All employees signed the *Code of Business Conduct for Employees of Nongfu Spring*.



All members of the Board of Directors and all employees of Nongfu Spring were trained on anti-corruption, with a total training time of 148,024 hours.

² The calculation of greenhouse gas emissions in 2025 adopts the “2023 Provincial Electricity Average CO2 Emission Factor” issued by the Ministry of Ecology and Environment of the People’s Republic of China in 2025.

AWARDS AND HONORS IN 2025

Ratings



S&P Global ESG Score:

69

Listed in *S&P Global Sustainability Yearbook 2026* for the first time

Listed in *S&P Global Sustainability Yearbook (China Edition)* for three consecutive years



Wind ESG Rating:

AAA

Included in Wind’s TOP 100 ESG Best Practice Case for Listed Companies in China

Awards and Honors

Consumer Goods Industry Department of Ministry of Industry and Information Technology

Included in the “First Batch of China Famous Consumer Goods Catalogue” and the “Time-Tested High-Quality Products” category in the food industry.

Forbes China

Included in the Forbes China’s 2025 “Top 50 ESG in China” list.

People’s Daily Overseas Edition, All-China Environment Federation, China Quality Certification Centre

Included in the “China Corporate ESG 100 Index”.

Chinese Academy of Agricultural Sciences

Featured as a “Best Practice Case in Agricultural ESG” in the *2025 China Agricultural Enterprise ESG Development Report*.

Ernst & Young China

Awarded the “2025 EY Sustainability Award-Outstanding Case of the Year” for the initiative of “Building the Rural Future: Co-driving Sustainable Development through Industry and Technology”.

SUSTAINABLE DEVELOPMENT COMMITMENT

Our Material Focus Areas

Combating Climate Change	Water Resource Management	Packaging Materials Management
 Why It Matters With the promotion of “dual-carbon” goals, the low-carbon transformation has become the intrinsic requirement and the only way to achieve high-quality development for Nongfu Spring. As a beverage company with natural resources as its main raw materials, Nongfu Spring attaches great importance to physical and transitional risks from climate change which may impact on the production value chain significantly.	 Why It Matters Water resource management is an important issue for Nongfu Spring to achieve long-term operation and sustainable development. To improve the Company’s water efficiency and implement sustainable development, what we need to do is to actively deal with water stress mitigate water management risks, and continue to strengthen the integrated water resource management.	 Why It Matters The application of sustainable packaging materials can reduce the excessive dependence on natural resources and the negative impact on the environment, and creates potential innovation opportunities to help the Company achieve the green transformation.
 Target 20% Compared to 2019, the greenhouse gas emission intensity and comprehensive energy consumption intensity will fall by 20% by 2030.	 Target 20% Compared with 2020, the water use intensity in 2030 will fall by 20%.	 Target 100% By the end of 2025, achieve 100% recyclable/reusable/compostable packaging of water and beverage plastic packaging and maintain it in future years.
 Progress 15% Compared to 2019, the greenhouse gas emission intensity fell by 15% in 2025; The comprehensive energy consumption intensity of water and beverage products were lower than the advanced industry benchmarks³.	 Progress 0.5% Compared to 2020, the water use intensity in 2025 fell by 0.5%. The water use intensity of packaged drinking water products was lower than industry benchmarks⁴.	 Progress 100% The proportion of recyclable⁵ materials in water and beverage plastic packaging has reached 100%.

³ The advanced value of the industry is taken from the advanced value in QB/T 4069 “Comprehensive Energy Consumption Limit of Beverage Manufacturing”.

⁴ The industry advanced value is taken from the advanced value in GB/T 18916.65 “Industrial Water Quota - Part 65: Beverages”.

⁵ The definition of “recyclable” refers to ISO 18604:2013 *Packaging and the Environment — Material Recycling*.

Our Material Focus Areas

Nutrition and Health Opportunities	Health and Safety	Food Safety and Quality
 Why It Matters Concern about health and nutrition is not only beneficial to improve the well-being of consumers, but also can provide innovative development opportunities for food production enterprises, which can further enhance the competitiveness and demonstrate the sense of responsibility of the Company on the sustainable development.	 Why It Matters Providing safe, decent work conditions is as basic part of our social contract to achieve a steady increase in the economy. A strong health and safety guarantee system will protect the rights and interests of employees, promote the stable business operation and foster the sound development.	 Why It Matters Food safety and quality assurance are the reflection of the Company's responsibility to consumers and lay important foundation for the long-term development of Nongfu Spring. Providing safe and high-quality products to customers will promote Nongfu Spring to establish an honest and responsible corporate image and gain trust from consumers.
 Target The “natural and healthy” concept is represented in every product. We incorporate scientific concepts of a healthy diet into the consideration of product R&D, and attach importance to low-sodium, low-sugar, low-fat, and reduced-portion products.	 Target 100% Continue to optimize the safety management system and achieve full coverage of occupational health and safety management system certification before the end of 2025.	 Target 100% • 100% national sample testing pass rate • 100% certification rate of third-party system audits • Zero recall due to food safety or quality incidents • Continue to promote ISO 9001 and ISO 22000 certification
 Progress over 85% • Sugar-free/low sugar, sodium-free/low-sodium, fat-free/low fat products sales weight percentage: over 85% • Products with enhanced nutrition content sales weight percentage: over 10%.	 Progress 100% 100% of our factories (excluding newly commissioned factories within the reporting period) obtained ISO 45001 Occupational Health and Safety Management System Certification.	 Progress 100% • 100% national sample testing pass rate throughout the year • 100% certification rate of third-party system audits • Zero recall due to product safety or quality issues • 100% of companies obtained ISO 9001 quality management system and ISO 22000 (or FSSC 22000) food safety management system (or HACCP) certification

SUSTAINABLE DEVELOPMENT GOVERNANCE

Nongfu Spring regards sustainable development as a long-term core corporate strategy and is committed to promoting the coordinated advancement of economic prosperity, social progress, and environmental protection. We have established a sustainability framework centered on six core pillars: “Passing on Values, Robust Governance, Health Protection, Sustainable Ecology, Employee Engagement, and Solid Cooperation”. This framework is systematically implemented across the entire business value chain, enabling us to continuously fulfill our responsibilities to consumers, employees, communities, and the environment.

Guided by the principle of openness and cooperation, we actively respond to national strategies. Through industrial empowerment and resource integration, we support rural revitalization and work with all sectors of society to build a sustainable future. In terms of governance and compliance, we continue to optimize the corporate governance system and improve the comprehensive risk management mechanism, strengthening the foundation for compliant operations. We adhere to business ethics and laws and regulations, and foster a corporate environment characterized by integrity, fairness, and honesty, providing solid support for high-quality development. With “natural and healthy” as our core philosophy, we have established a full-industry-chain quality control system covering water sources, production, transportation, and terminal channels. We strictly safeguard product safety and quality, and firmly fulfill our commitment to consumers’ health.

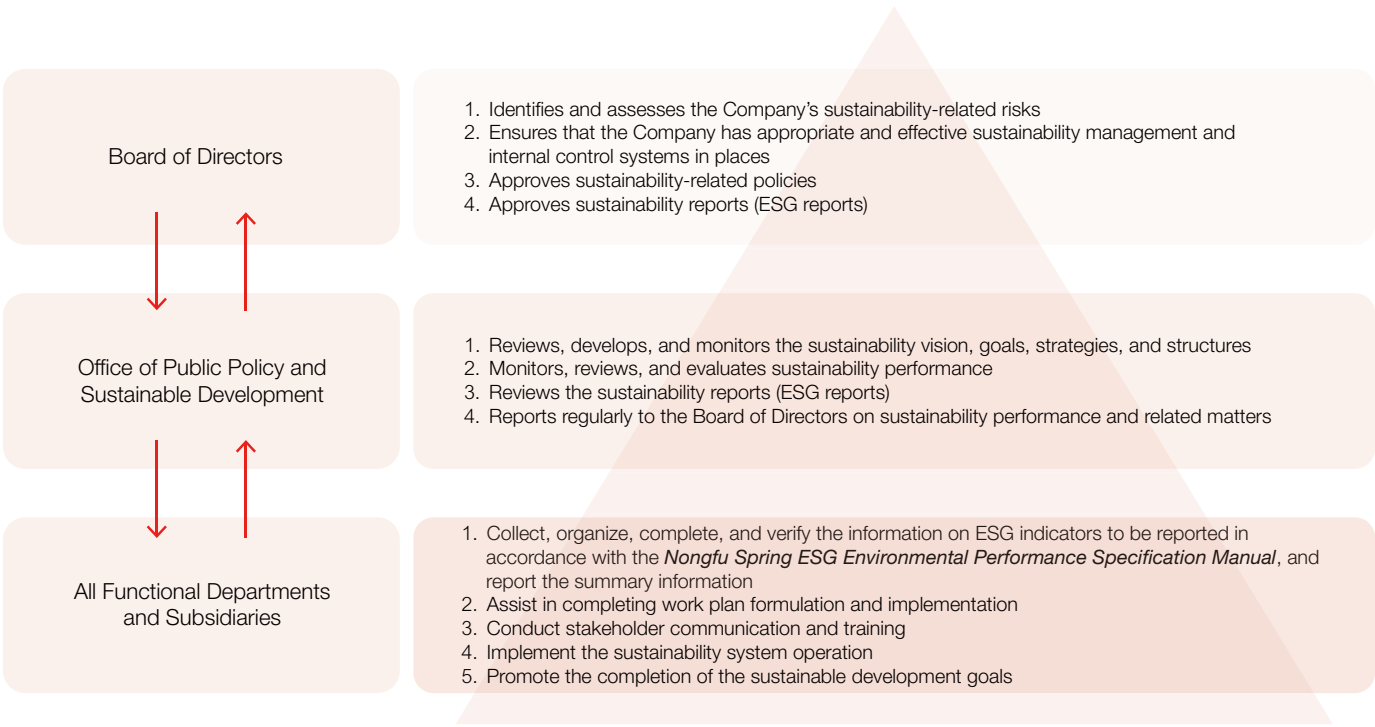
We deeply integrate green development into our strategy and daily operations. We work with upstream and downstream partners to advance energy conservation and carbon reduction, the circular economy, and green transformation, striving to achieve harmonious coexistence between humanity and nature. We regard employees as our most valuable asset and adhere to a people-oriented approach. We comprehensively safeguard employee rights and interests, foster an equal and inclusive working environment, and provide competitive compensation and benefits, diversified career development pathways, and abundant training resources. These efforts support employees in realizing their personal value and career aspirations. At the same time, we are committed to promoting the high-quality development of the industry. Through responsible procurement and supply chain optimization, we work with partners to build a resilient and sustainable value chain and achieve win-win outcomes for all parties.



This chapter corresponds to SDGs.

ESG GOVERNANCE STRUCTURE

Nongfu Spring has established a comprehensive three-tier ESG Governance Structure comprising the Board of Directors, the Office of Public Policy and Sustainable Development, and various functional departments and subsidiaries. The Board of Directors, as the highest decision-making body for ESG matters, is responsible for reviewing ESG strategies, objectives, and risk management, as well as approving major ESG matters. The Office of Public Policy and Sustainable Development is responsible for formulating ESG strategies, identifying and monitoring ESG risks, and regularly reporting major ESG matters and performance to the Board of Directors. Functional departments and subsidiaries are responsible for implementing specific tasks and ensuring that ESG principles are integrated into the Company’s daily operations.



Nongfu Spring ESG Governance Structure

Board of Directors’ Statement
Responsibility of the Board of Directors

Nongfu Spring’s ESG governance structure is guided at the highest level by the Board of Directors, which assumes ultimate responsibility for the Company’s ESG-related matters. Through regular meetings, the Board of Directors identifies ESG risks during operational processes and assesses their significance, approves sustainable development goals, and regularly reviews the progress toward these goals. Furthermore, it oversees ESG-related policies, management, and performance, and reviews and approves the disclosure of ESG information.

Daily Implementation

The Office of Public Policy and Sustainable Development, as a standing body of the Board of Directors, is responsible for guiding and supervising the ESG work of all functional departments and subsidiaries, ensuring the smooth progression and effective implementation of routine sustainability initiatives. Managed by an Executive Director, the Office reports to the Board of Directors on sustainability progress at least annually, ensuring effective linkage between ESG strategy execution and governance oversight.

Risk Management

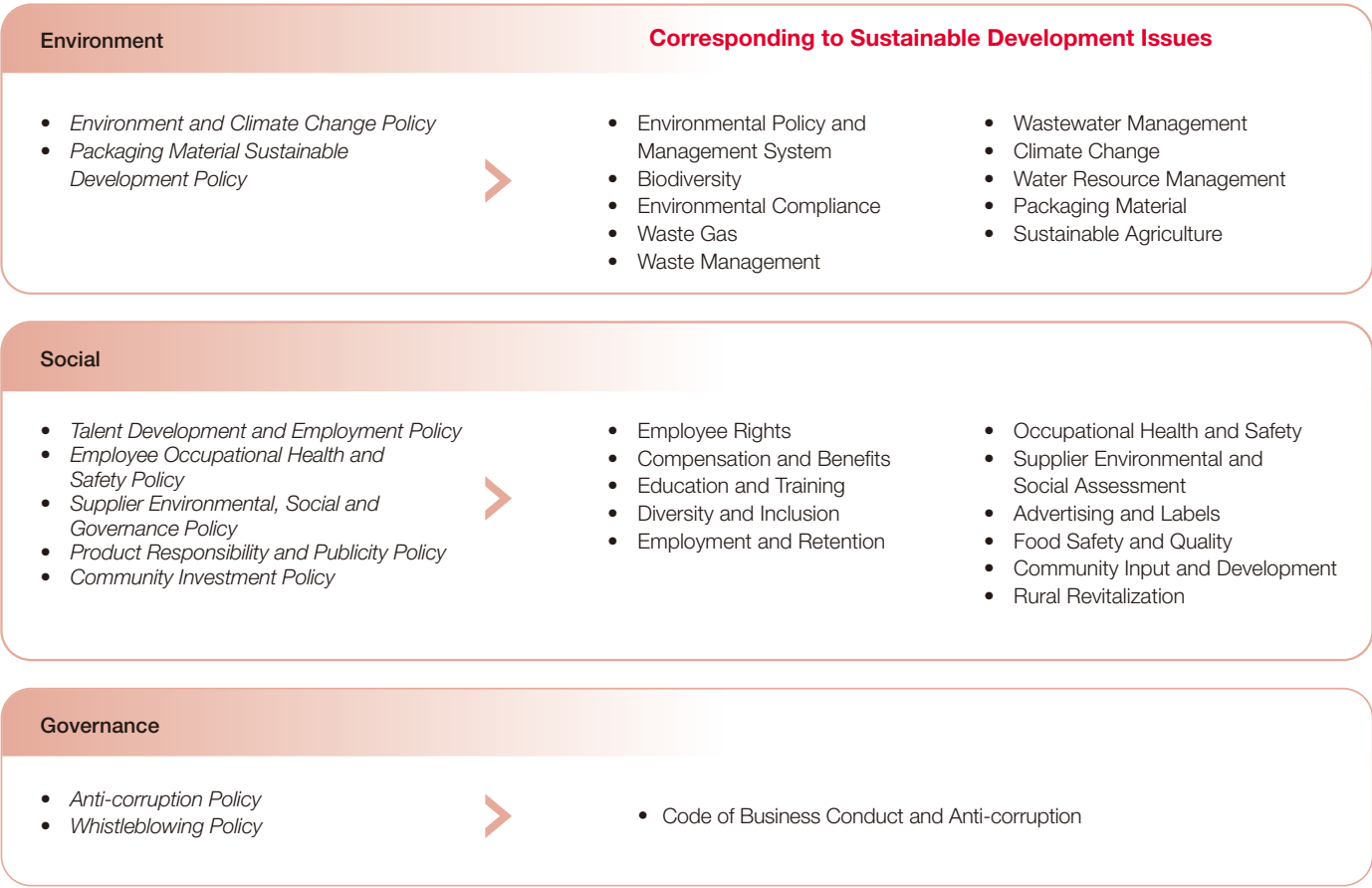
Nongfu Spring has established and continues to refine a mechanism for identifying and assessing sustainable development risks. The Office of Public Policy and Sustainable Development coordinates risk management tasks, including formulating risk response strategies, implementing mitigation measures, setting objectives, and regularly tracking the progress of these objectives. The Board of Directors provides overall oversight of the progress and effectiveness of sustainability risks and opportunities management, ensuring that major sustainability risks are effectively controlled.

Communication with Stakeholders

Nongfu Spring attaches great importance to the impacts of its operations on various stakeholders. By actively identifying stakeholders and systematically reviewing their core concerns, Nongfu Spring establishes transparent and well-structured communication and response channels to promptly understand stakeholder expectations and concerns. We conduct thorough analysis of stakeholder concerns, formulate scientific, reasonable, and effective management strategies, and continuously enhance our sustainability performance. We are committed to creating economic, social, and environmental value for all stakeholders and achieving symbiotic development.

ESG MANAGEMENT SYSTEM

In accordance with the *Corporate Sustainability Disclosure Standards*, Appendix C2 *Environmental, Social and Governance Reporting Code* of the Hong Kong Exchanges and Clearing Listing Rules, and external requirements such as international ESG ratings, and taking into account the background of the Company’s sustainability initiatives and the realities of its business operations, Nongfu Spring conducted a comprehensive update of the *Sustainable Development Policy* prior to the release of this report, resulting in the establishment of ten specific sub-policies.



Sustainable Development Policy System

COMMUNICATION WITH STAKEHOLDERS

Nongfu Spring attaches great importance to the concerns and expectations of stakeholders. We have established efficient and transparent, diversified communication channels to proactively listen to and promptly respond to the concerns of all parties. At the same time, stakeholders’ views are incorporated into the identification and assessment

of sustainability risks. We develop targeted response plans and implement them rigorously, promoting continuous ESG improvement and earning the trust of all stakeholders.

Stakeholders	Issues	Channels of Communication and Response
 Suppliers and Business Partners	Supplier Management Supplier Environmental and Social Assessment Partner Empowerment Code of Business Conduct and Anti-corruption Sustainable Raw Material Procurement	Supplier Evaluation Unannounced Inspection Supplier Training and Assistance
 Distributors	Partner Empowerment Code of Business Conduct and Anti-corruption Food Safety and Quality Advertising and Labels Unfair Competition Policy Influence	Distributor Training Distributor Conference Distributor Sourcing Activity
 Customers/ Consumers	Advertising and Labels Food Safety and Quality Nutrition and Health Opportunities Customer Satisfaction Customer Privacy Information Security and Internet Security	Information Disclosure and Distribution Customer Satisfaction Survey Consumer Service Hotline Consumer Interaction Activity Consumer Sourcing Activity
 Investors	Corporate Governance Taxation Strategy Environmental Compliance Water Resource Management Climate Change Nutrition and Health Opportunities Risk and Crisis Management Biodiversity Supplier Management Sustainable Agriculture Technology and Innovation	Corporate Annual Reports and Announcements Nongfu Spring’s homepage – Investor Relations Investor and Analyst Meeting Roadshow Special Meeting

Stakeholders	Issues	Channels of Communication and Response
 Media	Environmental Compliance Water Resource Management Climate Change Food Safety and Quality Technology and Innovation	Product Launch Communication Meeting Volunteer Service Media Communication Interview
 Employees	Compensation and Benefits Education and Training Employment and Retention Occupational Health and Safety Diversity and Inclusion Employee Rights Information Security and Internet Security	Staff Symposium Employee Training Employee Activity Employee Communication Email Employee Sourcing Activities
 Government and Regulatory Authorities	Waste Gas Waste Management Environmental Policy and Management System Environmental Compliance Water Resource Management Climate Change Packaging Material Biodiversity Food Safety and Quality	Supervision and Evaluation Research and Investigation Meeting Communication Information Disclosure
 Social	Community Input and Development Rural Revitalization	Job Opportunities Industry Development Support Charity

We strictly comply with laws and regulations and disclose material information to the public in a timely manner through regular reports. We maintain open and diversified communication channels and proactively accept oversight from stakeholders. At the same time, we actively organize thematic activities and invite stakeholders to visit production sites, enabling them to experience our sustainable development practices firsthand. Through these engagements, we build close connections and jointly explore future pathways.

“Sharing the Waters of the Mountains and Forests, Celebrating the Beauty of Our Hometown” Sourcing Activity:

In December 2025, Nongfu Spring organized a sourcing activity themed “Sharing the Waters of the Mountains and Forests, Celebrating the Beauty of Our Hometown,” inviting grassroots officials from villages and communities in Shanglin County, Guangxi, as well as local residents, to visit the Damingshan factory. The Company engaged in in-depth exchanges with representatives of local villagers, shared its corporate culture and sustainability philosophy, and comprehensively demonstrated its commitment to supporting rural revitalization.

During the reporting period, the Guangxi Damingshan factory also widely invited various groups and primary and secondary school students from Shanglin County to visit the facility and observe Nongfu Spring’s production process firsthand. These activities enhanced brand transparency and enabled the public to directly experience how product quality is rooted in local natural resources. They also built an emotional connection between people and nature and actively promoted environmental awareness.



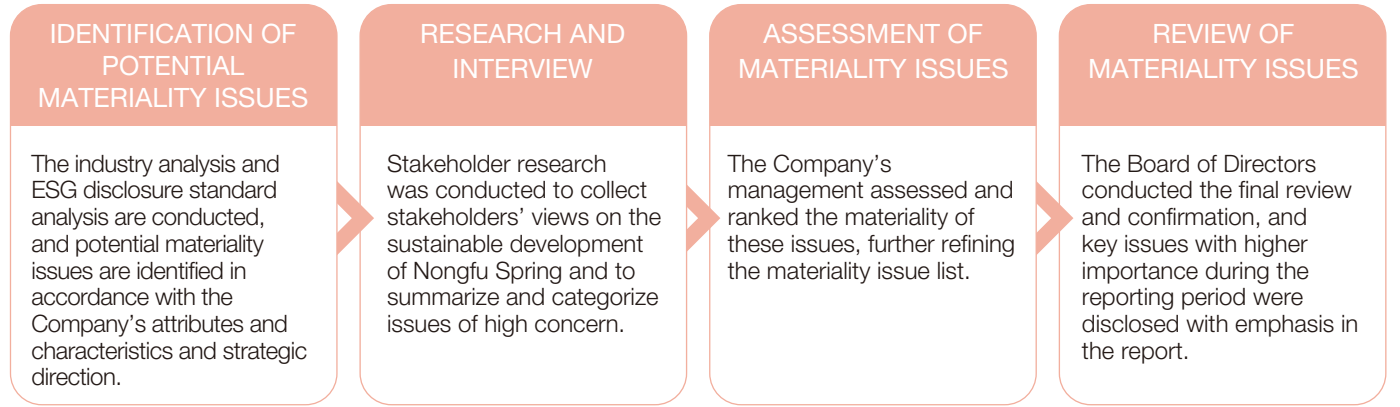
International Visiting Study Exchange on Sustainable Development

In November 2025, we hosted a joint visiting study delegation from Zhejiang University International Business School and the Royal Melbourne Institute of Technology and conducted a thematic exchange on corporate sustainable development practices with overseas MBA and master’s students. During the session, we explained the social value generated by Nongfu Spring’s nationwide industrial chain layout and deeply penetrated sales network, and highlighted its role in promoting local economic development and local employment through rural revitalization initiatives, as well as its capability to ensure the emergency supply of essential goods during public crises.

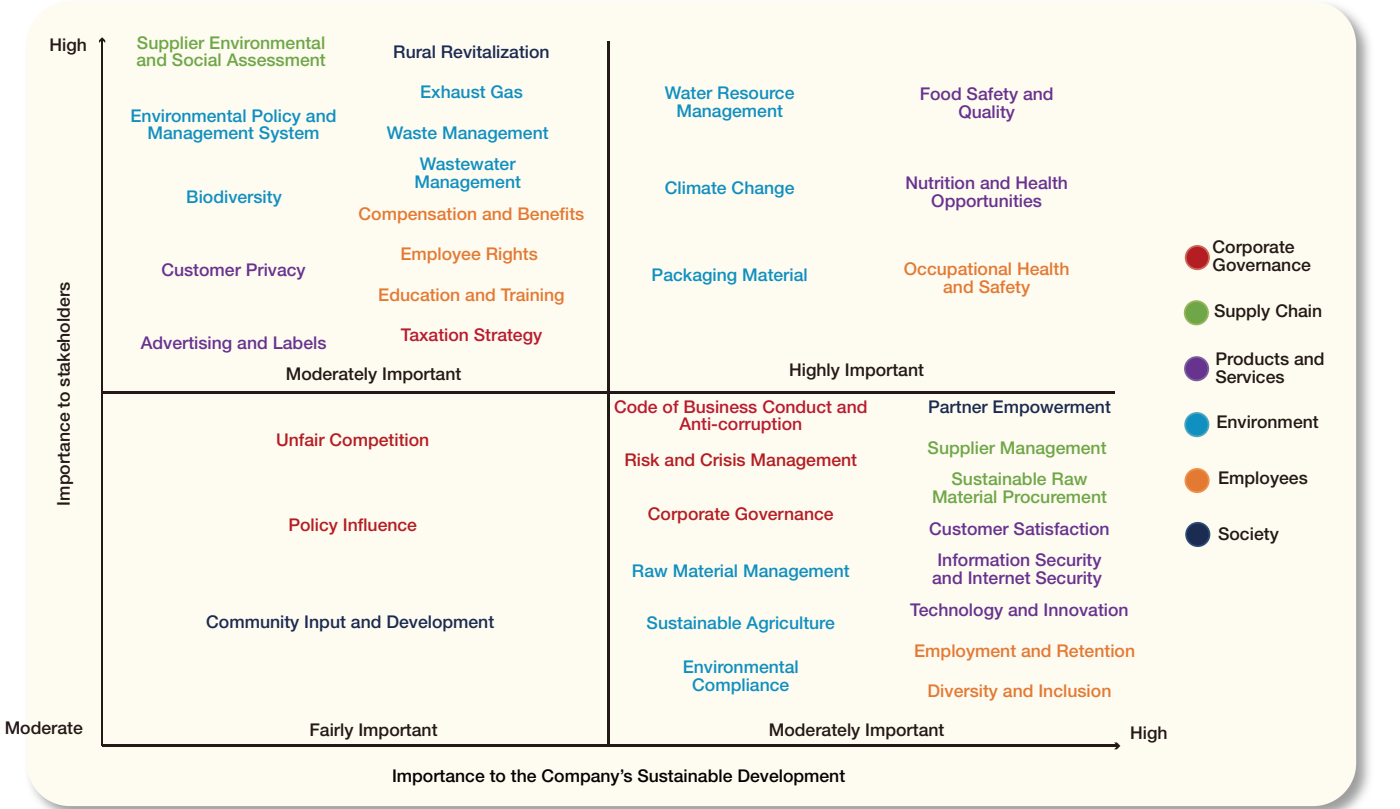
These discussions helped international academic partners better understand how corporate infrastructure can be transformed into a foundation supporting social resilience. Through the exchange, we also gained fresh perspectives from the international academic community and enabled more young scholars to better understand Nongfu Spring’s distinctive sustainable development practices in rural revitalization and public livelihood support. We value dialogue with faculty members and students, and these open exchanges help us better understand external expectations and continuously improve our stakeholder engagement mechanisms.

MATERIALITY ISSUES

Nongfu Spring actively carries out the identification and management of sustainable development issues, fully incorporating feedback and recommendations from both internal and external stakeholders. Each year, we follow four steps—“identification of potential material issues – research and interviews – materiality assessment – review of material issues”—to systematically identify issues that have a significant impact on our sustainable development and are highly concerned by stakeholders. We assess their double materiality from two dimensions: “internal impact on the business” and “external impact on stakeholders including society and the environment.” Based on this assessment, we develop the prioritization and matrix of material issues and report the results to the Board of Directors in a timely manner, after which the Board conducts the final review and approval.



In 2025, led by the Office of Public Policy and Sustainable Development, we communicated with stakeholders such as distributors, investors, consumers, employees and the Board of Directors, and conducted the annual update of Nongfu Spring’s matrix of material sustainability issues in combination with the Company’s strategic development direction and operating conditions. We incorporated the results of the materiality assessment into the Enterprise Risk Management (ERM) process. For the identified material issues and their associated risks, we implemented tiered management, formulated management objectives, clarified responsible departments and key control measures, and carried out continuous monitoring.



Materiality Matrix

PASSING ON VALUES

The growth and value of the Company are deeply rooted in the times and the land. As a “porter of nature”, Nongfu Spring delivers not only healthy products but also a coexistence philosophy and a force for good. We believe that business success must align with social values, and through long-term commitment, we advance rural revitalization and respond to societal expectations.

In our rural revitalization initiatives, we embrace a long-termism mindset, transforming market potential, technological innovation, and ecological protection into drivers of industrial upgrading, agricultural quality and efficiency improvement, and sustainable rural development. At the same time, we actively fulfill our corporate citizenship responsibilities through concrete actions in disaster relief, education, health, and community well-being, to create shared value and co-build a more sustainable future.



1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION
6 CLEAN WATER AND SANITATION	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES

This chapter corresponds to SDGs:

RURAL REVITALIZATION

Nongfu Spring treats rural revitalization as a core responsibility for sustainable development, by focusing on three key pillars: industrial empowerment, technology-driven transformation, and ecological co-prosperity. By leveraging our industrial chain strengths, we deepen production-marketing integration, enhance agricultural quality and efficiency, and support sustained income growth for farmers. Through practical actions in industrial revitalization, technological revitalization, and ecological revitalization, we advance the vision of “strong agriculture, beautiful countryside, and rich farmers”.

Industry Revitalization

Nongfu Spring views industrial revitalization as a vital engine for rural revitalization. Through three strategic pathways of systematic upgrading, granular management, and model-driven promotion, we empower the modernization of agriculture, elevate product quality and value, and foster a sustainable agricultural ecosystem, contributing meaningfully to rural development.

Paths	Measures
Systematic Upgrading	Transform rural industries from raw material suppliers to value-added processors, through a supply chain perspective
Granular Management	Integrate standardization and data-driven management into critical production stages, such as harvesting and pesticide/fertilizer management, and pilot centralized procurement of agricultural inputs. Enhance process control through standardization, monitoring, and dynamic adjustment, establishing a safety barrier for the green supply chain
Model-Driven Promotion	Establish replicable collaboration mechanisms, such as the “Stable Procurement + Technology Empowerment + Benefit Linkage” model and roll out to diverse regional projects

Systematic Upgrading

We have built a full-chain support system covering cultivation, processing, and quality control, driving rural industries to transition from scale-driven growth to value-driven development.

Empowering the Upgrading of Jasmine Industry in Hengzhou, Guangxi

In response to the limited deep-processing capacity of jasmine industry in Hengzhou, Guangxi, we invested in a standardized processing base and optimized scenting process, enabling a transformation from raw flower supply to high-value finished products. We established stable procurement relationships with farmers, guiding them to expand high-quality jasmine cultivation while simultaneously upgrading industrial infrastructure.

To ensure quality, we implemented a “premium quality, premium price” procurement strategy, offering stable prices to incentivize standardized farming. At the same time, at critical stages such as scenting, we formulated rules and standards for processes and workflows, enhancing the stability of raw material supply and ensuring consistent product quality.

To improve efficiency, we provided technical support to partner factories, advancing equipment upgrades and standardizing personnel management. As a result, daily production capacity per processing factory increased from 10 tons to 120 tons, and total scenting volume among partners grew by approximately 100% compared to 2024.

Granular Management

We apply granular management across critical production stages, enhancing scientific rigor and controllability through clear standards, continuous monitoring, and dynamic adjustments. This strengthens quality assurance and safety management and improves resource utilization efficiency.

We balance scientific standards and precise execution, leveraging systematic management framework and technical support to promote the standardized use of pesticides and fertilizers. By integrating technical solutions with process control and indicator monitoring, we reduce environmental risks and farmer costs while ensuring consistent quality of agricultural products.

Formulating Standards	Through long-term field monitoring of pest and disease patterns and pesticide degradation cycles, we have developed science-based, safe plant protection plans, which are widely disseminated to farmers and primary technical staff. We also promote non-chemical pest control techniques such as insect-proof nets, to reduce reliance on chemical pesticides.
Finalizing Plans	In navel orange projects, we developed differentiated fertilization plans based on soil nutrient testing and real-time tree nutrient tracking, tailored to the unique soil characteristics of southern Jiangxi. By leveraging integrated water and fertilizer systems, we implemented precision fertilization with low intensity and high frequency, achieving a 30% reduction in fertilizer use and a 15% yield increase.
Defining Indicators	In apple projects, we set annual pest and disease control targets and organized preventive measures based on monitoring data. Through centralized procurement and distribution of plant protection products, coupled with technical guidance and plant protection manuals, we helped farmers reduce procurement costs by approximately 30% and standardize pesticide application processes.

While formulating technical standards, we extend granular management concepts into the fields through market-driven mechanisms. In navel orange projects, we implemented a “premium quality, premium price” procurement strategy, setting tiered pricing based on key indicators such as fresh fruit ratio, fruit diameter, and sugar content. Farmers who adopt organic fertilizers and precision farming practices receive higher returns, which creates economic incentives for quality improvement and green transition at the production stage.

Within the reporting period, we piloted the centralized procurement model for tea farming inputs, to ensure raw tea quality and safety, and ecological health from the source. The closed-loop system of “unified procurement, delivery, guidance, and supervision” not only reduced farmers’ input costs but also established a green and safe barrier for tea supply chains.

- Broad Coverage and Deep Penetration: The initiative has been fully rolled out across three core tea-producing regions: Sichuan, Yunnan, and Fujian, with partnership established with over 15 enterprises, covering more than 40,000 mu of tea plantations and benefiting over 4,100 farming households.
- Technology Empowerment and Green Development: We established a tea plantation inspection system and rapid pesticide residue testing mechanism, and conducted soil improvement experiments. By promoting organic-inorganic compound fertilizers, we enhanced tea quality while effectively improving soil health, advancing the green and sustainable development of the tea industry.

Model-Driven Promotion

We advance scalable and replicable industrial collaboration by establishing standardized cooperation models, leveraging infrastructure co-construction, supply chain integration, and localized partnerships to effectively align corporate needs with rural resources.

Contract-based Land Cooperation	In Apple Cultivation Base, villagers contributed their land management rights as equity to the cooperatives, establishing a “guaranteed rental income + profit sharing” revenue model. This ensures stable baseline income for villagers while enabling them to share in the cooperative’s value creation.
Efficient Operational Organizations	Through unified cooperative management, we achieved centralized land operation, significantly improving planting efficiency and releasing labor. We provided skills training and employment opportunities, supporting villagers in transitioning to secondary and tertiary industries or securing local positions within the cooperative and enabling diversified income structures.
Diversified Industrial Development	The project has driven Yuanbao Village’s transformation from the agriculture-reliant model to an integrated “agriculture + processing + tourism” ecosystem. In 2025, apple yields reached 1.5 tons per mu, generating over RMB8.5 million in additional income. Through mechanisms of land contribution, cooperative-led operations, and labor reallocation, the project has established a replicable “Huocheng Model”, offering a scalable solution for local industrial revitalization.

“Stable Procurement + Technology Empowerment + Benefit Linkage” Mechanism for Connecting with and Benefiting Farmers in Tea-Producing Regions in Yunnan

Within the reporting period, we donated and established five modern primary tea-processing facilities in key tea-producing areas such as Pu’er, Lincang and Jingdong in Yunnan, creating a “Stable Procurement + Technology Empowerment + Benefit Linkage” model to empower farmers. These facilities were equipped with high-standard production lines, achieving a total daily fresh leaf processing capacity of 20 tons, significantly enhancing local primary processing efficiency.

We implemented a “from fresh leaves to full-process control” self-sourcing model, partnering with the donated factories. Technical support was provided by tea professionals, including equipment commissioning, production process optimization, and risk management training, to strengthen standardized production capacity. The factories are locally operated. We focused on procurement standards and pricing mechanisms, guiding farmers to adopt our production standards through market-driven incentives.

This model has effectively addressed the local processing capacity gap, improved fresh leaf utilization rates and tea quality, and supported stable income growth for tea farmers. In 2025, the donated factories produced over 1,500 tons of dried rough tea. By the end of the reporting period, the project benefited nearly 10,000 farming households and covered over 200,000 mu of tea plantations, fostering a virtuous cycle between rural industrial revitalization and sustainable development of the Company.

“Land Cooperation + Industrial Upgrading” Model in Apple Cultivation Base

Since 2019, in response to industrial development needs, we have partnered with Yuanbao Village in Huocheng, Xinjiang, transforming traditional low-efficiency farmland into consolidated, large-scale apple plantations. Through the “company – cooperative – farmer” tripartite cooperation mechanism, we provided technical guidance and standardized management solutions to ensure consistent implementation of standardized planting processes.

Through joint efforts, standardized planting was implemented in land areas of approximately 960 mu in the first year, expanding to about 1,800 mu in the second year. By promoting intercropping under orchards and other farming practices, we enhanced land use efficiency and accelerated the transition of local agriculture toward large-scale and standardized operations.

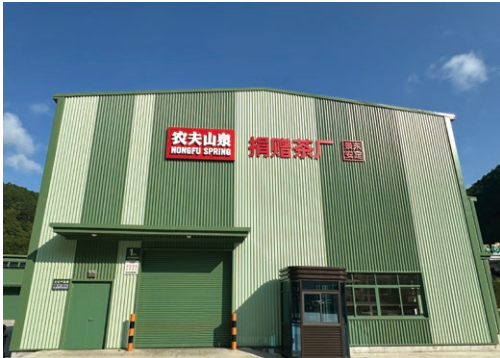
Technological Revitalization

We actively promote the application of digital technologies and smart equipment across agricultural production and processing stages, enhancing supply chain transparency and management efficiency to provide technological support for rural industrial development.

Technology Empowerment

We advance digital and intelligent applications simultaneously in cultivation management and processing operations, improving traceability and process controllability across the agricultural supply chain. At the cultivation and harvesting stages, we introduced a smart harvesting management system that enables real-time data upload and end-to-end traceability, strengthening the foundation of cultivation management.

At the processing stage, we implemented fully automated production lines and connected smart equipment at partnered primary tea processing factories, achieving zero floor contact for fresh leaves during key steps such as withering and blanching. Through digital systems, we precisely control parameters such as temperature and pressure, standardizing tea-making processes and significantly improving flavor qualification rates and product quality consistency.



Primary Tea Processing Factories



Fully Automated Production Line

Seedling Cultivation

We have increased investment in agricultural technology research and development, advancing a virus-free planting system in seedling cultivation to ensure germplasm detoxification and healthy seedling production. By introducing virus-free seedlings and establishing cutting nurseries, we ensure the health and purity of propagation sources. Combined with standardized cultivation techniques and strict disinfection protocols, this approach significantly reduces disease infection risks, enhances fruit tree health, and supports the stable development of the upstream industrial chain.



Virus-Free Citrus Seedling Promotion in Southern Jiangxi

To combat viral diseases such as citrus greening and citrus tristeza, we established virus-free citrus seedling propagation nurseries in southern Jiangxi (including virus-free foundation seedling nurseries and cutting nurseries), to supply high-quality, safe scions and foundation seedlings to local farmers.

Through the “one garden, one nursery” model, we provided virus-free seedling greenhouses for farmer partners, where the seedlings are further hardened in insect-proof net houses for one or two years before transplanting them to orchards. These robust, mature seedlings can bear fruit within one to two years after transplanting, reducing farmers’ risk exposure and accelerating income generation. This practice of “hardening off” the seedlings significantly lowers the risk of early-stage disease infection, improves seedling survival rates, and strengthens orchard resilience and long-term economic returns.

Disease Prevention and Control

In orchard pest and disease control, we adhere to a green, safe, and efficient approach, prioritizing prevention and integrating scientific monitoring, precision application, and ecological regulation. This multi-pronged strategy controls pests and diseases while minimizing environmental impact, supporting orchard health and sustainable development.

Integrated Pest and Weed Management for Navel Oranges and Tea

To curb the spread of the devastating infectious disease of citrus greening, we deployed a proprietary solution using detection dogs for early-stage disease identification. In southern Jiangxi, we conducted large-scale, systematic searches across over 10,000 mu of navel orange plantations, effectively breaking the transmission chain at the source and significantly reducing farmer losses.



We actively develop integrated pest and weed management strategies, applying green, sustainable methods such as insect light traps, sticky traps, cover cropping, and biopesticides throughout the annual cultivation cycle for both navel oranges and tea. By embedding the technical philosophy of “field biodiversity assessment – pest and disease pattern analysis – integrated control” into the entire crop lifecycle, we have established multiple demonstration plots in Jiangxi and Yunnan. These initiatives effectively suppress pest and weed outbreaks while protecting natural enemies, environment and soil health, ensuring long-term agricultural sustainability.



Cover Cropping



Biodiversity Assessment in Tea Plantations



Ecological Revitalization

We regard water source protection and sustainable agricultural practices as the cornerstone of ecological revitalization. By embracing the principle of development through protection and protection through development, we are exploring a pathway that integrates ecological, social, and economic benefits.

Water Source Area Development and Community Coexistence

Within the reporting period, three new factories in the Badagong Mountains (Hunan), Longmen Mountains (Sichuan), and Nyenchen Tanglha Mountains (Tibet) water source areas commenced operations. While protecting ecology, we have explored a path of mutual advancement between industrial development and rural revitalization.

Eco-First Construction Philosophy

Nongfu Spring insists on building its factories at the source of its water supply and bottling at water source areas, integrating local natural ecosystems into architectural design. The Linzhi Factory in Tibet overcame extreme environmental challenges to construct a facility that harmonizes Tibetan architectural appearance with advanced production lines, coexisting with the local landscape, renowned for its lush greenery and serene beauty. The Badagong Mountains Factory is nestled along the Li River, seamlessly blending modern industrial facilities with the surrounding natural environment. The Longmen Mountains Factory is located in Dujiangyan, a city famed for its water management heritage, where the factory design harmonizes with local cultural and historical landscapes.

Local Employment Opportunity and Return of Talent

The three new factories prioritize local resident recruitment. The Badagong Mountains Factory can create over 1,000 job opportunities. Currently, nearly 70% of employees are local residents, with over 50% being workers that return to their hometown for employment. In addition to hiring local labor, the Longmen Mountain Factory has attracted supporting industries to settle down, forming a “water + N” industrial ecosystem.

Industrial Tourism and Community Engagement

We continue to promote the “natural water source, transparent factory” water source area exploration program nationwide, offering transparent insights into Nongfu Spring’s high-quality sourcing process. Leveraging local ecological resources, we launched industrial tourism activities, including the “Badagong Mountains Water Source Area Exploration Journey”, in new water source areas, inviting media, consumers, and study groups to experience firsthand the journey of a bottle of Nongfu Spring drinking water from forest to factory. The Linzhi Factory has established free hydration stations along the China National Highway 318 (G318), serving cyclists and self-driving tourists. These initiatives not only enhance community awareness of ecological value but also stimulate local cultural and tourism development, transforming water source areas into living showcases of ecological value and industrial integration.

In agricultural cultivation, we pursue industrial-ecological synergy, advancing the concept of sustainable agriculture by fully integrating regional natural conditions, optimizing land use patterns, and promoting resource circulation and ecological conservation.

Green Practices in Apple Cultivation

In Apple Cultivation Base, we implement desert cultivation models for ecological restoration, establishing over 1,800 mu of apple orchards within existing shelterbelt forests, gradually improving the regional ecological environment. In the desert fringes, we have promoted apple cultivation across nearly 2,000 mu, reducing water consumption by over 60% compared to conventional local crops. We actively expand the adoption of water-saving irrigation and integrated water-fertilizer systems, achieving coverage rates exceeding 70%. These systems reduce annual water usage by more than 30%, effectively alleviating agricultural water stress. Additionally, we promote intercropping of cotton in orchards, using cotton stalks to enhance soil organic matter content and carbon sequestration, advancing the coordinated development of agriculture and ecology.

CORPORATE CITIZENSHIP

Nongfu Spring adheres to the community investment concept of “creating profit, nurturing people, and contributing to the world”. Guided by policies such as the *Community Investment Policy*, we continue to advance public welfare practices in areas including disaster relief, poverty alleviation, educational support, and sport promotion.

Disaster Relief

Nongfu Spring has formulated the *Emergency Response and Handling Policy for Public Crisis Events related to People’s Livelihood* over a decade ago and established a social disaster relief system: clearly authorizing each provincial region to make donation decisions within the first batch of 10,000 boxes. Once a disaster occurs, the provincial region can immediately initiate the donation procedure without reporting to the headquarters, to ensure the timely delivery of the disaster relief supplies. After receiving the information, the headquarters coordinates available resources according to the disaster situation, and continuously provides drinking water and other supplies to the disaster areas.



Emergency Relief for Flooding in Chengde, Hebei

In the 2025 rainy season, the Hebei Province was hit by heavy rainfall, triggering floods and waterlogging. Local roads were damaged, and residents faced severe disruptions to daily life. The Chengde Factory immediately activated its emergency response plan, mobilizing employees to deliver relief supplies to the affected areas, and launching riverbank and village sanitation cleanup operations to restore habitable conditions for the community.



Emergency Relief for the Hong Kong Fire Incident

In November 2025, a fire broke out at Hung Fuk Court, a residential complex in Tai Po District, New Territories, Hong Kong. Nongfu Spring promptly delivered drinking water to the emergency shelter and the affected community. We also donated HKD10 million in cash and HKD5 million in relief supplies to support emergency rescue and post-disaster recovery, actively fulfilling our corporate social responsibility.

Respecting Labor, Delivering Refreshment

We always advocate the concept of “taking from nature and giving back to society.” For over a decade, through the “Caring for Outdoor Workers” public welfare campaign, we have partnered with communities and media, set up public welfare freezers, and delivered refreshing water to outdoor workers. This campaign has been expanded to multiple cities across the country, with millions of bottles of drinking water donated in total.



High-Temperature Public Welfare Water Distribution Initiative for Outdoor Workers

We donate drinking water to pay tribute to outdoor workers who stick to their front-line posts. In 2025, we carried out more than 16,454 public welfare activities to provide free water to outdoor workers in high temperatures, donating about 2.35 million bottles of drinking water.

The campaign spotlighted real-life figures with local influence, including the “Bangbang” porter and his son from Chongqing, Li Run and his mother from Wuhan, and the Yangtze River Public Welfare Rescue Team, sharing their stories of resilience and commitment. Through these narratives, we convey deep respect and care for workers.

Poverty Alleviation

In response to the national call of “consolidating the achievements of poverty alleviation”, we are continuously advancing public welfare initiatives for vulnerable groups. By organizing employees to engage directly with communities, we deliver tangible care through action, deepening the integration of corporate responsibility and social care.



Initiative to Support Vulnerable Communities at the Jingyu Factory in Jilin

In January 2025, the Jingyu Factory organized Party members to visit Mengjiang Village in Jingyu County, delivering rice, flour, cooking oil, and other essential living supplies to over 30 households in need. The villagers were deeply moved and responded to the Company’s goodwill in ways they could manage. We will cherish this bond and continue to nurture the warm connection between the Company and rural communities.



Huangshan Factory in Anhui Visits Elderly Seniors

During the 2025 Spring Festival, Nongfu Spring’s Huangshan Factory in Anhui carried out pre-holiday visits and assistance for elderly seniors and other vulnerable groups in need from surrounding townships, delivering the warmth of the New Year through practical actions during the winter season.

Educational Support

We remain deeply committed to advancing education, continuously supporting educational equity and quality improvement through tangible actions. The Hangzhou Xihu District Zhong Ziyi Education Foundation and the Hangzhou Qiantang Education Foundation, established by Mr. Zhong Shanshan, founder and chairman of Nongfu Spring, support education philanthropy through diverse initiatives, including empowering local schools, donating to schools in water source areas and border regions, and advancing the development of high-level universities. Nongfu Spring’s factories nationwide also respond to real educational needs through diversified approaches, extending educational resources to underserved communities.

Established the Zhong Ziyi Education Fund Project at Zhuji High School

Within the reporting period, Mr. Zhong Shanshan, founder and chairman of Nongfu Spring, donated RMB100 million through the Zhong Ziyi Education Foundation to establish the Zhong Ziyi Education Fund Project at Zhuji High School. The funds are dedicated to student and teacher support, including scholarships and faculty fellowship, advancing talent development and supporting high-quality educational development.



Educational Funding for Educationally Disadvantaged Areas and Water Source Areas

In June 2025, the Zhong Ziyi Education Foundation donated funds to Tuohula Township Middle School in Wensu County, to upgrade teaching facilities and enhance educational conditions, extending the Foundation’s commitment to border regions. Within the reporting period, the Foundation also provided educational funding to Sangzhi County in Hunan Province, Hunan, and Jiangkou County in Guizhou Province, where water sources are located, advancing educational equity through resource allocation and demonstrating the Company’s steadfast commitment to social fairness through education philanthropy.



Advancing the Development of High-Level Universities

Within the reporting period, the Hangzhou Municipal Government and the Qiantang Education Foundation signed a framework agreement on cooperative education, jointly initiating a collaborative school-establishment initiative. The two parties will uphold the educational philosophy of “planning at a high starting point, research-driven development, international expansion, and excellence through focus”, concentrating on disciplines such as natural sciences, engineering, and interdisciplinary fields. The initiative aims to cultivate strategic scientists, leading talents, and outstanding engineers essential for self-reliance and strength in science and technology, providing talent support for the deep integration of scientific and industrial innovation.



Industrial Tourism at the Huangshan Factory in Anhui to Enrich Educational Practice

In February 2025, the Anhui Huangshan Factory launched industrial tourism, opening its facilities to the public and establishing itself as a leading educational practice platform in the region. The factory received nearly 30,000 visitors throughout the year, including approximately 6,000 students on study tours.

During the reporting period, Nongfu Spring’s factories nationwide welcomed over 700,000 visitors, with nearly 40% being students on study tours. These rich educational activities offer students real-world industrial experiences, enabling them to bridge classroom knowledge with practical applications and deepening their understanding of science and technology.

Public Sports

We leverage our product and resource strengths to precisely meet the needs of sporting events, continuously delivering healthy hydration for athletes and sports enthusiasts. Through deep engagement in sports-related public welfare initiatives, we are committed to creating sustainable social value in the promotion of sports spirit and healthy lifestyles.

By uniting around the shared value of “health”, we expand our brand’s positive impact across elite and mass competitions, supporting international top-tier events, building platforms for champion engagement, and empowering grassroots sport events.

Supporting World Aquatics Championships: Supporting Elite Events with Sustainability Commitment

Since becoming a global partner of World Aquatics in 2019, we have provided natural, healthy drinking water for world-class aquatic competitions for seven consecutive years.

During the 2025 World Aquatics Championships, as a global partner, we actively fulfilled our sustainability commitments by introducing 12.9L large-volume bucketed water on demand, reducing bottled water usage by 50%. This initiative delivered low-carbon hydration solutions for athletes and staff, supporting resource-efficient water management. During the event, we launched a brand booth in Singapore, sharing our brand philosophy of “Natural and Healthy” with the world.

Champion Classroom: Promoting Swimming to Unlock Potential in Teenagers

We actively contribute to the promotion of swimming in China, partnering with World Aquatics to launch the “Champion Classroom” initiative by inviting world champions to share competition experiences and training techniques with teenagers.

Within the reporting period, we hosted four Champion Classroom sessions featuring world champions Quan Hongchan, Wang Zongyuan, and Zhang Yufei, effectively igniting youth passion for sports and advancing talent development in athletics.



Marathon Support: Fueling Runners at Every Kilometer

We uphold the philosophy of “sourced from nature, fueling your victory at every kilometer”, supporting the development of marathon events. By the end of the reporting period, we have supported over 470 marathons, serving more than 7.1 million runners.

Within the reporting period, we supported over 60 high-level marathons, including the Hangzhou Marathon and the Yellow River Estuary (Dongying) International Marathon. At the Hangzhou Marathon, we provided 300,000 bottles of natural water and 180,000 bottles of Scream Energy Drink. Our support extends beyond race days into communities, through sponsorship of running clubs and organization of initiatives like “Breakfast Runs”, to promote healthy lifestyles.



ROBUST GOVERNANCE

Sound and efficient corporate governance is the foundation for safeguarding the rights and interests of stakeholders, and a key driver of long-term stable development for Nongfu Spring. We strengthen governance capabilities through systematic thinking, advance risk identification, prevention, and response, and establish a risk prevention and control system featuring dynamic response and closed-loop management, thereby enhancing the precision of risk anticipation and response.

We adhere to the bottom line of compliance and advance measures such as anti-corruption, anti-money laundering, and anti-unfair competition. We improve the internal control network and strengthen integrity management across the supply chain. Through institutional development, we promote the integration of compliance principles into decision-making and operational processes, achieving alignment between sound governance practices and steady development.

RISK GOVERNANCE

At Nongfu Spring, we continuously improve our risk management system, strengthening risk identification, prevention, response, and specialized audit supervision. We constantly enhance our internal control and governance effectiveness to bolster our resilience against risks.

Risk Management System

Guided by policies including our *Risk Management System*, *Internal Audit and Inspection System*, and the *Audit Project Management Measures*, we standardize controlled risk management. We refine our audit communication and accountability mechanisms to ensure timely and transparent issue resolution. During the reporting period, we formulated the *Risk Monitoring Specification* to further improve our risk management processes.

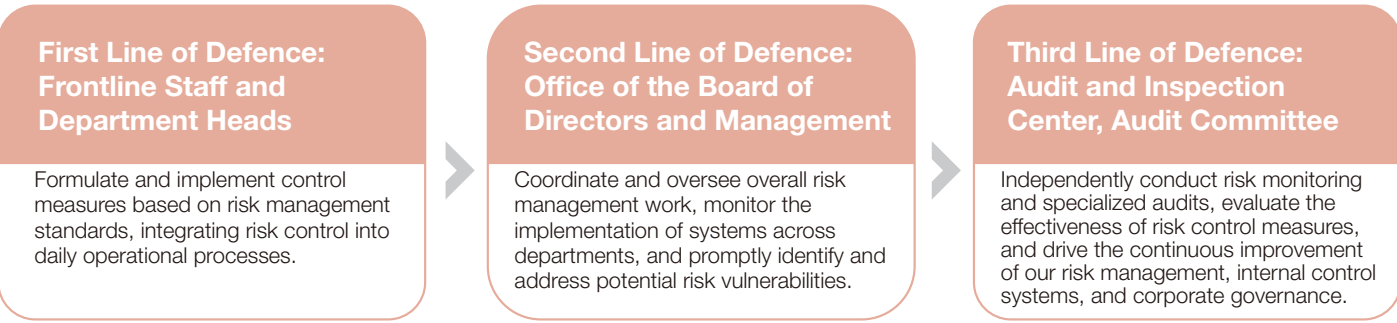
While complying with local laws and regulations in our operating regions and the HKEX's *Listing Rules*, we have established our risk management system based on the COSO Enterprise Risk Management framework. This provides strong support for the continuous identification, scientific assessment, and dynamic monitoring of risks.



Nongfu Spring Risk Management Structure

Risk Identification and Response

We continuously refine the collaboration mechanism across our Three Lines of Defence. Our goal is to build a comprehensive, multi-tiered, and forward-looking risk management system that enhances the systematic nature and precision of our risk identification, assessment, and response.



Nongfu Spring's Risk Defence Lines

Using an Enterprise Risk Management (ERM) closed-loop framework, we identify, assess, respond to, and review risks across key dimensions including strategy, operations, finance, compliance, and internal control. We also focus on critical points throughout the product lifecycle, systematically identifying and managing potential risks within internal processes such as R&D, production, and event execution. This ensures control, traceability, and manageability from source to consumer, solidifying the foundation for our stable operations.

In line with our business characteristics and industry environment, our risk assessment considers both the likelihood of a risk occurring and its magnitude. This allows us to prioritize risks and focus our management efforts accordingly.

New Product Development Risk – Raw Material Compliance Risk	
Likelihood: Low	Magnitude: High

During the development of new products, our R&D Technology department works jointly with the Scientific and Regulatory Affairs department to conduct specialized compliance reviews and usage limit checks for proposed raw materials. We comprehensively assess regulatory applicability and product safety to ensure alignment with food safety standards and relevant requirements in our operating regions. This mechanism enables the proactive identification and control of food safety risks during the development phase, effectively preventing compliance and safety issues, and establishing a strong foundation for the safe launch of new products.

Operational Risk – “Win Rewards by Opening Caps” Promotion Risk	
Likelihood: High	Magnitude: Low

To ensure the smooth execution of the 2025 East Leaf “Win Rewards by Opening Caps” promotion, we systematically conducted pre-promotion risk identification and assessment. We focused on potential risks such as fraudulent activities by malicious actors, customer complaints due to redemption failures, and the unauthorized leakage of winning caps. Comprehensive management measures covering the entire process were developed accordingly. We strengthened process controls by standardizing key procedures, including the distribution of coded production batches, data downloads, and information storage. This was complemented by a financial reward and penalty mechanism to reinforce accountability. These measures effectively mitigate risks, ensuring the promotion is compliant, fair, and traceable, ultimately enhancing the user experience and brand loyalty.

Market Risk – Competition in the Sugar-Free Beverage Market	
Likelihood: High	Magnitude: Medium

Amidst intensifying competition in the sugar-free beverage market, we proactively identify risks related to industry growth bottlenecks and quality control, such as insufficient product differentiation and pressure on supply chain resilience. We continue to invest in R&D to drive product iteration and supply chain upgrades. This includes building five modern tea factories in Yunnan Province through our donation program, introduce high-standard production lines, and collaborate with tea farmers to establish tea cultivation standards. This ensures quality control across the entire chain, from tea gardens to beverages. By building core barriers based on source quality, combined with health-focused concepts and younger-brand product innovation, we consistently meet user needs, effectively respond to market challenges, and consolidate our brand’s long-term competitiveness.

Emerging Risk – Geopolitical Risk	
Likelihood: High	Magnitude: Medium

Uncertainty in international trade policies brings tariff risks, while geopolitical tensions impact logistics timelines and costs, potentially significantly affecting project delivery schedules and operational expenses. To mitigate these impacts, we proactively respond to policy changes. For instance, we accelerated the import of critical equipment for projects ahead of schedule. Simultaneously, we optimize transportation routes and supply chain arrangements to enhance delivery resilience. Through accurate forecasting and rapid response, we effectively ensure the smooth progress of projects under construction and continuously consolidate our operational foundation.

2025 Nongfu Spring Risk Management Register (Excerpt)

We have established a risk appetite and tolerance framework that defines acceptable risk levels and treatment principles for various risk categories. Using unified, tiered thresholds, we classify, prioritize, and escalate risks to guide resource allocation and management. When risks trigger these thresholds, we require the development and implementation of corresponding response measures, along with clearly defined key control requirements and tracking mechanisms, ensuring they remain within our defined boundaries. To address evolving risks, we have established a mechanism for reviewing risk exposure and responding to new risks. This includes quarterly reviews of major risks and the effectiveness of their control measures each year.

Furthermore, we continuously optimize our tax management mechanisms. The Board of Directors regularly reviews tax risk prevention and control measures, consistently upholding tax compliance as a core principle. We are dedicated to strictly adhering to the tax laws and regulations in all our operating locations and have built a comprehensive tax compliance system covering the entire process. We adhere to the arm’s length principle and refrain from engaging in cross-border transactions lacking commercial substance that could lead to base erosion and profit shifting, thereby steadfastly maintaining our tax compliance principles.

Specialized Audits

We regularly conduct both internal and external specialized audits focused on potential risks and the status of various risk management activities. This ensures that our audits are comprehensive and multidimensional, creating a closed-loop management process. During the reporting period, these specialized audits covered multiple areas, including procurement, infrastructure construction, sales, environmental protection, human resources, brand marketing, media placement, production, and marketing.

Factory Occupational Health and Safety Risk Audits

- We conducted occupational health and safety audits at eight of our factories, focusing on critical areas such as the implementation of safety responsibilities, risk identification, and the execution of management systems. The audits identified certain deficiencies in safety responsibility implementation, risk management, and issue feedback at individual factories. All identified issues have now prompted rectification measures, and the relevant mechanisms are being continuously optimized, effectively enhancing our overall safety management standards.

Environmental Compliance Risk Audits

- We carried out specialized audits on the design and construction of water intake hubs at nine factories. These audits ensured that the structures and functions of the intake facilities coexist harmoniously with the surrounding natural environment, maximizing the protection of native vegetation and soil structure, and preserving the natural flow of water bodies and the integrity of aquatic organism habitats. During concurrent environmental audits at eight factories, we identified that the resource recovery level of tea residue at certain locations required improvement. Processes have now been optimized at these sites to enhance waste reuse rates.

Human Resources Compliance Risk Audits

- Focusing on key aspects of human resource management, we conduct management audits in our regional offices and factories. These audits primarily verified employee promotion processes, bonus payments, and commission disbursements. All identified areas for improvement have prompted corrective actions and mechanism refinements. Additionally, we carried out a specialized audit on personnel expenses, leading to revisions in our *Daily Expense Reimbursement Regulations* to strengthen controls. We also launched a “Practice Thrift, Oppose Waste” initiative to integrate a culture of conservation into daily management. Currently, the disbursement of sales commissions and bonuses is subject to regular inspection, significantly enhancing the standardization and fairness of our human resource management and providing robust support for the organization’s healthy operation and sustainable development.

Risk Awareness Promotion

We consistently regard the cultivation of risk awareness as a key component in building our governance capabilities, continuously working to embed risk management concepts throughout all levels of the organization. Each year, we conduct systematic risk management training for members of the Board of Directors (including non-executive directors), management, and all employees. We have also launched company-wide courses such as “Risk Management Methodology” on the Group’s online learning platform, which provide specialized instruction on risk management principles, strategies, methods, and importance, helping directors, management, and frontline employees gain a deeper understanding of risk control management framework.

We actively encourage employee participation in the entire risk management process, promoting the proactive identification and reporting of actual and potential risks through our process management platform and risk reporting channels across various business lines. Furthermore, we have integrated risk management requirements into our performance and incentive management systems. Key risk control, compliance, and internal control execution are now included as evaluation criteria, strengthening accountability and process adherence. This approach continuously enhances the systematic and forward-looking nature of our risk management.

INTEGRITY AND CLEAN GOVERNANCE

Integrity and clean governance are fundamental principles in our business practices. We incorporate anti-corruption and anti-bribery requirements into our policies and implement these standards through employee conduct guidelines and integrity management for partners. This approach creates a closed loop of accountability, covering both internal management and external collaboration.

Integrity Management

At Nongfu Spring, we strictly adhere to relevant laws and regulations, including the *Anti-Unfair Competition Law of the People’s Republic of China*, and reinforce operational standards through internal policies such as the *Nongfu Spring Employee Code of Business Conduct* and the *Anti-Fraud Management System*. During the reporting period, we updated our *Anti-Corruption Policy*, adding specific behavioral norms and violation handling procedures to strengthen management through both preventive controls and post-event handling.

We have established a business ethics governance structure with the Audit Committee of the Board at its core. The Audit Committee oversees the Audit and Inspection Center in conducting annual specialized audits, ensuring that anti-corruption and anti-fraud requirements are embedded in daily operations and routine reviews. Various business units and production facilities work collaboratively to build integrity mechanisms, improve our credit management system, advance credit certification, and enhance both the coverage and effectiveness of our business ethics management.

Our Code of Business Conduct addresses requirements related to anti-corruption, anti-discrimination, information security, conflicts of interest, anti-unfair competition, anti-money laundering, Environmental Health and Safety (EHS), and our whistleblowing system. During the reporting period, we strengthened conflict of interest management by clarifying its scope and management processes, identifying potential or actual conflicts between employees (and their related parties) and the Company. This helps mitigate impacts on independent judgment, decision-making fairness, and compliant performance of duties.

In areas such as charitable donations, we clearly define the purpose of use, standardize approval processes and supervision mechanisms, and establish violation handling measures. This ensures compliance with legal regulations and ethical standards while reducing potential corruption risks.

To ensure all employees are aware of and adhere to integrity management requirements, we require staff to sign an *Integrity and Self-Discipline Commitment Letter* and an *Employee Notification and Acknowledgment Letter* upon joining the Company. Furthermore, we implement our credit system and anti-corruption management across various processes, including recruitment and onboarding, training, performance and promotion evaluations, fraud investigations, employee credit files, partner evaluations, and integrity records within anti-fraud alliance platforms. We enforce relevant provisions of the *Employee Reward and Punishment Management Measures*, incorporating employee compliance performance into compensation and performance assessments. We maintain a “zero-tolerance” principle towards violations of business ethics principles and address such violations strictly in accordance with laws and regulations.

Integrity Training

We regularly organize anti-corruption training for the Board of Directors, management, and all employees (including part-time staff), requiring everyone to pass anti-fraud training assessments. Focusing on our *Anti-Fraud Management System*, we conduct targeted communications through internal articles, guiding employees to use reporting channels to flag potential misconduct. Concurrently, we distribute a *Notice on Emphasizing Integrity and Self-Discipline* to all personnel, reiterating our integrity requirements. We also utilize methods such as case briefings, Audit Express updates, thematic videos, and business ethics training to ensure integrity education reaches every employee.

During the reporting period, with a specific focus on integrity in procurement, we organized a special meeting attended by select Board members, Sales Regional and Factory General Managers, as well as heads of key departments including Finance, Procurement, Legal, Quality, and Production. The meeting discussed integrity education, process improvements, and subsequent management measures.

In 2025, the business ethics and anti-corruption training performance for Nongfu Spring’s Board of Directors and employees at all levels was as follows:

Level	Participants Trained	Training Coverage	Training Hours
Board of Directors	22	100%	32
Management	14,483	100%	13,041
Employees	132,143	100%	134,951

We extend our integrity requirements to our partners. We send a *Letter on Integrity to Business Partners* to our collaborators quarterly and conduct annual business ethics training. Additionally, we carry out integrity briefings for suppliers before major holidays, organize on-site integrity training during supplier audits, and conduct briefings on distributor codes of conduct through on-site communication, emails, and text messages.

During the reporting period, we required suppliers and distributors to sign a *Mutual Supervision Code on Anti-Commercial Bribery and Fraud*. Qualified suppliers were also required to sign an *Anti-Corruption and Integrity Commitment Letter*, clearly defining the responsibilities and obligations of both parties. For partners who violate these regulations, we deduct penalty fees in accordance with relevant policies and permanently prohibit future cooperation, thereby safeguarding the fairness and sustainability of our partnership ecosystem. During the reporting period, we conducted code of conduct briefings for over 6,000 distributors and more than 3,000 fruit farmers.

Business Ethics Audits

We have established a business ethics audit and supervision mechanism, conducting a comprehensive audit of all our operating units (including all production factories and sales regions) every three years. This ensures that the *Code of Business Conduct* and all other compliance policies are consistently understood and implemented across every level of the Company.

In 2025, we conducted 101 anti-fraud and management audit projects, covering core business areas including marketing, procurement, production, engineering, and logistics. The issues identified during these audits were primarily related to the detailed execution of processes. We have dealt with the responsible personnel in accordance with regulations and terminated cooperation with third parties involved in misconduct. We strengthened the communication of our codes and, simultaneously, provided rectification recommendations to the audited units, requiring them to develop actionable corrective and preventive measures. This approach drives the resolution of identified issues and establishes a closed-loop management process.

At the same time, to continuously enhance the effectiveness of our integrity management, we proactively engage in thematic exchanges on anti-fraud with leading companies in our industry and key business partners. These exchanges involve in-depth sharing and mutual learning on risk identification, prevention and control mechanisms, and practical cases, fostering a positive ecosystem of collaborative prevention and joint action against fraud.



Industry Anti-Fraud Exchange Case Study

During the reporting period, we engaged in multiple exchanges with member units of the anti-fraud alliance, collectively working to enhance anti-fraud capabilities and transform anti-fraud actions into a “value engine” for our corporate resilience. We examine fraud risks from a strategic perspective, helping the Company avert significant hidden dangers. We conduct exchanges on compliance for overseas expansion, with a core focus on “focused precision and deep empowerment”. By continuously analyzing compliance challenges and sharing practical experiences within the context of our international business operations, we empower business development through innovative thinking. This allows our functional roles to integrate into the broader organizational strategy, becoming a “value engine” that drives business resilience.

During the reporting period, we received the Outstanding Contribution Award from the Working Committee of the Enterprise Anti-Fraud Alliance.

During the reporting period, we had no concluded corruption lawsuits and no material incidents occurred related to discrimination, customer privacy breaches, conflicts of interest, or money laundering.

Whistleblowing and Investigations

We have optimized our whistleblowing mechanisms and investigation handling procedures to ensure that complaints and reports related to integrity are processed in accordance with laws and regulations. We provide employees, partners, and other stakeholders with multiple reporting channels and guidance. Whistleblowing methods are published in documents such as the *Mutual Supervision Code on Anti-Commercial Bribery and Fraud and the Letter on Integrity to Business Partners*, encouraging all parties to report potential misconduct including corruption, bribery, and fraud. Additionally, for agricultural product suppliers, we promote our whistleblowing channels to all collaborating fruit farmers during our fruit farmer meetings. We also make our supervision and whistleblowing channels publicly available through the anti-fraud alliance platform, actively welcoming social oversight to enhance transparency and credibility.

During the reporting period, building upon the “self-rescue” green channel for integrity already established in our *Anti-Fraud Management System*, we launched a “Suggestions and Feedback Platform” to broaden our information collection channels and improve response efficiency.

Public Whistleblowing Channels

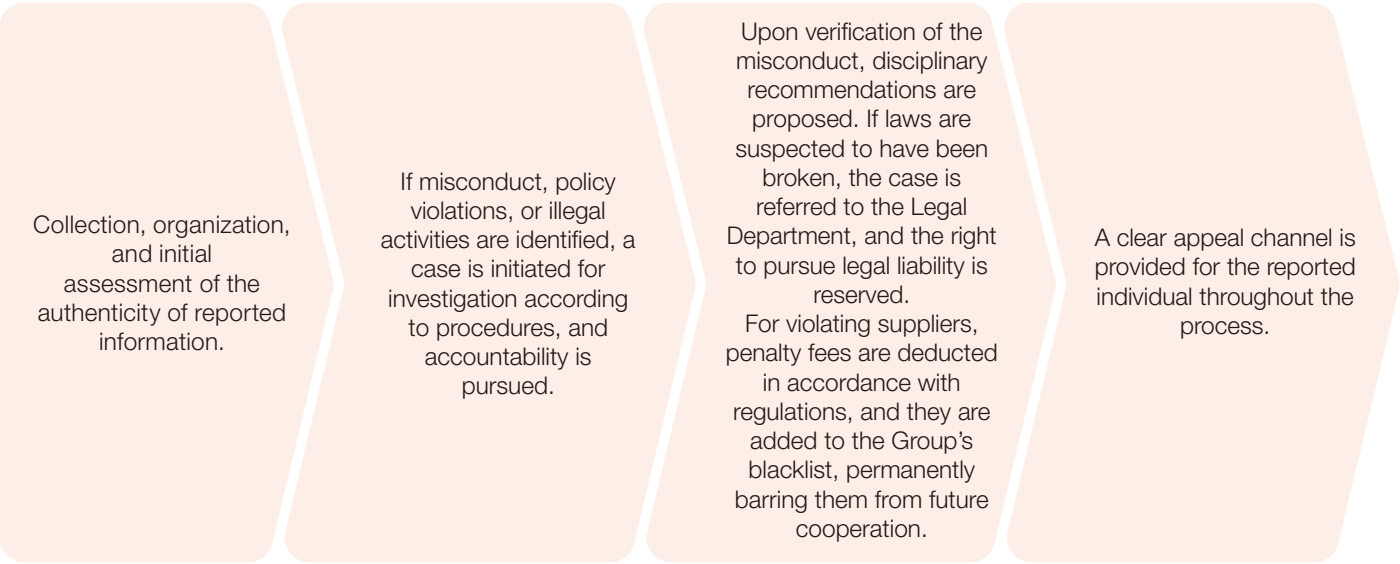
- Phone, email, postal mail, etc.
- Supervision and whistleblowing channels published through the anti-fraud alliance
- Whistleblowing channels published on the homepage of the marketing terminal APP
- Whistleblowing channels published in our publicly available *Whistleblowing Policy* on the official website

Channels Designated for Internal Employees

- Dedicated internal reporting channels for employees on the company’s internal office platform
- Whistleblowing channel available via the “Audit Express” section on our Enterprise WeChat platform
- The “Suggestions and Feedback Platform” accepts whistleblowing information

Nongfu Spring Whistleblowing Channels

During the reporting period, we updated our *Whistleblowing Policy*, clearly designating the Audit and Inspection Center as the body responsible for the policy’s daily implementation and overall accountability for the Company’s whistleblowing mechanism. Its specific responsibilities cover the entire process, from receiving a report to the completion of action on any misconduct.



Nongfu Spring Whistleblowing and Handling Process

We have established a whistleblower protection mechanism that supports anonymous reporting and ensures strict confidentiality regarding the whistleblower’s identity and the content of their report. We implement whistleblower protection requirements in accordance with our *Anti-Fraud Management System*, prohibiting any unit or individual from retaliating against, taking revenge on, or discriminating against whistleblowers. Our *Employee Reward and Punishment Management Measures* explicitly state a “zero-tolerance” policy towards retaliatory actions. Any verified acts of retaliation are dealt with according to regulations, safeguarding the legitimate rights and interests of whistleblowers.

HEALTH PROTECTION

Nongfu Spring remains true to its original aspiration of “Rooted in Nature, Promoting Health”, embedding naturalness and healthiness into its brand DNA as the foundation of its products and development. With reverence, we protect every water source, prioritizing ecology to transform nature’s gifts into premium products that are natural and healthy.

From source to consumer, we implement rigorous systems for quality control throughout the entire product lifecycle, safeguarding the health and safety of every drop with dedication. Guided by consumer needs, we drive deep integration of product innovation and service enhancement, making quality tangible and responsibility visible.

We believe that a truly healthy life begins with respect for nature and is fulfilled through commitment to quality. Nongfu Spring looks forward to joining hands with every consumer, using clear water as our bond, to journey together towards a sustainable and brighter future.



3

GOOD HEALTH
AND WELL-BEING

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CLEAN WATER
AND SANITATION

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INDUSTRY, INNOVATION
AND INFRASTRUCTURE

12

RESPONSIBLE
CONSUMPTION
AND PRODUCTION

This chapter
corresponds to
SDGs

NATURAL AND HEALTHY

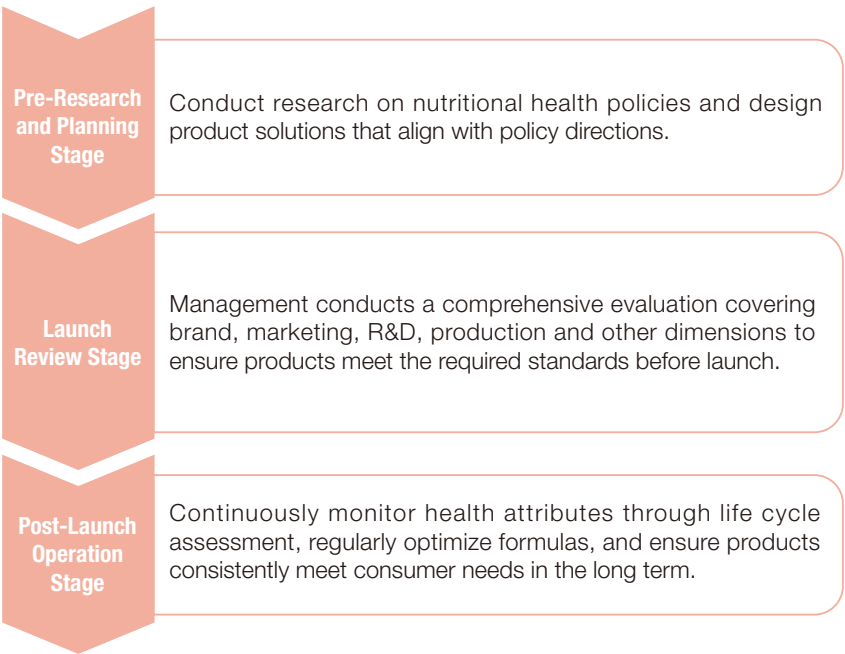
Nongfu Spring practices the concept of a healthy lifestyle— “originating from nature and returning to authenticity” and is committed to providing consumers with safe and natural products.

Nutrition and Health-Focused R&D

Our “natural and healthy” brand philosophy is embedded in every detail of product R&D, reflected in the careful selection of ingredients and the relentless pursuit of quality. We actively participate in the national “three reduction, three health” dietary initiative, align with policies such as the *Healthy China Initiative (2019–2030)*, the *Dietary Guidelines for Chinese Residents (2022)*, and the *Healthy China 2030 Planning Outline*, integrating health concepts into our products and services.

Within the reporting period, we updated the *Product Responsibility and Publicity Policy*, implemented the *Product Development Project Management Measures*, and strictly complied with external regulations and benchmarks such as GB 14880 *National Food Safety Standard for the Use of Food Nutrition Fortifiers*. We executed our nutrition and health strategy, refined the improvement pathways and implementation standards for relevant health attributes in product development, and incorporated relevant indicators into the product development review process, driving the translation of concepts into product practice.

Within the reporting period, we continued to implement the R&D Project Management Committee mechanism, composed of the R&D directors, Technical Management Department managers, and related R&D managers. We established a phased review system for the entire new product development process: at the project establishment stage, we defined R&D requirements such as natural and healthy attributes and prepared a project establishment proposal; at the review stage, we incorporated nutrition, health, and environmental friendliness into evaluation indicators and analyzed project feasibility; at the trial production and market validation stage, we optimized formulas and processes based on consumer feedback, enhancing the alignment between product characteristics and market demand.



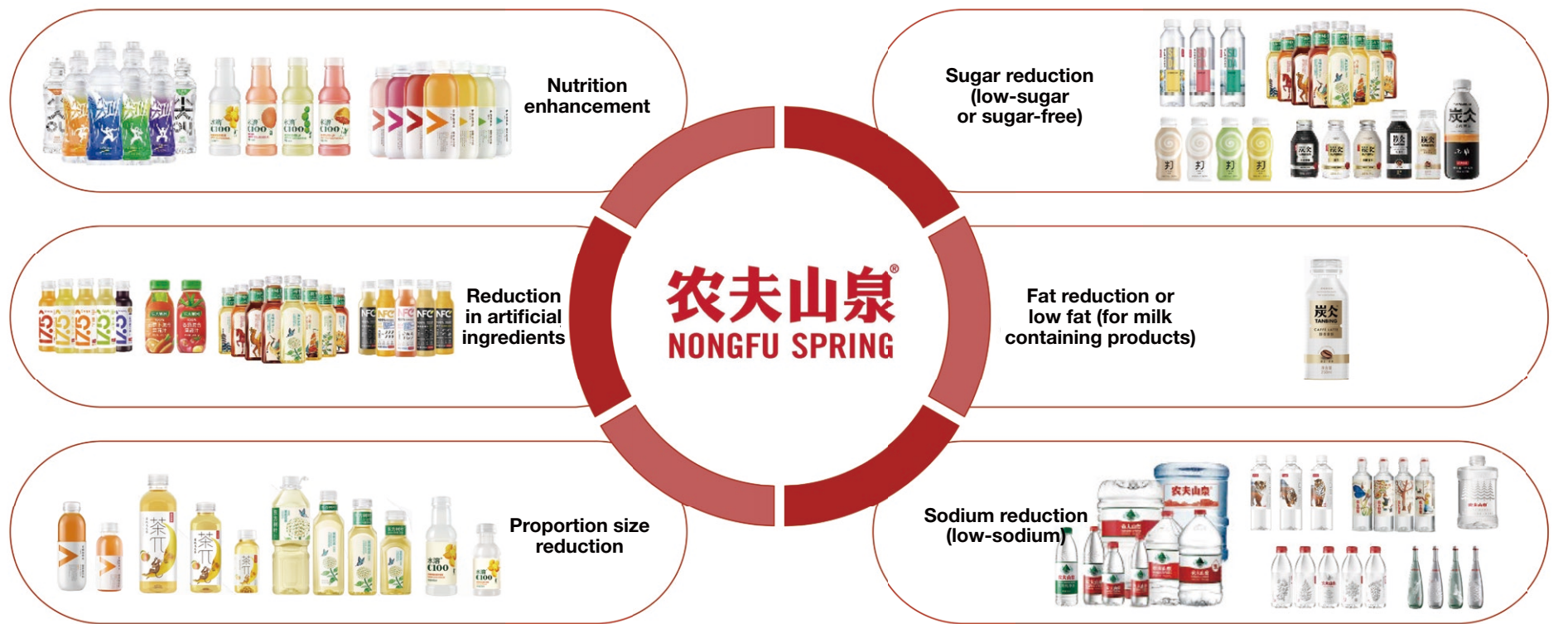
Nutrition Enhancement Dimension	We follow an evidence-based nutrition approach in our product development framework. Through a “nutrition addition” strategy, we ensure a continuous increase in the micronutrient contribution of our core product lines. Strictly adhering to Dietary Reference Intakes (DRIs) standards, we scientifically fortify nutrients that are prone to deficiency (such as vitamin E, calcium, and iron), supporting consumers in achieving a balanced diet.
Ingredient Optimization Dimension	Leveraging advanced production processes and packaging technologies, we implement a “formula reduction” strategy. We reduce the use of non-essential additives such as artificial colors, flavors, and preservatives, meeting consumers’ expectations for ingredient transparency and clean-label products.

Product Design Principles

Nutritional and Health Products

We explore opportunities in nutrition and health, with the fundamental mission of “meeting consumer needs and safeguarding consumer health”, building a comprehensive and health-focused diversified product system. While continuously expanding flavors and product types, we promote formula optimization and raw material innovation to develop natural and healthy products.

Example of Nongfu Spring Natural and Health Products



We have established product development targets for low fat, low sodium, low sugar, and reduced artificial additives to enhance the natural and healthy attributes of our products. Within the reporting period, products claiming to be sugar-free/low sugar, sodium-free/low sodium, and fat-free/low fat accounted for over 85% of Nongfu Spring’s sales by weight. Products with added nutrition enhancement ingredients accounted for 10% of sales by weight, while revenue from products without preservatives and artificial colors exceeded 90%, balancing taste within natural properties.

Through advanced processing technologies, we optimized the retention of nutritional components in our products, enhancing the health experience for consumers. Additionally, we have established quantitative targets for increasing beneficial nutritional ingredients, improving product nutritional value, and supporting healthy consumption. To meet consumers’ needs for product nutrition and health information, we display nutritional information on product packaging in accordance with national laws and regulations, helping consumers understand the nutritional profile of each product. Our product range caters to diverse population needs, including natural drinking water suitable for infants and young children, as well as lithium-containing natural mineral water for middle-aged and elderly consumers to supplement mineral elements. In terms of product formats and consumption scenarios, we continue to develop smaller portion size packaging designs to meet consumers’ usage needs across different scenarios.

Drinking Water Products

Nongfu Spring insists on using natural water sources, selecting high-quality raw water and applying necessary treatment processes to preserve as much as possible the naturally occurring beneficial minerals such as potassium, sodium, calcium, magnesium, and metasilicate acid. Within the reporting period, we added three new water sources: Badagong Mountains in Hunan, Nyenchen Tanglha Mountains in Tibet, and Longmen Mountain in Sichuan, expanding our water source network. We continue to launch the Zodiac Bottle limited edition water, which embodies the cultural charm of Chinese traditions. By integrating the origins of nature with humanistic sentiments, we enable consumers to appreciate the beauty of nature and the passage of time in their daily drinking experience.



Glass Bottled Natural Mineral Water – Collector’s Edition for the Year of the Snake

Within the reporting period, we designed and launched the 2025 collector's edition glass bottled water for the Year of the Snake. We invited brand ambassador and world swimming champion Pan Zhanle and his grandfather to appear together for the first time in a promotional short film, strengthening the reunion theme and emotional appeal of the brand’s Spring Festival advertisement, thereby generating strong emotional resonance with consumers.

The natural mineral water and naturally sparkling mineral water are derived from low-sodium, light mineral springs in the vast forests of Changbai Mountains, offering a crisp and smooth taste that melts on the palate like soft snowflakes.



Soda Drink Beverages

Within the reporting period, we launched original and citrus flavors of soda water, further expanding our product flavor portfolio. The product champions the concept of “quality water, quality soda”, with both variants sourced from Nongfu Spring’s natural, high-quality water origins, containing natural minerals such as potassium, calcium, magnesium, and metasilicic acid. With 0 sugar, 0 fat, 0 calories, still and weakly alkaline, the product offers a refreshing and guilt-free experience. It is not only suitable for daily hydration but also can be enjoyed alongside spicy food, seafood, or alcohol, aligning with healthy consumption concepts.



TANBING Coffee Beverage

Within the reporting period, we launched the TANBING coffee beverage series, including Classic Black Coffee and Classic Latte.

TANBING Classic Black Coffee offers a rich aroma and smooth taste. Made from carefully selected Arabica coffee beans with a dark roast, it features low acidity with subtle bitterness, delivering a clean and refreshing mouthfeel. With 0 sugar, 0 calories, and 0 fat, it provides a guilt-free drinking experience. TANBING Classic Latte uses medium-dark roast coffee beans, combining freshly brewed Italian-style Espresso with high-quality milk. Low in sugar and fat, it offers a smooth, mellow, and light indulgence.

Beverage Products

Nongfu Spring continues to expand its beverage product category, establishing a strong presence in tea beverages, functional beverages, fruit juice beverages, and coffee beverages to offer consumers a wide range of choices. Meanwhile, we drive product iteration by optimizing formulas and upgrading core raw materials, continuously enhancing the health attributes and taste experience of our products. Within the reporting period, we continued to launch innovative products in the soda water, East Leaf, and coffee series, continuously expanding our product matrix.



East Leaf Tea Beverage

Within the reporting period, we innovatively launched East Leaf Chenpi White Tea.

The “Chenpi White Tea” is crafted from carefully selected high-quality white tea. Without roasting or kneading, it undergoes natural withering. Aged over time, the tea develops a smooth and gentle taste. Paired with premium aroma and taste of tangerine peel, the tea’s warm and mellow character intertwines with the aromatic tangerine peel, creating a harmonious blend where both the tea’s delicate sweetness and the fruit’s fragrant sweetness are perfectly balanced.



Iced Tea Carbonated Tea Beverage

Within the reporting period, we launched a new product: Iced tea carbonated tea beverage (iced lemon flavor)

Iced Tea is made with 100% whole-leaf tea extract and real lemon juice, ensuring authentic flavor from genuine tea leaves and lemons. Each bottle contains no less than 200mg of polyphenol. Carbon dioxide is added to Iced Tea, and it is produced using an aseptic cold-filling process, delivering an icy, refreshing taste of quality tea.

Agricultural Products

Nongfu Spring adheres to the principle of natural growth, without using ripening agents or waxes, allowing agricultural products to complete their growth cycle in a suitable environment. From planting to harvesting, we apply rigorous selection standards to ensure consistent product quality and meet consumers’ expectations for natural agricultural products.



17.5° Orange

17.5° oranges come from China’s top-quality orange-growing regions, where the unique natural environment provides ideal conditions for growth. In the perfect climate and fertile soil, the oranges grow naturally, undergoing approximately a one-year growth cycle to accumulate sufficient sweetness. Their standout feature is the well-balanced sweet and sour taste, abundant juice, and rich and fruity flavor. The sweetness is not just sugary but complemented by a touch of refreshing acidity, creating a distinct and harmonious flavor profile.



Northeast Fragrant Rice

Nongfu Spring Northeast Fragrant Rice is grown in the Songnen Plain of Northeast China, where we carefully select the premium variety of round-grained fragrant rice. Only the rice harvested in the current season is used for processing and production. To ensure a fresh taste, the rice is stored at low temperatures and shipped right after milling, preserving its fresh quality of every grain.

Within the reporting period, through the independent establishment of a full-chain management system of “cultivation – harvesting – storage” guided by high-taste value, we promoted the improvement of rice taste scores. Nongfu Spring’s “Jihong No.6” Northeast Fragrant Rice won the Gold Award at the “27th International Rice Taste Value Evaluation Competition”, laying a solid foundation for the industrialization of agriculture with high quality.

R&D AND INNOVATION

At Nongfu Spring, we strongly believe that innovation is the key force driving our development. We continue to strengthen our R&D system to achieve multidimensional breakthroughs in products, processes, and design. We focus on turning innovation achievements into intellectual property, work collaboratively with various partners to build an open, cooperative innovation ecosystem, and jointly promote the sustainable development of the beverage industry.

R&D Management

Building upon systems such as the *Performance Assessment and Incentive Management Measures* for the Product Development Center, Nongfu Spring continues to improve its R&D management system to ensure standardized and efficient implementation of R&D work. Within the reporting period, we revised the *Product Development Project Management Measures* and the *Achievement Awards for Product R&D Projects Management Measures*, incorporating the “natural and healthy” brand philosophy and “sustainable development” requirements into the product project establishment and review stages, comprehensively optimizing the entire R&D management process.

We have built an R&D team focused on nature and health, food safety, quality, scientific nutrition, and advanced technologies. Within the reporting period, through multi-channel recruitment, school-enterprise cooperation, and industry talent exploration, we successfully attracted high-caliber R&D professionals, with an emphasis on strengthening capabilities in tea raw material research, process development, and beverage innovation, gradually forming an R&D team with solid expertise and a well-structured composition.

We focus on enhancing the management mechanism and professional capabilities of R&D personnel, organizing specialized training and learning sessions to improve project management and professional expertise, and selecting personnel to participate in industry training and professional conferences to broaden their technological perspectives. We also carry out cross-departmental practices such as beverage mixing activities to promote internal collaboration and communication, fostering an open and innovative atmosphere. We continue to focus on the development of product nutritional attributes. By the end of the reporting period, Nongfu Spring had 253 full-time researchers, and R&D expenditure reached RMB311 million.



Special Seminar on White Tea Quality Evaluation

In September 2025, we attended the “Special Seminar on White Tea Quality Evaluation”, where leading experts from research institutes and universities provided systematic instruction on the white tea industry overview, suitable varieties, processing technologies, quality characteristics, and evaluation essentials. Through on-site tea sample evaluations and visits to tea garden enterprises, we integrated theory with practice, enhancing the R&D team’s white tea quality assessment capabilities and supporting the development and quality control of high-quality tea products.



R&D Product Innovation Conference

From July to September 2025, we held a series of Product Innovation Conference activities, encouraging R&D personnel to participate in knowledge analysis, project innovation, and comprehensive evaluations, enhancing their capabilities in demand insight, smart tool application, and cross-disciplinary collaboration. Through these activities, we generated multiple innovative proposals, supporting product iteration and long-term development.



Training Session on Efficient Project Management for R&D

In October 2025, we held a training session on efficient project management for R&D, targeting project managers and R&D team members. The session explained the entire project management process and incorporated real-world cases to enhance communication, collaboration, and project management skills, thereby maintaining the Company’s innovation vitality.



Techniques Training for the Sensory Quality of Longjing Tea

In November 2025, we invited experts from the Tea Research Institute, Chinese Academy of Agricultural Sciences to conduct a specialized training session on “Quantitative Evaluation Techniques for the Sensory Quality of Longjing Tea” for our tea R&D personnel. The training covered traditional Longjing tea evaluation methods, application of flavor wheels, and practical exercises, systematically enhancing the R&D team’s ability to recognize and assess the sensory characteristics of Longjing tea, thereby strengthening the foundation of sensory quality control in tea product development.

Achievements Protection

We strictly comply with the *Patent Law of the People’s Republic of China*, the *Trademark Law of the People’s Republic of China*, the *Copyright Law of the People’s Republic of China* and other laws and regulations, and continue to adhere to internal systems including the *Intellectual Property Management System*, the *Patent Reward System*, the *Software/Hardware Compliance Guidelines*, and the *Management Measures for We-Media Account Operation* to safeguard innovative achievements and intellectual property management. Within the reporting period, we passed the new system audit and certification of *GB/T 29490 Enterprise Intellectual Property Management System Requirements*, ensuring the standardization and effectiveness of our intellectual property management system.

We strengthen intellectual property management throughout key stages before and after product launch, promoting the creation, application, and protection of intellectual property. While actively safeguarding our own rights and interests, we respect the intellectual property achievements of others, fostering compliant and sustainable innovation development.

Before Product Launch

Conduct intellectual property risk assessments on product labels, names, appearances, and technical points before launch, while simultaneously applying for intellectual property protection; submit design patent applications, register copyrights for original works, and improve the management of rights protection evidence.



After Product Launch

Continuously monitor the registration of similar trademarks and take legal action against malicious registrations; monitor counterfeit products in the market and pursue legal action accordingly. With the rise of unsweetened tea beverages, numerous counterfeit products imitating “East Leaf” have emerged. We comprehensively employ legal measures such as prior trademark right, design patent rights, and unfair competition laws to protect our rights in accordance with the law.

According to the *Patent Reward System*, we provide incentives for patents, including inventions, utility models, and designs. Within the reporting period, we revised the *Product Development Project Management Measures*, refining the project classification standards and clarifying the evaluation mechanism for project achievement awards.

Training on Intellectual Property Rights

Targeted at employees in branding, design, R&D, e-commerce, marketing, and other departments, the training content includes trademark-related infringement cases, compliant use of fonts and images, patent acquisition and implementation, and their value.

Special R&D Training

Training on the patent protection and analysis of packaging material appearance, structure, and material molecules to reinforce intellectual property protection awareness at R&D end.

Factory Training on Technical Confidentiality

Training on information security for factory suppliers, accounts, and materials is conducted to enhance the technical confidentiality and intellectual property awareness of factory employees.



Intellectual Property Awareness Training

Through phased, multi-scenario training empowerment, we continuously enhance employees’ awareness and understanding of intellectual property compliance in their daily work. In March 2025, we organized specialized training on intellectual property in the new media field for employees in positions such as headquarters marketing, branding, media, as well as regional marketing and planning. In August, we further incorporated a special session on brand intellectual property into the Marketing Brand Training Camp, covering key aspects including brand communication, content creation, and compliant use.

By the end of the reporting period, Nongfu Spring possesses 446 domestic valid patents, including 85 new patent applications and 68 newly authorized patents in 2025. In the “Catalogue of Key Trademarks for Protection in Zhejiang Province” announced in October 2025, core brands such as “Nongfu Spring”, “East Leaf”, “Tea π”, and “17.5°” were all included, fully demonstrating Nongfu Spring’s market influence.

SAFETY AND QUALITY

Nongfu Spring, through its closed-loop quality assurance system covering raw materials, manufacturing, sales, and after-sales service, consistently provides consumers with high-quality products that stand the test of time and trust. With a craftsmanship-driven foundation, we safeguard every drop as a choice consumers can rely on.

Quality-management Structure

Nongfu Spring complies with laws and regulations such as the *Food Safety Law of the People’s Republic of China*, the *Regulations on the Implementation of the Food Safety Law of the People’s Republic of China*, and the *Provisions on the Supervision and Administration of the Implementation of Main Responsibility for Food Safety*. Based on management systems including the *Quality Food Safety Environment Comprehensive Management Manual* and the *Sales Quality Management Measures*, we updated the *Product Responsibility and Publicity Policy* within the reporting period, comprehensively advancing quality management with a rigorous and standardized approach.

We have established a three-level quality structure that connects all levels: “Company management – Headquarters Quality Assurance Department – Quality Assurance Departments of all production bases”, and food safety roles such as food safety officers, food safety directors, and food safety personnel were established at various levels across our factories, to ensure that quality management responsibilities are implemented at every level. Meanwhile, we set annual product quality and safety performance using quantitative indicators, and achieve closed-loop management.



Quality Management System Establishment

Nongfu Spring continues to improve its quality management system. By the end of the reporting period, 100% of Nongfu Spring and its factories (excluding newly commenced factories within the reporting period) were certified under the ISO 9001 quality management system, ISO 22000 or FSSC 22000 food safety management system, or Hazard Analysis and Critical Control Point (HACCP) management system. By the end of the reporting period, a total of eight Nongfu Spring subsidiaries obtained FSSC 22000 food safety system certification, and five subsidiaries received Foreign Supplier Verification Programs (FSVP) certification, promoting global supply chain collaboration and enhancing quality and compliance levels.

Quality Assurance Practices

Quality Assurance of Raw Materials

Nongfu Spring regards high-quality raw materials as the starting point of quality assurance, implementing full-process control from raw material to inspection to ensure each batch of raw materials meets quality standards. We also strengthen full lifecycle management of suppliers to ensure that raw material sources are controllable and quality is predictable, providing solid support for product safety and quality.

Water

- **Water Source Monitoring and Management:** Strictly implement water quality monitoring requirements of the water sources in accordance with the *Water Source Management Measures* to ensure management is evidence-based and execution is thorough.
- **Water Quality Risk Prevention and Control:** Inspections are conducted by the headquarters testing department and third-party inspection agencies, combined with online monitoring equipment to dynamically monitor changes in mineral elements. Regular emergency drills are carried out to strengthen water quality monitoring in response to risks such as climate change, effectively preventing and controlling risks of water quality fluctuations.

Agricultural Products

- **Source Control:** Within the reporting period, we progressively achieved full traceability control over tea leaf raw materials, gradually shifting the focus of quality management upstream. In 2025, we conducted sampling inspections on over 3,000 batches of tea leaves, covering all primary processing factories. On-site guidance was provided regarding quality, storage, and processing techniques to strengthen source control capabilities.
- **Policy Improvement:** We added over ten new internal production specification management policies, providing institutional guarantees for the stability of tea quality.
- **Full-Chain Oversight:** We implemented full-chain oversight of the health and safety quality of suppliers’ raw materials, covering harvesting, production sites, and factory processing links, effectively ensuring the quality of agricultural products at the source.

Purchased Raw Materials

- **System and Policy:** We updated the *Supplier Quality Management Measures*, and continued to implement the *Supplier Life Cycle Management Specification*, *Supplier Performance Evaluation Rules*, achieving closed-loop management from assessment to tracking of suppliers.
- **Audit Management:** New supplier access strictly audited for compliance with quality systems, with improvement suggestions provided and assistance offered; spot checks covering qualifications, production, and quality were conducted routinely. During the reporting period, checks were completed for 79 suppliers.
- **Collaborative Testing:** We organized factories and 54 carton suppliers to conduct comparative testing on dry bursting strength and water immersion bursting strength of cartons. Through collaborative data analysis and result sharing, we improved testing consistency and packaging material quality.

Quality Assurance at the Production End

Nongfu Spring is driven by the dual engines of efficiency and quality, continuously advancing system optimization and team empowerment. We focus on precisely improving key indicators and deepening automation and digital upgrades, ensuring products are consistent and reliable from source to consumer.



System Optimization

We continuously advance the digital construction of quality management work, achieving the integration of the Quality Management System (QMS) with the Warehouse Management System (WMS), Manufacturing Execution System (MES), and Supplier Relationship Management (SRM). This connects data across the entire chain of warehousing, production, and inspection, supporting information interconnection and traceability. Within the reporting period, we continued to optimize the QMS, adding a batch download function for sales-end reports, optimizing sub-database and sub-table structures and historical data governance, thereby improving system response speed and user experience.



Quality Improvement

We focus on advancing foundational quality management by targeting core indicators such as the first-pass yield of blending and process defect rate. Within the reporting period, we promoted the automation transformation of in-place automatic cleaning for internal equipment and automatic cleaning for external equipment (CIP/COP) on water production lines, significantly enhancing the level of production line automation, reducing water usage while ensuring cleaning effectiveness. We equipped newly introduced aseptic production lines with new air replacement systems, effectively reducing the oxygen content in products, improving flavor stability during stock age, and enhancing both product and production capacity assurance.



Team Empowerment

We regularly organize quality knowledge assessments for factory general managers, management personnel, and key position staff to continuously strengthen quality awareness and enhance quality control capabilities.

Enhancing Bottle Alignment

We implemented comprehensive improvements across interconnected production processes to address bottle tilting issues: optimized the blowing process to enhance empty bottle performance and improve localized stress on the bottle base; improved the film wrapping process to enhance forming results and control single-bottle misalignment; optimized the palletizing process to improve stacking neatness; established standardization for AGV forklift handling effects, setting standards for AGV warehouse entry product spacing and vertical stacking; standardized transportation protection measures and formulated *Post Production Section* standards for implementation. Through this series of improvements, the bottle tilting correction project achieved its expected results.

Preventing Label Edge Lifting

Within the reporting period, we conducted a special project to address the issue of label edge lifting for bottled water in sizes of 380ml and 550ml during stock age, caused by factors such as temperature differences, storage time, and equipment conditions. We systematically investigated the lifting mechanism and achieved comprehensive improvements by optimizing labelling equipment, process parameters, as well as adhesive and label materials, effectively ensuring the appearance quality of products throughout their entire lifecycle.

Quality Assurance at the Sales End

Nongfu Spring strengthens quality control at the sales end, standardizing distributor warehousing, transportation, and shelf management, and clarifying stock age and order requirements. We have established a nationwide team of channel quality assurance officers, conducting regular spot checks, inspections, guidance, and assessments. We have also formed a dedicated inspection team to implement risk warnings and closed-loop rectifications. Combined with intelligent alerts and process optimization, we comprehensively ensure terminal quality and compliance.

Sales Quality Assurance

- Institutional guarantee:** We have developed the *Measures for the Management of Vending Machines* and a *Guide Manual for Handling Failure of Vending Machines* for standardized management, aiming to reduce vending machine malfunctions. Concurrently, the *Purchase, Sale and Storage Management System for Distributors* and a plan for managing aged inventory at the regional level have been developed, clearly defining management of product demand orders, distribution returns, and penalties for delayed terminal distribution; the distributor contract specifies warehouse configuration, storage, and quality management for distribution.
- Supervision and management:** Each region is equipped with quality assurance personnel who regularly conduct distributor warehouse environment inspections and quality assurance knowledge training, in accordance with the *Sales Quality Management Measures*. We establish a dedicated inspection team responsible for overseeing and assessing product quality for customers nationwide; potential distributor risks are promptly warned against, with follow-ups on regional stock age adjustments; clear requirements are set for distributor storage conditions and team configurations based on their scale.
- Capability enhancement:** Based on the *Sales Quality Management Measures* and *Product Channel Storage and Transportation Knowledge*, we added new training content for sales personnel such as regional sales managers and sales supervisors to improve product quality management capacity throughout the distribution channel.
- Intelligent maintenance:** We optimize the equipment repair process, strengthen equipment adjustment and systematic integration, and enhance the timeliness of equipment repairs. Real-time alerts are issued for products that have exceeded half of their stock age, reminding distributors to timely replace them to avoid the presence of any expired products. Replenishment efficiency is improved with smart planning of routes based on system suggestions.

After-Sales Quality Assurance

Nongfu Spring has established an after-sales quality assurance system featuring high-frequency inspections and full-chain traceability. We conduct monthly inspections at retail outlets to check product appearance and stock age. We carry out annual product recall drills in line with the *Product Recall Procedure*, covering procurement, production, warehousing, and shipment, achieving information traceability and process verifiability, ensuring responsiveness of our recall mechanism.

Recall Drill of the Honghegu Factory in Shaanxi

In April 2025, the Honghegu Factory conducted a simulated recall drill targeting a specific batch of Water-Soluble C100 lemon flavor products. The drill simulated a scenario where some bottles had burnt material black spots⁶, involving 3,508 units of already shipped products distributed across 12 distributors. We completed the recall and implemented isolation control of all products within four days, and within seven days, completed full inspection of 3,508 recalled units, ensuring closed-loop handling of the simulated issue.

⁶ Affects only appearance, without impacting product quality or safety.

During the reporting period, there were no incidents in which products (including agricultural products) sold or delivered in Nongfu Spring had to be recalled for safety and health reasons.

Intelligent Quality Management

Nongfu Spring vigorously advances the digital transformation strategy, comprehensively promoting digital empowerment across the entire business process. This enables full-chain traceability from production to sales, supporting quality control and continuous improvement.

NCP System: Reshaping Channel Effectiveness Through Digitalization

We promote the transformation of distributors from traditional delivery providers to data-driven terminal operation partners through the “NCP digital empowerment system”. Relying on “one product, one code” and “point-to-point connection”, we achieve full-chain product traceability, ensuring products are traceable and manageable. Combined with “real-time settlement” and backend monitoring, we precisely control promotional expenses, promptly identify areas with abnormal sales, slow-moving inventory, or high returns, and issue early warnings for quality and storage risks. Once abnormalities are detected, we quickly coordinate with quality assurance and logistics departments to conduct inspections, achieving closed-loop risk management. The NCP system has become a crucial digital tool supporting closed-loop product quality management.

Quality Monitoring and Audit

To verify and ensure the effectiveness of its quality assurance system, Nongfu Spring has implemented a full-process quality supervision mechanism that spans from new product R&D to final product before shipment. Quality control is integrated into the production process and management, strengthening the quality defense for each product.

At the R&D stage, we continue to front-end control quality risks. Through cross-departmental collaboration between the quality and R&D teams, we evaluate new product formulas, processes, and equipment to identify potential quality risks in advance. At the stage of final factory inspection, we employ professional inspectors and independent laboratories to rigorously test according to quality standards, ensuring compliant and controllable product quality.

Meanwhile, we consistently implement and enhance the management and control of key processes, offering dynamic evaluation and incentives and constraints to the individuals responsible for these processes based on monthly performance rankings. Based on the *Factory Quality Supervision and Inspection Management Regulations*, we break down factory system inspections into inspections of each key process and incorporate the inspection results into the factory’s annual performance evaluation to ensure the effective implementation of quality management responsibilities.

Our audit department conducts full-chain quality audits for core and critical product categories annually, covering the process from raw materials, inspection, production, and sales, as well as supplier management. These audits aim to promptly identify and implement closed-loop rectifications of risks, continuously promoting quality levels throughout the entire product lifecycle.

Quality Culture Construction

Nongfu Spring places great emphasis on fostering a quality culture, consistently improving quality control awareness among all employees. We clearly define training objectives, content, and assessment mechanisms, conducting quality training in accordance with the *Training Management Measures of the Quality Assurance Department*. Meanwhile, through “Quality Control Circle (QCC) activities” and various special initiatives, we provide quality and food safety training to employees at all levels, effectively enhancing their ability to judge and execute quality standards in daily work, and promoting the internalization of quality concepts.

Systematically Advancing FSSC 22000 Internal Audit Capability Building

In March 2025, Nongfu Spring headquarters organized specialized FSSC 22000 internal auditor training for national system engineers, regional quality assurance personnel, procurement, and other relevant departments. Through clause gap and analysis and case study discussions, the training precisely identified weak links in the implementation of the system across various factories. A total of 29 employees successfully obtained certification from this training and completed subsequent internal training at their respective factories within the following month, achieving rapid dissemination of standard understanding and execution capabilities.

Pest Management Training at the Mount Emei Factory in Sichuan

In January 2025, the Mount Emei Factory conducted phased specialized training on pest management for all employees. The training systematically communicated the requirements of the pest control system documents, provided in-depth explanations of pest classification and identification, and targeted prevention and control measures, comprehensively enhancing employees’ awareness and practical capabilities in pest management.

In 2025, a total of approximately 400 projects were collected for the 7th Nongfu Spring Quality Control Circle (QCC) activity, representing a year-on-year increase of 22.6%. Each factory focused on practical pain points such as consumer satisfaction and equipment defects, deeply analyzed root causes, and proposed feasible improvement solutions. Through this activity, 29 projects were jointly reviewed by the headquarters technical departments and designated as annual key research projects. Multiple improvements have already been completed and their results promoted for application.

To enhance QCC participation and implementation quality across factories, we organized quarterly QCC training reviews and outstanding case promotions. Focusing on typical projects such as “Improving injection molding additive equipment stability”, “Microbial control in natural water lines”, and “Preform connection line contaminant control-automated cleaning”, we systematically demonstrate problem analysis and improvement pathways. Meanwhile, we arranged for factories with outstanding QCC implementation results, such as the Tea Garden Factory in Zhejiang and the Jingyu Factory in Jilin, to share their management experiences, conducting in-depth reviews of mechanism construction and implementation highlights to promote the replication and adoption of excellent practices at the group level.

2025 QCC Quality Improvement Results

In 2025, we led the promotion of 26 key projects, driving cross-departmental collaborative efforts to achieve concentrated breakthroughs on systemic issues.

Improvement Project Case	Improvement Performance
Optimized 550ml packaged drinking water label material	No abnormalities detected in one year of market follow-up on label lifting issue
Improved blow molding and palletizing processes	Significantly reduce defect rate for pressure deformation
Upgraded ice-making molds and equipment	Significantly enhance production equipment performance
Modified 19L PC barrel mold	Effectively reduced crack risk

Through the “grassroots reporting + group-wide collaboration” mechanism, we enable frontline voices to directly reach the root of problems, allowing professional expertise to be deployed precisely. This truly achieves a closed loop from problem “identification” to “fundamental solution”, ensuring every improvement is implemented effectively and delivers long-lasting, visible results.

Participation in Standard Revision

Nongfu Spring participates in the development of industry standard systems, leveraging its technical expertise and practical experience to collaborate with industry partners in building standardized and advanced standard systems. By the end of the reporting period, we had led or participated in the formulation of 13 national standards, 12 industry standards, 3 local standards, and 31 group standards, continuously promoting high-quality development within the industry.

 National Standard	GB/T 46020.1-2025 Guidelines for Recyclability and Recoverability Design of Plastics – Part 1: Polyethylene Terephthalate (PET) Materials
 Industry Standard	BB/T 0060-2025 Packaging Containers Polyethylene Terephthalate (PET) Bottle Preforms
 Group Standard	T/CTAAC 010-2025 Technology guidelines for the authenticity identification of natural white birch sap T/CBIA 015-2025 Beverage industry-General requirements for digital production T/CPF 0103-2025 Measurement of the oxygen content in sealed plastic packaging Non-destructive method
Quality Award	The management experience of <i>Quality Management Innovation Based on “Three Guarantees and Three Protection” for “Natural, Healthy and Safe” Products</i> was selected as a 2024 Zhejiang Province Manufacturing Quality Benchmark.

RESPONSIBILITY AND SERVICES

Nongfu Spring upholds its initial commitment to responding to consumer trust with a strong sense of responsibility, continuously advancing compliant marketing management. Centered on customers, we enhance communication quality, optimize experiential details, and build a trust bond between the brand and consumers through sincerity.

Responsible Marketing Management

Nongfu Spring strictly adheres to relevant laws, regulations, and standards including *Advertising Law of the People’s Republic of China*, *Food Safety Law of the People’s Republic of China*, *Regulations on the Implementation of the Food Safety Law of the People’s Republic of China*, *National Food Safety Standard: Prepackaged Food Labeling Guidelines* (GB 7718), *National Food Safety Standard: Prepackaged Foods Nutrition Labeling Guidelines* (GB 28050) and *Measures for Supervision and Administration of Food Labeling*. In addition, the Company has established internal policy frameworks, such as *Product Responsibility and Publicity Policy*, *Customer Complaint Handling Management Measures*, and *95077 Customer Service Regulations*. In accordance with *Management Measures for We-Media Account Operation*, *Advertising Review and Release Process* & *New Media Third-Party Release Material Review Process*, we standardize the management of marketing publicity and product labeling.

We promise to provide accurate and balanced information about the Company’s products or services in the marketing process, while avoiding providing misleading comparisons or improper promotions to customers about other products of the same kind. Furthermore, we reject exaggerated claims about the social and environmental impacts of our work or our products and services, conduct truthful product promotion based on facts, and pay attention to protecting vulnerable market segments, including children and the elderly, safeguarding their legitimate rights and promoting sustainable communication responsibly. To ensure compliance in communications, we have established a compliance element library for advertising materials, prioritizing its use across departments and enforcing strict approval for extended designs.

Responsible Marketing Audits

We have established an advertising-placement review mechanism. Before the placement of advertisement, multi-departmental content reviews are jointly carried out, followed by post-placement audit spot check to form a closed loop of responsible marketing. Furthermore, we conduct compliance training across multiple dimensions – including e-commerce language standards, media placement, content dissemination, data application, sports marketing, and new product promotion – to enhance team compliance awareness and professional capabilities.

Cross-Border Data Compliance Training

In May 2025, we conducted cross-border data compliance training for employees in sales, procurement, and other departments. Focusing on key risk points in cross-border overseas projects, we analyzed typical global compliance cases and business scenario requirements, strengthening employees’ understanding of cross-border data compliance and further solidifying the foundation of marketing compliance management.

In addition, we have incorporated responsible marketing audits into routine corporate audits, and regularly conducted comprehensive reviews of compliance execution across media placement channels to continuously mitigate marketing risks. Audits focus on compliance, ethics, and social values, ensuring marketing activities are lawful while balancing consumer rights with health principles. Key audit areas include sports events, product promotions, user data security, and feedback response mechanisms. Quarterly, we conduct full-coverage inspections of regional divisions and distributors to ensure closed-loop controllability in marketing management.

Within the reporting period, Nongfu Spring conducted three responsible marketing special audits.

Compliance Management for the Year of the Snake Zodiac Water Applet-based Lottery

In 2025, we conducted a dedicated audit for the WeChat applet-based lottery activity of the Year of the Snake zodiac water. To prevent fraud risks, we implemented a mandatory authorization location mechanism to ensure complete location information for winners, maintaining overall risk control. Additionally, to address issues affecting activity effectiveness and user experience during winter transportation, we optimized the winner list screening process to improve efficiency and guarantee delivery timeliness.

Compliance and Experience Optimization for East Leaf QR Code Reward Campaign

In 2025, we conducted a dedicated audit for the East Leaf QR Code Reward campaign, verifying that the winning rate aligned with public commitments. During the audit, we identified organized acquisition and resale of QR codes for bulk redemptions, negatively impacting consumer experience. The Company has since optimized reward rules and strengthened anti-fraud mechanisms, effectively enhancing consumer participation experience and terminal satisfaction.

Enhanced Control over Responsible Marketing Activities

The Audit and Inspection Center collaborated with the Marketing Department to enhance internal control management for events (e.g., marathons) and sourcing activities, implementing a full-process mechanism of “pre-event approval, in-process control, and post-event review”. Audits are fully involved, with implementation plans requiring approval, filing, and verification. Regional audits adopt a “re-audit + dedicated audit” model, focusing on advertising compliance, information authenticity, and data privacy protection, ensuring full-process compliance and controllability of marketing activities.

Responsible Brand Communication

Nongfu Spring adheres to responsible communication. We are committed to conveying the craftsmanship behind each product and interpreting product value to consumers through brand promotion.

Nongfu Spring Water Source Area Exploration and Promotion Campaign

Within the reporting period, we continued to promote the “Natural Water Sources, Transparent Factories” exploration campaign nationwide. Throughout the campaign, we invited world swimming champions, renowned artists, industry thought leaders, as well as employees and their families to visit over ten premium water sources and modern production bases of Nongfu Spring. This initiative allowed participants to experience firsthand the natural ecosystems and biodiversity of the water sources, while directly showcasing the high-quality source assurance of Nongfu Spring. For overseas consumers, we organized a water source exploration activity for Hong Kong consumers, inviting them to visit the Wanlv Lake water source areas in Guangdong and its modern production facility. By touring the natural water source ecosystems and production processes, participants gained direct insight into product quality origins, deepening their understanding of the brand’s “natural and healthy” philosophy and enhancing trust in product quality.



Nongfu Spring Collaborates with Partners on “Return & Renew” Initiatives

In April 2025, Nongfu Spring partnered with collaborators to launch the “Return & Reward” public welfare campaign. For every 0.5 kg of plastic bottles returned by users, one bottle of Changbai Mountains Natural Mineral Water was rewarded. The campaign attracted approximately 16,000 participants and collected over 2 metric tons of empty plastic bottles. After eco-friendly recycling, these bottles equated to reduced carbon emissions of approximately 13 metric tons.

From July to August in 2025, East Leaf relaunched the “Empty Bottle Return & Renew” program. Users returning 0.2 kg of plastic bottles (approximately six beverage bottles) could redeem one bottle of East Leaf Chenpi White Tea and coupons. This initiative collected 2.4 metric tons of empty plastic bottles. By integrating plastic bottle recycling with beverage consumption scenarios, both campaigns promoted resource circularity, embedded environmental practices into daily consumption behaviors, and enhanced public participation and sustainability awareness.

Nongfu Spring “Win Rewards by Opening Caps” Campaign Series

Within the reporting period, the Company leveraged “one product, one code” technology to build a responsible marketing system. Through its self-developed cap code platform and paper box traceability code, the traditional “Win Rewards by Opening Caps” campaign was upgraded into an intelligent marketing platform integrating interactivity, control, and traceability. This technology enables full-chain transparent traceability of products, ensuring promotional resources directly reach consumers and significantly enhancing the brand’s market competitiveness and response speed. By using digital means to guarantee marketing fairness, the campaign strengthened consumer trust and user loyalty, setting a benchmark for responsible marketing in the digital era.



Consumer Service

Nongfu Spring adheres to a consumer-centric approach, integrating customer needs throughout the entire service chain to enhance response efficiency and experience. The Company has established a Customer Relations Department under the Office of the Board of Directors, guided by management. This department is responsible for managing customer relationships and handling feedback. Additionally, we strictly comply with data security and privacy protection requirements, continuously improving user information protection mechanisms to safeguard privacy.

Customer Experience

We uphold a customer-oriented approach, embedding customer needs into every stage from product development to post-sales service, focusing on customer experience and optimizing service touchpoints.

Product Development

- **Consumer Insights:** Leveraging internal and external marketing teams and retail platform data, we conduct in-depth consumer insights and taste preference analyses to continuously drive product development and improve alignment with consumer demands.
- **Issue Tracing:** Analyzing consumer feedback to generate quantifiable improvement bases, providing precise rectification directions for production lines to address root causes, implement corrective actions, and enhance quality.

Product Sales

- **Compliance Management:** We managed distributors strictly according to *Distributor Cooperation System* and *Purchase, Sale and Storage Management System for Distributors* to ensure the quality of sales services.
- **Operational Optimization:** Assisting in after-sales services for brand activities such as Farmer’s Orchard’s marketing campaigns and East Leaf’s “Win Rewards by Opening Caps” promotions to improve consumer satisfaction.
- **Content Review:** Auditing promotional materials to ensure accurate and compliant communication, while promptly optimizing activity plans to enhance consumer understanding and participation experience.

Product After-Sales

- **Performance Evaluation & Empowerment:** Establishing a customer service evaluation system focused on business outcomes and execution capabilities, adopting diverse management methods to advance professional development for customer service staff.
- **Service Enhancement:** Increasing smart customer service utilization and satisfaction rates, achieving 24/7 customer service. The accuracy rate of service responses reached 96%, consistently surpassing industry standards.
- **Intelligent Support:** Providing customers with timely product information and continuously helping to update the customer service knowledge base through intelligent iterations.

Customer Service Capability Improvement

- **Customer Service System Enhancement:** Continuously improving institutional documents such as the *Customer Service Platform Work Order Filling Guidelines*, *Customer Complaint Work Order Update Procedure Manual*, and *95077 Customer Service Regulations* to comprehensively standardize customer service operations.
- **Switchboard Service Upgrade:** Standardizing service scripts and call procedures through frontline staff training and call data analysis, establishing feedback loops to improve connection rates and processing efficiency. Concurrently advancing call database construction and statistical analysis to support intelligent and digital upgrades for headquarter services, enhancing external service quality.
- **Intelligent Deployment:** Self-developing smart vending machine robots to continuously build an integrated intelligent service system characterized by agile response and efficient experience.
- **Capability Enhancement:** Strengthening customer service staff’s product knowledge and practical skills through factory visits, cross-departmental exchanges, and specialized training. Improving the team’s problem response and resolution capabilities through “inviting experts in-house, sending staff on-site” initiatives and online specialized training programs.

Customer Feedback

Nongfu Spring values consumer feedback and promptly responds to all types of opinions and suggestions. Through an efficient feedback handling mechanism, we ensure that every consumer concern receives a response and resolution, enhancing the timeliness and satisfaction of service responses.

Feedback Processing

- **Performance Evaluation System Optimization:** We have established a customer service evaluation system encompassing business capabilities, professional skills, operational standards, and comprehensive competencies. This system drives business objective-setting for service staff and provides tailored tutoring towards the weakness of customer service personnel, continuously improving service quality.
- **Intelligent Management Upgrade:** By introducing an intelligent customer service platform, we enable efficient work order information query, online retrieval of customer complaints, and full-process monitoring. This significantly enhances response efficiency and management transparency.

We actively expand complaint handling support across all company channels. Building upon existing channels, we strengthen management and response for feedback from special channels, e-commerce platforms, home appliance retailers, and factory customers. Real-time handling of feedback across channels ensures proper resolution, improves customer satisfaction across all channels, and guarantees that each piece of feedback is thoroughly addressed with complete records, achieving 100% closed-loop management.

Within the reporting period, Nongfu Spring received a total of 10,732 pieces⁷ of various types of consumer complaint feedback. The complaint follow-up rate and processing rate reached 100%, and the consumer satisfaction rate reached 99%.

Public Opinion Management

- **Comprehensive System and Structure:** We revised the *Public Opinion Monitoring Manual*, focusing on optimizing the timeliness mechanism for public opinion responses and external communication scripts to enhance standardization and efficiency in handling public opinion. Based on the *Public Opinion Monitoring and Management Rules*, we clarified job responsibilities and public sentiment information processing workflows, ensuring timely discovery, rapid response, and closed-loop management of public opinion leads to effectively manage public opinion risks.
- **Intelligent Public Opinion Management System:** Leveraging AI, big data analytics, and machine learning, we built a full-process risk control operation system across six major mainstream social media platforms, covering over 70% of social media data traffic. Through multi-role strategies and refined style adaptation, we achieve real-time in-depth insights into online public opinion, enhancing the timeliness and accuracy of public opinion detection and response.
- **Public Opinion Personnel Training :** Monthly reviews of exemplary and areas-for-improvement cases are conducted, with reply case quality checks performed. Training focuses on timeliness, accuracy, judgment, and expressive creativity. Additionally, by learning from excellent replies in industry peers, we summarize experiences to continuously optimize public opinion communication capabilities.

Privacy Protection

Nongfu Spring has continuously improved its information security management system, strengthened full lifecycle data protection and privacy compliance management, and implemented technical safeguards, personnel training, and emergency response measures to enhance overall security capabilities.

We strictly adhere to relevant laws and regulations including the *Cybersecurity Law of the People’s Republic of China* and the *Personal Information Protection Law of the People’s Republic of China*. Guided by internal policies like the *Information Security Management Handbook*, *Measures for the Management of Employee Information Security Behavior*, and the *Emergency Response Plan for Webpage Tampering Prevention*, we have established clear requirements for data classification, data quality, and security management. Within the reporting period, we launched the *Production Data Synchronization Personal Information De-identification Management Plan* to further strengthen sensitive information protection and ensure data security and user privacy.

Nongfu Spring has established a clear, multi-tiered information security governance framework. Decision-making level: Led by the Director of IT operations, responsible for formulating and supervising information security strategies, reporting to the Group Board of Directors, and optimizing strategies based on the Board’s feedback. Management level: Overseen by the Manager of the Quality Assurance Department, tasked with developing security policies, evaluating implementation effectiveness, and driving continuous improvements. Execution level: Managed by the IT Security Engineer Team within the Quality Assurance Department, responsible for implementing security policies and technical measures to ensure efficient execution and enhanced governance efficiency.

We implement differentiated and targeted information security strategies based on the characteristics of information across various business scenarios.

Information System Protection

- **System Guarantee:** Nongfu Spring has established a comprehensive information security management system that includes access control rules for information systems, emergency response protocols for security incidents, and secure development practices.
- **Disaster Recovery Drills:** We have formed a disaster recovery emergency response team to refine disaster recovery and business continuity mechanisms in accordance with the national standard GB/T 20988 *Cybersecurity Technology – Disaster Recovery Specifications for Information Systems*. Five drills were conducted within the reporting period, covering critical systems such as marketing platforms, significantly enhancing emergency response and recovery capabilities to safeguard core business continuity.
- **Vulnerability Protection:** Annual penetration testing and vulnerability scans are conducted on key systems like the vending machine system and the “Water Delivery to Home” App. Identified issues are promptly addressed to strengthen system security.

Consumer Privacy Protection

- **Data De-identification:** Enhanced data de-identification management, optimized privacy protection technologies and implementation plans, expanded the scope of sensitive data de-identification, and improved data security and user privacy protection
- **Informed Consent:** Users are required to sign the *Privacy Policy* and the *User Service Agreement* during registration, clearly outlining data collection, usage, entrusted processing, sharing, disclosure, protection, and retention to ensure informed consent.
- **Security Reinforcement:** Deployed secure Domain Name System (DNS) and introduced Managed Security Services (MSS) to enhance technical protection. Multiple information security management systems were updated to strengthen foundational governance and overall security standards.

Employee and Business Information Protection

- **Employee Responsibilities:** The *Measures for the Management of Employee Information Security Behavior* define clear information security responsibilities for all employees, including protecting data integrity, timely backup of critical data, prohibition of leaking confidential data, and mandated pathways for transmitting sensitive data. The policy also outlines reporting mechanisms for information security incidents and penalties for violations.
- **Supplier Responsibilities:** The *Supplier Code of Conduct* mandates suppliers to maintain confidentiality, respect intellectual property rights, and fulfill information security obligations.
- **Access Control:** Enforced strong password policy for key positions to reduce risks of account leaks and phishing attacks. Employee and visitor Wi-Fi networks are isolated and require authentication. Office and production networks are segmented via firewalls and network devices to protect critical systems.
- **Response Coordination:** Established escalation procedures for reporting information security incidents, enabling employees to promptly notify the IT operations and security departments. Cross-functional teams coordinate internal and external resources and permissions for efficient incident resolution.

⁷ These do not include customer complaints resulting from the use of vending machines.

We conducted routine internal and external information security audits to systemically identify potential risks, and continuously assess the effectiveness of our information security management systems and practices. Within the reporting period, Nongfu Spring underwent a third-party annual IT audit covering all business lines and critical systems, including factory production systems, office platforms, account management systems, and HR/financial infrastructure. We have implemented improvements to address issues and recommendations identified through these audits within the reporting period.

We continue to strengthen information security infrastructure and privacy protection. For the “Water Delivery to Home” App, which handles consumer data, we conducted privacy compliance checks to assess the effectiveness of privacy protections during app updates, mitigating customer risks from improper data management. By the end of the reporting period, key business systems such as “Water Delivery to Home” App and Sesame Store had passed the Level 3 certification of information security level protection issued by the Ministry of Public Security of the People’s Republic of China.

Within the reporting period, we conducted online information security training for all employees, covering topics such as cybersecurity, confidentiality, phishing prevention, and account/password management, to enhance overall security awareness and capabilities. Additionally, in 2026, we plan to implement specialized training for R&D and other personnel handling sensitive commercial data and confidential materials, focusing on R&D data management, outcome protection, and patent security. No information security violations occurred within the reporting period.

SUSTAINABLE ECOLOGY

In the global transition toward sustainable development, green transformation is not only a choice of the times but also the foundation for long-term corporate growth. Nongfu Spring deeply understands the intrinsic connection between corporate development and the sustainability of the ecosystem. From source to product, we integrate sustainable principles into strategic planning and operational practices, embodying the profound meaning of “lucid waters and lush mountains are invaluable assets” through concrete actions. We are committed to systematically addressing climate-related challenges, continuously advancing energy optimization, resource recycling, water conservation, and ecological protection to embed sustainability into every operational link.

We believe every drop of water carries respect for nature, and every innovation strives for a more sustainable tomorrow. We aim to collaborate with all stakeholders to protect this green landscape, ensuring today’s choices nourish the future and achieve harmonious coexistence between development and nature.



2

ZERO HUNGER

6

CLEAN WATER AND SANITATION

7

AFFORDABLE AND CLEAN ENERGY

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

13

CLIMATE ACTION

15

LIFE ON LAND

This chapter corresponds to SDGs:

ENVIRONMENTAL MANAGEMENT

Nongfu Spring implements sustainable development concepts in its operations, continuously strengthening its environmental management system. We strictly comply with national environmental protection laws and regulations, establishing and improving internal environmental management systems, including the *Environment and Climate Change Policy*, *Water Source Management Measures*, and *Environmental Protection Measures for Nongfu Spring Construction Project*, to guide environmental practices. Within the reporting period, we revised the *Environment and Climate Change Policy*, clarifying environmental management requirements for suppliers and contractors, adding provisions for environmental training, defining accountability for policy implementation, and obtaining board approval.

In terms of organizational structure, we have established a three-tier Environmental, Health, and Safety (EHS) management framework comprising the General Manager of the Production and Operations Center, Office of Public Policy and Sustainable Development and relevant functional departments,, and all production bases. Performance metrics such as energy consumption, greenhouse gas emissions, and water usage efficiency are integrated into the compensation evaluations of senior management, the headquarters departments, the production base leaders, and factory employees to enforce environmental responsibility.

Decision-Making Level

The Executive Director of the Board of Directors and General Manager of the Production and Operations Center provides overall leadership and decision-making for environmental management, overseeing the implementation of environmental management systems and the improvement of environmental performance

Environmental performance is a key performance indicator for the Production and Operations Center, directly linked to the performance-based salary of the Executive Director and General Manager of Production and Operations Center, Mr. Rao Minghong

Management Level

Supervision is carried out by the Office of Public Policy and Sustainable Development, all levels of management in the Headquarters Production and Operations Center and functional departments, responsible for daily operations, assessing and reporting potential environmental risks

Regular audits of energy consumption, water consumption, and EHS-related procedures and performance are conducted in accordance with the *Factory ESG Environmental Performance Specifications*, with environmental performance integrated into overall factory performance evaluations

Executive Level

Production bases and factory employees execute environmental requirements and enhance capabilities through regular training

Under the institutional and structural safeguards, we have set four long-term strategic goals: water use intensity, comprehensive energy consumption intensity, greenhouse gas emission intensity, and packaging material sustainability, to continuously improve environmental management.

Within the reporting period, Nongfu Spring conducted 15 environmental awareness initiatives, achieving full coverage in some factories and providing targeted training for key roles. Additionally, we actively promoted green concepts to external stakeholders, including suppliers, distributors, and consumers, through media campaigns and routine communication to deepen environmental awareness.

Environmental Awareness Training

To enhance employees’ understanding of environmental impacts, Nongfu Spring organized various promotional activities and specialized training sessions within the reporting period.

For awareness building, factories actively conducted themed activities integrating environmental concepts with operations. The Damingshan Factory in Guangxi hosted water conservation seminars tailored to local climate conditions, while other factories held “Environmental Knowledge Competitions” and “Green Plant Planting” events to raise awareness.

For capability enhancement, each factory conducts specialized training for key positions. The Jiande Factory in Zhejiang trained energy managers in “EC Energy Review” sessions; the Tea Garden Factory in Zhejiang conducted assessments on the *Environmental Factor Identification and Evaluation* and organized collective study of the *Factory Water Resource Control Management System*; the Guangdong Heyuan and Zhejiang Qingxi factories provided operational guidance on sludge treatment and waste sorting processes to translate knowledge into practical skills.



Water Conservation Promotion at the Jingyu Factory in Jilin



Environmental Training at the Xin'an River Factory in Zhejiang

In addition, the Jingyu Factory in Jilin innovatively launched a “Reusing Waste Materials for Office Decoration” initiative, encouraging and training employees to creatively repurpose production waste for decoration. This not only enhanced teamwork and hands-on skills but also transformed waste reduction and resource utilization into participatory actions. The Sichuan Mount Emei factory has long been utilizing discarded resources including equipment packaging pallets, used tires and other packaging materials. Through employee craftsmanship, these materials are transformed into landscape features such as wooden flower beds, fences and arches, actively building a garden-style ecological factory.



Exhibition of “Reusing Waste Materials for Office Decoration” Achievements



Building a Garden-Style Ecological Factory

Guided by the HSE Management System Manual of Nongfu Spring Factories and aligned with ISO 14001 requirements, we promote tailored environmental systems and emergency plans across factories, strengthening execution and supervision to improve resource utilization efficiency and environmental performance.



Standardized Comprehensive Management

- Unified management standards and evaluation systems through the “One Factory, One File” environmental information file tool.



Multi-Tiered, Multi-Dimensional Management

- The Production and Operation Center at the headquarters provides guidance and supervision, and each production base establishes a management team for self-inspection.



Digitalized Real-Time Management

- The environmental information statistics system can conduct real-time statistics on energy consumption, water consumption, and waste information, and remotely monitor and operate sewage treatment equipment.

Within the reporting period, Nongfu Spring advanced environmental protection evaluation, completing 17 projects – a 31% increase compared with the previous year. We further promoted the application of environmental information statistics system, enhancing data management standardization through new modules and processes.

Nongfu Spring and all its subsidiary factories (excluding newly operational ones within the reporting period) achieved 100% ISO 14001 environmental management system certification. We conduct environmental audits regularly every year to ensure that all operational areas are covered every three years. In 2025, we continued environmental audits in factories, focusing on improving resource utilization efficiency for tea residue and other waste, with no major environmental risks identified. From 2023 to 2025, Nongfu Spring has not received any environmental penalties due to excessive emissions or other issues.

Our green manufacturing practices received multiple recognitions: the Damingshan Factory in Guangxi was awarded National Green Factory status; the Fanjingshan Factory in Guizhou and Baisha Factory in Zhejiang received the Provincial Supply Chain certification and the Hangzhou Municipal Green Factory certification, respectively.



Wastewater Management

The wastewater of Nongfu Spring mainly comes from the cleaning of equipment and pipelines and domestic sewage within the factory area, and the main pollutants are chemical oxygen demand (COD), ammonia nitrogen, etc. We enhance wastewater treatment efficiency and resource utilization through facility optimization, precision management, process upgrading, and the establishment of water reuse networks.



Facility Optimization

Within the reporting period, all under-construction factories were equipped with wastewater treatment stations. Magnetic flocculation decolorization devices were added at factories such as the Huangshan Factory in Anhui, while existing facilities underwent expansion or renovation, with annual investments exceeding RMB30 million.



Process Upgrading

We continuously improve cleaning and production water processes, including the adoption of high-efficiency cleaning agents, extended maintenance cycles, shortened rinse times, and the addition of bag filters to conserve water and increase water reuse rates.



Granular Management

We implement integrated production and water conservation management, such as optimizing water system maintenance schedules to utilize clean water from filling lines and installing automatic start-stop controls during rinsing stages to reduce unnecessary drainage at the source.



Recycling

We have established workshop-level water reuse networks, incorporating online detection drainage, instrument drainage, and pre-membrane rinse water into the recycling system for reuse in auxiliary production processes, thereby improving water resource utilization efficiency.

Exhaust Gas Management

The exhaust gas emissions of Nongfu Spring mainly come from the organic exhaust gas generated in the injection molding process, the boiler exhaust gas generated by boiler combustion, and the exhaust gas generated by the wastewater station. The main components of the exhaust gas are sulfur dioxide, nitrogen oxides, and non-methane total hydrocarbons. We focus on improving monitoring systems and upgrading treatment facilities to enhance exhaust gas management.



Monitoring System Enhancement

We continuously improve the exhaust gas monitoring system, installing online VOC monitoring systems in injection molding systems across multiple factories. We also engage a third-party institution to conduct monitoring every quarter to ensure that the emission concentration meets national standards.



Treatment Facility Upgrades

Within the reporting period, injection molding exhaust gas treatment systems were added at four factories, and bio-odor removal facilities were installed at two sewage stations. Additionally, low-nitrogen burners and low-nitrogen online monitoring devices were installed on all boilers at the Qingchengshan Factory in Sichuan to enable real-time emission monitoring.

Waste Management

The solid waste of Nongfu Spring primarily derives from the general industrial solid waste generated in production and operation, mainly including waste metal, paper, plastic, etc., as well as hazardous waste, which largely comprises waste mineral oil, empty waste paint barrels, waste acid and alkali barrels, waste chemical reagent bottles, waste paint residues, etc. We deepen full life cycle waste management practices to improve resource utilization efficiency and environmental performance.



Before Waste Generation

By refining material consumption standards and assessment plans, Nongfu Spring reduces material weight per unit without compromising product quality, lowering production defective product and scrap rates.



After Waste Generation

Regular waste statistical analyses lead to factory equipment optimization based on the findings, aimed at reducing waste generation and emissions.



Waste Recycling and Utilization

Through collaboration with the upstream and downstream of the industry chain, the Company promotes resource utilization of waste and establishes a systematic recycling system.

Nongfu Spring has developed the *Factory Solid Waste (Including Hazardous Waste) Classification Reference and Disposal Recommendations*, which categorizes solid waste using a four-color labeling system (red, green, blue, yellow) for systematic management. For hazardous waste, each factory uniformly collects and stores it in the warehouse, and regularly transfers it to a qualified third party for disposal. For general solid waste, the Company establishes a management ledger and conducts on-site visits to ensure that all waste is fully recycled and properly disposed of.

The disposal destinations of waste within the reporting period are as follows:

 Landfill Treatment 338 tons	 Incineration Treatment Incineration only: 575 tons Incineration with heat energy recovery: 44,864 tons
 Recycling Sold for recycling by third parties: 51,419 tons (Including hazardous waste recycling)	 Other 7,140 tons

In terms of waste recycling and utilization, Nongfu Spring actively promotes green recycling practices. Within the reporting period, approximately 51,419 tons of waste, such as used pallets, waste plastics, and sludge, were recycled and utilized.

PC water buckets	➤	Handed over to a third party to be made into consumer goods for sale
Sludge	➤	Reused as building materials
Transfer packaging materials such as cartons and juice barrels	➤	Recycled

Nongfu Spring Green Recycling System

Within the reporting period, Nongfu Spring (Jiande) Xin'an River Beverage Co., Ltd. (Zhejiang Xin'an River Factory) achieved significant progress in waste resource management, successfully obtaining the Zero-Waste-to-Landfill Management System certification. This marks the factory's achievement of industry-leading standards in waste reduction, resource utilization, and harmless disposal.

Reducing Food Waste

Nongfu Spring is committed to minimizing resource waste and pledges to combat food waste. We promote recycling and utilizing by-products by aiming to achieve “100% resource utilization of processing by-products of tea residue, fruit residue, and peel”.

We reduce food waste at its source through optimizing production processes, enhancing food raw material utilization rates, and improving warehousing and logistics conditions to minimize the generation of food waste. We have established a statistical ledger for food waste to continuously track generated and recycled food waste. Within the reporting period, we standardized the recovery and treatment of processing by-products such as orange peels, tea residue, fruit residue, and coffee grounds through methods like draining, mechanical dewatering, and third-party drying. This effort reduced food waste by 80,881 tons annually, enhancing resource recycling efficiency.

Within the reporting period, statistics on key processing by-products recycled and utilized are as follows:

Type	Resource Utilization Path	Recycling Volume (tons)
Tea residue, coffee residue	Animal feed, organic fertilizer, pillow fillers, and solid fuel	76,920
Fruit residue	Animal feed	1,894
Fruit peel	Animal feed, high-value extracts	2,067



High-Value Comprehensive Utilization of Navel Orange By-Products

Within the reporting period, Nongfu Spring invested a new comprehensive utilization base for navel oranges in Xinfeng, Jinangxi Province, accompanied by newly built fruit residue drying facilities to achieve large-scale, high-value utilization of processing by-products. The facility now has an annual processing capacity of 200,000 tons of orange peels. Orange peel oil is used as a high-value raw material for flavorings and other products, dried and ground orange peels are converted into pectin, and concentrated molasses is utilized as a bio-fermentation raw material. The facility uses waste heat steam from nearby thermal power plants for energy, extending the agricultural product processing value chain while improving resource efficiency.



Zero-Waste-to-Landfill System Certification for Zhejiang Xin'an River Factory

COMBATING CLIMATE CHANGE

Amid accelerating global climate action and China’s deepening “dual carbon” goals, Nongfu Spring is actively advancing low-carbon transformation with the target of “reducing the GHG emission intensity by 20% in 2030 compared with 2019”. We are committed to addressing climate challenges and transitioning toward a low-carbon future.

Governance

The Board of Directors of Nongfu Spring assumes responsibility for the leadership, oversight, and decision-making on climate-related matters. It reviews climate-related risks, policies, and targets, and incorporates these matters into its standing agenda, with reviews conducted at least annually. The Office of Public Policy and Sustainable Development is responsible for identifying and assessing climate risks, proposing response strategies to the Board of Directors, and coordinating departments in implementing relevant measures. To enhance governance effectiveness, we provide ESG training or policy advocacy for directors and directly link climate performance targets to the performance evaluation of Mr. Rao Minghong, Executive Director and General Manager of the Production and Operations Center. Meanwhile, we have fully integrated climate risks into the overall risk management system and promoted implementation through a three-tier structure consisting of the General Manager of the Production and Operations Center, the Office of Public Policy and Sustainable Development and relevant functional departments, and various production bases.

Strategy

The Board of Directors of Nongfu Spring has formulated the overall strategy for climate change risk management. Through climate scenario analysis, potential climate-related risks and opportunities are identified, and their significance is assessed and prioritized based on likelihood and impact. For risks and opportunities of higher significance, the Office of Public Policy and Sustainable Development, under the leadership of the Board of Directors, coordinates relevant departments to develop response plans and establish quantitative targets. These plans and targets are then subject to regular review by the Board of Directors.

Scenario Setting

Drawing on scenarios modeled by the International Energy Agency (IEA) and the global goal proposed at the 26th Conference of the Parties (COP26) to the United Nations *Framework Convention on Climate Change* (UNFCCC), “to ensure global net zero emissions by the middle of this century and limit the temperature rise to 1.5°C”, Nongfu Spring adopts the Announced Pledges Scenario (APS) as the low-emission pathway and the “RCP 8.5” scenario proposed by the Intergovernmental Panel on Climate Change (IPCC) as the high-emission pathway in its climate scenario analysis. Analysis indicates that physical risks are more likely to occur under the high-emission scenario, while transition risks are more pronounced under the low-emission scenario.

- **Announced Pledges Scenario (APS):** it is assumed that all climate commitments made by governments around the world, including Nationally Determined Contributions (NDC) and long-term net zero goal, will be realized on time.
- **Representative Concentration Pathway (RCP) 8.5:** a baseline scenario in which greenhouse gas emissions and concentrations continue to rise without climate intervention, a temperature increase of 5°C is projected by 2100.

Risk Identification

Guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the *IFRS® Sustainability Disclosure Standard S2 – Climate-related Disclosures* (IFRS S2), Nongfu Spring systematically identified 23 climate-related risks through the management-led “Climate Change Workshop”. These risks cover transition risks, including existing policies and regulations, future policies and regulations, technological, market, and reputational risks, as well as acute and chronic physical risks. Among them, six risks were assessed as high-priority risks and corresponding response measures have been developed, while the remaining risks are not currently considered material.

Within the reporting period, we updated the climate risk assessment in light of actual business operations. We systematically analyzed the potential operational and financial impacts of various risks on our own operations, upstream activities, and downstream activities. Based on the time horizons of short term (1 year), medium term (3 years), and long term (5+ years), we determined the timing dimension of these impacts.

Risk Type	Major Climate Risk	Financial Impacts	Time Dimension	Countermeasures
Transitional Risk	Policy and Regulatory Risk – Greenhouse Gas Cap-and-Trade and Pricing	Based on scenario projections by the International Energy Agency (IEA), carbon pricing in China is expected to continue rising. This may increase energy procurement and compliance costs for emission-intensive enterprises, thereby raising overall operating expenditures across the value chain. Financial Impacts: increase in operating costs	Medium-term and Long-term	We will closely monitor policy developments, such as the <i>Interim Rules on the Administration of Carbon Emissions Trading</i> , and mitigate compliance and cost pressures arising from rising carbon prices through systematic carbon inventory and emission reduction initiatives.
	Policy and Regulatory Risk – Existing Product Requirements and Oversight	Stricter regulations related to water resources and waste management increase our compliance and operational costs, while also imposing higher compliance requirements on upstream suppliers’ production emissions and downstream logistics recycling processes. Financial Impacts: increase in operating costs	Short-term and Medium-term	We will optimize water resource and waste management, extend relevant environmental standards and compliance requirements to suppliers and partners, enhance resource efficiency and environmental performance across the entire value chain.
	Technological Risk – Upfront Costs for Transitioning to Low-emission Technologies	To advance energy conservation and carbon reduction, the equipment and process upgrades required will increase capital expenditures and R&D spending. Relevant technical standards may also extend to suppliers, potentially raising the short-term transition costs across the entire value chain. Financial Impacts: increase in capital expenditures, R&D expenses and operating costs	Short-term and Medium-term	We plan and implement phased technological upgrade investments to improve energy efficiency and proactively manage financial pressure during the transition period.
Physical Risk	Market Risk – Shifts in Consumer Behavior	With the advancement of global climate action, customer demand for green products will continue to grow. Failure to meet this demand may affect product market share and revenue, and may also require suppliers to provide more environmentally friendly raw materials and packaging solutions. Financial Impacts: decline in operating income, increase in operating costs	Medium-term and Long-term	We continuously explore pathways for packaging lightweighting and reduction to lower the carbon footprint of products.
	Market Risk – Rising Raw Material Costs	The energy transition may drive up production costs for suppliers and intensify fluctuations in raw material prices. Extreme weather events may also affect the stability of supply, increasing procurement and management costs. Financial Impacts: higher operating costs and administrative expenses.	Short-term and Medium-term	By deepening local partnerships and expanding diversified sourcing channels, we manage procurement risks while providing technical support to stabilize upstream supply.
	Acute Risk – Floods and Extreme Weather Events	Extreme weather events may disrupt operations at factories and planting bases, resulting in asset damage. They may also affect upstream raw material supply and downstream logistics and distribution, obstructing critical links across the entire value chain. Financial Impacts: increasing operating costs and administrative expenses, asset impairment losses and revenue reduction.	Short-term and Medium-term	We strengthen extreme weather monitoring, early-warning, and emergency response mechanisms, and enhance climate resilience through measures such as purchasing commercial insurance, reinforcing disaster prevention infrastructure, and providing training for farmer households.

Opportunity Identification

Within the reporting period, Nongfu Spring identified the following three categories of climate-related opportunities based on the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). The Company analyzed their potential impacts on us and reviewed the current response status, providing guidance for future sustainable development.

Opportunity Types	Opportunity Descriptions	Nongfu Spring's Current Status
Resource Efficiency Opportunities	Against the backdrop of the energy transition, developments in low-energy, low-emission, and emerging energy technologies may reduce the application costs of related technologies, creating feasibility for us and our partners to implement energy conservation, emission reduction, and cost-efficiency improvements.	Nongfu Spring continues to advance energy-saving and emission-reduction technological upgrades and optimize its energy structure, enhancing energy efficiency and resource utilization, and effectively reducing operating costs.
Product and Service Opportunities	Consumers and regulators are placing increasing emphasis on product carbon footprint transparency and low-carbon attributes. This trend is driving us to optimize product design. It also prompts coordinated carbon accounting and emissions reduction across the supply chain, jointly strengthening product competitiveness.	Nongfu Spring has completed a carbon footprint analysis for its natural drinking water and other products using methodologies such as Life Cycle Assessment (LCA), the ISO 14067 standard, and the PAS 2050 accounting framework developed by the British Standards Institution (BSI). Measures including lightweight packaging and packaging recycling have been implemented to reduce product carbon footprints and strengthen low-carbon competitiveness.
Opportunities of Adaptability	The impacts of climate change are increasingly pronounced. Our emergency response framework and resilience capabilities in climate risk management extend to suppliers and logistics partners, helping strengthen the entire value chain's capacity to manage uncertainties.	The emergency and climate resilience management system established by Nongfu Spring has ensured production stability and asset security during recent extreme weather events. This system is now extending to upstream farmer households, assisting them in developing mitigation plans to jointly enhance the climate adaptability of the value chain.

Risk Management

Nongfu Spring has established a systematic climate risk management process integrated into our company-wide risk management system, led and supervised by the Board of Directors and based on the three lines of defense. We use scenario-based climate models to identify and assess climate-related risks and opportunities, prioritizing and continuously monitoring them based on likelihood, financial impact, and time horizon. Within the reporting period, we further optimized the assessment model and enhanced coverage and analysis depth for climate risks across the value chain.

Nongfu Spring focuses on three key areas: continuously improving the energy management system, reducing carbon emissions from production and operation, and extending the low-carbon management in the value chain.

Improving the Energy Management System

Nongfu Spring formulated internal management systems such as the *Energy Power Management Standards* and developed a comprehensive energy management system covering four dimensions and three critical phases. The Company is committed to increasing ISO 50001 Energy Management System certification coverage rate. Within the reporting period, 9 additional factories obtained ISO 50001 energy management system certification, with a total of 25 factories certified.

Nongfu Spring Energy Management System		
Energy Management Hierarchy	Four Dimensions	Three Critical Phases
Unified Leadership by the Production and Operations Center Execution and Implementation by Energy Management Teams of Each Factory	- Energy supply - Equipment Management - Energy statistics - Inspection	- Production - Logistics - Sales

Regarding energy statistics and inspection, Nongfu Spring's Headquarters Production and Operation Center refines comprehensive energy consumption and emission KPIs into actionable targets, mandating that all factories align with monthly benchmarks, integrate energy-related financial budgets. For granular management, we leverage digital monitoring tools such as natural gas cloud digital platforms to monitor energy consumption performance. We set factory GHG intensity rankings and annual reduction rate rankings, launch targeted lean improvement initiatives focused on total productive maintenance (TPM) cost management, linking cost control to performance. In addition, we continue to optimize management strategy. Performance targets were broken down into each production base, reinforcing factory-level energy self-management. General managers of each factory were tasked with assigning KPI targets to relevant departments to continue improving energy management. Within the reporting period, we conducted specialized training on the energy meter management platform to enhance employees' energy-saving awareness and capabilities in tracking and analyzing energy consumption.

Reducing Carbon Emissions in Production and Operation

Nongfu Spring targets to reduce both GHG emission intensity and comprehensive energy consumption intensity by 20% by 2030 compared to 2019. We advance decarbonization through three core pathways: optimizing energy structure, enhancing energy efficiency, and planning low-carbon logistics. Within the reporting period, our greenhouse gas emission intensity had already decreased by 15% compared to 2019, with comprehensive energy consumption intensity for water and beverage production lines outperforming industry advanced benchmarks.

• Replacement • Optimize Energy Structure	Replacing traditional energy with clean energy to optimize the energy structure
• Reduction • Enhance Energy Efficiency	Promoting energy-saving renovations, developing low-carbon products, and improving energy use efficiency
• Avoidance • Plan Low-Carbon Logistics	Optimizing transportation routes and mileage to avoid unnecessary GHG emissions

Replacement • Optimize Energy Structure

Nongfu Spring prioritizes optimizing its energy structure, continuously expanding renewable energy applications to transition toward cleaner, low-carbon energy utilization.

Renewable Energy Deployment	Fuel Structure Upgrading
Within the reporting period, the Damingshan Factory in Guangxi completed a 7.3MW photovoltaic (PV) project, generating nearly 4,000 MWh of electricity annually. The Baisha Factory in Zhejiang installed a 5.5MW PV system, producing over 5,500 MWh annually with an average consumption rate of 94%. The Qingxi Factory in Zhejiang built a 6.3MW distributed PV power station, generating nearly 8,000 MWh annually, reducing greenhouse gas emissions by over 4,000 tons of carbon dioxide equivalent.	Within the reporting period, the Chengde Factory in Hebei completed boiler fuel upgrades, replacing diesel boilers with natural gas boilers to effectively reduce air pollutant emissions.
Green Power Trading	Efficient Heat Utilization
We actively increase renewable energy usage through market procurement, significantly raising green power and green certificate purchases. Additionally, the headquarters operations also piloted the purchase of over 5,000 green certificates, corresponding to approximately 5,000 MWh of electricity.	The newly built navel orange processing base in Xinfeng, Jiangxi, utilizes waste heat steam from nearby thermal power plants, effectively improving regional comprehensive energy utilization efficiency.

By the end of reporting period, our progress in green energy applications included:

PV Installed Capacity (MW)	2025 PV Power Generation (MWh)	Green Power Purchased (MWh)	Green Certificate Purchased (Equivalent MWh)
56	about 40,000	about 100,000	Over 130,000

Reduction • Enhance Energy Efficiency

Nongfu Spring continues to deepen energy-saving efforts in production operations, enhancing energy efficiency and reducing GHG emission intensity through technological upgrades and management optimization.

Equipment Efficiency Improvement	Intelligent Production
We continuously replace aging high-energy-consuming equipment such as air compressors and ice water machines. In 2025, related investments totaling nearly RMB50 million, improving overall energy efficiency by 10%–15%. We plan to retrofit high-energy-consuming equipment at multiple factories next year to further advance energy conservation and emission reduction.	We introduced Automated Guided Vehicles (AGVs) to optimize material handling and deployed real-time data acquisition and central control systems for production monitoring. Additionally, the Huangshan Factory in Anhui implemented the Moguyun AI Smart Control System to optimize compressed air supply, stabilizing pipeline pressure and equipment combinations through intelligent algorithms. This reduced the air-to-electricity ratio of the 10kg system by over 7% and the low-pressure system by more than 5%.
Operational Lean Management	Green Office Practices
We implemented multiple energy system optimization measures, including centralized pressure reduction for air compressors, automatic dosing for cooling towers, and recovery of steam condensate and waste vapor. For example, every 1 bar pressure reduction in air compressors saves about 7% low-pressure machine energy consumption; the nationwide “ground-to-elevated” condensate recovery retrofit saved 1.1 million tons of condensate and 7.7 million cubic meters of natural gas annually; installed waste vapor recovery systems also effectively reduced steam loss.	We prioritize high-efficiency air conditioning, lighting, and office equipment in workplaces to continuously lower daily electricity consumption. Since 2021, we have collaborated with testing partners to promote “paperless testing reports”, replacing paper reports with electronic versions where possible. Within the reporting period, this initiative reduced greenhouse gas emissions by 262 kilograms, accumulating reductions of 555 kilograms over five years.

Avoidance • Plan Low-Carbon Logistics

Nongfu Spring prioritizes logistics-related carbon emissions as a key area for Scope III greenhouse gas reduction in the value chain.

Deepening Railway Transportation	Nongfu Spring continuously replaces road transportation with railway transportation, expanding direct rail routes nationwide within the reporting period. In 2025, rail shipments reached approximately 5 million tons, a 15% increase year-on-year.
Optimizing Delivery Routes	We continuously optimize the transportation and delivery routes by increasing direct factory shipments and shortening average rail distances to reduce overall logistics and transport distance.
Intelligent Logistic Management	Nongfu Spring promoted the use of electronic waybills and electronic contracts for freight settlement with carriers, to reduce paper usage and emissions.
Promoting New-energy Transportation	We actively adopt new energy electric vehicles, deploying over 600 battery-powered trucks by the reporting period, handling over 1.7 million tons of freight.
Centralized Supply of Materials	We advance intensive transformation of packaging and raw material supply models. Building on centralized plastic pellet supply, we transitioned fructose syrup and other raw materials from traditional small packaging to centralized material-feeding mode, reducing packaging material use and associated carbon footprints.

Low-carbon Management in the Value Chain

Nongfu Spring is committed to building a low-carbon and green supply chain, extending low-carbon management to upstream and downstream partners.

Guided by policies such as the *Supplier Code of Conduct* and *Supplier Environmental, Social, and Governance Policy*, we advocate that suppliers use clean energy, implement energy-saving and carbon-reduction work, prioritizing partnerships with suppliers demonstrating strong sustainability performance and proactive low-carbon transitions.

On this basis, we continuously monitor supply chain energy use, encouraging bulk material suppliers, such as plastic resin providers, to carry out carbon footprint self-assessments and data collection, together optimizing carbon inventory efforts. The analysis of product full life cycle shows that for the main product of packaged natural drinking water, the carbon footprint in the factory production stage (i.e., Scope I and II) accounts for approximately 17%, the carbon footprint in the upstream of the value chain (Scope III-upstream) accounts for about 47%, and the carbon footprint in the downstream of the value chain (Scope III-downstream) accounts for around 36%.

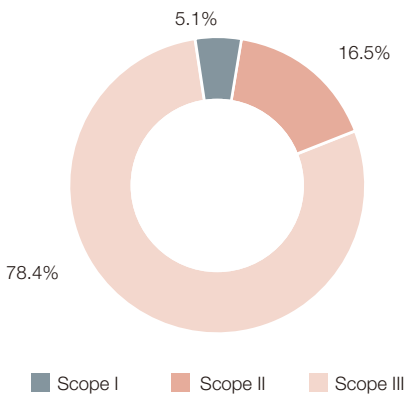
To systematically manage value chain emissions, we completed a comprehensive Scope III greenhouse gas inventory within the reporting period, systematically mapping the value chain emission structure and clarifying emission reduction priorities. Detailed Scope III data is provided in the “Metrics & Targets” section of this chapter.

Metrics & Targets

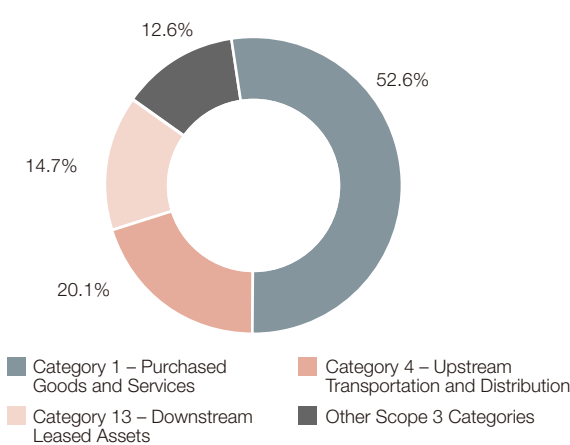
Nongfu Spring views climate actions as central to sustainable development, continuously improving efficiency, developing circular economy practices to reduce emissions, and strengthening water and packaging resource management to enhance climate resilience. Within the reporting period, we completed a full GHG emissions inventory encompassing Scope I, Scope II, and business-critical Scope III categories. The emission data and proportions for each category are as follows:

Greenhouse Gas	Unit	2023	2024	2025
Scope I greenhouse gas emissions	Ton of carbon dioxide equivalent	173,879	205,999	267,503
Scope II greenhouse gas emissions	Ton of carbon dioxide equivalent	927,692	753,520	863,629
Greenhouse gas emissions (Scope I + Scope II)	Ton of carbon dioxide equivalent	1,101,571	959,519	1,131,132
Greenhouse gas emissions per unit of output (Scope I + Scope II)	Ton of carbon dioxide equivalent/ton of qualified product output	0.0436	0.0427	0.0414
Scope III greenhouse gas emissions	Ton of carbon dioxide equivalent	/	/	4,107,849
Total greenhouse gas emissions (Scope I + Scope II + Scope III)	Ton of carbon dioxide equivalent	/	/	5,238,981
Greenhouse gas emissions per unit of output (Scope I + Scope II + Scope III)	Ton of carbon dioxide equivalent/ton of qualified product output	/	/	0.1917

Breakdown of GHG Emissions by Scope (Scope I, II and III)



Breakdown of Scope III GHG emissions



Nongfu Spring GHG Emissions by Category (2025)

Based on the results of our GHG inventory, Scope I and Scope II GHG emissions of the Company account for approximately 21.6% of total GHG emissions, while Scope 3 GHG emissions account for approximately 78.4%.

Within 2025 Scope 3 GHG emissions, Category 1 (Purchased Goods and Services), Category 4 (Upstream Transportation and Distribution), and Category 13 (Downstream Leased Assets) represent the primary emission categories, with these three categories combined accounting for over 87% of total Scope 3 GHG emissions. Other Scope 3 categories include: Category 2 (Capital Goods), Category 3 (Fuel and Energy-Related Activities), Category 5 (Waste Generated in Operations), Category 6 (Business Travel), Category 7 (Employee Commuting), Category 8 (Upstream Leased Assets), Category 9 (Downstream Transportation and Distribution), Category 11 (Use of Sold Products), and Category 12 (End-of-Life Treatment of Sold Products).

Furthermore, we have established climate-related targets and regularly track their progress. For detailed targets and implementation progress, please refer to the “SUSTAINABLE DEVELOPMENT COMMITMENT” chapter of this report.

SUSTAINABLE WATER USE

As a “porter of nature”, Nongfu Spring is guided by sustainability principles and has set a water resource management goal of reducing water use intensity by 20% in 2030 compared to 2020. The Company implements management strategy centered on water source areas protection and efficient water use to advance this objective.

Water Source Area Protection

Nongfu Spring’s products originate entirely from natural sources, including deep lake water, deep reservoir water, mountain spring water, natural artesian spring water, deep underground water, and mineral water. We have established a full-cycle management mechanism covering exploration, development, and protection of water source areas. Through water quality monitoring and dynamic water volume assessments, we scientifically guide water extraction practices.

In internal policies such as the *Environment and Climate Change Policy*, *Water Source Management Measures and Construction Project Environmental Protection Management System*, we have clearly defined water source area management process covering the stages of inspection and design, production operation, and management protection to safeguard the ecological environment of water source areas. Within the reporting period, Nongfu Spring did not experience any water source-related incidents with material impact on operations.

Pre-Operation • Inspection and Design

Analysis of Water Resource Reserves: We conduct rigorous feasibility studies, water resource assessments and environmental evaluation to ensure that local water reserves and extractable volumes align with Nongfu Spring’s sustainable water use standards. Water extraction operations are only carried out after obtaining the necessary permits in compliance with legal regulations.

Ecological Environment Assessment: We conduct special surveys on the ecological environment and biodiversity around the water source areas, formulate soil and water conservation plans and biodiversity protection plans, and invite third-parties for appraisal.

During Operation • Production and Operation

Water Quality/Quantity Tracking and Monitoring: We have established a three-in-one tracking mechanism that combines regular on-site inspections by personnel, comprehensive real-time video monitoring, and digital monitoring of water quality and quantity. We continuously optimize the distribution points and performance of monitoring equipment to achieve full coverage tracking and monitoring of water quality/quantity at all water source areas. We regularly take water samples from the water sources for quality testing, and ensure that all indicators in the water meet our strict standards and requirements for water sources.

Assessment of Water Accessibility: Each year, based on the previous year’s water source tracking and testing results, we assess the water volume, water quality of the water source areas, and the water-use risks caused by climate change. Meanwhile, we evaluate the water accessibility and adjust water intake operations and water source areas planning according to the production plan.

Post-Operation • Management and Protection

Protection and Continuous Improvement of Water Source Areas: Based on the results of water quality testing, environmental impact monitoring, and inspections, we regularly improve the protection measures for water source areas. We deploy advanced sewage treatment systems to ensure that the treated sewage meets the discharge standards before being discharged into the urban sewage pipeline network, without causing any impact on the surrounding environment.

Tracking Policies Related to Water Use, Intake and Price: We pay close attention to current and potential sustainable water use regulatory changes related to water intake, use and price at water source areas and also track them in a timely manner, to make adjustments to water source areas management policies and water resource use procedures in accordance with regulatory changes and ensure compliance and legality.

Badagong Mountains Water Source Area Protection & Development in Hunan

The Badagong Mountains water source area in Hunan, located in Sangzhi County, Zhangjiajie, boasts over 90% forest coverage. Its water quality consistently meets China’s Class I standards and has been listed in the “China’s Good Water” directory.

The Company adopted a “minimum intervention” principle during development. The 58-kilometer water pipeline from the source to the factory was constructed using eco-friendly methods: A 2.1-kilometer elevated walkway was built instead of road excavation for cliff sections. A monorail small train transported pipes on soft soil sections, avoiding heavy machinery. All 16 river-crossing bridges used elevated designs without pile foundations in riverbeds. Over 2,000 welds were manually completed to ensure pipeline sealing while minimizing forest disturbance from mechanical operations.

Additionally, an ecological flow real-time monitoring system was established at the source to dynamically track the impact of water extraction on downstream ecosystems. This ensures a balance between water resource utilization and ecological protection, achieving sustainable use of premium water resources and demonstrating a collaborative model for water source area protection and industrial development in ecologically sensitive areas.

Routine Protection of Water Source Areas	Development and Protection of New Water Source Areas	Pilot Sustainable Water Management Standards
Nongfu Spring continuously improves its normalized water source area protection mechanisms. Within the reporting period, we audited the water intake hub design and construction at water source areas for 9 factories, implementing nature-harmonized protection standards focused on ecological integration and habitat preservation. During operations, targeted patrol mechanisms are established for each water source area. For example: The Huangshan Factory in Anhui implemented a joint patrol mechanism involving local villagers, technical staff, and government authorities, with physical barriers, smart monitoring systems, and warning signs. The Tea Garden Factory in Zhejiang implemented daily inspections. The Qingxi Factory in Zhejiang deployed real-time monitoring at critical water extraction points, strengthening water source area protection defenses.	For new water source area development, we adhere to the principle of “development with protection”. Water extraction projects and factory construction strictly follow environmental impact assessments and project approvals, employing eco-friendly engineering methods to minimize vegetation and soil disturbance. We also actively engage with local governments to connect surrounding villages to centralized water supply systems, ensuring long-term stable water access for residents.	We are committed to building a long-term collaborative water source area protection mechanism. By piloting the sustainable water management standard formulated by the Alliance for Water Stewardship (AWS) at the Zhejiang Tea Garden Factory, we established routine coordination with local governments and communities to jointly implement ecological protection at water source areas. Simultaneously, we extended water risk management to the supply chain to systematically address overall water risks.

Water Source Area Patrol in Huangshan, Anhui

For existing water source areas, we actively conduct water conservation awareness training and protection activities for employees and stakeholders. Within reporting period, the Huangshan Factory collaborated with local villages to establish the “Water Source Area Ecological Joint Defense Team”, creating a water source protection mechanism covering daily patrols, smart monitoring, and emergency response, continuously organizing joint water source area cleanup activities with local villagers. This continuously strengthening protection efforts and fostering community consensus on water source stewardship.

Efficient Water Use

Nongfu Spring attaches great importance to the rational use of water resources. Under the overall leadership of the board of directors, supervised by the Office of Public Policy and Sustainable Development, the Headquarters’ Production and Operation Center coordinates and manages the performance. Each factory has established a water resource management team, which follows the *Water Consumption Management Specification* to ensure water conservation measures cover all operational sites. Additionally, water resource management performance is integrated into the key performance indicators (KPIs) of Mr. Rao Minghong, Executive Director and General Manager of the Production and Operation Center, to drive the achievement of water management goals.

Within the reporting period, we implemented water conservation practices across four dimensions: granular management, adaptive design, targeted transformation, and institutional support.

Granular Management

The headquarters formulated the Water Consumption Management Specification to guide factories in setting water conservation targets and strengthening interdepartmental collaboration to control abnormal water consumption during production line transitions. We conducted inspections for equipment leaks, drips, and seepage across production lines at all factories and promoted production scheduling optimization at integrated facilities in Meiping and Xin’an River, Zhejiang, reducing raw water consumption. Additionally, at factories in regions like Meiping, recycled water from collection pools replaced raw water in auxiliary water usage. At the Jingyu Factory in Jilin, a workshop-level water reuse network was established, saving approximately 1,050 tons of water annually.

Adaptive Design

Through forward-looking water conservation designs and process adaptations, we continuously optimize technical application plans based on the operational characteristics and product demands of different factories, adopting the best available techniques (BAT) to achieve water conservation goals. We promoted the widespread adoption of CIP (Clean-in-Place)/COP (Clean-out-of-Place) automation upgrades for drinking water production lines, enhancing cleaning efficiency while significantly reducing water use and ensuring cleaning effectiveness. At the Jingyu Factory in Jilin, we also implemented new cleaning agents for membrane system maintenance and optimized rinse procedures, saving approximately 6,000 tons of water annually.

Targeted Transformation

Within the reporting period, we expanded the reuse system of filling line recovery water to improve water resource utilization. In production line optimization, we implemented nitrogen gas replacement for aseptic filling machines and optimized wash water flow rates, saving over 600,000 tons of raw water annually. Additionally, we upgraded the aseptic intermediate hot water wash process on the East Leaf production line to replace traditional chemical cleaning, reducing changeover time by 50% and achieving annual raw water savings of 185,000 tons.

Institutional Support

Within the reporting period, the national standard *Norm of Water Intake for Industry – Part 65: Beverage*, co-developed by the Company, was officially implemented. To ensure compliance, we organized nationwide factory power and quality assurance departments to conduct benchmarking improvements and water conservation awareness campaigns, continuously enhancing production water efficiency. Furthermore, in response to the provision in the *Implementation Measures for the Pilot Reform of Water Resource Tax* stating that “industrial water efficiency meeting the advanced national quota standards qualifies for a 20% reduction in water resource tax”, the Company established the *Water Resource Tax Reduction Application Management Measures* to standardize application procedures and data accounting requirements, guiding factories in compliantly applying for tax incentives. By establishing a water use data monitoring and application linkage mechanism, multiple water source area factories achieved water resource tax benefits within the reporting period, advancing refined water management through institutional support.

PACKAGING MATERIALS AND WASTE RECYCLING

Nongfu Spring views the recycling of packaging materials as a critical sustainability practice. We have established internal policies such as the *Packaging Material Sustainable Development Policy*, *Packaging Material Machine Trial Specifications*, and *Packaging Material Standard*, which mandate a lifecycle approach to packaging design. These policies require the use of easily disassembled and recyclable structures, prioritize environmentally friendly and recyclable materials, and adopt water-based inks and other low-environmental-impact materials to advance our goal of achieving 100% recyclability for plastic packaging in water and beverage products.

In terms of management framework, our packaging material and waste recycling initiatives are led by the Board of Directors, supervised by the Office of Public Policy and Sustainable Development, and managed collaboratively by R&D Department of Packaging Materials, Brand Center, Production and Operation Center, and Quality Assurance Department. The implementation is carried out by individual factories. Our efforts focus on three key areas: increasing the recyclability of packaging materials on the design end, reducing packaging use on the production end, and ensuring effective recycling and utilization of packaging materials on the consumption end:

Increase the Recyclability of Packaging Materials on the Design End

On the design end, we use single-material components and washable labels to enhance recyclability. We also actively participate in drafting national standards for recyclable packaging design to drive industry-wide improvements.

- Our ice cup products use single-material PET (polyethylene terephthalate), avoiding composite materials like PETG (glycol-modified polyethylene terephthalate) that hinder downstream recycling, ensuring recyclability from the source.
- The Xin'an River Factory in Zhejiang has adopted PCR (post-consumer recycled) washable labels containing 30% recycled content for its 335ml Green Mandarin Pu'er product labels. This reduces the carbon footprint by approximately 5%. The label adhesive can be efficiently removed under mild cleaning conditions, significantly improving label-bottle separation efficiency and reducing greenhouse gas emissions during recycling.
- Nongfu Spring participated in drafting GB/T 46020.1 *Plastics – Guidelines for Recyclable Design – Part 1: Polyethylene Terephthalate (PET) Materials*, establishing principles for plastic recyclability and promoting closed-loop recycling systems.

Reduce Packaging Material Use on the Production End

We continuously pursue lightweight packaging to minimize raw material consumption during production.

- Within the reporting period, by optimizing bottle neck designs, we reduced the weight of aseptic bottle preforms for East Leaf products by approximately 5%. The Xin'an River Factory saved approximately 100 tons of PET raw material during pilot testing, equivalent to reducing carbon dioxide emissions by 230 tons.
- The Fusong Factory in Jilin also achieved a 14% weight reduction for bottle caps of infant-appropriate natural drinking water, expected to reduce raw material usage by 180 tons annually.

Promote the Effective Recycling of Packaging Materials on the Consumption End

We actively promote reusable packaging models and high-recycled-content applications in logistics and transportation.

- For large-volume water products, we implement reusable transport packaging solutions to increase the reuse rate of transport packaging. For example, reusable pallets accompany products of 5L and above, effectively reducing single-use transport packaging consumption.
- Within the reporting period, the Huangshan Factory in Anhui piloted the reuse of PET strapping, recycling 19.7 tons of PET material.

We continue to advance the 19L empty bottle recycling program, with over 2.5 million bottles recycled within the reporting period.

We actively pursue targets for incorporating recycled materials into external packaging. Within the reporting period, over 70% of non-food-contact paper packaging materials contained recycled fibers, and recycled materials (recycled paper) accounted for over 10% of total packaging weight, primarily used in transport cardboard boxes. Additionally, we actively utilize recycled materials in non-food-contact plastic packaging, such as shrink films and strapping. By 2030, we aim to increase the proportion of recycled materials in outer packaging to 15% of total packaging weight.

In China, post-consumer recycled plastic bottles are not yet permitted for reuse in direct food contact applications. We actively engage in industry development and support the formulation of standards for recycled plastic applications. We collaborated with the SAC/TC15/WG2 Working Group on Regenerated Plastics under the National Technical Committee on Plastic Product Standardization to conduct industry research, providing technical and data support for national standard development through sample collection and validation tests. We are also preparing technically for future compliance. Additionally, we partnered with international packaging suppliers to advance research on bio-based materials and recycled plastics, participating in global green packaging forums to share practical experiences of Chinese enterprises in circular packaging.

BIOLOGICAL CONSERVATION AND SUSTAINABLE AGRICULTURE

Biodiversity Protection

We strictly comply with the *Environmental Protection Law of the People's Republic of China* and the *Environmental Impact Assessment Law of the People's Republic of China*, as well as other local laws and regulations where we operate. We rigorously control our emissions and various environmental impacts to avoid negative effects on biodiversity.

We have explicitly incorporated biodiversity protection into our *Environment and Climate Change Policy* and extended the related management requirements to suppliers and other partners, encouraging them to fulfill ecological responsibilities in accordance with the relevant provisions in *Nongfu Spring's Sustainable Development Public Policy*. We commit to proactively avoiding ecologically sensitive areas and biodiversity-vulnerable regions in project development and site selection, refrain from conducting business in areas adjacent to UNESCO World Heritage sites and IUCN Category I – IV protected areas, strive to protect wildlife habitats, and strictly prohibit deforestation and ecological degradation.

The Board of Directors of Nongfu Spring is the highest authority responsible for biodiversity protection, with Mr. Rao Minghong, Executive Director and General Manager of the Production and Operation Center, responsible for overall coordination and management. We have established a four-tier management structure for biodiversity, comprising the “Board of Directors, Office of Public Policy and Sustainable Development, Production and Operation Center, All Production Bases”, and integrated biodiversity into the company-level cross-functional comprehensive risk management process to strengthen the identification, assessment, and response capabilities for biodiversity-related risks.

Based on the LEAP framework for nature-related risk assessment proposed by the Taskforce on Nature-related Financial Disclosures (TNFD), we assess biodiversity risks in our operational locations from both impact-related and dependency-related dimensions, and integrate this assessment into the company’s overall risk management system.

Locate	Evaluate	Assess	Prepare
We conduct targeted assessments of Nongfu Spring’s different production bases based on the specific characteristics of each stage of product manufacturing, including water abstraction, upstream cultivation, production operations and adjacent areas, and downstream distribution, covering all operating sites.	Our dependence on natural assets and ecosystem services primarily focuses on land and water resources, while our impacts on the natural environment mainly stem from construction projects, water extraction and use during operations, crop cultivation in the supply chain, and the emissions and discharge of waste water, waste gas, and solid waste. During the site selection and factory construction phase, we conduct comprehensive environmental assessments, feasibility studies on water extraction, and develop soil and water conservation plans. In daily operations, we ensure compliant discharges and regularly monitor water quantity, water quality, and soil health.	We have identified the risk that the water supply in some of our water source areas may be insufficient during the dry season. To address this, we have implemented measures such as drawing water from multiple locations and storing water during the wet season. We have identified the risk of insufficient soil fertility and susceptible to erosion of soil and water in areas where certain planting bases are located. We have responded to this by empowering farmer households and suppliers to carry out agricultural technological transformation and promoting organic fertilizers to fix nitrogen and build soil fertility.	After comprehensive assessment, the natural and biodiversity risks associated with Nongfu Spring’s current operational locations are at a low level. Nongfu Spring will continue to monitor these risks closely, implement relevant measures, and collaborate with suppliers, local governments, and other stakeholders to jointly address biodiversity risks.

Biodiversity Assessment

Nongfu Spring conducts regular biodiversity assessments at all manufacture operating sites. During the Reporting Period, we applied the Biodiversity Impact Assessment (BIA) tool to conduct biodiversity impact assessments for all factories, and carried out focused assessments for the Fanjing Mountain Factory in Guizhou and the Jingyu Factory in Jilin, systematically identifying potential ecological risks and conservation needs.

During the Reporting Period, for the construction project of the Fanjing Mountain Factory in Guizhou, we once again commissioned a professional institution to investigate the surrounding aquatic ecosystem, update the assessment report on potential impacts on local endemic fish species, and accordingly optimize the implementation plan for the expansion project while strengthening relevant measures for the protection of local aquatic biological resources.

Biodiversity Protection

We integrate biodiversity conservation into our operational practices and take actions in accordance with the pathway of “avoidance, reduction, regeneration, and restoration.”:

- Avoidance: We proactively prevent potential impacts. The Wulingshan Factory in Guizhou donated a dedicated garbage truck and organized cleanup activities in the surrounding areas of the water source, preventing pollution at its source. The Mount Emei Factory in Sichuan upgraded the remote monitoring system for its water intake, utilizing solar-powered equipment to enable real-time monitoring and early warning of ecological conditions in the water source protection area, thereby effectively avoiding human disturbance.
- Reduction: We optimize infrastructure layout to reduce environmental impact. For the water diversion pipeline of the Honghe Valley Factory in Shaanxi, nearly half of the pipelines are installed within existing diversion tunnels, while the remaining sections are laid along riverbanks and mountain slopes, minimizing disturbance to the surface ecosystem to the greatest extent possible. The Qingcheng Mountain Factory in Sichuan has installed 80% of its raw water pipelines beneath roads, reducing impacts on farmland and forestland. In addition, new energy vehicles have been introduced in logistics operations to reduce GHG emissions during transportation.
- Regeneration: We are committed to enhancing and creating ecological value. In Apple Cultivation Base, Nongfu Spring has regenerated Gobi desertified land into a modern orchard through soil improvement and integrated water and fertilizer management, achieving an organic integration of ecological restoration and agricultural development.
- Restoration: We support the recovery of the natural environment through scientific approaches. During the reporting period, the Heyuan Factory in Guangdong carried out a fish restocking activity in Wanlu Lake, releasing about 1.4 million locally native fish fry to support the ecological balance of the water body.



Fish Stock Enhancement and Release Activity at Wanlv Lake by the Heyuan Beverage Factory in Guangdong

We fully recognize the critical role forests play in addressing climate change and maintaining ecological balance. We firmly oppose any commercial activities that damage forest resources and integrate forest conservation into our sustainability practices. We actively engage value chain partners to jointly foster a forest-friendly industrial ecosystem.

To reduce the potential impact of our business activities on forests, we systematically manage deforestation risks associated with water source area development, factory construction, and the operation of planting bases. We are committed to achieving a “zero-deforestation” target within our operational scope. At the same time, we are progressively conducting risk assessments across the supply chain, encouraging suppliers and partners to implement forest protection measures and eliminate deforestation risks.

Sustainable Agriculture

Nongfu Spring is committed to advancing sustainable agricultural practices and has established a two-tier management structure comprising the “Agricultural Industry R&D Department” and “Agricultural Product Bases” to coordinate the implementation of related initiatives.

Within this framework, we have incorporated our commitment to sustainable agriculture into the Company’s sustainable development policy. This commitment provides guidance for integrating ecological protection principles into the cultivation of raw materials such as tea leaves and fruits, and establishes institutional standards for the agricultural practices of suppliers and partners.

Sustainable Agriculture Policy Provisions

Reducing the Use of Water Resources Nongfu Spring and its suppliers (including both tier 1 and tier 2 suppliers) are committed to reducing water consumption and improving water efficiency in agricultural development. In the agricultural production, we should reduce the use of water resources in the following ways: • Making a reasonable plan for farming activities according to climatic conditions to reduce extra water use; • Building reservoirs in orchards to collect natural precipitation and recycle water resources to meet the needs of daily farming activities; • Changing irrigation methods from broad irrigation to sprinkler and drip irrigation with low intensity and high frequency to improve efficiency; • Reducing the soil water evaporation, irrigation frequency and waste of water resources through agronomic measures such as environment-friendly plastic film mulching.	Commitment to Environmental Pollution Reduction Nongfu Spring and its suppliers (including both tier 1 and non-tier 1 suppliers) are dedicated to minimizing environmental pollution in agricultural development, actively supporting the national policy of “double reduction of fertilizer and pesticides” to protect the ecological environment. In the agricultural production, we should reduce the environmental pollution in the following ways: • Strengthening the daily management of pesticide application and reducing the excessive exposure of toxic and harmful substances in the environment to reduce pollution risks. • Actively advocating the construction of integration of water and fertilizer, establishing an soil testing platform, and changing the traditional concept of partial and heavy fertilization through precise fertilization to improve the utilization rate and reduce agricultural non-point source pollution caused by fertilizer loss.	Commitment to Soil Health Protection Nongfu Spring and its suppliers (including both tier 1 and tier 2 suppliers) prioritize the rational use of soil resources, avoiding overexploitation and degradation, while enhancing the protection and improvement of arable land quality. In the agricultural production, we should protect the soil quality in the following ways: • Paying attention to the impact of agricultural activities on soil quality in time without over-exploitation and cultivation, supplying nutrients taken away by agricultural production in an appropriate manner, and maintaining the normal soil fertility. • Actively discovering such problems as soil acidification and hardening caused by agricultural activities, and recovering the soil to a good state by applying lime and organic fertilizer and ecological planting.	Commitment to Preventing the Ecosystem Destruction Nongfu Spring and its suppliers (including both tier 1 and tier 2 suppliers) strive to maintain ecological balance and promote harmonious coexistence between humans and nature, ensuring that agricultural practices do not disrupt ecosystems. In the agricultural production, we will protect the ecosystem in the following ways: • Choosing suitable varieties and rationally developing local ecological resources according to local conditions, climates and ecological environment to achieve benign development by developing diversified crop varieties. • Controlling the usage amount and frequency of pesticides and fighting against diseases and insect pests through physical methods to avoid damaging the living environment of beneficial organisms in local ecosystems and maintain the biodiversity.	Commitment to Reducing the Emission of Greenhouse Gas Nongfu Spring and its suppliers (including both tier 1 and tier 2 suppliers) are committed to reducing greenhouse gas emissions in agricultural production, actively promoting low-carbon ecological agriculture to contribute to energy conservation and emission reduction. In agricultural production, we should reduce the greenhouse gas emission in the following ways: • Actively reducing the nitrogen fertilizer application to achieve the reduction of nitrogen greenhouse gas volatilization. • Promoting the resource reutilization and recycling of agricultural wastes, developing recycling approaches for agricultural wastes such as tea residue, flavedo residues, and livestock manures and producing them into organic fertilizers for returning to the field, and developing the circular ecological agriculture; • Optimizing production processes and implementing energy-saving technological upgrades in agricultural product processing to maximize energy efficiency and reducing carbon emissions; encouraging the use of low-carbon, efficient, and energy-saving equipment.
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Organic Fertilizer Recycling in Apple Cultivation Base

In Apple Cultivation Base, leveraging the abundant cattle and sheep manure resources available in local pastoral areas, we have developed and promoted an organic fertilizer application model.

We provide farmers with technical guidance on biological fermentation to facilitate the treatment and return of livestock manure to farmland. In 2025, the application of organic fertilizer at our bases exceeded 10,000 tons, reducing chemical fertilizer use by approximately 600 tons. Compared with conventional farming practices, chemical fertilizer application was reduced by over 50%, effectively promoting the resource utilization of agricultural and pastoral waste.

Scientific Application of Agrochemicals

To ensure effective disease control while minimizing environmental impact, we promote the standardized application of lime-sulfur solution in the Apple Cultivation Base. We provide regular guidance to farmers on the proper preparation of the solution and conduct quality testing to ensure safety and efficacy. Building on this foundation, we implement seasonal operation plans: trunk whitewashing for both disease control and frost protection in winter and targeted spraying in spring, to reduce pest and disease reservoirs and chemical pesticide reliance. This solution lowers reliance on chemical pesticides and advances green, sustainable orchard management.

EMPLOYEE ENGAGEMENT

Nongfu Spring has always regarded employees as the core driving force for corporate development, committed to fostering an open and inclusive work environment that promotes mutual growth between employees and the Company. We focus on building a comprehensive talent management system, adhering to ethical employment principles to ensure every employee has equal opportunities for career development. By optimizing recruitment and hiring processes, expanding campus recruitment scale, and collaborating with renowned domestic and international universities, we continuously inject fresh talent into the Company’s future growth.

We also prioritize holistic employee care, offering diverse welfare programs and health safeguards to help employees achieve work-life balance. Through a robust compensation system and performance management mechanisms, we motivate employees to enhance their professional capabilities. We emphasize employee welfare, particularly in areas such as leave policies, health protection, and family care, reflecting our deep respect for employee value. Additionally, we encourage employees to pursue diverse career paths in both management and technical fields, providing ample growth opportunities for every individual.

3

GOOD HEALTH AND WELL-BEING

4

QUALITY EDUCATION

5

GENDER EQUALITY

8

DECENT WORK AND ECONOMIC GROWTH

10

REDUCED INEQUALITIES

This chapter corresponds to SDGs



RIGHTS AND BENEFITS PROTECTION

Nongfu Spring upholds the principle of “people-centric” development, leveraging a comprehensive talent management system, transparent communication mechanisms, and digital transformation to inspire employee vitality and drive mutual growth between the Company and its workforce. We have established a three-tier management structure: senior management, the Headquarters Human Resources Center, and branch HR departments, to advance human resource management.

Strengthening System Construction and Driving Organizational Development

Our human resource management is closely aligned with sustainable development strategies. Within the reporting period, we focused on three core areas: “optimizing talent organizational systems”, “employee development and care” and “supporting new business expansion”. We implemented effective measures to ensure the smooth achievement of work objectives.

 HR System Process Optimization	 HR Professional Capability Improvement	 Digital Construction in Human Resources
Policy Updates: In response to internal and external developments, business needs and policy changes, we updated over 10 policies in 2025, covering recruitment, onboarding, compensation, benefits, and training, to comprehensively enhance employee protection and experience. Process Optimization: We streamlined and optimized employee interview and onboarding processes, achieving full digitization of campus recruitment workflows. Standardized tools such as interview permissions, onboarding guides, and cultural introductions were updated to improve candidate experience and new employees' understanding and integration into their roles. Data Enhancement: We developed a data quality improvement plan to enhance data accuracy and reporting real-time capabilities, optimizing frequently used reports on employee movements and income to advance standardized and visualized HR data management.	Managerial Assessment and Development: We continuously strengthened the Managerial Assessment and Development Center, employing multi-dimensional evaluation methods for scientific and objective promotions and selections, supported by ongoing development plans. Competency Gap Analysis: Piloting production departments, we mapped job competency matrices and requirements, created learning pathways, and conducted company-wide competency assessments to identify gaps and formulate improvement plans.	Expanding Recruitment Channels: We established overseas recruitment portals, extending recruitment platforms to global talent pools via LinkedIn and other international platforms. AI-Powered Tools: AI-driven interview tools were integrated into the recruitment system, significantly improving interview efficiency and accuracy. AI-powered hotlines were introduced for daily employee services, unifying service access points and enhancing employee service accessibility. Optimized Bonus Management: A sales incentive management platform was built to digitally monitor bonuses from annual plans to monthly plans, and finally to final disbursements, ensuring fairness and timeliness in reward distribution.

Construction Progress of the HR System

Strategic Talent Acquisition and Development, Ensuring Continuous Regulatory Compliance

Nongfu Spring embraces a forward-looking talent philosophy of “focusing on future potential”, persisting in the “Talent Leadership” strategy to actively promote talent team construction. We strictly adhere to labor regulations, including the *Labor Law and Labor Contract Law of the People’s Republic of China*, continuously revising the *Recruitment and Hiring Management Measures* and organizing the signing of *Collective Agreements* to further strengthen employee employment management.

In employee recruitment, we have expanded the scale of campus recruitment, optimized frontline talent structure, and focused on building two key talent development platforms: “Marketing + Production”. We advance talent screening and development to provide campus recruits with frontline internships and diverse growth opportunities.

Two Development Platforms for Talent from Campus Recruitment	The Pool of Non-Technical Talents from Campus Recruitment: Marketing
	The Pool of Technical Talents from Campus Recruitment: Production
Solid Frontline Growth Experience	Marketing Rotation Path Rotate through merchandising intern, sales representative, and client director/ planning/four core functional roles in frontline marketing
	Production Rotation Path Rotate within upstream-downstream positions across manufacturing, quality control, and supply chain occupational groups in frontline factory operations
Diverse Growth Pathways	Marketing Career Path - Primary development path in sales management roles - Open regional functional roles + channel management, offering opportunities in non-technical positions such as headquarters marketing center brand management, e-commerce operations, and audit inspection - Talent selection for overseas business
	Production Career Path - Primary development path in production management roles - Open headquarters production operations, R&D, engineering equipment, procurement logistics, and other technical positions - Talent selection for overseas business

We have expanded global recruitment channels by establishing a LinkedIn Global Recruitment Platform, collaborating with multiple international recruitment agencies and RPO providers, and actively building partnerships with overseas universities. During onboarding, we invite international employees to China for in-depth exchanges, designing diverse cross-cultural integration activities including business discussions, market research, factory visits, and Chinese cultural experiences to accelerate new employees’ adaptation. This constructs an overseas talent acquisition system covering “channel building, talent attraction, interview selection, and onboarding integration”.

“Dignified Freshmen” Innovative Model

In 2025, we optimized the “Dignified Freshmen” development system, launching a blended online-offline learning model and regularly organizing benchmark exposure activities to stimulate campus hires’ proactive learning and competitive spirit. Through initiatives like Water Source Exploration and Marketing Competitions, we further innovated school-enterprise collaboration models

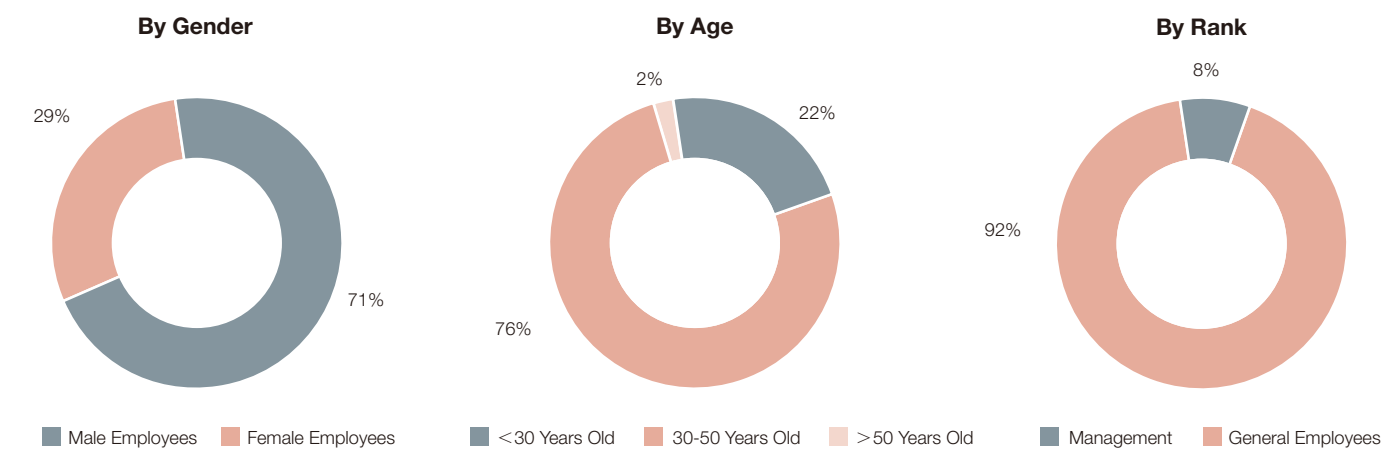


We emphasize comprehensive career-cycle care and management for employees. For retirees and departing staff: We express gratitude to retiring employees for their long-term contributions, providing retirement gifts and organizing retirement honor ceremonies. For employees leaving due to business adjustments, we provide compensation in accordance with legal requirements based on tenure and offer transition support.

We closely follow international human rights standards including the *United Nations Guiding Principles on Business and Human Rights* and *OECD Guidelines for Multinational Enterprises*, strictly complying with regulations like the *Prohibition of Using Child Labor*. We have improved internal systems such as the *Talent Development and Employment Policy*, committing to oppose human rights violations including human trafficking, forced labor, child labor, and discrimination. We support actions upholding human rights standards, such as freedom of association, collective bargaining rights, and equal pay. We extend these requirements to suppliers and contractors, promoting labor rights across the supply chain.

Based on these commitments, we established a multi-level compliance employment supervision system, with headquarters coordination and regional collaboration to conduct human rights risk investigations and responses, ensuring employment practices align with our human rights commitments. At key stages including recruitment screening, pre-employment verification, and on-the-job checks, we have established identity verification mechanisms to mitigate improper employment risks. We prioritized compliance inspections across sales regions and production factories, identifying risk points, providing specialized training, and supervising corrective actions. By the end of the reporting period, all sales regions and factories completed 100% of required corrections. Within the reporting period, Nongfu Spring had never been involved in any illegal employment incidents such as child labor or forced labor.

By the end of the reporting period, Nongfu Spring (including the Company and its subsidiaries) employed 28,444 full-time employees, categorized as follows:



Proportion of Employees across Different Categories in Nongfu Spring in 2025

Fostering an Inclusive and Friendly Workplace while Cultivating a Diverse and Integrated Culture

Nongfu Spring actively advocates a corporate culture of “diversity, equality, and anti-discrimination,” establishing a well-structured system including internal management policies such as the *Talent Development and Employment Policy*, *Code of Business Conduct for Employees*, *Rewards and Punishments Management Measures*, and *Notice on Regulating Internal Company Forums* to fully safeguard employees’ rights regarding compensation and benefits, career development, and work hours.

Within the reporting period, we issued the *Board Diversity Policy* and *Employee Diversity Policy*, and updated the *Talent Development and Employment Policy*, fully integrating diversity and inclusion governance into the institutional framework. The new policies explicitly require the nomination of board members to consider dimensions such as gender, age, and professional background, setting measurable targets. At the employee level, anti-discrimination mechanisms and a zero-tolerance policy covering recruitment, promotion, and compensation processes were established, supported by anonymous reporting channels and multicultural training. This elevates the Company’s diversity and inclusion philosophy from cultural advocacy to binding institutional requirements, strengthening organizational resilience through governance structure optimization and workplace environment standardization, ensuring alignment between talent strategy and sustainable development goals.

We are committed to building a diverse talent structure, welcoming outstanding individuals from all backgrounds to join and fostering a fair and open workplace environment. Building on facilities such as dedicated lactation rooms, menstrual care, prenatal check-up leave, maternity leave, and breastfeeding leave, we revised the *Holiday Management Measures* to add parental leave and health care companion leave for parents, comprehensively covering female employees’ full-cycle needs from marriage and childbirth to family care. For employees with disabilities, we provide tailored auxiliary positions through reasonable work arrangements and accessibility facilities to fully protect their rights. Additionally, by implementing systems such as holiday policies for minority festivals and offering diverse ethnic catering services, we genuinely respect the rights of employees from different ethnicities, religions, and cultural backgrounds, effectively enhancing their sense of belonging.

Factory Care for Ethnic Minority Employees

In 2025, Nongfu Spring factories demonstrated responsibility in promoting social inclusion and cultural diversity. The Damingshan Factory in Guangxi organized free garden activities during the “Song Fairy Festival”, allowing employees to personally experience the natural gift of “good mountains and waters producing good tea” by blending their own tea beverages. The Manas and Yili factories arranged full-staff extra meals, distributed festival benefits, and provided five consecutive paid days off during the “Eid al-Adha”, creating a harmonious and festive atmosphere. The Nyingchi Factory designated the Kongpo New Year and Tibetan New Year as holidays, effectively safeguarding the welfare of ethnic minority employees.



“Qiantang Lecture” Program

Within the reporting period, we collaborated with the Zhejiang Qiantang Advanced Research Institute to establish the “Qiantang Lecture” program, dedicated to building a knowledge-sharing ecosystem across disciplines, regions, and cultures. Centered on the core concept of “Knowledge Without Borders”, the program gathers global top scholars to share insights in natural sciences, social sciences, humanities and arts. This promotes in-depth dialogue between diverse ideas, fully reflecting Nongfu Spring’s respect and advocacy for diverse wisdom, perspectives and expressions.



We consistently uphold the philosophy of “creating value, nurturing talent, and benefiting society”, establishing a fast-track program for rural talent recruitment, implementing the “Star Training Program” and grassroots talent development initiatives, and providing humanized care such as dedicated housing subsidies and transportation services to help rural talents realize their personal value at Nongfu Spring.

“Corporate Order Class” Promotion Event

In November 2025, Nongfu Spring Guangdong Wanlv Lake Company Limited jointly held a “Corporate Order Class” promotion event with Heyuan Polytechnic. During the event, Nongfu Spring representatives detailed the cooperative model and talent development system of the “Corporate Order Class”, encouraging students to actively participate in internships. This vividly illustrated the community’s purpose of “collaborative education and shared outcomes”, continuously injecting fresh momentum into the industry’s high-quality development.

To standardize employee behavior and strengthen accountability, we mandate that all new employees comprehensively learn and sign the *Code of Business Conduct for Employees*, explicitly prohibiting discrimination or harassment predicated on nationality, gender, age, race, sexual orientation, disability, educational background, or any other distinguishing factors. We consistently uphold a “zero-tolerance” attitude, systematically advancing anti-discrimination and anti-harassment capacity building. Regular training courses such as the *Guidelines on the Prevention and Prohibition of Workplace Sexual Harassment* are conducted to communicate specific manifestations of workplace discrimination and harassment, reporting channels, and handling mechanisms to all employees, fostering an equal, trusting, and respectful workplace atmosphere that values individual differences.

Nongfu Spring provides employees with multiple feedback channels, including the confidential audit reporting lines and dedicated HR hotline, supporting both named and anonymous reporting of discriminatory or harassing behaviors. Upon receipt of any complaint, we immediately initiate an investigative and verification procedure. Verified violations will be dealt with strictly in accordance with laws and regulations, including measures such as demotion or employment termination. Additionally, our “Suggestions & Feedback” section is divided into three modules: “Suggestions & Opinions” “Consultation & Assistance” and “Praise & Recognition” allowing employees to raise concerns anytime, with a commitment to responding within three working days. By the end of the reporting period, the issue response rate reached 100%.

We have achieved full coverage of collective bargaining agreements, encouraging employees to engage in collective bargaining and equal consultation through the labor union to genuinely protect their freedom of speech and association rights. We have strengthened the implementation of mechanisms such as the “General Manager Symposiums” and “General Manager Mailbox” actively listening to employee voices, promptly addressing concerns, and resolving employee demands. In 2025, we organized approximately 140 such meetings in total.

TRAINING AND DEVELOPMENT

Nongfu Spring firmly believes that empowering employee growth is a key path to enhancing core corporate competitiveness. Through a transparent, fair, and diverse training and career development system, we continuously improve employees’ professional expertise, stimulate their potential and vitality, and promote mutual growth between employees and the Company.

Enhancing Talent Cultivation and Enriching Course Systems

Nongfu Spring has refined its *Talent Development and Employment Policy*. Based on the skill requirements of different positions, employee development needs, and the Company’s business operations, we have established a multi-level and categorized training course system. Covering multiple dimensions such as professional skill enhancement, general competency development, and leadership cultivation, it helps employees comprehensively improve their overall qualities.



Frontline/New Employee Cultivation

- Establish a three-stage growth path of “Cultural Identity – Regulatory Compliance – Fundamental Skills Building”, combining an intelligent learning platform with offline training to ensure new employees fully complete standardized learning tasks within three months of onboarding.
- Emphasize frontline experience accumulation for campus recruits through measures such as voluntary application, rotational learning, and periodic assessment, enabling a two-way selection between campus recruits and the organization.



High-potential Talents Cultivation

- We leverage the BaiGe Talent Acceleration Program as a key initiative to systematically advance the construction of a management talent pipeline within the production team, committed to cultivating high-potential talents who demonstrate “capability, potential and willingness” to grow.



Advanced Development Programs for Mid to Senior Management

- Promote an effective understanding of macro strategies among mid to senior management through project-based discussions, utilizing brainstorming and open-ended question exchanges.
- Continuously conduct training for new managers, focusing on refining management skills and enhancing professional capabilities to assist newly promoted managers in quickly completing their role transition.



Enhancing Professional Skills for All Employees

- Leverage the digital learning platform equipped with modules such as job development maps, online mentorship, and knowledge communities to create a multi-dimensional learning ecosystem.
- The production system has scientifically established a skill matrix model for technical positions, completing competency matrices and knowledge-skill inventories for 165 positions. Over 5,000 standardized training course materials, 672 sets of theoretical knowledge question banks, and 152 sets of practical operation question banks have been developed and distributed to all production bases nationwide, achieving unified management and efficient application of training resources.
- Organize and conduct position capability assessments for all factory employees, identify and analyze employee skill gaps based on the results, and formulate next year’s personnel capability improvement plans, achieving precise alignment between talent development and business needs.

Expanding Training Horizons, Strengthening Collaborative Cultivation

Nongfu Spring revised the *Internal Trainer and Course Management Measures*, optimizing the certification selection, assessment, and incentive measures for internal trainers to enhance their professional expertise and teaching capabilities. We regard employee growth as a critical driver for the Company’s long-term development, continuously refining our tiered talent development system and implementing diverse training programs. We are committed to building a high-quality talent force equipped with strong professional competence and a sense of responsibility.

New Campus Recruit Training

To facilitate smooth transition from campus to workplace for newly recruited sales graduates and accelerate their integration into the Company and teams, we improved our training mechanism in 2025 by decentralizing the organization of new campus recruit training to the regional sales level. We conducted a four-day training program covering corporate culture and policies, professional sales skills, and career transition, helping new employees strengthen their business foundation and enhance their organizational identification and team cohesion. By providing timely and targeted onboarding support, we help campus recruits reduce transition pressure, clarify their career development paths, and enhance their job stability. Since the implementation of this program, the probation period turnover rate for 2025 campus recruits decreased by 3.2% compared to the 2024 cohort.



Gold-Level Internal Trainer Recognition

In September 2025, Nongfu Spring conducted its annual trainer recognition program, honoring 137 outstanding trainers, of whom 72 were recognized as Gold-Level Trainers. In November, the Company’s headquarters organized training sessions on *Professional Facilitation Skills* and *Interactive Instructional Design* for the award-winning trainers to further enhance their teaching capabilities.

Mentorship Program

To accelerate the growth of outstanding backbone staff, we implemented a mentorship program within the reporting period. This program focuses on core business areas such as R&D, quality assurance, manufacturing, agriculture, infrastructure, and equipment. We select seasoned experts with profound technical expertise, extensive practical experience, and exceptional industry insight as “mentors”, and pair them with high-potential young doctoral and master’s degree holders who have been with the Company for over three years as “mentees”, developing personalized cultivation plans for them. Concurrently, leveraging quarterly and annual tracking and evaluation mechanisms, we dynamically monitor cultivation progress to accelerate the development of the Company’s future technical experts and ensure the sustainable growth of our technical capabilities.

Specialized AI Skills Training

In response to the rapid development of AI technology and its widespread application in areas such as operations, management, and customer service, Nongfu Spring comprehensively launched specialized AI skills training. Through a combination of online and offline methods, we organized employees at all levels to systematically learn AI skills, and launched various AI model application tools, providing free access for all employees to promote practical exploration of AI technology in actual work scenarios.

Intern Cultivation Program

In 2025, Nongfu Spring established partnerships with 34 universities, signing school-enterprise cooperation internship base agreements. For current student interns, we invited Company management to conduct thematic sharing sessions on the one hand, and on the other hand organized outstanding interns to participate in immersive source-seeking experience activities at our water sources, deepening their understanding of the enterprise and society. For interns who have joined the Company, we set up internship periods of 1–3 months, arranged dedicated mentors for guidance, and regularly conducted training on corporate culture, professional water knowledge, and market operations to help them quickly adapt to their positions.



“Creative Elite – Marketing Brand Training Camp”

In 2025, Nongfu Spring piloted the “Creative Elite – Marketing Brand Training Camp” within the marketing and brand professional track, innovatively establishing a three-dimensional selection mechanism encompassing “full coverage, frontline experience, and diverse backgrounds” to identify potential talent with composite experience from frontline business units across 40 national regions. This program systematically developed an integrated cultivation system of “cognitive upgrading – capability building – practical application”, covering modules such as industry insights, brand strategy, digital marketing, and big data applications, achieving capability transformation through job rotations, project-based problem-solving, and cross-departmental collaboration. During the program period, 60% of participants from non-brand positions gained professional entry-level qualifications and were deployed to key positions at headquarters and regional offices. Concurrently, we established talent assessment tools, filling gaps in the professional empowerment system and forming a replicable cross-business line talent mobility mechanism.



Overseas Reserve Talent Training Program

In line with the Company’s business strategic planning, we launched the “Overseas Reserve Talent Training Program”, comprising three modules: “Cross-Cultural Understanding, Overseas Compliance Management, and Cross-Cultural Leadership and Team Management”. The program provides comprehensive support including English language training, an AI-powered terminology database for professional vocabulary translation, and training on overseas office software operations.

To help employees develop awareness of sustainable development, during the reporting period we conducted ESG-related training for employee representatives from both the brand and production functions. The training strengthened employees’ understanding of the sustainable development strategy and established a solid cultural foundation for the Company’s long-term value creation.

Brand and Production Functions ESG Training

During the reporting period, we continued to advance a tiered ESG training system. Capability-building initiatives were carried out at different levels for distinct business scenarios, promoting the transmission of ESG from a management requirement to a business capability.

In October 2025, we organized a specialized training on sustainable marketing for the Brand Center. The training systematically explained practical approaches to integrating sustainable development concepts into product design, consumer communication, and advertising activities. It enabled business teams to master methods for translating ESG value and strengthened the sustainability-related content supporting communication with consumers.

In December 2025, we organized a specialized training on sustainable management of water sources for more than 70 factory administrative section colleague nationwide. The training covered ecological protection of water sources, maintenance of community relations, and ecological education through industrial tourism. During the training period, research on factory ESG practices was conducted simultaneously, providing reference materials for the subsequent compilation of the *Water Source ESG Practice Guidelines*. Through differentiated training design, the Company promoted the two-way integration of ESG concepts into both the brand communication end and the production and operations end, strengthening the implementation of the management system across all business units.

Optimizing Compensation Incentives to Empower Business Growth

Nongfu Spring has established internal management policies including the *Headquarters/Regional/Factory Compensation Management Measures*, *Corporate Benefits Management Measures*, and *Attendance Management Measures* to manage and record employee working hours. For overtime work, we arrange compensatory time off or settle overtime wages. In response to the Company’s overseas business development needs, we have formulated the *Overseas Assignment Compensation and Benefits Plan*, expanded the scope of application of the *Factory Compensation Management Measures*, and updated the *Long-Term Incentive Management Measures*.

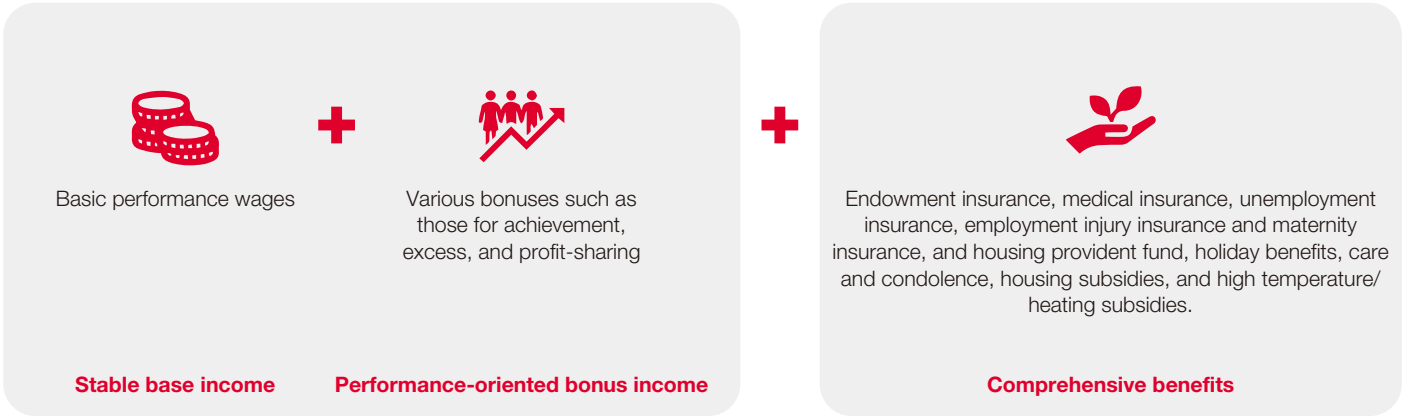
Within the reporting period, we revised the *Talent Development and Employment Policy* to further clarify our commitments regarding living wage payments, reduction of overtime hours, maximum working hours, pay equity, and annual leave provision. We also actively encourage partners such as suppliers and contractors to adhere to the above employment commitments.

We have established a monthly online income analysis report to update employee compensation in real time, enabling HR personnel and relevant managers to regularly monitor gender pay gaps. This further implements equal pay for equal work and ensures that all employees’ entitled wages meet local minimum wage standards and reach or exceed the cost-of-living benchmark, guaranteeing that our compensation system possesses both industry competitiveness and internal fairness.

To enhance performance management effectiveness, we organically integrated Key Performance Indicators (KPI) with Objectives and Key Results (OKR) and developed a performance management handbook that clearly defines management processes and implementation standards, helping employees understand performance goals and their strategic significance. We have created a multi-dimensional performance evaluation system, comprehensively employing various assessment methods including employee self-assessment, supervisor assessments, public work presentations, collective review, and evaluation committee reviews to help employees gain a comprehensive and objective understanding of their performance and clarify their growth direction.

We have established a multi-level performance dialogue mechanism, promoting communication between supervisors and employees through quarterly, semi-annual, and annual performance reviews. Supervisors and employees collaboratively analyze work performance, identify strengths and improvement areas, and develop personalized enhancement plans, thereby fostering a proactive and progressive work atmosphere. Meanwhile, Nongfu Spring flexibly implements “irregular performance reviews” to enhance the agility of performance management. We encourage ongoing, agile communication between employees and management, helping employees promptly understand their performance and make timely adjustments to goals and work priorities, and enhancing the alignment between individual and corporate needs.

We continue to advance our employee equity incentive plan, recognizing and rewarding outstanding talents’ exceptional contributions to corporate sustainable development. By the end of the reporting period, the employee equity incentive plan had covered 144 employees (refer to the annual report for details). We focused on enhancing all employees’ sense of belonging and cohesion. Within the reporting period, total employee benefit expenditure (including director remuneration) amounted to RMB5,100 million, representing a year-on-year increase of 19%, fully reflecting the Company’s high regard for the value of talent.



Nongfu Spring Compensation and Benefits System

Leveraging Dual-channel Development Paths to Encourage Employee Expansion

Nongfu Spring establishes clear vertical career development paths for employees, promoting synchronized growth between individuals and the organization. In accordance with internal regulations such as the *Position Grade Management Measures*, we have built a dual-track career development system encompassing both “management” and “professional” paths. Complemented by specialized talent management policies including the *Cadre Management Measures*, *Sales Talent Development Management Measures*, and *Production Talent Management Measures*, we systematically establish a management framework for the “selection, deployment, cultivation, retention, and elimination” of cadres, clearly defining qualification standards for each level. Regarding promotion management, we dynamically adjust promotion timing and frequency, and openly communicate promotion plans and ratios at the organizational level to ensure process transparency and adherence to rules. During the organizational review process, we adhere to performance output as the core criterion and professional capabilities as the evaluation standard, employing methods such as departmental nominations, cross-organizational evaluations, and review committee verification to ensure the fairness, impartiality, and scientific rigor of the selection process.

By leveraging internal position recruitment, personalized career development path planning, and periodic practical projects, we promote cross-departmental, cross-functional, and cross-regional horizontal rotation development for employees. For rotating employees, we provide customized mentorship plans and growth programs to help them quickly adapt to their roles and accumulate practical experience to enhance their comprehensive capabilities. Furthermore, to achieve sustainable utilization of human resources and knowledge inheritance, we formulated the *Employee Retirement and Re-employment Management Regulations* in accordance with the national delayed retirement policy, advancing the re-employment of retired employees based on core evaluation criteria including professional capabilities, position criticality, and past performance. By the end of the reporting period, a total of 43 retired employees had been re-employed, currently serving in positions such as technical R&D and production management.

CARE AND HEALTH

Nongfu Spring deeply cares for employee well-being and health, building a comprehensive benefits and occupational health management system to continuously foster a harmonious, caring, warm, and safe working atmosphere. We prioritize employee health, advocate for work-life balance, and lay a solid humanistic foundation for the Company’s high-quality development.

Diverse Welfare Projects for Holistic Update of Human Care

Nongfu Spring strictly complies with the *Social Insurance Law of the People’s Republic of China* and has revised internal management policies such as the *Daily Expense Reimbursement Regulations* and *Holiday Management Measures* to provide more comprehensive policy guarantees for employee reimbursements, subsidies, and paid leave. We are committed to ensuring employees enjoy statutory benefits, while supplementing them with additional benefits including annual health check-ups, lunch subsidies, birthday gifts, holiday greetings, wedding celebrations, funeral condolences, high-temperature allowances, heating subsidies, accident insurance, and relocation benefits, conveying corporate warmth and enhancing employees’ sense of well-being at work.

To optimize the well-being of employees in key positions during cross-regional rotations, we purchase supplementary insurance for them in accordance with the *Domestic Relocation Welfare Management Measures*. This bridges gaps in medical coverage, ensuring employees have access to convenient, high-quality medical services while working in different regions. Additionally, we provide an online EAP Mental Health Platform to proactively help employees relieve work-related stress and negative emotions.

We support employees in balancing work and family. Within the reporting period, we revised the *Holiday Management Measures* to improve the employee leave management system, covering diverse leave types including marriage leave, prenatal check-up leave, maternity leave, paternity leave, breastfeeding leave, parental leave, and caregiving leave for parents. The regulations clearly stipulate that each male employee is entitled to 10–30 days of paternity leave according to regional policies, and each female employee is entitled to 158–218 days of maternity leave, 15 days of prenatal check-up leave, and one hour of breastfeeding leave per day (continuing until the infant turns one year old, with an additional hour of breastfeeding time per day for each additional infant) according to regional policies. Within the reporting period, a total of 824 male employees took paternity leave, totaling 1,227 weeks of leave; 525 female employees took maternity leave, prenatal check-up leave, and breastfeeding leave, totaling 4,904 weeks of leave.

In accordance with national laws and regulations, we have formulated and updated the *Holiday Management Measures* and *Attendance Management Measures*. All types of leave information are configured within the attendance system and automatically released annually on a regular basis. All employees can conveniently check their entire leave records and entitlements (such as annual leave, family reunion leave, marriage leave, and other types of leave) in the attendance system and can submit leave requests anytime, anywhere.

On the employee benefits platform, we updated the access to external shopping platforms, allowing employees to use Company-issued “benefit points” for one-stop shopping. The platform offers competitive prices, convenient payment, and direct-to-home delivery, significantly enhancing employees’ shopping experience. Meanwhile, we actively organize various employee care activities to continuously improve employee happiness and strengthen team belonging.

By analyzing employee engagement survey data from 2021 to 2023, we identified three key concerns for employees: work-life balance, career development support, and communication and participation mechanisms. In response to these core issues, we developed improvement plans that have evolved into a sustainable long-term operational mechanism, with key employee satisfaction indicators continuing to improve. We have optimized our employee engagement survey model by transitioning to continuous operational data monitoring, achieving the shift from periodic surveys to sustained governance.

Water Source Area Exploration Activity for Employees and Their Families

We continued to organize “Water Source Area Exploration” activities, and in 2025, included outstanding employees and their family members in the exploration teams. With the theme “Natural Water Sources, Transparent Factories”, employees and their families gained a deep appreciation for Nongfu Spring’s core philosophy of “natural and healthy” through immersive experiences of the water source ecological environment and understanding of the production processes, strengthening the emotional bond between family and the Company. By the end of the reporting period, we organized a total of 108 water source area exploration activities, covering approximately 5,000 employees and their family members.



Family Open Day Activity

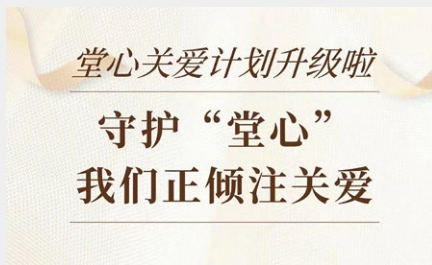
Centered on the three core elements of “cultural transmission, emotional connection, and fun experiences”, we organized Employee Family Open Day events. By offering factory tours, cultural wall displays, and parent-child performances, we fostered two-way communication between the Company and employees’ families. In 2025, over 30 such events were held nationwide, attracting more than 5,000 employees and their family members, effectively enhancing families’ understanding of the Company’s values and brand philosophy. These activities not only reinforced employees’ emotional connection and organizational identification but also extended corporate care to their families.



Summer Camp

We have jointly conducted the “Summer Camp” childcare program with Yangshengtang for employees’ children for six consecutive years, effectively addressing employees’ needs for summer childcare.

In 2025, we upgraded the program with age-specific classes, dividing it into “Childcare Classes for Younger Children” and “Study Camps for Older Children”. We launched 14 new enrichment courses and continued to roll out signature content such as “Little Cultural Insights” and “Cultural Heritage Exploration Camps”. Within the reporting period, the program ran for two months, serving over 1,200 participants in total. It was widely promoted through internal and external new media platforms, demonstrating the Company’s deep commitment to employee care and fostering family connections.



Heart to Heart Care Program

Within the reporting period, the “Heart to Heart Care Program” continued to operate, with “health protection, hardship assistance, and emergency aid” as its core pillars, comprehensively safeguarding the diverse needs of every employee in terms of health, life and family. We activated green channel service to promptly provide treatment resources for employees in need. By the end of the reporting period, the “Heart to Heart Care Program” had cumulatively supported 309 employee families, disbursing nearly RMB8 million in assistance funds, bringing warmth to families in urgent need.

Implementing Safety Management Principles to Build a Diversified Safety Assurance Framework

Nongfu Spring implements a centralized safety management model, with Mr. Rao Minghong, Executive Director of the Board of Directors and General Manager of the Production and Operation Center, bearing ultimate responsibility as the highest authority. Each production base has established a four-tier safety management system led by the Safety Management Committee through implementation at the production base and factory committee levels, as well as department and section safety implementation teams. We set a workplace goal of no more than 1.5 workplace injuries per million working hours at production bases (including both our own employees and contractor employees), with occupational health and safety performance linked to the compensation of the General Manager of the Production and Operation Center and the general managers of each factory.

Establishment of the Occupational Health and Safety Management System

Nongfu Spring upholds the health, safety, and environment (HSE) management policy of “people-oriented, prevention-focused, full participation, and continuous improvement”. The Company strictly complies with the *Law of Prevention and Control of Occupational Diseases of the People’s Republic of China* and has formulated internal regulatory procedures including the *General Principles of Production Safety Management*, *Factory Safety Incident Management Protocol*, and *Employee Safety Violation Management Regulations*. Meanwhile, we implement the *Employee Occupational Health and Safety Policy* covering all employees and contractors, which was approved by the Board of Directors and fully incorporated input from employee representatives, and it explicitly requires contractors to establish occupational health and safety management systems, providing institutional support for safeguarding employee health and safety. Through robust communication mechanisms, scientific assessment of priorities, and establishment of quantifiable objectives, we regularly evaluate the effectiveness of health risk prevention and control through workplace injury and occupational illness investigation procedures to ensure all control measures are effectively implemented.

Strengthening Occupational Health Risk Management

Nongfu Spring has improved its safety risk management and control mechanism, establishing a three-tier inspection system consisting of leadership inspections, guidance meetings, and verification by specialized teams, supplemented by an employee reporting incentive mechanism to stimulate the active participation of all employees. We conduct systematic risk assessments to precisely identify internal and external risk levels and establish emergency response plans, and conduct regular emergency drills for scenarios including floods, earthquakes and fires to comprehensively enhance employee emergency response capabilities.

Within the reporting period, the headquarters led a systematic study to assess the current status of high-temperature and noise-exposed positions in factories, analyzed gaps against national standards, and formulated the *Production Position Temperature and Noise Control Standards* to optimize the working environment and health protection for employees. Additionally, factories equipped employees in relevant positions with protective gear such as cold weather clothing and noise-canceling earplugs and organized regular occupational health check-ups. We also set up oxygen stations and provided protective equipment for factories in high-altitude areas to effectively safeguard employees’ health and safety.

We introduced a medical leave extension policy, allowing employees to apply for an extension of medical leave for timely medical treatment based on their length of service with the Company and the severity of their illness. Furthermore, building upon our working-from-home mechanism, we introduced flexible working arrangements for specialized business units such as agriculture, enabling business departments and employees to reasonably plan and flexibly arrange work and rest time according to work progress.

Our products are delivered to sales markets through our nationwide logistics network. The Company continues to focus on the occupational health and working conditions of logistics contractor drivers, effectively improving the working environment for long-haul drivers through shared infrastructure development and digital transformation.



Logistics Partners Care Program

We have promoted the “Trucker’s Home” collaborative model at key logistics hubs nationwide, partnering with local communities to establish rest areas integrating parking, dining, bathing, and maintenance services, addressing the practical challenges long-haul drivers face with “difficult parking, dining, and bathing”. Through the factory’s online logistics queuing system, drivers can check in remotely within a three-kilometer radius, eliminating the need for prolonged queuing at factory gates and significantly reducing time spent idling in their cabs, thereby lowering the risk of fatigued driving.

The “Cooperation for Common Prosperity · Truckers’ Home” located at the Qiandao Lake water source area in Zhejiang not only provides safe and comfortable rest facilities for logistics drivers but also generates an average annual income of RMB600,000 to RMB700,000 for the local community and creates nearly 20 jobs, fostering a more sustainable supply chain and community partnership.

When a workplace injury occurs, we immediately rush to the scene to assist the employee in receiving medical treatment, ensuring timely care, and subsequently continue to track the employee’s recovery progress and living conditions, providing empathetic support. Concurrently, we assign dedicated personnel to conduct incident investigations and submit detailed reports to the labor administrative authorities within the required timeframe, ensuring compliant handling of the incident. With the exception of factories newly commissioned during the reporting period, Nongfu Spring has achieved 100% coverage of ISO 45001 Occupational Health and Safety Management System certification across all its factories. Within the reporting period, the workplace injury rate per million working hours for employees at Nongfu Spring production bases was 1.45. There were two⁸ work-related fatalities among Company employees.

Health Examination Management

Nongfu Spring places high importance on the implementation of employee health examinations. By cooperating with authoritative medical institutions, we regularly organize dedicated health examinations for all employees and establish employee health records, paying special attention to employees with abnormal indicators and providing expert treatment intervention. We continuously optimize the examination packages, conduct special health status surveys for employees in key positions, and provide customized health services.

Promoting a Safety Culture to Strengthen the Foundations of Life Safety

Nongfu Spring consistently prioritizes the development of a safety culture as a fundamental driver of safety management, creating specialized training environments through initiatives such as setting up “Health Corners” and equipping first-aid devices. During peak production seasons, we promote safety-themed articles to all employees, focusing on key areas such as high-temperature operation protection, traffic safety, cargo handling, and mechanical operation protocols, using practical and easy-to-understand reminders to enhance employee safety awareness. Concurrently, we conduct training on typical workplace injury cases, strengthening preventive safety education through analysis of real cases, effectively enhancing employees’ sense of responsibility and behavioral self-awareness, thereby safeguarding production safety.



Contractor Safety Training

In 2025, we vigorously advanced contractor safety training, with content covering key areas such as factory entry safety education, job operation protocols, food safety management and onsite construction safety. Through standardized and systematic training, we effectively enhanced contractors’ safety awareness and operational compliance, reducing on-site operational risks. Within the reporting period, we achieved 100% safety training coverage across 31 contractor factories, with a total of 2,549 participants.



First Aid Training

Organizations at all levels collaborated with local Red Cross Societies to conduct first aid training, encompassing theoretical knowledge learning, online simulated exams, and hands-on practical drills, to enhance employees’ emergency response capabilities. Employees who complete the training can be certified as part-time first aiders, enabling them to provide immediate assistance in case of sudden employee emergencies. The Company’s office parks and factory areas are also equipped with first aid facilities such as blood pressure monitors and AED equipment, providing robust support for emergency situations.

⁸ This includes one employee who died despite receiving medical treatment after experiencing a sudden illness at work.

SOLID COOPERATION

Suppliers are key partners in the sustainable development of Nongfu Spring. Nongfu Spring attaches great importance to the role suppliers play in ensuring product quality and works to build cooperative relationships with them based on trust, respect, and shared growth, jointly advancing sustainable development.

Nongfu Spring has established a systematic supplier management framework that includes admission evaluation and normalized performance management, ensuring the efficient operation of the supply chain. We attach great importance to communication with suppliers and enhance their quality standards and management capabilities through two-way exchanges, ensuring that the entire supply chain process complies with the Company’s high standards. At the same time, we promote the concept of sustainable procurement, encouraging suppliers to adopt environmentally friendly production methods, reduce environmental impact, and facilitate the green upgrading and transformation of the supply chain.

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NO POVERTY

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GOOD HEALTH AND WELL-BEING

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QUALITY EDUCATION

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RESPONSIBLE CONSUMPTION AND PRODUCTION

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PARTNERSHIPS FOR THE GOALS

This chapter corresponds to SDGs



SUPPLIER MANAGEMENT

A robust supplier management system constitutes the foundation for a stable and efficient supply chain. We have always regarded supply chain management as a core task. We have built a systematic management system covering the entire supplier lifecycle, actively promote innovation and upgrades in our management models, and are dedicated to developing an efficient, reliable, and resilient responsible supply chain.

Supplier Management System

To strengthen full lifecycle supplier management, we have formulated the *Procurement Management Measures* and the *Supplier Lifecycle Management Specifications*. We have further improved our *Supplier Environmental, Social and Governance Policy*, revised the *Factory Procurement Management Specifications* and the *Spare Parts Management Measures*, and standardized the assessment criteria for spare parts suppliers to ensure consistent quality.

In terms of procurement strategy innovation, we have adopted a new procurement model, significantly expanding our supplier resource pool. We continuously enrich our upstream tea leaf raw material resources to enhance the resilience of our tea supply chain, ensuring both security and efficiency while achieving a balance between quality and cost. We have fully implemented a Supplier Relationship Management (SRM) system, achieving digital management across the entire supplier lifecycle. This covers key stages including access review, performance evaluation, risk monitoring, contract renewal, and exit, significantly enhancing the standardization, transparency, and efficiency of our supplier management. By building an end-to-end digital management system with key raw material suppliers, we achieve real-time sharing of supply and demand information, strengthen supply chain traceability and responsiveness, and assist suppliers in flexibly adjusting their business plans according to our production schedules. This approach is progressively advancing our supplier management towards greater intelligence and refinement.



Development and Access

- In accordance with the *Supplier Life Cycle Management Specification* and the *Supplier Access Process*, we evaluate potential suppliers based on their operational strength, risk profile, and sustainability performance. This assessment, combined with material certification and on-site inspections, provides a comprehensive evaluation of their overall qualifications and long-term partnership potential.
- We require all qualified suppliers and potential partners to sign the *Basic Cooperation Agreement*, explicitly committing to comply with the *Supplier Code of Conduct*.
- For raw tea suppliers, admission reviews are conducted jointly by the Quality Assurance and R&D departments through a combination of on-site inspections and blind sample testing with packaging and brand identifiers removed.
- We continuously refine the selection mechanism for infrastructure suppliers, employing a multi-dimensional assessment of indicators such as industry ranking, financial risk profile, and benchmark project experience to conduct a comprehensive evaluation of their overall capabilities.



Hierarchical Management and Performance Evaluation

- Based on the *Supplier Life Cycle Management Specification* and in accordance with annual comprehensive evaluation results, we adjust supplier grades to comprehensively advance tiered supplier management.
- For project-based suppliers, performance is evaluated through quantified scoring based on contract fulfillment metrics. For material suppliers, monthly assessments are conducted focusing on delivery timeliness, product quality consistency, and level of collaborative engagement.
- We strengthen contract performance management for infrastructure suppliers by establishing weekly progress reporting and monthly project review mechanisms to dynamically track and control contract execution progress. Supplier performance is comprehensively evaluated through quarterly performance assessments and specialized audit reviews.
- We continuously track and evaluate supplier performance through a mechanism encompassing periodic reviews, specialized audits, and routine data monitoring.
- A comprehensive audit of all suppliers is conducted every four years, utilizing methods such as unannounced inspections and spot checks. The audit scope covers key indicators including delivery quality, operational status, and sustainability performance.



Reward and Elimination

- For suppliers with high overall health scores, we implement incentive measures such as prioritized order allocation and preferential contract share distribution, granting commercial preferences to top performers.
- For suppliers found to be in violation of requirements, we mandate corrective actions within a specified timeframe. Continued cooperation is contingent upon successful rectification; otherwise, the partnership will be terminated.
- Nongfu Spring adheres to a “zero-tolerance” principle towards suppliers who engage in fraud, concealment of information, violate fair competition principles, or otherwise breach the Company’s core management “red lines.” Upon verification, cooperation is terminated immediately, and the supplier is permanently placed on the supplier blacklist.

Supplier Management Process

We have deepened our management of raw tea procurement, focusing on auditing the quality management systems of raw tea suppliers and strictly controlling the quality of their supplies. We mandate that all on-site audit documentation be uniformly archived and retained for at least three years, ensuring the complete preservation and traceability of key information. Our goal is to build a raw tea supply chain characterized by high quality, low risk, and strong competitiveness.

We continuously conduct routine supplier audits, employing a combination of “regular re-audits, unannounced inspections, and digital information checks” to enhance the objectivity, precision, and thoroughness of our audit work. Regular re-audits ensure suppliers consistently meet our standards. Unannounced inspections, conducted as surprise checks, effectively prevent superficial compliance. Digital information checks, facilitated by our procurement management system, ensure supplier qualifications remain valid throughout the lifecycle, creating a closed-loop supplier management process.

Factory Supplier Auditor Training

In 2025, we conducted training sessions for our factory supplier auditors on “Tea Basics” and “Fundamentals of Supplier Auditing”. We introduced the production processes and quality characteristics of the six major categories of tea to build a foundational understanding of tea for the auditors. Concurrently, we provided in-depth explanations regarding audit procedures, points of attention, and common issues. This strengthened new auditors’ comprehension of the work logic and operational standards, thereby enhancing the team’s professional capabilities.

Nongfu Spring evaluates active suppliers using a dual-criteria framework that combines economic and ESG standards to identify high-impact suppliers or those presenting potential ESG risks. The economic criteria are defined based on business impact and relevance, while the ESG criteria are based on key ESG issues in supply chain management. The supplier evaluation process of Nongfu Spring was structured as follows:

Step I: Supplier Screening Pool	Step II: Business Impact and Relevance Assessments	Step III: ESG Risk Assessments
Nongfu Spring conducts a supply capacity review for all suppliers. Those who pass the review are incorporated into the supplier resource pool.	Nongfu Spring evaluates all active suppliers based on their relevance to our business to identify significant suppliers. The specific assessment items include: 1. Annual procurement expenditure 2. Importance of raw material procurement 3. Substitutability of raw materials procurement and suppliers 4. Alignment with business objectives 5. Business relationship stability, etc.	Nongfu Spring conducts ESG risk assessments for all significant suppliers to identify those with potential risks. The specific assessment items include: 1. Labor rights 2. Environmental protection 3. Business ethics, etc. Specific risk sources and categories include: 1. Specific Country Risks For example, varying environmental compliance requirements across countries may expose certain suppliers to higher environmental regulatory risks. 2. Sector-specific risks For example, the agricultural product planting industry may have a high risk of deforestation. 3. Commodity-specific risks For example, food safety and quality directly impact consumer health and life safety, making it a quality-sensitive commodity category.
Screening Outputs		
/	Significant suppliers	Significant suppliers with potential ESG risks

Supplier Risk Assessment Process

As of the end of the reporting period, we identified 524 key suppliers. Among these, 37 were classified as key suppliers with potential ESG risks, and all have been required to implement corrective actions or adopt risk management measures.

Supply Chain Quality Empowerment

We consistently place supply chain quality improvement at the core of our management efforts. We have revised our *Supplier Quality Management Measures*, implementing strict supply quality reviews for newly admitted suppliers. For existing suppliers, we engage third-party professional testing agencies to conduct sample inspections and quality assessments on incoming batches, ensuring product quality meets our high standards.

We have established a quality control mechanism for raw tea, ensuring quality management across the entire chain. During the raw tea blending and sensory evaluation stage, we organize a review panel composed of representatives from R&D, Quality Control, and Procurement to evaluate self-collected raw tea, preventing substandard materials from entering production. During the bulk acceptance stage, we apply a dynamic threshold mechanism for quality scoring on raw tea other than self-collected supplies, enabling a scientific determination of quality grades. All qualified batches are blended based on weighted production volumes, and samples are signed and sealed to serve as the benchmark for subsequent acceptance inspections.

Cartons, Labels, PE Film Supplier Quality Meeting

In March 2025, we collaborated with our Packaging R&D Department, Procurement Center, and various factories to organize a dedicated video conference on packaging material quality. A total of 101 suppliers of cartons, labels, and PE film participated. The meeting systematically addressed the current state of supply-side quality and outlined quality standards. It also arranged sessions for factory and supplier inspectors to share and exchange inspection skills, effectively strengthening suppliers’ understanding and implementation of quality requirements.

Training on Quality Requirements for Tea Leaf Raw Material Suppliers

In May 2025, we developed training materials for tea leaf raw material supply, focusing on management requirements such as traceability management, pesticide residue management, foreign matter control, and quality feedback responses. These materials were formally distributed to all our tea leaf suppliers to promote comprehensive study and implementation, thereby enhancing their production management levels and the quality of supplied raw tea.

In parallel with our ongoing routine category-specific unannounced inspections, we placed particular emphasis on completing quality inspections and management for tea agricultural products. We formulated the *2025 List of Prohibited and Restricted Pesticides for Tea Production*, establishing a quality and safety defense line at the policy level. Simultaneously, we actively organized promotional activities across major tea-producing regions to ensure the list’s contents were effectively communicated to all tea growers and primary processing suppliers, safeguarding the quality, safety, and compliance of tea raw materials from the source.



Tea Supply Quality Improvement

In 2025, we went to the front lines of our tea suppliers’ production facilities to conduct on-site evaluations. These visits assessed cleaner production processes, raw material processing techniques, and the implementation status of key control points. Based on the findings and on-site data, we developed targeted technical optimization plans, guiding suppliers to adjust process parameters and refine production procedures and operational methods. This continuous effort is driving improvements in the stability and standardization of tea quality.

RESPONSIBLE PROCUREMENT

At Nongfu Spring, we consistently uphold the vision of “building a sustainable value chain” and work on developing a responsible and trustworthy supply chain. By establishing and continuously improving our supply chain ESG risk management system, we foster positive interaction with suppliers based on shared responsibility and co-creation of value, collectively fulfilling our social responsibilities.

Sustainable Procurement

We have established a three-tier supplier management structure consisting of the “Strategic Decision-Making Level – Senior Management Level – Execution Level” to ensure that supply chain management aligns with our overall development strategy. The Board of Directors serves as the highest decision-making and supervisory body for supply chain management, comprehensively guiding the direction of procurement strategy and supplier ESG management. Functional departments including Procurement, Engineering & Equipment, R&D, Quality Assurance, and Audit collaborate synergistically, carrying out systematic, specialized, and comprehensive management focusing on key dimensions such as supplier resource allocation, technical capabilities, and quality control. Our production bases, as the core execution units of supply chain management, rigorously implement all production systems and quality standards to comprehensively build a collaborative and reliable supply chain system.

We have formulated a *Supplier Code of Conduct* and, during the reporting period, revised our *Supplier Environmental, Social and Governance Policy*. These documents clearly define our expectations and standards for suppliers regarding labor rights protection, environmental responsibility, and business ethics.

Product Quality, Safety and Risk Management	We require suppliers to ensure that the products and services they provide comply with national and industry standards, implement strict quality control processes, and proactively and promptly report any safety hazards and implement corrective actions.
Labor Rights Protection	We require suppliers to adhere to labor laws and rigorously implement six key standards for labor management: prohibition of forced labor, prohibition of child labor, ensuring working conditions and welfare benefits for their employees, guaranteeing employee occupational health and safety, eliminating discrimination and harassment, and respecting employees’ rights to collective bargaining and freedom of association.
Environmental Protection Responsibility	We continuously monitor our suppliers’ environmental performance, requiring them to proactively identify and manage environmental risks based on compliance. This includes areas such as greenhouse gas emissions, energy consumption, pollution prevention and waste management, resource use efficiency, and biodiversity protection. We require suppliers to conduct lifecycle assessments of their products and provide us with necessary environmental data – including energy consumption, resource consumption, emissions, and recycling rates – through our information-based supplier management platform. This data supports the development of a greener supply chain, enabling us to explore sustainable solutions jointly with our suppliers and build an environmentally responsible supply chain together.
Business Ethics Standards	We uphold our business ethics standards in partnership with our suppliers, covering core areas such as anti-corruption, anti-bribery, conflict of interest management, fair competition, and anti-monopoly, ensuring that integrity remains the foundation throughout our collaboration. We encourage and support suppliers in establishing mechanisms for self-inspection and reporting of ESG violations, enabling early detection, early intervention, and traceability of issues.

Supplier Code of Conduct Requirements

We have integrated key ESG requirements into our supplier admission, evaluation, and exit systems, clearly defining ESG assessment criteria and their weighting at each stage. This ensures that our partner suppliers comply with the sustainable procurement requirements outlined in the Nongfu Spring Supplier Code of Conduct. We prioritize collaboration with suppliers demonstrating stronger ESG performance. For suppliers that do not yet meet our standards, we adhere to the principle of “improvement through assistance”, providing targeted support and guidance for corrective actions. If a supplier still fails to meet the minimum requirements after remediation, we will terminate the business relationship.

We maintain a “zero-tolerance” policy towards any violations of business ethics or company compliance policies. We require suppliers to sign an *Anti-Commercial Bribery Commitment Letter* and pledge strict adherence to our *Supplier Code of Conduct*. Suppliers who violate business ethics are subject to measures ranging from warnings and corrective action requests to termination of cooperation. As of the end of the reporting period, 100% of our suppliers had signed the business ethics clauses.

We have formulated a *Code of Conduct for Procurement and Related Personnel* and a *Standard Operating Procedure for External Procurement Communication*. Procurement staff are required to sign an *Integrity and Self-Discipline Declaration*. These measures comprehensively regulate the professional conduct and external communication of our procurement team, promoting the implementation of green procurement principles. We have established internal anonymous reporting channels, encouraging both internal and external individuals to report misconduct, and we rigorously protect the confidentiality of whistleblowers’ information. Concurrently, we conduct regular business ethics and anti-corruption training, actively fostering a culture of integrity and clean governance.

Supply Chain ESG Risk Management and Control

We deeply integrate sustainable development concepts into our supply chain management, conducting phased and category-specific health checks on our suppliers. We perform sustainable risk assessments on suppliers based on a “focused coverage combined with full-process evaluation” approach across four key dimensions: quality assurance, sustainable development, collaboration capability, and compliance operations.

Construction Project Site Inspection Audits

In 2025, we conducted 10 construction project site inspection audits across six factories under construction. These audits focused on key areas including the preparation and implementation of supplier safety plans and emergency response protocols, worker wage payments, worker operational safety, machinery usage management, site environmental safety, and civilized construction practices. All safety hazards identified during these audits were subsequently rectified. The project teams continuously reduced the frequency of hazards by strengthening safety technical disclosures, implementing dynamic supervision, and increasing accountability and penalties for violations.

Supplier Tea Quality Management Audits

In 2025, we conducted four specialized tea audits, covering 31 tea suppliers and 2 warehousing and logistics suppliers. These audits focused primarily on pesticide use management, quality management, and cost management. Based on the audit results, we summarized best practices and prompted suppliers to rapidly develop and implement corrective action plans, effectively ensuring the quality and safety of raw materials at the source.

We have adopted a series of measures to strengthen the resilience of our supply chain against risks. Through annual procurement reviews and tiered category management, we define clear supplier development goals. We strictly implement verification processes covering six dimensions, including production qualifications, quality systems, and environmental compliance, ensuring uniform standards are applied. We implement differentiated sourcing strategies, optimize procurement volume allocation, and enhance supply flexibility. By leveraging proximity in our site selection and multi-regional collaboration, we mitigate the risk of geographical concentration among suppliers and strengthen our ability to respond to unforeseen events. Furthermore, we actively promote a local procurement strategy, complemented by initiatives such as empowering suppliers near our factories and providing technical support. This creates a new model of integrated local procurement and industrial collaboration, comprehensively preventing risks associated with raw material market fluctuations and focusing on building a highly resilient, stable, and reliable supply chain.

For suppliers with higher ESG risks, we implement management measures including suspending cooperation and requiring corrective actions within a specified timeframe. We provide on-site guidance and conduct regular follow-up reviews to oversee their remediation efforts and performance improvement. Suppliers that meet the standards after rectification are subject to downgraded management status with dynamic tracking of their progress. For suppliers that still fail to meet the standards after remediation, we phase them out. This approach enables us to build and continuously improve a responsible supply chain system.

APPENDIX I: LIST OF LAWS AND REGULATIONS

Laws and Regulations

Civil Code of the People’s Republic of China
Company Law of the People’s Republic of China
Anti-Monopoly Law of the People’s Republic of China
Anti-Unfair Competition Law of the People’s Republic of China
Food Safety Law of the People’s Republic of China
Advertising Law of the People’s Republic of China
Cybersecurity Law of the People’s Republic of China
Personal Information Protection Law of the People’s Republic of China
Patent Law of the People’s Republic of China
Trademark Law of the People’s Republic of China
Copyright Law of the People’s Republic of China
Labor Law of the People’s Republic of China
Labor Contract Law of the People’s Republic of China
Social Insurance Law of the People’s Republic of China
Work Safety Law of the People’s Republic of China
Law on the Prevention and Control of Occupational Diseases of the People’s Republic of China
Environmental Protection Law of the People’s Republic of China
Environmental Impact Assessment Law of the People’s Republic of China
Water Law of the People’s Republic of China
Law on the Prevention and Control of Air Pollution of the People’s Republic of China
Water Pollution Prevention and Control Law of the People’s Republic of China
Environmental Noise Pollution Prevention and Control Law of the People’s Republic of China

Laws and Regulations

Law on the Prevention and Control of Environmental Pollution by Solid Waste of the People’s Republic of China
Mineral Resources Law of the People’s Republic of China
Resource Tax Law of the People’s Republic of China
Regulations on the Implementation of the Food Safety Law of the People’s Republic of China
Regulations on the Protection of New Varieties of Plants of the People’s Republic of China
Regulations on Work-Related Injury Insurance
Regulations on the Administration of Environmental Protection of Construction Projects
Regulations on Water Abstraction Permits and Water Resources Fee Collection
Measures for the Administration of Food Recall
Measures for the Administration of Production Safety Accident Emergency Plans
Interim Measures for Environmental Protection Acceptance of Completed Construction Projects
Measures for the Administration of Water Abstraction Permits
Appendix C2 of the listing rules of the Hong Kong “Guidelines on Environmental, Social and Governance Reporting”
GRI Standards 2021
ISO 17025 Laboratory Quality Management System
GB 7718 General Rules for the Labelling of Prepackaged Foods
Provisions on Supervision and Administration of Enterprises’ Implementation of Primary Responsibility for Food Safety
Regulations on the Prohibition of Child Labor
Rules for the Implementation of the Mineral Resources Law of the People’s Republic of China
Opinions on Further Strengthening Plastic Pollution Control

APPENDIX II: HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

PART C: “COMPLY OR EXPLAIN” PROVISIONS

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Section
A. Environmental		
Aspect A1	Emissions	Sustainable Ecology – Environmental Management
General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Sustainable Ecology – Environmental Management Sustainable Ecology – Combating Climate Change
KPI A1.1	The types of emissions and respective emissions data.	Appendix V: Sustainable Development Indicators
KPI A1.2	[Repealed 1 January 2025]	/
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix V: Sustainable Development Indicators
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix V: Sustainable Development Indicators
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Sustainable Ecology – Environmental Management Sustainable Ecology – Combating Climate Change
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Sustainable Ecology – Environmental Management Sustainable Ecology – Packaging Materials and Waste Recycling

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Section
Aspect A2	Use of Resources	Sustainable Ecology
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Sustainable Ecology – Environmental Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in’000s) and intensity (e.g. per unit of production volume, per facility).	Appendix V: Sustainable Development Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix V: Sustainable Development Indicators
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Sustainable Ecology – Environmental Management Sustainable Ecology – Combating Climate Change
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Sustainable Ecology – Sustainable Water Use Appendix V: Sustainable Development Indicators
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix V: Sustainable Development Indicators
Aspect A3	The Environment and Natural Resources	Sustainable Ecology – Environmental Management
General Disclosure	Policies on minimizing the issuer’s significant impacts on the environment and natural resources.	Sustainable Ecology – Environmental Management
KPIA3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Sustainable Ecology – Environmental Management

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Section
B. Social		
Aspect B1	Employment and Labour Practices	Employee Engagement – Rights and Benefits Protection
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee Engagement – Rights and Benefits Protection
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix V: Sustainable Development Indicators Employee Engagement – Rights and Benefits Protection
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix V: Sustainable Development Indicators
Aspect B2	Health and Safety	Employee Engagement – Care and Health
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employee Engagement – Care and Health
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix V: Sustainable Development Indicators
KPI B2.2	Lost days due to work injury.	Appendix V: Sustainable Development Indicators
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Engagement – Care and Health
Aspect B3	Development and Training	Employee Engagement – Training and Development
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	Employee Engagement – Training and Development

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Section
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix V: Sustainable Development Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix V: Sustainable Development Indicators
Aspect B4	Labour Standards	Employee Engagement – Rights and Benefits Protection
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Employee Engagement – Rights and Benefits Protection
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employee Engagement – Rights and Benefits Protection
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Engagement – Rights and Benefits Protection
Aspect B5	Supply Chain Management	Solid Cooperation – Supplier Management
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Solid Cooperation – Supplier Management
KPI B5.1	Number of suppliers by geographical region.	Appendix V: Sustainable Development Indicators
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Solid Cooperation – Supplier Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Solid Cooperation – Supplier Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Solid Cooperation – Supplier Management
Aspect B6	Product Responsibility	Health Protection
General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Health Protection – Responsibility and Services

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Section
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Health Protection – Safety and Quality
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Health Protection – Responsibility and Services Appendix V: Sustainable Development Indicators
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Health Protection – R&D and Innovation
KPI B6.4	Description of quality assurance process and recall procedures.	Health Protection – Safety and Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Health Protection – Responsibilities and Services
Aspect B7	Anti-corruption	Robust Governance – Integrity and Honesty
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Robust Governance – Integrity and Honesty
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Robust Governance – Integrity and Honesty
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Robust Governance – Integrity and Honesty
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Robust Governance – Integrity and Honesty
Aspect B8	Community Investment	Passing on Values
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.	Passing on Values – Rural Revitalization Passing on Values – Corporate Citizenship
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Passing on Values – Rural Revitalization Passing on Values – Corporate Citizenship
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Appendix V: Sustainable Development Indicators

PART D: CLIMATE-RELATED DISCLOSURES

Climate-related Disclosures		Compliance Status
(I) Governance	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate related risks and opportunities.	Sustainable Ecology – Combating Climate Change – Governance
	Management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	
(II) Strategy	Climate-related risks and opportunities	Sustainable Ecology – Combating Climate Change – Strategy
	Business model and value chain	
	Strategy and decision-making	Climate change has not had a significant impact on the current finances; the measurement methods for assessing the expected impacts are highly uncertain, so the results of the expected impact assessment have not been disclosed for the time being
	Financial position, financial performance and cash flows- Current financial effect	
	Financial position, financial performance and cash flows- Anticipated financial effect	
	Climate resilience	
(III) Risk Management	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks;	Sustainable Ecology – Combating Climate Change – Risk Management
	The processes the issuer uses to identify, assess, prioritise and monitor climate related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities);	
	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer’s overall risk management process.	

Climate-related Disclosures		Compliance Status
(IV) Metrics and Targets	Greenhouse gas emissions	Sustainable Ecology – Combating Climate Change – Metrics and Targets
	Climate-related transition risks	Climate change has not had a significant impact on current assets
	Climate-related physical risks	
	Climate-related opportunities	
	Capital deployment	During the reporting period, no specific capital was allocated to address climate change
	Internal carbon prices	Carbon pricing was not applied in the decision making process
	Remuneration	Sustainable Ecology – Combating Climate Change – Governance
	Industry-based metrics	Sustainable Ecology – Combating Climate Change – Metrics and Targets
	Climate-related targets	Sustainable Ecology – Combating Climate Change – Metrics and Targets
	Applicability of cross-industry metrics and industry-based metrics	Not applicable

APPENDIX III: SUSTAINABLE DEVELOPMENT GOALS (SDGs) GUIDE

Sustainable Development Goals (SDGs)	Disclosure chapter
	Passing on Values Solid Cooperation
	Passing on Values Sustainable Ecology
	Passing on Values Health Protection Employee Engagement Solid Cooperation
	Passing on Values Employee Engagement Solid Cooperation
	Employee Engagement
	Passing on Values Health Protection Sustainable Ecology
	Sustainable Ecology
	Passing on Values Employee Engagement Solid Cooperation

Sustainable Development Goals (SDGs)	Disclosure chapter
	Passing on Values Health Protection Sustainable Ecology
	Passing on Values Employee Engagement
	Health Protection Sustainable Ecology Solid Cooperation
	Sustainable Ecology
	Sustainable Ecology
	Sustainable Development Overview Robust Governance
	Solid Cooperation

APPENDIX IV: GRI STANDARDS GUIDE

Disclosure Item		Disclosure chapter
GRI 1: Foundation		
GRI 2: General Disclosures		
2-1	Organizational details	About this Report
2-2	Entities included in the organization’s sustainability reporting	About this Report
2-3	Reporting period, frequency and contact point	About this Report
2-4	Restatements of information	About this Report
2-5	External assurance	About this Report
2-6	Activities, value chain and other business relationships	About Nongfu Spring
2-7	Employees	Employee Engagement
2-8	Workers who are not employees	Passing on Values
2-9	Governance structure and composition	Sustainable Development Governance – ESG Governance Structure
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Development Governance – ESG Governance Structure
2-13	Delegation of responsibility for managing impacts	Sustainable Development Governance – ESG Governance Structure
2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Governance – ESG Governance Structure
2-16	Communication of critical concerns	Sustainable Development Governance – Materiality Issues
2-18	Evaluation of the performance of the highest governance body	Sustainable Development Governance – ESG Governance Structure
2-22	Statement on sustainable development strategy	Highlights in 2025 – Sustainable Development Commitment
2-23	Policy commitments	Highlights in 2025 – Sustainable Development Commitment
2-25	Processes to remediate negative impacts	Robust Governance – Risk Management
2-26	Mechanisms for seeking advice and raising concerns	Robust Governance – Risk Management
2-27	Compliance with laws and regulations	Highlights in 2025 – Sustainable Development Commitment
2-28	Membership associations	Highlights in 2025 – Sustainable Development Commitment
2-29	Approach to stakeholder engagement	Sustainable Development Governance – Communication with Stakeholders
GRI 3: Material Topics		
3-1	Process to determine material topics	Sustainable Development Governance – Materiality Issues
3-2	List of material topics	Sustainable Development Governance – Materiality Issues

Disclosure Item		Disclosure chapter
GRI 201: Economic Performance		
	Organizational profile	Please refer to the 2025 Annual Report
201-1	Direct economic value generated and distributed	Please refer to the 2025 Annual Report
201-2	Financial implications and other risks and opportunities due to climate change	Sustainable Ecology – Combating Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Employee Engagement – Care and Health
GRI 203: Indirect Economic Impact		
	Organizational profile	Passing on Values – Rural Revitalization Passing on Values – Corporate Citizenship Sustainable Ecology – Combating Climate Change
203-1	Infrastructure investments and services supported	Passing on Values – Rural Revitalization Passing on Values – Corporate Citizenship Sustainable Ecology – Environmental Management
203-2	Significant indirect economic impacts	Passing on Values – Rural Revitalization Passing on Values – Corporate Citizenship Sustainable Ecology – Combating Climate Change
GRI 204: Procurement Practices		
	Organizational profile	Solid Cooperation – Responsible Procurement
GRI 205: Anti-corruption		
	Organizational profile	Robust Governance – Integrity and Honesty
205-2	Communication and training about anti-corruption policies and procedures	Robust Governance – Integrity and Honesty
205-3	Confirmed incidents of corruption and actions taken	Robust Governance – Integrity and Honesty
GRI 302: Energy		
	Organizational profile	Sustainable Ecology – Environmental Management Sustainable Ecology – Combating Climate Change
302-1	Energy consumption within the organization	Appendix V – Sustainable Development Indicators
302-2	Energy consumption outside of the organization	Appendix V – Sustainable Development Indicators
302-3	Energy intensity	Appendix V – Sustainable Development Indicators
302-4	Reduction of energy consumption	Sustainable Ecology – Combating Climate Change
302-5	Reductions in energy requirements of products and services	Sustainable Ecology – Combating Climate Change

Disclosure Item		Disclosure chapter
GRI 303: Water and Effluents		
303-1	Interactions with water as a shared Resource	Sustainable Ecology – Sustainable Water Use
303-2	Management of water discharge-related impacts	Sustainable Ecology – Environmental Management Sustainable Ecology – Sustainable Water Use
303-3	Water withdrawal	Appendix V – Sustainable Development Indicators
303-4	Water discharge	Appendix V – Sustainable Development Indicators
303-5	Water consumption	Appendix V – Sustainable Development Indicators
GRI 305: Emissions		
	Organizational profile	Sustainable Ecology – Environmental Management Sustainable Ecology – Combating Climate Change
305-1	Direct (Scope 1) GHG emissions	Appendix V – Sustainable Development Indicators
305-2	Energy indirect/Scope 2 GHG emissions	Appendix V – Sustainable Development Indicators
305-4	GHG emissions intensity	Appendix V – Sustainable Development Indicators
305-6	Emissions of Ozone – Depleting Substances (ODS)	Not Applicable
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Appendix V – Sustainable Development Indicators
GRI 306: Waste		
	Organizational profile	Sustainable Ecology – Environmental Management
306-1	Waste generation and significant waste-related impacts	Sustainable Ecology – Environmental Management
306-2	Management of significant waste-related impacts	Sustainable Ecology – Environmental Management
306-3	Waste generated	Appendix V – Sustainable Development Indicators
306-4	Waste diverted from disposal	Appendix V – Sustainable Development Indicators
306-5	Waste directed to disposal	Appendix V – Sustainable Development Indicators
GRI 307 Environmental Compliance		
	Organizational profile	Sustainable Ecology – Environmental Management
307-1	Non-compliance with environmental laws and regulations	Sustainable Ecology – Environmental Management
GRI 401 Employment		
	Organizational profile	Employee Engagement – Rights and Benefits Protection
401-1	New employee hires and employee turnover	Appendix V – Sustainable Development Indicators

Disclosure Item		Disclosure chapter
GRI 403 Occupational Health and Safety		
	Organizational profile	Employee Engagement – Care and Health
403-1	Occupational health and safety management system	Employee Engagement – Care and Health
403-2	Hazard identification, risk assessment and incident investigation	Appendix V – Sustainable Development Indicators
403-3	Occupational health services	Employee Engagement – Care and Health
403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Engagement – Care and Health
403-5	Worker training on occupational health and safety	Employee Engagement – Care and Health
403-6	Promotion of worker health	Employee Engagement – Care and Health
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Engagement – Care and Health
403-8	Workers covered by an occupational health and safety management system	Employee Engagement – Care and Health
403-9	Work-related injuries	Appendix V – Sustainable Development Indicators
GRI 404 Training and Education		
	Organizational profile	Employee Engagement – Training and Development
404-1	Average hours of training per year per employee	Appendix V – Sustainable Development Indicators
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Engagement – Training and Development
GRI 405 Employee Diversity and Equal Opportunity		
	Organizational profile	Employee Engagement – Rights and Benefits Protection
405-1	Diversity of governance bodies and employees	Employee Engagement – Rights and Benefits Protection
GRI 413 Local Communities		
	Organizational profile	Passing on Values – Rural Revitalization Passing on Values – Corporate Citizenship
413-2	Operations with significant actual and potential negative impacts on local communities	Passing on Values – Rural Revitalization Passing on Values – Corporate Citizenship
GRI 416 Customer Health and Safety		
	Organizational profile	Health Protection – Safety and Quality, Responsibility and Services
416-1	Assessment of the health and safety impacts of product and service categories	Health Protection – Safety and Quality, Responsibility and Services
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Health Protection – Safety and Quality, Responsibility and Services

APPENDIX V: SUSTAINABLE DEVELOPMENT INDICATORS

LIST OF ENVIRONMENTAL PERFORMANCE INDICATORS

Indicators	Unit	2023	2024	2025
Energy consumption				
Consumption of purchased electricity, among which	Total amount of purchased electricity	1,447,152	1,584,189	1,785,709
	Consumption of water electricity	145,147	80,650	132,105
	Purchased Green electricity	0	16,000	99,484
Solar	Million watt-hours	9,268	19,754	39,048
Purchased steam	Ton	61,720	22,500	11,149
Diesel	Ton	470	261	32
Gasoline	Ton	90	104	101
Coal	Ton	0	0	0
Natural gas	Standard cubic meters	79,623,717	94,758,895	123,535,303
Biomass	Ton	2,229	1,848	3,622
Green electricity	Million watt-hours	0	0	131,339
Comprehensive energy consumption				
Comprehensive energy consumption (direct)	Ton of standard coal	108,226	127,814	166,950
Comprehensive energy consumption (indirect)	Ton of standard coal	202,653	199,246	253,776
Total comprehensive energy consumption	Ton of standard coal	310,879	327,060	420,726
Comprehensive energy consumption intensity	Ton of standard coal/ton of qualified product output	0.0123	0.0146	0.0154 ⁹
Greenhouse Gas				
Scope I greenhouse gas emissions	Ton of carbon dioxide equivalent	173,879	205,999	267,503
Scope II greenhouse gas emissions	Ton of carbon dioxide equivalent	927,692	753,520	863,629
Greenhouse gas emissions (Scope I + Scope II)	Ton of carbon dioxide equivalent	1,101,571	959,519	1,131,132
Greenhouse gas emissions per unit of output (Scope I + Scope II)	Ton of carbon dioxide equivalent/ton of qualified product output	0.0436	0.0427	0.0414
Scope III greenhouse gas emissions	Ton of carbon dioxide equivalent	/	/	4,107,849
Total greenhouse gas emissions (Scope I + Scope II + Scope III)	Ton of carbon dioxide equivalent	/	/	5,238,981
Greenhouse gas emissions per unit of output (Scope I + Scope II + Scope III)	Ton of carbon dioxide equivalent/ton of qualified product output	/	/	0.1917

⁹ The primary reason for the increase in Nongfu Spring’s comprehensive energy consumption intensity in 2025 was a shift in the company’s product mix, with a higher proportion of beverage products—which require significantly more energy to manufacture than packaged water—leading to the overall rise in energy intensity.

Indicators	Unit	2023	2024	2025
Water Source				
Tap water/municipal water withdrawal ¹⁰	Ton	679,505	1,060,096	758,332
Natural water withdrawal	Ton	45,535,690	46,864,166	57,218,314
Total water withdrawal	Ton	46,215,195	47,924,262	57,976,646
Water reused	Ton	4,684,141	3,341,429	3,883,344
Water intensity	Ton of water withdrawal/ton of qualified product output	1.83	2.13	2.12
Packaging materials				
Plastic	Ton	937,559	863,712	1,079,655
Paper	Ton	242,369	222,047	263,493
Glass	Ton	195	256	72
Metal	Ton	225	149	88
Others	Ton	8,563	5,148	5,535
Total use of packaging materials	Ton	1,188,910	1,091,312	1,348,843
Use of packaging materials per unit output	Ton of packaging materials used/Ton of qualified product output	0.0470	0.0486	0.0493 ¹¹
Exhaust emissions				
Total exhaust emissions	Cubic meter	1,157,844,758	1,521,177,622	2,041,428,744
Sulfur dioxide emissions	Ton	12	5	7
Nitrogen oxides emissions	Ton	65	106	108
Total non-methane hydrocarbon emissions	Ton	146	134	135
Wastewater discharge				
Total wastewater emissions	Ton	8,119,377	9,682,740	12,559,776
COD emissions	Ton	786	969	1,170
Ammonia nitrogen emissions	Ton	15	20	33
Waste disposal				
Hazardous waste transferred	Ton	599	692	867
Quantity of hazardous waste transferred per unit of output	Kilogram/ton of qualified product output	0.0237	0.0308	0.0317
Non-hazardous waste removed (non-recyclable)	Ton	6,800	4,982	52,719
Non-hazardous waste removed (recyclable) ¹²	Ton	34,494	45,609	50,792
Unit output of non-hazardous waste removed	Kilogram/ton of qualified product output	1.634	2.250	3.787

¹⁰ Municipal water is used mainly for fruit factories and headquarters operations.

¹¹ Affected by the increase in the proportion of beverage product production and sales, the packaging material usage per unit of output during 2025 increased compared with the previous year.

¹² The quantity of harmless waste for collection (recyclable) mainly includes types of harmless waste such as scrap metal, paper, and plastic. The total amount of food waste that is recycled and reused is not included in the quantity of recyclable harmless waste for collection.

LIST OF SOCIAL PERFORMANCE INDICATORS

Indicators	Unit	2023	2024	2025
Employee Employment				
Total number of employees	Person	24,409	26,098	28,444
Number of newly hired employees	Person	5,661	5,091	5,381
Percentage of open positions filled internally	%	/	62.0	65.6
By gender				
Male	Person	16,990	18,367	20,154
Female	Person	7,419	7,731	8,290
Percentage of female employees – Management level	%	/	29.6	29.2
Percentage of female employees – Junior management level	%	/	30.6	30.0
Percentage of female employees – Senior management level	%	/	27.3	30.4
Percentage of female employees – Revenue generation function	%	/	26.8	26.1
Percentage of female employees – STEM function ¹³	%	/	20.3	19.4
By age				
Below 30	Person	5,592	5,736	6,157
30-50	Person	18,425	19,891	21,698
Above 50	Person	392	471	589
By ranking				
Management	Person	1,790	1,896	2,142
General staff	Person	22,619	24,202	26,302
By region				
Mainland China	Person	24,405	26,093	28,428
Hong Kong, Macau and Taiwan of China	Person	3	4	4
Overseas	Person	1	1	12
Diversity of employees				
Ethnic minority employees	Person	1,571	1,776	2,035
Union employee coverage				
Proportion of employees who join the union	%	92.5	95	95
Average length of employment of employees				
Male	Year	5.3	5.6	5.7
Female	Year	5.9	6.2	6.4
Employee training				
Percentage of employees trained ¹⁴	%	100	100	100
Average hours of training	Hour	27.6	39.1	44.5

¹³STEM-related positions refer to those jobs that are related to science, technology, engineering and mathematics.

¹⁴Percentage of various types of employees trained = number of employees of various types trained/number of employees of this type * 100%. The training that counted includes internal training, external training, and online training. Conferences, seminars, etc. are not included in the scope of these statistics.

Indicators	Unit	2023	2024	2025
By age – Percentage of employees undergoing training/Average training hours				
Below 30	%	100	100	100
30-50	%	100	100	100
Above 50	%	100	100	100
Below 30	Hour	/	/	53.8
30-50	Hour	/	/	41.7
Above 50	Hour	/	/	47.5
By gender				
Percentage of male employees trained	%	100	100	100
Percentage of female employees trained	%	100	100	100
Average no. of training hours for male employees	Hour	29.9	42.0	47.6
Average no. of training hours for female employees	Hour	22.1	31.9	36.9
By rank				
Percentage of management trained	%	100	100	100
Percentage of general staff trained	%	100	100	100
Average no. of training hours for management	Hour	32.2	44.5	45.7
Average no. of training hours for general staff	Hour	27.2	41.6	44.4
By region – Percentage of employees undergoing training/Average training hours				
Mainland China	%	100	100	100
Hong Kong, Macau and Taiwan of China	%	100	100	100
Overseas	%	100	100	100
Mainland China	Hour	/	/	44.5
Hong Kong, Macau and Taiwan of China	Hour	/	/	9.1
Overseas	Hour	/	/	4.1
By training category – Percentage of employees undergoing training				
Management	Hour	/	/	2.3
General staff	Hour	/	/	14.2
Professional staff	Hour	/	/	20.0
Other staff	Hour	/	/	8.0
Employee Turnover				
Total employee turnover rate	%	16.2	13.7	10.9
By gender				
Turnover rate – male employees	%	16.2	13.4	10.9
Turnover rate – female employees	%	12.0	9.9	6.8
By age				
Below 30	%	30.4	25.6	19.5
30-50	%	10.3	8.7	7.0
Above 50	%	2.9	2.7	1.5

Indicators	Unit	2023	2024	2025
By region				
Turnover rate – Mainland China	%	14.9	12.4	9.7
Turnover rate – Hong Kong, Macau and Taiwan of China	%	28.6	0	0
Turnover rate – overseas	%	0	100	29.9
Employee Health and Safety				
Number of days lost due to work incidents	Day	2,178	5,448	3,751.5
Work-related deaths	Person	1	1 ¹⁵	2 ¹⁶
Proportion of work-related deaths	%	0.004	0.004	0.007
Lost-time injuries frequency rate	Time/million working hours	1.34	1.15 ¹⁷	1.45 ¹⁶
Intellectual Property (IP)				
Number of domestic patent applications filed	Pieces	75	61	85
Number of granted domestic patents	Pieces	45	53	68
Number of domestic valid trademarks held	Pieces	847	880	924
Number of domestic valid copyrights held	Pieces	93	119	147
Number of domestic valid patents held	Pieces	413	443	446
Products and Services				
Number of complaints about products and services ¹⁸	Pieces	7,314	8,696	10,732
Complaint handling rate of products and services	%	100	100	100
Food Safety and Quality Training				
Total number of employees who attended food-safety and quality-related training	Person	74,846	111,323	173,501
Total hours of food-safety and quality-related training	Hour	91,043	153,975	225,672
Supply Chain				
Total number of suppliers	Supplier	1,237	1,649	2,550
Number of suppliers in Mainland China	Supplier	1,205	1,621	2,516
Number of suppliers in Hong Kong, Macao and Taiwan of China	Supplier	4	2	2
Number of overseas suppliers	Supplier	21	26	32
Number of key suppliers	Supplier	223	547	524
Community Public Welfare				
Charitable donation amount ¹⁹	Millions	6.30	29.72	89.40
Worker volunteer hours	Hour	112,430	134,793	88,087

¹⁵ This death incident was caused by a traffic accident that occurred during the employee's commute home. It did not take place at our production or operation site.

¹⁶ Among them, one employee fell ill during work and sought medical treatment, but unfortunately passed away despite rescue efforts.

¹⁷ The statistical scope covers all work-related accidents that occurred at our production base.

¹⁸ Starting from 2021, the scope of complaint quantity and complaint rate covers traditional channel products and services complaints as well as new retail channel product complaints, excluding complaints related to retail machines.

¹⁹ Charitable donations, community investment and community business activities donations are the sum of monetary donations and equivalent non-monetary donations

Calculation method description:

1. For the conversion of air pollutants, please refer to the Ministry of Ecology and Environment of the People's Republic of China “Emission Coefficients and Material Accounting Methods Applicable to the Pollution Permit Management Industry (Trial)”

The formula for calculating sulfur dioxide emissions is: $PSO_2 = Q \times \eta \times 0.85 \times 2 \times 10$

The formula for calculating nitrogen oxide emissions is: $PNOX = Q \times \mu$

Of which: PSO_2 is sulfur dioxide emissions (kg); Q is fuel consumption (tonnes); η is fuel sulfur content (%); $PNOX$ is nitrogen oxide emissions (kg); Q is fuel consumption (ton); μ is the emission factor.

2. The comprehensive energy consumption is calculated based on the GB/T 2589-2020 General Principles for Calculating Comprehensive Energy Consumption, which is directly converted from the use of gasoline, diesel, natural gas, outsourced power, externally purchased heat and other energy.
3. The greenhouse gas emissions of Nongfu Spring is determined by calculating activity data and corresponding emission factors in accordance with the internationally recognized WBCSD/WRI greenhouse gas accounting system, the IPCC 2006 National Greenhouse Gas Inventories Guidelines 2019 Revision standard and ISO 14064-1 standard.

Scope I emissions are defined as greenhouse gas emissions directly generated by plant combustion fuels, such as their own boilers, vehicles, etc. The direct energy involved includes natural gas, diesel, gasoline, liquefied petroleum gas, coal, biogas, etc.

Scope II emissions are defined as greenhouse gas emissions from purchased electricity and steam. The measurement method complies with China's Guidelines for Accounting and Reporting Greenhouse Gas Emissions in Food, Tobacco and Alcohol, Beverage and Refined Tea Enterprises (Trial) (2015) standards. The selection of GWP (global warming potential) and emission factors is based on the Fifth Assessment Report of the IPCC. For the calculation of greenhouse gas emissions in 2025, the “2023 Provincial Average Carbon Dioxide Emission Factors for Power Generation” issued by the Ministry of Ecology and Environment of the People's Republic of China in 2025 is adopted.

Scope III emissions are defined as all indirect emissions occurring within the company's value chain (not accounted for in Scope II emissions), including upstream and downstream emissions.

The statistical scope of the Company's greenhouse gas emission intensity target covers the sum of Scope I and Scope II emissions.

4. Percentage of trained employees by category = (Number of trained employees in category/Total employees in category) × 100%. The training that counted includes internal training, external training, and online training. Conferences, seminars, etc. are not included in the scope of these statistics.
5. Charitable donations, community investment and community business activities donations are the sum of monetary donations and equivalent non-monetary donations.

农夫山泉
NONGFU SPRING

