



# 茶百道

Sichuan Baicha Baidao Industrial Co., Ltd.

## 四川百茶百道實業股份有限公司

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

Stock code : 2555



# 2023

## Environmental, Social and Governance Report

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# ABOUT THIS REPORT

This is the first environmental, social and governance (ESG) report issued by Sichuan Baicha Baidao Industrial Co., Ltd., which focuses on the disclosure of the management measures, highlight practices and results of the Company and its subsidiaries in respect of ESG.

## • Time Scope

This report is an annual report covering the period from January 1, 2023 to December 31, 2023, and some contents are beyond the above scope.

## • Reporting Boundary

The main body of this report is Sichuan Baicha Baidao Industrial Co., Ltd. and all the subsidiaries of the Company.

## • Basis and Principles of Preparation

This report has been prepared with reference to the Environmental, Social and Governance Reporting Guide set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB), and in compliance with the four principles of materiality, quantitative, balance and consistency for information disclosure.

## • Source of Information

The information and data in this report are mainly derived from the Company's internal official documents, internal statistics and relevant public information. Unless otherwise specified, the currency amount involved in this report is denominated in RMB.

## • Representation

For ease of explanation, the titles of "ChaPanda", "the Company" and "we" in this report all represent Sichuan Baicha Baidao Industrial Co., Ltd.

## • Access to The Report

This report is published in electronic version. You can browse and download the report on the following websites:

ChaPanda's official website:  
[www.chabaidao.com](http://www.chabaidao.com)  
Website of the Hong Kong Stock Exchange: [www.hkexnews.hk](http://www.hkexnews.hk)

## • Contact Us

If you have any questions or feedback on this report and its contents, please contact us through the following methods:

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# STATEMENT OF THE BOARD

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In strict compliance with the requirements of the *Environmental, Social and Governance Reporting Guide* of the Hong Kong Stock Exchange, ChaPanda strengthens the Board's supervision and participation in the Company's environmental, social and governance (ESG) related matters. As the highest decision-making body of the Company's ESG affairs, the Board is responsible for reviewing the Company's ESG objectives, strategies and management policies, identifying, evaluating and monitoring the key ESG-related matters of the Company, reviewing the annual ESG material issues and ESG reports, reviewing the progress of the Company's ESG work by organizing relevant meetings on a regular basis, and actively promoting the inclusion of ESG factors into the Company's strategic decisions and daily operation and management. The Company's ESG Committee is responsible for setting ESG-related objectives, evaluating ESG risks and opportunities, formulating relevant risk management and response plans, and regularly reviewing and reporting to the Board on the specific progress and performance of ESG matters.

This report comprehensively discloses the progress and effectiveness of the Company's ESG work in 2023, and the contents of the report have been considered and approved by the Board. In the future, ChaPanda will continue to deepen its ESG-related work, continuously improve the Company's ESG management level and execution capability, and further promote the Company's sustainable development.

”



# ABOUT US

## Company Profile

In 2008, we launched our first cup of ChaPanda in Chengdu, the “land of abundance”. As a new tea drink brand that focuses on product conception and constantly explores combinations of natural ingredients with Chinese tea to create high-quality and diversified tea drinks, ChaPanda started from its first store of 28 square meters in Wenjiang District, Chengdu, and innovated the traditional dessert Mango Pomelo Sago (楊枝甘露) into a cup drink, pioneering a new way of drinking “Mango Pomelo Sago in a cup”, which has become a popular drink in the market. In 2023, ChaPanda recorded an operating revenue of RMB5.7 billion.

Adhering to the core product concept of “fresh flavors built upon quality tea”, ChaPanda has been dedicated to exploring creative combinations of natural ingredients with Chinese tea, so that consumers can drink fresh and healthy tea drink products anytime and anywhere. After more than fifteen years of development, with the brand vision of “making daily drinks that everyone loves”, and the Chinese quality tea as the bases, ChaPanda has continued to create fresh drink flavors and cultural experience to continuously meet the consumers’ needs for quality, health and experience upgrading, and jointly explore the infinite possibilities of the new tea drinks, making it a leading brand of ready-made tea drinks operator in China.

## Our unwavering dedication to product offering, consumer service and franchisee empowerment:

### ♥ Dedication to product offering

We insist on using quality tea, good milk and fresh fruits, and constantly innovate and develop new tea drinks with rich taste and outstanding quality.

### ♥ Dedication to consumer service

What we provide consumers is not only high-quality products and high-value experiences, but also a wonderful lifestyle.

### ♥ Dedication to franchisee empowerment

We adhere to our original intention of mutual benefit and win-win cooperation with franchisee partners, provide franchisees with multi-faceted support with an industry-leading operation system, and continue to empower stores.

## Development Milestones

2008

The first ChaPanda store under the name of “Chabaidao (茶百道)” was launched in Chengdu, Sichuan

2010

We registered the trademark of “Chabaidao (茶百道)”

2015

We established a ChaPanda logistics system

2013

We established ChaPanda franchise supervision system and training management system, and launched a standardized operation model

2012

The number of ChaPanda stores across the country exceeded 50

2017

We established a cold chain transportation system and brand operation system

2018

Our brand VI was fully upgraded and “DingDing Mao’er” (“丁丁貓”) was born

2019

The number of ChaPanda stores exceeded 500, and we established a regional operation center model and officially entered first-tier cities such as Beijing and Shanghai

2021

The number of ChaPanda stores exceeded 5,000, and we entered an era of group operation

2020

The number of ChaPanda stores exceeded 3,000, and we cooperated with IPs such as Luzhou Laojiao and Dunhuang Museum to launch co-brand products

2022

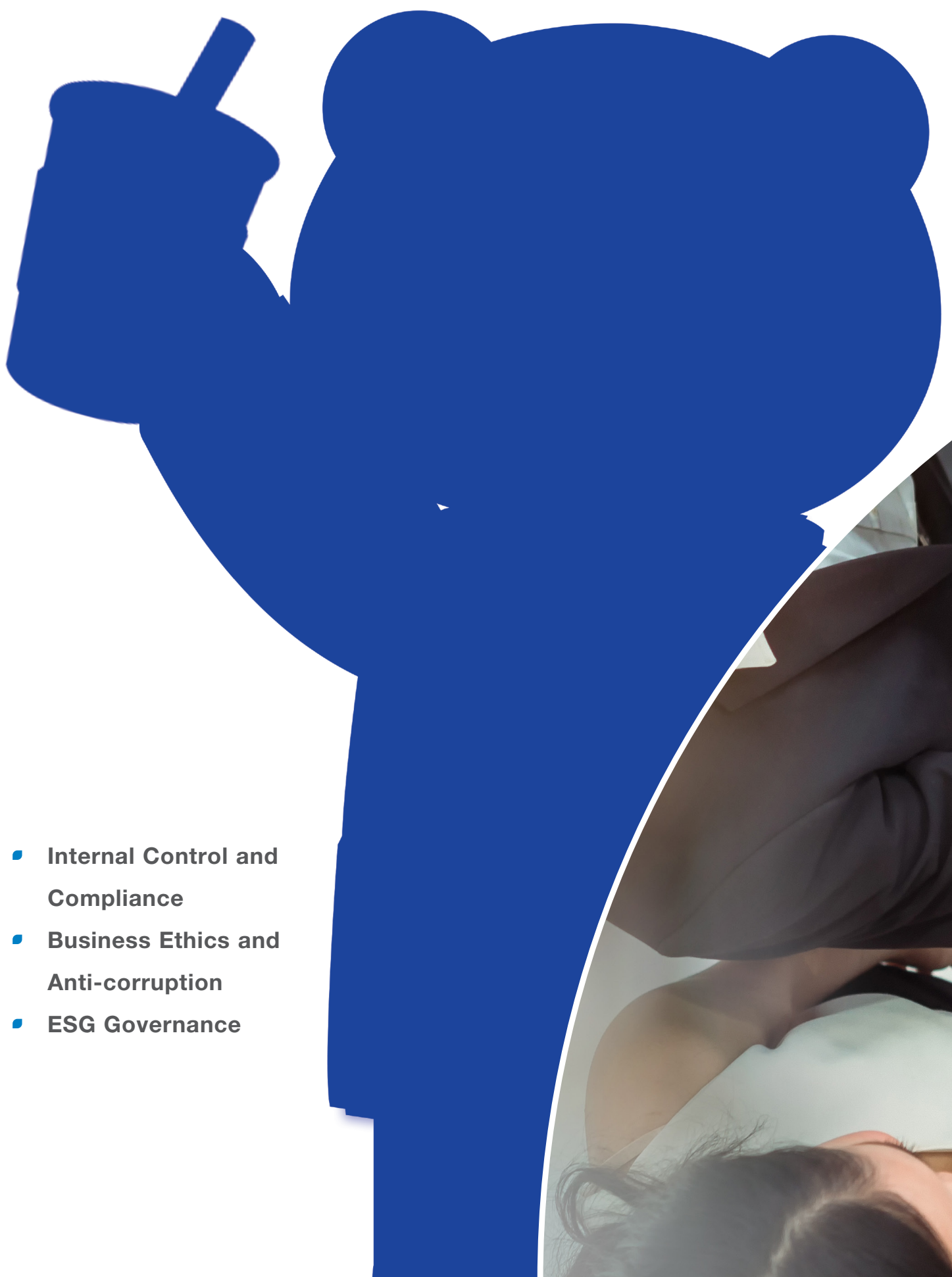
We were named as the “Annual Best Brand” (年度最佳品牌) by Alibaba’s Local Services and the “Top 3 Store Growth for 2022-2023” (年度門店增長Top 3) by Canyandata (窄門餐眼); and obtained the “Annual Most Influential Brand Award” (年度最具影響力品牌獎) issued by Meituan and “China Beverage Innovation TOP 50 Annual Product Innovation Award” (中國飲品創變力TOP 50年度產品創新獎)

2023

We implemented a comprehensive brand upgrade in which we launched our latest brand IP, “ChaCha”, and the number of stores exceeded 7,000

2024

On April 23, ChaPanda was officially listed on the main board of the Hong Kong Stock Exchange



- **Internal Control and Compliance**
- **Business Ethics and Anti-corruption**
- **ESG Governance**



# GOVERNANCE

• 6  
directors participating  
in anti-fraud training

1,600  
employees participating  
in anti-fraud training



## 1.1 Internal Control and Compliance

In strict compliance with the *Company Law of the People's Republic of China*, the *Corporate Governance Code* set out in Appendix C1 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and other relevant laws, regulations and rules, ChaPanda continues to improve its corporate governance structure, continuously enhance governance level and optimize corporate operation.

The Company attaches importance to the construction of a risk management system and internal control, and has formulated a set of comprehensive policies for identifying, analyzing, classifying, mitigating and controlling various risks, such as the *Risk Management System of Baicha Baidao Group*, to provide guarantee for the Company's sound and steady development. The Company continuously improves its internal control procedures and conducts regular internal assessment and relevant training to ensure that its employees have an awareness of laws and regulations as well as the ability to implement internal control measures. In 2023, ChaPanda conducted a number of legal compliance-related training for the employees of the Company through a combination of online and offline methods, which included contract management and review, patent management, and advertisement compliance, etc.

## 1.2 Business Ethics and Anti-corruption

ChaPanda strictly abides by the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations, and has formulated internal policies and systems including the *Regulations on Anti-Fraud and Anti-Bribery of Baicha Baidao Group*, *Integrity and Honesty System of Baicha Baidao Group* and *Code of Conduct for Employees of Baicha Baidao Group* to resolutely eliminate bribery, fraud, extortion, money laundering and any other form of violations of laws and business ethics.

The Company adheres to the principle that all cases must be investigated and promoting improvement through cases, and adopts a combination of measures before, during and after the incident to conduct anti-corruption management. In order to smoothen the internal and external communication channels on the Company's business ethics and handle possible corruption reports in a timely and safe manner, the Company has set up a number of channels for accepting reports and complaints, such as telephone and email, and has put up "Ethical Compliance" posters in all regional operation centers and warehouses and printed exclusive business cards for distribution to partners and other personnel to ensure the timely feedback of reported information.

The Company encourages employees to report any violations of the laws, disciplines and regulations. Once the report is verified to be true, the Company will reward employees with letters of commendation, cash, and other rewards for their courage in reporting. The Company strictly protects the rights and interests of whistleblowers, and requires that the relevant information of whistleblowers be kept strictly confidential and retaliation against whistleblowers is prohibited. For the reported information received, the Company will organize an investigation into fraud and bribery incidents, and behaviors of fraud and bribery will be held accountable. If the circumstances are serious, they will be transferred to judicial authorities for handling according to law.

We actively cultivate a culture of integrity, and promote it through posters and presentations within the Company. At the same time, we also actively promote the Company's ethical code of conduct to our suppliers, franchisees and other partners, and require suppliers to sign the *Integrity Agreement* to make a written commitment to comply with the requirements of the Company on anti-corruption and anti-bribery. In 2023, we conducted a total of approximately 30 offline integrity and compliance-related trainings, covering all employees and directors of the Company, with training content covering integrity cases sharing of the Company, general knowledge of the law, and explanations of internal systems, with approximately 1,600 participants. With the theme of "the fragrance of tea nourishes the spirit of integrity, and honesty purifies the original intention", we launched the second session of professional ethics culture publicity activity. Through a combination of online and offline methods, we promoted the corporate culture of integrity and helped everyone build an awareness of integrity. The activities covered all the employees of the Company, and there were approximately 100,000 interactive pop-ups online, and more than a hundred people watched and interacted with the live broadcast offline on that day.



Participants:  
Approximately

1,600



People watching and  
interacting with the  
live broadcast offline:

Over 100

Indicator	2023	Unit
Number of corruption litigation cases concluded	3	case
Number of directors participating in anti-fraud training	6	person
Average hours of directors participating in anti-fraud training	0.6	hour
Total number of employees participating in anti-fraud training	1,600	person
Average hours of employees participating in anti-fraud training	0.6	hour

## 1.3 ESG Governance

ChaPanda continues to improve its ESG governance mechanism, strengthen communication with stakeholders, conduct major issues identification and improve its own ESG management capabilities.

### 1.3.1 ESG Governance Structure

The Company actively explores effective ways to fully integrate ESG concepts into corporate business development, has established an ESG management structure, refined the responsibilities at all levels, and continuously improved the Company's ESG management level.

The Board of the Company is responsible for reviewing the Company's ESG objectives, strategies and management policies, identifying, evaluating and monitoring the key ESG-related matters of the Company, and reviewing the annual ESG material issues and ESG reports. The Company has established an ESG committee, which is composed of certain Board and senior management members of the Company with ESG-related risk identification and management capabilities. The ESG Committee is responsible for setting ESG-related objectives based on ESG-related policies, evaluating ESG risks and opportunities, and regularly reviewing and reporting to the Board on the specific progress and performance of ESG matters.



## 1.3.2 Communication with Stakeholders

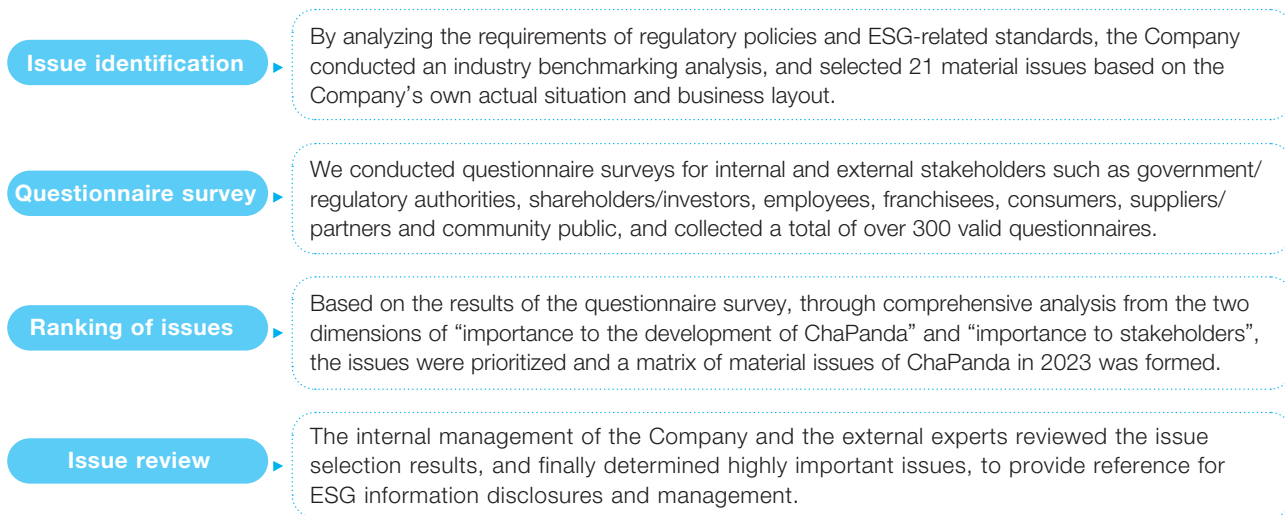
The Company has actively built a stakeholder communication platform and responds to the concerns of stakeholders in a timely manner through diversified communication channels and methods to meet the expectations of stakeholders.

Stakeholders	Expectations and demands	Communication methods
Government/Regulatory authorities	<ul style="list-style-type: none"> <li>• Risk management and control</li> <li>• Corporate governance</li> <li>• Respond to climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Regular reporting and communication</li> <li>• Visits and investigations</li> </ul>
Shareholders/Investors	<ul style="list-style-type: none"> <li>• Risk management and control</li> <li>• Corporate governance</li> <li>• Business ethics</li> <li>• Intellectual property rights protection</li> </ul>	<ul style="list-style-type: none"> <li>• Regular disclosure of operating information</li> <li>• Investor communication meetings</li> <li>• Annual financial report</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Protection of employee rights and interests</li> <li>• Employee remuneration and benefits</li> <li>• Employee care</li> <li>• Occupational health and safety</li> <li>• Vocational training and development</li> </ul>	<ul style="list-style-type: none"> <li>• Employee interview</li> <li>• Employee communication meetings</li> <li>• Employee complaint mailbox</li> <li>• Employee opinion solicitation activities</li> <li>• Employee training activities</li> </ul>
Franchisees	<ul style="list-style-type: none"> <li>• Vocational training and development</li> <li>• Franchisee management</li> <li>• Product quality and safety</li> <li>• Diversified products</li> </ul>	<ul style="list-style-type: none"> <li>• Franchisee training</li> <li>• Store inspection</li> <li>• Experience sharing platform</li> <li>• Franchise phone number</li> </ul>
Consumers	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Diversified products</li> <li>• Consumer services</li> <li>• Responsible marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Customer service hotline</li> <li>• Official website</li> <li>• WeChat public account</li> </ul>
Suppliers/Partners	<ul style="list-style-type: none"> <li>• Responsible supply chain</li> <li>• Diversified products</li> <li>• Green packaging</li> <li>• Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Regular communication and visits</li> <li>• Procurement platform</li> <li>• Exchange meetings</li> </ul>
Community public	<ul style="list-style-type: none"> <li>• Emissions management</li> <li>• Use of resources</li> <li>• Water resources management</li> <li>• Public welfare and charity</li> </ul>	<ul style="list-style-type: none"> <li>• Official website</li> <li>• Complaint reporting hotline</li> <li>• Social media</li> <li>• Public welfare and charity activities</li> </ul>

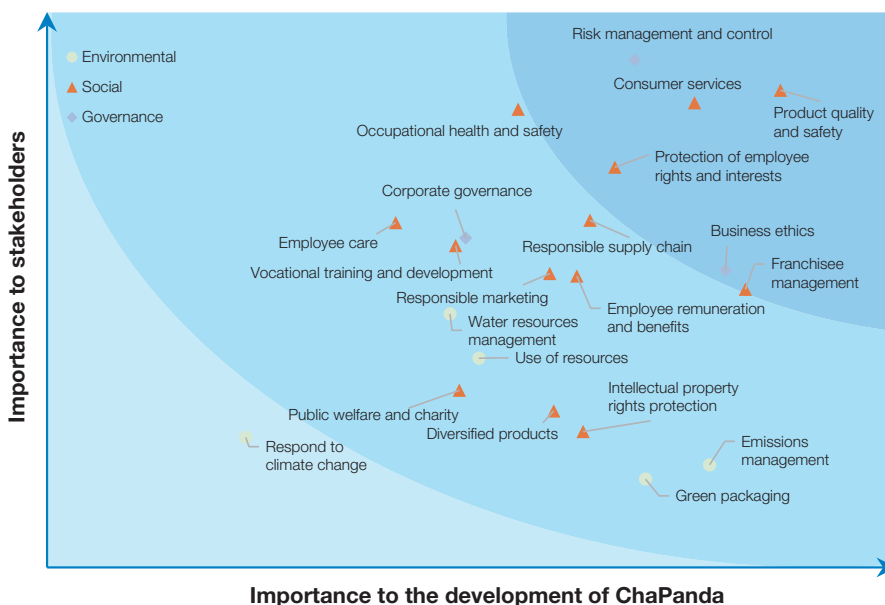
### 1.3.3 Determination of Material Issues

Taking into account the national policy trends, industry development trends, ESG-related standards and requirements of Hong Kong Stock Exchange, and through our own business development, ChaPanda identified and analyzed its list of material ESG issues in 2023 through peer benchmarking, expert assessment and stakeholder questionnaire survey, and disclosed highly important issues in this report in a targeted manner to better meet the concerns and expectations of stakeholders.

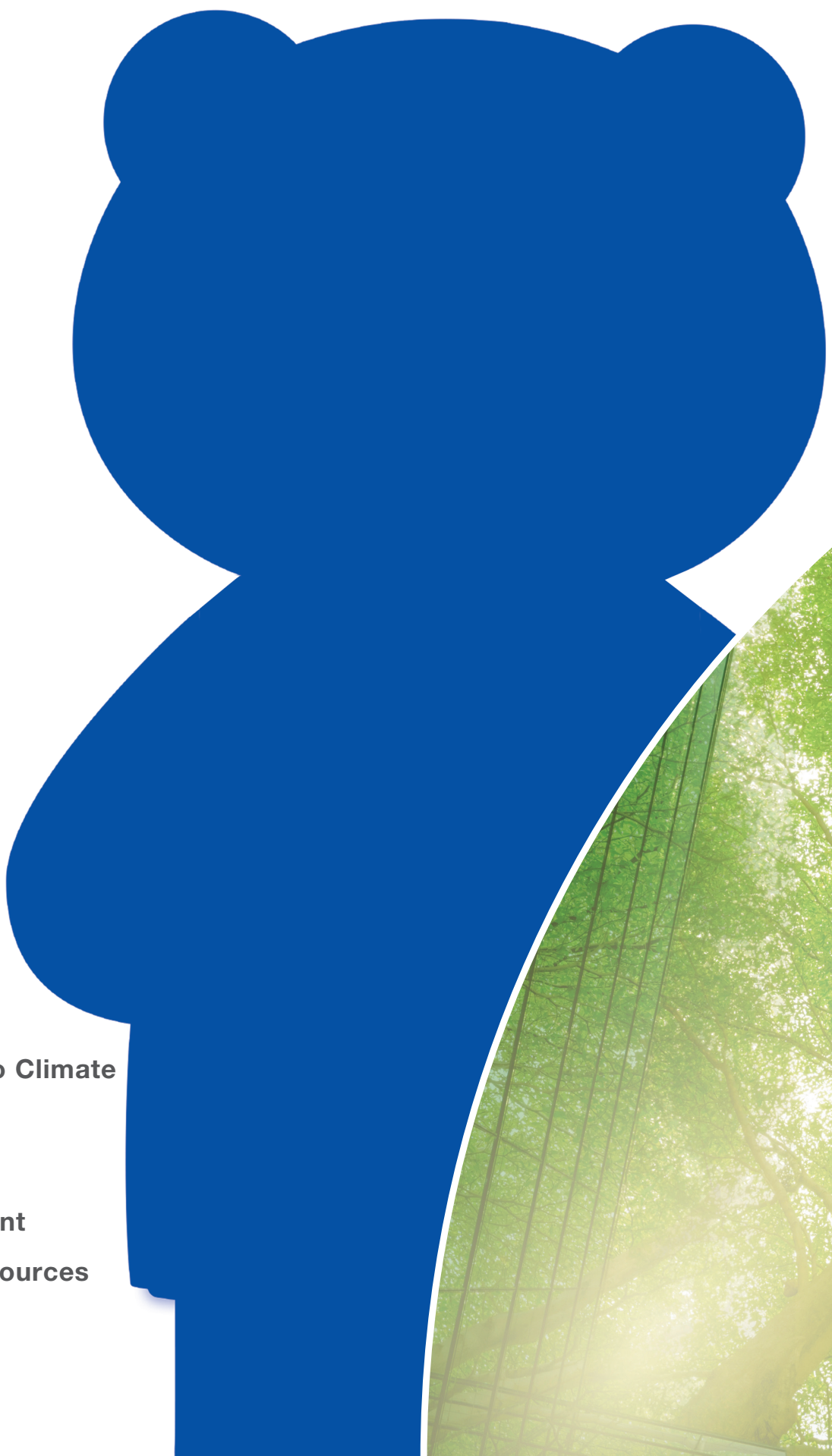
• **Material Issues Analysis Process:**



**ChaPanda 2023 ESG-related Material Issues Assessment Matrix**



<b>Highly important</b>	Product quality and safety, consumer services, risk management and control, protection of employee rights and interests, business ethics, franchisee management
<b>Moderately important</b>	Responsible supply chain, occupational health and safety, employee remuneration and benefits, responsible marketing, corporate governance, vocational training and development, employee care, water resources management, use of resources, diversified products, intellectual property rights protection, emissions management, green packaging, public welfare and charity
<b>Generally important</b>	Respond to climate change



- **Respond to Climate Change**
- **Emissions Management**
- **Use of Resources**

# ENVIRONMENTAL

**2.58** tCO<sub>2</sub>e/person  
greenhouse gas emissions intensity

**0.56** tonnes of standard coal/person  
total energy consumption intensity

## 2.1 Respond to Climate Change

ChaPanda actively responds to global climate change and adheres to green and low-carbon development to respond to the national “dual carbon” strategic deployment, and with reference to the framework recommendations of the Task Force on Climate-related Financial Information Disclosure (TCFD) to promote the identification of climate change risks and opportunities, and formulate response strategies for climate change risks to continuously improve its ability to address climate change risks.

### • Climate change risks and opportunities

The Company has identified and analyzed the physical risks and transformation risks of climate change based on industry characteristics and its actual business operations, assessed its own climate risks and opportunities, and formulated corresponding countermeasures. The climate change-related risks and opportunities identified by the Company and the countermeasures are as follows:

Type of risks	Risk description	Risks and opportunities	Countermeasures
Physical risks	Acute risks Extreme weather such as typhoons, floods, droughts, and storms caused by rising sea levels resulted from climate change	<ul style="list-style-type: none"> <li>Events such as natural disasters (e.g. floods, typhoons, etc.) may affect the Company's business and the supply of materials by suppliers, which may adversely affect the business operation of the Company</li> <li>Severe weather will affect store operations, takeout and other product distribution, as well as the personal safety of employees</li> <li>Extreme weather makes travelling inconvenient for consumers and increases demand for delivery services</li> </ul>	<ul style="list-style-type: none"> <li>The Company has developed contingency plans and preventive measures for severe weather conditions in response to possible extreme weather and natural disasters to ensure employee safety</li> <li>The Company pays close attention to extreme weather conditions in various places and proactively adjusts store operations and logistics distribution based on weather alerts to mitigate the adverse impact caused by climate-related issues</li> </ul>
	Chronic risks Chronic risks such as rising sea levels and increased hot weather	<ul style="list-style-type: none"> <li>High temperature weather will affect the storage environment of raw materials and products. At the same time, continued high temperature may cause physical discomfort to employees, reduce work efficiency in stores, and cause economic losses</li> <li>High temperature weather may also bring increased demand for cold drink products</li> </ul>	<ul style="list-style-type: none"> <li>Reasonably control multiple temperature zones in the warehouse, and achieve visualized and traceable material distribution with the help of digital empowerment, to ensure fresh and high-quality material supply and food safety</li> <li>The Company pays close attention to the operation of each store and the health of relevant employees, and initiate high temperature response measures in a timely manner</li> </ul>
Transition risks	Policy and regulatory risks The increasingly stringent laws and regulations on environmental protection and low carbon, and regulatory restrictions on plastic materials have increased the Company's cost of using environmentally-friendly materials	<ul style="list-style-type: none"> <li>Increase in the operating cost of the Company</li> <li>The Company will invest in green packaging research and development in advance to promote the reduction of packaging material use and reduce the transformation costs in response to policies and regulations</li> </ul>	<ul style="list-style-type: none"> <li>The Company continues to pay attention to laws and regulations on environmental protection and low carbon and the development trends and requirements, continuously improves the efficiency of environmental protection operation of the Company, strengthens the management of energy consumption and greenhouse gas emissions data, so as to further save energy and reduce carbon emissions</li> </ul>
	Market risks Change in consumer concepts, tending to choose environmentally-friendly and low-carbon products and services	<ul style="list-style-type: none"> <li>The Company has to invest more to promote the transformation of environmentally-friendly and low-carbon production and consumption</li> <li>The Company will explore the promotion and use of environmentally-friendly products and packaging materials, organize environmental protection publicity activities, etc., which will be favored by more consumers</li> </ul>	<ul style="list-style-type: none"> <li>The Company fully promotes the use of green packaging, including biodegradable straws, cup bags and cutlery, to gain consumer recognition</li> <li>The Company has organized and carried out diversified public welfare activities on environmental protection to strengthen the publicity of environmental protection and low-carbon concept and image</li> </ul>
	Reputation risks Public awareness of environmental protection increased, and they pay closer attention to corporate actions to address climate change	<ul style="list-style-type: none"> <li>Inadequate action or negative publicity in relation to responses to climate change will have a negative impact on the Company's brand reputation</li> </ul>	<ul style="list-style-type: none"> <li>The Company actively communicates with the public, consumers and other stakeholders through diversified channels and methods to disseminate the Company's green and low-carbon environmental protection concepts and innovative actions and achievements, to build our image as a socially responsible company</li> </ul>



## • Targets and Metrics

We continue to promote the integration of the concept of low-carbon environmental protection into our daily business operations and production activities. We have set a carbon reduction target of “reducing per capita greenhouse gas emissions by approximately 5% by 2025, based on the greenhouse gas emissions data in 2023” to help achieve the national goals of carbon peak and carbon neutrality.

Indicator	2023	Unit
Greenhouse gas emissions (Scope 1+ Scope 2)	5,297.9	tCO <sub>2</sub> e
Greenhouse gas emissions intensity (Scope 1+ Scope 2)	2.58	tCO <sub>2</sub> e/person
Direct (Scope 1) greenhouse gas emissions	16.0	tCO <sub>2</sub> e
Direct (Scope 1) greenhouse gas emissions intensity	0.008	tCO <sub>2</sub> e/person
Indirect (Scope 2) greenhouse gas emissions	5,281.9	tCO <sub>2</sub> e
Indirect (Scope 2) greenhouse gas emissions intensity	2.57	tCO <sub>2</sub> e/person

## 2.2 Emissions Management

ChaPanda strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and other laws and regulations to strengthen the management of emissions during the production process and warehousing operations. We continue to improve the environmental management system of the Senmian Facility and has established internal policies and systems such as the *Environmental Factor Identification and Management System*, the *Environmental Protection Facilities Operation Management System* and the *Environmental Protection Emergency Management System*, regularly assess and monitor environmental factors, strengthen emissions management and reduce impact on the environment to promote green production and operation.

### 2.2.1 Exhaust Gas and Wastewater Management

Senmian Facility has introduced advanced exhaust gas treatment equipment to ensure that the exhaust gas emissions meet the discharge standards. It reduced the generation of waste water by optimizing the production process, and treated the wastewater in a professional manner through the wastewater treatment pool to ensure that it meets the discharge standards.

### 2.2.2 Hazardous Waste Management

The Company strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and other laws and regulations, and has established internal policies and systems such as the *Hazardous Waste Management System*, the *Hazardous Waste Identification Marking System*, the *Hazardous Waste Room Management System* and the *Hazardous Waste Transfer Management System* to achieve standardized management of hazardous waste in the process of production, temporary storage and transfer. We have established a hazardous waste ledger to truthfully record the type, quantity, utilization, storage, disposal, flow and other information of hazardous waste generated. We strictly implement the management of storage, entry and exit of hazardous waste, affix corresponding labels to centrally collect and temporarily store hazardous waste, set up hazardous waste warning signs at storage locations, and entrust qualified third-party professional agencies to conduct safe and harmless treatment of hazardous waste.

### 2.2.3 Non-hazardous Waste Management

It is our long-term goal to gradually reduce the per capita emission of non-hazardous waste. To this end, we have adopted various measures such as classifying and disposing waste, reducing waste generation, and promoting waste recycling.

In our offices and parks, we promote the implementation of trash classification to separate recyclable and non-recyclable trash and handing them over to qualified third parties for disposal.

For the food waste generated in stores, we require that stores to have sufficient number of garbage cans during its operation process in strict compliance with the requirements of local regulatory authorities, each of which should be appropriately placed and labeled, and that all of the food waste shall be categorized and disposed according to the labels on the garbage cans. In addition, to enhance the environmental awareness of store employees, we display informational materials like posters and brochures in visible areas in stores to provide them with guidance on proper recycling procedures. At the same time, store employees are trained to identify and separate different types of recyclables, such as plastic bottles, paper and other recyclable items.

Indicator	2023	Unit
Total discharge of hazardous waste	0.09	tonnes
Intensity of hazardous waste discharge	0.044	kg/person
Waste toner cartridges consumption	0.041	tonnes
Discarded dry batteries	0.049	tonnes
Total discharge of non-hazardous waste	1,099.3	tonnes
Intensity of non-hazardous waste discharge	0.54	tonnes/person
Office paper consumption	4.6	tonnes

## 2.3 Use of Resources

ChaPanda integrates the concept of low carbon into its business operations and management, vigorously promotes green office, and advocates energy conservation and emission reduction among employees. The Company has formulated and issued the *Notice on Promoting Green and Energy-saving Office* to reduce the use of energy resources in terms of office materials, electricity, water and vehicles. We have set an energy efficiency target of “reducing per capita electricity and water consumption by approximately 5% in 2025” based on the energy consumption data in 2023.

### 2.3.1 Electricity Management

We actively take various measures to save electricity in factories and office areas to reduce electricity consumption.

#### Office area

Manage the lights according to the weather conditions and turn off the lights after work; turn off the computer monitor after leaving the workstation for more than 30 minutes; set the air-conditioning temperature at 26 degrees to reduce power consumption.

#### Production area

Develop an annual energy use plan based on the production plan and historical energy consumption data, establish an energy statistics system, and conduct regular statistics on energy consumption; set up voice-activated light switches, infrared sensor switches, etc. to automatically turn off lighting when no one is around.

### 2.3.2 Water Resources Management

We continue to promote the reduction of water consumption in offices in daily operations and advocate water conservation in stores. The water source of the Company is mainly municipal water supply, and we have not encountered any shortage of water resources.

#### Office area

Increase direct drinking water purification equipment and install sensor-activated faucets; regularly check air conditioners, faucets and other equipment and facilities for leaks, and close water valves during holidays to avoid potential safety hazards such as water leaks; encourage employees to take water on demand, save water, and use water for multiple purposes.

#### Production area

Collect rainwater in the park for greening irrigation to achieve recycling use of water resources.

### 2.3.3 Green Office

We advocate a green office culture and encourage electronic and paperless office. We have set up a “paper storage area for recycling” and encourage employees to use double-sided paper and reduce the number of repeated printings and photocopying. We promote the shared use of non-consumable office supplies such as staplers, calculators and scissors, and recommend employees to reduce the use of disposable items.

We carry out environmental protection publicity and education activities in various forms, calling on employees and the public to actively participate in environmental protection. In May 2023, at Chengdu Research Base of Giant Panda Breeding, ChaPanda adopted one 11-month-old male giant panda for life by way of donation, and named it “ChaCha”. As a leading new tea drink brand originating from Sichuan, ChaPanda is actively involved in the protection of giant panda habitats and related research programs. Through this initiative, we hope to encourage more consumers or brands to actively participate in public welfare undertakings of caring for giant pandas, and bring more attention to global ecological protection and biodiversity.



Picture: Scene of ChaPanda Giant Panda Lifetime Adoption Ceremony

Indicator	2023	Unit
Total energy consumption	1,145.97	tonnes of standard coal
Total energy consumption intensity	0.56	tonnes of standard coal/person
Electricity consumption	9,261,549	kWh
Electricity consumption intensity	4,513.43	kWh/person
Water consumption	26,988	m <sup>3</sup>
Water consumption intensity	13.15	m <sup>3</sup> /person

### 2.3.4 Packaging Materials Management

ChaPanda actively responds to the trend of green and reduced packaging, and strives to promote, use and manufacture sustainable and environmentally-friendly materials to reduce the impact of packaging on the environment.

- Biodegradable Packaging Materials**

We use biodegradable materials such as PLA-PBAT/PBS for product packaging and reduce the use of plastic and paper materials. We use degradable straws made of PLA (plant polylactic acid) in all of our stores to reduce the use of paper resources (paper straws) while avoiding environmental pollution caused by plastic waste (plastic straws).
- Reduced Packaging Materials**

We actively explore the reduction of packaging materials. Through foaming modification and adding lightweight materials, we can achieve weight reduction by reducing the density of the materials without changing the thickness of the packaging materials and meeting the usage intensity, which not only reduces the packaging costs, but also improves the sustainability of packaging, with huge economic and environmental benefits. At the same time, through technological optimization, we improve the product stability of degradable film bags, slow down the aging of degradable film bags, extend the shelf life of film bags and reduce the waste of packaging film bags.
- Promotion of Green Packaging**

We actively advocate reducing the use of packaging materials and promoting reusable packaging design to reduce waste and resource consumption. We have reached a cooperation concept on recycled packaging with our suppliers, encourage them to use environmentally-friendly packaging materials, and carry out research and development with our partners to promote the innovation and environmental friendliness of packaging technology.

Indicator	2023	Unit
Packaging material consumption	1,094.7	tonnes
Packaging material consumption intensity	0.53	tonnes/person

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- **Products and Services**
  - **Employee Development**
  - **Responsible Supply Chain**
  - **Franchisee Management**
  - **Public Welfare and  
Charity**

# SOCIAL

A total of **668**  
intellectual property rights owned by  
the Company as of the end of 2023

A total of **2,052**  
employees



## 3.1 Products and Services

We consider that quality, safety and hygiene standards of our products are vital to our reputation and success. We strictly control food safety and quality management, pay attention to consumer needs, and bring a consumer experience with both quality stability and differentiation through product research and development.

### 3.1.1 Food Safety and Quality

Strictly adhering to the *Food Safety Law of the People's Republic of China*, the *Provisions on the Supervision and Administration of the Implementation of Main Responsibility for Food Safety by Enterprises* (SAMR Order No. 60) and other laws and regulations, ChaPanda has formulated the internal policies and systems such as the *Quality Management Manual of Baicha Baidao Group*, *Internal Audit System for Quality System of Baicha Baidao Group*, *Product Recall System of Baicha Baidao Group* and *Emergency Response Plan for Food Safety Accidents of Baicha Baidao Group*, established and improved the food safety and quality management system and control procedures of the Company. The Company has established a full cycle management system, including four stages of inspecting product compliance and quality, quality control in warehousing and delivery, in-store management and inspection, and quality analysis and improvement, to achieve full-chain control of food safety and quality from suppliers to stores. Meanwhile, the Company has established a food safety and quality control department to ensure effective control of product safety and quality. During the reporting period, the Company had no product recalls due to safety and health issues.

#### Supplier Quality Management

Supply chain quality management plays a vital role in ensuring food safety of the Company. During the supplier selection process, we strictly inspect qualifications upon supplier onboarding and review their qualifications regularly. We terminate collaborations with the suppliers who fail to meet food safety standards. To guarantee the food safety from the source, we set up laboratories at our headquarters and manufacturing facilities to test the quality of raw materials. We also work with third-party laboratories accredited by China National Accreditation Service for Conformity Assessment ("CNAS"), China Metrology Accreditation ("CMA"), ILAC Mutual Recognition Arrangement ("ILAC-MRA") and China Accredited Laboratory ("CAL") to conduct quality testing in a more comprehensive manner.

#### Warehousing and Delivery Quality Management

In terms of warehousing and delivery, we have formulated internal policies and systems such as the *Logistics Management Manual of Baicha Baidao Group*, *Warehouse Receiving Process of Baicha Baidao Group* and *Arrival Temperature Measurement Process of Baicha Baidao Group*, and set up quality control personnel to inspect relevant goods. We strictly follow a Hazard Analysis and Critical Control Points ("HACCP") system, and in the warehousing process, to serve different temperature and humidity storage requirements of various raw materials, we have set up room-temperature zones, refrigeration zones and freezing zones in the warehousing facilities, each offering comprehensive and refined warehousing process for raw materials from storage to shipment. Our multi-layer temperature zones satisfy the storage and delivery requirements of our short shelf life raw materials, such as dairy products, frozen fresh juice and fresh fruit. In the logistics process, in order to instantly monitor the temperature changes of products during delivery, we have installed GPS and temperatures sensors in vehicles to automatically measure temperature of the vehicles every ten minutes and transmit location information and in-vehicle temperature data to our central monitoring system, in order to promptly respond to any temperature anomalies and prevent food spoilage. We also conduct quarterly quality control inspection to ensure food safety in warehousing and delivery.

#### Store Quality Management

We have developed a series of store product quality and food safety management systems, including the *Food Safety Manual of Baicha Baidao Group*, *Store Incoming Goods Inspection and Acceptance Management System of Baicha Baidao Group*, *Food Safety Position Responsibility Management System of Baicha Baidao Group* and *Store Health Management System of Baicha Baidao Group*, to ensure the standardization of product quality and food safety in stores across the country.

We strictly control the quality management of franchisees and require them to strictly abide by the food safety control procedures and standards of the state, government departments and the Company. Store staff are required to strictly adhere to the procedures and protocols in connection with storage of ingredients, shelf life monitoring, store sanitation, staff health and personal hygiene, among others. We also regularly and temporarily conduct inspections over the stores regarding food safety issues, and take various rectifying measures for ChaPanda stores with food safety issues, ranging from written warning to store closure. At the same time, to improve the food safety awareness and capabilities of store employees, we have formulated the *Store Personnel Training System of Baicha Baidao Group* to strengthen the training programs for store staff for food safety controls. In 2023, we held a total of more than 180 training sessions on food safety education, covering food safety laws and regulations, industry standards, internal policies, among others, which were attended by approximately 3,650 franchisees and store staff.

*Quality Warranty and Product Recall Policies*

ChaPanda has developed a complete quality warranty and product recall system and has clearly stated in the franchise agreements that franchised ChaPanda stores shall be responsible for and deal with consumer complaints in relation to product quality issues and product recall during store operation. For issues with high risks, such as food safety issues, franchised ChaPanda stores shall cooperate with our investigation, make rectifications according to our official views and guidance. For product quality issues caused by the raw material suppliers, the Company will require the raw material suppliers to compensate the refund amount directly to the accounts of relevant ChaPanda stores.

The Company has established a three-tier food recall system based on the severity and urgency of food safety risks. During the reporting period, the Company had not encountered any material product recall or experienced any material food safety incidents, and had not received any material consumer complaints with respect to our product quality.

- **For tier 1** For food that severe health damage or even death has already been caused or may potentially be caused, the recall must commence within 24 hours after we become aware of the food safety issue and be completed within 10 business days.

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- **For tier 2** For food that general health damage has already been caused or may potentially be caused, the recall must commence within 48 hours after we become aware of the food safety issue and be completed within 20 business days.

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- **For tier 3** Where any food is falsely labeled or marked, the recall must commence within 72 hours after we become aware of the food safety issue and be completed within 30 business days.

### 3.1.2 Optimizing Service Experience

We focus on exploring a range of combinations of natural ingredients with Chinese tea drinks. We aim to create diversified beverage flavors and cultural experience, and satisfy consumers' evolving demands for quality, health and innovative experience.

• *Diversified Products*

We create a number of our own product recipes through discovering and exploring the tastes and features of a wide range of raw materials. We implement careful selection and strict quality control for our raw materials to provide consumers with a better product quality experience.

For the tea bases in our products, we insist on extracting the flavors from original tea leaves. Through continuously discovering and selecting production areas and tea varieties, we have developed a wide range of quality tea bases with different flavors. When selecting dairy products, we carefully use premium dairy products from quality sources. Our market-leading production process is designed to preserve a superior flavor with butterfat, protein and other nutrients to the most extent. When selecting fruits, we purposely procure premium fresh fruits from quality production areas under various procurement models and make pre-orders for the required number of fruits to ensure a stable supply. Meanwhile, we actively explore fruits from various regions to provide consumers with differentiated product experiences with regional features. In addition, to ensure the stability and standardization of product flavor, we used our self-developed frozen fresh juice in the freshly-made tea drinks, and introduced the latest high pressure processing method for sterilization in the industry, which effectively retains the enriched flavor and freshness of the juice.

In order to produce more products that satisfy consumers, before new products are released, we will conduct sample testing on our products through regular new product tasting meetings, collect suggestions and feedback from consumers and the public on new products, and formulate corresponding product optimization measures to further optimize product taste to enhance consumer satisfaction.

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- **Responsible Marketing**

The Company actively safeguards the legitimate rights and interests of consumers, and has formulated internal policies and systems such as the *Brand System Management of Baicha Baidao Group* and the *Management System on Self-Media External Publicity Review Standard of Baicha Baidao Group* to strengthen the standard management on the Company's marketing activities, brand cooperation and product publicity to ensure the accuracy and legality of publicity information, and promote the brands and products in a proactive, objective and accurate manner. We conduct advertising compliance training to enhance employees' awareness of risk prevention in responsible marketing.

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- **Customer Complaints and Handling**

We actively listen to the voices of consumers to continuously improve their satisfaction. We have formulated the *Customer Complaint Handling System of Baicha Baidao Group* and the *Customer Service Management Manual of Baicha Baidao Group* to improve the customer complaint mechanism of the Company and clearly delineate the customer complaint handling procedures of each operation center, so as to resolve customer complaints efficiently and quickly. We have established consumer complaint channels such as Weibo, Douyin, WeChat mini program online customer services and a national consumer service hotline, and have launched an online consumer dispute resolution system on the national 12315 platform to achieve the effective links between consumers and the Company, collect, respond to and handle consumer suggestions and complaints, and to establish a harmonious consumer relationship. In 2023, we received a total of 12,467 customer complaints, with a customer complaint handling rate of 100% and a customer satisfaction rate of 98.18%.

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- **Information Security and Privacy Protection**

The Company strictly follows relevant laws and regulations and has formulated internal management systems such as the *Information System Authority Management System of Baicha Baidao Group* and the *Information Security Management System of Baicha Baidao Group*. We have made more security protections for user information and privacy by adding WAF, Alibaba Cloud Firewall, and Tencent Cloud Security Gateway to protect against DDOS attacks, and have continued to strengthen consumer information and data security management while applying digital technology to improve consumer experience and promote business development.

### 3.1.3 R&D and Innovation

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- **Product Research and Development**

Product development and innovation lie at the heart of our competitive advantages and are key factors that differentiate us from competitors in the market. We encourage our employees to actively participate in product research and development and motivate their enthusiasm for innovation through monthly product competition and year-end incentive bonus to continuously develop specialty beverages that meet the diverse needs of our consumers.

Relying on our industry-leading product development capabilities, we have established an enriched product matrix of classic tea drinks and seasonal and regional tea drinks, which can meet the varied consumption demands of different consumer groups. Our product development philosophy prioritizes the creation of low-sugar, low-fat products that meet the needs of our health-conscious consumers. We continuously optimize existing products and develop new products based on our deep understanding of consumer tastes and feedback and our judgement of the evolving trend, and by drawing inspiration from traditional Chinese tea drinks, global cuisines and ingredients, snacks and desserts. In 2023, we developed more than 250 products and upgraded 13 classic product formulas.

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- **Intellectual Property Rights Protection**

In strict compliance with the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other relevant laws and regulations, ChaPanda has developed the *Intellectual Property Rights Management Manual of Baicha Baidao Group* and the *Intellectual Property Rights Management System of Baicha Baidao Group* to protect its own intellectual property rights from being infringed and avoid infringement of others' intellectual property rights. We encourage business departments to innovate and proactively carry out intellectual property rights transformation of job achievements, and established the *Reward System for Job Achievements Transforming into Intellectual Property Rights of Baicha Baidao Group* to form a corporate culture that values intellectual property rights within the Company. We also actively defend our intellectual property rights and assist the public security organs in cracking down on illegal acts that infringe on intellectual property rights. As of the end of 2023, the Company had a total of 668 intellectual property rights; a total of 152 new registered trademarks, 4 new patent authorizations, 4 new copyright registrations, and new trademark applications covering 9 countries around the world.



## 3.2 Employee Development

ChaPanda is well aware that employees are the core force for corporate development, it attaches great importance to safeguarding the basic rights and benefits of employees, and is committed to creating a fair and harmonious workplace environment, improving the talent development system, constantly stimulating employee vitality, and working hand in hand and growing together with employees.

### 3.2.1 Protection of Employee Rights and Interests

In strict compliance with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other relevant laws and regulations, the Company has formulated internal policies and systems such as the *Employee Handbook of Baicha Baidao Group*, the *Remuneration Management System of Baicha Baidao Group* and the *Employee Benefits Management System of Baicha Baidao Group*, to resolutely prohibit the employment of child labor and forced labor and ensure the legal and compliant employment of employees. The human resources department of the Company regularly reviews the recruitment system of the Company to ensure that measures to prohibit child labor and forced labor are effective. If there is any employment of child labor or forced labor, the Company will strictly hold the relevant personnel accountable and take punitive measures in accordance with laws, regulations and internal policies and systems. In addition, we also require our suppliers and franchisees to avoid employment of child labor and forced labor. The Company has clearly stipulated the management measures for employees' working hours, attendance and vacation in the *Employee Handbook of Baicha Baidao Group*, to enable employees to receive reasonable vacation benefits.

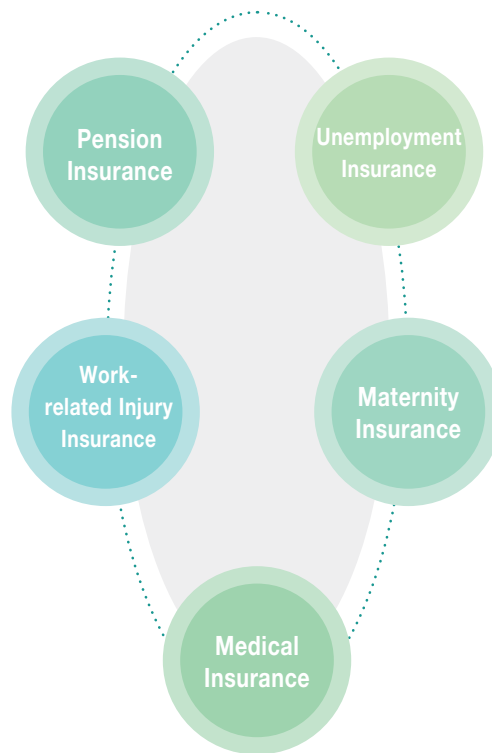
We are committed to creating an equal, diverse and non-discriminatory workplace. We provide equal employment and career opportunities for employees of different ethnicities, ages, genders and beliefs. In job descriptions and recruitment advertisements, we avoid discriminatory requirements and terms, recruit employees with different backgrounds and skills to form a diverse workforce, and prohibit any discrimination against employees based on gender, age, nationality, religion, disability, etc. As of December 31, 2023, we had a total of 2,052 employees, including 81 ethnic minority employees from 18 ethnic minorities in China, such as Tujia, Yi, Zhuang and Tibetan.

Indicator		2023	Unit
<b>Total number of employees</b>		2,052	person
Number of employees by employee type	Full time	2,052	person
	Part time	0	person
Number of employees by gender	Male	1,063	person
	Female	989	person
Number of employees by age	Aged 30 and below	1,286	person
	Aged 31-50	763	person
	Aged above 50	3	person
Number of employees by region	Mainland China	2,052	person
	Hong Kong, Macao and Taiwan	0	person
	Overseas regions	0	person
<b>Employee turnover rate</b>		38.74	%
Employee turnover rate by gender	Male	41.1	%
	Female	36.2	%
Employee turnover rate by age	Aged 30 or below	42.7	%
	Aged 31-50	30.7	%
	Aged above 50	66.7	%
Employee turnover rate by region	Mainland China	38.7	%
	Hong Kong, Macao and Taiwan	0	%
	Overseas regions	0	%

The Company has continued to improve its employee remuneration management system, strictly abides by the *Social Insurance Law of the People's Republic of China* and other laws and regulations, has formulated internal policies and systems such as the *Remuneration Management System of Baicha Baidao Group* and the *Employee Performance Management Measures for Self-operated Stores of Baicha Baidao Group*, and follows the principles of fairness, incentives, competition, compliance and confidentiality to establish a competitive remuneration system for employees and give full play to the incentive role of remuneration.

In accordance with the requirements of the *Employee Benefits Management System of Baicha Baidao Group*, the Company contributes social security insurance for employees, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance, and purchases accidental injury insurance for some positions such as supervision, inspection and engineering. The Company provides all employees with paid leave such as annual leave, bereavement leave, sick leave, maternity leave and breastfeeding leave, and also provides employees with additional benefits and annual leave. In addition, the Company provides employees with diversified benefits, including but not limited to traditional Chinese festival benefits, special holiday tea breaks, employee drink benefits, employee birthday parties, etc., to create a comfortable working environment with a sense of belonging for them.

The Company advocates democratic management, values employee participation and respects employee opinions. By setting up employee complaint mailboxes and feedback channels for employee issues, we actively listen to the voices of employees and respond to and resolve their concerns in a timely manner. In addition, we hold employee communication meetings and opinion collection activities from time to time to promote the direct interaction between employees and the management to ensure that employees have a voice and influence in the Company. We are committed to building an open and inclusive corporate culture so that every employee can feel their own importance and value, and jointly create a harmonious and stable working environment.



### 3.2.2 Occupational Health and Safety

ChaPanda strictly abides by laws and regulations on occupational health and safety, and has formulated internal management systems such as the *Safety Management Standards of Baicha Baidao Group* to continuously improve employee occupational health and safety management and provide employees with a healthy and safe working environment.

The Company provides employees with health examinations and various medical care consultations and services, so that employees can enjoy professional and personalized health guidance. In order to enhance employees' safety awareness and first-aid operation capabilities, so that they can quickly provide on-site rescue when accidental injuries occur, we have organized activities such as emergency rescue training, first-aid safety courses and emergency drills. ChaPanda had no work-related fatalities in the past three years. In 2023, the lost day due to work injury of the Company was 0.

### 3.2.3 Training and Development

ChaPanda has continued to optimize its employee promotion system and career development channels to provide employees with fair opportunities for career development, stimulate intrinsic motivation and accelerate talent growth. The Company has formulated internal policies and systems such as the *Talent Development Management Measures of Baicha Baidao Group*, the *Cadre Management System of Baicha Baidao Group*, the *New Employee Induction Training Management System of Baicha Baidao Group*, the *Internal Trainer Management System of Baicha Baidao Group* and the *Changes Management Measures of Baicha Baidao Group*, established three dimensions of "general, professional skills and talent echelon construction" for talent development planning, opened up the Company's internal level-by-level development channels, and ultimately achieved a "Y" type of talent output channel to promote the balance between talent supply and demand and establish an exclusive management and technical talent team of ChaPanda.

The Company has continued to optimize its talent training system and adopted a model that combines online and offline to provide employees with an online learning platform and rich cutting-edge course resources, focusing on general, professional and talent development training topics to meet the learning and development needs of employees in different scenarios and contribute to employees' career advancement. In 2023, the Company conducted a total of 132 training sessions, with a total of 22,216.2 hours.

Categories of training	Training content
General skills	New employee training, general systems, occupational general abilities
Professional skills	Professional skills requirements of centers, internal trainers
Talent development	Towards a successful leader + reserve supervisory manager

Indicator		2023	Unit
The percentage of employees trained by gender	Male	52	%
	Female	48	%
The percentage of employees trained by employee type	Senior management	2	%
	Middle management	22	%
	Grassroots employees	76	%
The average training hours of employees by gender	Male	11.4	hour
	Female	12.4	hour
The average training hours of employees by employee type	Senior management	6.0	hour
	Middle management	14.7	hour
	Grassroots employees	11.2	hour

### 3.3 Responsible Supply Chain

ChaPanda has continuously optimized its supplier management system to ensure the safety and stability of suppliers, integrated ESG factors into the supply chain management process, formulated the *Procurement Management System of Baicha Baidao Group* to standardize the selection and management of suppliers and optimize the procurement process of the Company. In 2023, the Company had a total of 248 suppliers.

Indicator		2023	Unit
Total number of suppliers		248	company
Number of suppliers by region	Mainland China	247	company
	Hong Kong, Macao and Taiwan and overseas areas	1	company

## • Rigorous Entry Criteria

We implement rigorous supplier entry criteria and process, and pre-screen the supplier candidates based on, among others, their certificates and qualifications, product sample testing and on-site inspection results. After passing our initial evaluations, suppliers must continue to demonstrate their ability to meet our standards within the next three months before they can officially be qualified as suppliers. Depending on the evaluation outcomes and subject to the final approval of our quality control department, qualified supplier candidates will be offered the opportunity to enter into long-term collaborations with us. In addition, we require new suppliers to register and use our supplier relationship management system so that we can effectively monitor and evaluate their performance while avoiding potential fraud risks.

We encourage suppliers to establish a sound quality management system and obtain professional system certification. Suppliers who have passed the quality system certification will become our priority. Especially for raw material suppliers, quality management system certification is a key requirement for their qualification review. At the same time, we also encourage suppliers to adopt environmental protection measures in packaging materials and jointly promote green procurement to achieve the goal of sustainable development.

## • Regular Performance Review

We implement a stringent monthly performance review of our suppliers. The assessment encompasses environmental and social-related factors, including the quality and price of the raw materials, the timeliness and stability of the supplies. We classify suppliers into three tiers, i.e., A, B and C, based on the results of performance review, and formulate corresponding management measures. If a supplier falls at Grade C for two consecutive years, we will terminate our collaboration with such supplier, and remove it from our suppliers' pool. Additionally, we will terminate our collaboration with any supplier failing to address quality issues, or engaging in fraudulent or unlawful activities.

## • Anti-corruption of Suppliers

The Company attaches great importance to anti-corruption management of suppliers and incorporates anti-commercial bribery into the selection of suppliers. Both suppliers and the Company are required to sign integrity agreements in the procurement contract to regulate and constrain the behavior of both parties, and prevent the violations of the laws and regulations and dishonesty issues. The Company has set up and made public the reporting mailbox for anti-commercial bribery and actively accepts public supervision. In 2023, the coverage rate of suppliers signing integrity agreements was 100%.

## 3.4 Franchisee Management

ChaPanda considers franchisees as its crucial partners and continuously improves its franchisee management regime and system. ChaPanda has established its internal policies and systems such as the *Franchised Store Partner Management Policy of Baicha Baidao Group* and the *Baicha Baidao Group Store Evaluation and Franchisee Rating Management Policy*, which ensure the standardized operation of franchisees.

We have implemented a rigorous franchisee onboarding process to ensure the quality and stability of franchisees from the beginning. To ensure the effective implementation of our management policies across franchised stores, we have established a store inspection system, under which we conduct various types of inspections across the store network, including regional inspection, headquarter inspection and third-party inspection, as well as random inspections by headquarter and regional inspection teams to achieve efficiency and effectiveness of the store inspection. In addition, we have engaged third-party organizations to carry out regular food safety inspections in our stores. We regularly evaluate our franchisees and ChaPanda franchised stores from multiple dimensions on a quarterly basis, including store hygiene, service quality, customer satisfaction, food safety and operational cooperation, and provide appropriate incentives to franchisees who perform well.

We endeavour to continuously improve the continuous operation and management capacities of our franchisees. As of December 31, 2023, our ChaPanda Professional Training School offered a strong support network for franchisees through 16 training centers and approximately 140 designated professional instructors across China. We provide franchisees with an online training resource library comprising of over 300 courses and 2,000 questions, aiming to ensure effective guidance and training for our franchisees nationwide. In order to promote knowledge sharing and problem solving, we have established a timely feedback mechanism and experience exchange platform, which is staffed with designated personnel to answer the problems encountered by franchisees in the course of their daily operations and promote experience sharing among our franchisees. In addition, we also dispatch our tutors from regional operation centers to provide professional guidance and assistance to our franchisees in store operations, staff recruitment, marketing, etc.

### 3.5 Public Welfare and Charity

We stay true to our original aspirations and make continuous efforts in the causes of public welfare and charity. We carried out several public welfare activities to contribute to and serve the society. In 2023, the Company received the title of “Charity Brand of the Year” and was selected as the Excellent ESG Case of the Year of the Chinese Catering Industry, etc. The Company made donations amounting to RMB16.4579 million to the public welfare, and the length of time contributed to the public welfare was nearly 2,600 hours.



Donation Certificate of the Baby Kangaroo Charity Program (Issued by the Meituan Public Welfare Foundation)

Letter of Thanks for the Donation to Playgrounds for Rural Children (Issued by the One Foundation)

Charity Brand of the Year (Granted by the Meituan Public Welfare Foundation and One Foundation)

Excellent ESG Case of the Year of the Chinese Catering Industry (Granted by the World Federation of Chinese Catering Industry)

#### “Playgrounds for Rural Children” Charity Program

We stay focused on children’s education and growth by joining Meituan’s “Playgrounds for Rural Children” Charity Program, through which we donate to build playgrounds for children in rural areas in China to help them exercise happily and grow up healthily. As of the end of December 2023, we have donated to build 3 playgrounds for rural children in Sichuan, Guizhou and Fujian. The donation from ChaPanda is still ongoing, and we believe that more playgrounds will be built.



Picture: Scenes of the public welfare visit to the first playground for rural children donated by ChaPanda

Baby Kangaroo Charity Program

We partnered with charitable organizations, such as Meituan, Green Mountain Project and Baby Kangaroo Charity Program, to jointly develop custom-tailored charitable products of eco-friendly silk scarves blind boxes, and the proceeds of nearly RMB65,000 were fully donated to the Baby Kangaroo Charity Program (which is the first public welfare assistance program for the children of the riders on all platforms in China, and has provided assistance to nearly 10,000 children of the riders in education, medical and other aspects since its establishment in 2019), which, together with the Baby Kangaroo Charity Home, cares for the healthy growth of the riders' children.

Charitable Donations

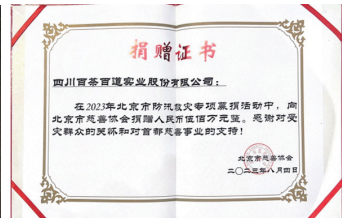
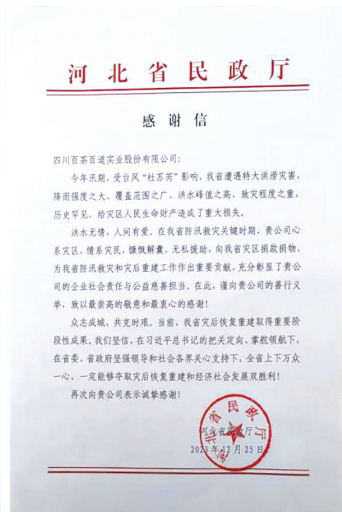
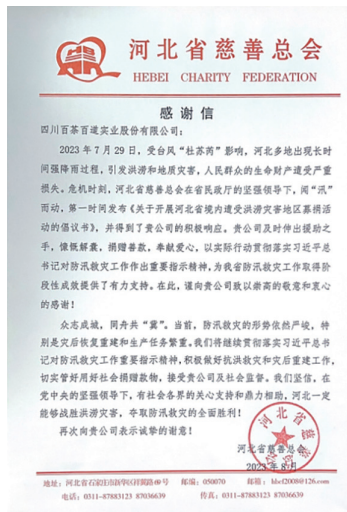
We donated RMB10 million to official charitable foundations in Beijing and Hebei Province for emergency relief, purchase of rescue equipment and home reconstruction of local residents after the heavy rains and floods occurred in August. In addition, in August 2023, we entered into a donation agreement with the China Foundation for Rural Development, pursuant to which we agreed to donate RMB5 million to support social charities.



Picture: ChaPanda led the establishment of the New Tea Beverage Public Welfare Foundation and donated RMB10 million to Jishishan County, Gansu Province for providing assistance to the earthquake-hit area



Picture: ChaPanda organized the on-site festival activities for sanitation workers under the theme of the "Happy Home and Civilized City"



Picture: ChaPanda donated RMB10 million to official charitable foundations in Beijing and Hebei Province. Beijing Charity Foundation and Hebei Charity Foundation granted certificates and gratitude letters to ChaPanda



Picture: ChaPanda partnered with the pet mall brands to carry out the activity of donating food to stray animals

# APPENDIX 1 KEY PERFORMANCE TABLES

## Environmental Performance

Indicator		2023	Unit
Emissions	Total discharge of hazardous waste <sup>1</sup>	0.09	tonnes
	Intensity of hazardous waste discharge	0.044	kg/person
	Total discharge of non-hazardous waste <sup>2</sup>	1,099.3	tonnes
	Intensity of non-hazardous waste discharge	0.54	tonnes/person
Use of Resources	Total energy consumption <sup>3</sup>	1,145.97	tonnes of standard coal
	Total energy consumption intensity	0.56	tonnes of standard coal/person
	Gasoline consumption of official vehicles	7,196	liter
	Electricity consumption <sup>4</sup>	9,261,549	kWh
	Electricity consumption intensity	4,513.43	kWh/person
	Water consumption <sup>5</sup>	26,988	m <sup>3</sup>
	Water consumption intensity	13.15	m <sup>3</sup> /person
	Packaging material consumption	1,094.7	tonnes
Packaging material consumption intensity	0.53	tonnes/person	
Greenhouse Gas	Greenhouse gas emissions <sup>6</sup> (Scope 1+ Scope 2)	5,297.9	tCO <sub>2</sub> e
	Greenhouse gas emissions intensity (Scope 1+ Scope 2)	2.58	tCO <sub>2</sub> e/person
	Direct (Scope 1) greenhouse gas emissions	16.0	tCO <sub>2</sub> e
	Direct (Scope 1) greenhouse gas emission intensity	0.008	tCO <sub>2</sub> e/person
	Indirect (Scope 2) greenhouse gas emissions	5,281.9	tCO <sub>2</sub> e
	Indirect (Scope 2) greenhouse gas emission intensity	2.57	tCO <sub>2</sub> e/person

<sup>1</sup> Hazardous waste statistics of ChaPanda include the amount of waste toner cartridges and waste dry batteries in its office spaces.

<sup>2</sup> Non-hazardous waste statistics of ChaPanda include the amount of office paper and packaging materials in its office spaces.

<sup>3</sup> Total energy consumption of ChaPanda mainly includes the energy consumption generated by the gasoline consumption of its official vehicles and the use of purchased electricity, and the energy consumption coefficient refers to the General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020).

<sup>4</sup> Electricity consumption statistics of ChaPanda include data on purchased electricity in its office spaces, Senmian Facility and warehousing facilities, except for the electricity consumption in certain regional offices where the electricity consumption cannot be separately calculated as it is included in the packaged property management fee charged by the lessors.

<sup>5</sup> Water consumption statistics of ChaPanda include data on water consumption in its office spaces, Senmian Facility and warehousing facilities.

<sup>6</sup> Direct (Scope 1) greenhouse gas emission emissions of ChaPanda derive from the daily use of official vehicles, and indirect (Scope 2) greenhouse gas emission emissions mainly derive from the use of purchased electricity. The relevant data refers to the Hong Kong Stock Exchange's Reporting Guidance on Environmental KPIs, in which the greenhouse gas emission factor of purchased electricity refers to the average emission factor of the national grid in 2022.

## Social Performance

Indicator		2023	Unit	
Employment	Total number of employees	2,052	person	
	Number of employees by employee type	Full time	2,052	person
		Part time	0	person
	Number of employees by gender	Male	1,063	person
		Female	989	person
	Number of employees by age	Aged 30 or below	1,286	person
		Aged 31-50	763	person
		Aged above 50	3	person
	Number of employees by region	Mainland China	2,052	person
		Hong Kong, Macao and Taiwan	0	person
		Overseas regions	0	person
	Employee turnover rate	38.74	%	
	Employee turnover rate by gender	Male	41.1	%
		Female	36.2	%
	Employee turnover rate by age	Aged 30 or below	42.7	%
Aged 31-50		30.7	%	
Aged above 50		66.7	%	
Employee turnover rate by region	Mainland China	38.7	%	
	Hong Kong, Macao and Taiwan	0	%	
	Overseas regions	0	%	
Health and Safety	Number of work-related fatalities	0	person	
	Lost days due to work injury	0	day	
Development and Training	The percentage of employees trained by gender	Male	52	%
		Female	48	%
	The percentage of employees trained by employee category	Senior management	2	%
		Middle management	22	%
		Grassroots employees	76	%
	The average training hours of employees by gender	Male	11.4	hour
		Female	12.4	hour
The average training hours of employees by employee type	Senior management	6.0	hour	
	Middle management	14.7	hour	
	Grassroots employees	11.2	hour	



Indicator		2023	Unit	
Product Quality and Service	Product recalls for safety and health reasons	0	case	
	Number of products and service related complaints	12,467	case	
	Customer complaint handling rate	100	%	
	Number of intellectual property rights	668	case	
Supplier Management	Total number of suppliers	248	company	
	Number of suppliers by region	Mainland China	247	company
		Hong Kong, Macao and Taiwan and overseas regions	1	company
Anti-corruption	Number of corruption litigation cases concluded	3	case	
	Number of directors participating in anti-fraud training	6	person	
	Average hours of directors participating in anti-fraud training	0.6	hour	
	Number of employees participating in anti-fraud training	1,600	person	
	Average hours of employees participating in anti-fraud training	0.6	hour	
Community Investment	Amount donated to public welfare	1,645.79	RMB0'000	
	Length of time contributed to public welfare	2,590	hour	

# APPENDIX 2 CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF HONG KONG STOCK EXCHANGE

Indicator		Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.2 Emissions Management
A1.1	The types of emissions and respective emissions data.	2.2 Emissions Management
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	2.1 Respond to Climate Change
A1.3	Total hazardous waste produced and, where appropriate, intensity.	2.2 Emissions Management
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	2.2 Emissions Management
A1.5	Description of emissions target(s) set and steps taken to achieve them.	2.2 Emissions Management
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.	2.2 Emissions Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	2.3 Use of Resources
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	2.3 Use of Resources
A2.2	Water consumption in total and intensity.	2.3 Use of Resources
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2.3 Use of Resources
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.	2.3 Use of Resources
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	2.3 Use of Resources
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	2.3 Use of Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.3 Use of Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	2.1 Respond to Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	2.1 Respond to Climate Change

Indicator		Section
B. Social		
Aspect B1: Employment		
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.	3.2 Employee Development
B1.1	Total workforce by gender, employment type, age group and geographical region.	3.2 Employee Development
B1.2	Employee turnover rate by gender, age group and geographical region.	3.2 Employee Development
Aspect B2: Health and Safety		
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.	3.2 Employee Development
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.2 Employee Development
B2.2	Lost days due to work injury.	3.2 Employee Development
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.2 Employee Development
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.2 Employee Development
B3.1	The percentage of employees trained by gender and employee type.	3.2 Employee Development
B3.2	The average training hours of employees by gender and employee type.	3.2 Employee Development
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.2 Employee Development
B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.2 Employee Development
B4.2	Description of steps taken to eliminate such practices when discovered.	3.2 Employee Development
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.3 Responsible Supply Chain
B5.1	Number of suppliers by region.	3.3 Responsible Supply Chain
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.	3.3 Responsible Supply Chain
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.3 Responsible Supply Chain
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.3 Responsible Supply Chain

Indicator	Section	
Aspect B6: Product Responsibility		
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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.1 Products and Services
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.1 Products and Services
B6.2	Number of products and service related complaints received and how they are dealt with.	3.1 Products and Services
B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.1 Products and Services
B6.4	Description of quality assurance process and recall procedures.	3.1 Products and Services
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.1 Products and Services
Aspect B7: Anti-corruption		
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.	1.2 Business Ethics and Anti-corruption
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.	1.2 Business Ethics and Anti-corruption
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.2 Business Ethics and Anti-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	1.2 Business Ethics and Anti-corruption
Aspect B8: Community Investment		
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.	3.5 Public Welfare and Charity
B8.1	Focus areas of contribution.	3.5 Public Welfare and Charity
B8.2	Resources contributed to the focus area.	3.5 Public Welfare and Charity



茶百道

四川百茶百道實業股份有限公司

Sichuan Baicha Baidao Industrial Co., Ltd.