



Green consumption, low-carbon life

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Key Features of the New Consumer Market

new development stage

- ✓ The consumer market continues to expand
- ✓ GDP per capita exceeds US\$10,000
 - ✓ National macro policy support
- ✓ Digital Transformation Dual Growth

new technology application

- ✓ digital transformation
- ✓ 5G , mobile Internet
- ✓ AR , VR virtual reality interaction
- ✓ Integrated Industry Solutions

new consumer groups

- ✓ The consumption upgrade of the middle class
- ✓ The rise of young consumers
- ✓ The silver economy and Gen Z have huge market potential
- ✓ Stimulating the potential of grassroots market

new development concept

- ✓ Green consumption
- ✓ healthy diet
- ✓ quality life
- ✓ Low carbon and environmental protection

Policy support releases high-quality development potential

New urbanization

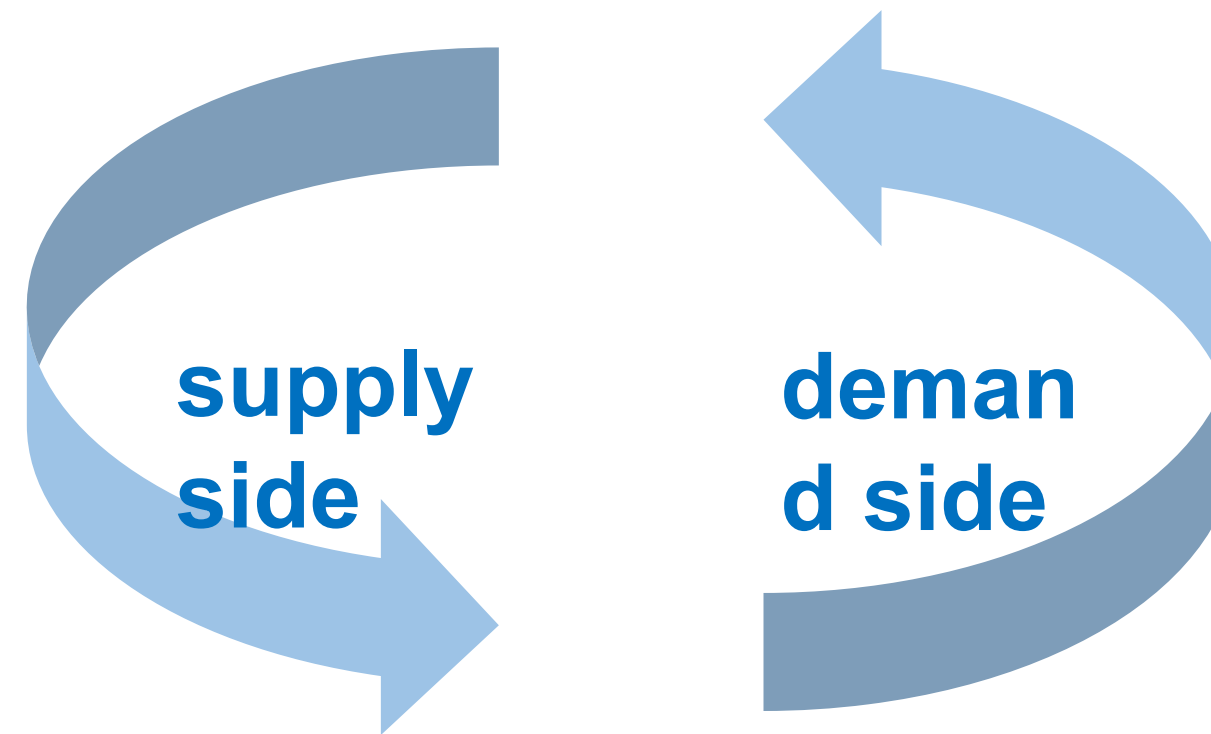
- ✓ The reform of the household registration system accelerates the urbanization transfer of the agricultural population
- ✓ "Five City Clusters + Hainan Free Trade Port" has become the center of urban construction

New infrastructure

- ✓ Accelerated development of big data, UHV, new energy, artificial intelligence and other fields

Open to the outside world

- ✓ Tax reduction for imported goods and expansion of imported categories
- ✓ Accelerate the opening up of service industries such as finance, medical care, education, and cultural tourism



Employment priority strategy

- ✓ Focus on college and vocational college graduates, skilled workers, farmers and small and micro entrepreneurs
- ✓ Vigorously develop vocational education

Improve social security system

- ✓ Improve the household registration system and promote the urban social security system for the floating population
- ✓ Improve the medical and health system
- ✓ Solve the problem of "one old and one small"

Common prosperity of different groups

- ✓ Raise the income of low-income groups and expand the proportion of middle-income groups
- ✓ Increase residents' property income through multiple channels

Hema's sustainable development path

Target customers

Promote high-quality development

China's rising middle class

Family daily fresh food / diet purchase decision maker

Business model

Hema O2O (offline + 30 minutes)

Fresh store
new retail brand



Hema mini
Community supermarket



box maole
Fresh Discount Store



(Offline + Half-Day

High-end membership scenarios



Hema Neighborhood NB
(Next Day Delivery)

Community pick up



Other innovative businesses ...

Hemali
community shopping mall
Hema F2
Catering store

Hema Cloud Supermarket
Front warehouse

cat and dog club
pet food

....

Near field e-commerce

midfield e-commerce

Industrial model

Commodity purchase and sale

Global Supply Chain System
Construction and Organic Projects



Multi-Temperature Supply Chain

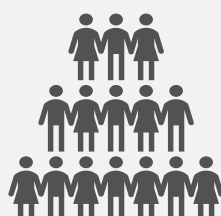
Room temperature, refrigerated, frozen, central kitchen
Machining Center



O2O operation

Online operation

traffic, user operations



Offline operation

Offline passenger flow, store operation, fulfillment delivery



technology

Retail Technology, Data Analytics, Consumer Insights



production side

Circulation

Consumer Insights and Services

Technological innovation

Exploring the development of a new agricultural circulation system - creating a new sample of modern agriculture "Hema Village"

Origin of Hema Village

◆ national level

the context of comprehensively promoting the rural revitalization strategy, the "14th Five-Year Plan" and the long-term goal of 2035 propose that it is necessary to improve the quality, efficiency and competitiveness of agriculture, and to upgrade the modernization level of the agricultural product industry chain and supply chain.

◆ Enterprise level

Practice the rural revitalization strategy
Traditional agricultural transformation needs

Consumers' yearning for quality life
All people realize the beautiful vision of common prosperity

Agricultural industry pain points

- **The production scale is small**, the distribution is scattered, the power is weak, and there is a lack of market voice
- **High cost of information**, weak supply chain management capabilities, and inability to accurately grasp the dynamics of consumer demand
- **The technical level is limited**, and it is difficult to standardize the quality of agricultural products to form a stable supply
- **Constrained by funds and other constraints**, it is difficult to independently upgrade technology and production facilities in the short term
- **Low operating profit margin**, weak anti-risk ability, lack of enthusiasm and creativity in production and operation

Introduction to Hema Village

✓ definition

According to Hema orders, form a stable supply relationship with Hema, promote the refinement, standardization and digital transformation of agricultural products, and develop typical village representatives of agricultural + digital bases

✓ model



contract farming



Supply chain reshaping and standardization



The integration of consumer Internet and industrial Internet

Up to now, Hema has established 170+ Hema villages in 18 provinces and cities across the country, driving the annual sales of agricultural products to more than 5 billion yuan.

Challenges facing sustainable agricultural development in China



Solutions for the whole industry chain



Efficient land production



Build a sustainable industrial chain



One -stop healthy lifestyle solution



Digitally Tutored Planting Strategies

Order -based precision farming

Cultivate consumption habits

carbon emissions

New retail promotes green and low-carbon agricultural innovation

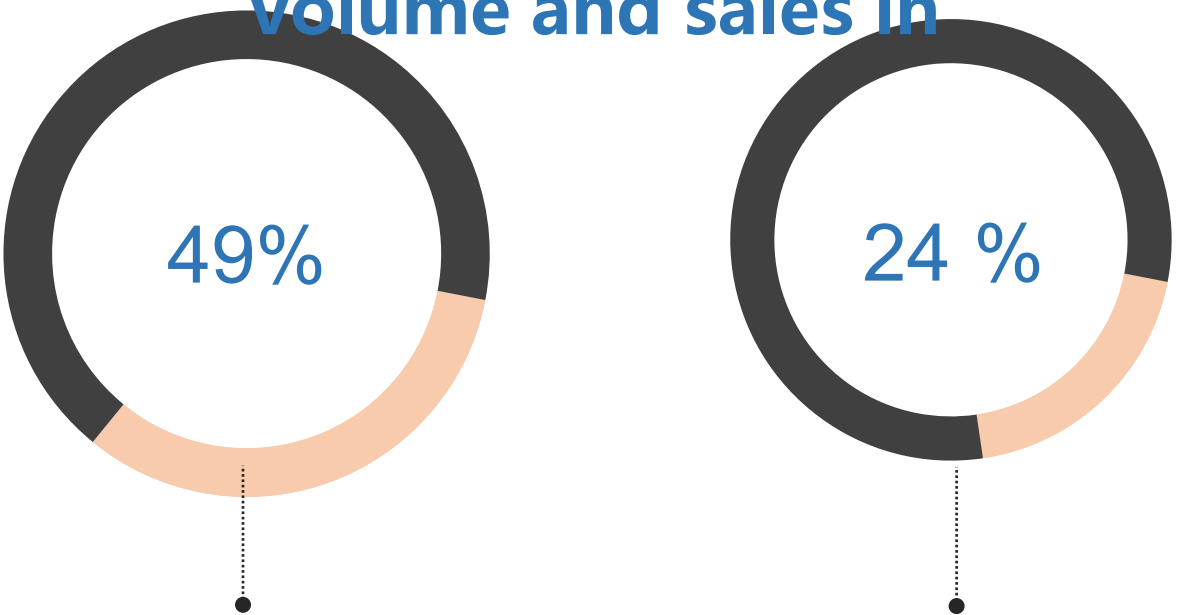
Hema Organic Fresh Project

- ◆ National deployment: 20 provinces and cities, 100+ organic products, and the creation of " 0" series brands.
- ◆ 100,000 mu of soil was transformed , 50 million tons of chemical fertilizer uses were reduced, and 60,000 kilograms of pesticide used were reduced.
- ◆ Economic value: contract farming mode, reducing the market price of organic vegetables by 30%-40% , benefiting farmers and people.
- ◆ Market value: Commodities with high quality and price ratio will accelerate the promotion of consumption upgrade in the domestic market.
- ◆ Strategic significance: Launching 30+ zero-carbon certified organic vegetables , eating vegetables and reducing carbon to help achieve double carbon.



Contract farming, mutual benefit and win-win

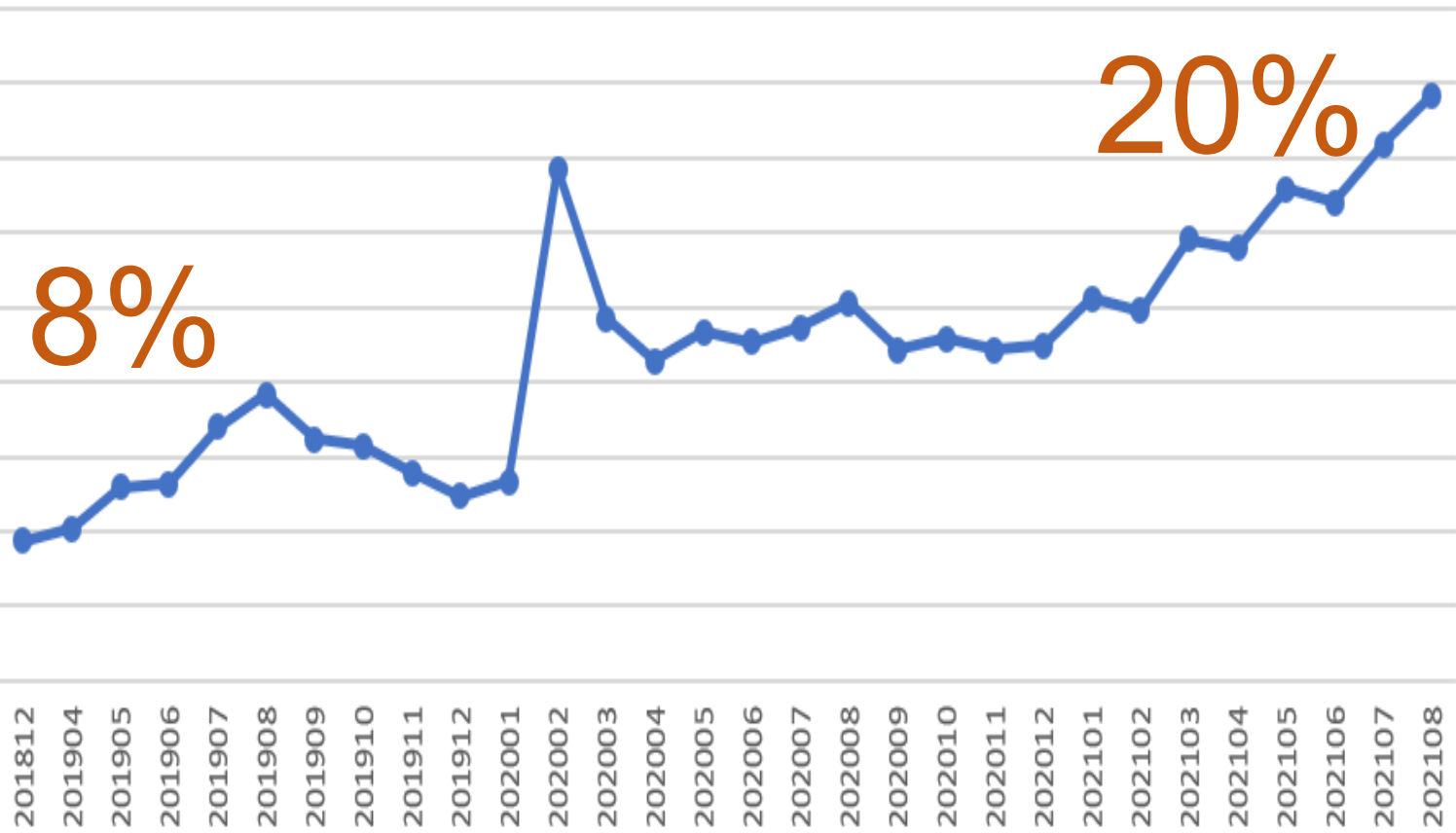
National organic vegetable sales volume and sales in



Hema sold 22,500 tons out of 46,000 tons produced

National organic vegetables 1.72 billion yuan

Hema sales of 420 million yuan

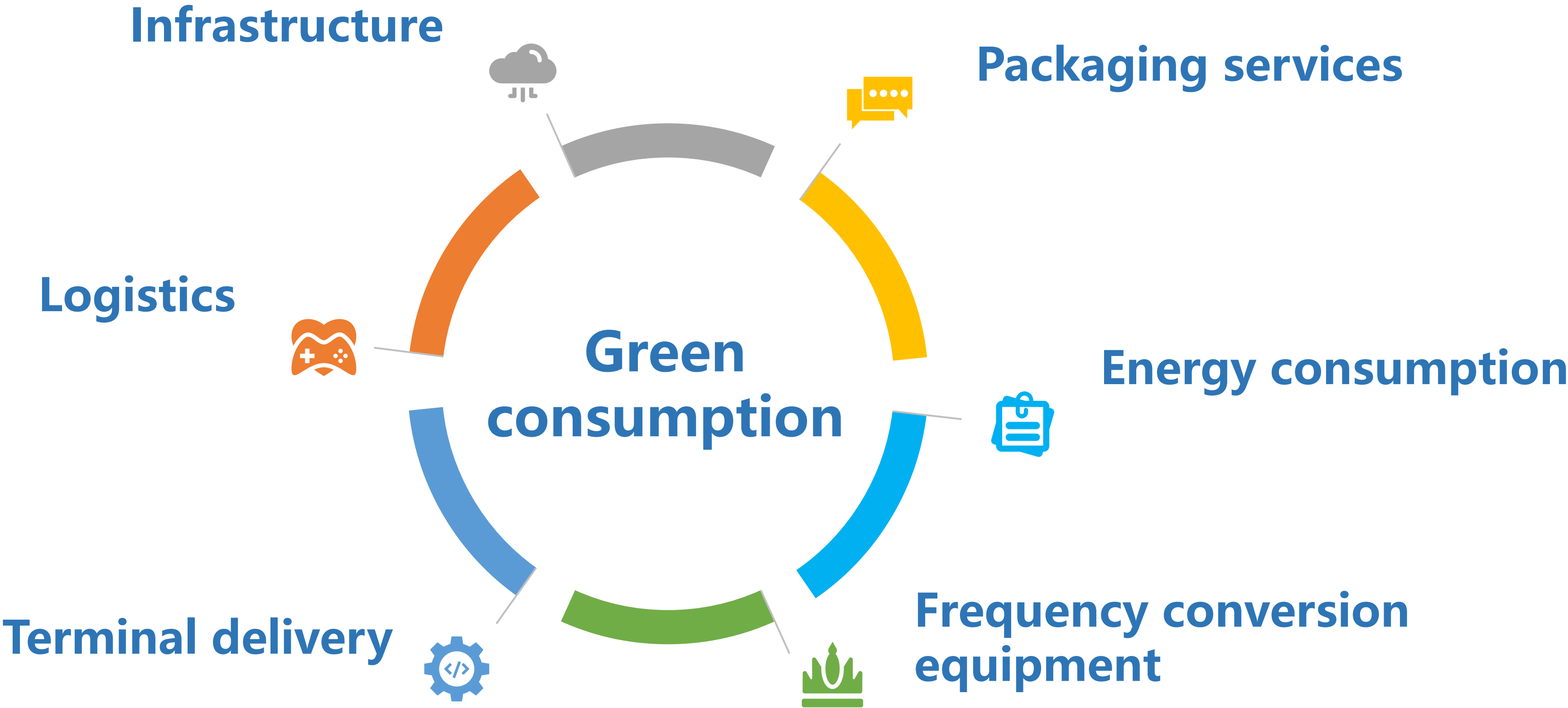


Sales of organic vegetables doubled



One-stop healthy living solution

Focus on green consumption and promote the transformation and upgrading of the entire industry chain



Thanks for listening!