



Stock Code: 2319.HK

2025

Sustainability Report



China Mengniu Dairy Group Limited





About this Report

Reporting Period

This report covers the period from January 1, 2025 to December 31, 2025, with some content and data tracing back to previous years as appropriate.

Organizational Coverage

Unless otherwise specified, the disclosure scope of this report is consistent with the scope of the 2025 annual report of China Mengniu Dairy Group Limited, including China Mengniu Dairy Group Limited and its subsidiaries.

References

This report was prepared in accordance with the Appendix C2 *Environmental, Social and Governance Reporting Guide* ("ESG Reporting Guide") of The Stock Exchange of Hong Kong Limited ("SEHK") *Main Board Listing Rules* and with reference to the Global Reporting Initiative (GRI)'s *Sustainability Reporting Standards* ("GRI Standards") as well as the *Enterprise Sustainability Disclosure Standards—Basic Standards (for Trial Implementation)* jointly issued by the Ministry of Finance, the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the Ministry of Commerce, the People's Bank of China, the State-owned Assets Supervision and Administration Commission of the State Council, and the National Financial Regulatory Administration, as well as the *Enterprise Sustainability Disclosure Standards No. 1—Climate (for Trial Implementation)*. This report responds to and adheres to following report principles:

Materiality: The report has identified key stakeholders and their sustainability topics in the preparation process and made targeted disclosures in this report according to the relative importance of their concerns.

Balance: This report objectively discloses both positive and negative information, ensuring that the content reflects our

sustainable development performance within the given time frame without bias.

Quantitative: This report adopts quantitative information to disclose the key performance indicators ("KPI") in the environmental and social aspects. The measurement standards, methods, hypotheses and/or calculation tools, and the source of conversion coefficients used for the KPIs are explained in their respective paragraphs.

Consistency: The data disclosed in this report follows the same statistical method as previous years, and explanations have been made for individual changes to ensure the principle of consistency.

Abbreviations

For ease of presentation and readability, China Mengniu Dairy Group Limited and its subsidiaries are also referred to as "Mengniu", the "Group", or "We" in this report.

Data Sources

All information and data quoted in this report are from official documents, statistical reports, and financial reports of the Group. The material in this report has been provided by Mengniu employees and partners, and is only used for the disclosure of Mengniu's sustainability management progress, not for commercial purposes.

Language Versions

This report is available in simplified Chinese, traditional Chinese, and English. In case of inconsistency, please refer to the simplified Chinese version as it shall prevail.

Report Access

Mengniu official website: www.mengniu.com.cn
Investor relations website: www.mengniuir.com

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Message from the CEO

The year 2025 marked a period of resilience-building amid deep structural adjustment in China's dairy industry, and a transformative leap for Mengniu's sustainability journey, from "embedding sustainability deeply" to "advancing it solidly." In the face of cyclical industry fluctuations and the rising tide of sustainable development, we anchored our efforts in the principle of "creating value with value," steadfastly advancing our "One Body, Two Wings" strategy and the "GREEN" sustainability development strategy. Over the course of the year, we achieved systematic breakthroughs across four dimensions, i.e. corporate governance, consumer well-being, partner co-prosperity, and investor returns, offering a "Mengniu model" for the sustainable development of China's dairy industry.

Strengthening Systematic Governance Foundations to Create Value for the Business

In 2025, Mengniu proactively benchmarked itself against the latest disclosure requirements issued by the Ministry of Finance and the Stock Exchange of Hong Kong Limited. Leveraging a three-tiered governance structure spanning the Board of Directors, management, and the operational level, together with three dedicated specialized task forces focused on green packaging, responsible procurement, and sustainable water management, the Group mobilized group-wide collaboration to embed sustainability into the entire process of management upgrading, process transformation, and business decision-making. Underpinned by robust governance practices, Mengniu's commitment to sustainable development has been genuinely translated into the Group's management language and decision-making toolkit, providing solid support for business growth and risk mitigation. As a result, Mengniu has consistently ranked at the forefront of China's dairy industry in mainstream ESG ratings.

Cultivating Green Nutrition across the Full Life Cycle to Create Value for Consumers

Facing the growing trend of green consumption, Mengniu upholds its corporate mission of "every drop of nutrition makes every life thrive." In the Ulan Buh Desert, the Group has organically integrated ecological restoration with industrial development, cumulatively planting 98 million desert plants and greening over 220 square kilometers of desert. Drawing on the natural endowments of "mountains, waters, forests, farmlands, lakes, grasslands, and deserts," Mengniu has established a complete organic industrial chain encompassing organic cultivation, organic farming, and organic processing, setting an industry benchmark for ESG-driven product innovation. At the same time, we have continued to deepen its nutrition and health strategy, focusing on three key tracks — basic nutrition, functional nutrition, and medical nutrition — and developing a range of functional products centered on sugar reduction, fat reduction, and nutritional fortification. These products precisely address the needs of diverse population groups across all life stages, including children and the elderly, delivering genuine health value to consumers through superior nutritional quality. In 2025, Mengniu's nutritional technology research and development earned multiple prestigious awards, achieving a harmonious resonance between green consumption and health-conscious consumption.

Co-Building a Full-Chain Responsible Ecosystem to Create Value for Partners

The sustainable competitiveness of the dairy industry is, in essence, the green competitiveness of the entire industrial chain. We have consistently upheld our industrial mission of strengthening the dairy sector and revitalizing agriculture, leveraging integrated supply chain transformation to break down collaboration barriers across the full value chain. Upstream, we have actively driven carbon reduction at farms and promoted responsible procurement, with steady progress made in soybean meal "zero-deforestation" sourcing, palm oil traceability, sustainable forest certification for primary inner packaging materials, and the completion of Sedex questionnaires by all strategic suppliers of raw and auxiliary materials. Downstream, we have actively participated in carbon reduction initiatives with B2B clients, responding to the industry's green development needs and making ESG a compelling reason for downstream customers to choose Mengniu. Through efficient upstream and downstream links, we have established a responsible industrial ecosystem spanning "from farm to table." At the same time, we have extended our value to the broader community. In 2025, Mengniu mounted emergency responses to more than ten natural disasters, reaching over 20 villages and towns and benefiting more than 50,000 people. The Mengniu Charity Foundation was recognized as a 4A-rated social organization, and its flagship project received the second "Inner Mongolia Charity Award." From industrial chain partners to the public, Mengniu has always connected with the world through goodwill.

Unleashing the Power of Green Finance to Create Value for Investors

Capital markets are repricing companies with outstanding ESG performance. In 2025, Mengniu successfully issued RMB 3.5 billion in sustainability-linked dim sum bonds. Within two hours of the order book opening, subscriptions exceeded RMB 22 billion, representing an oversubscription ratio of more than 11 times, setting records for both the lowest coupon rate and the largest issuance size among offshore RMB bonds in the Chinese food and beverage sector. The overwhelming investor response represents the most direct vote of confidence in Mengniu's ESG governance. This trust has translated into lower financing costs, with coupon rates of 2.0% for the 5-year tranche and 2.3% for the 10-year tranche, enabling us to unlock greater room for development at reduced cost, and to deliver sustained and steady long-term returns for shareholders and investors alike. Strong ESG governance is not a cost; it is Mengniu's passport in the capital markets.



The 15th Five-Year Plan period represents a pivotal phase in Mengniu's transition from scale expansion to long-term value creation. We will continue to uphold our vision of "safeguarding the shared health of humanity and the planet," anchoring ourselves to the philosophy of "creating value through value," and adhering to long-termism by doing "what is difficult but right." Through higher-standard ESG governance, more nutritious and health-oriented green products, a more responsible industrial ecosystem, and more effective investor engagement, we will continually enhance our economic, social, and environmental value. Together with all stakeholders, we are committed to driving China's dairy industry forward, from "basic nutrition" to "greater health," and contributing Mengniu's wisdom and China's solutions to the sustainable development of the global dairy industry.

Gao Fei
CEO and Executive Director

Statement of the Board

The Board of Directors fully recognizes the importance of environmental, social, and governance (ESG) factors to the Group's long-term and resilient operations. Sustainability is regarded as an integral part of the Group's strategy and governance framework. Mengniu continues to enhance its sustainability governance structure to ensure that relevant strategies, targets, and management requirements are effectively coordinated and implemented at the Group level.

The Board has established a Sustainability Committee as the highest decision-making and oversight body for sustainability matters. The Committee is responsible for reviewing the Group's sustainability strategy and phased targets, overseeing progress on key issues, and assessing the potential impact of sustainability-related risks and opportunities on the Group's operations. Under the guidance of the Sustainability Committee, the Sustainability Executive Committee, its Secretariat, and dedicated specialized task forces for key topics work collaboratively to advance sustainability initiatives, forming a governance mechanism with clear responsibilities and orderly operations.

Through timely and transparent communication and feedback mechanisms, the Group actively monitors the expectations

and concerns of stakeholders, including investors, rating agencies, supply chain partners, and consumers. The Group conducts regular materiality assessments and continuously refines the GREEN Sustainable Development Strategy based on the results. The Board Sustainability Committee reviews the outcomes of material topic identification and regularly monitors the implementation of the GREEN Sustainable Development Strategy, ensuring alignment with the Group's overall development strategy.

In 2025, Mengniu continued to advance its "One Core, Two Wings" strategic layout. Based on assessments of changes in the external environment, the Group further strengthened the coordinated implementation of the GREEN Sustainable Development Strategy. Focusing on key topics such as green packaging, sustainable water management, and responsible procurement, the Group established dedicated specialized task forces. These specialized task forces are coordinated by the Sustainability Executive Committee, with participation from relevant functional departments and business units, and regularly report progress to the Sustainability Committee to ensure effective implementation across business segments. At the same time, the Group continued to advance carbon management initiatives and will, in line with governance

arrangements, incorporate them into dedicated management mechanisms to further enhance sustainability governance and execution capabilities.

During the implementation of the GREEN Sustainable Development Strategy, the Group sets corresponding targets based on business priorities and continuously manages and tracks progress against these targets. The Sustainability Committee regularly reviews performance against targets to ensure alignment between strategy execution and operational realities.

Mengniu's Board of Directors attaches high importance to the systematic management of sustainability-related risks and opportunities, continuously assesses their likelihood and potential impact, and guides and oversees the Group in developing targeted response measures. The board of directors participates in the assessment of sustainability risks and opportunities and oversees the effective operation of the Group's risk management and internal control systems.

This report provides a comprehensive disclosure of Mengniu's sustainability progress and performance in 2025. It was reviewed and approved by the Board of Directors on March 25, 2026.



Corporate Profile

China Mengniu Dairy Group Limited (Stock Code: 2319) is a leading dairy group, ranking among the top ten dairy companies worldwide. Founded in 1999 in Hohhot, Inner Mongolia Autonomous Region, China, the Group was listed in Hong Kong in 2004 and is a constituent of the Hang Seng Index and Hang Seng Corporate Sustainability Index.

Mengniu focuses on providing nutritious, healthy and delicious dairy products to Chinese and global consumers, forming a diversified product matrix including liquid milk products, ice cream, milk formula, cheese and other categories. We have well-recognized brands such as Milk Deluxe, Just Yoghurt, Champion, Yoyi C, Shiny Meadow, Deluxe, Reeborne, Bellamy's, Milkground, Arla, and M-ACTION. It has a leading market share in segments such as high-end pure milk, chilled yoghurt, high-end fresh milk, cheese and liquid protein. In addition to Chinese mainland, Mengniu products have also entered more than ten countries and regions across Southeast Asia, Oceania, and North America. In 2025, Mengniu recorded revenue of RMB 82.25 billion throughout the year.

Mengniu has a total of 45 production bases in China and production bases in Indonesia, Australia, the Philippines, with a combined annual production capacity of 13.94 million tonnes. Mengniu has also made efforts to integrate high-quality resources and has made strategic investments in large dairy groups such as China Modern Dairy and China Shengmu. Currently, Mengniu collects over 20,000 tonnes of raw milk per day, with 100% of its fresh milk sourced from large-scale, intensive dairy farms. Mengniu also actively deploys high-quality milk sources overseas, owning raw milk processor Burra Foods and organic infant food seller Bellamy's in Australia.

Mengniu has established overseas R&D centers across North America, Europe, Australia, and Southeast Asia and has carried out strategic cooperation with many well-known scientific research institutions at home and abroad to jointly tackle key problems in forage planting, breeding and processing, basic dairy science, product innovation and other fields, and has made great progress in intelligent manufacturing, raw milk preservation, probiotics, quality control technology and other fields. In August 2025, Mengniu's Wuhan plant was certified by Forbes as the world's largest single-site chilled yogurt factory. The Group continuously improves its quality management system of the entire industry chain "from pasture to milk cup", covering breeding, processing, logistics and other links with digital and intelligent means, with full closure monitoring of production and dynamic inspection of the whole process, to ensure that every product is of excellent quality and superior quality.

Mengniu's first-class quality and brand value are widely recognized at home and abroad. Mengniu is the global partner of Olympic, the official global sponsor of FIFA World Cup, the official partner of the Chinese Football Association China National Team, the strategic partner of China's aerospace industry, the official dairy partner of Shanghai Disney Resort, the official partner of Beijing Universal Resort.

Mengniu aligns with the United Nations Sustainable Development Goals (SDGs), focusing on five directions: Governance-Sustainability, Responsibility-Common Prosperity, Environment-Carbon Net-Zero, Ecosystem-Collaborative & Accountable, and Nutrition-Supreme & Inclusive, to comprehensively promote GREEN Sustainable Development Strategy, to boost the

revitalization of the dairy industry, to assist rural Governance-Sustainability, Responsibility-Common Prosperity, Environment-Carbon Net-Zero, revitalization and realise common prosperity. Mengniu firstly releases industry-leading dual-carbon strategic goals of achieving carbon peak in 2030, carbon neutrality in the whole industry chain in 2050, actively helps the country achieve its dual-carbon goals, and promotes the sustainable development transformation of the upstream and downstream of the industrial chain. In 2025, Mengniu maintained its MSCI ESG "AA" rating for the third consecutive year, the highest rating in the industry in China.

During the 15th Five-Year Plan period, Mengniu, standing at a new stage of development and implementing new development concepts, will lead in the construction of a new paradigm of development of China's dairy industry and anchor in the "One Core, Two Wings" strategy, striving to develop into a Mengniu beloved by consumers, an international Mengniu, a Mengniu with strong sense of responsibility, a Mengniu with strong cultural gene, and a digitalised Mengniu. Going forward, Mengniu will continue to take on the mission of "Every drop of nutrition makes every life thrive," pursue the mission of "From the grasslands across the world, Mengniu products nourish and are loved by over 2 billion consumers around the world," and adhere to the values of "Consumer first; Creative solution wins the future; Empower and inspire talents to succeed; Integrity and honesty support our continued success" to continuously meet the customers' needs for a better life with high-quality products and services, promote the high-quality development of China's dairy industry and build itself into an icon of "Made in China".

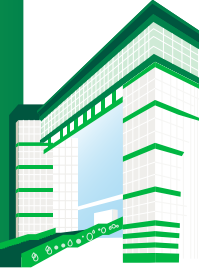
Corporate Culture



Mengniu GREEN Sustainable Development Strategy

Mengniu aligns its operations with the United Nations Sustainable Development Goals (SDGs) to build and continuously refine its "GREEN" Sustainable Development Strategy. Through double materiality assessments, we have identified key priorities and focused on 16 critical issues to fully support the Group's commercial strategy.

In 2025, the Group deepened the implementation of its "One Core, Two Wings" strategic layout, guided by the philosophy of "learn and act with steady accumulation, advancing step by step." We integrated the priorities of rating agencies, investors, the supply chain, and consumers into our approach. By collaborating across all departments and benchmarking against international best practices, the Group embeds sustainability requirements into daily operations and management, strengthening the foundation for long-term corporate growth.



Governance-Sustainability

- Sustainable Development Governance
- Risk Management
- Business Ethics



Responsibility-Common Prosperity

- Exceptional Workplace
- Rural Revitalization
- Charity



Environment-Carbon Net-Zero

- Climate Action
- Sustainable Water Management
- Circular Economy
- Green Operation



Ecosystem-Collaborative & Accountable

- Sustainable Procurement
- Sustainable Agriculture
- Biodiversity Conservation



Nutrition-Supreme & Inclusive

- Nutrition and Health
- Excellent Quality
- Superior Services



2025 Performance Highlights

ESG Rating

MSCI ESG rating
maintained AA level,
leading Chinese dairy industry



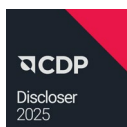
Hang Seng Corporate Sustainability
Index rating
reached AA-,
selected as one of the Hang Seng
Corporate Sustainability Index Series



S&P Global CSA score increased to 67
points,
earned a place in the *S&P Global
Sustainability Yearbook 2026*



CDP scores lead
China's dairy
industry



Climate Change

B

Water Security

B

Forests

B

Honors

- "Key Technologies for Quality Improvement and Industrial Application of Room Temperature Yogurt" received the Second Prize of Science and Technology Progress of Inner Mongolia Autonomous Region
- "Processing Technology and Application of Functional Probiotic Fermented Milk" received the Second Prize of Technological Invention of Inner Mongolia Autonomous Region
- "Key Technologies for Probiotic Dairy Processing and their Industrial Application" received the Second Prize of Science and Technology Progress of Liaoning Province
- The project on "Development and Promotion of the 'Green Factory' Evaluation Requirements for the Dairy Industry' Standard" was awarded the First Prize of the Energy Conservation and Emission Reduction Science and Technology Progress Award (Carbon Neutrality Category) in the 2025 China Energy Conservation Association Innovation Awards
- Recognized on the 2025 Fortune China ESG Impact List
- Awarded "2025 International Sustainable Competitiveness Enterprise" and "2025 ESG Innovation Case" by Southern Weekly
- Honored with the "2025 Green Dot China Annual Case for Sustainable Practices" by Yicai
- Honored with The Asset AAA Sustainable
- Finance Award for Best Sustainability Bond (Food & Beverage Sector, China Offshore)
- Selected for the Forbes World's Best Employers List
- Forbes China Most Employee-Friendly Employer 2025
- Retained the title of "National Civilized Unit"
- The Nutrition Inclusion Program won the "Charity Project and Charity Trust Award" of the Second Inner Mongolia Charity Awards
- Awarded the Sedex "2025 Environmental Contribution Award" and shortlisted for the "Supply Chain ESG Excellence Award"
- Recipient of the "EY Sustainable Development Annual Best Award 2025"
- Mengniu Ningxia Plant was selected Ministry of Industry and Information Technology of the People's Republic of China as one of the first batch of Outstanding Smart Factories
- Mengniu Wuhan Plant was awarded the Forbes "World's Best Super Factory" distinction



ESG-Related Goals and Progress

Progress in GHG Emissions goals

Goal Achieve a carbon emission intensity of no more than **165 kgCO₂e per tonne** of dairy product by 2025.

Progress In 2025, the carbon emission intensity per ton of product is **162.11 kgCO₂e/t**.

Progress in water utilization goals

Group operational water utilization goals

Goal

By 2030, increasing water recycling rate by **5%** compared to 2023.

By 2030, reducing water withdrawal per tonne of product by **10%** compared to 2023.

Progress

In 2025, the water recycling rate increased by **0.09%** compared with 2023.

In 2025, water withdrawal per tonne of product decreased by **6.08%** compared with 2023.

Supply chain water utilization goals

Goal

Core suppliers Modern Dairy and China Shengmu plan to reduce water intensity per unit of raw milk production by **10%** by 2030, using 2022 as the baseline.

Progress

In 2025, the water use intensity per unit of raw milk production for key suppliers China Modern Dairy and China Shengmu was **4.95 tonnes per tonne of raw milk**, down **19.4%** from 2022.

Progress in energy utilization goals

Goal

By the end of 2025, Mengniu's installed solar photovoltaic capacity will have increased by **30%** compared to 2023.

Progress

In 2025, installed solar PV capacity increased by **52%** compared with 2023.

Progress in forest protection goals

Goal

By 2030, Mengniu aims to eliminate deforestation risk associated with timber products, soy products, and palm oil in its supply chain.

Progress

Palm oil

Palm oil sourced in 2025 has achieved **100%** traceability to refinery (TTR), **100%** traceability to palm oil mill (TTM) and **55.81%** traceability to plantation (TTP)

In 2025, 250 tonnes of RSPO MB certified palm oil are procured.

Soybean product

In 2025, the proportion of "zero deforestation" soybean meal procurement reached **50.58%**, comprising **249.7 thousand tonnes** of low-risk procurement and **128.4 thousand tonnes** of certified procurement.

In 2025, Mengniu promoted the reduction and substitution of soybean meal in its cooperative farms, achieving a total reduction of **161.2 thousand tonnes**.

Timber product

In 2025, **88.11%** of the inner paper packages passed the sustainable forest certification, **100%** of outer packaging cartons use recycled paper.

Progress in green packaging goals

Eliminating environmentally unfriendly plastics

Goal

By 2025, completely eliminating the use of PVC¹ and EPS² in product packaging.

Progress

In products manufactured by Mengniu's own factories, PVC and EPS packaging materials **have been completely phased out**³.

Reducing fossil-based virgin plastics

Goal

Conducting research on lightweight packaging and bio-based materials, aiming to cumulatively reduce the use of fossil-based virgin plastics by **35,000 tonnes** by 2030, with 2020 as a baseline.

Progress

In 2025, various plastic reduction projects achieved a total reduction of over **4,804.12 tonnes** in the use of fossil-based virgin plastics.

Use of recycled materials

Goal

Conducting research on the application of recycled plastics such as PCR⁴ and PIR⁵, aiming to use recycled plastics in **20%** of plastic packaging products by 2035.

Progress

In 2025, packaging containing recycled plastics accounted for **0.63%** of the total weight of Mengniu's plastic packaging.

In 2025, recycled plastic utilized by Mengniu constituted **0.037%** of the total weight of all plastic materials.

Application of recyclable/ biodegradable materials in packaging

Goal

Developing mono-material composite films, low-additive technologies, and biodegradable materials, and achieve that by 2035 all packaging will be **100%** recyclable, reusable or biodegradable.

Progress

In 2025, recyclable packaging materials accounted for **98.65%** of the total weight of packaging materials. Develop and achieve the commercial application of fully environmentally degradable PHA straws.

End-of-life recycling of product packaging

Goal

Actively participating in and support national and association-led packaging recycling initiatives through recycling labels and industry chain collaboration, contributing to the industry's goal of achieving a **40%** recycling rate for paper-based composite packaging and over **90%** recycling rate for PET⁶ bottles by 2025.

Progress

In 2025, **21** product packaging designs received the "Easy to Recycle, Easy to Recycle" certification, with **3** of them achieving the "Double-E Excellence" rating.

¹ PVC, Polyvinyl Chloride, a common general-purpose plastic.

² EPS, Expanded Polystyrene, a rigid closed-cell structural foam plastic.

³ Data as of April 2026.

⁴ PCR, Post-Consumer Recycled plastic, refers to plastic materials that have been used and ultimately discarded by consumers, then processed through collection, cleaning, shredding, and pelletizing to be remade into new plastic raw material.

⁵ PIR, Post-Industrial Recycled, refers to recycled plastic raw materials directly processed from plastic waste or leftover materials generated during industrial production that have not been used by consumers.

⁶ PET, polyethylene terephthalate.

Join Global Initiatives

- Joined the United Nations Global Compact (UNGC).
- Joined the Pathways to Dairy Net-Zero (P2DNZ) global climate initiative jointly launched by the Food and Agriculture Organization of the United Nations (FAO), the International Dairy Federation (IDF) and the Global Dairy Platform (GDP).
- Joined the Roundtable on Sustainable Palm Oil (RSPO), committing to reducing the risk of deforestation on the value chain, and promoting the production, trade and consumption of sustainable palm oil.
- Joined the Consumer Goods Forum (CGF) Golden Design Rules Acceleration Program to drive circular economy.
- Signed a strategic cooperation memorandum with the Alliance for Water Stewardship (AWS).
- Participated in the China Partnership for Business and Biodiversity (CPBB) to advance the "Business and Biodiversity" agenda.

Exemplary Practices Selected as COP30 Climate Cases

During the 30th Conference of the Parties to the *United Nations Framework Convention on Climate Change* (COP30) meeting in Belem, Brazil, a major environmental innovation initiative: "Mengniu – Water Circular Economy Practices and Innovations" was selected into the case collection jointly released by the Center of Environment Education and Communication of Ministry of Ecology and Environment and the Dadao Climate Change Promotion Center, providing a replicable and scalable practical sample for the global dairy industry to respond to climate change, and spotlighting the contribution of Chinese enterprises to global sustainable development.



Leveraging the CIIE Platform to Deepen Global Dairy Cooperation

For eight consecutive years, Mengniu has participated in the China International Import Expo (CIIE), partnering with global stakeholders to showcase new quality productive forces in the dairy industry. The Group also hosted international forums to strengthen industry consensus and promote collaborative innovation and high-quality development across the global dairy sector.



Strengthening the Olympic Partnership to Advance Global Sustainable Cooperation

Following her appointment, International Olympic Committee (IOC) President Kirsty Coventry made her first visit to China and toured Mengniu Group's headquarters. She spoke highly of Mengniu's integration of sustainable development principles into its industrial practices and its efforts to promote the Olympic spirit, noting their strong alignment with the IOC's values and expressing expectations for deeper global cooperation.



Governance- Sustainability

01

With the objective of building a long-term, robust corporate governance system, Mengniu integrates sustainability principles throughout the entire value chain under the guidance of the GREEN Sustainable Development Strategy. The Group advances its sustainability efforts in a systematic manner across three key dimensions—sustainability governance, risk governance, and business ethics. By continuously enhancing its governance structure and operating mechanisms, Mengniu strengthens the identification, assessment, and management of sustainability-related risks, strictly enforces business ethics and compliance requirements, and continuously improves its corporate governance standards and sustainability performance.

The SDGs addressed in this section:



Sustainability Governance

- ▶ Mengniu's routine sustainability efforts are undertaken by its **26** sustainability-related departments and **46** liaison officers and liaison personnel; established **three** specialized task forces on Key Sustainability Topics.
- ▶ Takes sustainability KPIs as a management assessment and incentive tool for senior management.
- ▶ Convened **2** meetings of the Sustainability Committee and **1** meeting of the Sustainability Executive Committee.
- ▶ In January 2026, the Group held its annual Sustainability Conference, recognizing departments and project teams that demonstrated outstanding performance in sustainability in 2025.
- ▶ Conducted **over 280** investor and sell-side analyst meetings and **over 20** sustainability-focused specialized sessions.



Risk Management

- ▶ Adhering to the COSO⁷ Enterprise Risk Management Framework and ISO risk management guideline to enhance the risk management system, strengthen the "three lines of defense".
- ▶ Focused on **7** risks, implementing differentiated control measures and conducting targeted, in-depth supervision in key areas."
- ▶ Risk management training and enablement is provided for **all employees**.



Business Ethics

- ▶ The Group has successfully passed the annual review of the **ISO 37301** and **GB/T 35770** Compliance Management System certifications from the China Quality Certification Centre and SGS-CSTC, thereby maintaining the continuous validity of the certificates.
- ▶ **56** special supervision sessions were carried out, **5** suggestions for disciplinary inspection and rectification were put forward, **16** business processes were improved.
- ▶ A total of **16,194** integrity commitment letters were signed, conducted **2,178** integrity education sessions, training over **100,000** employees cumulatively.

⁷ Committee of Sponsoring Organizations of the Treadway Commission.

Sustainable Development Governance

Mengniu strictly complies with the laws and regulations of the jurisdictions in which it operates, as well as applicable listing and regulatory requirements. In line with the Group's development needs, Mengniu continues to enhance its sustainability governance framework to support improvements in business management and long-term value creation.

The Board of Directors (the "Board") of the Group is the highest governing body for the Group's overall development strategies and policies. It sets performance and management objectives, evaluates operating results, and oversees the performance of management. To provide more focused oversight and professional guidance in key areas, the Board has established five committees: the Audit Committee, the Nomination Committee, the Remuneration Committee, the Strategy and Development Committee, and the Sustainability Committee. Each committee performs its duties within its respective mandate, providing professional support to Board decision-making and enhancing the standardization and effectiveness of corporate governance.

For details on the terms of reference of the Audit Committee, Nomination Committee, Remuneration Committee, Strategy and Development Committee, and Sustainability Committee, please refer to the relevant documents available at <https://mengniuir.com/en/doc.aspx>.

Board Diversity and Independence

Mengniu adheres to the principle of a diversified Board composition. The Board comprises nine directors, including three executive directors, three non-executive directors, and three independent non-executive directors. Independent non-executive directors represent one-third of the Board, providing independent oversight and objective judgment, which contributes to balanced decision-making and enhanced governance effectiveness.

To safeguard independence and impartiality, the Group provides institutional support to enable independent non-executive directors to fully perform their supervisory and checks-and-balances roles, and ensures that their independent views are effectively considered throughout the Board's decision-making processes. The chairs and all members of the Audit Committee and the Remuneration Committee are independent non-executive directors, who apply professional perspectives to oversee and review key matters such as financial reporting, internal controls, risk management, and executive remuneration policies, thereby further strengthening the independence, fairness, and transparency of decision-making.

We recognize that having board members from diverse backgrounds, experiences, and professional fields brings broader perspectives and rich knowledge resources to the Group, facilitating more comprehensive and objective decision-making and planning for Mengniu's future development. To promote board diversity, Mengniu has established the *Board Diversity Policy*. When nominating board candidates, we comprehensively consider a wide range of factors, including gender, age, cultural, education background, ethnicity, professional expertise, industry experience, management skills, knowledge level, and tenure. As of the end of the reporting period, there are 2 female directors among the current board members, and the members possess expertise and experience in areas such as risk management, marketing, human resource management, financial management, investment, law, corporate governance, stakeholder relationship management, innovation mechanism evaluation, responsible economics, and sustainable development. This diversity of knowledge and perspectives provides a comprehensive and objective foundation for the Group's strategic planning.



Sustainability Governance Framework

Mengniu has established a systematic sustainability governance structure featuring a three-tier management framework comprising the decision-making level, management level, and execution level. Through clear role delineation and effective transmission across these levels, the framework supports the effective implementation of sustainability strategies and performance enhancement, continuously strengthening the Group's overall sustainability capabilities. Mengniu is committed to creating long-term value for stakeholders and achieving a harmonious balance between business success and social progress.

Decision-making level

Mengniu has set up the Sustainability Committee at the level of the Board, chaired by Non-executive Director Ms. Lillie Li Valeur, with other members including two executive directors, namely Mr. Gao Fei and Ms. Wang Yan, and independent non-executive director Mr. Li Micheal Hankin. The Sustainability Committee is responsible for assessing the Group's GREEN Sustainable Development Strategy, objectives and risks, and reviewing sustainability-related disclosures.

Management level

Mengniu has established the Sustainability Executive Committee in the management level, composed of core executives of the Group, which is mainly responsible for promoting the Group's sustainable development management and strategy, supervising the progress of the strategy implementation, and approving the annual action plan. Meanwhile, Mengniu set up the Secretariat of the Sustainability Executive Committee, which updates its management structure annually. The Secretariat includes representatives from key departments closely related to sustainability work, responsible for the overall planning, coordination, and implementation of sustainable development initiatives.

Execution level

Mengniu's routine sustainability efforts are undertaken by 46 liaison officers and personnel from its sustainability-related departments, who set corresponding goals and plans, and implement the Group's strategies. Additionally, Mengniu has established three specialized task forces on key sustainability issues, to enhance performance in critical areas such as sustainable water management, responsible procurement and green packaging.

Mengniu has incorporated sustainability KPIs into the annual performance agreements for management. These include critical targets in areas such as nutrition product innovation, energy and water consumption, product safety, and quality. Corresponding weights are assigned based on the specific duties of different management roles. The Group conducts a comprehensive annual performance evaluation of its senior management team and based on the evaluation results and the Group's evolving needs, reviews and calibrates the KPIs in alignment with performance outcomes and development strategies. This ensures that the KPIs provide clear strategic guidance and embed sustainability requirements deeply into core business operations and decision-making processes. On this basis, we have also established sustainability KPIs as a key assessment and incentive tool for middle management. This covers critical areas such as carbon management, water management, and green packaging management. Furthermore, in our annual recognition programs, sustainability performance serves as a core criterion for evaluating outstanding managers. This approach ensures the effective integration and implementation of sustainability objectives across all levels of the organization.

In 2025, Mengniu convened 2 meetings of the Sustainability Committee and 1 meeting of the Sustainability Executive Committee, during which progress on sustainability initiatives was reported to the Board and senior management, and key sustainability topics were discussed and decided upon. In January 2026, the Group held its annual Sustainability Conference, recognizing departments and project teams that demonstrated outstanding performance in sustainability in 2025. The Group also organized a group-wide call for best practices, established a selection committee, and conducted case presentations and evaluations, resulting in the selection of the "Top Ten Sustainability Projects of 2025," "2025 Sustainability Innovation Cases," "2025 Public Welfare and Philanthropy Award," among other recognitions.



Mengniu Sustainability Governance Structure

In 2025

Mengniu convened

2

meetings of the
Sustainability Committee

1

meeting of the Sustainability
Executive Committee



Double Materiality Assessment

Stakeholders Communication

Mengniu prioritizes the ongoing stakeholder engagement, actively addressing concerns regarding our business development and operations. Based on our business nature, industry trends, and operational status, we have systematically identified core stakeholders including employees, consumers, investors and shareholders, government and regulatory authorities, suppliers, distributors, and communities.

The Group strictly complies with applicable laws and regulations, maintaining robust ESG information disclosure mechanisms and disclosing ESG progress through regular reports and announcements in a standardized, transparent manner. The Group engages and collaborates with stakeholders on high material topics, including Climate Action, Nutrition and Health, and Excellent Quality. Through email, conference calls, surveys, and face-to-face meetings, we maintain close investor communication and actively address capital market concerns. In 2025, we conducted over 280 investor and sell-side analyst meetings and over 20 sustainability-focused specialized sessions, effectively communicating Mengniu's progress in business development, strategic planning, sustainability practices, and long-term value creation.

In 2025

we conducted

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analyst meetings

and

over 20 sustainability-focused
specialized sessions

Stakeholders

Consumers



Communication channels

- Online and offline communication channels
- 7 × 24 customer service hotline
- Media communications
- Consumer surveys

Employees



- Email
- Employee meetings
- Communication meetings
- Employee Representative Congress
- Training programs and complaint mechanisms
- Group anti-corruption reporting channels

Shareholders & Investors



- Group-published annual, interim and quarterly reports and announcements
- General meetings of shareholders
- Telephone communications
- Group visits

Government & Regulators



- Briefings and consultations
- Industry forums and conferences
- On-site research and inspections
- Signing of cooperation agreements

Value Chain Partners



- Supplier conferences
- Media communications
- Supplier training
- Public information disclosed via platforms

Communities



- Public welfare and community projects

Double Materiality Research

In 2025, Mengniu conducted its double materiality assessment through five steps—issue optimization, peer benchmarking, departmental interviews, expert evaluation, and management confirmation. Based on the research findings of the 21 key issues identified in 2024 and the GREEN strategy, the Group integrated and updated its issues, consolidating the original issue framework into 16 key issues that are more closely aligned with the Group's sustainability strategy. On this basis, through peer benchmarking, departmental interviews, expert evaluation, and management confirmation, the Group identified material issues that have substantive impacts on its sustainable development at the current stage, and developed the 2025 sustainability double materiality matrix, providing clear guidance for strategic resource allocation and action advancement.

Issue optimization

Based on the Group's GREEN strategy, the 21 key issues identified in 2024 have been consolidated and optimized into 16 sustainability issues.

Peer benchmarking

Based on the results of last year's key issues research, and in consideration of peer benchmarking, regulatory trends, and rating agency focus areas, the impact importance and financial importance of sustainability issues have been optimized and adjusted.

Department interviews

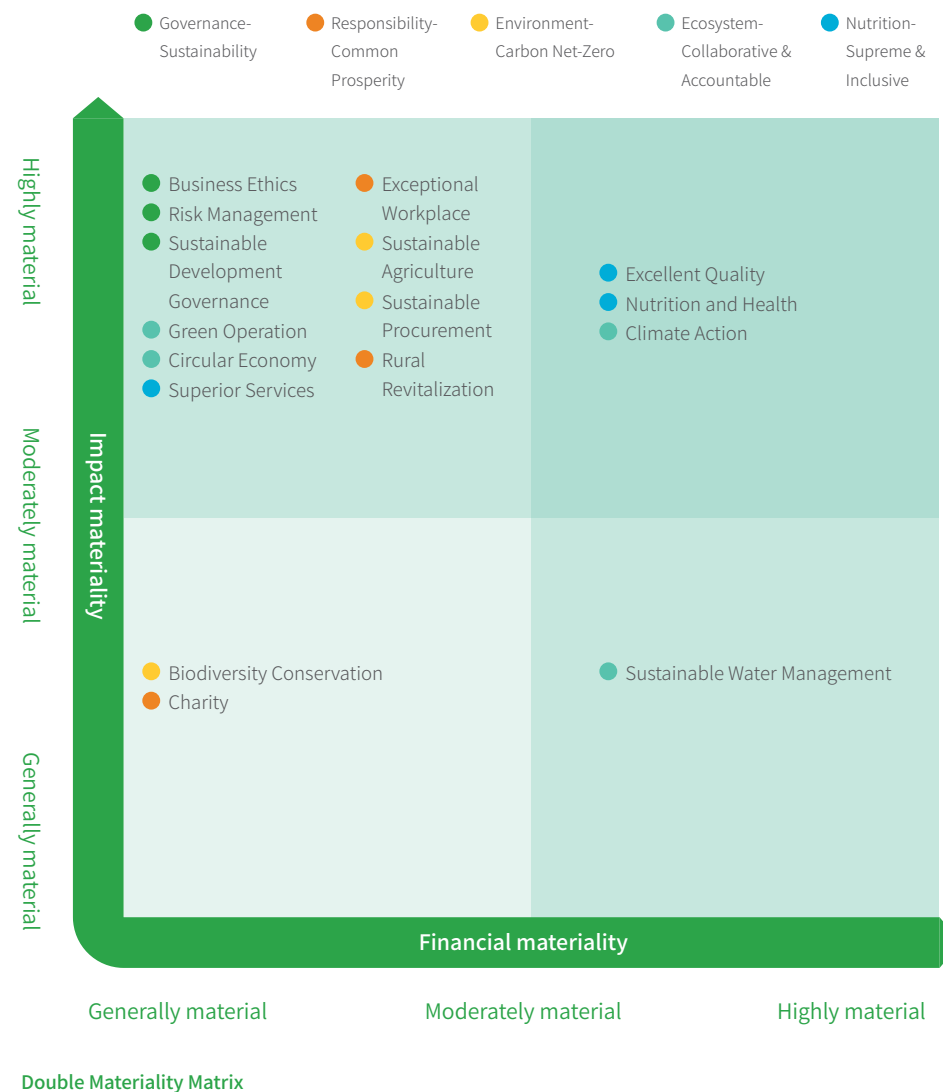
Through departmental interviews, the financial impact transmission mechanisms of various issues on the Group have been analyzed, corresponding financial assessment indicators have been matched, and a combination of qualitative and quantitative methods has been used to complete the financial importance ranking.

Expert evaluations

Sustainability experts were invited to assess the severity, scale of impact, and likelihood of occurrence for each issue, completing the ranking of impact importance.

Management confirmation

Upon confirmation by management, and in line with the Group's business development direction and operational reality, the double materiality assessment results for sustainability issues have been finalized.

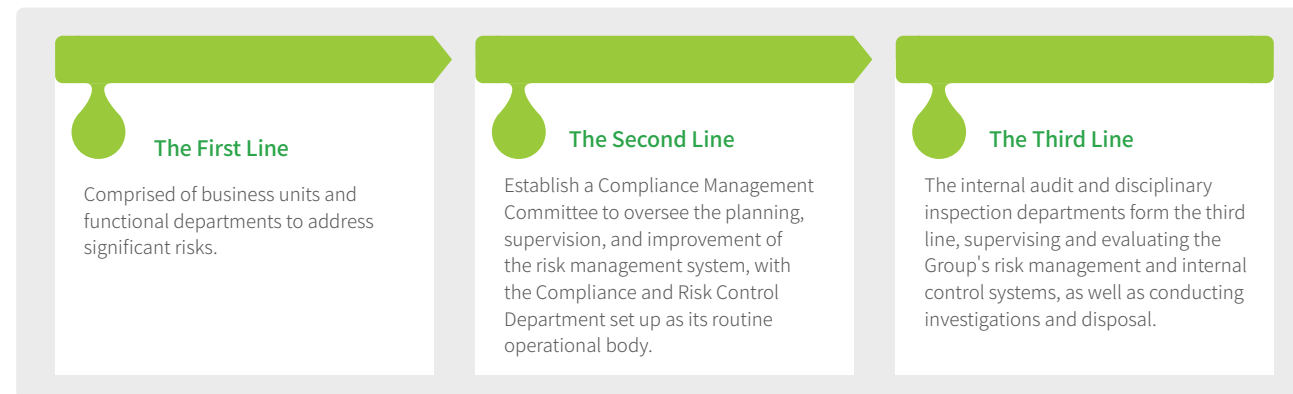


Risk Management

Mengniu deeply integrates enterprise-wide risk management into corporate governance and strategic decision-making. By continuously strengthening its internal control system and strictly complying with applicable laws and regulations, the Group has established a risk management framework with clearly defined responsibilities and organization-wide participation. This framework is designed to dynamically monitor changes in the internal and external environment, promptly identify and assess potential risks, and update response strategies and accountability arrangements, accordingly, thereby achieving effective risk prevention and control.

Risk Management Framework

The Board's Audit Committee is responsible for overseeing the Group's overall risk management. Adhering to the COSO Enterprise Risk Management Framework and ISO risk management guidelines, and in line with the Group's operational needs, Mengniu continues to enhance its risk management system, strengthen the "three lines of defense," and clarify organizational structures and role allocation to improve the systematic and effective management of risks. The Group has established a Compliance Management Committee as the supreme deliberative body for risk governance, chaired by the Group President and composed of senior management members. The committee oversees the strategic planning and key arrangements for law-based corporate governance, directs compliance and risk control activities, and leads the Office for Leadership Accountability Investigation in conducting inquiries and enforcing accountability for major violations in operations and investments. It also reviews reports on legal, compliance, and risk control matters, providing guidance, supervision, and evaluation of the Group's overall compliance and risk management effectiveness. To reinforce management accountability, the Group employs key performance indicators related to major operational risk incidents. Furthermore, an annual report on the operation of the risk management system and the handling of significant risks is regularly submitted to the Board Audit Committee, ensuring continuous improvement in risk management and its alignment with the Group's strategic objectives.



Mengniu has established a normalized, end-to-end risk management system and fully embedded risk management into its business operations and decision-making processes, continues to enhance a closed-loop, full-link risk management mechanism. Guided by the *Risk Management System* and the *Group Risk Management Manual*, Mengniu manages risks through six core processes: risk identification, risk assessment, risk response, risk monitoring and evaluation, and risk reporting. Through these processes, the Group further strengthens the supervision, inspection, assessment, and evaluation of risk management practices and mitigation measures. In the meantime, by establishing two-way linkages between compliance and risk control functions and business units, Mengniu conducts forward-looking risk analysis based on actual operations and industry trends, and promotes the integrated application of risk assessment and effectiveness evaluation. This approach continuously improves the systematic nature and responsiveness of the risk management framework. The Group also employs a combination of quantitative and qualitative assessment tools to perform cross-validation and dynamic analysis of major risks, thereby enhancing the foresight and accuracy of material risk identification.

Mengniu has established systematic and process-driven management mechanisms, along with a full-link risk management system centered on "multi-dimensional risk identification, integrated

risk assessment, coordinated risk response, consolidated supervision and inspection, and unified rectification optimization." The Group has built a first-phase digitalized information system integrating risk, internal control, compliance, legal affairs, and audit functions, linking risk databases, strategy libraries, model libraries, and issue repositories. Meanwhile, the Group has introduced digital tools and methods to regularly monitor external risks, enhancing risk management personnel's sensitivity to changes in the external environment and their ability to prevent and control risks.

The Compliance and Risk Control Department has upgraded the risk management framework across five key areas: strategy, market, finance, operations, and law. Building on the Group's business operations and extending to industry-wide risk control trends, the department anticipates risks faced by the Group from both functional and business unit perspectives. It focuses on managing significant risks at the Group level, reaching consensus through the Compliance Management Committee. Clear responsible units and individuals are designated, and appropriate risk response strategies, measures, or contingency plans are formulated to effectively mitigate and avoid adverse impacts of major risks on the Group's strategic objectives and sustainable development. In parallel, Mengniu has established mechanisms that encourage employees to proactively identify and report potential risks. The compliance and risk management

Risk Management Empowerment Training

function regularly collects feedback from business units and engages with frontline and key personnel to ensure that risk identification is both comprehensive and objective.

In line with the principles of "professional risk foresight, timely business feedback, and overall evaluation by senior management," Mengniu conducts integrated risk assessments for identified risks. Each year, we compile a list of major risks, conduct forward-looking assessments of their likelihood and potential impact, and submit the list for approval by the Compliance Management Committee. Our risk response strategies encompass prevention, control, and emergency response processes, implemented across the pre-event, during-event, and post-event stages to ensure clear setting of risk response objectives. In 2025, the Group focused on 7 risks, implementing differentiated control measures and conducting targeted, in-depth supervision in key areas. Other management-related risks, such as environmental and talent retention risks, are incorporated into the routine monitoring framework and are continuously managed by designated functional departments.

With respect to audit oversight, Mengniu adheres to the principles of "key controls, material risks, and effective coverage." Resources are allocated across core areas including strategy, operations, and support functions, enabling supervision and inspection activities to focus more precisely on critical risks and continuously improving audit effectiveness. In accordance with the audit charter and relevant internal control policies, the Group conducts regular audit activities and systematically reviews key processes and management standards, ensuring that oversight remains risk-focused while enhancing standardization and transparency in audit execution.

Mengniu emphasizes closed-loop management of audit and internal control findings. The Group conducts in-depth root cause analyses, proposes improvement measures, tracks the effectiveness of remediation, and optimizes management practices accordingly. Risk response measures are systematically evaluated, and the results of these evaluations serve as a key basis for refining the risk management framework, thereby driving continuous improvements in governance and management capabilities.

Mengniu has established a systematic risk management empowerment framework covering the Board of Directors, management, all employees, and all holding subsidiaries, with the aim of deepening risk awareness and fostering a proactive, prevention-oriented risk culture across the Group. On an annual basis, we conduct in-depth communication with board members on the fundamental principles, institutional policies, and mechanisms of risk management. This facilitates the conveyance of risk management concepts and the solicitation and integration of directors' professional insights. Concurrently, we assess and evaluate major risks, developing and refining corresponding response strategies.

For all employees, the Group provides online risk management courses and learning resources, while supporting business units in applying for tailored advisory services based on their specific operational needs. In addition, Mengniu organizes cross-business-unit and subsidiary-level targeted training and on-site coaching to ensure that risk management concepts, tools, and methodologies are effectively embedded and applied at the frontline of operations.



Business Ethics

Mengniu deeply understands that business ethics are the foundation for the sustainable development of an enterprise. Guided by the core value that "integrity and honesty support our continued success", Mengniu strictly adheres to business ethics and relevant laws and regulations. We are committed to building a comprehensive compliance management system that runs through the entire business process. To systematically advance compliance management, Mengniu has established and continuously improved a comprehensive set of internal compliance guidelines, including the *Integrity and Compliance Manual*, the *Corporate Governance Compliance Manual*, the *Compliance Manual on Duty Performance of Directors and Supervisors*, the *Environmental Protection Compliance Manual*, the *Anti-Commercial Bribery Compliance Manual*, the *Anti-Monopoly Compliance Manual*, the *Code of Conduct for Business Partners*, the *Compliance Manual for Business Partners*, the *Handbook of Compliance Guidelines for Personal Information Protection*, and the *Anti-Commercial Bribery and Anti-Corruption Policy*, standardizing the conduct of both the Group and its stakeholders to jointly foster an ethical, compliant, and business-friendly environment. In 2025, to further strengthen accountability mechanisms, Mengniu issued the *Accountability System for Violations*, reinforcing the binding force and execution effectiveness of compliance management. During the reporting period, the group did not encounter any conflicts of interest, money laundering, or insider trading incidents.

Business Ethics Management System

Mengniu continues to enhance its business ethics management system, with a focus on strengthening anti-corruption governance, promoting integrity-based operations and fair competition, and reinforcing the governance foundation for sustainable development. The Group has established the Compliance Management Committee responsible for coordinating strategic planning and major initiatives related to law-based corporate governance, reviewing reports on compliance and legal governance, and guiding, supervising, and evaluating compliance and risk control performance. The Office for Leadership Accountability conducts the handling of major violations in business operations and investments, as well as the relevant responsible personnel, the committee is chaired by the Group President, with core senior executives and the Chief Compliance Officer serving as members. Mengniu strictly implements the *Management Measures for Compliance Assessment, Evaluation and Commendation*, incorporating compliance performance into the senior management performance appraisal scoring system, with clearly defined deduction mechanisms. Assessment results are

applied directly to year-end performance evaluations. At the same time, the Group has developed specialized integrity education programs for newly promoted managers.

Mengniu has obtained compliance management system certifications under **ISO 37301** and **GB/T 35770**, covering all compliance management activities involved in the Group's operations. These certifications remained valid and effective throughout 2025.

Anti-Corruption Management

Mengniu always adheres to the concept of legality, compliance, and ethical norms, and pursues a "zero tolerance" attitude toward any form of commercial bribery and corruption. The Audit Committee of Mengniu's Board of Directors oversees the Group's anti-commercial bribery and anti-corruption efforts. Upholding the principle of "Audit first, discipline inspection follows," we establish a two-level supervision system between the Group and the business units, strengthen the joint supervision by discipline inspection, auditing, finance, compliance, human resources, and other departments, and fully improve the working mechanisms for information communication, clues transfer, and results sharing, so as to form a joint supervisory force.

Mengniu has continuously perfected the supervision system, strictly abiding by applicable laws and regulations, and revised and promulgated a number of policy documents, including the *Measures for Disciplinary Punishment of the Enterprise*, the *Regulations on the Appointment of Relatives and Prevention of Conflicts of Interest*, the *Measures for the Implementation of the Sunshine Agreement*, the *Measures for the Management of Gifts*, the *Measures for the Implementation of the Sunshine Agreement of Mengniu Dairy*, and the *Mengniu Dairy's Working Mechanism for Handling Cases of Duty Violations and Crimes*. These policies regulate the conduct of employees, suppliers, and business partners, update anti-commercial bribery clauses and violation handling measures, clarify disciplinary standards, and strengthen requirements for gift and hospitality management. All relevant policies are approved through collective review procedures, released group-wide, and acknowledged by employees through formal confirmation to ensure effective communication and standardized implementation.

We have established dedicated investigation units at both the

Group and business unit levels to implement tiered supervision and corruption risk prevention. Mengniu strictly follows standardized investigation procedures, handles violations in accordance with internal regulations and disciplinary rules, and refers suspected criminal cases to judicial authorities in accordance with the law. Upholding the principle of "using cases to drive rectification and governance improvement," the Group conducts case analyses, proposes corrective actions, and ensures closed-loop management. In 2025, we focused supervision efforts on grassroots management personnel and key business areas, with special inspections conducted in procurement, labor outsourcing, road transportation, and other critical processes. These efforts achieved comprehensive coverage across the Group and business lines, while the supervision of subsidiaries and invested companies was further strengthened.

In addition, we conduct internal audits, advance key tasks through quarterly special meetings, and implement a integrity assessment mechanism with results directly incorporated into managerial performance evaluation to enhance the independence and objectivity of supervision. During the reporting period, the Group carried out targeted supervision and inspections of integrity records, promptly rectified identified issues, and further reinforced the foundation of integrity governance.

Mengniu has joined the Trust and Integrity Enterprise Alliance and has established a "blacklist" for individuals involved in violations such as bribery and embezzlement. In 2025, the Group recorded 1 concluded corruption case, and this case did not have a material impact on business operations.

56

special supervision sessions were carried out

5

suggestions for disciplinary inspection and rectification were put forward

A total of

16

business processes were improved

16,194

integrity commitment letters were signed

Reporting and Complaint Management

To standardize the handling of whistleblowing reports and issue leads, Mengniu has formulated policies including the *Regulations on the Handling of Petition and Report Leads*, the *Approval Measures for Treatment and Punishment Procedures*, and the *Approval Measures for Disciplinary Inspection Business Processes*, continuously improving its whistleblowing and complaint management framework. The Group, business units, and subsidiaries have designated dedicated personnel to receive and process whistleblowing reports.

Business Ethics Reporting Channels

Mengniu is committed to establishing accessible and effective whistleblowing mechanisms to promptly identify and rectify misconduct including corruption, bribery, and malpractice, protecting the legitimate rights and interests of the Group, employees, and third-party partners. We maintain both named and anonymous reporting channels with strict whistleblower identity protection. For all leads received, we will follow the standardized investigation process to conduct investigation in a timely manner. The Group has established policies including the *Regulations on the Handling of Petition and Report Leads* and the *Approval Measures for Disciplinary Inspection Business Processes*, covering report reception, circulation, and disposition. Upon receiving reports, the Group implements centralized acceptance, assigns cases based on personnel levels and matter nature, maintains full-process supervision, and incorporates cases into the case management system for standardized closed-loop handling.

We have launched the anti-monopoly compliance course on the "Worth-It" online learning platform, targeting key personnel within the group to enhance their risk awareness and compliance capabilities. Concurrently, the Group regularly conducts risk assessments, updates compliance policies, and improves early-warning mechanisms, collectively strengthening the anti-monopoly compliance system.

The Group has built a multi-channel, comprehensive whistleblowing system designed to identify and correct potential misconduct through clear and accessible reporting mechanisms. An independent 24-hour whistleblowing hotline is available, along with a dedicated reporting email address and postal mailing option. Reporting channels are widely publicized through the Group's official website, WeChat official account, and other platforms, encouraging employees, business partners, and the public to report violations of laws and regulations and jointly foster a clean and transparent business environment. To support global compliance management across domestic and overseas operations, timely identify potential violations, and ensure compliance with business ethics and local laws, Mengniu has also established localized whistleblowing email channels in overseas operating locations, including Malaysia, Indonesia, and the Philippines. These channels support multilingual reporting and help safeguard shareholder interests and the Group's overall interests.

All whistleblowing channels accept both named and anonymous reports, which are followed up by designated personnel under strict confidentiality. Issues identified through whistleblowing are promptly addressed, control gaps are closed in a timely manner, and awareness of reporting channels is continuously enhanced through information sharing and communication initiatives, contributing to an honest, transparent, and accountable business environment.

Whistleblower Protection Mechanism

Mengniu strictly complies with legal and regulatory requirements, committed to protecting whistleblowers' legitimate rights and interests throughout the entire information complaint and reporting process, and providing comprehensive protection and legal assistance. We have established "Whistleblower Protection" clauses in the *Integrity and Compliance Manual* and the *Regulations on the Handling of Petition and Report Leads*, stipulating that all parties with access to whistleblower and whistleblowing information must maintain strict confidentiality, never disclosing whistleblowers' personal information, family information, report content, auditor names, or other sensitive information. All whistleblowing materials are managed as confidential documents, and it is strictly forbidden to transfer them to reported departments or reported individuals, or to privately copy, reproduce, withhold, destroy, or disclose them. We strictly regulate the conduct of discipline inspection personnel, prohibiting them from inquiring about, interfering with cases beyond their responsibilities, or engaging in intercession activities, ensuring investigation independence and impartiality. If discipline inspection personnel and related staff fail to comply with confidentiality discipline, they shall be held accountable; those constituting disciplinary violations shall be dealt with severely in accordance with Party discipline regulations.

We encourage named reporting while equally accepting anonymous reports according to regulations. We strictly prohibit any organization or individual from obstructing or interfering with reporting activities or seizing reporting materials in any form. For any acts of retaliation against whistleblowers, Mengniu will handle them severely according to institutional regulations. Suspected criminal cases will be transferred to judicial authorities in accordance with law, resolutely safeguarding whistleblowers' safety and legitimate rights and interests and combating retaliatory behavior.



Reporting hotline: 0471-7393612



Mailbox: mnjw@mengniu.cn



Postal code: 011517



Mailing address: Discipline Inspection Office, Room 311, Milk Source Building, Mengniu Dairy Industry, Shengle Economic Park, Horing, Hohhot, Inner Mongolia



Overseas channel: Bao Jincheng, the discipline inspection manager, serves as the contact person of Mengniu Discipline Inspection Commission for overseas business

Business Ethics Culture Development

The Group continuously strengthens business ethics culture development, enhancing integrity and compliance awareness among all employees through training and warning education, creating a clean and fair working atmosphere. We leverage multiple channels including WeChat official accounts, DingTalk announcements, computer desktops, and banners to timely and efficiently communicate the Group's compliance knowledge essentials.

Business Ethics Training

Mengniu is committed to continuously enhancing all employees' business ethics and compliance awareness through a systematic, full-lifecycle training system, serving as an important cornerstone for strengthening the Group's risk management. In 2025, Mengniu conducted 2,178 anti-fraud and business ethics training sessions for all employees (including part-time employees and contractors), suppliers, other external partners and family members of management personnel, reaching a total of 100,000 participants. The training program achieved 100% coverage of employees and partners.

To further enhance integrity awareness among personnel in key anti-commercial bribery compliance management areas, we conduct anti-corruption training for directors, supervisors, and senior management

on China Mengniu's anti-commercial bribery policies and the *Integrity and Compliance Manual*, continuously strengthening business ethics management defenses and deeply integrating integrity risk prevention and control into business processes.

Meanwhile, we have strengthened the awareness of integrity among young employees, and carried out integrity education for Blue Sea project students, Qingma engineering students, Future Star management trainees, and newly recruited young employees, so as to help them tie up the buttons of integrity. In addition, through the "Worth-It" online training platform, we have disseminated online courses such as the *Basic Compliance Knowledge on Anti-Commercial Bribery* and the *Integrity and Compliance Manual* to all employees.

Mengniu has formulated the *Integrity Warning Education Work Plan* and the *Reminder Talk Work Plan*, comprehensively utilizing case notifications, warning conferences, reminder talks, and other methods to build robust ideological defenses. The Group continued strengthening identification, prevention, and control of overseas enterprise integrity risks, advancing specialized governance of overseas corruption risks through overseas enterprise discipline inspection work meetings, specialized governance meetings, and multi-level heart-to-heart talks. Domestically, focusing on key areas including supply chain and procurement, the Group organized warning education meetings and supplier integrity communication sessions to guide employees and partners toward lawful and compliant operations.

Integrity Education Implementation:

Mengniu scientifically sets and manages corporate governance metrics and targets, formulates and implements strategies accordingly.



Targets

Proportion of employees receiving anticorruption training

100%

Coverage of business ethics training for all employees

100%

Situations in 2025: 100%

Completed

Conducted

1

group-level warning education conference

Conducted peer-level⁸ warning education, covering

46,781

participants

Over

6

department-level warning conferences

Conducted integrity talks with overseas personnel, covering

40

participants

Conducted specialized integrity communication sessions, covering

847

department heads and suppliers

Conducted pre-appointment integrity reminders to

1,789

newly recruited employees

⁸ Similar levels, industries and responsibilities

Responsibility- Common Prosperity

02

Focusing on the goal of common prosperity, Mengniu continues fulfilling its social responsibilities as a dairy enterprise, integrating employee development, industrial synergy, and social value creation into overall business considerations. Based on employee health, safety, and capacity building, the Group leverages dairy industry chain advantages, collaborates with upstream and downstream partners, supports rural revitalization and community development, and actively responds to the practical needs of dairy development in the context of common prosperity.

The SDGs addressed in this section:



Excellent Workplace

- ▶ Employed **38,301** staff, including **22,177** male and **16,124** female employees.
- ▶ Employee training coverage reached **100%**, with total training hours reached **2,303,110.64**.
- ▶ Cumulatively established **56** "Mommy Rooms" nationwide (including **8** provincial and ministerial demonstration sites).
- ▶ The 2025 "Happiness 365+" employee care activities cumulatively benefited employees with over **200,000** participant attendances.
- ▶ Achieved the goal of "**0 fatal production safety incidents**".
- ▶ The self-operated factories have achieved **100%** coverage of ISO 45001 Occupational Health and Safety Management System certification, with **1** of them having passed the national safety culture construction demonstration enterprise review.
- ▶ Cumulatively established **18** safety culture demonstration enterprises and **34** health enterprises (including **8** cases selected as national outstanding cases).

Rural Revitalization

- ▶ In 2025, training through projects such as "Golden Key for Dairy Cows" and "Advanced Farm Training Class" covered over **130** farms and more than **200** farmers and herdsmen.
- ▶ In 2025, Mengniu, in collaboration with financial institutions, provided nearly RMB **1 billion** in cumulative financial assistance to its upstream partner farms.
- ▶ Over more than 20 years, the "Inclusive Nutrition Project" has cumulatively covered **28** provinces, autonomous regions, and municipalities nationwide, benefiting **25 million** students.

Charity

- ▶ In 2025, Mengniu Charity Foundation was rated as a **4A-level charitable organization**.
- ▶ In 2025, participated in over ten emergency responses to natural disasters, covering more than **20** villages and towns, benefiting over **50,000** people, and cumulatively donating over **1 million** packs of milk.
- ▶ Established more than **120** Mengniu volunteer service teams nationwide.

Exceptional Workplace

Mengniu consistently positions talent development as a priority in the Group's development, adhering to a people-oriented management philosophy and committed to creating a diverse, equal, and inclusive workplace environment for employees. Focusing on employee health, safety, development, and care, the Group continuously improves relevant management systems and support mechanisms, advancing employee rights protection and organizational development synergistically, continuously enhancing employees' sense of gain and belonging, and providing solid talent support for the Group's sustainable development.

Employee Well-Being

Mengniu strictly complies with applicable laws and regulations and continues to strengthen its employee management system. Through sound policies and optimized mechanisms, the Company safeguards employees' health, safety and well-being, strives to create a fair, orderly and transparent workplace, and supports employees in achieving personal development in a safe and respectful environment.

Respect for Human Rights

Mengniu recognizes and respects the fundamental principles of the *International Bill of Human Rights*, the *ILO Declaration on Fundamental Principles and Rights at Work*, the *UN Global Compact Ten Principles*, and the *UN Guiding Principles on Business and Human Rights*. We strictly comply with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and related laws and regulations. We have formulated management documents including *Mengniu Employee Employment and Diversity Policy*, the *Employee Code of Conduct*, and the *Employee Handbook*, prohibiting child labor employment and forced labor use, and establishing corresponding review and control mechanisms in recruitment and employment management to implement human rights protection. Through identity verification and other methods, the Group prevents child labor employment risks from the recruitment source, stipulating that personnel who do not meet national legal employment age or are prohibited from employment by laws and regulations will not be hired. If child labor or illegal employment is discovered, the Group will immediately

initiate investigation procedures, handle matters according to laws and regulations, and when necessary, assist in contacting legal guardians to properly resolve relevant issues. In 2025, Mengniu experienced no incidents of employment discrimination, child labor employment, or forced labor.

We regularly identify potential human rights risks across the Group's business operations, including forced labor, human trafficking, child labor, freedom of association, collective bargaining rights, equal pay for equal work, discrimination, and occupational health and safety risks. We regularly assess employee human rights risks across all business segments, prioritize identified risks, and promptly formulate specialized rights protection plans to mitigate major human rights risks. Meanwhile, the Group conducts ongoing supervision through regular reporting, spot checks, and due diligence mechanisms to ensure relevant risks are discovered promptly and properly addressed. The Group will immediately intervene upon receiving reports of incidents damaging employee human rights such as child labor, forced labor, and occupational health injuries, conduct thorough investigations and proper handling, provide appropriate and reasonable remedial measures for affected parties, and review incident causes and handling to reduce recurrence likelihood. During the reporting period, we conducted detailed reviews of human rights, working environment, employment risks, labor contract signing, and other systems, identifying no potential human rights risks.

To address human rights risks within our operations and business development, we actively build employee awareness through training and clear communication. We are gradually integrating human rights requirements into our recruitment, employee experience, and daily HR management processes. These efforts ensure that risk prevention measures are effectively implemented throughout our standard business practices.

Employee Benefits and Care

Mengniu continuously improves the *Mengniu Group Employee Care Guidance Plan*, the *Employee Benefits Management System*, and the *Leave, Attendance and Working Hours Management System*, ensuring timely and full payment of statutory benefits, including social insurance and housing provident funds, in accordance with law, along with diversified benefit guarantees including funeral condolence payments,

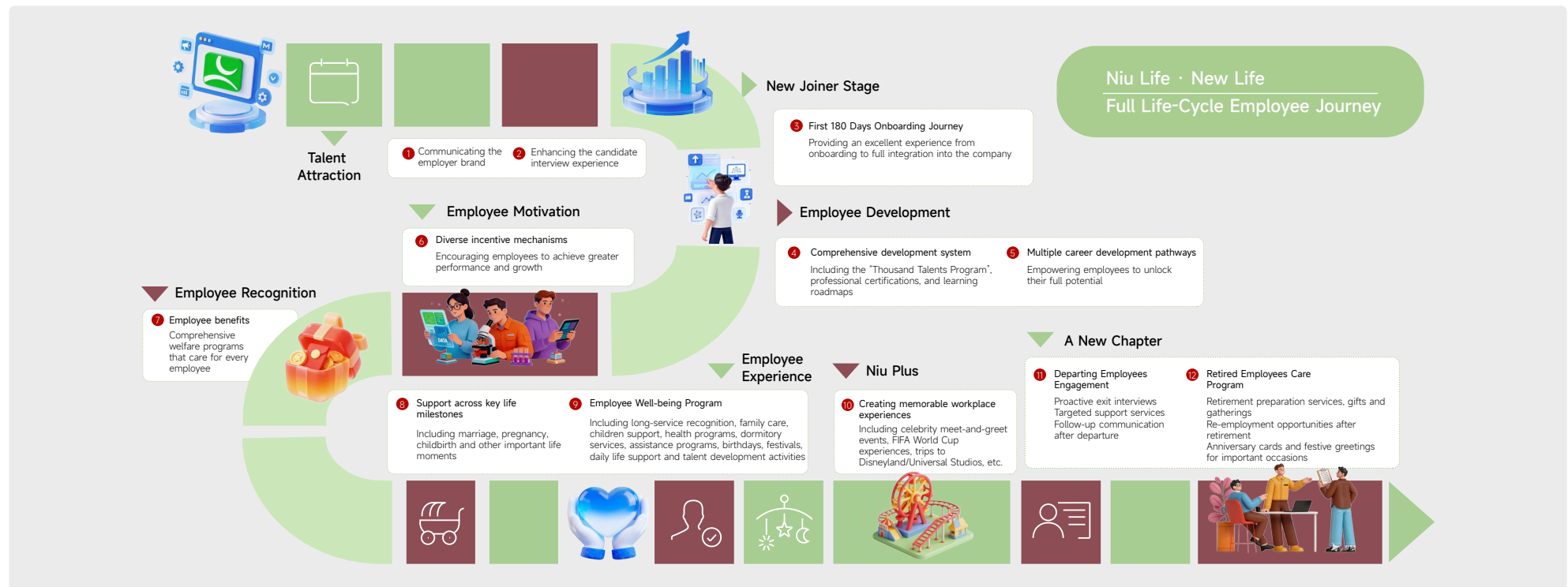
meal subsidies, communication subsidies, transportation subsidies, and paid annual leave.

The Group provides workplace mental health counseling to employees and organizes sports and fitness activities to ensure their mental and physical health. Additionally, we distribute congratulatory payments to employees giving birth to second and third children, provide infant formula for newborns within one year old, and purchase supplementary commercial insurance for eligible employees' children. We strictly implement leave policies, following the latest local policies where labor contracts are executed, providing all employees with benefits including paid parental leave. For example, in the Helin office area, both female and male employees receive cumulative parental leave of no less than 10 days, with breastfeeding leave arranged for lactating female employees. In Jilin Province, we strictly provide 20 days of paid parental leave to eligible employees according to policy regulations. We have established living subsidies for spouses of employees on remote assignments and rotations, marriage leave, children's marriage leave, family visit leave, separation reunion leave, nursing leave, and Children's Day leave to help employees balance work and family.

Bellamy's, a Group subsidiary, implements flexible working hours and hybrid office models, providing flexible support to employees with school-age children or special family circumstances while meeting job requirements. Meanwhile, based on compliance with local laws and regulations, employees are permitted to engage in part-time work that does not conflict with their primary duties, supporting employees in achieving diversified career development.

The Group has built a one-stop employee experience platform covering full lifecycle management from onboarding to departure, with systematic attention to key endpoints of the career cycle—providing specialized support and full-process care for departing employees, and implementing early retirement alerts, ongoing care, and talent rebire programs as exclusive benefits for retired employees. The platform supports employees in conveniently accessing information and workplace services. In 2025, the Group systematically reviewed and upgraded employee full lifecycle care measures, creating the "Niu Life—Employee Workplace Full Lifecycle Experience Map," centrally showcasing over 90 care measures covering employee career development and life scenarios. Simultaneously, we launched the "Employee Yearbook," introducing AI digital technology to provide employees with more personalized annual care experiences.

Niu Life Full Lifecycle Experience Map / Employee Yearbook



Happiness 365+ Employee Care System

The Group continues advancing the "Happiness 365+" employee care system, promoting standardized and normalized employee care work. By improving employee care work guidelines and implementation paths, the Group supports grassroots units in conducting employee care activities, advancing employee care measures to cover different employee groups. In 2025, focusing on themes including Spring Festival, Mid-Autumn Festival, and "filial piety," we advanced diversified projects through tiered and categorized approaches, particularly strengthening frontline position care and implementing "family care" for overseas employees, cumulatively benefiting employees in more than 200,000 participant instances.

The Group highly values female employee care and development, providing female employees with exclusive monthly subsidies and holiday benefits while supporting their career growth through diversified training activities. We have thoughtfully developed the "Love Her" initiative, which focuses on four key areas: "Warming Her Heart, Uniting Her Strength, Unleashing Her Brilliance, and Protecting Her Rights." This initiative aims to empower women in the workplace and safeguard their rights. During the Employee Representative Assembly, we signed the *Special Collective Contract for the Protection of Female Employees' Rights*, promoting coordinated development of female employees and the enterprise. We care about workplace mothers' physical and mental health, providing full-cycle care and protection for female employees during pregnancy and childbirth by offering the "Mengniu babies" care service. From early pregnancy, we push parenting knowledge, pregnancy leave handbooks, reimbursement guides, psychological counseling courses, and baby-related benefits to expectant mothers while providing document processing guides. In the workplace, we provide safe, private nursing rooms and sufficient breastfeeding time for nursing mothers. Currently, the Group has built 56 "Mommy Rooms" nationwide, including 4 municipal demonstration sites and 8 provincial and ministerial demonstration sites, creating a more friendly and inclusive working environment for female employees.

In 2025, the Group conducted the "Women Show Strength · Bloom Her Power" themed activities around International Women's Day on March 8th. Through diverse formats including thematic interviews, health lectures, and reading exchanges, we continue focusing on female employees' physical and mental health and development needs, implementing specialized care measures including the screening for cervical cancer and breast cancer, to enhance female employees' happiness and sense of security.

"Doing Practical Things for Employees" Initiative

The Group continues conducting special initiatives such as "Doing Practical Things for Employees," implementing specific care measures based on actual needs of employees in different positions in their daily work and life. Based on business characteristics, the Group conducts special care initiatives for frontline employees, focusing on employees' working conditions and life needs through condolence visits, support, and communication activities, enhancing frontline employees' happiness and sense of belonging. In 2025, labor unions collectively handled 98 practical matters for employees throughout the year, resolving urgent, difficult, and pressing employee concerns.

Equality, Diversity, and Inclusion

Mengniu continues creating an inclusive and diverse workplace environment, integrating equal treatment, anti-discrimination, and anti-harassment principles into employee management and daily operations. The Group continuously improves the *Employee Handbook* and related management systems, establishing clear requirements for workplace discrimination and improper behavior, strictly prohibiting discriminatory behavior or any form of coercive behavior based on ethnicity, religion, gender, age, nationality, disability, or other factors, and prohibiting any form of harassment, ensuring employees work and develop in a safe and respectful environment.

Mengniu has established and continuously improved employee feedback and complaint mechanisms, encouraging employees to provide feedback on workplace misconduct, discrimination, or other related issues. Regarding employee complaints, the Group will conduct investigations according to laws and regulations, follow up and handle matters promptly, and take corresponding corrective and improvement measures according to incident nature to safeguard employees' legitimate rights and interests. In 2025, the Group conducted anti-discrimination training covering all employees through online live broadcast platforms to create a fairer and more friendly workplace environment.

We focus on the actual needs of employees from different cultural and geographical backgrounds, actively promoting cross-cultural understanding and communication. In overseas business operations, we respect local employees' cultural beliefs and living habits, providing corresponding support under compliance premises, promoting multicultural integration in

the workplace, and creating a mutually respectful working atmosphere. Mengniu's Indonesia factory fully respects local employees' religious and cultural customs, establishing prayer rooms within the factory area, providing employees with Ramadan subsidies, and reasonably arranging worship time while ensuring production order.

Democratic Management

Mengniu advances corporate democratic management according to laws and regulations, implementing the employee congress system and protecting employees' rights to participate in corporate governance according to law. Through employee congresses and member representative meetings, we implement employees' rights to know, participate, and express themselves in matters involving vital interests. In 2025, employee collective agreement coverage extended to all Mengniu employees.

Employee Communication Mechanisms

Mengniu has established a Labor-Management Collaboration Committee, forming an organizational system of "comprehensive coverage, full-process collaboration," ensuring smooth and efficient employee communication by building three-dimensional safeguards, real-time response, and full-process closed-loop collaboration mechanisms. We establish diversified communication channels, maintaining regular exchanges with employees, supporting employees in providing opinions and suggestions on issues including working environment, welfare protection, and career development.

The Group categorizes and follows up on employee feedback matters, promoting problem resolution through internal processes. For complex or special employee complaint matters, during the reporting period, we further improved relevant handling mechanisms, establishing a Labor Relations Coordination Committee to resolve special incidents with participation from relevant Group management and core functional departments, enhancing professionalism and coordination efficiency in employee complaint handling. In 2025, we resolved 5 employee complaints in total.



Communication Channels

- Group HR Hotline and Email
- Group Labor Union Hotline and Email
- Group Discipline Inspection Commission Hotline and Email
- Employee Ideological Survey
- Employee Symposium
- Employee Voice Mailbox

Employee Engagement and Satisfaction Survey

Mengniu values employee work experience and sense of participation, regularly conducting engagement and satisfaction surveys covering all employees, systematically understanding employees' genuine feedback on working environment, organizational management, corporate culture, and employee care. Leveraging digital management tools, the Group collects employee opinions in a daily, continuous manner, forming phased analysis results and internal reports, supporting management in promptly identifying employee focus areas and advancing improvement measures, and providing reference for management decisions through continuously accumulated survey data.



Career Growth

The Group regards employee career growth as an important foundation for advancing long-term organizational development, continuously improving career growth support systems based on employee capability enhancement and organizational development needs. Through systematic talent cultivation, clear development paths, and supporting management mechanisms, the Group provides employees with diversified, sustainable career development platforms, supporting employees in achieving capability advancement and value enhancement at different career stages.

The Group continuously optimizes talent development concepts and management approaches, advancing synergistic progression of talent cultivation and business development. By strengthening internal cultivation mechanisms, improving learning platform construction, and expanding external resources, the Group continuously enhances employee professional capabilities and overall organizational talent supply capacity, promoting mutual growth and development of employees and the Group.

Talent Cultivation

Focusing on employees' full career cycles, the Group provides resources and systematic training support through online and offline learning models, building a tiered, categorized, and clearly structured talent cultivation system. Based on the Group's business characteristics and position requirements, the Group adopts leadership, professional capability, and general capability as core cultivation directions, focuses on new talent training, advances integration of talent cultivation with actual work scenarios, and enhances cultivation relevance and effectiveness.

To promote broad consensus on sustainable development concepts within the organization, Mengniu systematically integrates internal and external resources around the Group's sustainable development strategy, conducts sustainable empowerment activities for all employees, and gradually builds a sustainable development awareness system and action foundation covering all employees.

Leadership talent training

- Leadership talent development is primarily aimed at cultivating visionary, high-impact management leaders. For succession talent, the Group has launched the Blue Sea Program, establishing a full-cycle talent development system through targeted selection, accelerated development and process-based assessment. Through diversified development initiatives, the program accelerates talent growth, strengthens value-chain-wide perspectives, and fosters versatile, cross-functional management capabilities. In parallel, the Group reinforces managers' awareness of compliance, public opinion risk management and integrity, comprehensively enhancing succession readiness across the core management pipeline.

General skills training

- General skills training is anchored in the core job competencies of Mengniu employees. Based on real workplace scenarios, the Group has defined six core competencies applicable across roles.

Digital empowerment online training

- With digital technology as a key driving force, Mengniu is advancing the digital transformation of talent development across all dimensions.
- The "Worth-It" online learning platform enables a comprehensive digital ecosystem spanning value communication, operational models, organizational mechanisms and talent development, providing strong support for the cultivation of Mengniu's strategic talent pool.

Professional competency development

- Professional capability development is delivered through the Huqitu and Huxiuqi learning centers, with a focus on empowering high-calibre specialists in sales, marketing and supply chain functions. The Group has established a comprehensive professional career framework and continues to develop a structured professional curriculum system, supporting the endogenous growth of talent.

New employee training

- A hybrid learning model combining online and offline approaches is adopted to deliver comprehensive capability building. Online learning pathways achieve 100% coverage of employees at Level 7 and above, while offline, instructor-led training camps incorporate site visits and peer knowledge-sharing sessions, enhancing employee engagement, experience and sense of belonging.

Sustainability-themed training

- Leveraging the "Worth-It" platform, the Group continues to deliver sustainability-related training programs. By the end of 2025, approximately 10,000 participant attendances had been recorded, promoting the popularization and internalization of sustainable development concepts across the workforce.

In 2025, we further strengthened our cadre management system, optimizing the selection and deployment of high-calibre talent in key positions. We continued to advance the development of six core talent pipelines, including leading management talents, top-tier marketing talents, pioneering supply chain talents, outstanding young talents, strategic international talents, and breakthrough innovative talents, cultivating more than 10,000 employees in total.

Talent Team Building	Contents	Results
Leading management talents	Focus on succession guarantee and job competence to consolidate the management center ability. - Succession line (Blue Sea Project): Focus on strategic thinking and forward-looking vision, a total of 194 reserve talents for key positions were trained, and 5 training sessions and 30 action learning topics were conducted. 100% of the trainees formulated personal development plans and assigned mentors. - Competency Line (Benteng Project): Upgrade basic management skills for on-the-job managers, and implement 20 empowerment sessions, covering more than 800 managers.	The pipeline of successors for critical roles continues to expand, driving a more structured improvement of management capabilities.
Top-tier marketing talents	Focusing on the dual lines of sales and brand, we will consolidate the basic skills of marketing profession. - Sales talents: 51 empowerment sessions including sales negotiation, membership marketing and channel growth were conducted, registering 1,200 participant attendances; Online courses were accessed over 10,000 times; Trained and certified 27 internal trainers for performance improvement, and conducted a total of 14 empowerment sessions, registering over 600 participant attendances. - Brand talents: Established a compulsory system of "four courses" for brands, resulting in 1,332 course completions; 10 thematic empowerment sessions focusing on insight, content, media and other topics were held, registering nearly 7,000 participant attendances.	Significant improvement in standardization and specialization of marketing capabilities.
Pioneering supply chain talents	Build a team of high-quality and professional technical talents. - The Huxiuqi Learning Center was established to build a talent training system with 3 professional lines and 12 professional sequences to achieve cross-functional and cross-business unit collaboration. - In 2025, we carried out over 1,400 professional upskilling sessions, reaching more than 60,000 participants. We also executed 19 specialized programs in areas like intelligent manufacturing, quality, and safety, involving over 700 individuals to comprehensively cultivate job-ready professionals.	<i>The Experience of Talent Digital Intelligence Cultivation and Management Model Based on "15123"</i> won the 2025 Typical Benchmark Experience Award from the China Quality Association.
Outstanding young talents	Construct a tiered and classified young talent training system. - Focus on "Future Star, Star Dynamo and Star PLUS", and improve comprehensive capabilities through job rotation, tutorial system and centralized training. - The rotation training of Future Stars and Youth has covered more than 290 participants. - Youth Training Camp 3.0 selected and trained 66 young backbones, and promotes multi-path growth such as job rotation, temporary employment, and project experience.	The echelon structure of young talents continues to be optimized, and a practical growth path gradually takes shape. Satisfaction rate exceeds 94%.
Strategic international talents	Serve the "One Core, Two Wings" strategic layout and strengthen the supply of international capabilities. 7 international future stars have entered the practical stage of overseas posts. - Launched the second phase of international overseas business empowerment, covering over 150 participant attendances.	International talent supply have gradually matched overseas business demand.
Breakthrough innovative talents	Take AI as the starting point to accelerate the development and application of new quality capabilities. 18 certified AI basic skills instructors conducted 25 offline trainings, covering 5,000 participants. - Online livestream and course learning have covered more than 37,000 participants.	As AI capabilities increasingly permeate business scenarios, the foundation for innovative talent continues to grow stronger.

Employee Promotion

Mengniu adheres to fair, impartial, and ability-oriented talent development principles, continuously improving employee promotion management mechanisms and providing clear, standardized career development channels. Through institutionalized promotion systems and standardized management processes, the Group ensures employees receive development opportunities matching their abilities and performance. We maintain gender equality in promotion management, creating a fair development environment. Additionally, the Group advances job rotation and multi-channel development mechanisms, building a talent cultivation system that balances professional and managerial tracks, promoting diversified employee growth and enhanced organizational capabilities.

The Group adopts a "points + evaluation" promotion model, comprehensively assessing employee performance, capability development, and job qualifications. We establish annual fixed competition windows, maintaining standardized and orderly promotion processes. Aligned with strategic and business development needs, we focus on talent reserves in key positions and core regions, strengthening consideration of employees' comprehensive abilities and job competencies.

We systematically build a manager talent cultivation accountability system, continuously reinforcing the principle that "managers are the primary responsible persons for talent development." Talent cultivation is incorporated into manager assessment indicators, promoting participation across all management levels and supporting employee career growth and development.

Employee Remuneration and Motivation

Adhering to the management concept of "creating value wholeheartedly, evaluating value scientifically, sharing value reasonably", Mengniu has formulated the *Mengniu Dairy Remuneration Management System* and the *Employee Benefits Management System* and other institutional documents to provide employees with market-competitive remuneration and incentive mechanisms under the premise of compliance with laws and regulations to support the attraction, motivation and retention of talents. The Group adheres to the principle of "grading by position, salary by grade, matching people to posts, and changing salary with position changes," ensuring employees receive income no lower than the local minimum wage standards. We continuously focus on compensation equity and regularly monitor gender pay gaps.

Meanwhile, the Group tightly links compensation management with performance evaluation. Based on KPI performance contracts and multi-dimensional performance systems framed by balanced scorecards, we decompose Group strategic objectives level-by-level to individual and team levels. We establish differentiated assessment cycles—monthly, quarterly, and annual—according to job characteristics, promoting synergistic improvement of organizational performance and individual employee development. We implement multi-dimensional 360-degree assessments covering three major areas: leadership, values, and collaboration. These assessments aim to provide objective evaluations and open feedback, tapping individual potential. We value employee performance evaluation feedback, conducting regular performance communications with employees, clarifying personal development goals, and providing personalized capability enhancement pathways.

The Group emphasizes guiding employees to focus on long-term value creation, implementing diversified incentive arrangements according to position and level characteristics. Through current incentives, long-term incentives, and spiritual incentives, we stimulate employee potential and share development results with employees. In 2025, the Group granted restricted stock to recipients including directors, senior management, middle management, and other employees who made important contributions to the Group's overall performance and sustainable development. Through medium- and long-term incentive approaches, we enhance alignment between employee and Group development goals, supporting enterprise sustainable development.

Occupational Health and Safety

Mengniu strictly complies with occupational health and safety laws and regulations, formulating comprehensive occupational health and safety management systems. Following ISO 45001 Occupational Health and Safety Management System standards and the *International Labour Organisation (ILO) Core Conventions*, we continuously update, improve, and implement internal regulations including the *Mengniu Dairy Safety and Environmental Accident Management System*, the *Mengniu Dairy Safety Production Responsibility System*, and the *Mengniu Group 2025-2027 EHS Three-Year Plan*, comprehensively advancing safety production and occupational health protection work while maintaining low occupational health and safety risks.

Mengniu has established a comprehensive safety production leadership and governance framework, establishing a Safety Production Committee chaired by the Group President with

relevant Group Vice Presidents serving as Deputy Directors and primary leaders from functional management departments and business divisions serving as committee members. To implement occupational health and safety primary responsibility level-by-level, we staff full-time and part-time management personnel across Group, business division, and factory safety management departments. Meanwhile, we have formulated and continuously improved occupational health and safety performance indicators. The Group combines action plans with quantitative targets, confirming priorities and action plans, providing clear work objectives and management indicator guidance for safety production work.

During the reporting period

The self-operated factories have achieved

100% coverage of ISO 45001
Occupational Health and Safety
Management System certification

with **1** of them having passed the
national safety culture construction
demonstration enterprise review

Goal

0 fatal production safety
incidents

Progress

Achieved

Safety Risk Prevention and Control

Mengniu consistently prioritizes safety risk prevention and control as a top management priority, continuously improving the safety management and risk prevention and control system across the entire Group. In accordance with relevant national laws and regulations, the Group has clarified unit divisions, risk point identification, hazard source identification, risk management and control measures, risk monitoring frequency and methods, and confirmation of management and supervisory entities. Combined with the Group's actual conditions, we further refine risk classification standards. Safety risk prevention and control work maintains a three-level responsibility management and control structure: Group-level coordination, business division primary responsibility, and grassroots factory implementation. This promotes efficient implementation of safety risk management and control measures, ensuring safety management responsibilities are implemented at all levels.

Smart Firefighting Inspection Robot at Mengniu's Ningxia Plant — Safeguarding the "Lighthouse" with Technology

Mengniu continues to advance the digital and intelligent transformation of its safety management systems. At its Ningxia plant, the Group has deployed quadruped robots equipped with autonomous navigation capabilities to conduct routine inspections across key areas, including production facilities and utility corridors. Leveraging integrated functions such as flame detection, AI-powered behavior recognition, and leak monitoring, the robots enable real-time surveillance of potential hazards and intelligent early-warning alerts. This technology-driven solution has significantly enhanced the coverage and efficiency of risk identification and emergency response, serving as a critical enabler for the effective implementation of the Group's dual prevention mechanism.



Smart Firefighting Inspection Robot

The Group adheres to a risk prevention orientation, focusing on strengthening management and control in high-risk areas and key operational aspects including liquid ammonia, fire safety, and confined spaces. Through safety production standardization and informatization construction, we enhance risk early warning and management efficiency while conducting safety culture development to strengthen all-employee safety awareness. In 2025, the Group conducted specialized safety assessments and rectifications in key areas including building stability, fire protection, and dust explosion prevention. We implemented safety status assessments at key factories, continuously advancing equipment transformation, hazard management, and intelligent construction, achieving transformation of safety management toward proactive prevention.

Based on the "dual prevention mechanism," Mengniu has established a comprehensive and efficient hidden hazard investigation and management system, forming a "five-level inspection" model: external inspection, Group inspection, business division inspection, evaluation day inspection, and position day inspection. Through combining regular inspections, specialized inspections, and introduction of external health and safety experts, the Group implements full-coverage management of all positions, workplaces, and production activities, achieving hierarchical risk management and closed-loop hazard management. Concurrently, the Group improves hazard reporting and incentive mechanisms, encouraging all factories to proactively identify and report risks, ensuring hazards are discovered promptly, rectified properly, and corresponding rewards and penalties implemented.

Regarding potential safety production risks, we implement the *Mengniu Dairy Safety and Environmental Accident Management System*, investigating and handling safety and environmental accidents according to severity levels. Group Headquarters coordinates near-miss incident management, conducting unified reporting, analysis, and review. We thoroughly identify near-miss incident causes, continuously optimize preventive control measures, and reduce production safety accident probability from the source.

Each Mengniu factory has established comprehensive production safety accident emergency rescue plans and formulated annual emergency drill plans. In 2025, Mengniu continued advancing implementation of the safety production responsibility system, requiring all factories to formulate and implement production safety accident emergency rescue plans. Each unit conducted emergency drills around typical scenarios including fires and mechanical injuries, continuously enhancing employee emergency response and handling capabilities.

Wellness Management

Mengniu places employee health and safety first, advancing occupational health management in compliance with laws and regulations. We continuously improve the employee health management system, set clear objectives, and strengthen process control around accident prevention and occupational health risks. The Group systematically safeguards employee physical and mental health through real-time health monitoring, health guidance, and disease prevention interventions. We have established "Health Stations" at pilot factories, providing services covering tests, exercise, consultations, and health management. We gradually advance chronic disease assistance management models, enhancing employee health awareness and self-management capabilities.

Mengniu standardizes occupational disease hazard project declarations, continuously implements regular testing and daily monitoring of occupational disease hazard factors, and simultaneously advances employee health monitoring and individual protection measure implementation, effectively ensuring employee occupational health and safety. In 2025, Mengniu achieved 100% coverage in the monitoring of occupational hazard factors.

In 2025

the Group cumulatively established

18

safety culture demonstration enterprises

10

safety teams

34

health enterprises

with

8

selected as outstanding cases in national health enterprise construction

Occupational Health and Safety Culture Development

Based on laws, regulations, and management systems, combined with business characteristics and actual employee needs, the Group continues advancing occupational health and safety culture development through systematic training and diversified activities, strengthening employee safety awareness and behavioral norms. We conduct activities including "Safety Production Month," "Ankang Cup," and Occupational Disease Prevention and Control Publicity Week, enabling employees to participate personally in safety culture development and truly integrating health concepts into every aspect of production and life.

In 2025, we developed 13 occupational health and safety (OHS) training courses and conducted 15 dedicated training sessions, achieving full coverage of personnel with safety-related responsibilities. Meanwhile, we actively advanced the development of a strong safety culture by installing safety-themed display boards in office and production area corridors and carrying out ongoing awareness campaigns, covering all employees and continuously strengthening workforce safety awareness and risk prevention capabilities.

2025 Publicity Week on the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases

In 2025, Mengniu held the "Caring for Workers' Mental Health"—Publicity Week on the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, coordinating diversified health activities and collaborating with labor unions to create synergistic effects. Through summarizing excellent practices to drive management optimization, we continue cultivating employee health culture.

Safety and Environmental Key Personnel Empowerment

Focusing on actual EHS business needs, Mengniu continuously advances the "Safety and Environmental Professional 100" empowerment training for key groups, targeting EHS management difficulties and key risk control points to tackle challenges, reduce risks, and enhance sustainability. We systematically integrate policies and regulations, management methods, technical tools, and case practices, promoting information sharing and collaborative progress. This approach continuously improves the leadership, risk control, problem-solving, and culture-practice capabilities of key EHS personnel, supporting the implementation of the group's EHS strategy.

Ankang Cup Competition

In 2025, Mengniu organized the "Ankang Cup" knowledge competition, integrating risk prevention and control, emergency management, and job safety requirements into competition design through safety scenario interpretation, knowledge contests, and thematic debates. Using the "knowledge competition" as an empowerment vehicle, we enhanced employee safety awareness and risk prevention capabilities.



Ankang Cup Competition

Rural Revitalization

Mengniu has established a comprehensive rural revitalization framework encompassing industrial revitalization, cultural revitalization, inclusive nutrition, and party-building collaboration, driving rural economic and social development. By creating a full industry chain from "a blade of grass to a glass of milk," we have built a closely-knit benefit-sharing mechanism with farmers and herders, helping them increase their income and achieve wealth growth. Meanwhile, we have been providing nutritional support for a long time to economically underdeveloped regions, improving national nutrition and health standards.

Industrial Revitalization

Mengniu actively advances implementation of the dairy ecosystem "2025 Value Sharing" strategy, deeply rooting itself in agriculture and animal husbandry while genuinely focusing on farmer and herdsman interests. Centering on the entire dairy industry chain, we continuously advance industrial revitalization with technological empowerment, financial assistance, and capacity building as core elements, strengthening systematic support for upstream partner farms, helping herdsmen stabilize production and increase income, and consolidating high-quality milk source foundations.

Technology Empowerment

Mengniu is committed to driving technological progress across the entire dairy industry chain, collaborating with partner farms to enhance management efficiency. The Group continuously advances farm management and breeding technology upgrades, conducting multi-level, systematic technical support and capacity building work around key aspects including dairy breeding, feeding management, disease prevention and control, and farm operations.

In 2025, leveraging industrial chain resources, the Group continuously advanced technical empowerment projects including "Golden Key for Dairy Cows" and "Advanced Farm Training Class." Annual training covered over 130 farms and over 200 farmers

and herdsman. Through combining demonstration activities with specialized training, we promoted application of advanced management concepts and breeding technologies. Additionally, we upgraded the silage action plan, providing full-process technical guidance covering seed selection, planting, harvesting, and storage. We assisted farms in selecting and recommending 23 high-quality corn silage seed varieties and provided free silage quality testing services to all partner farms, promoting standardized feed management and enhancing feed utilization efficiency and sustainable management capabilities of farms.

The Group actively explores digital intelligence empowerment pathways, launching construction of large-scale breeding AI models and advancing intelligent management platforms integrating data collection, analysis, and decision-making. We promote digitalization and intelligent applications in key aspects including cattle management, disease early warning, and feed formula optimization, providing technical support for refined, scientific farm operations and continuously enhancing the development capabilities and core competitiveness of partner farms.



Mengniu promotes the upgrading of animal husbandry technology

Funding Assistance

To address the financing needs of upstream partner farms, Mengniu leverages industrial chain synergy advantages, coordinating internal and external financial resources. Collaborating with Mengyuan Commercial Factoring, Niuxiangrong Financing Guarantee financial licenses, and cooperative financial institutions, we provide farmer-benefiting financial policies for farms, continuously strengthening financial support for upstream farms, alleviating financial pressure during forage procurement, production operations, and transformation and upgrading processes, and supporting their stable operations and sustainable development.

In 2025

Annual training
covered over

130

farms

over

200

farmers and herdsman

We assisted farms in selecting
and recommending

23

high-quality corn silage seed
varieties

In 2025

Mengniu, in collaboration with financial
institutions, provided nearly

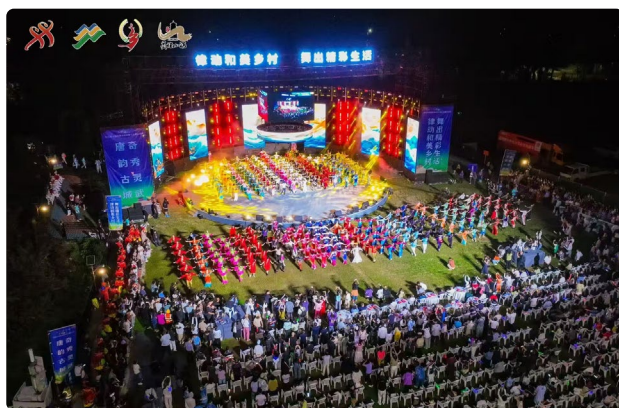
RMB 1 billion

in cumulative financial assistance to its upstream
partner farms

Cultural Revitalization

Mengniu adheres to the original aspiration of "strengthening the dairy industry and revitalizing agriculture," innovating rural revitalization models and supporting cultural activities including village songs, village dances, and farmers' harvest festivals to enrich rural cultural life and support construction of "harmonious and beautiful countryside" and Healthy China.

In 2025, Mengniu collaborated with upstream and downstream partners to conduct distinctive activities including Poetry Culture Festival, Farmers' Harvest Festival, and Lingwu Village Evening, effectively enhancing community residents' spiritual outlook and enriching rural cultural life.



Lingwu Farmers Harvest Festival Scene

Inclusive Nutrition

Mengniu continuously advances the "Inclusive Nutrition Project." In collaboration with China Youth Development Foundation, we jointly established the "Mengniu Inclusive Nutrition Fund," focusing on nutrition improvement needs of key populations. Through school milk promotion, nutrition science popularization, and public welfare donations, we help improve public nutrition and health levels and promote fair access to nutrition resources. Over more than 20 years, the project has benefited 25 million students across 28 provinces, autonomous regions, and municipalities directly under the Central Government, covering over 20,000 schools nationwide and ensuring daily milk supply for 8 million primary and secondary school students.

In 2025, we conducted milk nutrition and health science popularization activities covering 18 schools, benefiting over 30,000 teachers and students. Concurrently, the Group extended inclusive nutrition work to communities and special groups, supporting nutritional supplementation and health protection for the elderly, students, police officers, and other groups through dairy product donations.

The "Inclusive Nutrition Project"

won the "Charity Project and Charity Trust Award" of the Second Inner Mongolia Charity Awards, and the "2025 People's Corporate Social Responsibility Case" by People's Daily Online.

Over more than 20 years, the project has benefited

25million

students

covering over

20,000

schools nationwide

ensuring daily milk supply for

8million

primary and secondary school students



Milk Nutrition and Health Science Popularization Activity

Principals, Please Rest Assured! Mengniu Village Primary School Principal Empowerment Initiative Continues

In 2025, the Mengniu Charity Foundation, through its core rural education initiative "Bell Ringer Program: Village Primary School Principal Empowerment Initiative," partnered with the Hailiang Rural Education Revitalization Foundation, Yucheng Entrepreneur Rural Development Foundation, and Tomorrow Star Education Foundation to officially join the "Principals, Please Rest Assured" public welfare initiative. Centered on three key stakeholders—principals, teachers, and students—this collaboration adopts a "foundation consortium, one-stop empowerment" model, integrating four major public welfare projects to continuously enhance rural education support systems and promote high-quality development of county-level education.

- The "Bell Ringer Program" has provided empowerment training for more than 100 principals to date. In 2026, it will continue to carry out featured activities such as visits to renowned schools and expert seminars, offering systematic growth support for rural principals.
- The "Forest Program" focuses on enhancing principals' capabilities through immersive training workshops. The program features three core modules: "Strategic Decoding," "Core Competency Development," and "Collaborative Action Planning," helping principals design quality improvement action plans tailored to their schools.
- The "Young Teachers Initiative" supports the professional development of rural young teachers by leveraging national-level resources to provide digital companion-based training.
- The "Green Pine Program" addresses student mental health by establishing a comprehensive one-stop psychological service system for schools, covering "screening, early warning, intervention, and development."



Mengniu Village Primary School Principal Empowerment Initiative

"A Drop of Milk, A Touch of Warmth" Care Initiative

In 2025, Mengniu continued to leverage Party-building leadership to unite the industrial chain, collaborating with nearly 45 Party-building partnership organizations including the China Animal Husbandry and Veterinary Service, and the Department of Agriculture and Animal Husbandry of Inner Mongolia Autonomous Region. The company carried out the "A Drop of Milk, A Touch of Warmth" Care Initiative across key dairy regions including Inner Mongolia, Heilongjiang, Hebei, and Ningxia. Through 16 donation events reaching rural schools, elderly care facilities, and grassroots police units, Mengniu donated dairy products worth nearly RMB 1 million to approximately 15,000 people, demonstrating its commitment to corporate social responsibility and supporting rural revitalization through concrete action.



Mengniu Public Welfare Donates Dairy Products

Party-building Collaboration

Mengniu positions Party-building leadership as the "red engine" driving rural revitalization and high-quality industrial development. Focusing on coordinated industrial chain development, Mengniu continues to deepen its "Four Synergies, Three Promotions" Party-building collaboration mechanism throughout the industrial chain. By establishing a Party-building consortium with upstream and downstream partners and regularly conducting partnership activities, Mengniu promotes deep integration of Party-building work with production operations and rural revitalization initiatives.

Mengniu Milk Source Business Unit conducts ongoing collaborative activities with 149 upstream and downstream entities in the industrial chain (including 82 partner farms). Focusing on key areas such as care and support, capability enhancement, and technological innovation, the business unit carries out frontline employee appreciation visits, nutrition donations, benchmark enterprise exchanges, and the "Red Seed Initiative: Breeding the Future" Party-building collaboration project, collectively advancing improved dairy cattle breeding and seed industry revitalization.

Charity

Guided by the mission of "Promising a Healthier World," Mengniu continues to conduct public welfare and charitable activities across key areas including educational public welfare, community public welfare, emergency disaster relief, volunteer services, and overseas responsibility initiatives, promoting the coordinated development of social values and corporate responsibility. The Group has established the *China Mengniu Public Welfare Donation Management System* to professionally manage donation activities, standardize volunteer service practices, and encourage employee participation in volunteer activities. Additionally, the Group continues to advance its employee volunteer service system, using the "Yi Qi Niu" (Better Together) volunteer service brand as a unified platform for standardized management and coordinated advancement of volunteer service projects, guiding employees to integrate social responsibility into their daily work and business practices. To date, we have established more than 120 Mengniu volunteer service teams nationwide, actively conducting social welfare activities across various regions and practicing the volunteer service spirit of "dedication, friendship, mutual assistance, and progress" through concrete action.

In 2025, Mengniu Charity Foundation was rated as a 4A-level charitable organization with public welfare expenditures (including in-kind donations) totaling RMB 48 million. Mengniu volunteers participated in volunteer service activities over 10,000 times, contributing nearly 20,000 hours of service.

Educational Philanthropy

Guided by its responsibility and belief in strengthening the physical and mental well-being of the nation, Mengniu actively engages in educational public welfare initiatives. Through a variety of activities such as sports education, literacy education, food education, and aerospace science popularization, Mengniu supports the healthy growth of young people and empowers them to explore a broader world.

Nutrition and Health Education Public Welfare

Mengniu, in partnership with the COFCO Nutrition and Health Research Institute, the China Space Foundation, and the Central Committee of the Communist Youth League's Future Network, launched the "Chinese Student Nutrition and Health Education Public Welfare Campaign in Thousands of Schools Across Hundred Cities." This program combines food and nutrition education with aerospace science popularization, delivering offline classroom sessions organized by schools to enhance teenagers' nutritional health awareness and aerospace science literacy. In 2025, we conducted over 100 popular science classes, benefiting more than 10,000 teachers and students, and supporting youth development across multiple dimensions.



Mengniu Conducted the "Chinese Student Nutrition and Health Education Public Welfare Campaign in Thousands of Schools Across Hundred Cities"

Project Hope · Mengniu Youth Football Public Welfare Activity

The "2025 Project Hope: Mengniu Football Future Stars" public welfare program, jointly organized by the China Youth Development Foundation, Inner Mongolia Mengniu Charity Foundation, and Mengniu Group, continued to advance throughout the year. Centered on an international, professional youth football development system, the project conducted multi-city selections nationwide, organizing approximately 11 days of intensive training in Beijing. Over 200 young players received systematic

technical and tactical instruction, physical conditioning, and team collaboration training, comprehensively enhancing their abilities under the guidance of professional coaches. Following professional evaluation and selection, outstanding participants traveled to Manchester, England, to experience international youth training systems, engage with advanced training methodologies and football culture, broaden their international perspectives, and accelerate their growth as young football talents.



"2025 Hope Project Mengniu Football Future Star" Beijing Training Camp



"2025 Hope Project · Mengniu Football Future Stars" British football exploration tour concluded successfully

Community Public Welfare

Mengniu addresses diverse community needs by continuously advancing community public welfare initiatives focused on enhancing public well-being. Through brand-driven public welfare collaborations and localized practices, Mengniu tailors nutritional health products and activities for different groups, promoting community co-construction and shared benefits.

"Small Kind Thoughts, Great Good Deeds, Help Stray Cats Find Homes"

Mengniu continues to prioritize animal welfare issues and supports stray animal rescue efforts. Xiaoxianyu, a sub-brand of Mengniu's Shiny Meadow, has partnered for three consecutive years with Beijing TA Foundation for Animal Protection to launch the "Small Kind Thoughts, Great Good Deeds, Help Stray Cats Find Homes." The initiative commits to donating one public welfare contribution to the Aita Foundation for every bottle of Xiaoxianyu 4.0 reduced-calorie fresh milk sold. As of December 2025, over 8,000 stray cats have been successfully adopted through the Chong'anjia pet adoption platform.



Mengniu helps stray cats settle down

"Protecting Nature Through Imagery" Mengniu Youth Nature Photography Initiative

Building on its desertification control practices in the Ulan Buh Desert, Mengniu participated in launching a nature photography public welfare project for primary and secondary school students. By combining visual storytelling with nature education, the program cultivates ecological conservation awareness and social responsibility among young people.



Youth Nature Protection Impact Promotion Initiative

"Together with Youyi C, Sending Love to the Mountains" Public Welfare Activity

In June 2025, Youyi C, a brand of Mengniu, joined forces with Shanghai ADream Foundation, Inner Mongolia Mengniu Charity Foundation and channel partner Everyday Convenience Store to launch the "Together with Youyi C, Sending Love to the Mountains" public welfare activity. As of December 2025, the project has donated over 2,000 sets of eco-friendly school uniforms to 23 schools and conducted environmental protection-themed public welfare activities at 150 schools nationwide, with cumulative participation exceeding 6,000 people.



Together with Youyi C, Sending Love to the Mountains

Care for Children with Special Needs

For eight consecutive years, Mengniu has regularly donated milk, ice cream, and essential living and learning supplies to special needs children at the Hohhot Xinyu Love Rehabilitation Center. The Group has also organized volunteers to visit welfare institutions and special education schools to conduct volunteer services and care activities, continuously demonstrating corporate compassion and fulfilling social responsibilities.



Mengniu Cares for Special Children

Emergency Relief

In 2025, the Group participated in more than ten natural disaster emergency responses, reaching over 20 villages and towns and benefiting more than 50,000 people. The company donated over 1 million packs of milk to ensure the basic nutritional needs of affected populations during emergency situations.

Mengniu responds swiftly to emergency disaster relief needs, embodying the spirit of "when the nation faces hardship, Mengniu provides support" through concrete action. Confronting diverse disaster scenarios including highland emergencies, flooding, and urban accidents, the Group flexibly organizes material allocation and transportation based on local conditions. In 2025, following disasters including the Beijing-Tianjin-Hebei floods, flooding in Rongjiang County, Guizhou, and the earthquake in Tingri County, Tibet, Mengniu immediately activated its emergency response mechanism, urgently deploying milk and essential supplies to support affected areas. Furthermore, the Group continues to monitor disaster developments and post-disaster reconstruction needs, providing follow-up support based on actual conditions to effectively fulfill its corporate social responsibilities.

Mengniu Dairy Donates HK\$12 Million in Funds and Materials for Emergency Fire Relief in Hong Kong

In November 2025, following a major fire at Wang Fook Court in Tai Po, Hong Kong, Mengniu immediately activated its emergency response mechanism. In partnership with the China Charity Federation, the company donated HK\$10 million in cash and HK\$2 million worth of Hong Kong-based products to support disaster relief efforts. These funds and materials were used for the resettlement and living security of affected residents, providing timely support to rescue personnel and disaster victims.



Mengniu Supports Flood Relief Efforts

Volunteer Services

Mengniu actively engages in nutrition and health volunteer activities, demonstrating extensive care and concern for all segments of society, illuminating lives through the power of nutrition in even the smallest gestures.

In 2025, the Group coordinated a series of volunteer service activities around significant occasions including Learn from Lei Feng Memorial Day, May Fourth Youth Day, and International Volunteer Day. These initiatives mobilized Party member volunteers, youth volunteers, and employee groups to participate in volunteer services including public blood donation drives, environmental protection actions, special needs group care, and workplace assistance programs, continuously expanding employee participation coverage and service scope.

"Yi Qi Niu" (Better Together): Mengniu Embraces Goodness Through Small Actions

In 2025, under the unified "Yi Qi Niu" volunteer service brand, the Group organized employees to conduct public welfare and workplace volunteer initiatives on key occasions including May Fourth Youth Day, International Volunteer Day, and China Charity Day. These activities covered multiple project areas including education assistance, elderly care, and environmental protection, attracting over 10,000 volunteers.



Mengniu Embraces Goodness through Small Actions

Overseas Responsibility Fulfillment

Mengniu integrates social responsibility principles into its international operations and global value chain management. The Group continues to advance public welfare projects and community responsibility practices in its overseas operating locations, supporting local community development and livelihood improvements while cultivating a responsible international corporate image.

Bellamy's, a brand of Mengniu, established a charitable partnership with Ronald McDonald House Charities (RMHC), donating communal kitchen cabinets and infant complementary food products to support the well-being of local children and families.

Aice, a brand of Mengniu, launched the "Sharing Ramadan" charity project in Indonesia to focus on community needs during Ramadan. By distributing ice cream and food packages to local people, it supported community welfare, conveyed social care, and strengthened the emotional connection between the brand and the local community.



Aice "Sharing Ramadan" Public Welfare Project

In 2025, when Vietnam experienced severe typhoon flooding, Aice Vietnam subsidiary actively fulfilled its corporate social responsibility by providing relief materials to affected areas, supporting local emergency rescue and post-disaster recovery efforts.



Aice Supports Emergency Rescue and Post-disaster Recovery Efforts

Aice Vietnam subsidiary visited orphanages to provide children with basic living materials and assistance.



Aice Provides Supplies and Assistance to the Orphanage

Environment- Carbon Net-Zero

03

Mengniu adheres to a green development philosophy and is committed to building a green production system across the entire value chain, promoting coordinated transformation among upstream and downstream partners. Guided by the GREEN strategy pillar of "Environment-Carbon Net-Zero," the Company focuses on four key areas—climate action, sustainable water management, circular economy, and green operation—working with value chain partners to jointly address climate challenges, enhance resource circularity, and continuously contribute to the long-term sustainability of the planet.

The SDGs addressed in this section:



Climate Action

- ▶ Disclosed climate-related issues following the "Governance, Strategy, Risk Management, Metrics and Targets" framework.
- ▶ Mengniu reduced its total greenhouse gas emissions and emission intensity by **5.78%** and **1.04%** respectively compared to 2024.
- ▶ Completed carbon accounting for Scope 3 Category 1 (Raw milk), Category 4 (Raw milk shipping), and Category 9 (Transportation of products from factories to distributors).
- ▶ The standard development and promotion project for "Green Factory Evaluation Requirements in the Dairy Industry" was completed, winning the **first prize** in the 2025 China Energy Conservation Association Innovation Award for Energy Conservation, Emission Reduction, and Scientific and Technological Progress (Carbon Neutrality Category).



Sustainable Water Management

- ▶ As of the end of 2025, **11** factories carried out Alliance for Water Stewardship (AWS) water management certification, **7** of which successfully obtained AWS Gold-level certification, including **3** achieved in 2025.
- ▶ Mengniu has **33** sites recognized as water-saving enterprises/water-saving benchmark enterprises.
- ▶ Mengniu completed water footprint certification for **15** products.
- ▶ Mengniu advanced **94** key water-saving projects, achieving a total annual water saving of **381,100 tonnes**.



Circular Economy

- ▶ **21** product packages have been certified as easy to recycle and regenerate, with three of them achieving an excellent grade.
- ▶ Mengniu's recycling activities for consumers have covered **38** cities, with over **10,000** participants, successfully collecting **100 kilograms** of dairy packaging.



Green Operation

- ▶ Mengniu conducted supervisory audits of the ISO 14001 Environmental Management System, achieving **100%** coverage.
- ▶ Mengniu has cumulatively established **41** national-level green factories.
- ▶ **16** factories under Mengniu were recognized as "Zero-Waste Factory" demonstration units, and **9** factories obtained "Zero Landfill Factory" certification.

Climate Action

To address the challenges of global climate change, implement the national "Dual Carbon" goals, and ensure the harmonious coexistence of corporate development and the natural ecosystem, Mengniu has established a "Dual Carbon" governance framework and formulated a strategic plan to achieve peak carbon emissions by 2030 and carbon neutrality by 2050. Across production, raw milk, packaging, transportation, and products, we incorporate climate-related risks and opportunities into the Group's strategic planning and day-to-day operational decisions. In addition, we actively collaborate with partners across our value chain to explore innovative solutions to climate change, continuously strengthening the climate resilience of both the Group's overall operations and its full value chain.

Governance

Mengniu has fully integrated climate-related issues into the Group's sustainable development governance system. A three-tier governance mechanism has been established, with the Board of Directors as the strategic decision-making body, the management layer serving as the core for overall coordination, and functional departments such as dual-carbon management, along with various business units and factories, acting as implementation bodies. This mechanism clarifies the specific responsibilities of each tier in supervision, planning, coordination, and execution, ensuring that climate governance is embedded throughout the entire operational chain. Furthermore, 10% of the performance evaluation for relevant senior executives is linked to the achievement of energy conservation and water-saving targets. This approach solidly drives the orderly implementation and continuous deepening of various climate actions.

For details on the climate governance structure, responsibilities, and related performance assessment mechanisms, please refer to the *China Mengniu Dairy Company Limited 2025 Climate-Related Information Disclosure Report*.

Strategy

Mengniu systematically identifies climate-related risks and opportunities, and conducts in-depth assessments of their impact on business strategy, financial performance, and operational models. By strengthening climate resilience, we integrate climate governance into our core operations, driving the coordinated development of sound business performance and climate resilience.

For details on climate risk and opportunity identification, resilience assessment methodologies, and financial impact assessment, please refer to the *China Mengniu Dairy Company Limited 2025 Climate-Related Information Disclosure Report*.



Response to Financially Material Risks and Opportunities

Mengniu identifies and analyzes the drivers of risks and opportunities, developing targeted management strategies and response measures for financially material, significant risks and opportunities, ensuring the stable operation and business sustainability of key segments in the value chain.

Financially material Risks and Opportunities	Value chain link	Periods of Significant Impact	Response Measures
Physical risk-water scarcity	Upstream-Feed cultivation, farm operation, raw and auxiliary material procurement	Long-term	• Water Risk Assessment and Planning: Conducting water stress assessments and developing water conservation plans through the World Wide Fund for Nature (WWF) Water Risk Filter; • Water-saving management in production and operation: implemented water-saving technological transformation projects, promoted 94 key water-saving projects, and continuously optimized the cleaning process and improved the level of water resources recycling around the three major directions of conservation, recycling and collaborative reuse, with a cumulative water saving of 381,100 tonnes in 2025; • Value chain water-saving management: continuously promote farms and raw material suppliers to improve water-saving management systems, and improve water resources utilization efficiency from the source.
	Midstream-Dairy Production and Processing		
Transition Risk – Policy and Regulatory Risk	Upstream-feed cultivation, farm operation, raw and auxiliary material procurement, upstream transportation Midstream-dairy production and processing, warehouse management	Long-term	• Green and low-carbon practices throughout the whole value chain, and continuously reduce carbon emissions from farming, packaging, production, logistics and other links.
Opportunities – Improving Energy Efficiency	Upstream-feed cultivation, farm operations, upstream transportation Midstream-dairy production and processing, warehouse management	Long-term	• Low-carbon innovation technology/model: Support raw milk suppliers to adopt technologies such as low-methane emission dairy cows, manure resource utilization, feed additive optimization, etc., and promote emission reduction innovation that can be applied on a large scale; • Energy conservation and emission reduction: Implement energy conservation and consumption reduction projects to continuously optimize energy use efficiency.
Opportunities – Green Financing	Group level	Short-, medium-, and long-term	• Green financing: Establish a green project pool, give priority to green loans, green bonds and other tools for financing, reduce financing costs and support the construction of low-carbon projects. In 2025, Mengniu released its first overseas sustainable dim sum bond, completing the issuance of RMB2 billion 5-year and RMB1.5 billion 10-year senior unsecured overseas sustainable development offshore RMB bonds.

Measures to Respond to Financially Material Risks and Opportunities

Mengniu integrates green and low-carbon principles throughout its entire value chain, continuously advancing carbon reduction across every link, from green pastures, procurement, and production to products and logistics, with the goal of building a competitive green corporate identity. For details on specific actions and measures, please refer to the Key Actions section of the *China Mengniu Dairy Company Limited 2025 Climate-Related Information Disclosure Report*.

Risk Management

Mengniu continuously assesses the potential impact of climate change on the Group's development strategy, production operations and financial performance, establishes a climate risk management mechanism under the framework of the sustainable development governance system, and ensures effective alignment with its overall enterprise risk management system. By clarifying the management structure and division of responsibilities, a systematic management approach covering risk identification, assessment, sequencing and management has been formed.

For specific risk management process, please refer to the *China Mengniu Dairy Company Limited 2025 Climate-Related Information Disclosure Report*.

Metrics and Targets

Against the backdrop of China's vigorous advancement of the "Dual Carbon" strategy, Mengniu has set a clear goal of achieving carbon peak by 2030 and carbon neutrality by 2050. The Group has scientifically planned its implementation pathway and drives carbon reduction action from top-level design through to granular execution.

GHG Emission Data

In 2025, the Group continued to carry out accounting in accordance with the *GHG Accounting System: Enterprise Accounting and Reporting Standards (GHG Protocol)*, *Enterprise Greenhouse Gas Emissions Accounting and Reporting — Industrial Enterprises (GB/T 32150)*, *GHG Emission Accounting and Reporting Requirements Part 25: Food, Tobacco and Liquor, Beverage and Refined Tea Enterprises (GB/T32151.25)*, *China Mengniu Dairy Group Carbon Emissions Accounting Technical Guidelines*, *GWP (Global Warming Potential)*, *IPCC National GHG Inventory Guidelines* and the latest supplementary regulations⁹. During the reporting period, through the in-depth implementation of energy-saving technological transformation and supply chain carbon reduction projects, the total GHG emissions and emission intensity decreased by 5.78% and 1.04% respectively compared with 2024. In 2025, the accounting boundary, statistical caliber and assumptions remained consistent to ensure the comparability and objectivity of the data.

Indicator	Unit	2022	2023	2024	2025
Total GHG emissions (Scope 1 + Scope 2) ¹⁰	10,000 tCO ₂ e	142.57	142.33	129.42	121.94
Scope 1	10,000 tCO ₂ e	25.37	27.04	27.75	18.97
Scope 2 (Location-based)	10,000 tCO ₂ e	117.20	115.29	101.67	102.97
GHG emissions per tonne of product	Kg/tonne	168.31	166.17	163.81	162.11

Scope 1 and Scope 2 Carbon Emissions Data of Mengniu in 2022-2025

Indicator	Unit	2025
Category 1: Raw Milk Emission Data ¹¹	10,000 tCO ₂ e	1,110.99
Category 4: Upstream Transportation Emission Data(raw milk shipping only)	10,000 tCO ₂ e	20.39
Category 9: Downstream Transportation Emission Data(from factory to distributor)	10,000 tCO ₂ e	55.18

Scope 3 Carbon Emissions Data of Mengniu in 2025

For GHG emissions targets, please refer to the *China Mengniu Dairy Company Limited 2025 Climate-Related Information Disclosure Report*.

⁹ The accounting boundary covers emissions generated in 2025 from products and services provided by factories operating under Mengniu's control within the country.

¹⁰ Scope 1 emissions include emissions from fuel combustion, methane emissions from anaerobic wastewater treatment, and fugitive emissions from refrigeration. Scope 2 emissions include greenhouse gas emissions generated by purchased electricity and steam. Greenhouse gases involved in the actual production process of Mengniu's self-operated factories include carbon dioxide, methane, and hydrofluorocarbons.

¹¹ With reference to the China Dairy Industry Low-Carbon White Paper (2023) and following the conservative principle, the carbon footprint data of medium-sized farms with the highest factor is taken as the overall carbon footprint factor for the Group's raw milk. This assumes that the farms are medium-sized. The carbon footprint of raw milk mainly includes greenhouse gases such as carbon dioxide, methane, and nitrous oxide.

Sustainable Water Management

Governance

Mengniu has established an Energy Conservation and Emission Reduction Committee, chaired by the Group President, with the Group Vice President responsible for water resource utilization strategy and performance management. Water resource management objectives are cascaded to each business unit, with business unit heads signing accountability agreements. The committee tracks objective completion on both monthly and annual bases through accountability statements and performance contracts, thereby reinforcing responsibility at all levels and ensuring the effective implementation of key water conservation measures. Meanwhile, Mengniu's Board-level Sustainability Committee oversees matters related to sustainable water resource management and formulates corresponding management strategies, ensuring that sustainable water management is effectively integrated into the GREEN Sustainable Development Strategy.

Mengniu established a dedicated Sustainable Water Management Specialized Task Force, incorporating relevant functional departments. Based on its own operational water management practices, the Group is progressively expanding its focus to encompass sustainable water management throughout the upstream and downstream value chain. This includes water risk identification and response, supply chain water management, and product water footprint certification, among other aspects. The Sustainable Water Management Specialized Task Force is responsible for executing water resource utilization strategies, monitoring water resource performance, and maintaining continuous tracking of progress.

Strategy

Mengniu implements the "3U" water stewardship strategy—Save Use, Recycle Use, and Common Use—aimed at improving water efficiency, reducing water intensity, and optimizing water use structure. The Group advances eight water-saving initiatives and integrates lean management principles across the entire water management lifecycle. By continuously introducing new technologies, methods, and processes, and prioritizing the adoption of best available technologies and practices throughout production and operations, Mengniu achieves sustained improvements in water conservation and efficiency. At the same time, the Group strengthens the "dual-control" management of water resources by aligning external regulatory requirements, including water abstraction permits, water-use plan approvals, and dairy-specific water abstraction quotas, with internal targets for energy conservation and efficiency improvement. Water risk assessments are conducted across all self-operated facilities to comprehensively evaluate water dependency and water-use impacts. Through ongoing optimization of water risk management, Mengniu ensures access to safe drinking water and WASH facilities, providing a solid foundation for sustainable water management.

Decision-making Level

Sustainability Committee

- Responsible for reviewing strategies and overseeing performance to ensure water resource management is integrated into the Group's top-level strategic framework

Management Level

Energy Conservation and Emission Reduction Committee

- Responsible for breaking down targets, implementing responsibilities, and promoting the effective implementation of water conservation measures through tracking and assessment

Execution Level

Sustainable Water Management Specialized Task Force

- Responsible for the implementation of water resource strategies and daily operations, and gradually expanding water management to the supply chain and the full product life cycle
- Continuously track the achievement of water resource targets and performance

Mengniu Sustainable Water Management Structure



Management Practices

Mengniu continuously deepens its water management system, focusing on four dimensions: water withdrawal management, water resources risk management, water conservation management, and wastewater management, to systematically advance the control and optimization of water resources throughout the entire process.

Water Withdrawal Management

In the water withdrawal process, Mengniu strictly complies with national laws and regulations, including the *Water Law of the People's Republic of China*, the *Yellow River Protection Law*, the *Yangtze River Protection Law*, the *Regulations on Water Withdrawal Permits and Water Resources Fees*, the *Urban Water Supply Regulations*, and the *Groundwater Management Regulations*. During the reporting year, the Group experienced no major issues in water source acquisition.

Mengniu implements a systematic approach to on-site water management across all operation facilities by developing watershed water risk maps and water flow map to identify water stress levels in the basins where its plants operate, and continuously advances the optimization of its water risk management system.

Watershed Water Risk Map

Considering China's uneven water resource distribution and regional water scarcity, Mengniu leverages the World Wide Fund for Nature (WWF) Water Risk Filter to conduct systematic water risk assessments across all self-operated facilities. The assessment evaluates three dimensions—physical risk, regulatory risk, and reputational risk—using 12 core indicators including biodiversity importance, ecosystem service status, water scarcity, flooding, and water quality. Based on assessment results, the Group prioritizes water risk responses. The Sustainable Development Department collaborates with third-party professional institutions using standardized tools and platforms to conduct in-depth analyses, supporting evidence-based water resource management strategies. Water risk management now covers 100% of Mengniu's self-operated production sites.

In regions facing pronounced water scarcity, including Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia, Shandong, Henan, and Xinjiang, mounting water stress has posed systemic challenges to the dairy industry value chain. Mengniu has implemented water-saving initiatives in all regions facing significant water scarcity. At the upstream farm level, water shortages directly constrain the breeding environment for dairy cows and increase additional water sourcing costs. Prolonged heatwaves and droughts may also reduce yields of feed crops such as soybeans and corn. These impacts are transmitted to the procurement stage, driving up raw material costs. In response, some farms have continued to improve internal water conservation management systems. They also collaborate with raw material suppliers to enhance water-use efficiency and strengthen drought resilience at the source. At the midstream processing level, factories face dual pressures arising from regional water shortages, including raw material supply stability and cost control. The impact of reduced feed production is transmitted along the supply chain. This not only raises production costs but may also affect operational continuity and stability. To address these challenges, factories are advancing water-saving technology upgrades and optimizing water recycling systems. These measures help mitigate the impact of water constraints on overall costs and supply security across the value chain.

Physical risks

Natural disasters, water shortages, water quality and other risks that may directly impact production

Regulatory risks

Risks arising from increasingly stringent regulatory requirements and uncertainty about regulatory changes

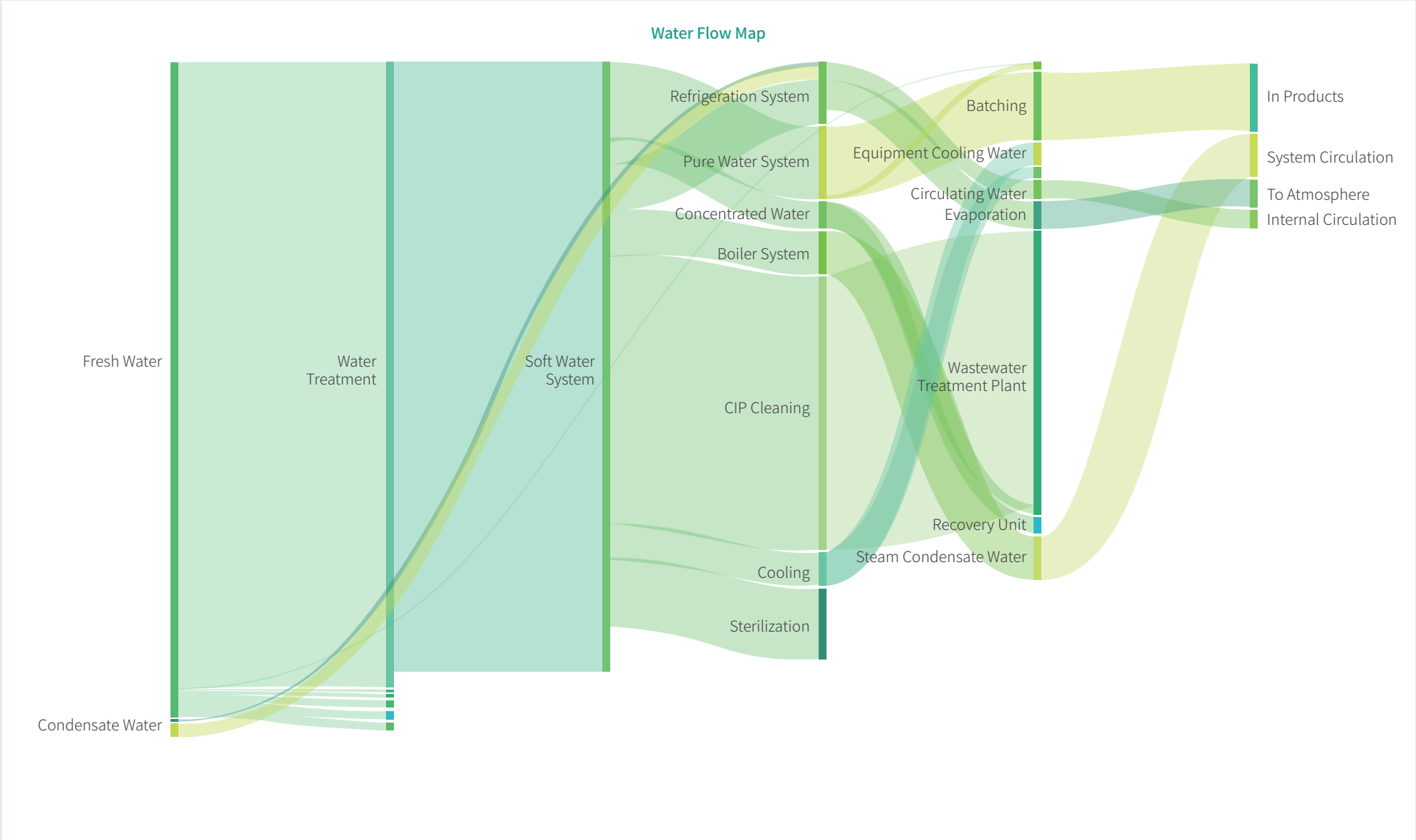
Reputational risks

Risks arising from the crisis of public or consumer trust and recognition of the company in environmental protection



Water Flow Map

For all self-operated facilities, Mengniu creates Sankey diagrams of water system flows covering the complete water lifecycle. These diagrams clearly illustrate water allocation and circulation from raw water withdrawal through water treatment, soft water systems, boilers, and refrigeration, visually presenting flow proportions at each stage. This approach identifies potential water conservation and environmental protection opportunities and guides water-saving technology improvements and implementation.



Water Conservation Management

Mengniu adheres to the principle of "water conservation first, balanced development" by comprehensively strengthening source control and full-process management of water resources. The Group has established and implements a three-tier management system across Group-Business Unit-Factory levels, systematically advancing water quality monitoring, measurement equipment deployment, and water volume early warning, covering all operational sites and the value chain. Mengniu continues to evolve its water use philosophy from "water-saving" to "sustainable" practices, actively introducing lean management methods to improve water resource efficiency and achieve steady reductions in total water consumption. For key water-using units with annual consumption exceeding 500,000 tonnes, Mengniu has established a "dual control" early warning mechanism based on total water withdrawal and intensity indicators. This system implements dynamic monitoring and proactive intervention benchmarked against local quota standards, while actively promoting new water-saving technologies and methods to systematically enhance refined and sustainable water resource management.

Operational Water Conservation Practices

Mengniu developed the *Implementation Plan for Energy Conservation and Consumption Reduction Strategies* to guide best available water-saving practices across all business units. The Group employs a "3U" water-saving strategy, systematically advancing water-saving technological transformation through exploration of new technologies, methods, processes, and equipment to improve water resource utilization efficiency. Water resource management and conservation initiatives currently cover 100% of self-operated facilities.

In 2025, Mengniu systematically advanced 94 key water-saving initiatives across all production and operational sites. Focusing on three core areas—water conservation, recycling, and collaborative reuse—the Company continuously optimized cleaning processes and enhanced water recovery and reuse efficiency, achieving total water savings of 381,100 tonnes for the year.

In 2025, Mengniu
systematically advanced

94

key water-saving
projects

achieving total water
savings of

38.11 tonnes

for the year

Water conservation

- The Room Temperature Business Unit implemented online hardness monitoring and automatic cleaning for soft water systems. By precisely controlling cleaning timing through real-time water quality monitoring, the business unit achieved annual water savings of approximately 12,000 tonnes;
- The Fresh Milk Business Unit reduced cleaning frequency through process improvements while maintaining product quality requirements, achieving annual water savings of 29,000 tonnes;

Water recycling

- The Room Temperature Business Unit recovered concentrated water to idle buffer tanks for use in restrooms, sinks, car washes, cooling tower makeup water, and multimedia tank cleaning, achieving annual water savings of 63,000 tonnes;
- The Chilled Product Business Unit implemented cooling water recycling measures for workshop pump bodies and homogenizers, achieving annual water savings of approximately 65,000 tonnes;
- The Ice Cream Product Business Unit optimized cooling water system circulation by transforming the pasteurization cooling water recovery and utilization system, achieving annual water savings of 2,077 tonnes;
- The Fresh Milk Business Unit achieved annual water savings of 23,000 tonnes by using recovered cooling water for equipment cooling and recycling soft water from homogenizers;
- The Milk Powder Business Unit used cooled condensate instead of soft water to cool milk tablet equipment, achieving annual water savings of approximately 1,060 tonnes.

Water collaborative utilization

- The Room Temperature Business Unit added buffer tanks, pumps, pipelines, and control systems to recover dialysis water for power cooling tower makeup, achieving annual water savings of approximately 56,000 tonnes;
- The Chilled Product Business Unit adopted multi-channel comprehensive reuse of reclaimed water, effectively covering greening, toilet flushing, fire protection, cooling towers, milk truck exterior washing, and floor cleaning, achieving annual reuse of 126,000 tonnes;
- The Ice Cream Product Business Unit recovered steam condensate and replenished it to hot water tanks, reducing steam heating and water makeup requirements and saving 3,588 tonnes of water annually.

Mengniu's "Digital CIP Cleaning Algorithm" Achieves Precision Water Use Transformation

Mengniu independently developed the "Digital CIP Cleaning Algorithm" and fully deployed it across the Chilled Product Business Unit, driving digital upgrading of the cleaning process with an "intelligent brain." Based on over 100,000 cleaning data points collected via the Internet of Things, the system identifies cleaning redundancies through big data modeling, improving invalid water identification accuracy to 99% and reducing the invalid cleaning rate from 38% to 24%. In practical application, individual facilities save approximately 500,000 yuan in annual water costs and reduce cleaning energy consumption by 30%, yielding annual energy cost savings of approximately 2 million yuan. This drives the transformation of cleaning water management from "experience-driven" to intelligent, refined management.

Mengniu's "Full-Process Digital Twin System" Enables Proactive, Predictive Water Management Optimization

Mengniu independently developed and applied the "Factory Water Full-Process Digital Twin System" to achieve visual management of water consumption, water quality, and reuse pathways. By establishing 3D virtual mapping that presents water use status at each stage in real time and supports simulation of different water reuse scenarios, the Group shortened the evaluation and decision-making cycle for water-saving solutions from the traditional one week to one day. Through closed-loop management of "simulation, real-time insight, and precise intervention," facilities can proactively identify hidden issues such as leaks and inefficiencies, shifting water conservation from passive renovation to active optimization and significantly improving decision-making efficiency and water-saving benefits.

Value Chain Water Conservation Practices

Mengniu continuously strengthens water-saving management for farms and raw/auxiliary material suppliers, improving the water-saving management system for farms and raw material suppliers to enhance water resource utilization efficiency from the source.

At farms, the Group launched a new water use standard plan and implemented multiple water-saving renovation projects, including installation of automatic sprinkler equipment and establishment of cleaning water recycling systems, significantly improving the water conservation levels at farms. Sprinkler systems at three farms have been upgraded from manual to automated operations, achieving average water savings of over 70%.

For raw and auxiliary material supplier water-saving management, Mengniu collaborates with core suppliers to advance water conservation work, systematically reviewing process water usage. With the goal of improving overall supply chain water resource utilization efficiency, the Group continuously promotes supplier implementation of diverse water-saving projects covering process optimization, equipment upgrades, recycling, and alternative water source development, effectively reducing water consumption intensity across the entire chain. In 2025, Mengniu assisted 12 suppliers in implementing water-saving improvement projects, achieving cumulative water savings exceeding 178,000 tonnes.

In 2025, Mengniu assisted

12 suppliers in implementing water-saving improvement projects

achieving cumulative water savings exceeding

178,000 tonnes

Mengniu systematically advances water management at partner farms around four areas—policy guidance, performance assessment, technical empowerment, and specialized guidance—promoting implementation of water conservation and carbon reduction measures.

Policy standardization guidance: Formulated and implemented the *Classification and Assessment Standards for Model Farms*, incorporating clean energy facilities, green power projects, and water resource management into the farm rating system, guiding systematic advancement of sustainable water use and carbon reduction practices at farms.

Performance incentive mechanism: Integrated farm water conservation and carbon reduction results into the performance appraisal system for milk source business personnel, promoting proactive assistance and supervision of farm implementation through positive incentives.

Training system support: Organized 12 specialized technical training sessions throughout the year focused on energy conservation and emission reduction, systematically enhancing technical capabilities and practical proficiency in water resource management and energy conservation at farms.

On-site technical guidance: Organized industry experts to conduct on-site technical guidance at farms totaling 85 person-visits, focusing on providing customized solutions and optimization recommendations for water-saving processes, recycling, and carbon reduction technologies.

China Modern Dairy consistently focuses on two core objectives—reducing water consumption and expanding alternative water sources—conducting diverse water-saving practices across operations to continuously improve overall water resource utilization efficiency. Modern Dairy has deeply integrated water resource management into supplier access evaluation and daily management review systems. Evaluation dimensions cover water-saving technology application level, wastewater treatment and source control capabilities, water circulation system development, and operational effectiveness of water resource monitoring and evaluation systems.

Reducing water use

- Breeding water conservation and efficiency: Modern Dairy promotes intelligent precision sprinkler systems in cattle barns that automatically adjust water volume based on real-time temperature and humidity sensor data, achieving approximately 39% water savings.
- Refined irrigation at planting: Modern Dairy introduces intelligent water valves and automatic pressure stabilization devices to achieve precise water and fertilizer control in feed planting, avoiding resource waste from irrigation system damage. The adoption of intelligent devices reduced per-mu water and electricity use by 25–30% and fertilizer use by 10–15%.

Alternative water source use

- Backflushing of cleaning water sources: Modern Dairy recovers and treats milking equipment cleaning water, using approximately 10 million cubic meters of cleaning water annually for site and pipeline flushing, achieving primary water circulation. Wastewater and cow manure are collected together and enter the biogas fermentation system, with fermentation products converted into bedding and fertilizer respectively, completing resource utilization.
- Cooling water recycling: Modern Dairy has established a cascade cooling water circulation system. The pre-cooling stage uses plate heat exchangers for primary water circulation, while the deep cooling stage uses air-cooled units for ice-water closed-circuit circulation, achieving efficient overall reuse of cooling water resources.

Water management of raw milk suppliers

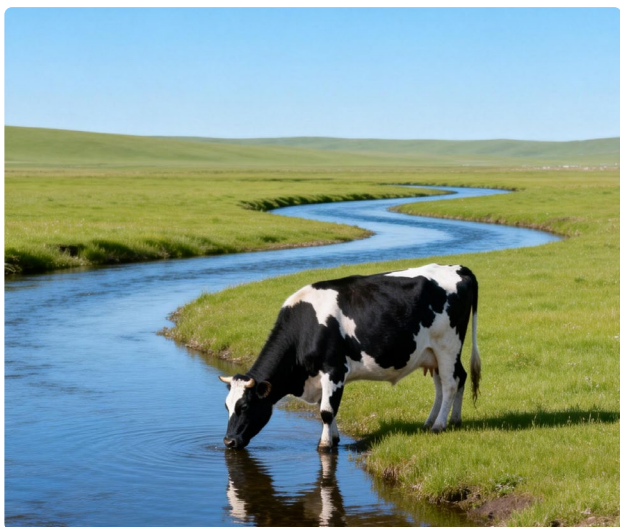
- In 2025, Modern Dairy's water resource review coverage of suppliers reached 100%. The Group actively promotes water-saving experience sharing across the supply chain by systematically collecting supplier best practices in water management and organizing timely specialized water conservation exchange meetings based on actual needs, promoting mutual learning and collaborative cooperation to jointly improve water resource utilization efficiency and protection levels.

Wastewater Management

In addition, Mengniu actively conducted water resource protection education activities to continuously raise water conservation awareness among all stakeholders.

Mengniu's School-Government-Enterprise Linkage for World Water Day Science Education

During World Water Day (March 22) and China Water Week, Mengniu planned and organized the "Water Future" themed educational campaign around the core issues of "glacier protection" and "water security" proposed by the United Nations and China's Ministry of Water Resources. The activity employed a school-government-enterprise tripartite linkage model through an integrated format of "classroom education + field visits," including campus lectures, water plant tours, sewage treatment process explanations, and water conservancy project visits. The initiative reached over 450 students and employees, effectively enhancing participants' systematic understanding and protection awareness of water resources.



Through comprehensive application of online pollutant monitoring systems, Mengniu implements real-time monitoring of facility wastewater discharge, ensuring stable operation of all wastewater treatment plants and compliant pollutant discharge during the reporting year. For wastewater treatment, the Group completed expansion of wastewater treatment plants and technical transformation of wastewater treatment equipment and sludge treatment systems, enhancing facilities' environmental governance and resource utilization levels.

Online monitoring system upgrade

In 2025, Mengniu independently developed an ecological and environmental protection data information management tool (incorporating data from the existing pollution monitoring real-time supervision platform). Following a systems management approach, the tool creates modules across four dimensions—planning, operation, supervision, and improvement—optimizing data management and control processes and effectively linking three-tier management data across Group, Division, and Factory levels to achieve "single source of truth, real-time sharing, efficient processes, and collaborative coordination."

Update of monitoring equipment

The Milk Powder Business Unit facilities completed replacement of online monitoring equipment for ammonia nitrogen and total nitrogen at wastewater stations. Compared to old equipment, this achieved automatic verification functionality, meeting environmental compliance requirements while improving monitoring accuracy and stability.

Deep reuse of reclaimed water

Building on reclaimed water treated by wastewater plants, the Chilled Product Business Unit facilities constructed "sand filtration + microfiltration + ultrafiltration" systems to further remove impurities. Purified reclaimed water is reused for dust suppression, greening, vehicle washing, and refrigeration system heat exchange at facilities.

Metrics and Targets

Mengniu integrates the concept of sustainable water management into its development practices, consistently upholding the water conservation philosophy of "prioritizing water savings while pursuing balanced development." Adhering to the management principle of "determining city layout, land use, population size, and production scale based on water availability," the Company has established a dedicated water resources management system, improved relevant policies and standards, and fully implemented water conservation measures across its production and operations. By setting clear water management targets and systematically monitoring key performance indicators, the Group achieves long-term tracking and continuous improvement in the effectiveness of its water resources management.

In 2025, two factories under Mengniu were recognized as provincial-level water-saving enterprises, and four factories received municipal-level water-saving enterprise designations. In addition, as of the end of 2025, Mengniu has 33 sites recognized as water-saving enterprises/water-saving benchmark enterprises. Meanwhile, the Group actively promoted the implementation of international advanced water management standards. From 2023 to the end of 2025, 11 factories carried out Alliance for Water Stewardship (AWS) water management certification, 7 of which successfully obtained AWS Gold-level certification, including 3 achieved in 2025.

Mengniu conducts water footprint measurement and verification to understand water consumption across its operations and products. In 2025, Mengniu conducted water footprint verification for core products across its categories, including liquid milk, ice cream, and milk powder, and obtained water footprint verification statements issued by independent professional institutions. In the meantime, Mengniu established an internal water footprint accounting model covering both organizational and product levels, precisely identifying key points of water consumption and conservation throughout the entire lifecycle, systematically improving water footprint management records, and thoroughly exploring water-saving potential at each stage.

For the progress on water resources utilization goals, please see [Progress in water utilization goals].

In 2025,

2

factories under Mengniu were recognized as provincial-level water-saving enterprises

4

factories received municipal-level water-saving enterprise designations

as of the end of 2025, Mengniu has

33

sites recognized as water-saving enterprises/water-saving benchmark enterprises

Mengniu has completed water footprint verification and calculation for main product categories, including products such as Milk Deluxe Organic Pure Milk, Mengniu Fresh Milk, Ice+ Sea Salt Lemon, Reeborne Enzhi Infant Formula, and Youyi C.

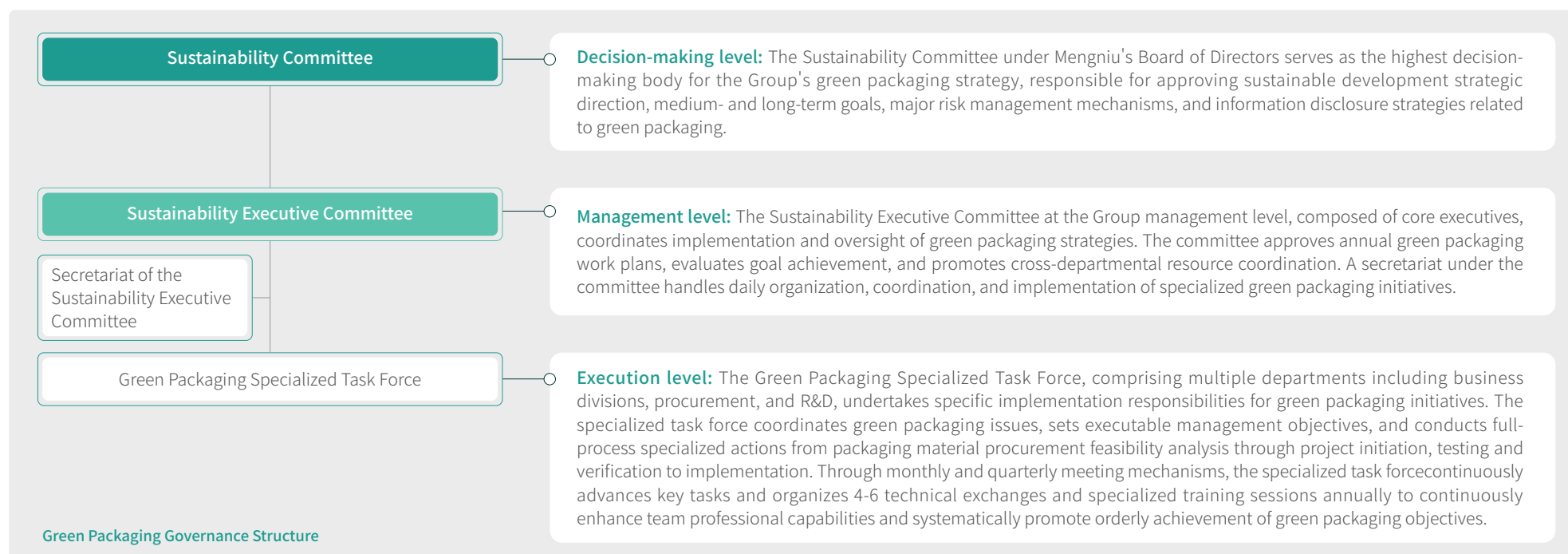


Circular Economy

Mengniu closely monitors and actively responds to growing domestic and international attention to green packaging issues. Through systematic guidance on recycling efforts and provision of standardized operating procedures, the Group continuously expands the coverage and influence of green packaging recycling initiatives. Mengniu has published the *Green Packaging Value Report*, proactively disclosing green packaging information and comprehensively demonstrating to stakeholders its progress and future plans in packaging sustainability.

Green Packaging Governance

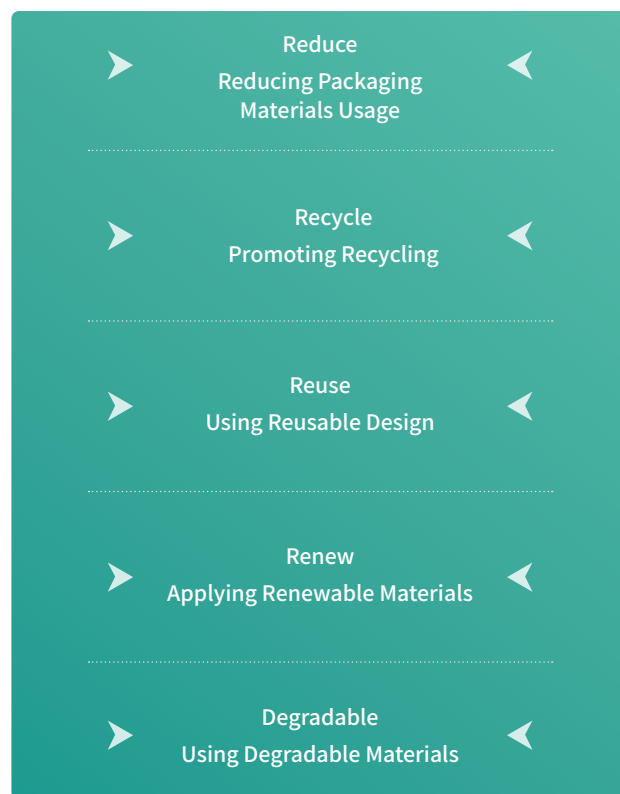
To enhance the relevance and effectiveness of green packaging initiatives, Mengniu established a dedicated Green Packaging Specialized Task Force and integrated it into the Group's sustainable development governance structure. Under the joint leadership of the Board's Sustainability Committee and the Sustainability Executive Committee, the specialized task force coordinates and advances the Group's green packaging initiatives, systematically driving green transformation of dairy packaging.



Mengniu links packaging management performance to responsible personnel assessments, incorporating indicators such as "number of innovative packaging projects, packaging quality management, innovative technology conversion rate, green packaging project advancement, and packaging material plastic and quantity reduction" into performance appraisal systems for engineers, supervisors, and managers in packaging R&D, technology, and supply departments. Meanwhile, Mengniu developed the *Green Packaging Design Guide* to standardize requirements and boundaries, formulated the "Sustainability Excellence Program" listing green packaging as a key criteria for excellence, incentivizing full employee participation to efficiently drive the green packaging transformation process.

Green Packaging Strategy

Under the concept of circular economy, Mengniu has developed the "4R1D" packaging strategy (Reduce - Reducing packaging materials usage; Recycle - Promoting recycling; Reuse - Using reusable design; Renew - Applying renewable materials; Degradable - Using degradable materials) around the goals of "addressing environmental pollution, protecting the Earth's resources and achieving net-zero emissions". Under the overarching "4R1D" packaging strategy, each business unit and product line conducts innovative research on material usage, packaging design, and production processes. This approach aims to reduce packaging and promote recycling, with a focus on sustainable packaging across the full value chain.



"4R1D Strategy" in Green Packaging

Reduce: Reducing Packaging Materials Usage

While ensuring complete packaging functionality, Mengniu continues to reduce the environmental impact of packaging. By reducing packaging material weight, eliminating packaging materials with harmful components such as PVC, and reducing the use of printing inks with high environmental burdens, the Group systematically promotes lightweight and green packaging, reducing packaging's environmental impact at the source.

- Just Yoghurt uses origami gaskets to replace traditional EPS gaskets and optimizes gift box structure, achieving environmental upgrades while providing consumers with a better experience.

- For 2L barrel and 1L A2 product packaging optimization for the channel customers, Mengniu reduced base paper consumption by upgrading PDQ packaging materials and improving structural design, cumulatively reducing base paper usage by 1,808 tonnes.
- The 720ml and 1L PET bottled products in the Mengniu Shiny Meadow series have completed label material upgrades, completely replacing original PVC labels with more environmentally friendly PETG materials.

- Mengniu implemented material optimization for all gift box packaging in its middle-aged and elderly milk powder series, completely eliminating PVC packaging and reducing plastic use by 4.9 tonnes.
- In the milk tablet product line, Mengniu promoted packaging innovation. The new packaging for three milk tablet products eliminates traditional PVC blister and heat-sealed aluminum foil structures, reducing plastic and aluminum consumption and overall paper usage.

- Through green minimalist packaging design, Mengniu's fresh milk cup ice cream eliminated the cup lid and replaced plastic spoons with wooden spoons, reducing plastic consumption by 5.6 grams per cup and achieving cumulative plastic reduction of 31.47 tonnes throughout the year.
- Size and thickness optimization for Mengniu Traditional Popsicle and Green Shasha Ice Cream packaging boxes cumulatively reduced packaging material usage by 64.56 tonnes.

- The entire Mengniu Youyi C100 product line achieved lightweight packaging through structural innovation, reducing individual bottle weight from 7 grams to 6.5 grams. Additionally, products eliminated traditional bottle labels, removing 0.2 grams of label usage per product, achieving overall packaging reduction and material streamlining.



Recycle: Promoting Recycling

Mengniu is committed to increasing the proportion of single materials used in packaging, expanding the application of recycled materials, focusing on improving the recyclability of difficult-to-recycle packaging such as soft plastics and pre-made cups, and clearly marking recycling guidelines on packaging to promote effective material circulation. Currently, many Mengniu products widely adopt recyclable packaging covering multiple material types including PET and paper-based materials, transforming packaging waste into sustainable renewable resources.

- Mengniu Everyday Fiber Oat Milk adopts a bionic design concept inspired by oat grain appearance, fully adopting recyclable design in packaging materials. The product successfully applies PCR (post-consumer recycled) plastic in bottle caps and labels following verification.
- Mengniu's 236ml gable-top carton uses EVOH to replace the aluminum foil layer in traditional aluminum foil gable-top carton products, with 251,800 alternative packaging units used to date.
- Mengniu Selected Meadow 950ml uses unbleached natural wood-colored paper to replace the base paper used in existing gable-top cartons, with 245,300 alternative packaging units used to date.
- Mengniu Youyi C is the first product to use rPETG recycled shrink labels, incorporating 30% recycled PET, reducing virgin plastic by 7.6 tonnes and reducing carbon emissions by 11%.
- Mengniu yogurt uses single-material PE to replace the original multi-layer composite structure, providing excellent protective performance while improving recyclability.
- Mengniu Green Shasha Ice Cream fully implements environmentally friendly design in product packaging by adopting single-material structure and using halogen-free ink with flexographic printing technology to achieve green printing. The packaging compounding process uses solvent-free adhesive, and all packaging materials have passed authoritative safety testing.
- Mengniu Chilled Raw Milk Special Channel Meal Cup innovatively "upcycles" production waste into cultural and creative pen holders presented to campus customers with carbon footprint certification. One pen holder is equivalent to approximately 40 recycled yogurt cups.
- The Mengniu Youyi C100 brand underwent comprehensive upgrades, adopting PE packaging materials and switching to label-free bottles. In partnership with packaging recycling and regeneration enterprises and public welfare organizations, the project regenerated materials into school uniforms for charitable donation. The project cumulatively recycled 150,000 empty bottles, achieved 956,200 social media interactions, and donated 1,999 sets of environmentally friendly school uniforms to 21 primary schools in mountainous areas.

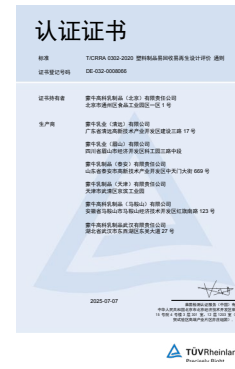


In 2025, 21 product packages of Mengniu obtained the "Easy-to-Recycle and Easy-to-Regenerate" certification (Dual-E certification), with three of them achieving an excellent rating.

For its environmentally friendly packaging design, Mengniu Mood for Green Shasha Ice Cream received the "Double-E Excellence"¹² certification from TÜV Rheinland and was selected for the industry Golden Design Principle Case Collection.

The packaging materials for Mengniu Youyi C100 series products were replaced from PS to PP material, which is easier to recycle and regenerate. Using single raw materials for production reduced ink usage and earned TÜV Rheinland's "Double-E Excellence" certification.

Mengniu Just Yoghurt Yummy Yoghurt packaging removed the top label and uses injection-molded cat ear cups, earning TÜV Rheinland's "Double-E Excellence" certification.



Reuse: Using Reusable Design

Mengniu is committed to enhancing packaging reuse value by promoting reusable design at the consumer end and implementing recyclable packaging modes in transportation, effectively extending packaging lifecycles. The Group collaborates with upstream and downstream suppliers to provide strong support for circular economy practices.



By replacing traditional corrugated boxes with PP circulation boxes, driving participation from upstream suppliers, factories, circulation packaging box services, and other entities to build a circular economy system covering the entire chain.

- Mengniu Champion Aviation Cup replaced traditional corrugated boxes with PP circulation boxes for aviation cup products, reducing carton usage by 22,000 units.



¹² The full name of this certification is the Design Evaluation and Certification for Recyclability and Recoverability of Plastic Products. Introduced by the Green Recyclable Plastics Supply Chain Joint Working Group (GRPG), the certification focuses on the recyclability and recoverability of plastic products. By assessing the relationship between product design and recycling performance, it provides guidance and evaluation criteria for the design of plastic products.

Renew: Applying Renewable Materials

Mengniu is committed to expanding the application of renewable materials in packaging and actively promoting alternative materials such as paper, bamboo fiber, and plant-based plastics to reduce the proportion of petroleum-based virgin plastics used and reduce dependence on fossil resources.

- Mengniu Milk Deluxe Desert Organic Pure Milk adopts bio-based PE bottle caps and unbleached natural-colored paper-based bottles. Overall packaging weight is approximately 3% lower than similar products, with an 8% lower carbon footprint. 100% of packaging paper-based raw materials come from sustainably managed forests, achieving equal emphasis on lightweighting and environmental protection.
- Mengniu Milk Deluxe Desert Organic Pure Milk gift box packaging underwent green upgrades, reducing the carbon footprint per box by 17 grams. Paper handles replaced plastic handles, tissue paper was upgraded to kraft paper, and through hollow printing and structural optimization, ink was reduced by 40% and paper by 50 grams.
- Mengniu Milk Deluxe Pure Milk comprehensively promoted packaging gasket material upgrades, using new plant-based molding materials to replace traditional paper, EPS, and EPE gaskets, achieving 100% sustainable replacement while achieving reduction.



- Through packaging material innovation, Mengniu cup ice cream replaced the aluminum foil layer in aluminum-plastic sealing films with renewable paper materials from FSC certification or other sustainably managed sources, effectively reducing the use of non-renewable aluminum resources and achieving cumulative aluminum reduction of 5 tonnes.



Degradable: Using Degradable Materials

Addressing the pain points that packaging accessories such as straws are easily scattered and difficult to recycle, Mengniu actively promotes the research, development, and application of degradable materials. The Company successfully developed degradable straws made of PLA/PBS materials and actively explores and develops new plastic material solutions with faster degradation speeds.

- Fully Environmentally Degradable Bio-Based Straw Yogurt Day PHA Straws



Based on Tsinghua University's independently developed PHA materials science achievement, Mengniu led the development of the "Pure PHA Substrate Technology" using natural bio-based materials. This breakthrough led to the launch of an eco-friendly straw that is fully biodegradable in natural environments. By addressing the pollution issues associated with conventional straws, it achieves a balanced enhancement in both user experience and environmental performance.



- Aviation Special Channel Products Yogurt Straw



Comprehensively upgraded to degradable materials, simultaneously promoting straw film degradability, cumulatively reducing the use of PP straws by approximately 39.22 million.



Recycling Initiatives

Mengniu actively builds an action system covering post-consumer recycling and efficient regeneration to ensure packaging materials can be effectively recycled and scientifically regenerated at the end of their entire lifecycle, thereby creating a truly sustainable green value chain.

Consumer Awareness Campaigns

Mengniu is committed to raising consumer environmental awareness and promoting public participation in sustainable development practices through diversified packaging recycling campaigns. The company transforms recycled materials into practical regenerated peripheral products, effectively reducing resource waste and environmental pollution while conveying green regeneration concepts to consumers in tangible, perceptible ways, promoting the formation of new green consumption trends. In 2025, Mengniu's consumer-oriented recycling activities covered 38 cities, with 10 thousand participants, successfully recycling approximately 100 kilograms of dairy packaging.

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Mengniu Shiny Meadow Partners with AIFENLEI to Create a "Recycling-Regeneration" Closed Loop for Dairy Packaging

Mengniu Shiny Meadow, in collaboration with Beijing AIFENLEI, launched a waste sorting science outreach campaign focused on sustainable packaging and circular recycling systems. The initiative organized five open house events at sorting centers and three campus activities, reaching approximately 675 participants from universities, communities, and primary and secondary schools. By showcasing the 100% recyclable closed-loop system for milk bottles and the "one-bag" recycling model, the campaign aimed to strengthen public awareness of environmental protection and encourage sustainable behaviors. These efforts continuously enhance the brand's green image and advance the implementation of resource recycling practices.

Mengniu's Youyi C has launched the "Together with Youyi C, Deliver Love to the Mountains" empty bottle recycling initiative

Youyi C, a Mengniu brand, joined forces with its charitable partners to launch the innovative "Together with Youyi C: Delivering Love to the Mountains" empty bottle recycling campaign. This initiative introduced a novel mode of public participation, encouraging individuals to show care for children in mountainous regions while also engaging in environmental action. In 2025, Youyi C comprehensively upgraded its eco-friendly packaging, pledging to give used bottles a "new life." Thanks to technological innovation, 28 empty bottles can now be repurposed into one set of environmentally friendly school uniforms. During the campaign, the team visited 150 primary schools, where they worked with students to collect bottles and held public-benefit educational workshops. Eco-friendly school uniforms, transformed from the collected bottles, were donated to 21 primary schools in remote mountain areas. This initiative successfully completed a heartfelt cycle of kindness, making a tangible contribution to the healthy growth and happiness of children in China.



Operational Recycling Practices

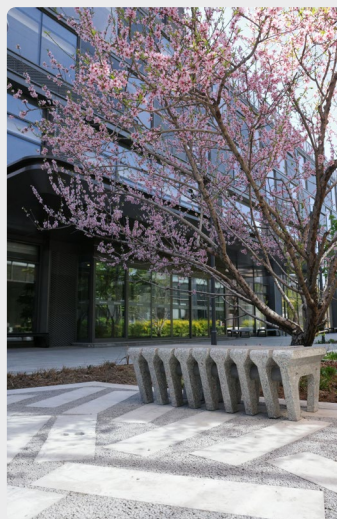
Mengniu fully implements circular economy concepts in all aspects of production and operation, actively promoting factory recycling management systems and continuously improving resource utilization efficiency through systematic resource recycling and reuse measures.

By promoting wooden pallet recycling, the Milk Powder Business Unit effectively reduced disposable pallet usage intensity. In 2025, tray purchases were reduced by 13,895 units, achieving cost savings of approximately RMB 1.056 million.

Mengniu and Tetra Pak Jointly Develop and Deploy Environmentally Friendly Recycled Materials Made from Recycled Milk Cartons

Mengniu partnered with Tetra Pak to process recycled Tetra Pak milk cartons into "Eco-board" materials, further manufacturing them into regenerated products such as eco-friendly benches, trash bins, and coffee tables and chairs, achieving waste recycling and exploring closed-loop circulation modes for dairy packaging. To date, the project has cumulatively recycled and processed 383,540 milk cartons, with related regenerated products deployed at Mengniu's Beijing headquarters and 14 production bases nationwide, integrating green concepts into daily operational scenarios.

Building on this foundation, Mengniu and Tetra Pak also jointly developed and produced regenerated handbags, refrigerator magnets, photo frames, and other consumer activity gifts for use in Mengniu consumer interactive activities, visually demonstrating packaging recycling and regeneration results to the public, advocating waste classification and recycling concepts, and jointly promoting construction of a resource-recycling society.



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Industry Recognition and Cooperation

Mengniu is committed to deepening industry exchanges and collaboration, actively participating in the formulation and revision of packaging standards at national and industry levels, promoting establishment of sustainable packaging certification systems, and ensuring packaging materials fully meet regulatory requirements. Meanwhile, following national regulatory policy guidance and leveraging platform resources such as industry associations, academic societies, and chambers of commerce, Mengniu proactively shares industry insights and provides professional support. As an important participant, the Company joins green packaging conferences and think tank construction, helping improve overall industry professional capabilities and sustainable development.

National standards in the formulation of which the Group participated

GB19741 Plastic Composite Film and Bag for Liquid Food Packaging General Principles for Design Evaluation of Easy Recycling and Recycling of Plastic Products

Mengniu launched the special topic "*Sustainable Packaging Technology Innovation and Industrial Development*" in the core journal *Packaging Engineering* and published the peer-reviewed article titled *4R1D Concept of Packaging Green Transformation and Practice in the Dairy Industry*. Meanwhile, through academic forums, roundtable exchanges, and in-depth engagement with research institutes and industrial engineering partners, the Company builds consensus on green packaging R&D and defines a circular economy-driven transformation pathway supported by multiple coordinated technologies.

Mengniu Releases Frontier Research to Drive Industry Advancement

On July 2025, at the "2025 Green and Intelligent Packaging Technology Innovation Forum and Industry-Academia-Research Collaborative Innovation Conference" held in Guangzhou, Mengniu co-organized a thematic sub-forum on "Sustainable Packaging Technology Innovation and Industrial Development" in partnership with *Packaging Engineering*, a leading academic journal in the packaging industry. The forum brought together top minds from the global packaging sector, showcasing frontier achievements in sustainable packaging within the dairy industry and injecting new momentum into the green transformation of the sector. At the forum, Mengniu presented a keynote report titled "*Technological Exploration of the 4R1D Green Transformation of Dairy Packaging*," systematically elaborating on the green packaging planning framework centered on "4R1D," specific implementation cases, and future development directions. In addition, Mengniu collaborated with the Journal *Packaging Engineering* to publish a special collection of papers on sustainable packaging. The collection comprises ten frontier research papers focusing on key areas of technological innovation including bio-based materials and packaging structure optimization, providing an important academic reference for the industry.



Mengniu's Green Packaging Practices Leading Industry Transformation

On September 2025, at the "Meishi Green Packaging Action Awards," Mengniu Dairy stood out for its systematic green packaging innovations, winning multiple awards and achieving a historic breakthrough, topping the overall rankings with the highest aggregate score among more than 150 participating enterprises and institutions, and becoming the first recipient of the ceremony's highest honor, the "Role Model Team Award."

Seven products, including Milk Deluxe Desert Organic Pure Milk, have won the "Green China" Packaging Innovation and Sustainability Awards — specifically in the categories of Packaging Technology Innovation Award, Packaging Design Innovation Award, and Channel Packaging Innovation Award.

Shiny Meadow Ultimate Edition 0% Fat Fresh Milk Wins the 2025 World Innovation Award at IFE International Food and Beverage Exhibition.

Mengniu's green packaging transformation case was recognized as a Typical Case of Green and Low-Carbon Transformation by the 2024 Light Industry Association.

Green Operation

Mengniu adheres to the concept of green development, continues to improve the green operation system, reduces the impact of business activities on the environment by implementing environmental targets, and actively fulfills ecological protection responsibilities. Mengniu has cumulatively built 41 national-level green factories.

Green Operation Management

Mengniu strictly complies with the requirements of laws and regulations including the *Environmental Protection Law of the People's Republic of China* and the *Law on the Prevention and Control of Environmental Pollution by Solid Waste*. During the reporting period, the Company continued to strengthen environmental compliance management, continued to implement the "1+N" *Ecological and Environmental Protection Management System* and refined the Ecological and Environmental Compliance Review Form and the Ecological and Environmental Compliance Management Guide, making more detailed and standardized requirements for various environmental protection work processes and systematically improving environmental compliance management capabilities. During the reporting period, Mengniu experienced no significant environmental incidents.

Additionally, Mengniu developed an ecological and environmental data information management module, connecting data submission channels for environmental "three simultaneous" requirements, pollution discharge permits, and air, water, noise, and solid waste elements. This promotes transformation of grassroots factory environmental management toward vectorization, proceduralization, and standardization while building a unified ecological environmental management interface that realizes automatic data tracking reminders, intelligent statistical analysis, and project information digitization, comprehensively constructing an integrated intelligent environmental protection management system.

Environmental Management System Certification

Mengniu is committed to improving safety and environmental management levels and continues to promote certification and improvement of the environmental management system by identifying and preventing potential environmental risks. To scientifically evaluate the operational effectiveness of the Company's environmental management system, the Group organizes various departments, divisions, and subordinate units to conduct third-party external system audits for businesses within their jurisdiction according to the management system manual, aiming to use scientific and efficient management methods to improve the Group's EHS management performance and verify compliance and effectiveness of management at all levels.

In 2025, Mengniu's self-operated factories conducted ISO 14001 Environmental Management System surveillance audits with 100% coverage.

Environmental Risk Management

Mengniu strictly implements the *Environmental Risk Map Management Procedure*, improving the environmental risk identification process and graded assessment mechanism, establishing principles for dynamic risk upgrading and downgrading management, refining assessment mechanisms for different risk levels, and promoting upgrading of environmental risk management toward systematization, standardization, and scientific approaches.

Each Mengniu facility has prepared the *Emergency Plan for Environmental Emergencies* and regularly organizes environmental risk emergency drills and training while periodically inspecting the integrity and effectiveness of relevant facilities and equipment, effectively improving capabilities for preventing and responding to environmental emergencies.

In 2025, Mengniu newly identified a total of 54 general environmental risks, all of which have been rectified, with no major risks added to the environmental risk map.

Supplier Environmental Management

In warehousing and logistics resource management, Mengniu optimizes contract term arrangements to improve cooperation stability and encourages partners to deploy new energy transportation vehicles, gradually increasing their proportion in overall transportation capacity, thereby achieving coordinated advancement of logistics cost optimization and low-carbon operation goals while ensuring efficient distribution.



Waste Management

Mengniu implements strict classification of solid waste and establishes full-process management archives to ensure both general waste and hazardous waste are handled by professionally qualified units.

In 2025, three Mengniu facilities were awarded "Waste-Free Factory" demonstration unit designation, and 1 facility completed Zero Waste to Landfill management system certification. By the end of 2025, 16 facilities under Mengniu had been awarded "Waste-Free Factory" demonstration units, and 9 had obtained "Zero Landfill Factory" certification.

Mengniu conducted a series of process optimizations and digital upgrades around green production. For flue gas treatment, the Room Temperature Wuhan facility transferred its biomass boiler to third-party operation, purchasing steam to ensure production operations and requiring the third party to upgrade the biomass boiler to reduce emissions of flue gas pollutants such as nitrogen oxides and sulfur dioxide. The Chilled Wuhan sewage plant built a new biogas boiler, utilizing waste heat recovery from the sewage plant biogas combustion boiler. Meanwhile, the Company built online management platform, establishing basic solid waste classification and unit weight database modules, realizing remote management functions such as real-time online ledgers and visual waste generation data, strengthening timeliness and accuracy supervision of waste generation data, and improving recycling efficiency of packaging waste.



Reduce Food Loss and Waste

Mengniu has always been committed to reducing food loss and waste and systematically conducts relevant management and project practices by formulating and implementing the *Mengniu Guidelines Against Food Waste*. Taking themed events such as "World Environment Day" and "National Low Carbon Day" as opportunities, the Company actively advocates for all employees to practice the "Clean Plate Campaign," promoting integration of conservation concepts into daily behaviors.

Mengniu systematically promotes milk loss control from three dimensions—management optimization, technical analysis, and performance-driven approaches—reducing loss throughout the entire production process. Through strict monitoring of production conditions and regular equipment maintenance achieving precise process management, and constructing "milk loss maps" and milk analysis models to systematically identify loss points and formulate targeted consumption reduction plans. Simultaneously, the Company incorporates milk loss improvement targets into the performance evaluation system, breaking them down to each production line, promoting full employee participation in implementation, and continuously optimizing finished product disposal processes to avoid resource waste due to improper disposal, thereby achieving refined loss control throughout the entire process from source to terminal.

Resource utilization of waste lead-acid batteries

Starting from 2024, the factory of the Chilled Product Business Unit has adopted a compliant disposal process for waste lead-acid batteries by entrusting them to qualified units that provide waste transfer documentation, replacing the previous battery-swap handling model. In 2025, 13.9 tonnes of batteries were disposed of, generating cumulative revenue of RMB 111,200, achieving efficient resource utilization while reducing environmental pollution. Similar projects will continue to be expanded in the future to optimize cost structure.

Resource utilization of waste engine oil

At 31 facilities of the Room Temperature Business Unit, a total of 15.39 tonnes of waste engine oil have been outsourced for resource recovery and subsequently regenerated into base oil or fuel oil, achieving a virtuous cycle of compliant disposal, economic benefits, and resource reuse.

"Clean Plate Check-in" activity: The Fresh Milk Business Unit continued to carry out "Clean Plate Check-in" activity, cumulatively saving 24.09 tonnes of food in 2025, with 1,444 participants and over 630,000 times of check-in.

Recycled milk feed utilization: The Fresh Milk Business Unit implemented recycled milk feed utilization work, utilizing finished loss milk, non-conforming products, and inspection pack milk from holding rooms as animal feed after recovery. In 2025, a total of 1,254.52 tonnes of waste milk was recycled, with cumulative income exceeding RMB 390,000.

Short-dated product promotion: For products approaching the end of their shelf life, Mengniu Aice Factory implemented structured promotional and gifting mechanisms to facilitate market distribution. While ensuring product quality and food safety, these measures enhance product utilization efficiency and help reduce food waste.

Ecosystem- Collaborative & Accountable

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Under the guidance of the GREEN strategy, we work around three core issues—sustainable procurement, sustainable agriculture, and biodiversity conservation—to build a responsible industrial ecosystem. Through close collaboration with upstream and downstream partners, we not only build a more resilient and responsible supply chain but also strive to integrate sustainable development concepts into every link from pasture to table, leading good growth of industrial ecology and realizing harmonious unity of economic, social, and environmental benefits.



Sustainable Procurement

- ▶ Cooperated with a total of **1,004** suppliers, including **984** in Chinese mainland and **20** overseas.
- ▶ Conducted SMETA audits for **70** suppliers, covered four categories of suppliers those providing raw materials, auxiliary materials, packaging, and spare parts.
- ▶ Palm oil sourced in 2025 has achieved **100%** traceability to refinery (TTR), **100%** traceability to palm oil mill (TTM) and **55.81%** traceability to plantation (TTP¹³).
- ▶ "Zero deforestation" soybean meal procurement accounted for **50.58%**, achieving **249.7 thousand tonnes** low-risk procurement, and **128.4 thousand tonnes** certified procurement.
- ▶ Promoted a total reduction and substitution of soybean meal and substitution of soybean meal **161.2 thousand tonnes**.
- ▶ The proportion of sustainable forest certification for base paper in inner packaging of products reached **88.11%**.



Sustainable Agriculture

- ▶ Facilitated the certification of farm animal welfare products for **30** partner farms.
- ▶ **110** partner farms had been awarded the title of "National Demonstration Farm for Reduction in the Use of Veterinary Antimicrobial Drugs".
- ▶ All partner farms implemented manure resource utilization, with a comprehensive utilization rate exceeding **95%**.



Biodiversity Conservation

- ▶ Mengniu used the LEAP¹⁴ methodology to assess the biodiversity sensitivity of regions where facilities and farms are located.

The SDGs addressed in this section:



¹³ In 2025, we updated our statistical methodology by referencing the latest definition of TTP from the Earthworm Foundation, using the complete plantation list provided by suppliers as the benchmark.

¹⁴ LEAP methodology (Locate, Evaluate, Assess, and Prepare).

Sustainable Procurement

Sustainable procurement is an important component of Mengniu's construction of a responsible industrial ecosystem. We incorporate responsible supply chain construction into the Group's strategy, continue to improve relevant governance mechanisms, formulate and implement sustainable procurement standards, and extend our influence to upstream and downstream partners. This year we improved the supply chain ESG risk management system, focusing on promoting sustainable procurement of major raw and auxiliary materials and "zero deforestation" target management, promoting sustainable performance of the entire industry chain from the source.

Supply Chain Management

Mengniu strictly adheres to the procurement principles of "openness, fairness, impartiality, and integrity" and dynamically updates its supplier management system and processes according to the Group's development needs. Mengniu has established a comprehensive supplier management governance structure, with the Sustainability Committee as the highest responsible body and the Sustainability Executive Committee promoting implementation of sustainable procurement-related initiatives and approving annual action plans. We have established a normalized supply chain ESG risk identification and monitoring mechanism to empower suppliers to improve their sustainable development levels by identifying key risks and conducting capacity building, working together to build a more responsible and sustainable supply chain ecosystem. In 2025, Mengniu cooperated with a total of 1,004 suppliers, including 984 in Chinese mainland and 20 overseas.

Supplier Management System

Based on the Ten Principles of the United Nations Global Compact and requirements of international standards including the *Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework*, the *OECD Guidelines for Multinational Enterprises*, and *ILO Core Conventions*, combined with the Group's GREEN sustainable development strategic goals, we have formulated the *Supplier Management System* and released the *Supplier Code of Conduct* (COC) on our official website to regulate the full lifecycle of suppliers at all levels. During the reporting period, we updated the *Supplier Code of Conduct*, specifying that suppliers should comply with requirements for suppliers in the *Mengniu Product Safety and Quality Management Policy*, the *Mengniu Sustainable Water Management Policy*, the *Mengniu Anti-Commercial Bribery and Anti-Corruption Policy*, and the *Mengniu Forest Protection Policy*, further enhancing suppliers' ESG performance.

We require suppliers to sign the *Supplier Code of Conduct* before cooperation, regulating measures by upstream and downstream suppliers in environmental protection, health and safety, labor rights, human rights, and business ethics. In 2025, Mengniu signed the *Supplier Code of Conduct* with all suppliers of raw materials, cartons, and packaging materials for newly signed contracts, involving a total of 514 suppliers.

Key topics of the *Supplier Code of Conduct*

Respect for freedom of association and the right to collective bargaining, freely chosen employment, safe and hygienic working conditions, child labor and young workers, wages and benefits, management systems, prohibition of harsh or inhumane treatment, working rights, environmental management, resource efficiency, business ethics, formal employment, prohibition of discrimination, working hours.

Strategic Supplier Selection

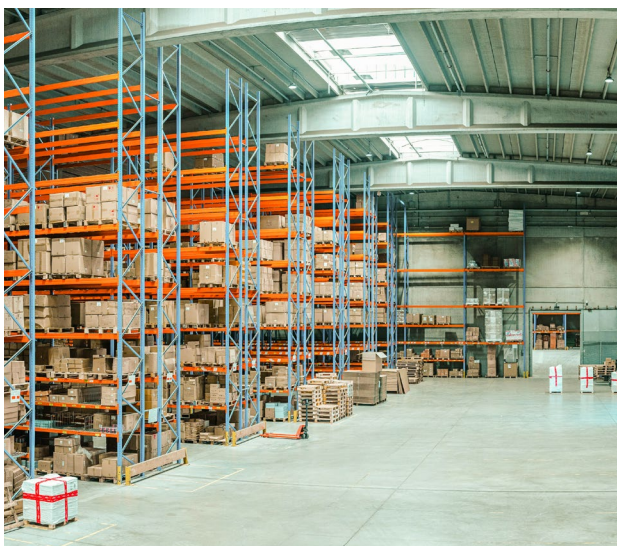
Mengniu attaches great importance to the stability and strategic value of the supply chain. Referring to the *Supplier Management System*, we have established a strategic supplier management system to build long-term strategic partnerships with partners with long-term cooperation potential. In the specific evaluation mechanism, we fully combine the business needs of each business unit's business units, systematically examine suppliers' outstanding advantages in dimensions such as business relevance, products, technology, management, and services, and put forward clear requirements for their ability to provide high-quality products and services in a long-term and stable manner to ensure the strategic support value of the supply chain.



Supplier Management Process

Mengniu has established a full lifecycle supplier management system. Through the *Mengniu Dairy Supplier Management System* and the *Mengniu Dairy Quality Management System for Purchasing Material*, the Company implements graded and differentiated supplier management, defining a closed-loop management process from supplier admission through daily management and improvement optimization to exit, ensuring procurement quality and responsibility fulfillment. In supplier management, we take risk management as guidance and follow three core standards: quality, price, and service, supplier ESG performance is also considered.

During the screening and admission stage, we ensure supplier compliance through on-site audits covering 13 modules and 125 specific standards, including quality assurance, production management, environmental performance, and ESG risks. For key raw and auxiliary material suppliers, we conduct on-site sampling during the admission stage and send samples to third parties for testing to ensure compliance with national standards, enterprise filing requirements, and Group quality standards. As of the end of 2025, we completed approximately 500 raw and auxiliary material supplier reviews, effectively ensuring supply chain reliability and product quality.



In day-to-day management, the Company develops annual audit plans based on supplier risk profiles and conducts targeted quality audits accordingly. In addition, we conduct annual performance evaluations of suppliers in accordance with the *Standards for Evaluating the Quality Performance of Suppliers*. Pursuant to the *Supplier Management Rules*, we implement a tiered management approach comprising six escalating measures—from quality assessments and supplier interviews, to adjusting procurement volumes, suspending cooperation for rectification, terminating cooperation, and placing suppliers on a blacklist—to continuously optimize our supplier base.

For suppliers with significant risks identified in annual assessments, we provide rectification opportunities and initiate an evaluation

review process; cooperation can only resume after passing the review. For non-conformities found during assessments, we require suppliers to formulate Corrective Action and Preventive Action Report (CAPR) and set rectification deadlines. Third-party audit agencies verify progress through desktop audits or follow-up audits, regularly evaluating the implementation progress and effectiveness of corrective measures until issues are closed. If suppliers violate the Group's bottom-line principles or fail to meet ESG admission requirements after rectification, the partnership will be terminated. In 2025, the Company terminated cooperation with 26 suppliers that had significant actual or potential adverse impacts, further enhancing the overall quality and integrity of the supply chain.

Contents of Mengniu's Supplier Management Review

Assessment Items	Main Assessment Content
Incompatible items	Relevant laws and regulations, and requirements on food safety management
Quality planning	Policies and objectives, leadership and commitment, establishment of management system, food safety management
Quality assurance	Compliance management, document management, internal audit, change management
Quality prevention	Food protection, food fraud, emergency response
Procurement and supply	Supplier management, raw and auxiliary material management, chemical management, outsourcing management
Infrastructure	Factory location planning, workshop infrastructure, sanitary fixtures, air quality, water and energy, waste disposal, safety and environmental protection
Production management	Design and development, process management, cleaning and sterilization, product planning, traceability management, cross contamination, pest control
Equipment management	Equipment configuration, equipment maintenance, measurement management
Warehousing logistics	Storage management, release management, transportation management
Inspection management	Laboratory facilities, inspection equipment, inspection drugs, inspection methods, inspection accuracy, sample retention management
Non-conforming product management	Disposal of non-conforming products, complaint and customer communication, recall management
Personnel management	Personnel qualification, personnel training, social responsibility
Digitization	Digitization on quality information

Supply Chain ESG Risk Management

A stable and resilient supply chain is critical to enhancing business performance and ensuring operational continuity. From a strategic perspective, Mengniu has built a comprehensive and dynamically adjustable supply chain ESG risk management system to enhance supply chain resilience and sustainability. Focusing on different procurement processes and supplier characteristics, we have established a full-process closed-loop management mechanism of "identification-assessment-response" to systematically prevent risks before they occur, ensuring the supply chain always maintains healthy and efficient operations.

Risk Identification

To systematically identify and manage potential risks in the procurement process, Mengniu established the *Risk Matrix Assessment Standard* and built a supplier ESG risk assessment framework covering multi-dimensional inspection points. This framework comprehensively incorporates factors such as supplier country-specific risks, industry-specific risks, commodity-specific risks, ESG performance, and business relevance, and comprehensively evaluates their actual performance in dimensions including operational compliance, food safety and production, environmental protection, and reputation. By adopting standard risk factors and risk assessment models, we achieved scientific classification of supplier and material ESG risks. On this basis, we established corresponding management rules and assessment indicators to ensure the relevance of risk assessments and effectiveness of management measures.

Risk Assessment

Risk assessment system

At the governance level, we established a bottom-up risk reporting mechanism and appointed dedicated risk management personnel who maintain regular communication with the Group's risk control department, conducting in-depth analysis around business objectives and risk control processes to achieve systematic identification and response to ESG risks. We continuously enhance the procurement team's professional capabilities in the ESG risk field by formulating systematic training plans for procurement management positions, continuously improving employees' awareness and response capabilities regarding procurement risks. During the reporting period, procurement

personnel participated in safety and quality management training and business ethics and integrity compliance training organized by the Group, further strengthening risk prevention and control awareness and compliance fulfillment capabilities.

At the management level, we rely on the Sedex platform to regularly screen and manage potential supplier risks in environmental, social, governance, and economic dimensions, updating the risk list in real time.

In 2025, a total of 255 suppliers have obtained environmental management system certification (ISO 14001).

Sedex supplier risk management contents:

- **Routine monitoring:** Regularly track supplier SAQ update status, SMETA audit results, and rectification progress through the Sedex platform;
- **On-site audit:** Conduct SMETA on-site audits of medium- and high-risk suppliers to verify risk status on-site;
- **Performance tracking:** Incorporate ESG performance into the supplier evaluation system for continuous improvement.

Risk assessment and review

We rely on the Sedex platform to conduct systematic risk assessments, using SAQ questionnaires to collect supplier data on labor rights, health and safety, environmental management, and business ethics dimensions, and verify through on-site audits. Through the Sedex multi-dimensional risk scoring system, we identify specialized risk markers for environmental risks (such as energy emissions, waste, water resources, biodiversity) and social risks (such as forced labor, child labor, deforestation, etc.) based on industry types and regional characteristics, ultimately forming high, medium, and low three-level risk classifications. By the end of 2025, we assessed a total of 265 suppliers, and classified them into high-, medium-, or low-risk categories.

We execute differentiated review procedures based on supplier categories and assessed ESG risk levels. For domestic medium- and high-risk suppliers, we conduct on-site audits in accordance with the Group's internal audit standards and the *Supplier Code of Conduct* provisions, with audit scope including environmental impact assessment, pollution discharge permits, food additive use, packaging material safety risks, and prohibition of child labor. Overseas medium- and high-risk suppliers are primarily reviewed remotely for qualifications and certification information, with third-party on-site reviews commissioned when necessary. For third-party audits, we continue to advance SMETA on-site social responsibility audits, using this platform to identify and close supplier risks to improve overall responsibility management levels. In 2025, Mengniu conducted SMETA audits for 70 suppliers, covered four categories of suppliers those providing raw materials, auxiliary materials, packaging, and spare parts, and further strengthening our supply chain risk management capabilities.

At the same time, for high-risk categories, we conduct specialized supply chain risk assessments and implement precise governance of high-risk suppliers relying on external cooperation and digital tools. We partnered with the Earthworm Foundation to conduct zero deforestation baseline assessments, identifying deforestation risks for palm oil suppliers; collected supplier water risk information through supplier surveys; and shared supplier data through the Sedex platform, dynamically updating supplier risk status to improve supply chain transparency and management effectiveness.

Supply Chain Water Risk Management

Mengniu has commenced work on identifying and managing supplier water risks and possesses the capability to identify water risks by region and category. Through questionnaire surveys and data analysis, we collect information on supplier water-saving projects, including technological transformation (such as condensate recovery, equipment water-saving transformation, reclaimed water reuse), management optimization (such as water monitoring, water-saving assessments), etc., promoting supply chain water consumption reduction. In 2025, we collected information from 56 strategic suppliers of raw and auxiliary materials, of which 30 suppliers are implementing or planning to implement specific water-saving projects.

Risk Response

Risk response mechanism

Supplier ESG risk response is the core component of Mengniu's supply chain risk management. At the governance level, we established a strategic response mechanism for major risks, clarifying responsible entities for each major risk and ensuring corresponding responsible departments or personnel formulate specific emergency plans to improve supply chain risk response resilience and adaptability. At the management level, we deeply utilize the Sedex platform to empower risk management to continuously track rectification progress, establishing a full-process closed-loop management mechanism of "risk identification-assessment-rectification-verification." We require all strategic raw and auxiliary material suppliers to regularly complete and update SAQ questionnaires on the Sedex platform. Based on SAQ questionnaire scoring results, we implement targeted rectification for high-risk suppliers, formulating practical rectification plans and explicitly requiring them to complete on-site audits within 6 months.

In 2025, through outstanding practice in Sedex platform application, Mengniu was shortlisted for the "2025 Supply Chain ESG Excellence Award" and won the "2025 Environmental Contribution Award of the 2025 Sedex Supply Chain Awards," fully demonstrating our leading strength in sustainable supply chain management.



Mengniu won the 2025
Environmental Contribution Award

Continuous improvement

For high-risk categories identified through the Sedex risk map, we provide customized improvement plans and formulate specialized technical support. For suppliers with significant risks or low annual performance evaluation grades, we provide rectification opportunities and initiate evaluation review processes; cooperation can continue only after passing the review. If suppliers still fail to meet Mengniu ESG admission standards after rectification, we will terminate the partnership in accordance with laws and regulations.

At the same time, we formulate targeted improvement action plans for suppliers, helping them improve sustainable development management levels through diversified technical support, capability empowerment training, and industry cutting-edge information sharing, promoting overall supply chain continuous improvement and value enhancement. In 2025, the Company conducted specialized training for marketing and design suppliers on new policies, acceptance standards, and pricing systems, covering more than 30 suppliers.

Supply chain anti-corruption

Mengniu regards supply chain anti-corruption as an important component of compliance management, establishing a closed-loop compliance management mechanism covering the entire cooperation cycle to systematically prevent and control corruption risks at all cooperation stages. We explicitly require our suppliers to comply with the *Mengniu Anti-Commercial Bribery and Anti-Corruption Policy*, and promote the comprehensive signing of the *Sunshine Agreement*. Suppliers are required to establish internal anti-corruption systems, participate in Mengniu's training on anti-commercial bribery and anti-corruption, and accept supplier audits conducted by Mengniu in accordance with the business ethics requirements of the *Supplier Code of Conduct*, effectively fulfilling compliance responsibilities. By the end of 2025, all raw and auxiliary material, carton, and packaging material suppliers of Mengniu had signed the *Sunshine Agreement*. All suppliers who violate integrity regulations or agreements or cause significant economic losses or reputational damage to the Group will have their cooperation terminated and be blacklisted, maintaining the fairness and integrity of the business environment with a zero-tolerance attitude.

Supplier empowerment and support

Mengniu regards suppliers as important value chain partners. To continuously improve overall supply chain capabilities, Mengniu has established a multi-level supplier development mechanism covering regular training, on-site support, and specialized empowerment. We organize annual quality and safety training covering all suppliers, systematically reviewing and promoting mature practices and management experience of outstanding suppliers, and dispatching quality representatives to provide on-site guidance for key suppliers. During supplier admission assessment and daily management, we provide targeted professional guidance and organize specialized training around key areas such as foreign body control, dairy farming, ESG management capability improvement, and carbon emission accounting and reduction, continuously improving suppliers' comprehensive capabilities in quality, safety, and sustainability.

Mengniu continuously optimizes its multi-channel reporting system, including hotlines, email, and online platforms, strengthening social and internal supervision. Whistleblowing channels are provided in the *Supplier Code of Conduct*, including telephone, email, and mailing address:

Tel: 0471-7393612

E-mail: mnjw@mengniu.cn

Mailing address: Discipline Inspection Office,
Room 311, Milk Source Building, Mengniu
Dairy Industry, Shengle Economic Park,
Horing, Hohhot, Inner Mongolia

Postal code: 011517

Mengniu Conducts "March 15" Supplier Integrity and Quality Co-building Initiative

In March 2025, under the theme "Chinese Milk, World-Class Quality—Making Quality Visible to Consumers," Mengniu organized a "March 15" online communication session for suppliers. The event focused on integrity building and quality management, reinforcing expectations for honest cooperation and compliant operations. Suppliers were urged to jointly uphold strict quality standards, implement integrity agreements, practice corporate values, and deepen collaboration aligned with the Company's core strategy. The live-streamed session engaged nearly 850 participants from across the supply chain and relevant internal functions, further strengthening integrity governance and joint quality management across the supply chain.

Sustainable Raw Material Management

Facing environmental and social risks in the global supply chain, Mengniu has established a responsibility management system covering key raw materials including raw milk, palm oil, soybeans, and timber products, systematically promoting sustainable transformation of raw material procurement. We are committed to reducing our environmental footprint while ensuring supply chain resilience, promoting sustainable use of agricultural and forestry resources, and providing consumers with high-quality products that come from and give back to nature.

¹⁵ Two points: milk truck storage at farms and factories; three fixtures: fixed site, fixed route, fixed vehicle

Raw Milk Management

High-quality milk sources are the fundamental guarantee of Mengniu's product quality. The Group strictly implements the *Mengniu Farm Quality and Safety Management System*, systematically constructing a standardized management framework encompassing six management dimensions including source selection, admission review, process control, and optimized exit, covering twelve modules including farm screening, dairy cow breeding, raw milk production, and storage supervision. We formulated the *Graded Management Framework for Sustainable Farm Operations*, constraining raw milk suppliers' performance capabilities, environmental protection indicators, quality indicators, operational capabilities, capital structure, sustainable development, and third-party certification.

Mengniu continuously improves its sustainable procurement management system by requiring suppliers to adhere to sustainability principles in raw milk production and sourcing, and verifies their compliance through qualification reviews, on-site assessments, and third-party certifications.

Farm Management

Mengniu has formulated and implemented the *Mengniu Responsible Dairy Sourcing and Management Policy*, regulating farm operating standards from four dimensions: product safety and quality management, animal welfare protection, natural environment protection, and industrial chain support. Meanwhile, it has been continuously tracking and verifying farm policy implementation compliance. During raw milk supplier assessments, for farm that do not meet the management requirements of the *Mengniu Dairy Farm Quality and Safety Management System*, we adopt measures such as supporting rectification, suspending operations for rectification, or optimizing exit depending on the degree of impact. By the end of 2025, the Group had completed audits of 492 partner farms and promptly corrected discovered issues through on-site guidance and process verification, continuously improving raw milk supply quality.

Mengniu has formulated and implemented the *Standard Operating Procedures (SOPs) for Milk Source Farms of Mengniu*, systematically regulating farm operating procedures in key aspects including design, disease prevention and control, breeding, forage and herd management, and milking parlor operations. Based on this, we conduct farm quality audits covering production processes, equipment cleaning, feeding operations, raw milk testing, disease prevention and control, and safety and environmental protection.

During the reporting period, Mengniu established a digital and intelligent quality management system covering the entire process of "planting-breeding-transportation-factory entry." Through visual remote monitoring of key farm areas, dairy cow information collection, "two points and three fixtures"¹⁵ management of milk truck transportation, and dedicated personnel management and exclusive opening of electronic lead seals on milk trucks, a strict traceability chain was formed to comprehensively grasp the flow path and quality status of raw milk from farms to factories. Through digital and intelligent means, we achieve real-time monitoring and dynamic traceability of key processes including dairy cow breeding, disease prevention and control, raw milk production, and storage and transportation, ensuring quality risks can be early warned, intervened, and closed-loop managed.

Traceability of Raw Milk

Mengniu has set a target to ensure that all dairy products are traceable back to the source of the raw milk. In 2025, this target continued to be met, with 100% of raw milk traceable to the originating farms. To support this objective, we utilize a digital farm management system to enable comprehensive oversight of the raw milk production process. The system covers herd profile management (including individual animal information and production data), dynamic monitoring of operational indicators, digitalized breeding records, electronic entry of veterinary prescriptions, real-time feedback of precision feed formulation data, automated cow identification and milk yield collection, intelligent alerts for medication isolation and withdrawal periods, as well as full lifecycle tracking of cattle leaving the farm. Through closed-loop data management, the system enables digital control from feeding to milk production. Meanwhile, raw milk transportation vehicles are managed through an end-to-end digital system from farm to factory, further enhancing operational efficiency and strengthening milk source traceability, thereby safeguarding raw material safety and compliance at the source. Additionally, we conduct monitoring of genetically modified components throughout the entire process from feed planting to breeding to ensure all organic farms meet China's organic certification standards, ensuring raw material safety and compliance from the source.

In 2025, Mengniu reported that organic milk accounted for 10.7% of its total milk volume, with organic farms accounting for 5% of its total dairy farm base, providing a solid foundation for product quality and premiumization.

"Zero Deforestation" Management

Mengniu actively responds to the concepts and development goals clearly defined in the white paper *Biodiversity Conservation in China*, continues to improve implementation of nature-related issues in the GREEN Sustainable Development Strategy, systematically assesses deforestation risks in the supply chain, and identified palm oil, soybean product, and timber product as potential high-risk categories for deforestation requiring focused management. With the goal of building a "zero deforestation" supply chain, we actively promote deforestation risk management in the procurement process for related commodities, setting specific, quantifiable targets and regularly tracking target progress.

Forest Protection Goals

By 2030, Mengniu aims to eliminate
deforestation risk associated with
timber product, soybean product,
and palm oil in its supply chain.

Progress in Forest Protection Goals in 2025

Category	Goal	2025 Progress
Palm Oil	We are committed to continuously enhancing the transparency of our palm oil sourcing, with the aim of achieving 100% traceability to the plantation (TTP) for all palm oil products purchased by 2030.	The palm oil sourced in 2025 has achieved 100% traceability to refinery (TTR), 100% traceability to palm oil mill (TTM) and 55.81% traceability to plantation (TTP ¹⁷)
	Procurement of 250 tonnes of RSPO MB ¹⁶ certified palm oil in 2025	The goal was achieved. In 2025, 250 tonnes of RSPO MB certified palm oil are procured.
Soybean Product	We aim to achieve zero-deforestation procurement of soybean meal from upstream farms by 2030	In 2025, the proportion of "zero deforestation" soybean meal procurement reached 50.58%, comprising 249.7 thousand tonnes of low-risk procurement and 128.4 thousand tonnes of certified procurement. In 2025, Mengniu promoted the reduction and substitution of soybean meal in its cooperative farms, achieving a total reduction of 161.2 thousand tonnes.
Timber Product	We aim to achieve zero-deforestation procurement of paper packaging by 2030	In 2025, 88.11% of the inner paper packages passed the sustainable forest certification, 100% of outer packaging cartons use recycled paper.

Palm Oil

Mengniu uses palm oil as part of its production raw material. In 2025, products involving palm oil accounted for approximately 1% of the Group's annual revenue. For palm oil, Mengniu published the *Mengniu Sustainable Palm Oil Policy*, setting out clear sustainable palm oil commitments. We require suppliers to implement dedicated sustainable palm oil production or sourcing programs, encourage origin traceability and relevant certifications, and strengthen overall sustainability management of palm oil within the supply chain. Mengniu commits to gradually ensuring purchased palm oil products do not involve deforestation and/or peatland development risks after December 2015. In 2025, Bellamy's Organic sourced 100% of its palm oil as RSPO Identity Preserved (IP) certified palm oil.

To achieve origin traceability, we partnered with the Earthworm Foundation, introducing its expertise and digital tools to conduct comprehensive assessments of deforestation risks in palm oil procurement and develop feasible "zero deforestation" procurement pathways. In June 2025, based on Mengniu's 2024 palm oil supply chain data (covering all factories under 9 refineries), we used the satellite monitoring platform Starling to conduct analysis and completed the *Zero Deforestation Verification (NDV) Baseline Report*.

¹⁶ RSPO MB refers to the Mass Balance supply chain model of the Roundtable on Sustainable Palm Oil.
¹⁷ In 2025, we updated our statistical methodology by referencing the latest definition of TTP from the Earthworm Foundation, using the complete plantation list provided by suppliers as the benchmark.

Soybean Product

As an important component of dairy cow's feed on the farm, soybean meal has been included in Mengniu's "zero deforestation" key management category. In 2025, cooperative farm soybean meal purchases accounted for approximately 6.75% of total feed. We have established the *Classification and Assessment Standards for Model Farms*, identifying "procurement and use of 'zero deforestation' soybeans" as a farm assessment element, guiding farms to increase certified soybean meal procurement ratios or explore alternative feed use, thereby continuously promoting sustainable development transformation in the breeding process.

We have adopted the following measures to promote the achievement of the "zero deforestation" goal for soybean meal

- Require partner farms to gradually reduce reliance on soybean meal and increase the use of alternative feeds such as rapeseed meal, cottonseed meal, and sesame meal.
- Conduct traceability work for soybean origins, continuously improving the traceability proportion of soybean meal, and prioritize the procurement of soybeans with no deforestation risks.
- Continuously standardize the entry criteria for soybean meal suppliers and dispatch personnel to conduct on-site quality audits of soybean meal.
- Provide training on "zero deforestation" soybeans for procurement staff of the Group's raw milk suppliers to enhance their awareness of responsible procurement and reduce deforestation risks during the product selection process.

Mengniu, together with its subsidiaries Modern Dairy and China Shengmu, has jointly developed the *Soybean-Zero Deforestation Joint Action Plan for Dairy Industry Chain*, covering all partner farms. The plan promotes the achievement of the 2030 "zero deforestation" goal through measures such as setting and implementing "zero deforestation" targets, planning pathways, adopting soybean reduction and substitution strategies, enforcing "zero deforestation soybean" procurement guidelines, prioritizing

soybeans from low-risk regions, and procuring certified soybeans. In 2025, the proportion of "zero deforestation" soybean meal procurement reached 50.58%, comprising 249.7 thousand tonnes of low-risk procurement and 128.4 thousand tonnes of certified procurement. 100% of soybean meal purchased by farms is traceable to manufacturers. Additionally, Mengniu promoted the reduction and substitution of soybean meal in its cooperative farms, achieving a total reduction of 161.2 thousand tonnes.

In 2025

"Zero deforestation"
soybean meal procurement
accounted for

50.58%

249,700 tonnes

of low-risk procurement

128,400 tonnes

of certified procurement

achieving

161,200 tonnes

of soybean meal reduction and
substitution



Promoting Responsible Soybean Procurement and Supporting Forest Protection

In 2025, through deepening strategic cooperation with COFCO International, Mengniu Group launched a long-term supply agreement for approximately 1.5 million tonnes of sustainable Brazilian soybeans meeting third-party certification standards. The first batch of approximately 69,000 tonnes of "zero deforestation, no natural vegetation conversion" soybeans has been shipped and will continue to be supplied to raw milk suppliers including Modern Dairy and China Shengmu from 2026 to 2030. The project strictly follows sustainable agriculture standards, implementing full-process reviews of water resources management, biodiversity protection, and labor standards, ensuring raw material procurement does not cause deforestation or ecological damage, effectively incorporating "zero deforestation" requirements into supply chain management practices.

Timber Product

Mengniu strictly complies with national forest protection laws and regulations including the *Forest Law of the People's Republic of China* and formulated and published the *Forest Protection Policy*, and has established the strategic goal of achieving "zero deforestation" by 2030. We promote green procurement and recycling of timber materials. The Group prioritizes purchasing paper products with sustainable forest certifications such as FSC forest management system certification, PEFC forest certification, and CFCC forest certification, while increasing the proportion of recycled wood products used. In 2025, the proportion of sustainable forest certification for base paper in inner packaging of Mengniu products reached 88.11%, and 100% of outer packaging cartons use recycled paper, effectively promoting low-carbon and recyclable transformation of packaging materials.

Sustainable Agriculture

Guided by the concept of sustainable development, Mengniu collaborates with upstream partner farms to promote construction of ecological circular agriculture and support farms in achieving green and low-carbon transformation. Through deepening ecological cooperation and resource sharing, we jointly explore farm operation models that conform to natural laws and improve resource utilization efficiency, establish new sustainable agriculture standards focusing on ecological balance and animal welfare, and shape a new agricultural production system where humans and nature coexist harmoniously and animal welfare continues to improve.

Animal Welfare

Animal welfare is a key area for Mengniu to practice sustainable agriculture. Based on international guidelines including the *OIE Terrestrial Animal Health Code*, the *Farm Animal Responsibility Minimum Standards (FARMS)*, and the group standard *Farm Animal Welfare Requirements—Dairy Cows*, we formulated and implemented the *Mengniu Animal Welfare Policy*, providing clear guidance for farm animal welfare management and working together with partner farms to improve dairy cow welfare. With the vision of "raising millions of healthy and content cows," we focus on promoting welfare standards and regulating veterinary drug management control, continuously advancing effective implementation of animal welfare goals.

Promotion of Animal Welfare Standards

Mengniu has established the *Welfare Promotion and Implementation System for Dairy Cattle on Farms*, which serves as the core standard for building its animal welfare framework and guiding continuous welfare improvement across farms. The Company enhances dairy cow welfare by promoting best practices under the "Five Welfare" approach, eliminating violations of the "Five Freedoms," and participating in animal welfare farm evaluations conducted by independent third-party assessment bodies. During the reporting period, Mengniu further refined the implementation plan for the "Five Welfare" initiative, with a focus on advancing targeted nutrition programs, optimizing nutritional supply for dairy cows, strengthening animal welfare guidance at farms level, and improving overall herd health balance. In 2025, the comprehensive disease incidence rate across partner farms is expected to decline by 2% compared with 2024. Coverage of standardized perinatal health care operations reached 100%, cow comfort improvement programs achieved full coverage in independent farms, and heat stress levels among dairy cows remained consistent with those in 2024.

Mengniu and its partner farms strive to ensure that all animals in the supply chain enjoy the "Five Freedoms" and receive the "Five Welfares."

Five Freedoms



Mengniu guides partner farms to improve animal welfare safeguards and regularly organizes annual animal welfare training activities. During the reporting period, the Group conducted training on high-quality and efficient feed utilization, control of diseases such as mastitis, dairy cow nutrition regulation, and dairy farm Standardized Operating Procedures (SOP). We conducted 43 training sessions, covering over 500 participants.

By the end of 2025

we facilitated the certification of farm animal welfare products for

30 partner farms



China Modern Dairy Farm Animal Welfare Product Certification

Mengniu organized a special training program on farm management

To improve farm management levels and advance farm management concepts, Mengniu mobilized resources from the National Dairy Industry Technology System, Dairy Technology Service Alliance, China Agricultural University, and other institutions to organize four sessions of the "Golden Key for Dairy Cows" by Mengniu and two "Advanced Farm Training Class" programs. While providing in-depth service to farms and disseminating advanced concepts and technologies, these programs covered over 130 farms and more than 300 participants.

Veterinary Drug Use Control

To systematically improve farm veterinary drug management levels, Mengniu has formulated the *Regulations on Quality and Food Safety Risk Management of Milk Source Business Unit* and the *Special Action Plan for Animal Drug Risk Prevention and Control in Milk Source Business Unit's Farms*, systematically conducting veterinary drug risk prevention, control, and use guidance around five dimensions: "standardized use," "dynamic testing," "disease reduction," "reduction" and "strong empowerment." Mengniu strictly implements the control principle of "Reduced Use and No Antibiotics" veterinary drug management and comprehensively promotes the "Veterinary Antibacterial Drug Reduction Action" at partner farms. We require all farm veterinarians to use veterinary drugs in accordance with laws and regulations and further implement primary responsibilities by signing the *Quality and Safety Assurance Commitment* to ensure medication safety.

By the end of 2025

a cumulative total of

110 partner farms

under Mengniu had been awarded the title of "National Demonstration Farm for Reduction in the Use of Veterinary Antimicrobial Drugs."

Three Principles of Veterinary Drug Management

- Strictly prohibit controlled drugs and disseminate the banned list of drugs to partner farms.
- Restrict and gradually reduce the use of veterinary medicine with limited requirements or risks during use and search for alternative drugs.
- Regulate the use of other types of veterinary drugs and ensure that the use is in strict compliance with the product labels and instructions in terms of the scope of animals, indications, usage and dosage, withdrawal period, etc.

Five Measures for Veterinary Drug Management

- All veterinary drugs purchased must be compliant veterinary drugs and subject to registration before being put in storage.
- Veterinarians must be qualified to practice and sign the *Quality and Safety Assurance Commitment*, promising to use drugs strictly abiding by laws, regulations, and other rules.
- Dosed cattle must be marked differently and quarantined separately, and the withdrawal period for milk must be practiced in strict accordance with the instructions for veterinary drugs, and testing for veterinary drug residues must be carried out at the end of the withdrawal period.
- Farms are required to establish a comprehensive list of veterinary drugs moved in and out of storage, to store veterinary drugs by category, and assign dedicated roles to manage them.
- Carry out laboratory monitoring of veterinary drug residues on the milk sources collected on the same day and conduct harmless disposal of unqualified raw milk.

Mengniu regularly organizes specialized veterinary drug use training annually, systematically guiding farms to use veterinary drugs scientifically and compliantly, strengthening whole-process management of veterinary drugs and other chemicals, and continuously empowering farms to achieve standardized veterinary drug management. Training content covers key topics including veterinary drug laws and regulations, safe operating procedures, medicated cattle management, and risk veterinary drug identification, comprehensively improving compliance awareness and practical capabilities of farm personnel. In 2025, the Group conducted over 20 specialized veterinary drug training sessions, covering more than 1,500 farm owners and personnel, providing solid guarantees for farm medication safety.

Circular Agriculture

Guided by the concept of regenerative agriculture, Mengniu continues to promote innovative regenerative agriculture practices by strengthening farm environmental management, improving resource recycling efficiency, and deepening industrial cooperation empowerment, exploring construction of sustainable agricultural and livestock ecosystems and achieving coordinated development of environmental friendliness and resource efficiency.

Strengthen Farm Environmental Management

Mengniu adheres to the concept of ecological priority and green development, strictly implements farm environmental protection systems such as *Regulations on Environmental Protection Management of Farms*, and conducts environmental qualification inspections of partner farms. To enhance suppliers' environmental performance capabilities, the Group released the *Management Framework for Sustainable Farm Operations*, building a multi-dimensional evaluation system from multiple dimensions including suppliers' performance capabilities, environmental protection indicators, quality performance, operational efficiency, capital structure, sustainable development level, and third-party certification, promoting farm management upgrading from compliance standards to benign operations. Additionally, the Group simultaneously optimized feed supply chain management, requiring all feed suppliers to formulate and implement environmental impact control plans covering the entire process of raw material procurement, production and processing, and transportation and distribution, controlling resource consumption and pollution emissions from upstream sources.

Waste Disposal

Mengniu comprehensively promotes standardization of farm environmental testing management, requiring all partner farms to conduct regular testing of key emission sources including wastewater, waste gas, noise, and solid waste 100% in accordance with the environmental impact assessment approval requirements, ensuring full monitoring coverage and data traceability. Simultaneously, we advocate that each farm establish locally appropriate environmental management systems covering key processes including wastewater, waste gas, noise, and solid waste to reduce the environmental impact of raw milk production. In 2025, no farms with environmental non-compliance were found, and environmental management remained stable and controllable.

Regarding environmental impacts in the raw milk production process, the Group systematically includes wastes such as dairy cow manure, urine, and biogas slurry from farms in regular monitoring and key control categories, establishing manure treatment tracking mechanisms to promote resource utilization and reduced emissions. For high-risk farms, specialized risk identification and capability improvement are launched in the first quarter each year, with quarterly risk investigations implemented from the second quarter onward to strengthen their environmental management effectiveness.



Capacity Building

The Group actively participates in the preparation of industry group standards and local standards, promoting organic integration of animal welfare measures and farm production practices, helping local animal husbandry transform toward scientific and sustainable directions. During the reporting period, Mengniu participated in formulating and publishing seven industry, group, and local standards, covering areas including forage quality classification, emission reduction and carbon sequestration, and resource utilization of livestock waste, promoting standardization of agricultural input management and breeding processes, and helping improve sustainable agriculture and green production levels in the industrial chain.

Industry standards

- *Quality Classification of Forage Oat Hay*
- *Terminology for Agricultural and Rural Emission Reduction and Carbon Sequestration*

Group standards

- *Quality Classification of Alfalfa Meal*
- *Quality Classification of Alfalfa Hay*
- *Grade Evaluation of Animal-Friendly Farms—Dairy Cows*

Local standards

- *Technical Specifications for Dairy Cow Manure Composting*
- *Wastewater Treatment and Utilization from Large-scale Dairy Farms-Part 2: Returning Fertilizer and Water to Fields*

Standards Formulated by Mengniu in 2025

Capacity Building

Mengniu optimized the *Classification and Assessment Standards for Model Farms*, incorporating low-carbon practices such as clean energy facility application, green power projects, and water resources management into the evaluation system, guiding farms to systematically carry out carbon reduction work. Simultaneously, we incorporated carbon reduction and water-saving indicators into the performance appraisal system for milk source business personnel, guiding farms to implement energy-saving and emission-reduction measures through incentive mechanisms, promoting synergy between sustainable development goals and business objectives.

For capacity building, we conducted 12 specialized technical training sessions on energy conservation and emission reduction throughout the year, systematically guiding farm carbon reduction and water-saving practices. Meanwhile, we organized experts to offer on-site technical guidance for 85 people, providing farms with precise solutions for water resources management, energy optimization, and other aspects.

Special Training on Resource Efficiency and Low-Carbon Development for Farms

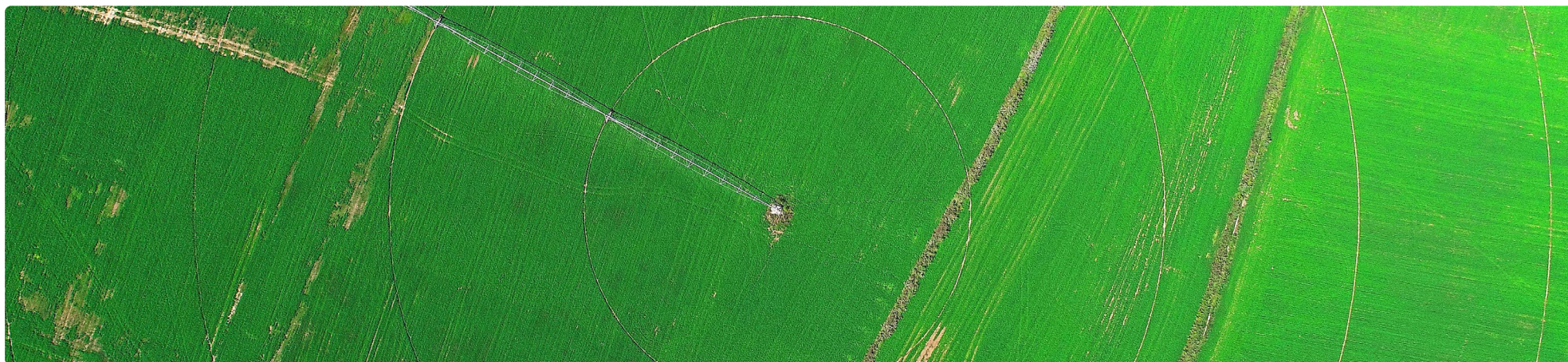
In May 2025, Mengniu organized 35 partner farms for an Energy Conservation Publicity Week and conducted specialized training on energy conservation, emission reduction, and low-carbon practices, guiding farms to purchase and install intelligent sprinkler systems that save approximately 60-70% water consumption compared to traditional manual sprinkler systems.

Manure Resource Utilization

Mengniu comprehensively promotes resource utilization of farm manure and builds internal ecological circulation systems at farms. We guide all partner farms to convert manure into cattle bedding material, organic fertilizer, and biomass fuel through reduction treatment methods such as manure fermentation and wet-dry separation, which can be used for biogas power generation, reducing chemical fertilizer application while improving soil quality and achieving efficient resource utilization. In 2025, all Mengniu partner farms implemented manure resource utilization, covering various uses including cattle bedding material, organic fertilizer, biomass fuel, biogas, and aquatic feed, with a comprehensive utilization rate exceeding 95%. During the reporting period, Mengniu launched a biogas cogeneration project that achieved synergy between energy self-sufficiency and carbon emission reduction, becoming a demonstration case of resource utilization in the industry.

Biogas Cogeneration Project at Hengshui Farm

Hengshui Modern Phase II Farm built a complete ecological recycling system through a manure fermentation biogas power generation project. The project processes 1,000 tonnes of cow manure and urine daily, produces 8.5 million cubic meters of biogas annually, and generates over 17 million kilowatt-hours of electricity annually. While utilizing energy, it annually produces 120,000 cubic meters of cattle bedding material and 10,000 tonnes of solid organic fertilizer substrate raw materials, and achieves integrated water and fertilizer utilization of 400,000 tonnes of biogas slurry. The project also treats 350 tonnes of milking parlor wastewater and domestic sewage daily and reduces carbon dioxide emissions by approximately 90,000 tonnes annually, forming a circular agriculture demonstration model with full quantification and high-value utilization of manure.

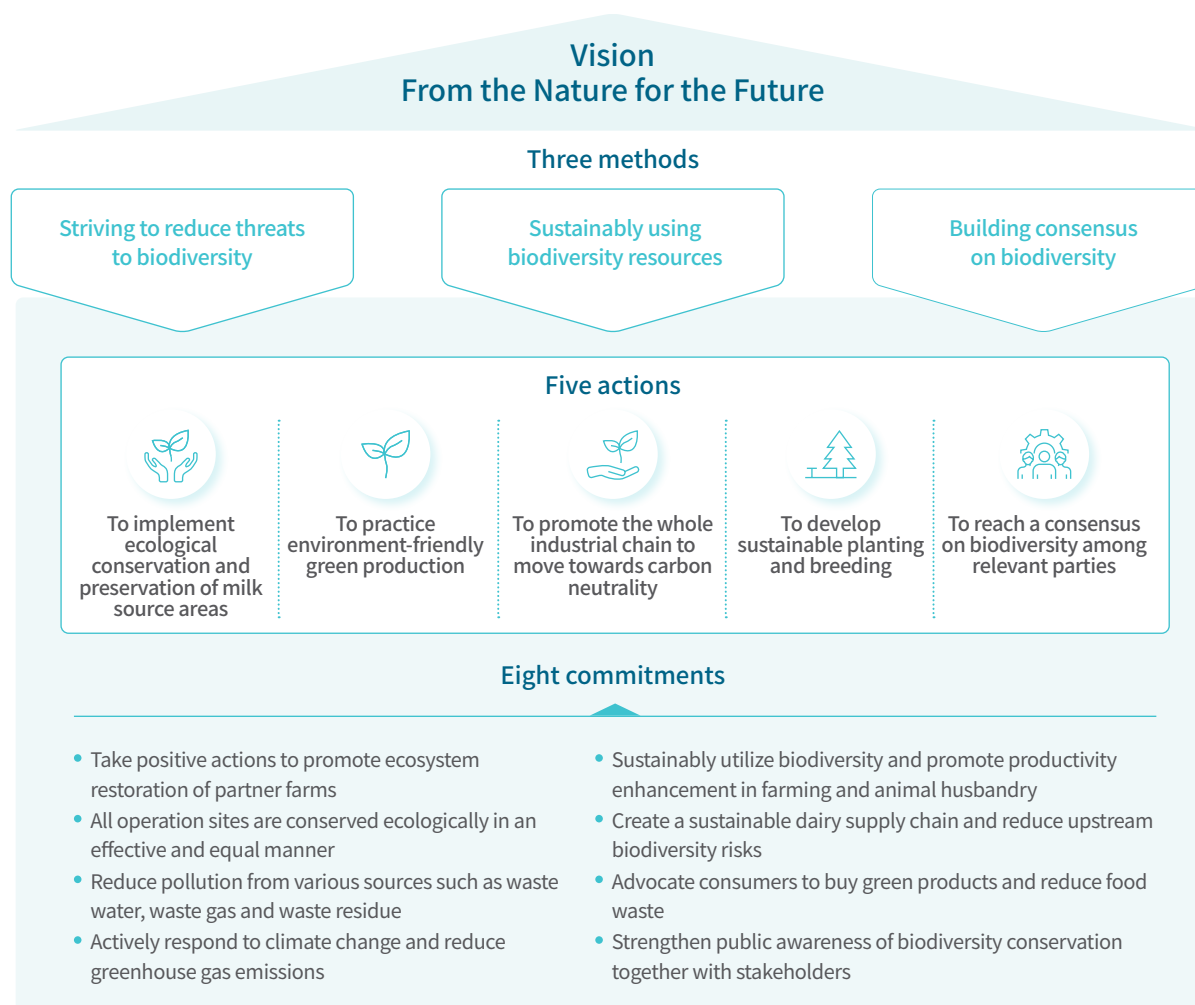


Biodiversity Conservation

With the long-term vision of "From the Nature for the Future," Mengniu actively promotes biodiversity conservation and strives to achieve sustainable utilization of ecological resources. We adhere to sustainable utilization of natural resources, implement multiple biodiversity conservation measures, systematically reduce the impact of production and operations on the ecological environment, and ensure effective implementation of protection strategies. Mengniu also proactively discloses nature management actions at the production and supply chain ends by publishing the *Task Force on Nature-related Financial Disclosures (TNFD) Report*.

Biodiversity Conservation Strategies

Mengniu regards coordinated development of dairy production and ecology as an important direction of sustainable development. Based on the draft *Kunming-Montreal Global Biodiversity Framework* and combined with its own operational realities, Mengniu formulated a specialized biodiversity conservation strategy, forming an implementation framework of "1 vision, 3 methods, 5 actions, and 8 major commitments" to systematically advance biodiversity conservation and work with supply chain partners to build a sustainable development ecosystem for the dairy industry.



Biodiversity Conservation Risk Management

Mengniu continues to conduct biodiversity risk assessments in its operating areas, using the LEAP¹⁸ methodology to assess the biodiversity sensitivity of regions where facilities and farms are located. The assessment analyzed whether these operating locations overlap with biodiversity priority areas, including endangered species habitats, protected areas, and other biodiversity-sensitive zones. The results provide a foundational basis for identifying and managing nature-related risks and impacts. Based on standards including the ENCORE database and the *Natural Capital Protocol*, we systematically identified the distribution of facilities and farms in biodiversity conservation areas and rated the significance of related natural risks and impacts, providing a scientific basis for formulating targeted risk management measures.

Using the TNFD¹⁹-recommended ENCORE²⁰ database, Mengniu further analyses the impact and dependence of business activities on nature. We assess the significance of identified nature-related risks and impacts based on the standard(s) of the Capitals Coalition's "Natural Capital Protocol". Using an integrated evaluation process of "business self-assessment identification, professional risk forecasting, and senior management coordinated review," Mengniu determined the priority areas for nature-related risk management, which offers crucial support for formulating targeted risk management actions.

By analysing the spatial interaction between factories, pastures, and nature, we identify natural-related risks and opportunities the Company is exposed to, helping prioritize regions and locations with natural risks, providing important support for Mengniu's development of risk management countermeasures. In the long term, factories and farms operating within a 10km radius of biodiversity-sensitive areas still face significant nature-related risks. For example, adjustments to the endangered species list, changes in the scope of biodiversity-sensitive areas, or stricter government policies could expose farms and factories to compliance risks. In the future, Mengniu will implement more rigorous and systematic supervision and control over the operations of factories and affiliated farms in areas with higher nature-related risks and impacts.

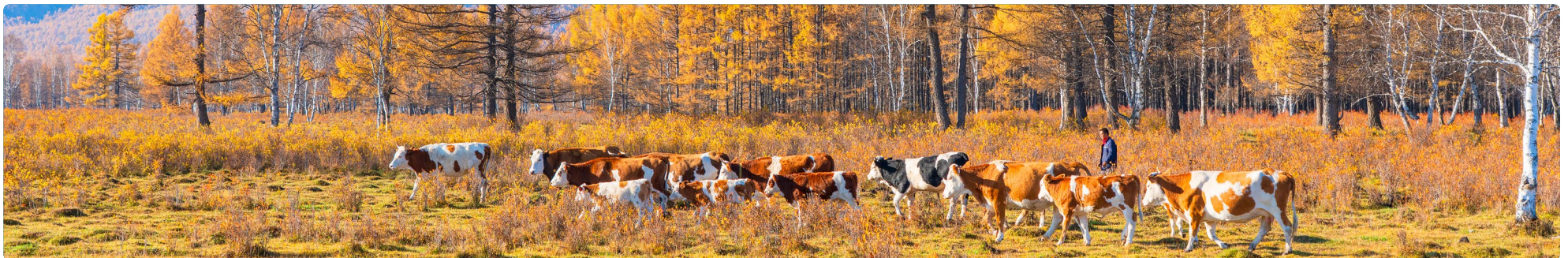
Through biodiversity risk assessment, we ensure construction land managed by Mengniu poses no deforestation risk. During facility construction and operations, we strictly comply with national ecological protection red line regulations and cause no significant impact on local biodiversity levels.

Biodiversity Conservation Practices

We actively respond to the philosophies and development goals defined in the white paper *Biodiversity Conservation in China*, implement biodiversity conservation strategies, explore biodiversity conservation pathways, fully leverage brand influence, and fulfill social responsibilities.

Protecting Migratory Bird Habitat

Mengniu collaborated with local ecological environment departments to conduct a migratory bird habitat cleanup operation at Shizuizi Reservoir in Helin County, centrally removing high-risk wastes including plastics, foam, abandoned fishing nets, and fishhooks, effectively reducing potential harm to bird habitats and migration safety. This activity focused on protecting the living environment of migratory bird species including whooper swans, common cranes, and ruddy shelducks, earnestly fulfilling corporate responsibilities in biodiversity and ecological protection.



¹⁸ LEAP: Locate, Evaluate, Assess, and Prepare.

¹⁹ The TNFD (Taskforce on Nature-related Financial Disclosures) is an international initiative aimed at providing a framework for companies and financial institutions to identify, assess and disclose nature-related risks and opportunities.

²⁰ ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a global database designed to assess the dependencies of economic activities on natural capital and their associated impacts.

Nutrition-Supreme & Inclusive

05

Mengniu is committed to providing global consumers with nutritious, delicious, exceptional, and quality-assured dairy products. Under the "Nutrition: Supreme & Inclusive" pillar of our GREEN strategy, we focus on continuous improvement in product nutrition and health, quality and safety, and consumer service, continuously strengthening full product lifecycle management to provide consumers with safer and more trustworthy nutrition choices.

★ Nutrition and Health

- ▶ Continued development of diversified products including **organic, reduced-sugar, low-sodium, low-fat, reduced artificial additives, nutrient-fortified, and small-portion** offerings.
- ▶ Adhering to an innovation-driven strategy, the Group has established **8** R&D centers and jointly founded **14** joint laboratories (innovation centers) with leading universities and research institutes.
- ▶ *R&D and Industrialization of Age-Specific Dairy Products for Children Based on Nutrition Research* won **the First Prize of Science and Technology Award of the Chinese Nutrition Society**.

★ Excellent Quality

- ▶ Implemented six certification systems, i.e. **ISO 9001, GMP, HACCP, FSSC 22000, BRCGS, and IFS**, covering all self-operated factories, with ISO 9001 coverage at **97%** and HACCP coverage at **98%**.
- ▶ **33** laboratories obtained **CNAS accreditation** and passed **ISO/IEC 17025:2017 — General requirements for the competence of testing and calibration laboratories**, with testing capabilities covering **1,127** items.
- ▶ Continued annual five major quality culture programs to **build a proprietary quality culture initiative**.
- ▶ Participated in the 2025 GFSI China Conference, sharing full-chain microbiological control practices in dairy production, and was selected as a **2024–2025 Food Safety Innovation Case**.

★ Superior Services

- ▶ Conducted **6** responsible marketing training sessions, covering **100%** of brand department staff across all business units.
- ▶ **100%** complaint resolution rate across the Group.
- ▶ Achieved **zero** major data leakage incidents, **zero** major information security incidents, and **zero** consumer privacy or data security complaints.

The SDGs addressed in this section:

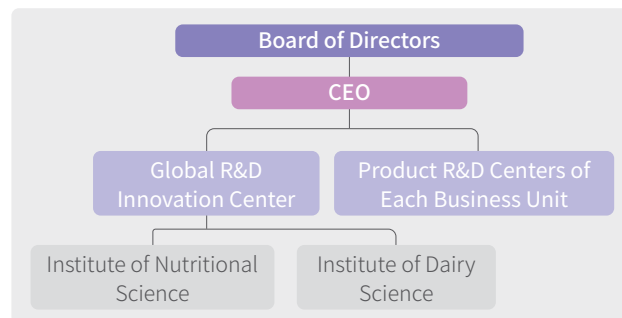


Nutrition and Health

Nutrition and health are the foundation of human development. As both a participant in and a driver of the dairy industry, Mengniu consistently places nutrition and health at the core of its GREEN Strategy. Leveraging globally leading scientific research capabilities, the Group addresses industry challenges such as lactose intolerance and dairy protein absorption, takes the lead in developing nutrition standards, and collaborates with partners to build a closed-loop nutrition ecosystem from "farm to table." Through the Nutrition for All Initiative, Mengniu extends nutrition support to children in remote areas, while digital tools empower families to adopt scientific milk consumption practices. The Group strives to ensure that every product contributes meaningfully to the "Healthy China" strategy, translating sustainable development commitments into concrete action.

Governance

Mengniu actively responds to the *Healthy China 2030 Blueprint* by formulating nutrition- and health-related policies, including the *Mengniu Nutrition and Health Policy* and the *Mengniu Product Nutrition Standards*. These policies form a comprehensive nutrition and health management framework. The Group has established a dedicated nutrition and health governance structure, under which the President regularly reports nutrition- and health-related matters to the Board of Directors, ensuring effective oversight and orderly implementation.



Mengniu Nutrition and Health Governance Structure

To comprehensively enhance its R&D organizational capabilities, the Global R&D Innovation Center established the Institute of Nutritional Science and the Institute of Dairy Science.

Institute of Nutritional Science

The Institute focuses on building the nutrition and health R&D system and advancing the Group's nutrition and health strategy. It conducts technology research and efficacy validation across core health function areas, including dairy biotechnology, synthetic biology, and functional formulations.

Institute of Dairy Science

The Institute focuses on foundational research and frontier development in dairy science and processing technologies, aiming to overcome key bottleneck technologies in dairy deep processing that constrain domestic industry advancement.

Mengniu upholds an innovation-driven strategy, with eight R&D bases established globally, including domestic R&D centers in Hohhot, Beijing, and Shanghai, as well as overseas facilities comprising the Mengniu Europe Innovation Center, Mengniu Indonesia R&D Department, Aice Indonesia R&D Department, Bellamy's Australia R&D Department, and the North America Forage R&D Base. In addition, the Group has jointly established 14 collaborative laboratories (joint innovation centers) with renowned universities and research institutions including the Chinese Academy of Sciences, Peking University, and Fudan University, fostering an industry-academia-research collaborative innovation ecosystem.

Mengniu continues to prioritize R&D as a core pillar of its development strategy, steadily increasing investment, expanding its R&D workforce, and strengthening research capabilities. The

Group employs 482 full-time R&D professionals, 81% of whom hold master's or doctoral degrees. 144 employees hold doctoral degrees or senior professional titles, 57 are overseas returnees, and three team members are recipients of the State Council Special Allowance. In 2025, RMB 555 million was used in R&D investment.

To strengthen strategic accountability, nutrition and health indicators have been incorporated into the KPIs of senior management responsible for product R&D, with 30% of their performance evaluation linked to metrics such as nutrition research, adult nutrition, and sports nutrition product development. This reinforces leadership responsibility for embedding nutrition science throughout the product development lifecycle, integrating health considerations into formulation optimization, raw material selection, and functional validation, and ensuring that every new product—from concept to market launch—is grounded in scientific nutrition and aligned with consumer expectations for healthy living.

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81%

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144

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are overseas returnees, and three team members are recipients of the State Council Special Allowance



Strategy

Mengniu deeply integrates nutrition and health into its overall corporate development strategy, defining a clear strategic direction and growth pathway. By aligning with national health strategies and addressing diversified consumer nutrition needs, the Group advances population-based precision nutrition research and positions nutrition and health as core drivers of product R&D and business layout. Guided by a "health-first" philosophy, Mengniu continuously refines production processes and nutritional profiles, striving to deliver healthier and more nutritious dairy products.

Through technological iterations and category innovation, Mengniu's nutrition and health business now covers 10 major categories with over 700 individual products, meeting increasingly diversified consumer demands and enabling consumers to "Drink More, Drink Good, Drink Right."

In response to trends in consumption upgrading and industrial advancement, Mengniu places strategic emphasis on breakthrough innovation in functional nutrition, seeking to fully unlock the rich nutritional potential of dairy products, precisely target market needs, and develop high-quality products with genuine functional and nutritional value.

In addition, the Group has maintained a long-term presence in the field of medical nutrition, applying medical-grade standards and rigor to develop nutrition solutions that address real health challenges, while providing robust technological support and deepening researches for both functional and foundational nutrition.

Management Practices

Guided by the goal of enhancing nutritional value and consumer health, Mengniu implements systematic practices across product innovation, nutrition education, and scientific research collaboration to improve the accessibility and scientific rigor of nutrition and contribute to a sustainable nutrition and health ecosystem. Nutrition research projects are conducted with reference to nutrition and health-related guidelines such as those from WHO²¹ and internationally and domestically recognized nutrition measurement methods and standards, ensuring consistency and credibility in nutrition assessment.

Product Innovation

Mengniu has established multi-dimensional nutrition measurement and evaluation systems, including the *Mengniu Product Nutrition Standards* and the Nutrition Advantage Evaluation Model, to scientifically assess product nutritional quality and guide both new product development and the upgrading of existing products. Nutritional assessments for new products strictly follow scientific validation processes, comprehensively evaluating nutritional composition, suitability for target populations, and potential health impacts to ensure scientific rigor, regulatory compliance, and safety.

Based on these evaluation models, Mengniu has systematically developed formulation optimization strategies. During new product development, requirements such as sugar reduction, sweetness reduction, carbohydrate and energy control are implemented, with priority given to raw milk and simplified ingredient lists. In 2025, the Room Temperature Business Unit launched a formulation improvement mechanism and optimized the TTAD Just Yogurt formula, reducing sodium content by 7.1% and increasing calcium content by 5.6%, while enhancing nutrition labeling transparency to further improve product health value.

Through a full-cycle management approach of "model evaluation-strategy guidance-formula implementation," Mengniu has introduced a diversified product portfolio, including organic, reduced-sugar, low-sodium, low-fat, reduced-additive, nutrient-fortified, and small-portion products. These offerings accurately align with consumers' healthy lifestyles and diverse nutrition needs, ensuring that every product serves as a reliable vehicle for healthy choices. The Group also established, for the first time, a PNP²² model for precision nutrition products targeting specific populations, enhancing the scientific rigor and professionalism of our product development. Under this framework, standardized formulation design SOPs have been developed, covering the entire product lifecycle from concept to scale-up validation.

In the dairy deep processing segment, Mengniu established the MilkCube Business Unit, leveraging its proprietary GOSS²³. Through integrated technological innovation, GOSS enables the non-destructive, orderly separation and extraction of milk components at an industrial scale, providing solutions for the localization of functional dairy ingredients. The Group now possesses large-scale, multi-category production capabilities. Initial deep-processed products, including mascarpone, lactoferrin, pizza cheese, desalinated whey powder D90, and micellar casein (MCC), have completed testing, with mascarpone cheese already launched to market. All products meet national quality standards, accelerating the development of dairy deep processing and underscoring Mengniu's leadership in this field.



Mengniu Mascarpone Flavor Modified Light Cream

²¹ World Health Organization, WHO.

²² Product Nutrition Principle, PNP.

²³ Good Ordered Solution System, GOSS.

Liquid Milk

»» Milk Deluxe Shajin Tohoi

High calcium and protein content



»» Pure Milk 4.0

Certified Organic Product
Enhanced calcium content
Enhanced protein content



»» Xinyangdao Youshan Milk

Added Fibersol-2 (resistant dextrin)
Added mulberry leaf extract
Added kudzu root powder



»» Three Calves Soft Milk

High-Calcium
Lactose-Free



»» Formulated School Milk

Contains 90% milk
A clean formulation with no added glycerol monostearate



»» Shiny Meadow Dual Protein Milk

3.7g of milk protein and plant-based protein per 100ml
Lactose-Free



»» Shiny Meadow HMO Children's Nutritional Milk

Added 2'-FL
Added native immunoglobulin
Added lactoferrin

»» China Modern Dairy 4.0 Organic A2 β -Casein Fresh Milk

Made from certified organic A2 milk
Contains per 100ml: 4.0g of natural milk protein, over 130mg of native calcium, and over 0.95g of A2 β -casein



»» Pure Yogurt

Reduced sodium content and enhanced calcium content



»» YOIFINE

0 sucrose



»» Mengniu 0 Sucrose Yogurt

0 sucrose
100% raw milk source
low GI food certification



»» Mengniu Amule Milk Skin Yogurt

Sourced from 100% raw milk



»» Mengniu Light Food BOX Yogurt Bowl

Low sugar
scientific proportion
balanced nutrition



»» Everyday Fiber Oat Milk

Vegetable protein



»» Lucky Peanut Double Protein Drink

Blended milk with peanut-based plant protein



»» 12mm Jumbo Fruit Blend

Sourced from 100% raw milk



Ice cream

» Deluxe Desert Organic Fresh Milk Ice Cream

Certified Organic Product
Low-sodium



» Mengniu Pure and Rich Raw Milk Ice Cream

Low sodium



» Mood for Green Black Sesame Ice Cream

Black sesame seeds, black beans and multigrains added



» Ice + Yellow-Skin Lemon Flavor Popsicle

0 fat



» Mengniu Ice Coconut Flavor Popsicle

Low sodium



» Aice Fruizzy Passion Fruit Yoghurt Stick 70ml

High in vitamin C, low fat, low sodium



Milk Powder

» Mengniu Reeborne Enzhi Infant Formula

Contains maternal-source MLCT²⁴ (medium- and long-chain triacylglycerol)
Certified under EU food standards
Pioneering formula with CBP²⁵ (colostrum basic protein) and natural lysine



» The Premium Version of Yourui Bone Formula Milk Powder

Added patent-purified CaHMB²⁶
Added sodium hyaluronate and glucosamine
Added high-potency calcium, vitamin D, and CBP²⁵



» Mengniu Reeborne QinYi Infant Formula

Rich in MLCT²⁴ Rich in 23 vitamins and minerals
Rich in 18 amino acids
Enhanced content of Bifidobacterium and Lactobacillus



Other

» Mengniu Yourui Huangjin Protein Powder Solid Beverage

0 cholesterol
0 trans fatty acids



» M-ACTION DAILYPROTEIN

Double premium protein sources
7 vitamins and minerals
18 amino acids



» M-ACTION TART CHERRY LIQUID

99% tart cherry juice concentrate per bottle
High ORAC value²⁷



Cheese

» Fat-reduced light negative cheese slices

Compared with the previous Milkground original cheese slices, each slice has 25% less fat



» Milkground Original Cheese Sticks

High calcium content
Contains Vitamin A, Vitamin D, and Taurine
Preservative-Free



» Jiejiecao Cheese Small Golden Bag

Specialized in Tianguli® Growth factor
0 color/0 preservative/0 sweetener/0 stabilizer



²⁴ MLCT: Medium- and long-chain triacylglycerol oil.

²⁵ CBP: Colostrum Basic Protein.

²⁶ CaHMB: Calcium β -hydroxy- β -methyl butyrate.

²⁷ High ORAC refers to a food or substance having strong antioxidant capacity.

Honors

"Development and Industrial Application of Key Technologies for Quality Improvement of Room Temperature Yogurt"
received the Second Prize of Science and Technology Progress of Inner Mongolia Autonomous Region

"Development and Application of Processing Technology for Functional Probiotic Fermented Milk"
received the Second Prize of Technological Invention of Inner Mongolia Autonomous Region

"Key Technologies for Probiotic Dairy Processing and Their Industrial Application"
received the Second Prize of Science and Technology Progress of Liaoning Province

"Key Technologies for Quality Improvement of Concentrated Fruit Low-Temperature Fermented Dairy Products and Their Application"
received the First Prize of Science and Technology Progress of China National Light Industry Council

"Development of Specialized Enzymes for Prebiotic Production and Key Technologies for In-situ Food Transformation"
received the First Prize of Science and Technology Progress of China National Light Industry Council

"R&D and Industrialization of Children-Specific Dairy Products Based on Age-Specific Nutrition Research"
received the First Prize of Science and Technology Award of the Chinese Nutrition Society

"Innovative Technologies for Flavor Regulation in Dairy Products and Their Application"
received the Special Prize of Technical Progress of China Dairy Industry Association

"Key Technology Development and Application for the Manufacturing of Highly Active Probiotic Products"
was awarded the First Prize for Technological Invention by the China Dairy Industry Association



At the 2025 World Food Innovation Awards, held during the International Food & Drink Event, "Shiny Meadow Rooftop Fresh Milk Package" and "Future Star Special Care Child Formula Milk" received multiple honors, including the CSR/ Sustainability Innovation Commendation, Silver Award for Best Children's Product, Silver Award for Best Functional Product, and Commendation for Best Dairy Innovation.

At the 2025 World Dairy Innovation Awards, presented during the 18th Global Dairy Congress, "Deluxe Xiaomanyao Berry Live Mushroom Yogurt Ice Cream," "Live bacteria yogurt ice cream," "Shiny Meadow A2," and "Reeborne Enzhi infant formula" were recognized with multiple awards, including the Gold Award for Best Health Innovation, Silver Award for Best Health Innovation, Commendation for Best Children's Dairy Product, as well as Silver Award for Best Health Innovation, Bronze Award for Best Functional Food, Silver Award for Best Dairy Product, Gold Award for Best Children's Product, Silver Award for Best Children's Dairy Product, and Silver Award for Best Functional Food.

Nutrition Research

In 2025, Mengniu continued to deepen research across key areas including child nutrition, nutrition for middle-aged and elderly populations, functional ingredients, probiotics, and plant extracts. In parallel, the Group strengthened targeted collaborations with leading universities and research institutions, continuously expanding R&D boundaries, advancing technological innovation, and accelerating the application and commercialization of research outcomes.



Nutrition research for children

Mengniu, in collaboration with East China Normal University, isolated and validated a growth-promoting strain, *Lactobacillus plantarum* Hi188. Research demonstrated that the strain promotes growth and development by increasing levels of key metabolites, including 5-HIAA and IGF-1. The findings were published in the international journal *iMetaOmics* and granted a national invention patent. Building on these results, Mengniu optimized fermentation processes, completed preparations for large-scale production, and launched the "1.88-meter" children's probiotic product, providing a scientifically grounded solution for childhood nutritional intervention.

In addition, lactose-N-neotetraose (LNnT) independently developed by Mengniu Dairy was officially approved by the National Health Commission. This approval marks a significant breakthrough in China's independent R&D and industrialization of core high-end ingredients for infant nutrition, and provides strong support for enhancing the scientific rigor and safety of infant formula products.



Nutrition research for middle-aged and elderly people

Mengniu partnered with Sun Yat-sen University to establish a Joint Research Center for Nutrition and Health for Middle-Aged and Elderly Populations and published the monograph *Nutrition and Health for Middle-Aged and Elderly People*. To address the "triple loss" of bone, joint, and muscle function associated with aging, the research identified functional formulations targeting musculoskeletal health. Products including Xinyangdao Yougu Milk and Yourui Bone Strength Premium Formula Milk Powder were subsequently launched. Experimental validation confirmed their effectiveness in enhancing bone density, muscle strength, and joint health. One invention patent was granted, achieving successful translation from scientific research to industrial application.



Research and development of mild processing technology

Mengniu advanced the research and application of mild heat-reduction processing technologies for white milk. Pilot production lines achieved furoine levels below 150 mg/100 g protein, lactulose levels below 500 mg/L, and β -lactoglobulin levels above 300 mg/L.



Research on sports nutrition

Mengniu's professional sports nutrition brand M-Action focuses on the nutritional needs of physically active populations. Through nutrition science research, the brand has established a product validation system and developed nutrition products tailored to pre-exercise, intra-exercise, and post-exercise needs. Ongoing R&D efforts in areas such as bone and joint health and antioxidant performance further support healthy athletic performance.



Research on probiotic

Mengniu, together with Peking University Health Science Center, achieved a milestone breakthrough in research on blood glucose regulation, with results published in the top international journal *Cell*. The study was the first to reveal a novel mechanism whereby an amino acid-conjugated bile acid (Trp-CA), synthesized by gut microbiota, activates the MRGPRe receptor to stimulate GLP-1 and insulin secretion, thereby improving glucose homeostasis. Based on this discovery, Mengniu independently developed a probiotic strain capable of efficiently synthesizing Trp-CA—*Lactobacillus paracasei* Lc19. This achievement offers a new nutritional intervention pathway for prediabetes and type 2 diabetes, and represents a major breakthrough for Chinese food science research in leading life science journals. The Lc19 strain has since been successfully applied in Mengniu's Yourui Antisugar Shield product series, realizing full-chain innovation from strain development to product commercialization.



Research on plant extraction

Mengniu collaborated with Beijing Technology and Business University to advance research on the high-value utilization of plant protein resources. More than 30 major domestic and international pea varieties were collected and analyzed for sensory, physicochemical, processing, and functional protein characteristics. By examining correlations between raw material properties and quality of proteins and their components, Mengniu established a model linking pea raw material traits with protein functional performance, identified key quality indicators and grading standards, developed suitability evaluation methods for processed pea protein, and screened high-quality, full-value protein pea varieties. A multidimensional germplasm resource database was established, laying a solid foundation for the high-value utilization of pea protein.



Research on high-protein yogurt

Mengniu applied ultrafiltration membrane technology in combination with enzymes and functional strains to develop high-protein yogurt products, achieving protein concentrations of 4.5–8.0 through pre-membrane concentration and up to 9.0 through post-membrane concentration. These innovations significantly enhanced the nutritional density and quality stability of chilled fermented dairy products. The project Key Technologies for Quality Improvement of Concentrated Fruit Low-Temperature Fermented Dairy Products and Their Application won the First Prize of the China National Light Industry Council Science and Technology Progress Award and was certified as reaching an internationally leading level.



Research on food and medicine homology

Guided by the concept of "food and medicine come from the same source," Mengniu systematically studied its functional applications in fermented dairy matrices. Through formulation optimization and scientific validation based on traditional dietary therapy principles, Mengniu successfully commercialized and launched the "Five Reds and Five Blacks" Yogurt product.

In 2025, Mengniu actively participated in external collaboration and industry exchange, attending 21 nutrition and health industry conferences, including 11 major domestic and international events with significant influence. The Group shared practical experience and research progress on topics such as functional nutrition, food safety, and research commercialization, continuously deepening collaboration with government bodies, research institutions, and industry partners, and enhancing its professional influence and social value creation in the field of nutrition and health.

Mengniu Participates in the 17th National Nutrition Science Conference

In 2025, Mengniu was invited to attend the 17th National Nutrition Science Conference, one of the most influential and large-scale events in the field. Mengniu shared research practices and case studies on nutrition innovation, functional dairy research, and public health. During the conference, the Group engaged in academic exchanges with multiple research institutions, showcased progress in functional dairy development and nutrition interventions for children and all age groups, and hosted a dedicated dairy science forum. These efforts promoted the translation of scientific research into practical applications and further enhanced Mengniu's professional influence and industry empowerment value in nutrition and health.



Nutrition Education

In 2025, Mengniu advanced nutrition and health education through coordinated efforts across the academic, industry, and consumer fronts. The Group actively expanded both the breadth and depth of nutrition education, promoted the release of professional guidance documents on nutrition knowledge, led industry-wide milk consumption initiatives to energize consumers, advocated for scientific dietary practices and healthy lifestyles, and enhanced public nutrition literacy.

Academic Exchange

Mengniu has continuously carried out nutrition and health education initiatives. For many consecutive years, the Group has collaborated with government bodies and professional institutions to compile and publish various nutrition and health white papers, providing scientific support for the nutritional well-being of the public.

Joint Release of the *White Paper on Scientific Sugar Consumption*

Mengniu, together with the Chinese Nutrition Society and other authoritative institutions, jointly released the *White Paper on Scientific Sugar Consumption*. The publication systematically reviews the sources of sugar, metabolic characteristics, and recommendations for scientific intake, translating professional nutrition knowledge into accessible guidance and correcting common misconceptions surrounding sugar reduction and control. Through multi-channel dissemination and expert interpretation, the white paper has promoted rational sugar consumption concepts among the public and provided scientific support for reduced-sugar product development and healthier consumption guidance across the industry.



Joint Publication of the *Guidelines for Scientific Milk Consumption*

Mengniu partnered with Professor Ma Guansheng of the School of Public Health at Peking University and experts from multiple fields to compile and publish the *Guidelines for Scientific Milk Consumption*. Based on evidence-based research, multiple rounds of Delphi consultations, and iterative expert discussions, the guide delivers authoritative and practical milk consumption guidance to the public in an accessible format.



Promote Science-Based Milk Knowledge and Enhance Public Dairy Literacy

As a national champion in China's dairy industry, Mengniu actively fulfills its responsibility to promote nutrition and health literacy, advancing science communication from one-off activities to sustained, long-term impact. Leveraging its flagship IPs — "Thoughts on Milk" and the "Science-Based Milk Consumption Program" — Mengniu has built a diversified content ecosystem encompassing graphics, short videos, live streaming, and the popular science picture book *Let's Gulp Milk Together*, making scientific knowledge about milk consumption engaging and accessible. This approach has created a recognizable and enduring IP communication chain that reaches tens of millions of consumers, contributing to the overall improvement of public milk consumption literacy.



Industry Collaboration

Leveraging its industry leadership, Mengniu established the Scientific Milk Consumption Public Welfare Fund to support nutrition education initiatives and launched the National Milk Consumption Literacy Enhancement Initiative, helping the public "Drink More, Drink Good, Drink Right."

National Milk Consumption Literacy Enhancement Initiative

Mengniu set up the Scientific Milk Consumption Public Welfare Fund and, together with the Nutrition Literacy Branch of the China Association of Health Promotion and Education, initiated the National Milk Consumption Literacy Enhancement Initiative. Through public welfare-oriented science communication, the initiative integrates scientific milk consumption into daily life, enabling the public to "Drink More, Drink Good, Drink Right," and strengthening the foundation of national nutrition and health.



Release of the 2025 China Milk Consumption Literacy Report (General Population)

During the 3rd National Nutrition Literacy Conference, Mengniu released the 2025 China Milk Consumption Literacy Report (General Population), which systematically presents the current state of milk-related knowledge and behavior among Chinese residents, providing scientifically grounded and precisely targeted guidance for improving public milk consumption literacy nationwide.



Consumer Advocacy

Mengniu has built diversified digital and intelligent platforms and developed proprietary science communication IPs to guide consumers toward scientific milk consumption across all channels.

>> "WOW Health+" Digital Platform

By the end of 2025, Mengniu's "WOW Health+" digital platform had launched multiple health service scenarios and cumulatively served over 10 million users. Centered on enhancing public nutrition and health awareness, the Group continuously disseminates science-based content across multiple platforms, earning tens of millions impressions.

■ Mengniu's Milkground: Through online programs such as *Nutritionist Talks* and *Cheese Nutrition Mini-Class* widely reach family users, promoting cheese-related knowledge and encouraging parent-child co-learning through engaging science communication, integrating healthy dietary concepts into daily family meals.

■ Mengniu's Reeborne: Through professional training by childcare specialists, the brand delivers comprehensive guidance on infant and toddler care, scientific feeding, early education, and psychological and behavioral development. Supported by in-depth needs assessments and dynamic plan adjustment mechanisms, Yashili provides precision parenting support and effectively enhances scientific childcare capabilities among Chinese families.

■ Mengniu's Bellamy's: The brand launched the "Organic Feeding Academy" mini-program, providing more targeted scientific feeding guidance for new families and further enhancing the accessibility and practical value of digital science education.

■ Mengniu's M-ACTION: It focuses on the sports nutrition sector. With the vision of "Professional Nutrition Empowers Athletes to Perform at Their Best", and relying on the M-ACTION Sports Performance Laboratory and AI-powered customized product solution tools, it provides sports enthusiasts with scientific and precise nutrition solutions for pre-, during-, post-exercise scenarios as well as daily vitality and health. Through running club operations, event partnerships, and online and offline professional education programs such as the "M-ACTION Sports Nutrition Academy", it deepens market education and improves users' health levels, striving to become the preferred nutrition brand for sports people in China.

>> Enhancing Public Nutrition Awareness

In 2025, Mengniu conducted consumer-facing nutrition and food safety education activities themed around "Microbiological Testing and Inspection." Through on-site explanations, hands-on demonstrations, and interactive experiences, the Group introduced common microorganisms found in food and their testing methods, while using milk samples to explain key nutritional components and scientific concepts. By translating professional testing procedures into accessible educational content, the activities enhanced consumer understanding of microbiological safety and nutritional value in dairy products.

>> Participating in National Nutrition Week and Deepening Nutrition and Health Education

During National Nutrition Week 2025, Mengniu carried out nutrition and health education activities themed around "Balanced Diet and Physical Activity for a Healthy Weight." Through short videos and expert livestreams, the Group promoted scientific dietary practices and milk consumption knowledge, contributing to improved public nutrition literacy.

Mengniu Student Milk programs focused on "Scientific Diet and Rational Milk Consumption," delivering systematic nutrition education through classroom teaching, demonstrations, and online dissemination. These efforts translated nutrition guidelines into daily behaviors, guiding students and families toward balanced diets and fostering healthy eating habits among young people.

>> Mengniu Yorui: Empowering Healthy Living Through Personalized Nutrition

In 2025, Mengniu Yorui partnered with China Media Group, the General Administration of Sport of China, and the All-China Women's Federation to launch *Let's Dance!*—a program centered on scientific fitness and using square dancing as a medium to promote enjoyable physical activity among middle-aged and older adults, improving health and quality of life. As part of the "Sports Science Popularization China Tour" initiated by the General Administration of Sport, the program elevated square dancing from a community activity to a widely recognized health and cultural phenomenon, highlighting the integrated value of "scientific fitness plus cultural empowerment."

Metrics and Targets

In 2025, Mengniu achieved remarkable results in various practices in the field of nutrition and health, and relevant indicators and honors fully demonstrate our efforts and achievements.

Standard Setting for Nutrition and Health

Six Group Standards:

- T/CNSS 043-2025 Guidelines for the Implementation of Population Nutrition and Health Intervention Research
- T/CNHFA 141-2025 Guidelines for Real-World Research on Health Foods
- T/CIET 1356-2025 Technical Requirements for the Biosynthesis of Lacto-N-neotetraose
- T/CIET 1357-2025 Technical Requirements for the Biosynthesis of 2'-Fucosyllactose
- T/CAPS 065-2025 Technical Requirements for Clean Label Yogurt
- T/CAGR 023-2025 General Rules for Formulated Milk Powder for Middle-Aged and Elderly Populations

Product Health Star Rating

- In 2025, Mengniu evaluated some product categories according to the Health Star Rating Method (HSR²⁹), and the proportion of prepared dairy products that meet health products (HSR score ≥ 3.5) increased from 51% to **71%**.

Two Industry Standards:

- Agricultural industry standard DHA Biofortified Raw Cow's Milk²⁸
- Light industry standard Crystal Ball Edible Fungal Preparations²⁸

Three National Standards:

- GB/T 21922-2026 General Terminology for Food Nutrition and Health Management
- General Principles for the Development of Food Nutrient Profiling Methods²⁸
- Classification and Labeling Requirements for Meal Replacement Foods²⁸

Revenue Contribution of Nutrition and Health Products in 2025:

- Low-fat products: Revenue contribution exceeds **10%**
- Products with no added sugar or reduced sugar: Revenue contribution exceeds **90%**
- Organic products: Revenue contribution exceeds **9%**
- Small-portion products: Revenue contribution exceeds **18%**
- Products with low or no artificial additives: Revenue contribution exceeds **90%**
- Low-sodium products: Revenue contribution is **93%**
- Nutrient-fortified products: Revenue contribution exceeds **8%**

Notes: Low-fat products: Products that comply with the requirements of GB 28050-2025 National Food Safety Standard – General Rules for Nutrition Labeling of Prepackaged Foods.

Products with no added sugar or reduced sugar: Products that contain no added sugar; or qualify as low-sugar or sugar-free in accordance with GB 28050-2011 National Food Safety Standard – General Rules for Nutrition Labeling of Prepackaged Foods; or have achieved sugar reduction through nutritional reformulation.

Organic products: Products certified as organic under Chinese or Australian organic certification standards.

Small-portion products: Products with packaging size less than or equal to 200g or 200ml.

Products with low or no artificially added ingredients: Products that do not contain, or contain reduced levels of, artificial flavorings, artificial colorants, synthetic preservatives, and other controversial additives.

Low-sodium products: Products that comply with the requirements of GB 28050-2025 National Food Safety Standard – General Rules for Nutrition Labeling of Prepackaged Foods.

Nutrient-fortified products: Products that comply with the requirements of GB 14880-2012 National Food Safety Standard – Standard for the Use of Food Nutrition Fortification Substances.

²⁸ As of the release of the report, it is in the project approval stage.

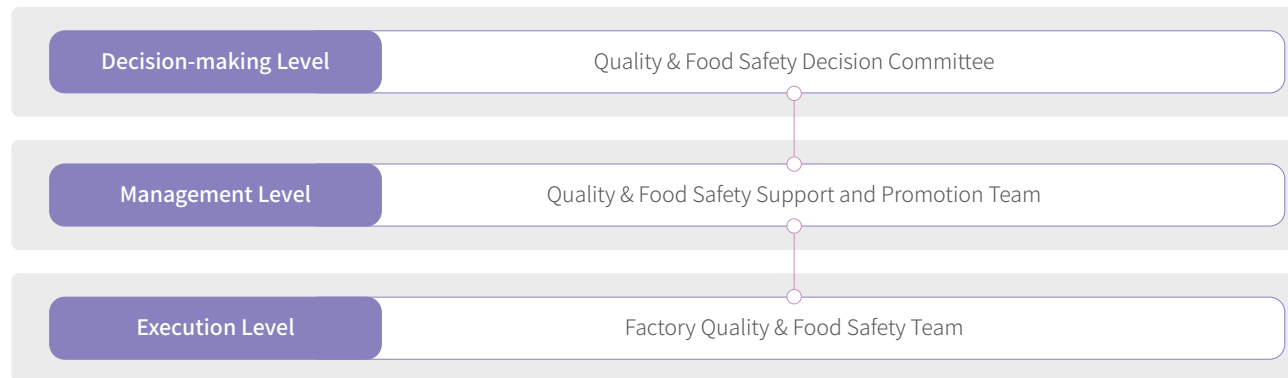
²⁹ HSR: Health Star Rating is a nutritional composition analysis system adopted by the "Access to Nutrition Index" (ATNI) and used in some countries as a front-of-package nutrition labeling tool. HSR rates products based on their content per 100 g or 100 ml of total energy, saturated fat, sodium, protein, dietary fiber, as well as nuts and legumes. The calculated score is converted into a rating ranging from 0.5 to 5 stars. In the ATNI evaluation system, products scoring 3.5 stars or above are considered healthy.

Excellent Quality

Mengniu deeply recognizes that quality is the lifeline for an enterprise's survival and development, that quality determines competitiveness, and that preventing food safety issues helps enhance consumer trust and social stability. We attach great importance to product quality, consistently uphold a rigorous scientific attitude and strict quality management standards, and have built a scientific and comprehensive quality control system. This transforms our commitment to providing "perfect products" into a tangible quality experience that consumers can perceive.

Governance

The Group places a high priority on product quality and food safety governance and has established a comprehensive governance framework. Oversight and decision-making responsibilities for product quality and food safety are undertaken by the Quality & Food Safety Decision Committee.



Mengniu Product Quality Management and Governance Structure

Mengniu strictly complies with the *Food Safety Law of the People's Republic of China*, the *Product Quality Law of the People's Republic of China*, and other applicable laws and regulations. The Group continuously evaluates and improves 49 internal policies and management systems, including the *Mengniu Dairy HACCP+ Management System*, the *Mengniu Dairy Quality and Food Safety Risk Management System*, the *Mengniu Dairy Product Storage and Transportation Quality Management System*, and the *Mengniu Dairy Sales Quality Management System*. This has established a comprehensive quality documentation system covering the entire quality management process. Together, these form a comprehensive quality documentation system covering the entire quality management lifecycle. To further ensure raw milk quality and safety, Mengniu formulated the *Raw Milk Dynamic Monitoring Plan* alongside the *Raw Milk Quality Monitoring Program of Milk Source Business Unit*. A comprehensive acceptance and testing system has been established, covering over 400 indicators across seven categories, with on-site inspection and dynamic monitoring implemented for all incoming raw milk. Furthermore, to reinforce the food safety defense line, 10% of the performance evaluation for relevant senior executives is linked to the quality complaint rate metric. A food safety incident penalty mechanism has also been established for all executives.

Strategy

In 2025, Mengniu upgraded its original 4Q management framework across three key dimensions: quality management, full value chain ecological quality control, and quality digitalization. Building on these upgrades, Mengniu launched the Q+ Quality Management System, transforming traditional quality management into a digitally driven, preventive, and ecosystem-based joint defense model. This upgrade enhances system resilience and risk resistance, improves quality operation efficiency, and promotes the evolution of quality management from a dual focus on safety and quality toward excellence.



Schematic Diagram of Mengniu Q+ Quality System Structure

Mengniu Q + Quality System

Quality Operation (QO)

It consists of eight processes: consumer demand insight, product development, procurement management, milk source management, intelligent production manufacturing, logistics and warehousing, sales management and customer communication management, and is the core of organizational quality management.

Quality Plan (QP)

It consists of three processes: quality strategy, system planning and quality performance, which provides direction guidance for the organization.

Quality Engine (QE)

It consists of 17 sub-processes: food safety control, perfect quality, lean quality and ecological quality. Provide an engine for organizational quality management.

Quality Support (QS)

Including quality culture, compliance management, knowledge management, tools and methodologies, talent development, audits and evaluations, and continuous improvement, serving as the foundation of quality management.

Quality Intelligence (QI)

Focusing on scenario definition, data governance, data application, and intelligent analytics as the enabling platform for quality management.

"1332" Quality Culture Strategy

Mengniu adheres to the quality policy of "Trust, Excellence, and Preference" and has established the *Mengniu Dairy Quality Culture Management System*, continuously advancing the "1332" quality culture strategy. In 2025, aligned with the Group's "One Body, Two Wings" strategic layout, Mengniu further embedded quality culture by strengthening awareness, institutionalizing behaviors, and deepening system integration.

Mengniu continues to advance its internationalization strategy by strengthening management oversight and operational support for its overseas facilities, with a focus on enhancing food safety controls. During the reporting year, we carried out both online and on-site quality management empowerment initiatives for overseas factories. Taking into account differences between domestic and overseas production, safety, and quality management practices, we implemented targeted improvement measures to further reinforce food safety management across our international operations.



Management Practices

Guided by scientific governance, Mengniu continuously enhances its product quality management system through improved control processes and risk early-warning mechanisms, thereby strengthening food safety and quality assurance throughout the entire process. We carry out ongoing reviews of quality management effectiveness and have developed a coordinated Food Safety Management Review Program, which defines the procedures, scope, methods, and tools for quality inspections at all levels, and details the planning of inspection activities across the organization. In 2025, the Group conducted quality management effectiveness reviews for seven business units. A comprehensive full-chain review mechanism covered all business units, with 166 group-level inspections conducted. These efforts enabled systematic risk identification and mitigation across the entire value chain, effectively safeguarding food safety.

Quality Control System

Mengniu has established a full-lifecycle quality management system covering product design, raw material control, manufacturing, transportation, quality monitoring, and product recall. This system ensures comprehensive quality supervision across the entire industry chain. Mengniu has established a product quality assurance system centered on digitalized traceability and intelligent quality management. Leveraging cloud computing, blockchain, and artificial intelligence technologies, we have achieved full-chain traceability from source to primary distributors, enhancing its capabilities in quality monitoring, early warning, and risk management. In 2025, by integrating dynamic overseas market risks, official regulatory policies issued by provincial authorities, and public sentiment information from industry platforms, Mengniu proactively adjusted its monitoring and control measures. For example, leveraging early warnings on antibiotic residue risks in milk sources from a certain overseas market, the Group preemptively revised the sampling standards for corresponding milk-source suppliers. In response to new regulations on raw milk transportation issued in several provinces, Mengniu optimized temperature-control and risk-prevention measures in logistics. All related information was processed and followed up on, achieving 100% closed-loop management. Meanwhile, the Group established risk-identification tools covering various business segments across the entire value chain—from milk sourcing, production, and processing to logistics, distribution, and market circulation—further solidifying the comprehensive implementation of food safety risk control.

Product design stage

1

- Mengniu has established a consumer-centric new product quality design system. Starting from quality discovery, the Group identifies genuine consumer needs and translates consumer language into technical specifications to define key consumer indicators and their optimal performance ranges. Building on this foundation, Mengniu strengthens control over critical process control points during production, achieving simultaneous improvements in product outcome indicators and process capability. This ensures the delivery of consistently stable, high-quality product experiences to consumers. Quality and food safety risk management are regarded as core components of quality design. Mengniu places particular emphasis on risk identification related to "new materials, new processes, and new equipment," implementing preventive controls for potential quality and safety issues before they occur. For key quality and safety risks, targeted testing is conducted in advance to proactively mitigate potential product quality and food safety risks.

Product raw material quality control stage

2

- Mengniu has established a cross-functional raw material expert panel and a raw material risk assessment mechanism to identify and assess food safety risks across all stages from suppliers to factories. Special focus is placed on risk assessments for new raw materials, thereby raising entry thresholds for raw material suppliers.
- In 2025, Mengniu prioritized milk source management as a key area of quality and food safety risk prevention and control. By working collaboratively with milk source bases and suppliers, the Group addressed major risks such as milk source contamination and quality fluctuations, ensuring the effective implementation of annual risk response objectives. At the same time, Mengniu continued to enhance its risk forecasting and response capabilities through multi-dimensional prevention and control measures, global risk monitoring, and continuous optimization of management tools.

Product production and transportation stage

3

- Mengniu promoted "Smart Quality" by applying digital and intelligent management approaches across breeding, processing, logistics, and warehousing, strengthening end-to-end process quality management "from farm to table" and enabling intelligent management throughout product production and transportation stages.

Product quality monitoring stage

4

- With ABC zoning management standards³⁰ as the core—where Area A (Target Area) represented optimal performance aligned with consumer preferences and production capabilities, Area B (Qualified Area) represented acceptable and compliant performance below target, and Area C (Rejection Area) represented performance likely to trigger complaints or non-compliance—Mengniu built a differentiated management and control system. Audit results were used as the basis for dynamic updates, and quality audits were conducted following the closed-loop process of "annual planning, on-site audits, issue reporting, corrective action tracking, and re-evaluation and improvement." Identified issues were promptly translated into standard optimization and management enhancements, reducing batch-to-batch quality variability and enabling continuous product quality monitoring.
- Simultaneously, we strengthened monitoring effectiveness with the support of full-chain testing capabilities. An internal inspection department equipped with testing capabilities that meet national food safety standards was established, focusing on forward-looking testing technologies to develop unified laboratory inspection and testing standards. A quality control system for test results was built, encompassing laboratory process quality control and inter-laboratory result evaluation, ensuring that testing is both feasible and accurate.
- During the year, Mengniu developed and introduced 125 testing methods to address product transition and quality control requirements, and researched four new testing technologies including perfluoroalkyl and polyfluoroalkyl substances (PFAS). With 33 laboratories possessing 1,127 group-wide full-industry-chain testing capabilities, Mengniu comprehensively covers all dairy product testing needs. As the first enterprise in China to have 100% of its group laboratories accredited by CNAS³¹, Mengniu's Ningxia Smart Laboratory is also the country's first CNAS-accredited smart laboratory. Furthermore, one international standard related to smart laboratories has been successfully established.

³⁰ Area A (target area) is the target performance range that combines consumer preferences and production line capabilities, Area B (qualified area) is the performance range that does not meet the target but is acceptable and compliant, and Area C (rejection area) is the range that is easy to cause complaints or violations.

³¹ China National Accreditation Service for Conformity Assessment, CNAS.

Product tracing and recall

5

- Mengniu has formulated systems including the *Product Withdrawal Management System*, *Product Recall Management System*, and *Product Traceability Management System*, which were 100% applicable to A-level business units. Traceability information covered critical data across the entire value chain, including raw milk arrival, raw and auxiliary material receipt, batching, production, and sales, effectively safeguarding consumer health and food safety. Built on SAP and other digital systems, the Group's traceability platform linked product information from source materials and raw milk through to first-tier distributors, enabling one-click online traceability across raw materials, production, and outbound distribution. Meanwhile, Mengniu adopted a dual-source procurement strategy and maintained a reserve supplier pool to mitigate product safety emergencies and ensure a safe, stable, and resilient supply chain.
- Upon becoming aware of potential product safety risks, Mengniu will immediately suspend sales and proactively recall the affected products. Based on the severity and urgency of the risks, the Group classifies recall events into three levels of control, with clearly defined procedures, response timelines, and subsequent analysis and improvement measures. In addition, a closed-loop management mechanism has been established covering product disposition, root cause analysis, and corrective and preventive actions. Upon completion of the recall, a written summary report is promptly prepared, and continuous improvements are implemented based on the evaluation results to enhance product quality and risk management.

Mengniu Product Recall Grading Control Table

				
Recall level	Start time	Frequency of reporting	Completion time	Special circumstances
Level 1	Within 24 hours	Form written reports daily	Within 10 working days	NA
Level 2	Within 48 hours	Form a written report at least every 5 working days	Within 20 working days	In case of unexpected situations that may lead to recall escalation, the person in charge of the responsible department shall immediately report to the food safety management team of the business unit and carry out relevant recall management work
Level 3	Within 72 hours	Form a written report at least every 10 working days	Within 30 working days	

Quality and Food Safety Certification

We continue to carry out quality management and food safety-related certification work, promote system certification, product certification and service certification, and protect food safety.



System Certification

- System certification: In 2025, Mengniu carried out six major system certifications—ISO 9001, GMP, HACCP, FSSC 22000, BRCGS, and IFS—covering all self-operated factories. Certification coverage reached **97%** for ISO 9001, **98%** for HACCP, **33%** for FSSC 22000, **12%** for BRCGS, **32%** for GMP, and **10%** for IFS.



Product Certification

- Student Milk Certification: Continued to promote and maintain the Student Milk logo license for **10** factories and added fermented student milk to the license, covering **4** categories and **51** products including sterilized milk, modified milk and fermented milk.
- Organic Product Certification: In 2025, a total of **17** factories of organic milk products will be certified, covering **42** products including Milk Deluxe Organic Pure Milk, Shengmu Organic Children's Milk, Shengmu Organic Pure Milk, Bluebell Organic Pure Milk Powder, Bellamy's Ruier Infant Formula Milk Powder and Hema Organic Pure Yogurt.
- A2 β -Casein Dairy Certification³²: Covers **2** product categories, namely infant formula and whole milk powder.
- Low GI Product Certification³³: A total of **20** products across **2** categories of fermented dairy and formulated milk powder made in **9** factories received low GI product certification.
- 5A Product Certification: Involving **10** factories, **22** products such as rich flavored yogurt, 0 sucrose flavored yogurt, Chinese nourishing flavored yogurt (red dates) have passed 5A product certification.

³² A2 β -Casein Dairy Certification: A third-party certification body certifies the production and processing of A2 β casein dairy products in dairy production enterprises.

³³ Low GI Product Certification: The GI range is usually from 0 to 100, where foods below 55 are considered low GI foods.

Quality Culture Construction

Mengniu provides tiered and position-specific quality training for all employees annually, continuously deepening its quality culture efforts and reaching new milestones. The year 2025 was designated as the "Quality Culture Benchmarking Year." Throughout the year, by further consolidating and innovating quality culture activity IPs, the global promotion of "World-Class Quality" increased by 44%. The Group persistently carried out quality culture maturity assessments, with the Group's quality culture maturity score reaching 870. Meanwhile, Mengniu actively explored mechanisms to realize the value of quality culture. For the first time, four exemplary cases of quality culture development were selected as annual model cases by the China Association for Quality, supporting the external promotion of quality culture brand value and continuously advancing the development of quality culture.

In 2025, Mengniu further strengthened its five flagship series of quality culture initiatives, systematically developing a recognizable quality culture activity IP to reinforce quality awareness and engagement across the organization.

1-2 "World Quality of Responsibility" Activity

From January to February, Mengniu carried out a quality responsibility pledge campaign, which was rolled out level by level from the Group President down to front-line operators. This comprehensive effort reinforced the implementation of primary responsibility for quality and safety.

3-4 "China Milk, World Quality for Consumers" Activity

From March to April, Mengniu's 4th Short Video Competition achieved a total broadcast volume of over 3.74 million, and over 1.32 million reviews and likes; The "Open-Day" event attracted more than 2,500 consumers into the factory, enhancing the public's awareness and trust in product quality.

5-6 "World Quality of Innovation" Activity

From May to June, Mengniu held the 2nd QC Group Achievement Publishing Competition, and 14 QC groups won awards, and the relevant achievements were recognized by many industry authoritative awards from China Quality Association and China National Light Industry Council.

12 "World Quality of Craftsmanship" Activity

In December, Mengniu launched a series of honor selection activities such as Mengniu Group's Most Beautiful Quality Person, Quality Improvement Team Award and Quality Excellent Team Award to set individual and team benchmarks and encourage all employees to improve their quality behavior ability and level.

9-11 "World Quality of Construction" Activity

From September to November, Mengniu carried out a series of activities, such as industrial chain search, quality knowledge competition, quality culture construction exchange, and quality culture maturity evaluation, to continuously improve its quality culture construction capabilities.

In 2025, Mengniu actively participated in and organized industry exchange activities, and conducted training sessions and seminars on topics such as pasture management, food safety, and green transformation. These activities covered more than 300 participants from over 60 enterprises, enabling Mengniu to continue playing an exemplary role in promoting industry capability enhancement and experience sharing.

Mengniu participated in the 2025 GFSI China Conference, systematically shared the microbial control practices of the whole chain of dairy products, and was awarded the 2024-2025 Food Safety Innovation Case Selection Unit.

Quality and Food Safety Standards

Mengniu continued to participate in the formulation and revision of national and industry standards related to product quality and food safety, covering key areas such as green and low-carbon development, nutrition fortification, traceability systems, and quality evaluation. Through these efforts, the Group actively supported the industry's further implementation of the Quality Powerhouse Strategy, the Standardization Strategy, and the Healthy China Strategy.

Standard drafting and release

12 national standards

GB/T 45547-2025 General Technical Specifications for Food Production Traceability System, GB/T 46453-2025 General Principles for Evaluation of Food Traceability System, etc.

5 industry standards

*NY/T 4630-2025 Determination of α -Lactalbumin and β -Lactoglobulin in Milk and Its Products by Liquid Chromatography
NY/T 4684-2025 Quality of Forage Oat Hay, etc.*

2 local standards

*DB15/T 4041-2025 Technical Specification for Dairy Cow Manure Composting
DB15/T 4167.2-2025 Wastewater Treatment and Utilization from Large-Scale Dairy Farms-Part 2: Returning Fertilizer and Water to Fields*

11 group standards

*T/CNHFA 141-2025 Guidelines for Real World Research on Health Foods
T/CCAA 108-2025 Implementation Guide for Digitization of Food Production Quality, etc.*

Metrics and Targets

Targets related to quality management

Progress

No food safety incidents occurred in 2025

No product recalls occurred during the reporting period.

product traceability rate
100%



pass rate for factory release inspections
100%



Food safety recall incidents
0



pass rate in regulatory spot checks
100%



Superior Services

Guided by its core value of "Consumer First", Mengniu has practiced responsible marketing and regulated the communication of product nutrition and health claims. At the same time, the Group actively safeguarded consumers' legitimate rights and interests by maintaining open communication channels, strengthening consumer information security, and continuously improving service quality to deliver a better overall consumer experience.

Responsible Marketing

Mengniu strictly complies with laws and regulations such as the *Advertising Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Food Safety Law of the People's Republic of China*, and the *Food Labeling Management Regulations*. The Group has established and regularly updates management systems, including the *Responsible Marketing Policy*, the *Advertising Slogan and Trademark Review and Filing System*, the *Advertising Content Review Management System*, the *Product Claim Management System*, the *Commercial Promotion Management Regulations*, and the *E-Commerce Compliance Management Regulations*, which clearly stipulate the requirements for the expression of various types of information in marketing and publicity, such as product performance, efficacy, etc. should be based on facts, data, cases should be true and reliable and indicate the source, strictly limit the exaggeration, absolutist terminology, to eliminate false promises and misleading statements. In 2025, Mengniu released the *Comprehensive Management System for Conventional IP and Endorsers* and the *Group Brand External Cooperation Authorization System*. These measures unified advertising visuals and brand output standards, clarified cooperation boundaries, investment principles, and evaluation mechanisms, standardized brand authorization processes and role allocation, and safeguarded brand asset security. Furthermore, the Group conducted a group-wide internal audit specifically focused on responsible marketing, systematically reviewing compliance in areas such as marketing communications and product claims in accordance with relevant internal policies. This

initiative continuously strengthened internal controls and risk remediation, ensuring that all marketing activities are carried out in full compliance with applicable laws and regulations.

To protect consumers' right to information, Mengniu strengthened product information transparency through standardized and publicly disclosed labeling practices. The Group established the *Mengniu Dairy Technical Regulations Compliance Management System* and implemented a full-process label compliance review mechanism, featuring tiered reviews including self-checks by planning teams and joint reviews by legal and marketing departments. Labels were centrally managed through the Product Lifecycle Management (PLM) system, with a particular focus on the standardized presentation of nutrition and health information. Monthly compliance spot checks were conducted for e-commerce promotional materials. Mengniu strictly followed the *General Rules for the Labeling of Prepackaged Foods (GB 7718-2011)* and the *General Rules for Nutrition Labeling of Prepackaged Foods (GB 28050-2011)*, presenting energy values, key nutrient content, and Nutrient Reference Values (NRVs³⁴) in standardized tables. NRV (Nutrient Reference Value) represents the percentage of daily nutrient requirements provided by 100 g/100 ml or one serving of food. For genetically modified organism (GMO³⁵) products, we conducted compliance reviews in accordance with relevant labeling regulations, including the *National Food Safety Standard – General Rules for the Labeling of Prepackaged Foods (GB 7718-2025)*. For sports nutrition foods, we complied with the *Labeling of Prepackaged Foods for Special Dietary Uses (GB 13432-2013)* and the *National Food Safety Standard – General Rules for Sports Nutrition Foods (GB 24154-2015)*. Drawing on professional research in sports nutrition and dietary science, we clearly disclosed product consumption methods as well as recommended daily or per-serving intake, providing consumers with appropriate usage guidance. We also explored "clean label" practices by simplifying ingredient lists and, in accordance with regional regulatory requirements, adopting front-of-pack (FOP) labeling to accurately present product ingredients. Comprehensive label reviews were conducted to ensure clear disclosure of usage instructions, precautions, and warnings for specific consumer groups (such as restrictions for pregnant women on products containing Curacao aloe vera gel), thereby preventing exaggerated or misleading claims.

In terms of marketing ethics, Mengniu strengthened requirements for the authenticity of advertising and promotional content through institutional mechanisms, enhanced standardized management of marketing language, conducted routine audits across regular marketing activities, and required timely rectification of identified issues. The Group standardized disclosures related to product usage methods and precautions, scientifically guided consumers toward appropriate product use, and ensured that all information was accurate, factual, and free from content that could induce unsafe behavior. In 2025, Mengniu issued the *Advertising End-Frame Management System* to further regulate authorization procedures and clarify roles and responsibilities. In addition, based on the World Health Organization's *International Code of Marketing of Breast-milk Substitutes*, Mengniu released the *Mengniu Responsible Marketing Policy for Breast-milk Substitutes*, committing that neither the Group nor its partners would undermine breastfeeding practices through advertising or marketing activities, thereby demonstrating its commitment to public health.

Mengniu continued to strengthen responsible marketing awareness and capacity-building among employees through internal training programs and policy communications. Regular thematic training sessions and legal compliance education were conducted. For marketing campaigns, the Group adopted a "one activity, one plan" approach to ensure clear accountability and efficient execution. Specialized training programs were also organized on topics such as advertising compliance, trademark use, and copyright protection. In 2025, the Group conducted three IP compliance empowerment training sessions for brand and marketing personnel across business units, focusing on compliant use of long-term IP assets such as the FIFA World Cup, the Olympic Games, the NBA, Shanghai Disneyland, and Universal Studios Beijing. These sessions covered more than 300 participants in total, significantly enhancing compliance awareness. In 2025, We conducted 6 training sessions using a "roadshow" model, delivering tailored sessions to each business unit. The training covered advertising compliance (including anti-unfair competition), trademark usage and protection, and brand trademark compliance. Participants included marketing directors and brand managers from each business unit, achieving 100% coverage of all brand department members across the Group's business units.

³⁴ NRV: Nutrient reference values. Represents the nutrients in 100 g/100 ml/1 serving as a percentage of the daily requirement.

³⁵ GMO: Genetically modified organisms.

Consumer Services

Mengniu put strong emphasis on protecting consumer rights and strictly complied with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*. The Group issued policies such as the *Mengniu Dairy Terminal Market Feedback Management System* and the *Mengniu Group 400 Hotline Customer Complaint Handling Management System*, standardizing complaint handling and response procedures to ensure effective protection of consumers' legitimate interests. We have established a multi-channel complaint and feedback mechanism for consumers and other external stakeholders, ensuring that issues related to non-compliant products are promptly received, investigated, and properly addressed.

We provide multiple channels for consumer communication and feedback, including a consumer hotline, Weibo, WeChat, and email, to continuously enhance service quality. In addition, we have established smart online customer service systems on our official website and mini programs. Together with online forms, email, and our 400 hotline, these channels form an integrated, online-to-offline consumer communication and feedback mechanism. Leveraging our distributor network and in-store sales staff at terminal outlets, consumers may also provide feedback through offline channels, further improving the accessibility and convenience of feedback mechanisms.

We have established dedicated departments and roles to handle consumer complaints and have incorporated customer feedback into our product and service improvement processes. Consumer opinions and complaints are systematically collected and reviewed by relevant quality management functions, which conduct professional assessments to determine whether product or service enhancements are required. This enables the effective implementation of improvement measures and supports continuous enhancement of product quality and consumer experience.

All complaints are promptly assigned to responsible personnel for handling and are acknowledged immediately through channels such as the 400 hotline. Based on the nature of the issue, complaints are categorized and routed for appropriate handling. For cases requiring offline follow-up, relevant units are coordinated in a timely manner to ensure resolution. The Group provides feedback to consumers within specified timeframes and continuously tracks unresolved complaints until closure. Throughout the process, updates are communicated to consumers to ensure timeliness and transparency in complaint handling. For resolved complaints, follow-up reviews are conducted to verify effectiveness. In 2025, the target satisfaction rate for consumer complaint handling was 85%, with an actual achievement of 99%.

Mengniu Yourui brand focuses on the specific needs of elderly consumers. It enhances accessibility by prominently displaying nutritional information on product packaging and planning to introduce digital labels, while continuously advancing age-friendly content design and optimization measures—such as larger font sizes—on its mini-program to improve dedicated service experiences for elderly customers.

Mengniu also conducts regular dealer and consumer satisfaction surveys, collecting feedback through online questionnaires and e-commerce platform reviews. Insights from these surveys were used to develop continuous improvement plans, further enhancing dealer and consumer satisfaction.

In 2025, the Group established a quantitative monitoring and continuous tracking mechanism for customer satisfaction. At the brand level, Mengniu's Net Promoter Score (NPS) remained high, reaching 68, 86, 86 and 84 in the four quarters of the year, respectively (source: Kantar Brand Health Tracking, covering first- to fifth-tier cities and consumers aged 16–60).



In 2025

the Group received a total of

25,080
complaints

The overall complaint
resolution rate reached

100%

including

15,164
related to product quality

8,796
related to service

1,120
related to other matters



Data Security and Privacy Protection

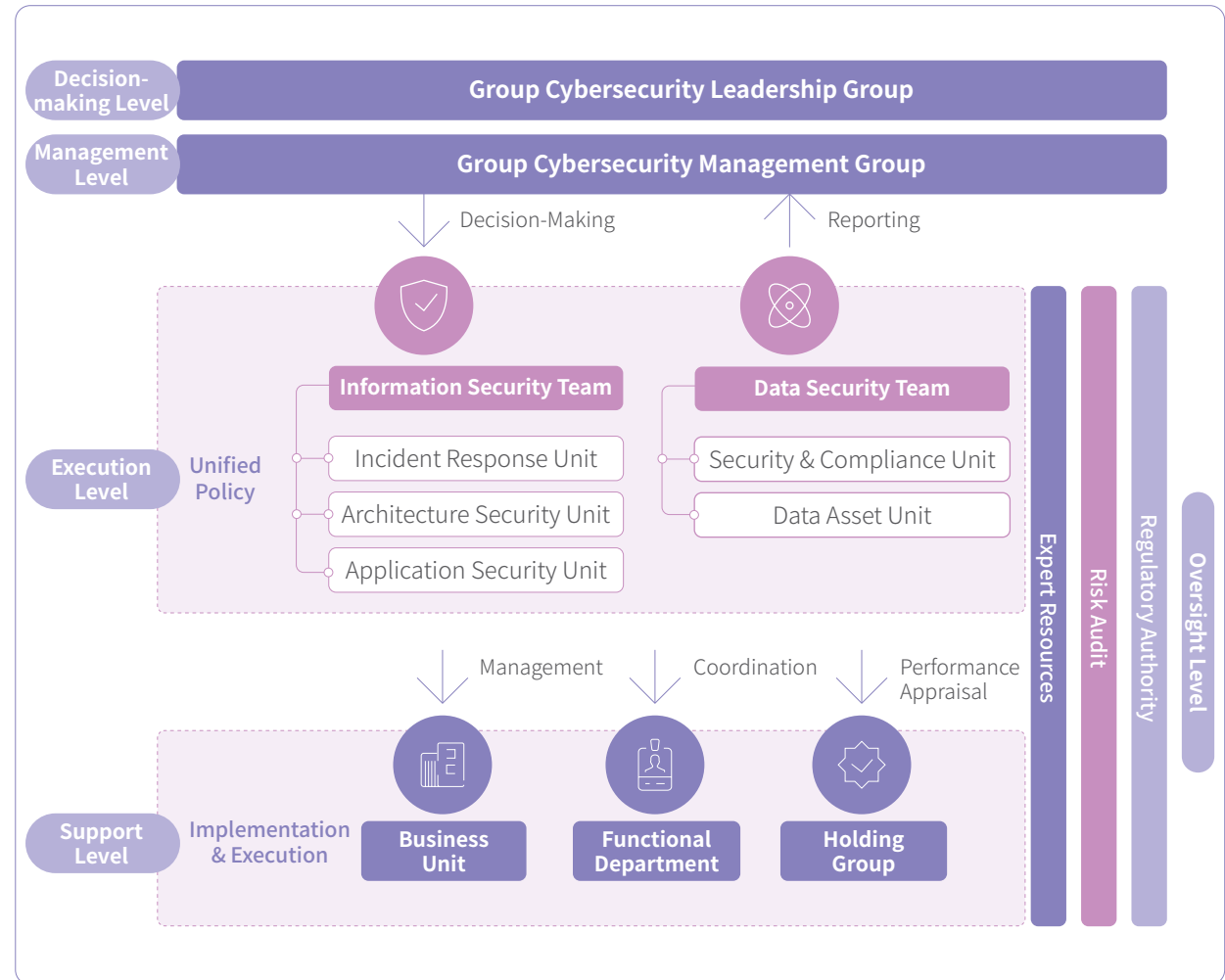
Mengniu attaches great importance to information security for the Group and its stakeholders. Centered on the goal of "making data usage safer," the Group established and implemented high-standard information security management policies and continuously advanced systematic information protection and data security initiatives to ensure compliance with data security and privacy protection requirements.

In 2025, Mengniu recorded no major data leakage incidents, no significant information security incidents, and no complaints related to consumer privacy or data security.

Management System

Mengniu attaches high importance to safeguarding information security for the Group and its stakeholders and strictly complies with applicable laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Basic Requirements for Cybersecurity Level Protection of Information Security Technology*, as well as relevant COFCO Group requirements. On these basis, the Group issued a series of internal policies, including the *Mengniu Information Security Management System*, the *Personal Information Protection Compliance Management Regulations*, the *Data Security Management Regulations*, and the *Data Processing Agreement of Mengniu Group*, to standardize and institutionalize data compliance across the full data lifecycle. In 2025, Mengniu formulated and implemented the *Digital and Intelligent Information Security Management Regulations*, systematically strengthening network and data security risk prevention, improving security monitoring and emergency response mechanisms, and providing robust safeguards for digital transformation.

To achieve the goal of "making data usage safer," Mengniu has established an information security governance structure centered on the objective of safer data use. The Chief Digital Officer (CDO) oversaw the Group's cybersecurity strategy, while the Group Cybersecurity Leadership Committee guided the steady development of information and network security. Information security and data security teams were responsible for governance framework planning and implementation, with security teams across business units, functional departments, and subsidiaries, together with all employees, responsible for execution and coordination with external experts, auditors, and regulatory authorities.



Mengniu Information Security Governance Structure

Mengniu set annual targets and incorporated information security performance into departmental and employee performance appraisals, strengthening accountability and closed-loop execution, and ensuring that information security management measures were effectively implemented across all business operations.

Data Security and Privacy Initiatives

Mengniu conducted routine inspections of security devices deployed across its existing networks and carried out Internet exposure assessments covering all Group internet-facing assets to comprehensively identify unknown threats. Regular multi-level protection assessments were performed, vulnerabilities were remediated in advance, and attack risks were reduced. Asset-level vulnerability management was continuously implemented, with monthly scanning and remediation to ensure timely issue closure. For newly launched systems, strict security testing requirements were enforced, including vulnerability scanning and penetration testing, to continuously enhance overall cybersecurity resilience.

In 2025, Mengniu successfully passed the annual audits for ISO 37301 and GB/T 35770 compliance management system certifications issued by the China Quality Certification Center and SGS Standard Technical Services Co., Ltd., with data compliance included as a key certification scope. During the reporting period, the internal audit department conducted a dedicated information security audit.

Mengniu puts the standardized use of artificial intelligence high on the agenda, and strictly complies with the *Regulations on the Administration of Deep Synthesis of Internet Information Services* and the *Interim Measures for the Administration of Generative Artificial Intelligence Services*. The Group issued several governance documents, including the *Notice on Regulating the Construction and Use of Generative Artificial Intelligence*, and labeled "AI-generated content" and algorithm filing information in prominent locations to fully inform employees, customers, and consumers. In 2025, Mengniu signed the *Data Security Agreement with Third-Party AI Large Model Service Providers* and deployed an application firewall for large models to further strengthen AI governance.

Mengniu has enhanced consumer privacy and information security protection through measures including authentication, authorization, auditing, data encryption, and anonymization. For consumer-facing applications and mini programs, personal information protection compliance checks were conducted,

supported by standardized risk self-assessment tools to promote routine risk evaluation by business units. For projects involving personal data, a pre-review mechanism was established, integrating key compliance checkpoints into contract review processes to identify potential data security risks and strengthen personal information protection.

To standardize external data procurement and enhance data security compliance, Mengniu has formulated the *Regulations on the Management of Purchased Data Assets* and established a joint data asset management taskforce, ensuring that external data procurement complied with national laws, regulations, and Group requirements while safeguarding consumer privacy.

Emergency Response

Mengniu has established an information security and privacy emergency response mechanism to ensure the timely handling of security and privacy incidents, supported by compliant remediation measures and contingency plans. In 2025, the Group organized information security emergency drills focused on enhancing network and data security response capabilities. Scenario-based tabletop exercises simulated system intrusions, ransomware attacks, data leakage, and data tampering, covering command coordination, incident assessment, response handling, and recovery. Collaborative simulations were also conducted with relevant government authorities and industry partners. These exercises tested and optimized emergency response mechanisms, clarified roles and responsibilities, and significantly improved response efficiency and coordination.

Information security and privacy protection requirements have been incorporated into the *Employee Handbook*, with disciplinary measures defined based on the severity of violations, including warnings, demerits, demotion, dismissal, and contract termination. Clear incident reporting procedures have been established, requiring employees to promptly report suspected information security incidents to designated authorities for professional handling.

Emergency Drill for Preventing Consumer Information Leakage

In March 2025, Mengniu organized an emergency drill focused on preventing consumer data leakage, inviting government agencies and upstream and downstream dairy industry partners to observe. The drill simulated industrial control system cybersecurity risks, including delayed remediation of web vulnerabilities that enabled attackers to gain server access and launch compound attacks, resulting in consumer data leakage, production database tampering, and system hijacking.

Detailed operational protocols were implemented across emergency command, response coordination, and professional handling, ensuring effective cross-entity collaboration and successful completion of the exercise.

Awareness Campaign

Mengniu highly values employees' awareness of information protection. In 2025, the Group delivered information security training to all employees through online video courses covering email security, password protection, cybersecurity, and personal data protection. Training participation and assessment coverage reached 100%.

Training participation and assessment coverage reached

100%

IP Rights Protection

In compliance with the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other laws and regulations, Mengniu has formulated internal systems such as the *Trademark Management System*, the *Patent Management System*, the *Intellectual Property Management System*, the *Copyright Management System* and the *Patent Management Rules for R&D Projects* to establish and improve the intellectual property management system. In 2025, the Group issued new policies such as the *Mengniu Patent Award Application Process*, the *Guidelines for Patent Product Identification and Patent Promotion*, the *Patent Commercialization System and Management Framework*, and the *Patent Authorization and Commercialization Incentive Plan*. These measures supplemented incentives for patent promotion, enhanced the efficiency of patent application and commercialization, and further strengthened the Group's intellectual property management capabilities.

In 2025, Mengniu did not record patent infringement or patent enforcement cases.

In 2025, Mengniu completed the recertification of the ISO 56005 Innovation and Intellectual Property Management Capability Level 4.

Mengniu built an intellectual property management system, improved the whole life cycle planning of intellectual property, and formed four major mechanisms. Specifically, Mengniu has established a "navigation mechanism" for intellectual property creation guided by high-value brand innovation, supported by digital and intelligent technology platforms. It has also formed an "escort mechanism" for multi-dimensional collaborative protection of its own IP and real-time dynamic monitoring and early warning against industry peers, a "voyage mechanism" for analyzing the legal environment of overseas market expansion destinations and monitoring competitors' intellectual property risks, and a "leadership mechanism" for comprehensively coordinated intellectual property management with business units to leverage the combined effects of various types of intellectual property. The Group aims to build itself into an internationally recognized intellectual property leader, with world-renowned trademarks and industry-leading patented technologies as its core competitive advantages.

Mengniu has continued to implement patent classification management across four priority areas—environmental protection, nutrition and health, AI and digital intelligence, and sustainability—promoting the deep integration of technological innovation and industrial upgrading. In 2025, the Group advanced the application of artificial intelligence in Patent management and data analytics, deploying AI-powered patent analysis tools and intelligent patent monthly reporting systems. Relevant AI-based data analytics technologies obtained patent authorization. Meanwhile, Mengniu filed multiple patents in areas including biodegradable plastic straws, biosynthetic protein technologies, and energy-efficient dairy processing techniques, continuously leveraging technological innovation to support green and low-carbon development.

The Group has progressively cultivated an intellectual property culture through regular training programs to enhance employees' awareness of IP protection and risk identification, covering areas such as advertising compliance, compliant trademark registration, and proper trademark use. In 2025, Mengniu organized a series of Intellectual Property Awareness Week activities and delivered 10 specialized training sessions covering trademark management, advertising compliance, and evidence retention, supporting the continuous enhancement of innovation and IP management capabilities.

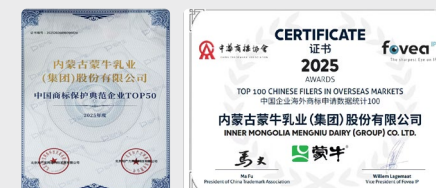
Mengniu has actively participated in international intellectual property industry conferences to exchange IP management practices and portfolio strategies, contributing to the collective advancement of IP protection across the industry.

Mengniu Wins the 25th "China Invention Patent Silver Award" and "China Design Patent Excellence Award"

In May 2025, Mengniu won both the 25th China Invention Patent Silver Award and the China Design Patent Excellence Award. This marked the first time the Group received both invention and design awards in the same China Patent Awards cycle, and reflected the strength of its R&D innovation and industrialization capabilities. Mengniu also retained the China Patent Silver Award for invention patents for consecutive years.



Mengniu Group was honored with two significant awards at the 15th China International Trademark and Brand Festival: "Top 100 Chinese Filers in Overseas Markets" and "Top 50 Exemplary Enterprises in Trademark Protection in China."



While safeguarding its own intellectual property rights, Mengniu has consistently respected the IP rights of others by embedding IP searches and infringement risk assessments throughout the entire product development process, including project initiation, development, and market launch. In 2025, the Group lawfully addressed an improper patent application and successfully recovered the priority rights of the relevant patent.

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Mengniu Sustainability Key Performance Table

Economic Performance

Indicator	Unit	2023	2024	2025
Revenue	RMB 100 million	986.24	886.75	822.45
Total assets	RMB 100 million	1,152.20	1,062.93	965.78
Profit attributable to owners of the Company	RMB 100 million	48.09	1.05	15.45
Production capacity	10,000 tonnes	1,404	1,399	1,394

Social Performance—Employment

Indicator	Unit	2025
Total number of employees	person	38,301
Total number of male employees	person	22,177
Total number of female employees	person	16,124
Total number of full-time employees	person	38,298
Total number of part-time employees	person	3
Total number of employees from ethnic minorities	person	3,032
Total number of disabled employees	person	262
Total number of new employees	person	4,858

Indicator	Unit	2025
Total number of employees aged 40 and below	person	26,935
Total number of employees aged above 40	person	11,366
Total number of employees at overseas	person	2,389
Total number of employees in Hong Kong, Macao and Taiwan	person	15
Total number of employees in Chinese mainland	person	35,897
Total number of employees with master's degree or above	person	1,732
Total number of employees with bachelor's degree	person	17,115
Total number of employees with college's degree	person	10,750
Total number of employees with high school degree or below	person	8,704
Total number of male employees in senior management	person	13
Percentage of male employees in senior management	%	81.25
Total number of female employees in senior management	person	3
Percentage of female employees in senior management	%	18.75
Total number of male employees in middle management	person	1,933
Percentage of male employees in middle management	%	74.63
Total number of female employees in middle management	person	657
Percentage of female employees in middle management	%	25.37

Indicator	Unit	2025
Percentage of vacant positions filled by internal candidates	%	42.58
Employee turnover rate ³⁶	%	16.42
Turnover rate of male employees	%	16.29
Turnover rate of female employees	%	16.58
Turnover rate of employees aged 40 and below	%	18.02
Turnover rate of employees aged above 40	%	12.54
Turnover rate of employees at overseas	%	12.21
Turnover rate of employees in Hong Kong, Macau and Taiwan	%	0.00
Turnover rate of employees in Chinese mainland	%	16.70
Active employee turnover rate	%	10.29
Total training hours of employees	hour	2,303,110.64
Average training hours of employees	hour	60.13
Employee training rate	%	100
Total training hours of male employees	hour	1,200,650.55
Average training hours of male employees	hour	54.14
Percentage of male employees trained	%	100

³⁶ The statistical scope of employee turnover related data is Mengniu's main business.

Indicator	Unit	2025
Total training hours of female employees	hour	1,102,460.09
Average training hours of female employees	hour	68.37
Percentage of female employees trained	%	100
Total training hours of senior management employees	hour	2,476.86
Average training hours of senior management employees	hour	154.80
Percentage of senior management employees trained	%	100
Total training hours of middle management employees	hour	120,832.32
Average training hours of middle management employees	hour	46.65
Percentage of middle management employees trained	%	100
Total training hours of general employees	hour	2,179,801.46
Average training hours of general employees	hour	61.07
Percentage of general employees trained	%	100
Number of employees' complaints and reports	case	5
Number of complaints resolved	case	5

Social Performance—Occupational Health and Safety

Indicator	Unit	2025
Occupational disease cases	case	0
Employee deaths due to work-related incidents ³⁷	person	0
Employee death rate due to work-related incidents ³⁸	%	0
Total investment in safety measures	RMB 10,000	3,715.12
Occupational health and safety risk assessment	time	31
Lost work hours due to work injuries	hour	10,488
Employee physical examination coverage rate	%	100
Occupational health and safety training coverage rate	%	100

Social performance – Others

Indicator	Unit	2023	2024	2025
Labor contract signing rate	%	100	100	100
Social insurance coverage	%	100	100	100
Employee Response Rate	%	100	100	100
Performance rate of procurement contracts	%	100	100	100
Response rate of consumer complaints and suggestions	%	100	100	100
Total external public welfare investment	RMB 10,000	5,124.75	5,341.49	4,800.00
Total tax payments	RMB 100 million	48.41	43.71	44.85

³⁷ Employee deaths due to work-related incidents reflects the information of employees who died as a result of safety production accidents and the scope is within Mengniu's principal business.

³⁸ Employee death rate due to work-related incidents = (Employee deaths due to work-related incidents / Total number of employees)*100%

Environmental Performance³⁹

Indicator		Unit	2023	2024	2025
Exhaust Gas	Total exhaust emissions	million cubic meters	1,119.31	1,164.39	1,045.56
	SO ₂ emissions	kg	27,980.00	29,110.00	26,140.00
	NO _x emissions	kg	100,740.00	104,700.00	94,110.00
	Soot emissions	kg	22,390.00	23,240.00	20,900.00
Wastewater	COD discharge	tonne	1,106.82	1,128.57	1,019.21
	BOD discharge	tonne	238.40	241.26	217.88
	Ammonia nitrogen	tonne	335.81	300.90	294.80
Solid Waste	Total hazardous waste	tonne	406.09	322.14	384.35
	Hazardous waste generated intensity by revenues	kg/RMB million revenue	4.12	3.63	4.67
	Total non - hazardous waste	tonne	55,888.60	49,517.90	51,814.94
	Non - hazardous waste generated intensity by revenue	tonne/RMB million revenue	0.57	0.56	0.63
	Total waste	tonne	/	/	52,199.29
	Compliant treatment percentage of solid waste	%	100	100	100
GHG	Total GHG Emissions (Scope 1 and Scope 2)	10,000 tCO ₂ e	142.33	129.42	121.94
	Scope 1 Emissions	10,000 tCO ₂ e	27.04	27.75	18.97
	Scope 2 emissions	10,000 tCO ₂ e	115.29	101.67	102.97
	GHG emissions per tonne of product	kg CO ₂ equivalent/tonne	166.17	163.81	162.11

³⁹ Calculation Method Description:

1. Data on waste gas, wastewater, greenhouse gases, solid waste, energy consumption, and water resource usage cover all self-operated factories of the Mengniu Group, including room temperature products, chilled products, ice cream, fresh milk and milk powder production facilities.
2. Comprehensive energy consumption is calculated based on the General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020). It is derived by directly converting the usage of energy sources such as gasoline, diesel, natural gas, electricity consumption, and purchased thermal energy.
3. Scope 1 emissions include fuel combustion emissions, methane emissions from anaerobic wastewater treatment, and refrigerant leakage emissions. Scope 2 emissions cover greenhouse gas emissions from net electricity consumption and steam. The greenhouse gases involved in the actual production processes of Mengniu's self-operated factories include carbon dioxide, methane, and hydrofluorocarbons. Greenhouse gas monitoring methods comply with the Enterprise Greenhouse Gas Emissions Accounting and Reporting — Industrial Enterprises (GB/T 32150), GHG Emission Accounting and Reporting Requirements Part 25: Food, Tobacco and Liquor, Beverage and Refined Tea Enterprises (GB/T32151.25), China Mengniu Dairy Group Carbon Emissions Accounting Technical Guidelines, GWP (Global Warming Potential) values reference the IPCC Sixth Assessment Report.

Indicator		Unit	2023	2024	2025
GHG	Scope 3 Category 1: Raw milk emission	10,000 tCO ₂ e	/	/	1,110.99
	Scope 3 Category 4: Upstream transportation emission (raw milk transportation only)	10,000 tCO ₂ e	/	/	20.39
	Scope 3 Category 9: Downstream transportation emission (from factory to distributor)	10,000 tCO ₂ e	/	/	55.18
Energy Consumption ⁴⁰	Gasoline consumption	MWh	217.49	137.77	221.93 ⁴¹
	Diesel fuel consumption	MWh	1,419.91	1,538.94	2,855.46 ⁴²
	Purchased steam	MWh	1,531,174.54	1,288,509.81	1,097,125.73
	Natural gas consumption	MWh	973,140.11	967,022.82	885,991.08
	Grid electricity consumption across regions	MWh	1,187,519.13	1,093,743.16	1,075,537.89
	Generation of solar power	MWh	11,267.80	15,722.45	20,056.41
	Steam production from biomass energy	tonne	208,049.95	183,383.14	159,810.55
	Direct energy consumption	MWh	974,777.51	968,699.53	889,068.47
	Indirect energy consumption	MWh	2,729,961.47	2,397,975.42	2,191,720.03
	Non-renewable energy consumption	MWh	/	/	2,829,522.83
	Renewable energy consumption	MWh	/	/	252,265.67
	Comprehensive energy consumption	MWh	3,704,738.98	3,366,674.95	3,081,788.50
	Unit comprehensive energy consumption for operating revenue	MWh/RMB million revenue	37.56	37.97	37.47

⁴⁰ Based on the continuous improvement of the energy management and data accounting system, the Group has reviewed and optimized energy consumption-related data, making corresponding retroactive adjustments to the figures for 2023 and 2024.

⁴¹ In 2025, the Beijing plant experienced an increase in gasoline consumption due to a rise in the use of internal transfer vehicles.

⁴² In 2025, the Tongliao plant faced insufficient steam supply from the power plant due to local electricity restrictions, leading to the activation of backup diesel boilers, which resulted in an increase in diesel consumption.

Indicator	Type	Unit	2024	2025
Water Utilisation	Total water withdrawal	tonne	30,815,328.00	29,086,328.55
	Water consumption	tonne	1,567,928.00	1,302,188.94
	Total water discharge	tonne	29,247,400.00	27,784,139.61
	Alternative water utilization rate	%	8.33	6.48
	Water resources recycling rate	%	8.33	6.48
	Water withdrawal intensity	tonne/RMB million revenue	347.51	353.66
	Production water density per tonne of product	tonne/tonne	3.55	3.51

Indicator	Type	Unit	2024	2025
Packaging Materials Usage	Plastic packaging	tonne	171,732.75	173,693.12
	Wood/Paper fiber packaging	tonne	1,075,342.15	891,839.68
	Metal packaging	tonne	22,885.67	17,814.62
	Glass packaging	tonne	93.75	94.40
	Total packaging material	tonne	1,270,054.32	1,083,441.82



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