

## Mengniu Environmental Management Policy

Mengniu upholds the concept of green development, strictly adheres to national environmental protection laws and regulations, comprehensively strengthens the construction of a green operation system, and undertakes the mission of environmental protection. The company reduces the negative impact of its operations on the environment through the fulfillment of self-set environmental goals. By taking concrete actions, Mengniu promotes the construction of ecological civilization and contributes corporate strength to achieving sustainable development. This Policy clarifies the principles, objectives, and action framework for environmental management within the company, aiming to systematically promote green practices, ensure compliance with operations, and contribute to global sustainable development goals.

### Scope

The Policy applies to all departments and operation sites of Mengniu Group and its branches and subsidiaries. The company is committed to promoting sustainable development throughout the value chain and encourages suppliers and partners to formulate environmental management measures that are equivalent or more stringent than this policy.

### Basic Principles

#### 1. Compliance

The company strictly complies with applicable environmental laws and regulations in all areas of operation, including but not limited to the *Environmental Protection Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and*

## **2. Prevention First**

The company continuously improves its environmental management level, identifies and prevents potential environmental risks, consults external stakeholders (e.g., communities, industry associations, environmental protection organizations, etc.) in the process of formulating and implementing policies, consistently carries out environmental management system certification work, and gives priority to pollution prevention and resource conservation measures.

## **3. Continuous Improvement**

The company always upholds a strong sense of responsibility towards environmental protection and actively responds to public concerns. It continuously optimizes pollution control facilities and environmental protection equipment, regularly conducts pollutant compliance monitoring, and implements supervisory monitoring to ensure the authenticity and accuracy of monitoring data. Environmental performance is regularly evaluated, with improvement goals set and achieved.

## **4. Full Participation**

The company regularly conducts ecological and environmental protection training covering the impact of work activities on the environment, emission reduction measures and emergency response, and actively organizes various ecological and environmental cultural activities to help employees understand the company's reliance on and impact on the environment, thereby enhancing their environmental awareness.

## **Management Responsibilities**

The Board's Sustainability Committee is responsible for formulating the development

plan for environmental management, and oversees environmental matters. The company has established an Energy Conservation and Emissions Reduction Committee, chaired by the Group President, and has also formed task forces on green packaging and sustainable water management, and other sustainability topics, to manage specific issues such as circular economy and water resources. Each functional department, business unit and factory performs its duties according to the Mengniu Manual on Environmental Protection.

The company clarifies the roles and responsibilities of different levels and departments in environmental management, monitors and measures the implementation of environmental performance indicators and target management programs, incorporates environmental performance into the management performance evaluation system, regularly conducts performance-related indicator assessments in accordance business management documents such as responsibility agreements with business units, performance contract with the person chiefly in charge, and the safety & quality adjudication rules. The company controls non-conformities, incidents, accidents, and non-compliance identified through monitoring or measurement; determines and collects information that can demonstrate the suitability and effectiveness of the system; analyzes the information to identify improvement opportunities; implements corrective actions to continually enhance system performance; and ensures the effective implementation of the policy.

## **Key Management Areas**

### **1. Climate Change Response**

- Establish the annual Sustainable Development Committee meeting mechanism to regularly identify and discuss climate change risks, review climate-related targets, oversee the response, implementation and performance of climate-related matters, and report progress to the board of directors. External experts and stakeholders are invited to participate in the discussion of climate issues, as necessary.
- Develop the implementation roadmap for the "dual carbon" goals, committing to

peak carbon emissions by 2030 and achieve carbon neutrality by 2050, with annual carbon intensity targets set per ton of dairy products.

- Continuously advance carbon reduction from operations by implementing renewable energy substitution projects, and gradually increasing the proportion of clean energy in total energy consumption, with a focus on promoting the construction of new energy projects such as photovoltaic and biomass energy.
- Focus on carbon reduction across the entire value chain by building low-carbon farms and logistics demonstration projects, establishing a green supply chain, and collaborating with upstream and downstream partners to promote the achievement of Scope 3 targets.
- Improve the "1+4" carbon emission MRV system and the three-tier data quality review mechanism to achieve monitoring and analysis of carbon emissions, thereby enhancing the efficiency of carbon emission management.

## **2. Energy Use**

- Establish an energy management system that complies with the ISO 50001 international standard, and continuously improve energy use efficiency through energy audits and energy-saving diagnosis.
- Prioritize the development of green electricity and biomass energy projects at operation sites to create renewable energy demonstration projects.

## **3. Waste Management**

- Implement the "zero waste" concept and reduce waste throughout the products' entire lifecycle through eco-design , waste resource utilization technology development, recycling management promotion, and resource utilization rates improvement.
- Improve the waste classification and recycling system, enhance the comprehensive utilization rate of resources through process improvements and industrial chain collaboration, and strive to achieve the goal of zero landfill for

production waste.

#### **4. Water Resource Management**

- Implement the national "Four Waters and Four Determinations" management principle, and carry out water resource management throughout the entire lifecycle of water resources, including extraction, use, and conservation.
- Enforce the *Mengniu Sustainable Water Management Policy*, conduct watershed water risk assessments, and establish water resource protection cooperation mechanism with suppliers and communities.

#### **5. Biodiversity Conservation**

- Develop a biodiversity conservation strategy and integrate ecological protection requirements into the entire process of project siting, construction, and operation.
- Conduct regular biodiversity risk assessments in operational areas, establish a list for the protection of ecologically sensitive zones, and implement graded and categorized control measures.

#### **6. Environmental Risk Management**

- Establish a mechanism for identifying and assessing environmental risks, and implement a "one source, one policy" management plan for major sources of environmental risk.
- Improve the emergency response plan system for sudden environmental incidents, with each operation sites conducting specialized emergency drills regularly to ensure a 100% integrity rate of emergency facilities and a 100% training coverage rate for personnel.

### **Policy Updates**

Mengniu will continuously enhance the transparency of its environmental management efforts, maintain communication with external stakeholders from time to time

through symposiums and questionnaire surveys, regularly disclose progress, and timely review and update the Policy.

## **Policy Supervision and Reporting**

The Sustainability Committee oversees the implementation of this Policy. Key initiatives and progress toward targets are reported to the Committee.

The Policy may be supplemented or adjusted according to local laws and regulations, and stricter standards shall prevail where applicable.