

## Mengniu Employment and Diversity Policy

Mengniu consistently prioritizes talent development as its top strategic focus, upholding the core value of "people-oriented" principles. The Company respects and safeguards the legitimate rights and interests of all employees ("workers"), fostering a diverse, equitable, and inclusive workplace. We offer competitive compensation, differentiated performance evaluations, diversified incentives, flexible benefits, and an enhanced employee experience, striving to improve employees' sense of well-being and belonging, and aiming to attract world-class dairy industry talent and achieve mutual growth between employees and the Company.

### Scope

The *Mengniu Employment and Diversity Policy* (hereinafter referred to as the Policy) applies to all employees (including senior management) of Mengniu and its subsidiaries. The Company encourage and expect suppliers, contractors, and other stakeholders to adhere to this Policy.

### Contents

Mengniu is committed to complying with international human rights instruments such as the *United Nations Universal Declaration of Human Rights*, the *International Covenant on Economic, Social and Cultural Rights*, and the *United Nations Guiding Principles on Business and Human Rights*, and actively upholds the principles and rights set forth in the *Declaration on Fundamental Principles and Rights at Work* established by the International Labor Organization (ILO).

In the event of any conflict or inconsistency between this Policy and any applicable laws and regulations, the applicable laws and regulations shall prevail.

Mengniu's fundamental principles for all employees are as follows:

#### 1. Human Rights Protection

- Prohibition of Child Labor: Strictly adhere to international labor standards, prohibit the

employment of anyone under the age of 16 or below the minimum legal working age in the respective country or region (whichever is higher) , and implement rigorous identity verification mechanisms to eliminate child labor at the source.

- **Prohibition of Forced Labor:** Strictly prohibit all forms of forced or compulsory labor, as well as any physical or psychological coercion and exploitation. Ensure that employees voluntarily sign employment contracts and have the right to resign freely.
- **Anti-Human Trafficking:** Strictly prohibit all forms of human trafficking. Establish early warning mechanisms to ensure that company operations do not directly or indirectly involve human trafficking activities.
- **Equality and Inclusion:** Actively foster a diverse and inclusive culture, providing equal opportunities for everyone and ensuring that recruitment, promotion, compensation, and other processes are free from discrimination based on gender, race, age, sexual orientation, color, religion, disability, marital status, or any other characteristic.
- **Pay Equity:** Ensure that compensation for the same position and job level is not influenced by gender, age, or other factors, and provide employees with pay commensurate with their job responsibilities and capabilities.
- **Freedom of Association and Collective Bargaining:** Respect employees' right to freedom of association, and support and encourage employees to autonomously decide whether to join, form, or refrain from participating in trade unions or other associations, in compliance with applicable laws and regulations. The Company supports and actively promotes cooperative dialogue with trade unions and worker associations on matters such as collective bargaining agreements and employee benefits, and safeguards all employees' right to participate in collective bargaining.
- **Human Rights Risk Assessment:** Establish a comprehensive human rights risk assessment framework to systematically identify, analyze, evaluate, control, and monitor potential human rights risks arising from company operations, and to implement corresponding preventive and responsive measures. The Company strictly complies with local laws and regulations to identify and determine human rights issues that may arise during operations, prioritizes them based on risk analysis, and thereby reduces the likelihood or

impact of human rights risks. An effective risk monitoring mechanism is established and operated, including regular reporting, random inspections, and due diligence, to review and evaluate the Company's performance in human rights risk prevention and response, ensuring that issues are promptly detected and properly addressed.

## **2. Anti-Discrimination and Anti-Harassment**

- **Zero-Tolerance Commitment to Anti-Discrimination and Anti-Harassment:** Maintain a zero-tolerance stance toward harassment (including sexual and non-sexual harassment), bullying, and discrimination in the workplace and other work-related environments. Explicitly prohibit any form of physical, sexual, psychological, or verbal harassment and abusive conduct.
- **Routine Anti-Discrimination and Anti-Harassment Trainings:** Conduct regular awareness campaigns and trainings on anti-discrimination and anti-harassment in the workplace for all employees.
- **Reporting and Corrective Procedures for Anti-Discrimination and Anti-Harassment:** Immediately report any instances of prohibited conduct such as discrimination or harassment in the workplace, and promptly implement disciplinary and corrective actions.
- **Whistleblower Protection:** Commit to safeguarding the privacy and information security of whistleblowers to prevent unfair treatment or retaliation.

## **3. Living Wage**

- **Living Wage Commitment:** The Company commits to paying a living wage to all employees in its operational locations, ensuring compensation complies with applicable wage laws in all operating locations. The Company ensures wages are not less than the local living wage benchmark, and employee compensation complies with all applicable laws and regulation in each operating location.

## **4. Employee Rights and Well-being**

- Reasonable Working Hours: Strictly comply with labor regulations, reasonably schedule employees' working hour. Overtime is arranged with respect to employees' willingness and is compensated with overtime pay or time off in lieu according to the labor laws.
- Flexible Working Hours: Based on the type of working hours and job characteristics, and while ensuring the statutory daily working hours and effective completion of tasks, each functional department and business unit may make reasonable adjustments to core working hours and daily start and end times in accordance with local conditions.
- Employee Benefits: In strict compliance with local legal requirements, employees are provided with a healthy, safe, and comfortable working environment to prevent workplace injuries and occupational diseases. Social insurance, housing provident fund, and other company-exclusive benefits are promptly paid.
- Health and Stress Management: Prioritize employees' physical and mental health, provide a gym for fitness, and regularly host psychological seminars to encourage employees to maintain a positive, healthy, and optimistic mindset in their work.

## **5. Employee Trainings and Development**

- Place great emphasis on talent, sincerely recruit qualified professionals, offer competitive compensation and benefits to all employees, and have established long-term compensation incentive programs. Guided by the principle of fairness and integrity, with virtue as the priority," the Company implement a BLOOM talent selection philosophy centered on "Let Mengniu's Talent Shine", the Company highly value employees' personal development and promotion, providing clear career progression paths for all employee groups and ensuring scientific rigor in promotion processes. The Company have established a comprehensive performance evaluation system, conducting periodic assessments, feedback, and reviews for all employees to align organizational and individual performance. The Company emphasize performance feedback and conduct timely performance discussions with employees to provide personalized capability development paths. The Company implement team-based performance evaluations,

assessing employees as integral parts of their teams, scientifically setting team and individual goals with appropriate weightings to promote the synergistic enhancement of individual growth and team effectiveness.

- Execute an end-to-end talent development strategy covering the entire career lifecycle, building a diversified development platform and a holistic talent cultivation system through well-structured career pathways and a robust training framework. By leveraging multiple training channels, including online + offline, internal + external, the Company drive the digital transformation of talent development to fully meet the learning needs of employees across different categories and levels.
- Establish employee development programs aimed at enhancing and improving employee skills, with learning resources made available to all employees.

## **6. Diversity**

- Adhere to diversity and non-discrimination in employment, strictly complying with local laws and regulations. In the process of selecting and recruiting talent, uphold the principles of fairness, openness, and impartiality, oppose and take measures to avoid any form of workplace discrimination.
- Scientifically and reasonably set recruitment criteria based on job requirements, providing equal employment opportunities. Do not set discriminatory conditions such as race, ethnicity, gender, religious belief, height, appearance, or qualifications unrelated to job responsibilities.
- Advocate for diversity and equal opportunity, pay attention to the introduction of talents of different genders and age structures, strive to build a diverse and inclusive workforce, and aim to avoid gender homogenization in the recruitment process at all levels. The Company will continue to emphasize the cultivation of female talent, providing more development opportunities for female employees.

Mengniu encourages and supports all suppliers, contractors, distributors, and other partners to

carry out related work in reference to the Mengniu Employment and Diversity Policy, paying their employees with living wage, and committing to avoiding or reducing overtime or excessive working hours, setting maximum working hours, ensuring equal pay for equal work, paying vacation wages, and establishing a minimum consultation or notice period before large-scale contract termination. Additionally, Mengniu explicitly requires all suppliers, contractors, distributors, and other partners to commit to prohibiting human trafficking, forced labor, and child labor, safeguarding the freedom of association and collective bargaining, and ensuring that their employees will not be subject to any discrimination or threats based on factors such as color, race, gender, religion, or political affiliation.

## **Policy Updates**

Mengniu will continuously enhance the transparency of employee employment management, actively participate in communication with external stakeholders, regularly disclose progress, and promptly review and update the Policy.

## **Policy Supervision and Reporting**

The contents of the Policy are supervised by Mengniu's Sustainability Committee, with key work and progress toward goals reported to the Sustainability Committee.

The Policy may be supplemented or adjusted according to national laws and regulations and local policies, and more stringent standards shall apply.