

Mengniu Nutrition and Health Policy

Nutrition is the important material foundation for maintaining human life, ensuring growth and development, and promoting physical and mental health. Reasonable diet and nutrition education are the most fundamental, economical, and effective strategies and measures to solve public nutrition and health issues. At present, the world faces a dual burden of overnutrition and undernutrition. Overweight, obesity, or Noncommunicable Diseases (NCDs) related to diet coexist with stunting, wasting, micronutrient deficiencies throughout the entire life cycle of individuals, families, and populations, causing serious and lasting impacts on individuals, their families, communities, and national development, economy, society, and healthcare.

As a leading global dairy enterprise, Mengniu is committed to researching, developing and producing multiple categories of nutrition products, conducting diversified nutrition and health education activities to meet consumers' nutrition and health requirements, promoting nutrition and health concepts, advocating healthy lifestyles, and addressing public health issues such as malnutrition.

References

According to the relevant business, Mengniu has formulated the *Mengniu Nutrition and Health Policy* (hereinafter referred to as "the Policy") , referring to the *Global Strategy on Diet, Physical Activity and Health* issued by the World Health Organization in 2004, the *Rome Declaration on Nutrition and Framework for Action* adopted by the Second International Conference on Nutrition in 2014, the *Decade of Action on Nutrition* issued by the United Nations in 2016, and the *Outline of the "Healthy China 2030" Plan* issued by the Chinese government in 2016, the *National Nutrition Plan (2017-2030)* issued by the Chinese government in 2017, the *Healthy China Action Plan (2019-2030)* issued by the Promotion Committee of Healthy China Initiative in 2019, and the *Promotion and Management Measures of China "School Milk Programme" (Revised Edition)* released by the Dairy Association of China in 2022.

Scope

The Policy is the guidance for Mengniu's nutrition and health work from 2021 to 2025.

The Policy applies to Mengniu's business processes, including nutrition research, product development, production and operation, and marketing, as well as relevant departments and employees.

Contents

1. Basic Principles

The six basic principles are the prerequisites for Mengniu to promote and implement nutrition and health work, and are the core foundation for departments of the company to formulate work plans, implement strategies and measures.

- **Principle 1: Ensure Enjoyable Experience for Consumers**

An enjoyable dietary experience, especially the deliciousness of food, is important for consumers' dietary choices and habits. To assist the public in cultivating healthier dietary habits, we are committed to developing and producing more delicious nutrition and health products, providing consumers with more nutritious and healthy food choices, as well as a more enjoyable dietary experience.

- **Principle 2: Strengthen Capacity Building in Scientific and Technological Innovation**

Dairy food is a natural food with appropriate composition ratio of complete nutritional components. It is easy to digest and absorb, and has high nutritional value. Mengniu fully utilizes the characteristics of dairy food, adheres to scientific facts, applies the latest scientific research findings and modern food technologies to optimize existing products and innovate new products, helping consumers achieve balanced diets. Concurrently, we will continue strengthening the cultivation of high-level research talents and

the development of research teams to meet the growing diversified demands of consumers for high-quality dairy products.

- **Principle 3: Advocate Healthy Lifestyle Concept**

To promote the healthy lifestyle concept of “scientific diet” and “balanced diet and exercise”, Mengniu scientifically guides consumers in cultivating awareness and habits of reasonable diet and shaping their self-regulated health behaviors. Additionally, we intend to integrate people's health with physical activities, to encourage residents to balance daily energy intake and consumption, enhance physical fitness, increase health literacy, and practice a healthy lifestyle.

- **Principle 4: Promote Multi-Parties' Collaboration Mechanism**

The universal health development requires collaboration from various parties. Mengniu will actively and comprehensively promote multi-parties' collaboration in the field of nutrition and health, continue deepening the communications with domestic and international public health organizations, as well as professional authoritative institutions. We will work with the industry and peer enterprises to collectively prosper the nutrition and health industry chain, and enhance public nutrition and health literacy.

- **Principle 5: Undertake Social Responsibility on Public Health**

The nutrition and health food system influences the economic development of countries and societies worldwide. As a leading enterprise in the dairy industry of China, Mengniu fully undertakes corporate social responsibility and collaborates with partners to jointly address various public health challenges in the field of nutrition and health. In the future, we will make efforts such as continuously improving public welfare platforms and implementing Inclusive Nutrition Plan, to provide nutrition and health products for people in various regions, reduce food waste along the value chain, create good living quality and environment for consumers,

and contribute to achieving universal health.

- **Principle 6: Improve the Social Accessibility of Products**

Dairy products have become a significant source of nutrition for the public. To make the high-value nutrition from dairy products more accessible to a wider range of consumers, we consider the affordability of our products and establish reasonable pricing strategies to promote the inclusivity of dairy products consumption. In the meantime, we continuously improve product accessibility by expanding comprehensive purchasing channels to ensure secure, convenient, and sustainable product supply.

2. Action Plan

The action plan is the foundation for implementing nutrition and health work at Mengniu. Each relevant department should scientifically and reasonably refine specific implementation methods, in accordance with practical business considerations.

2.1 Enhance the Nutrition and Health Quality of Products

- **Develop Diverse Nutrition and Health Products**

R&D departments at all levels of the company should develop diverse products based on product positioning, increase investment in research and technology, continually optimize and upgrade processes, seek technological innovation breakthroughs, actively develop and apply new ingredients, new technologies, and new processes to provide consumers with better products.

Key focused areas include: 1. Strengthen the content of beneficial component in products, preserve the natural calcium in milk to the maximum extent. 2. Reasonably control the content of specific key component, try to avoid or reduce the use of the content of added sugar in products, and reduce the content of sodium in cheese products.

In addition to the above areas, each business unit should also consider but

not be limited to the following aspects: 1. Enrich green, natural, high-quality dairy nutrients, such as using bioaccumulation technology to acquire natural nutrients through scientific dairy cattle feeding. 2. For different requirements, strengthen the enhancement of micronutrients and functional ingredients, such as vitamin A, dietary fiber, active substance including prebiotics and probiotics. 3. Explore substitution methods towards healthier ingredients, for instance, substitution methods related research on natural raw materials such as scientifically proven healthy sugars and fats, etc. 4. Provide a variety of packaging options, including different sizes of the same product to help consumers increase or control their intake of important ingredients or calories of products. 5. Expand the development and research of diversified product categories to improve product accessibility and enrich consumers' choices.

- **Conduct Targeted Nutritional Research for Specific Populations**

The development of nutrition and health products not only involves research on nutrition and health ingredients but also entails scientific and precise exploration based on populations.

Key focused areas include: 1. Strengthen nutrition research on all populations and different populations in entire life cycle, particularly focusing on nutritional requirements of key populations such as mothers and infants, children and adolescents, middle-aged adults and the elderly. 2. Explore nutritional research for specific populations and promote the development and legal claims of functional products, such as health food and functional products. 3. Actively address public health challenges, provide more precise nutritional solutions to different populations by developing functional products and supporting services. 4. Strengthen fundamental nutritional research by enhancing cooperation with research institutions, advancing clinical nutriology research, emphasizing the research on authenticity of nutritional efficacy and limiting nutrient control measures.

- **Establish Company Nutrition and Health Product Standards**

By referring to domestic and international nutrition and health policies and trends, considering the development of information in the field of nutritional science and public health, taking into account the company's diverse product categories and different consumer groups, and benchmarking outstanding enterprises in the industry, Mengniu will develop nutrition and health standards for each product category to scientifically guide the product development process, specify the content standards of key ingredients (primarily including added sugar, sodium, saturated fats, proteins and calcium), and provide scientific assessment criteria for product innovation and transformation. These standards should cover all product categories and consumer groups of the company, differentiate product consumption frequencies and product characteristics, and be updated and improved at least once every three years.

- **Establish a Multidimensional Product Evaluation System**

Establish a multidimensional product evaluation system model, such as nutritional advantage evaluation models, nutrient profiling models, etc., scientifically assessing the nutritional quality of products, to guide the development of new nutrition and health products and the transformation and upgrading of existing products.

2.2 Promote Nutrition and Health Claims for Products

- **Provide Easily Identifiable Nutrition and Health Information**

Strictly adhere to relevant laws and regulations in the respective business regions, and to use front-of-pack (FOP) labeling of prepackaged food to help consumers quickly identify and select nutrition and health products. In the absence of national and industry standards to rely on, we establish the Mengniu FOP corporate standard or guidelines, or adopting international FOP standards with verification by third-party, to ensure the acquisition of key nutritional information that consumers are concerned about. Provide nutrition and health information to consumers through other legitimate means (such as consumer hotline, in-store marketing, etc.) when FOP labeling cannot be

applied due to restrictive factors. Additionally, actively participate in the revision of national and industry FOP standards to ensure compliant nutrition and health claims.

- **Promote the Use of Clean Labeling for Products**

Provide more natural, concise, and easily understandable ingredients, including using natural ingredients to replace chemical synthetic materials, minimize or avoid the use of food additives, and make ingredient lists simple and easily understood by reducing ingredients and exclude confusing or unfamiliar components for consumers to meet their demands for transparency and authenticity.

2.3 Regulate Professional Market Communication and Promotion

- Accurately position nutrition and health brands, establish standardized and normalized marketing development models, enhance the professionalism of marketing activities in each region, and promote the consumption of nutrition and health products.
- The company's marketing activities must fully comply with relevant laws and regulations in each business region, avoid prohibited and irregular activities, and foster a positive market environment.
- The marketing of food products targeting specific populations should adhere to relevant international and domestic regulations and guidelines, and advocate scientific and reasonable diets.
- For breast-milk substitutes, strictly adhere to the *Mengniu Responsible Marketing Policy of Breast-Milk Substitutes* and encourage scientific feeding.
- For School Milk products, strictly comply with relevant management regulations. The campus advertising should not be conducted without the approval of the relevant authorities.
- Conduct various forms of nutrition and health training for sales personnel to enhance the professionalism of marketing services, together with the specialized nutrition and health promotion methods to better assist

consumers in choosing products and guide them in establishing a scientific concept to nutrition and health consumption.

2.4 Strengthen Dairy Nutrition and Health Education

Popularizing scientific knowledge of nutrition and guiding healthy lifestyles are essential ways to improve residents' nutrition and health literacy. The company should actively collaborate with relevant government departments, associations, research institutions, and other organizations to promote the release of professional guidance documents, expand professional and diverse educational channels, scientifically disseminate the importance of "nutritional diets", advocate the health concept of "balanced diet and exercise", to enhance consumers' nutrition and health literacy.

3. Review and Update

The Policy should be reviewed and updated in a timely manner.