

MENGNUI FOREST PROTECTION POLICY

Forests nurture life and conserve soil. As crucial components of numerous ecosystems, forests also provide support and protection for human activities.

Mengniu is committed to protecting the natural ecology and regards "From the Nature, for the Future" as our vision for biodiversity conservation. Deeply recognizing the ecological value of forests and their positive role in resisting climate change, Mengniu resists improper commercial activities which cause damage to forest resources and takes forest protection as a key action to implement its sustainable development strategy. We look forward to working together with partners along our value chain to ensure the harmonious development of business and nature.

Mengniu manages sites of our factories and ranches to eliminate deforestation risks caused by our own operations. We also monitor and manage commodities with deforestation risks, including timber, palm oil and soybean meal in our value chain. To contribute to the forest conservation, we commit to doing our best to achieve "zero deforestation" by 2030 and eliminate the risk of deforestation in our supply chain.

References

Mengniu strictly abides by and complies with the requirements of laws and regulations such as the *Forest Law of the People's Republic of China* and the *Regulation on the Implementation of the Forestry Law of the People's Republic of China*. Based on the nature of our business, Mengniu has formulated the *Mengniu Forest Protection Policy* (the Forest Policy), referring to authoritative documents such as the *Glasgow Leaders' Declaration on Forests and Land Use* and etc.

Scope

The Forest Policy applies to all factories and ranches of Mengniu;

The Forest Policy applies to raw and auxiliary commodities with deforestation risks such as timber products, palm oil and soybean meal;

The Forest Policy applies to Mengniu's procurement department of raw materials (including raw milk, raw and auxiliary materials, and packaging materials), raw material suppliers, service providers, material processing factories, and plantations.

Contents

1. Risk Identification and Response

- Mengniu continues conducting deforestation risk analysis of its own operation and the value chain, and takes countermeasures to respond to deforestation risks.

2. Operation Site Management

- Mengniu complies with laws, regulations, rules and standards, such as the *Forest Law of the People's Republic of China* and the *Regulation on the Implementation of the Forestry Law of the People's Republic of China*, as well as relevant laws and regulations of countries and regions where business operates, to ensure that all factories and ranches of Mengniu are free from deforestation risks during the development, operation and close-down processes.

3. Raw Material Procurement

- Mengniu practices green procurement of raw materials and, on the basis of requiring raw material suppliers to comply with the *Mengniu Supplier Code of Conduct*, conducts special management on the procurement of timber products, palm oil, soybean meal and other products with deforestation risks. The Company is committed to creating a "zero deforestation" value chain. Raw material production areas of Mengniu and its suppliers shall not cause harm such as deforestation due to the expansion of agricultural or plantation land.

3.1 Mengniu Raw Material Procurement Departments

- Clarify the requirements and standards of "zero deforestation" in the value chain, require suppliers to comply with the forest protection laws and regulations applicable in the countries and regions where they conduct business, and

prohibit procurement of products from destruction of high carbon stock forests, high conservation value forests, peatland, wetlands, tropical rainforests and other ecosystems;

- Sort out the raw material supply map, gradually trace and clarify the raw material suppliers in each stage, and evaluate whether they have deforestation risks;
- Develop control procedures to manage and supervise raw material suppliers with deforestation risks;
- Provide training to suppliers to help them gradually comply with the Forest Policy and relevant management regulations;
- Encourage suppliers to obtain third-party certifications, such as FSC forest system certification, PEFC forest certification, CFCC forest certification, RSPO sustainable palm oil certification, and RTRS responsible soybean certification;
- Explore and advocate to promote the use of alternatives of raw material with deforestation risks.

3.2 Mengniu Raw Material Suppliers

- Comply with the Forest Policy and corresponding control procedures;
- Gradually trace the origin of raw materials to material processing plants and planting areas;
- Gradually carry out deforestation risk identification of raw material, confirm that the forest areas and ecosystems where raw materials are produced are managed and protected accordingly, and do not cause deforestation due to the expansion of agricultural or plantation land;
- Explore and promote the use of alternatives of raw material with deforestation risks;
- Carry out afforestation actions if appropriate.

4. Target Setting and Review

- Based on the analysis of the current business and calculations on future business, Mengniu has formulated a forest protection target of doing our best to achieve "zero deforestation" by 2030, and the Company will regularly review the

progress of the target.

5. Stakeholder Communication

- Enhance the transparency of Mengniu's forest protection information and regularly disclose publicly the progress of Mengniu's forest protection commitment;
- Participate in communication with external stakeholders, gradually enhance understanding of forest protection issues, and review and update the Forest Policy.

6. Policy Supervision and Reporting

- The contents contained in the Forest Policy shall be supervised by Mengniu Sustainable Development Committee, and the main impacts and progress in achieving the targets shall be reported to the Sustainable Development Committee;
- The Forest Policy shall be updated and reviewed in a timely manner.