

Mengniu Product Safety and Quality Management Policy

Mengniu always places consumers at its core and adheres to its TOP quality policy of "Trusted, Outstanding, Preferred". It spares no effort to build a world-leading 4Q quality management system, standardize end-to-end whole-chain quality management requirements, and deliver products of "world-class quality" and with "excellent experience" to consumers.

Scope

This Policy applies to all departments and production bases of Mengniu Group and its wholly-owned branches and subsidiaries.

Contents

All employees of Mengniu Group and its branches and subsidiaries are required to execute product safety and quality management in the following aspects.

1. Product Safety and Quality Commitment

Mengniu treats compliance and risk control as non-negotiable requirements and integrates the most rigorous standards across the entire industry chain, demonstrating its commitment to providing consumers with safe and high-quality products.

Mengniu hereby promises that:

- Implementing internationally advanced quality management systems, grounded in consumer needs and risk prevention, Mengniu establishes a 4Q quality management system that encompasses all business activities throughout the whole industry chain, from suppliers to consumers, thereby ensuring the safety, nutrition, and health of each product.
- Leveraging cutting-edge technologies to enhance food safety risk prevention and control, Mengniu applies digital and intelligent management methods across

various links, including breeding, processing, logistics, and warehousing, thereby enhancing process quality control "from pasture to dining-table".

- Mengniu continues to improve procurement lifecycle quality management. Mengniu launches annual risk assessment for all suppliers and implement quality management for suppliers in accordance with the supplier quality management system. At the same time, Mengniu provides annual quality and safety trainings for all suppliers involved in product quality and safety. Suppliers of raw materials and food contact auxiliaries are required to hold at least one of the system certifications, such as ISO 9001, ISO 22000, FSSC 22000, HACCP, or BRCGS. Furthermore, Mengniu works to promote and support more indirect suppliers in obtaining product safety and quality-related system certifications.
- Mengniu moves product quality management forward to the design stage, and develops a distinctive quality design system with a focus on consumer expectations and potential quality and safety risks in new products. Building on a foundation of safety, Mengniu enhances product quality, improves process capabilities, and increases product development and production efficiency, striving to achieve the goal of "perceived quality = designed quality = process quality = experienced quality".
- Adhering to the principle of "focusing on consumers", Mengniu establishes a "perfect product" management system based on "Two Moments and Three Experiences".¹ This system includes a 360° all-round evaluation of product improvement opportunities across various aspects, including formula design, packaging design, and point-of-sale display.
- Mengniu continuously enhances the safety and quality monitoring capabilities of its laboratories and support these laboratories in obtaining the certification of

¹ The "Two Moments" refer to the moment when consumers purchase products at retail stores and in front of shelves, and the moment when consumers experience products through consumption after purchase. The "Three Experiences" refer to "In-Store Experience", "At-Shelf Experience", and "Product Experience" respectively.

ISO/IEC 17025:2018 *General Requirements for the Competence of Testing and Calibration Laboratories* and CNAS accreditation certificate.

- Mengniu establishes a one-click traceability system for products across the entire supply chain, from suppliers (including pastures) to distributors. By leveraging information technology tools, all its materials and products can be rapidly traced in both forward and reverse directions with a single click, ensuring the traceability of source and destination of each pack of product and achieving information sharing throughout the process.
- Mengniu annually conducts regular product safety and quality training sessions for all employees in quality and safety related department of the Group and its branches and subsidiaries, covering multiple dimensions such as laws and regulations, quality management requirements, etc.
- Mengniu implements unified product quality and safety control, including annual food safety reviews for domestic business units, preventive control measures for potential quality and safety hazards, and remote spot checks or management support for overseas business units.
- Mengniu establishes a rapid response mechanism based on a comprehensive systematic risk mitigation process to conduct dynamic monitoring and assessment, implement graded response and handling, and facilitate multi-department collaboration to achieve end-to-end risk prevention from source identification to terminal control, thereby ensuring food safety and public health. Meanwhile, Mengniu adopts a "Dual-Sourcing Procurement" strategy with backup suppliers to respond to emergency product safety incidents and ensure supply chain security and stability.
- Mengniu strives to maintain a high level of performance management in the following aspects:
 - 100% participation in product quality and safety training for employees involved in the whole production process.

- 100% certification pass rates for all self-operated factories (ISO 9001, GMP, HACCP, FSSC 22000, BRCGS, IFS, and SQF, as required).

2. Stakeholder Communication

Mengniu continues to enhance the transparency of its product safety and quality efforts and disclose the progress to the public on a regular basis.

Mengniu actively engages with external stakeholders to maintain an industrial leading position in product safety and quality, while conducting regular reviews and timely updates of this Policy.

3. Policy Supervision and Reporting

The contents of this Policy are supervised by the Mengniu Sustainability Executive Committee, and the progress of the main activities and the achievement of goals shall be reported to the Sustainability Executive Committee.