



Stock Code: 2319.HK

2025

Climate - Related Information Disclosure Report



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| About this Report



Reporting Standards

This report was prepared in accordance with Appendix C2 *Environmental, Social and Governance Reporting Guide* ("ESG Reporting Guide") of The Stock Exchange of Hong Kong Limited ("HKEX") Main Board Listing Rules and the *Enterprise Sustainability Disclosure Standards—Basic Standards (for Trial Implementation)* and the *Enterprise Sustainability Disclosure Standards No. 1—Climate (for Trial Implementation)* jointly issued by nine ministries and commissions including the Ministry of Finance of the People's Republic of China.



Organizational Coverage

Unless otherwise specified, the disclosure scope of this report is consistent with the scope of the 2025 annual report of China Mengniu Dairy Company Limited, including China Mengniu Dairy Company Limited and its subsidiaries.



Data Sources

All information and data quoted in this report are from official documents, statistical reports, and financial reports of the Group. The material in this report has been provided by Mengniu employees and partners, and is for the sole purpose of disclosing Mengniu's sustainability management progress, not for commercial purposes.



Reporting Period

This report covers the period from 1 January 2025 to 31 December 2025, with some content and data tracing back to previous years.



Abbreviations

For ease of presentation and readability, China Mengniu Dairy Company Limited and its subsidiaries are also referred to as "Mengniu", the "Group", and "We" in this report.



Report Access

Mengniu official website: www.mengniu.com.cn
Investor relations website: www.mengniuir.com

Corporate Profile

China Mengniu Dairy Company Limited (Stock Code: 2319) is a leading dairy group, ranking among the global top the dairy companies worldwide. Founded in 1999 in Hohhot, Inner Mongolia Autonomous Region, China, the Group was listed in Hong Kong in 2004 and is a constituent of the Hang Seng Index and Hang Seng Corporate Sustainability Index.

Mengniu focuses on providing nutritious, healthy and delicious dairy products to Chinese and global consumers, forming a diversified product matrix including liquid milk products, ice cream, milk formula, cheese and other categories. We have well-recognized brands such as Milk Deluxe, Just Yoghurt, Champion, Youyi C, Shiny Meadow, Deluxe, Reeborne, Bellamy's, Milkground, Arla, and M-ACTION. It has a leading market share in segments such as high-end pure milk, chilled yoghurt, high-end fresh milk, cheese and liquid protein. In addition to Chinese mainland, Mengniu products have also entered more than ten countries and regions across Southeast Asia, Oceania, and North America. In 2025, Mengniu recorded revenue of RMB 82.25 billion throughout the year.

Mengniu has a total of 45 production bases in China and production bases in Indonesia, Australia, the Philippines, with a combined annual production capacity of 13.94 million tonnes. Mengniu has also made efforts to integrate high-quality resources and has made strategic investments in large dairy groups such as China Modern Dairy and China Shengmu. Currently, Mengniu collects over 20,000 tonnes of raw milk per day, with 100% of its fresh milk sourced from large-scale, intensive dairy farms. Mengniu also actively deploys high-quality milk sources overseas, owning raw milk processor Burra Foods and organic infant food seller Bellamy's in Australia.

Mengniu has established overseas R&D centers across North America, Europe, Australia, and Southeast Asia and has carried out strategic cooperation with many well-known scientific research institutions at home and abroad to jointly tackle key problems in forage planting, breeding and processing, basic dairy science, product innovation and other fields, and has made great progress in intelligent manufacturing, raw milk preservation, probiotics, quality control technology and other fields. In August 2025, Mengniu's Wuhan plant was certified by Forbes as the world's largest single-site chilled yogurt factory. The Group continuously improves its quality management system of the entire industry chain "from pasture to milk cup", covering breeding, processing, logistics and other stages with digital and intelligent means, with full closure monitoring of production and dynamic inspection of the whole process, to ensure that every product is of excellent quality and superior quality.

Mengniu's first-class quality and brand value are widely recognized at home and abroad. Mengniu is the global partner of Olympic, the official global sponsor of FIFA World Cup, the official partner of the Chinese Football Association China National Team, the strategic partner of China's aerospace industry, the official dairy partner of Shanghai Disney Resort, the official partner of Beijing Universal Resort.

Mengniu aligns with the United Nations Sustainable Development Goals (SDGs), focusing on five directions: Governance-Sustainability, Responsibility-Common Prosperity, Environment-Carbon Net-Zero, Ecosystem-Collaborative & Accountable, and Nutrition-Supreme & Inclusive, to comprehensively promote GREEN Sustainable Development Strategy, to boost the revitalization of the dairy industry, to assist rural, revitalization and realise common prosperity. Mengniu firstly releases

industry-leading dual-carbon strategic goals of achieving carbon peak in 2030, carbon neutrality in the whole industry chain by 2050, actively helps the country achieve its dual-carbon goals, and promotes the sustainable development transformation of the upstream and downstream of the industrial chain. In 2025, Mengniu maintained its MSCI ESG "AA" rating for the third consecutive year, the highest rating in the domestic industry.

During the 15th Five-Year Plan period, Mengniu, standing at a new stage of development and implementing new development concepts, will lead in the construction of a new paradigm of development of China's dairy industry and anchored in the "One Core with Two Wings" strategy, striving to develop into a Mengniu beloved by consumers, an international Mengniu, a Mengniu with strong sense of responsibility, a Mengniu with strong cultural gene, and a digitalised Mengniu. Going forward, Mengniu will continue to take on the mission of "Every drop of nutrition makes every life thrive," pursue the vision of "From the grasslands across the world, Mengniu products nourish and are loved by over 2 billion consumers around the world," and adhere to the values of "Consumer first; Creative solution wins the future; Empower and inspire talents to succeed; Integrity and honesty support our continued success" to continuously meet the customers' needs for a better life with high-quality products and services, promote the high-quality development of China's dairy industry and build itself into an icon of Made in China.

Mengniu's Roadmap for Addressing Climate Change

Facing the systemic challenges brought about by global climate change, Mengniu has deeply realized that addressing climate change not only requires deepening the management of greenhouse gas emissions, but also necessitates collaboration with the supply chain. By sustainably utilizing resources such as energy, water, and forests, it is possible to continuously enhance the resilience of the supply chain.

We integrate climate-related risks and opportunities into our strategic planning and day-to-day operational decisions, with clearly defined key targets at each stage. At the same time, we actively work with partners across our value chain to explore innovative solutions to climate change, continuously strengthening the climate resilience of both our overall operations and our full value chain.

Phase 1: 2020-2025

Combining the Group's strategic planning, Mengniu calculates the phased carbon emissions trends, focuses on scope 1 and scope 2 Greenhouse Gas (GHG) emissions reduction, and explores and deploys scope 3 GHG emissions reduction measures to lay a solid foundation for carbon peaking. In 2025, the GHG emissions intensity of a single tonne of dairy products should be within 165kgCO₂e/t.

GHG Emissions Target ----- **Target Progress**

In 2025, the GHG emissions per tonne of product should not exceed 165 kgCO₂e/t.

In 2025, the GHG emissions intensity of a single tonne of dairy products was 162.11 kgCO₂e/t.

Energy Utilization Target ----- **Target Progress**

Increase the installed photovoltaic power capacity by 30% by the end of 2025 compared to 2023.

In 2025, installed photovoltaic power capacity increased by 52% compared to 2023.

Green Packaging Targets ----- **Target Progress**

Completely eliminate the use of PVC¹ and EPS² in product packaging by 2025.

Among the products produced by Mengniu's self-operated factory, all packaging PVC and EPS materials have been eliminated³.

Through recycling labeling and industrial chain collaboration, the Group actively participates in and supports packaging recycling initiatives led by national authorities and industry associations, contributing to the industry's targets of achieving a 40% recovery rate for paper-based composite packaging and over 90% for PET⁴ bottles by 2025.

In 2025, packaging for 21 Mengniu products obtained easy-to-recycle and easy-to-regenerate certification, of which 3 achieved the "Double-E Excellence" certification.

Phase 2: 2026-2030

In line with the Group's phase 1 strategic planning and industrial structure adjustment, Mengniu continues to promote the reduction of scope 1 and scope 2 GHG emissions, and deepen the implementation of the scope 3 GHG emissions reduction measures. In 2030, the absolute value of the scope 1 and 2 GHG emissions reaches the peak, and the GHG emissions intensity of a single tonne of dairy products should be within 160 kgCO₂e/t.

GHG Emissions Target

In 2030, the absolute value of the scope 1 and 2 GHG emissions reaches the peak, and the GHG emissions intensity of a single tonne of dairy products should be within 160 kgCO₂e/t.

Water Resources Utilization Targets

Water resources utilization objectives of the Group:

By 2030, water resources recycling rate will increase by 5% compared to 2023, and water withdrawal per tonne of product will decrease by 10% compared to 2023.

Supply chain water utilization objectives:

Core raw milk suppliers China Modern Dairy and China Shengmu plan to reduce the water intensity per unit of raw milk production and operation by 10% by 2030 based on 2022.

Forest Protection Target

Strive to eliminate the deforestation risks from timber products, soybean products and palm oil in the supply chain of Mengniu by 2030.

Green Packaging Target

Conduct research on lightweight packaging and bio-based materials, and reduce the use of fossil-based virgin plastics by a cumulative total of 35,000 tonnes by 2030, with 2020 as the base year.

Phase 3: 2031-2050

With the target of carbon neutrality, Mengniu maintains the GHG emissions reduction measures and achievements in scope 1 and 2, and promotes comprehensive GHG emissions reduction in scope 3. The proportion of renewable clean energy increases and the product carbon footprint decreases year by year. In 2050, Mengniu achieves carbon neutrality in scope 1, 2 and 3.

GHG Emissions Target

In 2050, Mengniu achieves carbon neutrality in scope 1, 2 and 3.

Green Packaging Targets

Conduct research on the application of recycled plastics such as PCR⁵ and PIR⁶, and use recycled plastics in 20% of plastic packaging by 2035.

Develop single-material composite films, low-additive technologies, degradable materials and achieve 100% recyclable, reusable or degradable packaging by 2035.



¹ PVC, Polyvinyl Chloride, a common general-purpose plastic.
² EPS, Expanded Polystyrene, a rigid closed-cell structural foam plastic.
³ Statistics Data statistics are as of April 2026.
⁴ PET, Polyethylene Terephthalate.

⁵ PCR, Post-Consumer Recycled plastic, refers to plastic materials that have been used and ultimately discarded by consumers, then processed through collection, cleaning, shredding, and pelletizing to be remade into new plastic raw material.
⁶ PIR, Post-Industrial Recycled, refers to recycled plastic raw materials directly processed from plastic waste or leftover materials generated during industrial production that have not been used by consumers.

Mengniu's Progress in Addressing Climate Change

Green Farms

Actively guide farms to increase the use of clean energy. By the end of the reporting period, approximately **11%** of Mengniu's partner farms had installed distributed photovoltaic power generation systems.

Promote farms to use air energy instead of biomass boilers for heating, and reduce GHG emissions while saving fuel use. In 2025, China Modern Dairy, a core raw milk supplier, added **21** new air-source heat pump units for heating and hot water.

China Shengmu, a core raw milk supplier, has transformed desert land into organic pastures through an integrated crop-livestock organic circular model, planting nearly **100 million trees**, establishing over **220 square kilometers** of oasis, and achieving a cumulative carbon sequestration of more than **1.38 million tonnes**.

China Modern Dairy, a core raw milk supplier, promoted over **115,000** sets of smart collars to shortened the non-pregnant period and reduce the methane emission intensity per unit milk through precise health management of dairy cows.

In 2025, biogas consumption at the dairy farms of China Modern Dairy, a core raw milk supplier, reached **185 million cubic meters** and generated more than **123,000 MWh** of electricity.

Continue to advance the green transformation of transportation and on-site equipment. By the end of the reporting period, China Modern Dairy, the core raw milk supplier, had put into use a total of **259 pieces** of electric equipment including electric forklifts and fixed mixing tanks in its farms.

Encourage and jointly implement ecological projects such as afforestation and returning grazing to grassland with cooperative farms. China Modern Dairy, a core raw milk supplier, has carried out greening projects in **23** of its farms, with an afforestation area of **968 mu**.



Green Procurement

Green packaging

The proportion of recyclable packaging materials to the total weight of packaging materials is **98.65%**.

88.11% of the packaged base paper has obtained sustainable forest certification, and **100%** of the outsourced cartons are made from recycled paper.

21 product packaging has passed the certification of easy recycling and easy regeneration, and **3 products** have obtained the "Double-E Excellence" certification.

The packaging of the Special Channel Fresh Raw Milk meal companion cup has obtained dual international **carbon footprint certification** under ISO 14067:2018 and PAS 2050:2011.

The Milk Deluxe brand Desert Organic Pure Milk packaging has replaced plastic handles with paper handles, reducing fossil virgin plastic consumption by **2.8 grams** per pack and lowering the packaging carbon footprint by **17 grams** of CO₂ equivalent per pack. Based on average daily sales of approximately one thousand packs, this is equivalent to the daily carbon absorption capacity of approximately **550 trees**.

In partnership with packaging material supplier Tetra Pak, the Group carried out a recycling project, reusing a total of **384,000 packages** of milk cartons.

Mengniu Youyi C was the first product to adopt rPETG⁷ recycled shrink labels, incorporating **30%** recycled PET content, reducing virgin plastic consumption by **7.6 tonnes**, and lowering carbon emissions by **11%**.

Mengniu Champion replaced traditional corrugated cardboard outer packaging with reusable PP⁸ crates for its aviation cup products, reducing carton consumption by **22,000 units**.

"Zero deforestation" management

Purchased Palm oil has achieved **100%** traceability to refinery (TTR), **100%** traceability to palm oil mill (TTM) and **55.81%** traceability to plantation (TTP⁹).

Purchased **250 tonnes** of RSPO MB grade palm oil.

In 2025, the proportion of **"zero-deforestation"** soybean meal procurement reached **50.58%**, including **249,700 tonnes** of low-risk procurement and **128,400 tonnes** of certified procurement.



Green Production

In 2025, the Group invested over **RMB 6 million** in energy conservation initiatives, saving **11,610 MWh** of electricity, **13,100 tonnes** of steam, and **32,100 cubic meters** of natural gas.

In 2025, the installed photovoltaic capacity increased by **5.66MW** to a cumulative **33.69MW**. The solar power generation amounted to **20,056 MWh**, and the green electricity procurement reached **108,800 MWh**.

By the end of the reporting period, there were **33** water-saving enterprises/water-saving benchmark enterprises and **41** national-level green factories.

7 factories successfully obtained AWS Gold-level certification.



Green Products

Continued to carry out research and development of plant-based products.

Carried out lifecycle carbon footprint accounting for all core products.

In 2025, **8 products**, including Just Yoghurt Zero Additive and Shiny Meadow Organic Desert Fresh Milk, obtained the carbon footprint certification or evaluation, and Deluxe Frozen Cheese Milk Ice Cream obtained the carbon neutral certification.



Green Logistics

Over **3,500** new energy vehicles have been put into use.

24 factories received Green Warehouse certification.

The railway-sea shipment volume among room temperature products reached **1.866 million tonnes**, and the carbon reduction was **50,500 tonnes**.

Low-temperature products have been upgraded to a "Integrated Trunk-and-Local Distribution" transportation model, enabling efficient operations across approximately **100** transport routes, reducing transportation mileage by about **1.06 million kilometers**, saving approximately **480,000 liters** of fuel, and cutting carbon emissions by around **1,278 tonnes**.

⁷ rPETG: Refers to recycled glycol-modified polyethylene terephthalate, which is a regenerated PETG plastic produced through recycling processes.

⁸ PP: Refers to Polypropylene, an environmentally friendly plastic material with high strength, heat resistance and recycling.

⁹ In 2025, we updated our statistical methodology with reference to the latest definition of the TTP from the Earthworm Foundation, using the complete plantation list provided by suppliers as the reference standard.

01

Part

Governance

Guided by the GREEN Sustainable Development Strategy, Mengniu has established a three-level governance structure of "Decision-Making Level - Management Level - Execution Level" to ensure clear responsibilities for climate governance and orderly progress of related work. At the same time, the Group actively promotes the integration of climate governance and core businesses, explores innovative paths, and continues to improve the quality of green development.

· Governance Structure

· Governance Mechanism

Governance Structure



Mengniu has fully integrated climate issues into the Group's sustainable development governance system, and established a three-level governance mechanism with the Board of Directors as the main strategic decision-making body, the management as the core of overall coordination, dual carbon management and other functional departments, and each business department and factory as the executive departments, clarifying the specific responsibilities of each level in supervision, planning, coordination and implementation, ensuring that climate governance runs through the whole operation chain, and solidly promoting the orderly development and continuous deepening of various climate actions.

Climate Governance Framework

Decision-making Level

Comprised of members of the Group's Board of Directors, whose responsibilities include:

- Responsible for the comprehensive oversight of matters related to climate change;
- Review and approve the Group's transformation plans and major policies related to climate;
- Oversee the response, implementation and performance of climate-related matters;
- Review climate change-related targets regularly;
- At least once a year receive and review management reports and recommendations on climate change related work.

Management Level

Comprised of the Group's core senior management, whose responsibilities include:

- Direct overall deployment and systematic promotion of the Group's climate change-related work;
- Coordinate the formulation and review of transformation plans and major policies related to climate;
- Manage climate change-related risks and opportunities targets;
- Clarify the climate change-related functions of the Group's different business departments;
- Receive reports from the executive level on climate change matters and report to the Board of Directors;
- Approve and review climate-related targets and key initiatives at least once a year.

Execution Level

Set up the "Dual-carbon" Action Promotion Team comprised of responsible personnel from relevant functional departments, business units and holding companies, whose responsibilities include:

- The dual-carbon management department is responsible for the implementation of various decisions, arrangements and daily work; preparing the Group's low-carbon development plan and climate-related transformation plan, setting and breaking down the Group's emission reduction targets, uniformly coordinating and deploying carbon emission management, and regularly reviewing the implementation progress of related work;
- All functional departments, business divisions and holding companies are responsible for undertaking, transforming and promoting various work, identifying risks and opportunities related to climate change, implementing climate change response plans and carbon reduction measures, and quantifying the effect of emission reduction measures; reporting the effectiveness of work and the achievement of greenhouse gas emission targets;
- Each manufacturing operation implements the low-carbon development measures of the division, conducts statistics on the carbon emission data of the factory, ensures the realization of the carbon goals of the division, and reports the progress to the division.

Governance Mechanism



Mengniu has established a normalized climate work reporting and assessment mechanism to ensure the effective supervision and implementation of climate strategies through regular meetings, special training and performance evaluation.

In terms of supervision and decision-making, the Group holds a meeting of the Sustainability Committee at least once a year to systematically review the progress of climate management and make special reports to the Board. In 2025, the Group held two meetings of the Sustainability Committee and one meeting of the Sustainability Executive Committee to discuss and make decisions on ESG issues including climate. In terms of governance capacity building, the Group organizes special training on climate-related topics for Board members every year, and invites external experts from time to time to share cutting-edge trends and industry insights, so as to continuously enhance the Board's understanding of climate issues.

In terms of incentives and appraisal, the Group incorporates climate-related key performance indicators such as energy conservation, emission reduction and green energy use into the annual performance in the appraisal system of senior management, and sets corresponding appraisal weights according to the differences in responsibilities. Every year, the Group evaluates the performance of senior executives and dynamically optimizes the climate KPI system according to the

actual progress, so as to promote the management to actively implement relevant strategies. At the same time, climate indicators are also included in the appraisal system for middle-level managers, and special commendations are set up in the annual appraisal to encourage managers at all levels to actively promote climate action in their business.

The Group actively explores the potential of carbon reduction and encourages the development and implementation of carbon reduction projects through selection and commendation. In January 2026, the Group held a sustainable development conference to recognize the departments and project teams with outstanding performance in the field of sustainable development in 2025, and organized the collection of outstanding cases within the Group, and set up a selection committee to conduct roadshow evaluation on the cases. Ten projects, including Sustainable Packaging Technology Breakthrough Project, Farm Carbon Emission Management Project and Green Product Matrix Innovation Project, were awarded the "Top Ten Sustainable Development Projects in 2025".



In 2025

the Group held

2

meetings of the Sustainability Committee

1

meeting of the Sustainability Executive Committee



Part 02

Strategy

Mengniu systematically identifies climate-related risks and opportunities and conducts in-depth assessments of their impact on business strategy, financial performance and operating model. By building climate resilience, we have integrated climate governance into our core operations to promote the coordinated development of sound business operation and climate resilience.

- Identification of Risks and Opportunities
- Climate Resilience Assessment
- Response to Financially Material Risks and Opportunities

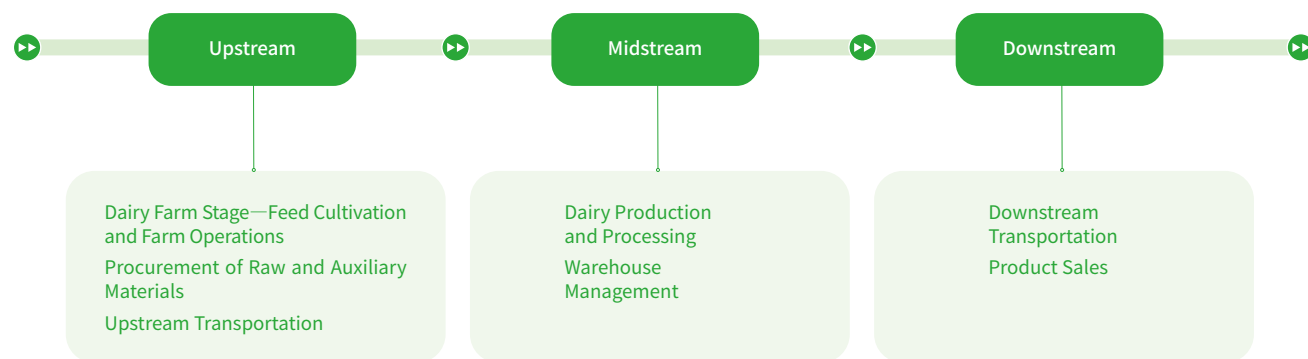
Identification of Risks and Opportunities

Mengniu identified risks and opportunities across the entire value chain, systematically examined the vulnerability and improvement potential of each link in the entire value chain in the context of climate change, and transformed climate challenges into strategic opportunities to drive green transformation through scientific assessment.

Full Value Chain

Mengniu deeply takes climate change into its strategic consideration. Considering the extensive and multi-node characteristics of the dairy industry's value chain, we comprehensively identified the key stages from upstream procurement to terminal sales, and carried out systematic evaluation accordingly.

Mengniu Value Chain



Climate-related Risks and Opportunities

Mengniu has built a systematic climate risk and opportunity identification model to comprehensively examine the vulnerability of all stages in the whole value chain under physical risks and transformation challenges. Through in-depth analysis of each link, we formulated targeted response strategies, and proactively laid out green innovation opportunities to transform climate challenges into resilient drivers for sustainable development. The specific identification results are as follows:

Climate-related Risks and Opportunities

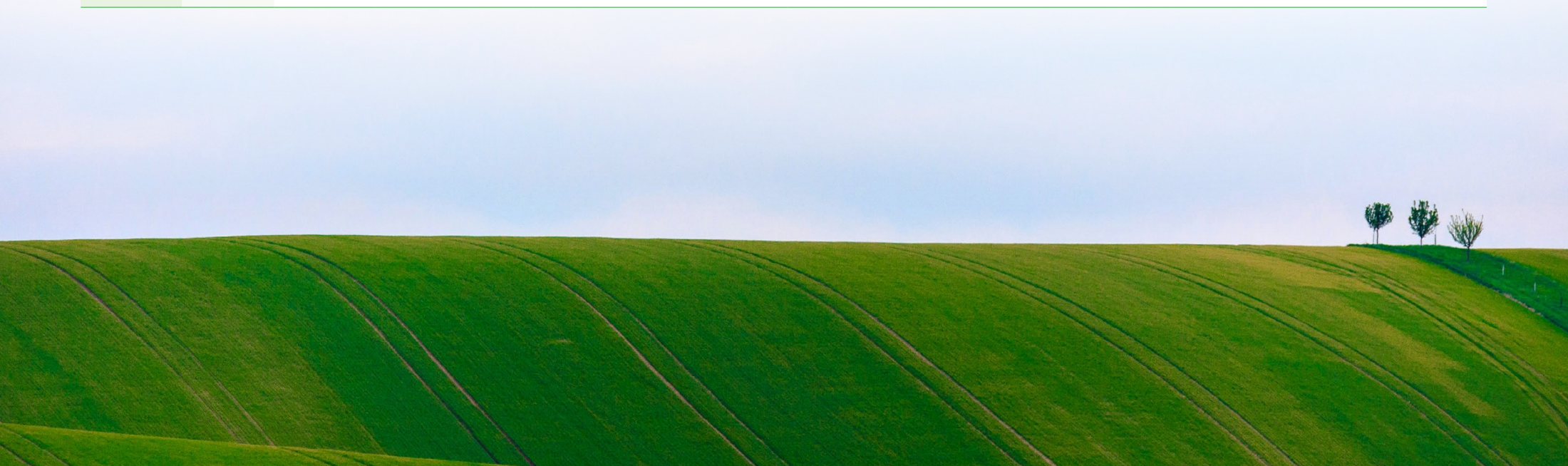
Risk Category	Risk Item	Stakeholders Mainly Affected	The Value Chain Dimension of Impact	Impact Description	Potential Financial Impact	Corresponding Indicators of Potential Financial Impact ¹⁰	Response Measures
Physical Risks	Extreme Weather	Employees Distributors Suppliers	Upstream-Feed cultivation, farm operation, procurement of raw and auxiliary materials, and upstream transportation	Extreme weather conditions (such as excessive moisture caused by extreme rainfall, high summer temperatures, and cold winter weather) may negatively impact the physical condition of dairy cows, thereby affecting the yield and quality of milk.	Rising operating costs	Amount of milk production lost due to extreme weather, which in turn increased procurement costs	<ul style="list-style-type: none"> • Supply chain risk management: Comprehensively assess the impact of extreme weather on suppliers and their response capabilities, coordinate the layout of suppliers, guide the industrial chain to make strategic reserves and procurement, and better control procurement costs. • Health management of dairy cows: Strengthen heatstroke prevention and cooling measures and cold-proof facilities for dairy cows to continuously alleviate the stress response of dairy cows caused by temperature changes. • Climate risk disaster prevention and adaptation: Considering the impact of regional climate and extreme weather events during the project site selection process, build and maintain disaster prevention facilities, and strengthen the setting of emergency equipment such as backup water and backup electricity. • Optimization of logistics layout: Optimize the logistics system and coordinate extreme weather warning with the Group's distribution system. • Emergency plan system: Formulate emergency rescue plans for extreme weather and safety risk prevention and control measures, and clarify the emergency response mechanism and division of responsibilities.
			Midstream-Production and processing of dairy products, warehouse management	Extreme weather causes serious damage to production water or electricity supply facilities, and the affected plants and facilities need to be repaired or scrapped.		Loss of plant, facilities and equipment caused by extreme weather	
			Downstream-Downstream transportation	Extreme weather may cause transportation disruptions or delays, increasing logistics costs.		Production shutdown, production reduction and product scrapping losses due to extreme weather	
	Water Scarcity	Community and residents	Upstream-Feed cultivation, farm operation, procurement of raw and auxiliary materials	<p>In water-poor areas, water scarcity and over-reliance on water resources may have an impact on the environment in which dairy cattle are reared and lead to higher water costs.</p> <p>The pressure of water resources caused by long-term high temperature and drought may reduce the production of dairy cow feed such as soybeans and corn, and push up the feed cost.</p>	Rising operating costs	Additional shipping costs due to extreme weather	
Midstream-Dairy Production and Processing			In water-poor areas, water scarcity and over-reliance on water resources can lead to reduced production capacity and higher water costs.	Amount of loss caused by deterioration of shipped products			
						Additional water withdrawal costs due to water scarcity	
						Amount of increase in feed procurement cost caused by water resource pressure caused by prolonged high temperature and drought, which in turn leads to increase in procurement cost	
						Additional water extraction costs due to water scarcity	

¹⁰ Only some relevant financial indicators are displayed.

Risk Category	Risk Item	Stakeholders Mainly Affected	The Value Chain Dimension of Impact	Impact Description	Potential Financial Impact	Corresponding Indicators of Potential Financial Impact ¹⁰	Response Measures
Physical Risks	Sea Level Rise	Shareholders and investors	Midstream-Dairy production and processing, warehousing and processing	Mengniu's existing assets are substantially unaffected by sea level rise within the selected scenarios and timeframes.	Impairment of assets	Amount of asset retirement losses due to accelerated sea level rise Amount of new construction costs due to accelerated sea level rise	<ul style="list-style-type: none"> • Asset site selection and protection: Assess the risk of sea level rise in site selection of new projects and avoid high-risk areas; Implement protection and reinforcement measures for existing assets in coastal areas to prolong the service life of assets.
	Global Warming/ Rising Average Temperature	Consumers	Upstream- Feed cultivation, farm operation	The continuous rise in temperature, water scarcity and degradation of soil quality have resulted in reduced yields of feed crops and restricted farm growth, increasing farming costs and affecting the health and milk production of dairy cows.	Rising operating costs	Amount of increase in procurement costs due to increase in farming costs due to increase in average temperature Amount of increase in procurement costs due to decrease in milk production due to increase in average temperature	<ul style="list-style-type: none"> • Transportation facility management: Increase the frequency of maintenance and inspection of transportation facilities, optimize constant temperature and refrigeration system technology, improve refrigeration efficiency, and ensure stable product quality during transportation. • High-temperature weather response: Issue high-temperature weather response management documents to provide high-temperature subsidies and protection measures for employees working outdoors; Facilities such as awnings, fans, water cooling systems and windbreak walls are used in the farm to maintain a suitable temperature in the cattle barn.
Transition Risks	Policy and Regulatory Risks	Government and regulators Community residents	Upstream-Feed cultivation, farm operation, procurement of raw and auxiliary materials, upstream transportation Midstream-Dairy production and processing	With the widespread implementation of carbon emission pricing policies and tightening regulatory requirements, the carbon costs faced by upstream energy, logistics and production operations continue to increase. Stricter low-carbon policies, promoting equipment upgrading and transformation of farms and factories, and achieving carbon reduction, need to bear the transformation cost.	Rising operating costs Capital expenditure rises	Increased operating costs for upstream farms, which in turn leads to increased procurement costs Carbon compliance costs Amount of loss due to early phase-out of equipment	<ul style="list-style-type: none"> • Energy conservation and emission reduction and renewable energy: Implement energy conservation and consumption reduction projects to optimize energy use efficiency and increase the proportion of renewable energy use. • Carbon management and disclosure: Establish a carbon emission management platform, carry out carbon inventory and data disclosure and formulate a net zero emission roadmap. • Ecological carbon sink and low-carbon innovation: Promote nature-based carbon sink solutions and support the application of innovative technologies for emission reduction. • Policy and risk management: Monitor the requirements of policies and regulations in real time, and formulate environmental risk management and control plans.
	Market Risk-Changes in Consumer Preferences	Consumers Distributors	Midstream-Dairy Production and Processing Downstream-Product sales	In response to changes in consumer preferences, the Group may make adjustments to product mix and production capacity. As consumers' low-carbon awareness increases, demand for low-carbon products such as plant-based or non-animal-based dairy substitutes is likely to increase.	Decrease in operating income Increase in R&D investment	Net residual value of equipment scrapped in advance due to product structure adjustment Amount of investment in research and development of low-carbon products	<ul style="list-style-type: none"> • Market research and product innovation: Strengthen the research on consumers' low-carbon preference, and continue to develop innovative products such as low-carbon footprint and plant-based products.

Risk Category	Risk Item	Stakeholders Mainly Affected	The Value Chain Dimension of Impact	Impact Description	Potential Financial Impact	Corresponding Indicators of Potential Financial Impact ¹⁰	Response Measures
Transition Risks	Reputation Risk	Consumers Employees	Group level	As more and more stakeholders (such as regulators, shareholders, partners, customers, the public, etc.) are concerned about climate change, failure to take appropriate measures to properly carry out climate-related responses may have an impact on the Group's reputation.	Decrease in operating income	/	<ul style="list-style-type: none"> • Climate information disclosure and communication: Regularly publish climate-related information disclosure reports, actively communicate with stakeholders on the progress of climate response, and enhance the transparency and credibility of climate governance.
	Technology Risk	Government and regulators	Upstream-Feed cultivation, farm operation Midstream-Production and processing of dairy products, warehouse management	The low-carbon transition of farms and the Group's low-carbon transformation requires the application of new technologies, such as low-carbon transformation and the use of clean energy, and the application of these technologies will bring new costs.	Increase in operating costs	Increased procurement cost of clean energy Net residual value of high energy consuming equipment scrapped in advance Increased procurement cost of energy-saving technologies	<ul style="list-style-type: none"> • Compliance update of existing equipment: Eliminate high energy consumption and non-compliant equipment, and uniformly upgrade it to high-efficiency and low-emission equipment to meet regulatory requirements. • Carbon reduction transformation of process lines: Implement transformations such as heat insulation, waste heat recovery, frequency conversion and electrification to reduce unit energy consumption and emissions.
Opportunities	Policy Incentives	Government and regulators	Upstream-Feed cultivation, farm operation Midstream-Dairy production and processing, warehouse management	Actively respond to public incentive policies, including financial subsidies, tax incentives, loan incentives, quota systems, etc., from which factories and farms may receive subsidies or financial support.	Decrease in operating costs	Amount of subsidies and tax incentives related to climate change and environmental protection	<ul style="list-style-type: none"> • Obtaining policy incentives: Establish a policy tracking mechanism and actively apply for climate-related financial subsidies, tax incentives, green credit and other incentive policies; Promote farms and production bases to meet the subsidy conditions and maximize policy dividends.
	Green Products and Services	Consumers Distributors	Midstream-Production and processing of dairy products Downstream-Product sales	Continuously developing low-carbon commodities, promoting the development of the green products business, and enhancing product competitiveness in terms of green attributes and environmental footprint can bring additional income and benefits.	Increase in operating income	Sales revenue products obtaining green certification (e.g. green product certification)	<ul style="list-style-type: none"> • Green product development and technological innovation: Develop green products, promote product green certification, strengthen sustainable procurement management, and build a green product matrix.

Risk Category	Risk Item	Stakeholders Mainly Affected	The Value Chain Dimension of Impact	Impact Description	Potential Financial Impact	Corresponding Indicators of Potential Financial Impact ¹⁰	Response Measures
Opportunities	Improving Energy Efficiency	Government and regulators	<p>Upstream-Feed cultivation, farm operation and upstream transportation</p> <hr/> <p>Midstream-Production, processing and storage management of dairy products</p> <hr/> <p>Downstream-Downstream transportation</p>	<p>The efficiency of water and energy use can be effectively improved by developing energy-saving and emission-reduction technologies and launching intelligent operation systems.</p> <p>Promote the application of renewable energy with partner farms, optimize transportation structure and intelligent operation, improve energy efficiency, reduce fossil energy use, and achieve carbon emission reduction and energy cost optimization.</p>	Decrease in operating costs	<p>Operating expenses saved by renewable energy</p> <p>Operating expense saved by optimization of transportation structure</p> <p>Operating expense saved by energy structure optimization</p>	<ul style="list-style-type: none"> • Low-carbon innovative technologies/models: Support raw milk suppliers to adopt technologies such as low-methane emission dairy cows, manure resource utilization, feed additive optimization, etc., and promote emission reduction innovation that can be applied on a large scale. • Energy conservation and emission reduction: Implement energy conservation and consumption reduction projects to continuously optimize energy efficiency.
	Green Financing	Shareholders and Investors	Group level	Green financing helps Mengniu obtain funds to support green farms and energy conservation and emission reduction projects at lower costs, while enhancing ESG image and investor confidence, thereby promoting the long-term steady development of the Company.	Decrease in financing costs	Green financing amount (including green credit, green bonds, etc.)	<ul style="list-style-type: none"> • Green financing: Establish a green project pool, give priority to green loans, green bonds and other financing instruments, reduce financing costs and support the construction of low-carbon projects. In 2025, Mengniu released its first overseas sustainable dim sum bond, completing the issuance of RMB2 billion 5-year and RMB1.5 billion 10-year senior unsecured overseas sustainable development offshore RMB bonds.



Climate Resilience Assessment

In response to increasingly complex climate challenges, Mengniu has made climate resilience a core component of the Group's sustainable development strategy. To this end, the Group conducted a comprehensive climate-related risk resilience assessment, systematically identified key risks and formulated targeted response strategies, so as to effectively ensure the stable operation and long-term sustainable development of core business operations.

Resilience Assessment Methods

Mengniu conducted a comprehensive climate-related risk resilience assessment, taking into account the potential impacts of different climate pathways on the Group's operations. Through scenario analysis, Mengniu identified key risks that may have a significant impact on the value chain.

Scenario and Time Horizon

Mengniu referred to the Shared Socioeconomic Pathways (SSPs) developed by the Intergovernmental Panel on Climate Change (IPCC) and climate scenarios published by the International Energy Agency (IEA). Integrating the Group's dual-carbon strategic plan, Mengniu clearly defined short-term, medium-term and long-term, and selected representative low-emissions and high-emissions scenarios for each risk category, and systematically analyzed the potential impact of climate physical risks and transition risks on the entire value chain.

Short-, Medium-, and Long-Term Time Horizons



Climate Scenario Selection

Climate Risk	Selected Scenario	Temperature Rise Range	Key Assumptions of Scenario
Physical Risk	SSP1-2.6 Low Emissions Scenario	1.3-2.4°C	This scenario represents an ideal pathway under which global carbon dioxide emissions reach net zero around 2050.
	SSP5-8.5 High Emissions Scenario	3.3-5.7°C	This scenario simulates a situation in which future economic development is largely dependent on energy-intensive industries with few policy constraints.
Transition Risk	Net Zero Emissions by 2050 Scenario (NZE)	1.5°C	This scenario considers the possibility and implications of achieving global net-zero greenhouse gas emissions by 2050. Under this scenario, countries will introduce strict policies to increase the use of energy-saving technologies and reduce their dependence on fossil fuels.
	Stated Policies Scenario (STEPS)	2.5°C	This scenario assumes trends in energy demand and supply without taking into account the introduction of any new policies or measures.

Risk Exposure Level Assessment

Physical risks may affect both upstream farm operations and midstream manufacturing processes, with significantly different impact pathways. To enhance risk identification across these stages, the Group conducted climate scenario analysis for both farm and factory operations.

Farm End Assessment¹¹

For the upstream farm end, the Group assesses the short-term spatial distribution of climate-related risks and their impact pathways across key value chain stages, including dairy farming, raw material supply and raw milk transportation. During the reporting period, we conducted scenario analysis on the location of the farms of our core raw milk suppliers to identify vulnerable areas. The assessment results show that extreme weather (such as excessive humidity caused by extreme precipitation, extreme heat in summer and cold in winter) mainly affects Beijing, Hebei, Inner Mongolia, Shandong and Heilongjiang. These extreme weather events may adversely affect the health and condition of dairy cows, which in turn may lead to both a decrease in milk production and quality, leading to financial losses from reduced milk production and higher operating costs caused by extreme weather conditions.

In regions such as Beijing, Hebei, Inner Mongolia, Shandong, Ningxia and Xinjiang, where water scarcity is particularly prominent, water scarcity and excessive reliance on water resources may not only negatively affect the dairy farming environment but also increase water withdrawal costs. Prolonged heat and drought can exacerbate water stress, potentially leading to substantial declines in the yields of key feed crops such as soybeans and corn, thereby significantly raising feed procurement costs. In addition, rising global average temperatures, persistent water scarcity and degradation of soil quality will lead to reduced feed crop yields and restricted pasture growth, further increasing farming costs and affecting dairy cow health and milk production.

Through the scenario analysis on the farm end, the Group is able to provide targeted guidance to farms on disaster prevention and loss reduction, and optimize raw milk procurement planning and strategic reserves of essential materials. This supports the stability of Mengniu's own raw milk supply and helps keep procurement costs under control, and ensures the overall production continuity of the Group.

Areas Vulnerable to Physical Risks at the Farm End

Physical Risks	Major Affected Areas
Extreme Precipitation	Shandong, Anhui, Hubei
Extreme Cold	Hebei, Inner Mongolia, Heilongjiang
Extreme Heat	Beijing, Hebei, Shandong, Jiangsu, Anhui, Henan, Hubei
Strong Wind	Inner Mongolia, Hebei, Ningxia
Water Scarcity	Beijing, Hebei, Inner Mongolia, Shandong, Henan, Xinjiang

¹¹ The analysis covers the primary operating regions of core raw milk suppliers.

Factory End Assessment¹²

For the midstream factories, extreme weather events (such as extreme precipitation, extreme summer heat, winter cold, and strong wind events) mainly affect the areas where the production bases are located, such as Beijing, Shanghai, Tianjin, Hebei, Jiangsu, Guangdong and Inner Mongolia. These extreme weather conditions may cause serious damage to production water supply or electricity supply facilities, requiring the repair or decommissioning of affected plants and facilities, thereby increasing direct economic losses arising from damage to plant facilities and equipment, production shutdowns or reduced output, and product scrapping. In addition, extreme weather will increase employees' high-temperature subsidies, low-temperature subsidies and other related expenditures, and may push up the direct compensation cost of employees' work-related injuries.

In production areas such as Beijing, Tianjin, Hebei, Inner Mongolia, Shandong and Xinjiang, where water scarcity is particularly prominent, such shortages and over-reliance on water resources may lead to a reduction in production capacity of factories. At the same time, rising unit water prices in water scarcity areas will directly lead to an increase in overall water costs. In addition, regarding sea level rise risk, the assessment results show that Mengniu's existing assets are substantially unaffected by sea level rise within the selected scenario and time frame.

Through scenario analysis on the factory end, the Group was able to fully consider the regional climate impact in the site selection process, avoid high-risk areas in advance, build and maintain disaster prevention facilities for existing assets, and strengthen the installation of emergency equipment such as backup water supply and backup power. At the same time, the Group has formulated emergency rescue plans for extreme weather and safety risk prevention and control measures, and clarified the emergency response mechanism, ensuring the safety of factory infrastructure and the continuity of the Group's core production business.

There are no regional or business unit-specific susceptibility differences for transition risks. To accurately assess the potential impact of transition risks, the Group adopts a quantitative financial assessment approach. By establishing a transition-risk financial model, the Group quantifies the potential financial impacts of transition risks and provides a financial basis for strategic decision-making, and ensures the Group's financial resilience throughout the process of low-carbon transformation.

Areas Vulnerable to Physical Risks at the Factory End

Physical Risks	Major Affected Areas
Extreme Precipitation	Shanghai, Shandong, Anhui, Hubei, Guangdong, Indonesia, Philippines
Extreme Cold	Hebei, Liaoning, Jilin, Heilongjiang, Inner Mongolia
Extreme Heat	Beijing, Tianjin, Hebei, Shanxi, Shandong, Jiangsu, Anhui, Inner Mongolia, Henan, Hubei, Australia
Strong Wind	Shanghai, Hebei, Inner Mongolia, Ningxia, Philippines
Water Scarcity	Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia, Shandong, Henan, Xinjiang

Proportion of Factories Vulnerable to Physical Risks

Physical Risks	SSP1-2.6			SSP5-8.5		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Extreme Precipitation	Medium	Medium	Medium	Medium	Medium	Medium
Extreme Cold	High	High	Medium	High	Medium	Medium
Extreme Heat	Medium	Medium	Medium	Medium	Medium	High
Strong Wind	Low	Medium	Medium	Low	Low	Medium
Water Scarcity	Low	Low	Low	Low	Medium	High

The proportion of factories vulnerable to risk is 25% or higher.
 The proportion of factories vulnerable to risk ranges from 10% to 25%.
 The proportion of factories vulnerable to risk is below 10%.

¹² The scenario analysis covers all production facilities and factories in China and overseas, based on currently available geographical location data. It assumes that factory asset locations remain unchanged in the short term, and that existing mitigation and adaptation measures are maintained at current levels without further enhancement or modification.

Financial Impact Assessment

Based on historical operating data, meteorological information, industry data and interviews with internal and external experts, the Group adopted a combination of qualitative and quantitative methods to comprehensively assess the potential financial impact of various climate risks and opportunities in different time dimensions, and finally developed the financial materiality assessment results.

Financial impact of physical risks



Drawing on historical data from each of its operating locations, the Group conducted a systematic analysis of the financial impact of acute physical risks including extreme precipitation, extreme heat, extreme cold, and strong wind. Results indicate that the direct financial losses attributable to extreme weather events in the current period were modest, on the order of hundreds of thousands of RMB, and have not constituted a material financial impact. Taking into account projections derived from IPCC climate scenarios, the financial impact of acute physical risks is expected to remain at a low level across short-, medium-, and long-term horizons. The Group will continue to monitor trends in the frequency and intensity of extreme weather events, steadily advance the development of infrastructure and emergency response capabilities, and effectively safeguard operational continuity and system stability. To address the critical risk of water scarcity, the Group's capitalized investment in water conservation exceeded RMB 3.5 million in 2025.

Financial impact of transition risks



At present, only four of the Group's enterprises are included in local carbon market pilots, resulting in relatively low current carbon costs with limited impact on overall financial performance. However, based on carbon price scenario stress testing, if all of the Group's production and operational activities were incorporated into the national carbon market, annual carbon costs would have a material impact on the Group's financial performance. It is therefore imperative that the Group takes timely and effective emissions reduction action, both to manage compliance risks and to fulfil its corporate social responsibility. Proactive emissions reduction not only materially mitigates transition risks, but also aligns closely with key development opportunities, enabling the simultaneous advancement of risk management and value creation. To capture the key opportunity of improving energy efficiency, the Group's capitalized investment in energy saving exceeded RMB 6 million in 2025.

Comprehensive assessment of financial materiality



Based on the assessment results set out above, the key risks and opportunities rated as having "high" financial materiality for the Group are concentrated in four areas: Water scarcity risk, policy and regulatory risk, energy efficiency improvement, and green financing. Of these, water scarcity and policy and regulatory risks are considered potentially financially material risks for the Group, as they may have significant long-term impacts on financial performance under various climate scenarios. On the opportunity side, improving energy efficiency plays a pivotal role in reducing energy consumption and carbon emissions; the Group will continue to increase investment in this area, with the expectation of achieving reductions in both energy costs and carbon costs. Green financing initiatives likewise remain of high financial materiality both in the current period and over the longer term, and will continue to empower the Group's sustainable development and the concurrent enhancement of economic returns.

Financial Materiality Assessment Results for Risks and Opportunities

Risks/ Opportunities	Risk / Opportunity Item	Current Financial Impact	Potential Financial Impact			Financial Materiality
			Short-Term	Medium-Term	Long-Term	
Physical Risks	Extreme Heat	No material impact	Low	Low	Low	Low
	Extreme Cold	No material impact	Low	Low	Low	Low
	Strong Wind	Less than RMB 1,000,000	Low	Low	Low	Low
	Extreme Precipitation	Less than RMB 1,000,000	Low	Low	Low	Low
	Water Scarcity	No material impact	Low	Medium	High	High
	Sea Level Rise	No material impact	Low	Low	Low	Low
	Global Warming/Rising Average Temperature	No material impact	Low	Low	Low	Low
Transition Risks	Policy and Regulatory Risk	No material impact	Low	Medium	High	High
	Market Risk-Changes in Consumer Preferences	No material impact	Low	Low	Low	Low
	Financing Risk	No material impact	Low	Low	Low	Low
	Reputation Risk	No material impact	Low	Low	Low	Low
	Technology Risk	No material impact	Low	Low	Low	Low
Opportunities	Policy Incentives	No material impact	Low	Low	Low	Low
	Green Products and Services	No material impact	Low	Low	Low	Low
	Corporate Resilience	No material impact	Low	Low	Low	Low
	Improving Energy Efficiency	No material impact	Medium	Medium	High	High
	Green Financing	High ¹³	High	High	High	High

¹³ In 2025, the Group completed the issuance of two senior unsecured offshore RMB sustainable development bonds: RMB 2 billion with a 5-year tenor and RMB 1.5 billion with a 10-year tenor.

Response to Financially Material Risks and Opportunities

Mengniu identifies and analyzes the driving factors of risks and opportunities with financial materiality, and develops targeted management strategies and response measures for significant risks and opportunities identified, to ensure the stable operation of critical value chain stages and long-term business sustainability. Specific actions and progress are detailed in the [Key Actions](#) section of this report.

Initiatives to Manage Financially Material Risks and Opportunities

Risks and Opportunities with Financial Materiality	Value Chain Stage	Periods of Material Impact	Response Measures
Physical Risk - Water Scarcity	Upstream-Feed cultivation, farm operations, raw and auxiliary material procurement	Long-term	<ul style="list-style-type: none"> • Water Risk Assessment and Planning: Water Stress Assessment and Water Conservation Plans through the World Wildlife Fund (WWF) Water Risk Filter. • Water-Saving Management in Production and Operation: Implement water-saving technological transformation projects, promote 94 key water-saving projects, and continuously optimize the cleaning process and improve the level of water resources recycling around the three major directions of conservation, recycling and collaborative reuse, with a cumulative water saving of 381,100 tonnes in 2025. • Value Chain Water-Saving Management: Continuously promote farms and raw material suppliers to improve water-saving management systems, and improve water resources utilization efficiency from the source.
	Midstream-Dairy production and processing		
Transition Risk - Policy and Regulatory Risk	Upstream-Feed cultivation, farm operations, raw and auxiliary material procurement, upstream transportation Midstream-Dairy production and processing, warehouse management	Long-term	<ul style="list-style-type: none"> • Green and low-carbon practices throughout the whole value chain, and continuously reduce carbon emissions from farming, packaging, production, logistics and other stages.
Opportunities - Improving Energy Efficiency	Upstream-Feed cultivation, farm operations, upstream transportation Midstream-Dairy production and processing, warehouse management	Long-term	<ul style="list-style-type: none"> • Low-Carbon Innovation Technology/Model: Support raw milk suppliers to adopt technologies such as low-methane emission dairy cows, manure resource utilization, feed additive optimization, etc., and promote emission reduction innovation that can be applied on a large scale. • Energy Conservation and Emission Reduction: Implement energy conservation and consumption reduction projects to continuously optimize energy use efficiency.
Opportunities - Green Financing	Group level	Short-, medium-, long-term	<ul style="list-style-type: none"> • Green Financing: Establish a green project pool, give priority to green loans, green bonds and other tools for financing, reduce financing costs and support the construction of low-carbon projects. In 2025, Mengniu issued its first overseas sustainable Dim Sum Bond, completing the issuance of RMB 2 billion worth of 5-year senior unsecured offshore RMB bonds and RMB 1.5 billion worth of 10-year senior unsecured offshore RMB bonds for sustainable development.



Part 03

Risk Management

Mengniu continuously assesses the potential impact of climate change on the Group's development strategy, production operations and financial performance, establishes a climate risk management mechanism under the framework of the sustainable development governance system, and incorporates it into the overall risk management system of the Group. By clarifying the management structure and division of responsibilities, the Group has formed a systematic management approach covering risk identification, assessment, prioritization and management has been formed.



Risk Identification

Regularly identify changes in climate-related risks and their potential impacts on the Company through policy research, self-assessment of business risks and cooperation with external institutions.



Risk Assessment and Prioritization

Assess from the two dimensions of Likelihood and severity, determine the risk level, and clarify the change and importance of risk level.

Use climate scenario analysis to quantify the financial impact of climate risks and opportunities, assess the potential risk exposure of each business segment, and rank the degree of impact.



Risk Response

Break down the risk response plan to all departments for implementation based on the results of climate assessment and the Group's management realities.



Risk Monitoring and Reporting

Regularly monitor and report on the progress of climate risk management and daily risk management on a regular basis.





Part 4

Metrics and Targets

Against the backdrop of China's vigorous advancement of the "Dual Carbon" strategy, Mengniu has set a clear goal of achieving carbon peak by 2030 and carbon neutrality by 2050. The Group has scientifically planned its implementation pathway and drives carbon reduction action from top-level design through to granular execution.

- GHG Emissions Management
- GHG Emissions Reduction Targets
- GHG Emissions Data

| GHG Emissions Management

Facing the increasingly complex carbon management needs, Mengniu independently developed a digital management system through scientific and refined management to create a transparent, efficient and traceable closed loop of carbon data management.

To ensure the steady realization of carbon emission reduction targets, the Group has formulated and issued a series of GHG emissions management system documents, such as *Mengniu Group Low Carbon Development Plan (2023 – 2025)*, *Mengniu Group Carbon Emission Management Measures*, *Mengniu Group Technical Guidelines for Carbon Emission Accounting*, and *Mengniu Group Carbon Emission Reduction Accounting Method*, which provide solid institutional support for the standardized and systematic implementation of carbon management.

The Group has established a "1+4" carbon emission MRV¹⁴ system, covering monitoring, accounting, reporting and auditing, and implemented a normalized accounting mechanism of "synchronization of data sources, one factory, one ledger" through a self-developed online management system to ensure the timeliness, completeness, authenticity and reliability of carbon emission data management. The quality control of the Group's carbon emission data has obtained the "measurable, reportable, and traceable" certification of "measurable, reportable and traceable" by third parties. Each business unit has established a regular MRV rotation review mechanism, with a cumulative coverage rate of 100%, effectively improving the monitoring of the carbon emission data collection process.

Cumulative coverage rate of regular MRV rotation reviews reached

100%

¹⁴ MRV refers to monitoring, reporting and verification.

GHG Emissions Reduction Targets

With the overarching goal of achieving carbon peak by 2030 and carbon neutrality by 2050, Mengniu has established phased quantitative targets for carbon emission intensity per tonne of dairy products and built a systematic, actionable carbon reduction pathway. We regularly evaluate and track progress against our carbon emission reduction targets to support the ultimate achievement of our carbon peak and carbon neutrality goals. In 2025, no revisions or adjustments were made to these targets, and the Group has no plans to use external carbon credits to offset GHG emissions in pursuit of its targets. The current carbon neutrality pathway relies primarily on substantive emissions reduction and green energy substitution across the full value chain.

Mengniu's GHG Emissions Reduction Targets by Stage¹⁵

Stage	Target
2020-2025	Based on the Group's strategic planning, the Group systematically calculated the carbon emission trends at each stage, focused on the emission reduction of Scope 1 and Scope 2 production stages, and simultaneously laid out the Scope 3 carbon emission reduction path in a forward-looking manner to comprehensively consolidate the basic support for achieving the carbon peak target. In 2025, the Group planned to achieve a carbon emission intensity of no more than 165 kgCO ₂ e/t per tonne of dairy products, which has been successfully achieved.
2026-2030	Based on the background of the Group's first-stage strategic planning and industrial structure optimization, the Group continue to deepen the low-carbon transformation of Scope 1 and Scope 2 production stages, simultaneously accelerate the implementation of Scope 3 carbon emission reduction measures, and comprehensively improve the efficiency of carbon management in the whole chain. In 2030, the absolute value of carbon emissions in Scope 1 and Scope 2 will reach the peak, and the carbon emission intensity per tonne of dairy products will not exceed 160 kgCO ₂ e/t.
2031-2050	With the goal of achieving carbon neutrality, we will continue to consolidate the emission reduction results of Scope 1 and 2 stages, comprehensively promote Scope 3 carbon emission reduction actions, steadily increase the proportion of renewable energy and achieve year-by-year growth, continuously reduce the carbon footprint of products, and strive to fully achieve the carbon neutrality goal across the entire value chain (Scopes 1, 2, and 3) by 2050.

¹⁵ Climate-related targets are calculated in carbon dioxide equivalent and include Greenhouse Gases such as carbon dioxide, methane, and hydrofluorocarbons.

GHG Emissions Data



In 2025, the Group continued to carry out accounting in accordance with the *GHG Accounting System: Enterprise Accounting and Reporting Standards (GHG Protocol)*, the *General Principles for Greenhouse Gas Emissions Accounting and Reporting in Industrial Enterprises (GB/T 32150)*, the *GHG Emissions Accounting and Reporting Requirements Part 25: Food, Tobacco and Liquor, Beverage and Refined Tea Enterprises (GB/T 32151.25)*, the IPCC National GHG Inventory Guidelines and the latest supplementary regulations¹⁶. During the reporting period, through the in-depth implementation of energy-saving technological transformation and supply chain carbon reduction projects, the total GHG emissions and emission intensity (Scope 1 + Scope 2) decreased by 5.78% and 1.04% respectively compared with 2024, and the Group achieved the phased emission reduction target in 2025. The accounting boundary, statistical scope and assumptions of this year remained consistent to ensure the comparability and objectivity of the data.

GHG Emissions (Scope 1 + Scope 2) of Mengniu from 2022 to 2025

Indicator	Unit	2022	2023	2024	2025
Total GHG emissions (Scope 1 + Scope 2) ¹⁷	10,000 tCO ₂ e	142.57	142.33	129.42	121.94
Scope 1	10,000 tCO ₂ e	25.37	27.04	27.75	18.97
Scope 2 (Location-based)	10,000 tCO ₂ e	117.20	115.29	101.67	102.97
GHG emissions per tonne of product (Scope 1 + Scope 2)	kg/tonne	168.31	166.17	163.81	162.11

GHG Emissions (Scope 3) of Mengniu in 2025

Category	Unit	Value in 2025
Category 1: Raw Milk Emission Data ¹⁸	10,000 tCO ₂ e	1,110.99
Category 4: Upstream Transportation Emission Data (Raw milk shipping only)	10,000 tCO ₂ e	20.39
Category 9: Downstream Transportation Emission Data (From factory to distributor)	10,000 tCO ₂ e	55.18

¹⁶ The accounting boundary for 2025 covers emissions generated from activities that provide products and services to factories within China under Mengniu's operational control.

¹⁷ Scope 1 emissions refer to emissions from fuel combustion, wastewater anaerobic methane emissions, and refrigerant fugitive emissions. Scope 2 emissions refer to emissions resulting from the purchase of electricity and steam. The greenhouse gases emitted during Mengniu's own factory production processes include carbon dioxide (CO₂), methane (CH₄), and hydrofluorocarbons (HFCs).

¹⁸ With reference to the *China Dairy Industry Low-Carbon White Paper (2023)*, and in line with the principle of conservatism, the Group adopts the carbon footprint factor of medium-sized farms with the highest carbon footprint factor as the overall raw milk carbon footprint factor, assuming all farms are medium-sized. The carbon footprint of raw milk mainly includes greenhouse gases such as carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).



05

Part

Key Actions

Mengniu implements the green and low-carbon practice of the whole value chain, continuously reduces carbon emissions from farming, packaging, production, logistics and other stages, and creates a green and competitive corporate image and green products.

- Green Dairy Farms
- Green Products
- Green Procurement
- Green Logistics
- Green Production
- Green Office



Green Dairy Farms

Farm Carbon Inventory

Mengniu has fully carried out scope 3 GHG emissions accounting. In view of the fact that the current emission assessment of upstream dairy farming mainly relies on the industry average coefficient, in order to further improve the compatibility between the data and the actual situation, we are continuously promoting

the on-site carbon inventory and calculation of partner farms, continuously optimizing the accuracy of the group scope 3 carbon emission assessment, and based on this, guiding farms to formulate more targeted and effective emission reduction strategies.



Inner Mongolia Dairy Farm

The upstream dairy farming is an important source of carbon emissions in the dairy value chain. We continue to promote carbon inventory of partner farms, accurately grasped the emission baseline, and joined hands with farm partners to implement carbon reduction measures around four dimensions: nutrition improvement, intelligent management, energy transition, and ecological restoration, so as to jointly build a low-carbon dairy ecosystem.

Farm Carbon Reduction Initiatives

Mengniu fully launched targeted farm carbon reduction and empowerment actions. In terms of internal management, the Group has formulated a special dual-carbon implementation plan, which directly incorporates the effectiveness of carbon reduction projects into business performance appraisal, and continuously deepens the management consensus that "carbon reduction means cost reduction and efficiency increase"; In terms of external synergy, the Group joined hands with core partners such as China Modern Dairy and China Shengmu, core raw milk suppliers, to jointly plan and implement a scientific carbon reduction path around the four key dimensions of "nutrition optimization, intelligent management, energy transformation and ecological restoration", aiming to create a green and low-carbon farm ecosystem.

Participated in the formulation of standards to promote the resource utilization of farm waste.

In the process of building a green pasture system, we have actively promoted the standardization of the industry by participating in the formulation of two local standards: *DB15/T 4041-2025 Technical Specification for Dairy Cow Manure Composting* and *DB15/T 4167.2-2025 Wastewater Treatment and Utilization from Large-Scale Dairy Farms-Part 2: Land Application of Nutrient-Rich Effluent*. This provides technical and management guidelines for the resource utilization of waste materials on farms, supporting the green and sustainable development of animal husbandry.

Low Carbon Action Initiative at Farms

Nutrition Improvement

Promoting emission reduction at the farm stage to reduce methane from enteric fermentation at source.

- **Adjusting feed composition and structure:** We scientifically optimize feed formulations to reduce excessive protein intake and increase the proportion of beneficial fatty acids, directly lowering carbon emissions at the nutritional level while safeguarding the health of dairy cows.
- **Applying new feed additives:** We guide and assist farms in piloting and scaling proven feed additives, including methane inhibitors, to target and suppress the activity of methanogenic bacteria in the rumen and achieve measurable methane emission reductions.

Intelligent Management

Leveraging digital technology to achieve precision farming, improve efficiency, and reduce the carbon footprint per unit of product

- **"Cloud Cattle Raising" intelligent management:** In partnership with our core raw milk supplier China Modern Dairy, we have promoted more than 115,000 sets of intelligent collars to enable real-time monitoring of dairy cow estrus, health status, and other key data. Through precision management, we have effectively improved the 21-day pregnancy rate, shortened the non-pregnant period, and directly reduced the methane emission intensity per unit of milk produced.
- **Optimizing herd structure:** We guide farms to increase the lifetime milk yield of dairy cows by reducing unnecessary culling rates and scientifically managing the calving intervals of young cattle, thereby improving resource utilization efficiency and productive capacity per cow and reducing overall breeding-related carbon emissions.
- **Enhancing comprehensive energy efficiency:** Through the deployment of intelligent sound-and-light control systems, strengthened electricity conservation management, and other digital measures, we continuously raise the level of intelligent energy management across our farms and reduce comprehensive energy consumption per unit of output.

Ecological Restoration

Integrating farm operations with ecological restoration to create sustainable agricultural carbon sinks.

- **Desert management and ecological carbon sequestration:** Our core raw milk supplier China Shengmu has invested more than RMB 8.5 billion in the Ulan Buh Desert, transforming desert land into organic pastures through an integrated forage cultivation and livestock raising organic circular model — planting nearly 100 million trees and establishing over 220 square kilometers of oasis. The resulting ecosystem has achieved cumulative carbon sequestration of more than 1.38 million tonnes, creating a replicable sustainable development model that integrates sand control, grass planting, cattle raising, and milk production.
- **Local greening and ecological restoration at farms:** We encourage and collaborate with our cooperative farms to implement ecological programs including afforestation and the conversion of degraded pasture back to grassland. For example, our core raw milk supplier China Modern Dairy has carried out greening projects across 23 of its farms, with a cumulative afforestation area of 968 mu. These initiatives not only improve the surrounding environment but also strengthen soil and water conservation capacity and enhance carbon sink function, contributing to the low-carbon transformation of our industrial chain.

Energy Transition

Mengniu sources around 50% of its raw milk from its core raw milk suppliers, China Modern Dairy and China Shengmu. In 2025, Mengniu drove all core raw milk suppliers to undertake energy-saving and carbon-reduction projects, vigorously advancing the transition of farm energy supply toward clean and renewable sources, and maximizing the resource utilization of livestock waste.

- **Large-scale application of photovoltaic power generation:** We actively guide our cooperative farms to increase the use of clean energy. By the end of the reporting period, 11% of our cooperative farms had installed distributed photovoltaic power generation systems, operating under the "self-consumption with surplus electricity fed to the grid" model. In 2025, our core raw milk supplier China Modern Dairy generated approximately 67,000 MWh of green electricity annually.
- **Efficient utilization of biogas resources:** We prioritize the promotion of advanced manure treatment technologies, including intelligent bio-fermentation combined heat and power (CHP) systems, to convert cow manure and other organic waste into clean energy. Biogas residue and biogas slurry are returned to farmland, establishing an integrated circular agriculture model combining crop cultivation and livestock breeding. In 2025, our core raw milk supplier China Modern Dairy utilized 185 million cubic meters of biogas across its farms and generated more than 123,000 MWh of electricity.
- **Air-source heat pump substitution:** We replace biomass boiler heating with air-source heat pump systems to reduce greenhouse gas emissions while lowering fuel consumption. In 2025, our core raw milk supplier China Modern Dairy installed 21 new air-source heat pump units for heating and hot water supply.
- **Electrification of operating equipment:** We continue to drive the green transformation of transportation and farm equipment. By the end of the reporting period, our core raw milk supplier China Modern Dairy had deployed a total of 259 electric equipment units across its farms, including electric forklifts and fixed mixing tanks. In addition, we are actively piloting and promoting new equipment categories, including electric tractors and electric dump trucks, with our partners, steadily increasing the electrification ratio of our operational fleet.

Green Procurement

Focusing on building a sustainable value chain, Mengniu has deeply integrated green procurement into its development strategy, systematically promoted the responsible transformation of packaging reduction, recycling and raw material procurement through the implementation of "4R1D" green packaging strategy and "zero deforestation" supply chain management, and is committed to achieving multiple goals of resource conservation, environmental protection and climate action.

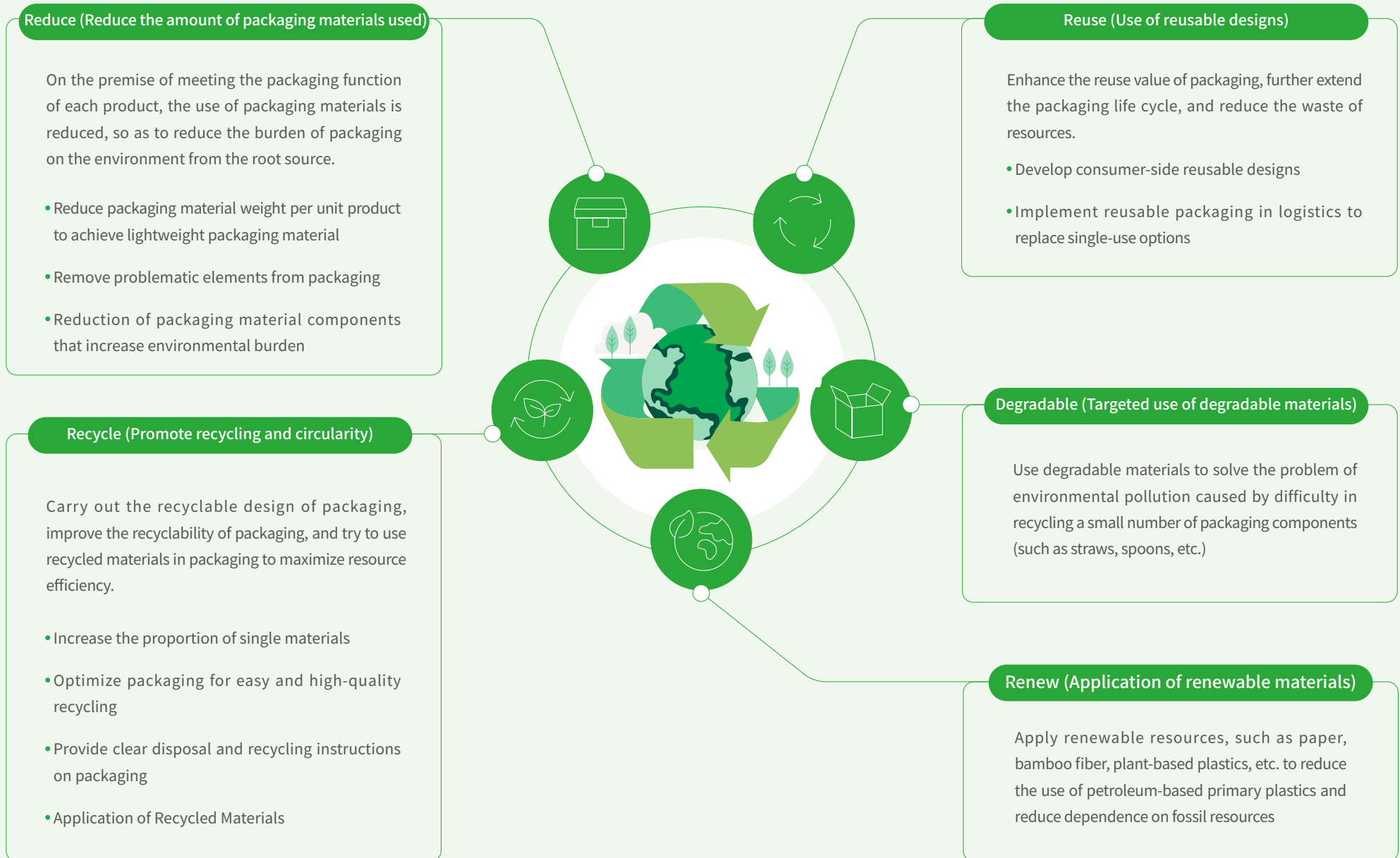
Green Packaging

Focusing on the core goal of "managing environmental pollution, protecting earth's resources and supporting the transition to net-zero", Mengniu continued to implement the "4R1D" packaging design strategy. The Group has established a three-level management structure consisting of "Sustainability Committee – Sustainability Executive Committee – Green Packaging Special Working Group". At the same time, we strictly abide by national laws and regulations such as the *Law on the Prevention and Control of Environmental Pollution by Solid Waste* and the *Restriction of Excessive Packaging Requirements for Food and Cosmetics* to ensure that the green transformation of packaging is in compliance with laws and regulations and steadily progress.

At the specific implementation level, the Group takes the *Green Packaging Design Guide* as the overall guideline to promote the closed-loop management of the whole life cycle of "R&D-procurement-production". Accordingly, each business unit has successively issued detailed implementation documents such as the *Requirements for Layout Design of Low Temperature Packaging*, the *Regulations on Packaging Development and Technical Standard Management of Mengniu Milk Powder Business Unit*, the *Implementation Rules for Packaging Self-research and Improvement Project of Milk Powder Business Unit*, etc. To ensure the effective implementation of various standards, the Group comprehensively incorporates key indicators such as packaging standard implementation, green innovation and special training into the KPI assessment of relevant departments, and solidly promotes packaging reduction and recycling in the whole value chain.

Green Packaging Targets		Progress in 2025
Phase out environmentally unfriendly plastics	By 2025, the use of PVC and EPS on product packaging will be completely eliminated.	Among the products produced by Mengniu's self-operated factories, all packaging PVC and EPS materials have been eliminated.
Reducing fossil-based virgin plastics	Conduct research on lightweight packaging and bio-based materials, and reduce the use of fossil-based virgin plastics by 35,000 tonnes by 2030, using 2020 as a baseline.	In 2025, each plastic reduction project achieved more than 4,804.12 tonnes of fossil-based virgin plastics reduction.
Use of recycled materials	Conduct research on the application of recycled plastics after recycling, such as PCR and PIR, and use recycled plastics in 20% of plastic packaging products by 2035.	In 2025, the weight of Mengniu's packaging containing recycled plastics accounted for 0.63% of the weight of plastic packaging. In 2025, the weight of Mengniu's recycled plastics accounted for 0.037% of the total weight of plastic materials.
Packaging with recyclable/degradable materials for use	Develop single-material composite membranes, low-additive technologies, degradable materials to make all packaging 100% recyclable, reusable or degradable by 2035.	In 2025, recyclable packaging materials accounted for 98.65% of the total weight of packaging materials.
End of product packaging recycling	Through the use of recycling labels and industrial chain cooperation, we actively participated in supporting packaging recycling actions carried out by the state and associations, and helped the industry achieve a recycling rate of 40% for paper-based composite packaging and over 90% for PET bottles by 2025.	In 2025, 21 packaging models of Mengniu products passed the Easy Recycling and Easy Regeneration Certification, and 3 models reached the excellent grade of "Double Easy Certification". According to the <i>Report on the Implementation of Extended Producer Responsibility for Beverage Paper-Based Composite Packaging 2024</i> , the resource utilization rate of waste beverage paper-based composite packaging in China reached 40.8% in 2024, and Mengniu helped achieve this target ahead of schedule. According to the <i>Research on the Recycling Level of PET Beverage Packaging in China (2021-2023)</i> , the recycling rate of PET beverage packaging in China reached 96.48% from 2021 to 2023, and Mengniu has helped achieve this target ahead of schedule.

Green Packaging Design Strategies and Highlight Initiatives



Case | Milk Deluxe Desert Organic Gift Box Full Life Cycle Carbon Reduction and Renewal



In March 2025, Milk Deluxe, a high-end brand of the Group, carried out an in-depth low-carbon upgrade to its desert organic pure milk gift box. The project team adopted paper handles instead of plastic handles (reducing 2.8 grams of fossil-based virgin plastics per box), and upgraded the gift box tissue paper from gray-backed white cardboard to uncoated kraft paper, removing the white coating layer to reduce the difficulty of recycling. At the same time, the printing process was changed from a whole board to a hollow design (reducing the ink use by 40%), and the tissue weight was reduced from 350 grams to 300 grams. After the review and appraisal of the third-party TÜV Rheinland, the carbon footprint per box of this gift box was successfully reduced by 17 grams. Based on the average daily sales volume per thousand cartons, the estimated emissions reduction is equivalent to the daily CO₂ absorption of approximately 550 trees, demonstrating the environmental value of green packaging.



Milk Deluxe Desert Organic Pure Milk Green Packaging

Case | Special Channel Raw Milk Serving Cup Receives Double International Carbon Footprint Certification



In response to the packaging compliance and carbon reduction needs of specific channels, the Group's special channel business conducted stringent carbon footprint inventory on raw milk serving cups (PS material, specification 0.8mm*394mm) specially supplied for catering. At present, the product packaging has successfully passed the international carbon footprint certification of ISO 14067:2018 and PAS 2050:2011, providing accurate and quantifiable data support for the low-carbon transformation of dairy special channel packaging.

Case | Joining hands with Tetra Pak to explore high-value recycling of packaging waste



Mengniu has embedded the principles of the circular economy into its daily operations, partnering with packaging material supplier Tetra Pak to carry out a recycled material recovery project. The Group collects used dried milk cartons and reprocesses into "Colorful Board," a recycled composite material used to develop office fixtures and consumer engagement gifts. The project utilized 384,000 recycled milk carton packs in total. In 2025, 24 eco-friendly benches made from this recycled material were installed at the new park at Mengniu's Beijing headquarters, while more than 100 sets of recycled eco-friendly benches, waste bins, and coffee tables and chairs were deployed across 14 production bases nationwide.

The project utilized recycled

384,000 milk carton packs

24

eco-friendly benches made from this recycled material have been installed at the new headquarters campus in Beijing

Over a hundred sets of recycled eco-friendly benches, waste bins, and coffee tables/chairs

have been widely deployed across **14** production bases nationwide

"Zero Deforestation" Management

Mengniu actively responded to the concepts and development goals specified in the *White Paper on Biodiversity Conservation in China*, advanced the implementation of nature-related issues in the GREEN Sustainable Development Strategy, systematically assessed the deforestation risks in the supply chain, and identified palm oil, soybean products and timber products as the potential high-risk categories for deforestation under key management. With the goal of building a "zero deforestation" supply chain, we actively promote the deforestation risk management of related commodities in the procurement process, set specific and quantifiable targets, and regularly track the progress of the targets. Please refer to the *China Mengniu Dairy Company Limited 2025 Sustainability Report* for detailed practices.

Forest Protection Goals

- By 2030, we aim to eliminate deforestation risks associated with timber products, soybean products, and palm oil in Mengniu's supply chain.

Category	Progress in 2025
Palm Oil	<p>We have achieved 100% traceability to refinery (TTR), 100% traceability to palm oil mill (TTM) and 55.81% traceability to plantation (TTP)¹⁹.</p> <p>In 2025, 250 metric tonnes of RSPO Mass Balance (MB)-certified palm oil were procured.</p> <p>In 2025, all palm oil procured by Bellamy's is RSPO IP-certified.</p>
Soybean Products	<p>In 2025, the "zero deforestation" soybean meal procurement accounted for 50.58%, with 249,700 tonnes of low-risk procurement and 128,400 tonnes of certified procurement.</p> <p>In 2025, Mengniu advanced the implementation of soybean meal reduction and substitution on cooperative pastures, achieving a total reduction of 161,200 tonnes.</p>
Timber Products	<p>In 2025, 88.11% of the packaged base paper passed the sustainable forest certification, and 100% of the product outer cartons are made from recycled paper.</p>

Soybean Meal "Zero Deforestation" Measures

We have taken the following measures to promote the goal of "zero deforestation" of soybean meal:

- Cooperative farms are required to gradually reduce their dependence on soybean meal and increase the use proportion of soybean meal substitute feed such as rapeseed meal, cottonseed meal and sesame meal.
- Carry out the traceability of soybean origin, constantly increase the traceability ratio of soybean meal, and give priority to the purchase of soybeans without deforestation risk.
- Continuously standardize the access standards for soybean meal suppliers, and dispatch business personnel to perform on-site quality audit of soybean meal.
- The Group carried out "zero deforestation" training for the procurement staff of the Group's raw milk suppliers, enhanced the awareness of responsible procurement by the procurement staff, and reduced the deforestation risk of soybean meal in the process of selecting the procured products.

¹⁹ In 2025, we updated our statistical methodology with reference to the latest TTP definition by the Earthworm Foundation, using suppliers' complete plantation lists as the reference standard.

Green Production



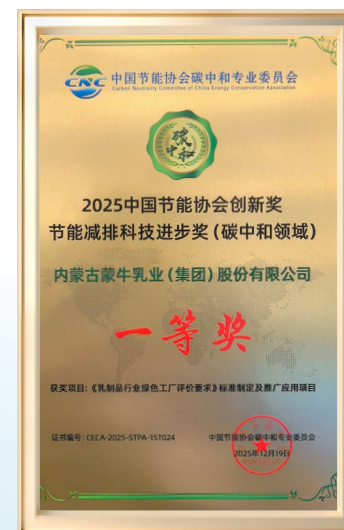
Guided by the "double carbon" goal, Mengniu coordinated the promotion of energy and water resources management, and continued to consolidate the foundation of green development. Through the two-wheel drive of energy and water resources, we will continue to improve the level of green manufacturing and set a benchmark for the low-carbon transformation of the industry.

By the end of the reporting period, Mengniu has a total of 33 water-saving enterprises / water-saving benchmark enterprises, 41 national-level green factories.

Energy Management

Through the implementation of a series of energy conservation and emissions reduction initiatives, Mengniu has optimized its energy mix, continuously improved energy utilization efficiency, and achieved energy saving and consumption reduction at the production level. In 2025, energy conservation investment reached RMB 6 million, resulting in savings of 11,610 MWh of electricity, 13,100 tonnes of steam, and 32,100 cubic meters of natural gas. In 2025, newly installed photovoltaic capacity increased by 5.66 MW, bringing the cumulative total to 33.69 MW. The solar power generation amounted to 20,056 MWh. In 2025, the green electricity procurement reached 108,800 MWh.

Mengniu has implemented initiatives such as green process optimization, energy recovery, energy-efficient equipment replacement, and deployment of clean energy projects across all its production and operational sites, focused on the optimization of energy structure in the production process, continuously promoted the improvement of energy efficiency in factories and reduced carbon emissions from its own operations. In terms of green process optimization, we continued to promote the green and refined transformation of key processes to achieve energy saving and consumption reduction; In terms of energy recovery, through the construction of waste heat recovery, waste heat heating and other projects, the potential energy in the production process is converted into directly utilizable steam and electricity, so as to realize the cascade utilization and efficient utilization of energy; In terms of replacement of high energy efficiency equipment, we focused on the transformation of refrigerators, air compressors, refrigeration water pumps, etc. with higher energy consumption, which achieved a significant jump in overall energy efficiency; In terms of deployment of clean energy projects, we will plan projects such as photovoltaic power generation and biomass power generation, implement green electricity trading, and actively build a green, efficient and economical energy supply system.



First Prize of the Energy Conservation and Emission Reduction Science and Technology Progress Award (Carbon Neutrality Category), 2025 China Energy Conservation Association Innovation Awards



Energy Management Initiatives

Green Process Optimization

- The Room Temperature Business Unit actively explored the optimization of green process for the pretreatment process of normal temperature sterilized milk. By optimizing the process path, reducing the heat treatment time, reducing the consumption of water, electricity, steam and other energy during production, achieving a carbon reduction of 26,700 tCO₂e.
- The Room Temperature Business Unit currently has 4 photovoltaic power generation plants with an installed capacity of 16.89 MW;
- The fresh milk plant in Ma'anshan of the Fresh Milk Business Unit uses approximately 3,400 tonnes of biomass steam per month, and the installed photovoltaic power generation capacity of the Wuhan plant is 2 MWP; Achieve a monthly carbon reduction of 1,115 tCO₂e;
- The Ice Cream Product Business Unit generated 154,894 kWh of biogas power annually;
- The Chilled Product Business Unit plans to increase the proportion of photovoltaics by 20% annually, and continue to increase the proportion of green electricity in the future, and continue to purchase green electricity;
- The lighting equipment and facilities of the Milk Powder Business Unit changed to solar power supply measures, which saved a total of 432 kWh of electricity in 2025.

Deploying Clean Energy Projects

Energy Recycling

- The Fresh Milk Business Unit carried out the steam waste heat recovery project of Wuhan Engineering, using the waste heat of steam condensate water to heat pure water, redesigned and replaced the integral valve core of the main steam regulating valve of the ultra-clean generator, and achieved a carbon reduction of 694.58 tCO₂e;
- The Chilled Product Business Unit carried out waste heat heating steam consumption reduction project and regional steam pressure reduction in workshops, reducing electricity consumption by 669,019.23 kWh, reducing steam by 83 tonnes and achieving carbon reduction of 384 tCO₂e.
- The Ice Cream Product Business Unit implemented projects such as refrigeration renovation project, the improvement of the Pasteurization system, the automatic dormancy of the conveying line, the control of the zoned pressure reduction of the air compressor, and the control of the operation of the central air conditioner. Through equipment renovation and operation strategy optimization, achieved annual energy savings of 851,479.6 kWh and 587.54 tonnes of steam, equivalent to a reduction of 631 tCO₂e;
- The Chilled Product Business Unit carried out the operation optimization project of refrigeration ice water pump and the four-to-three-level upgrading project of water treatment process, which reduced electricity consumption by 154,056 kWh and achieved a carbon reduction of 83 tCO₂e;
- Filter renovation project of Ba Killing Room of Milk Powder Business Unit and relocation project of refrigeration workshop.

Energy Efficient Equipment Replacement



Case | Mengniu Wuhan Engineering Steam Waste Heat Recovery Project



Mengniu implemented comprehensive technical transformation to solve the problems of waste heat in steam system, poor steam control and unstable equipment. By installing a preheater at the inlet of the pure water, recovering the waste heat of the condensed water to heat the pure water; Replace the high-precision valve core of the main steam regulating valve to prevent excessive steam supply; Upgrade control system procedures to eliminate water hammer and leakage hazards. After the transformation, the system operated more stably and the energy consumption was significantly reduced, annual steam savings of 3,285 tonnes, corresponding to a reduction of 973 tCO₂e.

Case | Mengniu Promotes and Applies One-Step Green Process Technology



Mengniu carried out green optimization exploration around the pretreatment process, by streamlining the process, canceling the original pasteurization process and shortening the heat treatment time. This method not only improves the efficiency of production line, but also directly reduces the electricity and steam consumption in the production process. This process took the lead in the production of room-temperature sterilized milk, and has been extended to 25 factories, achieving a carbon reduction of 26,700 tCO₂e, setting a quantifiable benchmark for the low-carbon transformation of the manufacturing process of the dairy industry.

On this basis, Mengniu will continue to deepen green process innovation, and plan to extend its successful experience to other categories such as room-temperature yogurt and prepared milk, promote the comprehensive application of one-step process, and accelerate the realization of Mengniu's overall carbon emission reduction target.

Water Resources Management

Mengniu has always adhered to the core concept of "giving priority to water conservation and balanced development", fully implemented the management principle of "determining the city by water, determining the land by water, determining the people by water and determining the production by water", built a systematic water resources management system, improved the system norms, and fully implemented water-saving measures in production and operation. In 2025, two factories under Mengniu were awarded provincial water-saving enterprises and four factories were awarded

municipal water-saving enterprises. Meanwhile, by the end of the reporting period, a total of 33 Mengniu subsidiaries had been recognized as water-saving enterprises / water-saving benchmark enterprises. The Group actively promotes the implementation of international advanced water management standards. By the end of the reporting period, 11 factories carried out Alliance for Water Stewardship (AWS) water management certification, 7 of which successfully obtained AWS Gold-level certification, including 3 of which achieved in 2025.

In 2025,

2

factories under Mengniu were recognized as provincial-level water-saving enterprises

4

factories received municipal-level water-saving enterprise designations

as of the end of 2025, Mengniu has

33

sites recognized as water-saving enterprises/water-saving benchmark enterprises

Water Resources Targets

- By 2030, water resources recycling rate will increase by 5% compared to 2023, and water withdrawal per tonne of product will decrease by 10% compared to 2023
- Core suppliers China Modern Dairy and China Shengmu plan to reduce the water intensity per unit of raw milk production and operation by 10% by 2030 based on 2022

Progress in 2025

- Water resource recycling rate increased by 0.09% in 2025 compared to 2023
- Water withdrawal per tonne of product decreased by 6.08% in 2025 compared to 2023
- In 2025, the water intensity per unit of raw milk production and operation for core raw milk supplier China Modern Dairy and China Shengmu, is 4.95 tonnes per tonne of raw milk, which is decreased by 19.4% compared to 2022.

Mengniu takes Save Use, Recycle Use and Common Use as water-saving strategies, and systematically promotes the transformation of water-saving technologies by exploring new technologies, new methods, new processes and new equipment to improve water resources utilization efficiency. Currently, the water resources management and conservation work covers 100% of the self-operated factories. In 2025, Mengniu systematically promoted 94 key water-saving projects, focused on the three major directions of conservation, recycling and collaborative reuse, continuously optimized the cleaning process and improved the level of water resources recycling, and achieved a cumulative water saving of 381,100 tonnes throughout the year.

Type of Conservation use

- The Room Temperature Business Unit carried out online hardness monitoring and automatic cleaning measures for the softened water system, and accurately controlled the cleaning timing through real-time water quality monitoring, achieving an annual water saving of about 12,000 tonnes;
- On the premise of meeting the product quality requirements, the Fresh Milk Business Unit reduced the cleaning frequency through process improvement, and achieved an annual water saving of 29,000 tonnes.

Type of Recycling

- The concentrated water generated by the Room Temperature Business Unit is recycled into idle buffer water tanks, which is used for water replenishment in toilets, sinks, car washes, tower water and multi-media tank cleaning, achieving an annual water saving of about 63,000 tonnes;
- The Chilled Product Business Unit carried out the recycling measures of cooling water for pump bodies and homogenizers in the workshop, and achieved an annual water saving of approximately 65,000 tonnes;
- The Ice Cream Product Business Unit implemented cooling water system circulation optimization measures, retrofitting the pasteurization cooling water recovery and reuse system to achieve annual water savings of 2,077 tonnes;
- The Fresh Milk Business Unit achieved an annual water saving of 23,000 tonnes by using the recycled cooling water for equipment cooling and recycling the soft water of the homogenizer;
- The Milk Powder Business Unit uses cooled condensed water instead of soft water to cool the milk tablets equipment, achieving an annual water saving of approximately 1,060 tonnes.

Type of Synergistic Utilization

- The Room Temperature Business Unit added buffer tanks, pumps, pipelines and control systems to recycle dialysis water to the power cooling tower for water replenishment, achieving an annual water saving of approximately 56,000 tonnes;
- The Chilled Product Business Unit adopted multi-channel comprehensive reuse measures of reclaimed water, effectively covering greening, toilet flushing, fire protection, cooling tower, external washing of milk trucks and ground washing, and achieved an annual reuse of 158,000 tonnes of water;
- By recycling steam condensate and replenishing it to hot water tanks, the Ice Cream Product Business Unit reduced the demand for steam heating and water replenishment, saving 3,588 tonnes of water annually.

Case Mengniu Leverages "Digital CIP Cleaning Algorithm" to Drive Precision Transformation in Water Consumption Management



Mengniu independently developed a "Digital CIP Cleaning Algorithm," which has been fully deployed across the Chilled Product Business Unit, driving the digital upgrading of the cleaning process through an intelligent decision-making engine. Drawing on more than 100,000 cleaning data records collected via the Internet of Things, the system identifies cleaning redundancies through a big data model, increasing the accuracy of invalid water identification to 99% and reducing the invalid cleaning rate from 38% to 24%. In practical application, a single plant achieves annual water cost savings of approximately RMB 500,000, while cleaning energy consumption is reduced by 30%, delivering annual energy cost savings of approximately RMB 2 million. These results mark a fundamental shift in cleaning water management from experience-driven practice to intelligent, data-refined operations.

Case Mengniu Applies Full-Process Digital Twin System to Achieve Proactive and Predictive Optimization of Water Consumption Management



Mengniu independently developed and applied the "Digital Twin System for the Whole Process of Factory Water Use" to realize visual management of water consumption, water quality and reuse path. By establishing 3D virtual mapping, we present the water use status of each link in real time, and support the simulation of the effects of different water reuse schemes, which shortens the evaluation and decision-making cycle of water saving schemes from the traditional one week to one day. Through the closed-loop management of "simulation deduction, real-time insight and precise intervention", the factory can actively discover hidden dangers such as leakage and inefficient stages, promote water saving from passive transformation to active optimization, and significantly improve decision-making efficiency and water-saving benefits.

Green Products




Mengniu firmly believes that genuine green transition must not only be embedded in every aspect of production and operations but also visibly embodied in the products themselves, directly perceptible to consumers. Therefore, we actively advance carbon footprint certification and emission reduction initiatives for our core products, systematically assessing and improving their environmental impact across the full life cycle—from "cradle-to-grave". Empowering consumers to make sustainable choices, we aim to align commercial success with environmental stewardship.


Green Certification


As of 2025, the Group has a total of 23 products with carbon footprint certification or evaluation. In 2025, revenue from organically certified products accounted for over 9%. Through a systematic green product strategy, the Group not only addresses the growing consumer demand for sustainable products but also lays a solid foundation for achieving its carbon neutrality goal by 2050.


In 2025, the Group added 8 new products that have completed carbon footprint certification or evaluation, covering four major categories: Room Temperature, Fresh Milk, Ice Cream, and Refrigerated.

Product Category	Room Temperature Products	Fresh Milk	Ice Cream	Chilled Products
Certified Products	Just Yoghurt 0 Additive Selected Meadow Pure Milk (250ml) Milk Deluxe Pure Milk (250ml) Zhenguoli (strawberry flavor, 250g)	Shiny Meadow Desert Organic Fresh Milk (720ml)	Deluxe Frozen Cheese Milk Ice Cream	Youyi C Original Living Lactic Acid Bacteria Beverage Youyi C 0 Sucrose Original Viable Lactic Acid Bacteria Beverage
Type of Certification	Carbon Footprint Certification	Carbon Footprint Evaluation	Carbon Neutral Certification	Carbon Footprint Certification









Plant-based Product Development

Mengniu is proactively embracing the growing consumer demand for diverse, low-carbon, and sustainable food choices. Expanding its plant-based product portfolio has become a key strategic initiative to enhance its health and nutrition offering, with ongoing efforts to strengthen its presence and capabilities in the plant protein sector.

Everyday Fiber Oat Milk:

Made with naked oats sourced from Ulanqab, this oat milk retains dietary fiber and beta-glucan, delivering a low-fat and cholesterol-free healthy beverage.



Shiny Meadow Double Protein Milk:

Adopting a dual-protein formulation of "raw milk + almond", each bottle contains plant-based nutrients equivalent to approximately 6 almonds.





Green Logistics

Focusing on the core goal of "cost reduction, efficiency increase and carbon reduction", Mengniu systematically reshaped the two key stages of "temporary storage" and "circulation" of products. Through the two-wheel drive of intelligent upgrading of warehousing and networked optimization of transportation, a green logistics network covering all formats and throughout the whole process has been steadily weaved.

Green Warehousing

To solve the bottleneck of resource consumption and efficiency in the traditional warehousing model, Mengniu comprehensively promotes the green innovation of warehousing with digitalization, intelligence and circularity as the levers. The Group is committed to minimizing paper consumption, improving warehouse management efficiency, and reducing cargo damage and energy consumption through technology empowerment and management optimization.

Green Warehousing Initiatives

Green storage construction and low carbon transformation

- A total of 24 factories of the Room Temperature Business Unit received green warehouse evaluation, and continued to systematically promote green transformation from the warehousing link;
- The Chilled Product Business Unit implemented measures such as scientific optimization of temperature zones, dynamic adjustment of warehouse area, solar-powered outdoor lighting for warehouses, and conversion of fuel-powered forklifts to electricity, effectively saving power consumption and reducing carbon emissions.

Digital and intelligent fulfillment and paperless operation

- The Fresh Milk Business Unit realizes full-scene visual management from warehousing operation to fulfillment and delivery, uses intelligent equipment PDA²⁰ in warehousing to minimize logistics-related consumption, and adopts online intelligent customer service management in customer service to replace traditional paper customer return visits and surveys;
- The business end of Ice Cream Product Business Unit completely canceled the signing of paper version and adopted electronic signing.

Online supervision of cold chain business

- The Group carried out information-based online supervision of warehouse flow, and launched an online supervision system with 14 functional modules. The system realizes automatic waybill push, whole-process vehicle monitoring and data analysis in transit, and strictly controls cold chain standards through automatic data accounting to "escort" the professionalism of cold chain;
- We launched factory-customer online receipt and evaluation media to directly obtain front-line real experience, replaced traditional telephone communication, and realized integrated panoramic management of storage and transportation.

²⁰ PDA : Personal Digital Assistant, referring to the handheld intelligent terminal devices used in warehousing operations.

Green Transportation

Mengniu focused on improving energy efficiency and optimizing the energy mix in transportation, driving the full-scale transition of its transport fleet to new energy vehicles, restructuring its logistics network to eliminate inefficient mileage, and pursuing the most streamlined transportation solution through cross-business collaboration and shared transport capacity.

Green Transport Initiatives

<p>Increase the proportion of new energy and introduction of vehicles</p>	<ul style="list-style-type: none"> • The Group has deployed over 3,500 new energy vehicles; • When procurement and bidding, the Group takes the new energy vehicle indicators of carriers as the evaluation reference criteria, and gives priority to strategic transporters with new energy transportation capabilities.
<p>Transportation structure optimization and rail-sea intermodal transportation</p>	<ul style="list-style-type: none"> • The Room Temperature Business Unit continued to increase the proportion of railways and new energy vehicles, mainly promoted rail-sea transportation to replace trunk transportation, and built a green supply chain. During the reporting period, the volume of rail-sea intermodal shipments reached 1.866 million tonnes, achieving a carbon reduction of 50,500 tonnes; • The Ice Cream Product Business Unit made coordinated efforts to promote rail-sea transportation instead of trunk transportation.
<p>Transportation route optimization and capacity sharing</p>	<ul style="list-style-type: none"> • The Chilled Product Business Unit promoted network layout optimization and line reconstruction. Through the "integrated trunk-and-distribution" model, we continued to promote the direct distribution network from trunk lines to distribution and then to customers. At present, we have efficiently operated about 100 such lines, shortening the transportation mileage by about 1.06 million kilometers, reducing fuel consumption by 480,000 liters and reducing carbon dioxide emission by about 1,278 tonnes; • The Milk Powder Business Unit effectively and synergistically reduced carbon emissions during transportation by selecting the optimal route and increasing the frequency of vehicle use.

Case | Benchmarking Practice of "Intelligent Storage and Pallet Transportation" in Fresh Milk Business Unit



Considering the industry pain points of short shelf life, high timeliness requirements and low degree of automation of fresh milk business, the Fresh Milk Business Unit optimized the efficiency of warehousing through cooperation:

- Construction of automatic warehouses: The Fresh Milk Business Unit joined hands with JD Logistics to create a new benchmark of intelligent warehousing covering an area of 3,600 square meters in Tianjin. The project covers inbound, storage, outbound, and other units, and puts into use 10 robots, 34 handling robots, telescopic belt conveyors, high-resolution inkjet printers and other item separation equipment, which runs the automated process through the whole link from production to distribution.
- Restructuring the transportation supply chain of key customers: In cooperation with customers, the Fresh Milk Business Unit vigorously promotes pallet transportation. The pallet circulation enables the goods to be seamlessly connected between factories, warehouses and transportation tools, and the forklift operation time is sharply reduced from 3 minutes for single-piece handling to 20 seconds for pallet operation. This mode increases the loading and unloading efficiency by 40%, reduces the cargo damage rate by 65% and increases the vehicle turnover rate by 30%.

Green Office



Mengniu is committed to embedding low-carbon principles deeply into employees' daily office routines and business travel. Through refining its low-carbon management systems and launching a range of environmental initiatives, the Group continuously strengthens green awareness across its entire workforce, uniting everyone behind a shared carbon reduction goal.

Green Business Travel

Leveraging its digital platform, the Group has built a green business travel closed loop centered on "rule-based guidance, account-based incentives, and data-driven empowerment." The Group has established comprehensive carbon accounting standards for all categories of corporate travel products, and displays real-time estimates of carbon emissions and potential savings for each trip on the booking page, proactively guiding employees toward low-carbon travel choices. The system has also been upgraded with multi-dimensional carbon data reporting, accurately profiling travel habits and providing reliable data support for the Group to refine its emission reduction strategies and for employees to better understand their own environmental impact.

On the employee incentives front, the Group has innovatively introduced a dedicated "Green Account" for each employee. Employees can not only track their personal carbon assets in real time and earn recognition such as the "Carbon Reduction Rising Star" title, but also convert their green travel points into "Nai Dou" credits on a 1:1 basis for use in Mengniu's employee benefits mall, delivering both recognition and tangible rewards. As of the end of 2025, the green business travel initiative has achieved cumulative carbon reductions of 5,689.22 tonnes, effectively energizing the entire workforce's commitment to environmental responsibility and providing solid support for the achievement of the Group's sustainability goals.

Green Living

The Group has developed the *Anti-Food Waste Guide* and promotes a culture of conservation among employees through initiatives such as the "Clean Plate Campaign" and ongoing awareness and education efforts, spreading the concept of "green operations and living." The Group continuously organizes clean plate and anti-food waste activities, actively promotes best practices in reducing food waste, and encourages employees to take an active role, building a stronger sense of food conservation and low-carbon living across the workforce.

Clean Plate Campaign

The Fresh Milk Business Unit continued to carry out the "Clean Plate Campaign", encouraging employees to finish their meals and avoid waste, achieving a cumulative saving of 24.09 tonnes of grain, with 1,444 participants and over 630,000 check-ins recorded in 2025.



Appendix: Reporting Disclosure Key Points Index

Key Points of Disclosure	Appendix C2 Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") of The Stock Exchange of Hong Kong Limited ("HKEX") <i>Main Board Listing Rules</i>	The <i>Enterprise Sustainability Disclosure Standards— Basic Standards (for Trial Implementation)</i> and the <i>Enterprise Sustainability Disclosure Standards No. 1—Climate (for Trial Implementation)</i> jointly issued by nine ministries and commissions including the Ministry of Finance of the People's Republic of China	Location
Governance			
Skills and abilities	✓	✓	P8-P9
Mode and frequency	✓	✓	P8-P9
Board Roles and Responsibilities	✓	✓	P8-P9
Monitoring progress	✓	✓	P8-P9
Roles and responsibilities of management	✓	✓	P8-P9
Strategy			
Climate-related risks and opportunities	✓	✓	P11-P15
Business model & value chain	✓	✓	P11-P15
Climate resilience	✓	✓	P16-P19
Financial position, financial performance and cash flows	✓	✓	P19
Strategies and roles	✓	✓	P20
Risk Management			

Key Points of Disclosure	Appendix C2 Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") of The Stock Exchange of Hong Kong Limited ("HKEX") <i>Main Board Listing Rules</i>	The <i>Enterprise Sustainability Disclosure Standards— Basic Standards (for Trial Implementation)</i> and the <i>Enterprise Sustainability Disclosure Standards No. 1—Climate (for Trial Implementation)</i> jointly issued by nine ministries and commissions including the Ministry of Finance of the People's Republic of China	Location
Risk identification	✓	✓	P22
Risk assessment	✓	✓	P22
Risk prioritization	✓	✓	P22
Risk management	✓	✓	P22
Risk integration	✓	✓	P22
Metrics and Targets			
GHG emissions	✓	✓	P26
Cross-industry indicators	✓	✓	P18
Internal carbon pricing	✓	✓	Internal carbon pricing has not been implemented yet
Remuneration	✓	✓	P9
Industry indicators	✓	✓	P26
Climate-related goals	✓	✓	P25



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