



World Integrally Sharing Health

2025 SUSTAINABILITY REPORT

Inner Mongolia Yili Industrial Group Co., Ltd.

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About the Report

The report is an annual sustainability report released by Inner Mongolia Yili Industrial Group Co., Ltd. (hereinafter referred to as "Yili Group", "Yili", "the Group", the "Company", or "We"). It is a concentrated demonstration of Yili's efforts and achievements in upholding the World Integrally Sharing Health System, fully implementing the UN 2030 Sustainable Development Goals (SDGs), creating value for society, and making in-depth explorations in sustainable development. The *Sustainability Report*, *Biodiversity Conservation Report*, and *Zero-Carbon Future Report* jointly constitute Yili's sustainable development information disclosure system, demonstrating Yili's ideas and actions regarding sustainable development management, responding to the expectations and concerns of stakeholders, and realizing effective communication with stakeholders. This report focuses on the latest progress that Yili has been achieving during the Reporting Period.

Description of the Report Information

This report takes Yili Group as the main entity, including all its subsidiaries (please refer to the Annual Report of the Company for more information). The report is an annual report covering the period from January 1, 2025, to December 31, 2025. To enhance the comparability and foresight of the report, some content has been extended. The data and cases cited are all from the Company's statistical reports or public documents.

The report is an objective reflection of Yili Group's commitment to promoting sustainable development practices. The Company guarantees that there are no false records, misleading statements, or material omissions in the report, and shall assume the corresponding responsibilities for the authenticity, accuracy, and completeness of its content.

The previous report was released on April 30, 2025.

Preparation Basis

- Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial)
 - Guide No.4 of Shanghai Stock Exchange for Self-Regulatory Supervision of Listed Companies-Compilation of Sustainable Development Reports
 - Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 5.0) issued by the Chinese Academy of Social Sciences
 - GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB)
- International Financial Reporting Standard for Sustainability Disclosure No. 2 - Climate-related Disclosure (IFRS S2) issued by the International Sustainability Standards Board (ISSB)
 - SASB Standards issued by the Sustainability Accounting Standards Board (SASB)
 - The Ten Principles of the United Nations Global Compact (UNGC)
 - MSCI ESG Rating Methodology
 - CDP Rating Methodology

Data Description

The statistical scope of the report includes Inner Mongolia Yili Industrial Group Co., Ltd. and its subsidiaries. The reporting boundary of the report remains consistent with that of the previous year's unless otherwise specified. Ausnutria Dairy Corporation Ltd (stock code: 01717.HK), a Hong Kong - listed subsidiary of Yili Group, has released the *Sustainability Report*. The joint venture, China Youran Dairy Group Limited (stock code: 09858.HK), has released its *Environmental, Social and Governance Report*. Furthermore, the overseas subsidiary, Westland Dairy Company Limited, has released its own *Corporate Social Responsibility Report*. For more information on the sustainability performance of related subsidiaries and joint ventures, please visit HKEXnews, the issuer information website of HKEX (<https://www.hkexnews.hk/>) or official websites of subsidiaries and joint ventures, to access the report. The Company's controlled subsidiary is Beijing YouYuan Farm Co., Ltd. (hereinafter referred to as "Youyuan Farm"), its relevant data can be found in the "Key Performance" section of the report.

The monetary amounts involved in the report are measured in the Renminbi (RMB) unless otherwise specified.

Report Access

This report is published in both Simplified Chinese and English versions. In case of any discrepancies or conflicts between the two languages, the Simplified Chinese version shall prevail.

This report is released in two formats: physical and electronic. The electronic version can be browsed online, or you can contact us for a hard copy. For the Chinese electronic version of the report, please visit the Shanghai Stock Exchange website (<http://www.sse.com.cn/>); for the English electronic report, please visit the Company's official website (<https://www.yili.com/en/sustainability/reports-publications>).

Report Preparation Process

Material collection	Text compilation	Report design	Opinion solicitation	Report translation	Proofreading and finalizing
Conducting benchmarking research	Refining report outline	Determining design style	Soliciting opinions on the report from internal and external stakeholders	Translating report	Finalizing report
Compiling a Sustainability Report indicator system	Writing, revising, perfecting and proofreading	Organizing report design		Completing English typesetting	Releasing report
Conducting stakeholder research		Proofreading report			
Performing double materiality analysis					
Collecting report material					

Report System

Disclosure of comprehensive information about sustainable development

In 2007, Yili released its first corporate citizenship report with the theme of the Power of Responsibility, becoming the first private enterprise in China to release a social responsibility report at that time

In 2017, Yili upgraded the Healthy China Corporate Social Responsibility System to a sustainable development system with WISH (World Integrally Sharing Health) as its main structural framework

In 2022, Yili upgraded the system to the WISH 2030 Golden Key sustainable development system

7 copies

Disclosure of specialized information about biodiversity conservation

In 2016, Yili signed the *Business and Biodiversity Pledge* of the UN Convention on Biological Diversity, making nine commitments and actively disclosing substantive progress according to the nine commitments on an annual basis

10 copies

Disclosure of specialized information about a zero-carbon future

In 2022, Yili took the industry lead by releasing the *Zero-Carbon Future Plan of Yili Group* and the *Roadmap for the Zero-Carbon Future Plan of Yili Group*, and also prepared special reports to disclose the plan's progress

4 copies

Note: The above is the total number released.

Chairman's Message



The year 2026 marks the inaugural year of the 15th Five-Year Plan period and a significant milestone for Yili, as it celebrates the 30th anniversary of the Yili Group's listing. At this intersection of a changing era and a key point in the Company's development, facing global challenges such as accelerating technological iteration, profound adjustments in industrial structures, and climate change, we are increasingly aware that **the key to corporate sustainable development lies in making social value the endogenous driver of corporate growth, ensuring that our business always responds to real needs, and enabling capital to achieve long-term returns. By doing so, we will achieve the integration of social, commercial, and capital value.** For a healthy food enterprise, this integration of threefold value means to safeguard human needs, serve social development, and respect the laws of nature — this is what Yili pursues through sustainable development.

Safeguarding human needs is the starting point of corporate value

Quality is not only about laboratory data, but more importantly about the real-life experiences of every individual. From basic nutrition to precise health boosting, from infants to the elderly, dairy products not only meet people's daily needs, but also provide care across the entire lifecycle. To address the nutritional needs of people of different ages and constitutions, Yili continues to enhance its research capabilities. To date, it has accumulated 5,585 authorized patents (including 1,049 invention patents and 1,486 utility model patents) and continuously translates them into premium health products, realizing the corporate creed that "Yili means the best quality". While caring for the health of all, we put special emphasis on the young and the elderly, as well as some other special population groups, implementing nutrition improvement, mental care, and health support projects for them. Relying on the "Yixin Xiangyang" volunteer team, we deliver nutrition support and other services precisely to those in need through welfare activities in everyday scenarios, so that consumers can feel our care in their daily lives.

Serving social development is the underlying tone of corporate value

Corporate growth is solid and sustainable only when it serves social development. Currently, population aging, emergency response mechanisms, and other social issues are becoming increasingly complex, far beyond what a single enterprise can address alone. Therefore, collaboration and ecosystem-wide joint governance are becoming the new trend. We stay closely in line with national strategies such as those for a "Healthy China" and "Rural Revitalization". On the one hand, we share development benefits with partners through industrial cooperation, technical support, and supply chain financing, providing RMB 24.925 billion in financing support to industrial chain partners in 2025. On the other hand, we collaborate with leading enterprises in other sectors, such as Tencent and Lenovo, to launch the Sustainable Social Value Ecosystem, using collaborative mechanisms to systematically address social issues. **Only when more players come together will real change occur.**

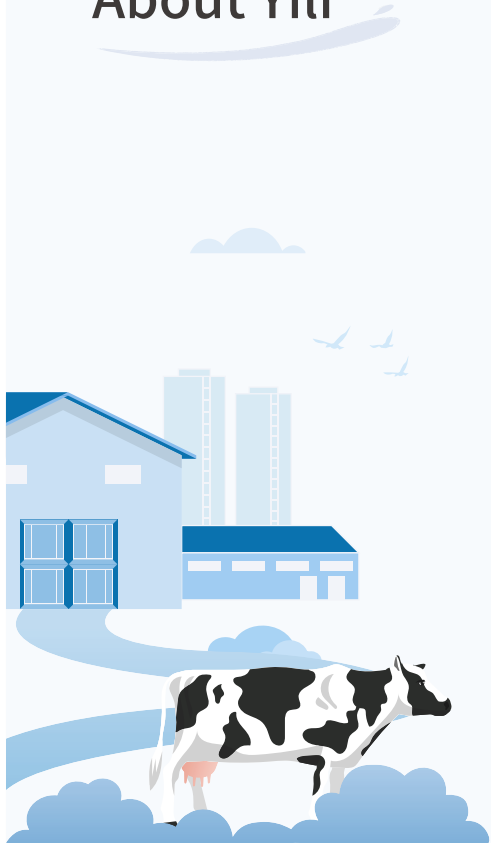
Respecting the laws of nature is the continuation of corporate value

Harmony between an enterprise and nature represents not just a more advanced idea but also a different development model. An ecosystem lays the foundation of economic growth and future human well-being. Facing challenges such as climate change, reduced biodiversity, and land degradation, Yili integrates green development into all aspects of its operations and adopts a systematic approach to carbon emission reduction, energy conservation, and ecological preservation. We achieved carbon peaking as early as 2012 and have been pursuing the goal of carbon neutrality across the entire industry chain by 2050. To date, Yili has built 45 national green factories, one carbon-neutral dairy farm, and four low-carbon dairy farms. It has launched public welfare initiatives under the "Yili Homeland Initiative" to protect Asian elephants and plant saxaul trees, delivering tangible results in line with the goals set in the *UN Framework Convention on Climate Change*, the *Convention on Biological Diversity*, and the *UN Convention to Combat Desertification*. The year 2026 marks the 10th anniversary of Yili signing the UN's *Business and Biodiversity Pledge*. A decade of persistence has strengthened our belief that **only by respecting the laws of nature and following ecological principles can a company have space for lasting development.**

With 30 years' striving, Yili is confident to move on with gratitude. Over the past 30 years, China's dairy industry has caught up with industry leaders, surpassed them, taken the lead, and become the pacesetter. In the meantime, Yili has been thriving as the Chinese economy prospered. Looking ahead, we know that **the significance of an enterprise's existence lies not only in how strong it is, but also in how much real benefit it creates for the world.** Adhering to this belief, Yili will continue to fulfill its responsibilities in line with its mission of Overall Value Leadership, safeguarding human needs, serving social development, and respecting the laws of nature. Through threefold value integration covering social, business, and capital value, we will create more diverse value and stride confidently towards a more sustainable future.

Chairman and President of Yili Group

About Yili



Company Profile

Yili Group has been among the world's top five dairy companies and has led dairy companies in Asia for twelve consecutive years. It is the largest dairy company in China, with the most comprehensive product categories and also an international enterprise with business presence in Asia, Europe, America, and Oceania. Yili Group has a highly diverse product portfolio, including liquid milk, dairy beverages, milk powder, yogurt, frozen beverages, cheese, butter, and packaged drinking water. As a provider of healthy foods and a promoter of a healthy lifestyle, Yili Group, based on its excellent R&D capabilities, provides nutritious and healthy food products to meet the diverse needs of different populations.

Top product quality, leading comprehensive service capabilities, and high capacity for sustainable development have earned Yili widespread trust and high praise as partners of various top-tier global events, sports activities, government bodies, and all sectors of society. From the Olympic Games Beijing 2008 to 7th CISM Military World Games in Wuhan 2019, the Olympic Winter Games Beijing 2022, the Asian Games Hangzhou 2023, and from the Expo 2010 Shanghai China to the 2016 G20 Hangzhou Summit, Yili frequently appeared as the exclusive partner in the dairy industry. In addition, Yili is also a partner of top summits such as the Boao Forum for Asia and the World Artificial Intelligence Conference. In 2025, Yili became the official sponsor of the Jiangsu Football City League and the Guangdong Super League, and renewed its role as global partner of the International Basketball Federation (FIBA),

providing nutritional support for top-tier Chinese and international events and showcasing the strength of China's dairy industry to the world.

Sustainable development has become a global consensus. Sustainable development goals must accommodate both short-term interests and long-term objectives and strike a balance between corporate development and environmental protection. While pursuing outstanding performance for individual companies and for the industry as a whole by creating wealth and contributing social value, enterprises must also strive for the health and well-being and a better life for all humanity. To this end, Yili has integrated sustainable development into its business strategy. In 2025, Yili evaluated and updated its sustainable development strategy based on the external environment and the Company's own capabilities, releasing the *2026-2030 Sustainable Development Strategy*, which clarified the Company's strategic direction and key work priorities for the next five years. In the same year, Yili joined forces with well-known enterprises such as Tencent and Lenovo to establish the Sustainable Social Value Ecosystem, jointly releasing the *WISH 2030 Declaration for a Better World* to promote both business prosperity and social value

through joint contribution within the ecosystem.

In 2025, the Company continued to improve its sustainable development management. With progress achieved in advancing key initiatives, it made its way into the "Forbes China 2025 ESG 50" list and confirmed winning the "China Association for Quality's China Quality Award". Meanwhile, Yili's innovative sustainable development practices were selected into the United Nations Global Compact's "25 Sustainable Development Chain Leader Enterprise Alliance Cases" and the *Progress Report of China on the Implementation of the 2030 Agenda for Sustainable Development (2025)* compiled by the Center for International Knowledge on Development. In addition, the Company's sustainability information disclosure gained recognition from the capital market and authoritative institutions. In 2025, Yili maintained its AA MSCI ESG rating for two consecutive years, and its practices were included in the China Association for Public Companies' 2025 Best Cases in Sustainable Development of Listed Companies for the fourth consecutive year. These showcases how Yili has been actively playing its leading and demonstrative role as an industry benchmark.

Corporate Culture

Yili's culture, tested by time, has always been passed down from generation to generation, accumulating the deepest spiritual pursuits of Yili's employees. The culture has provided the right spiritual guidance and strong motivation for the growth of Yili's employees and the globalization of the Company.



With experience gained from challenges, Yili advances with calm and aims for the highest peak. Guided by the vision of "Becoming the most trusted global healthy food provider", Yili always adheres to the credo that "Yili means the best quality". With a consumer-centric mindset, the Company offers the finest quality products and leading services; advocates a healthy lifestyle, nourishing life for a world integrally sharing health; works with unwavering dedication to create a better life for all Yili's employees; leads the global industry through outstanding performance, capabilities, and influence; and commits to sustainable development and to fulfilling its social responsibilities, aiming to make greater contributions to industry prosperity, social progress, and national development.

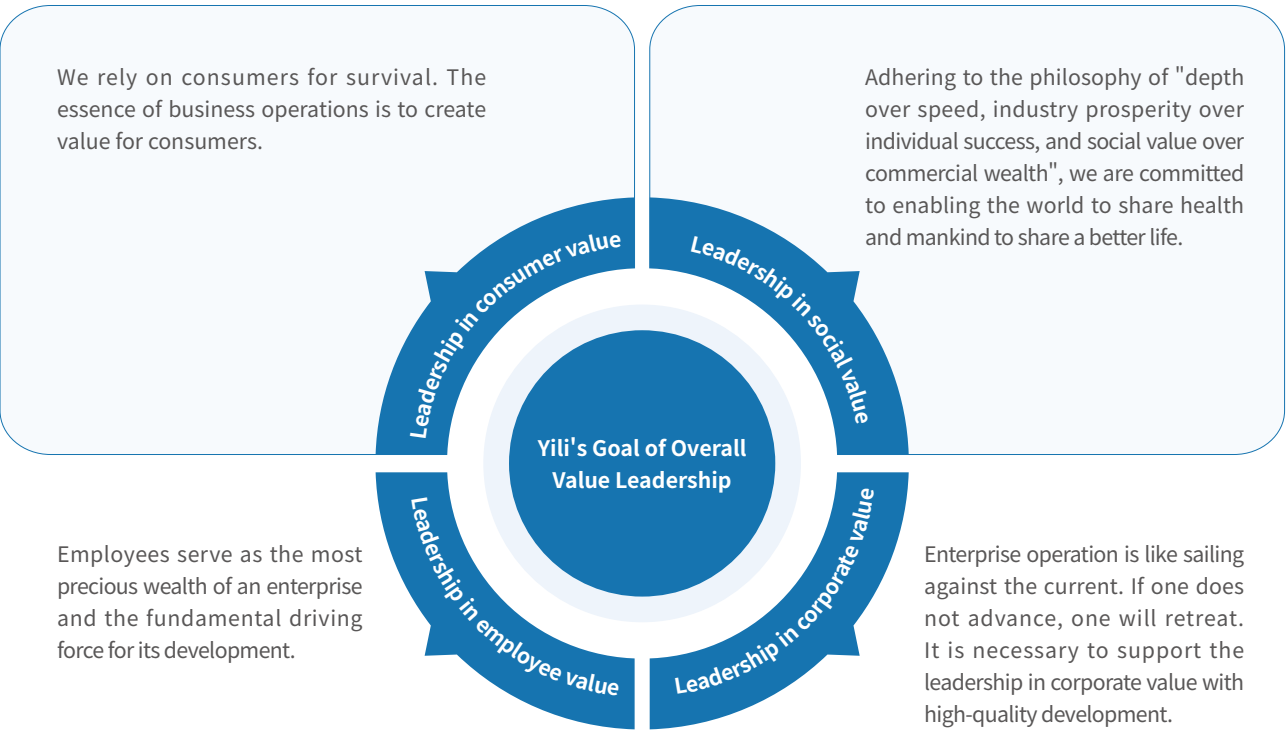


Sustainable Development Management

As China's economy further advances toward high-quality development, enterprises face an era of transformation from assuming social responsibilities to creating social value, with sustainability becoming an "essential choice" for the development of Chinese enterprises. Yili has always adhered to sustainable development, accumulating and refining years of development experience to contribute to leading the industry's progress.

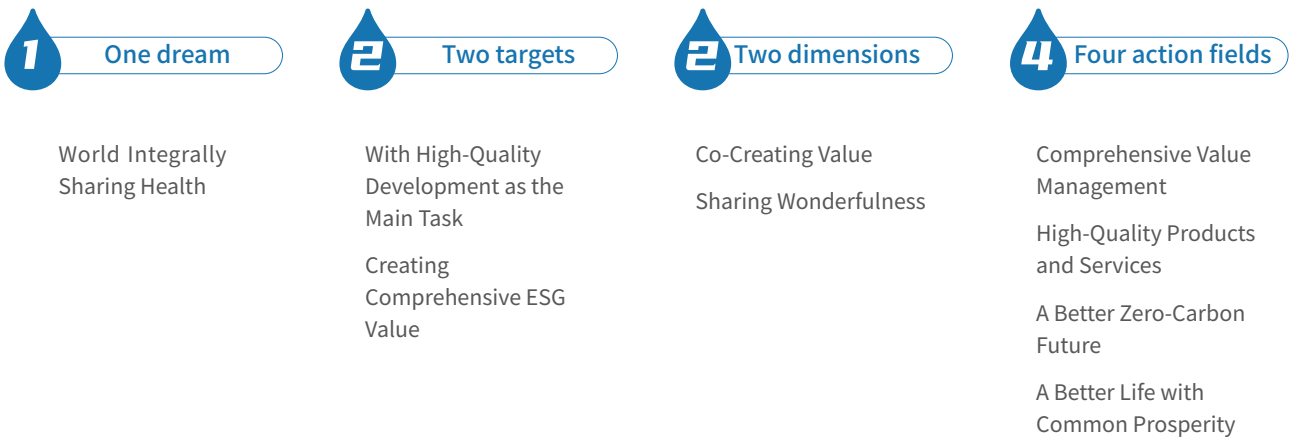
Sustainable Development Concept

Yili takes high-quality development as the main thread, formulates the four value leadership goals of Overall Value Leadership, constructs the WISH 2030 Golden Key sustainable development system, and develops the Sustainable Development Strategic Plan to guide the healthy and sustainable growth of the enterprise.



WISH 2030 Golden Key Sustainable Development System

To fully implement the UN 2030 Sustainable Development Goals (SDGs) and create a world integrally sharing health, Yili continuously improves and promotes the WISH 2030 Golden Key Sustainable Development System, taking high-quality development as the main task and creating comprehensive ESG value as the focus, making efforts across four action fields including comprehensive value management, high-quality products and services, a better zero-carbon future, and a better life with common prosperity to ultimately share wonderfulness.



World Integrally Sharing Health



Sustainable Development Strategic Plan

To better realize the sustainable development vision of "Staying consumer-centric, building win-win mechanisms, promoting corporate sustainable development, and creating social value", in 2023, Yili formulated the *Sustainable Development Strategic Plan of Yili Group (2024-2027)*. This plan systematically outlines 6 strategic goals and 18 related specific measures for sustainable development from 2024 to 2027. It also includes specific action plans, milestones, persons in charge, and monitoring methods for implementation. Meanwhile, regular monitoring and specialized assessment mechanisms are adopted to ensure the effective execution of the strategy and the achievement of the goals. In 2025, based on four major dimensions including macro policies, industry trends, market demands, and internal capabilities, Yili re-identified and reassessed the opportunities and challenges for sustainable development, and on this basis, released the *2026-2030 Sustainable Development Strategy*.



Sustainable Development Strategic Plan of Yili Group (2024-2027)



Sustainable Development Work Mechanism

To adapt to the Company's strategic and sustainable development needs and further enhance its core competitiveness and sustainability capabilities, the Company has integrated ESG elements into its decision-making process, forming a top-down three-level sustainable development governance structure of "Decision-making level - Organizational level - Implementation level", and establishing a sustainability organizational system of "Strategy and Sustainable Development Committee of the Board of Directors – Sustainable Development Management Office - Sustainability Working Groups" to enhance Yili's sustainability capabilities and management level.



Sustainability Commitments and External Partners



Actions on UN 2030 Sustainable Development Goals – Key Performance in 2025



Major Honors and Awards of the Year (Excerpts)

Awards	Awarding organization
Yili became a member of the United Nations Global Compact's 25 Chain Leader Enterprise Alliance and contributor to the 25 Sustainable Development Chain Leader Enterprise Alliance Cases	United Nations Global Compact China Network Office
The China Dairy Industry Carbon Management Operation Platform case was selected into the <i>Progress Report of China on the Implementation of the 2030 Agenda for Sustainable Development (2025)</i> , the fourth time that Yili's cases are included in this report	Center for International Knowledge on Development
Inclusion in Forbes China 2025 ESG 50 list 2025 China Most Popular Employer Among Employees	Forbes China
2025 Top 100 ESG Pioneers among China's Listed Companies	China Media Group, State-owned Assets Supervision and Administration Commission of the State Council, All-China Federation of Industry and Commerce, Chinese Academy of Social Sciences, State-owned Economy Research Think Tank, China Enterprise Reform and Development Society
No.1 in the Dairy Industry Social Responsibility Development Index in the <i>Corporate Social Responsibility Blue Book (2025)</i>	Chinese Academy of Social Sciences
2025 Best Cases in Sustainable Development of Listed Companies	China Association for Public Companies
Nomination Award for the 5th China Quality Award	State Administration for Market Regulation
2025 Sedex Supply Chain Driving Changes Awards	Sedex
Top Employers China 2025	Top Employers Institute
2025 Diversity, Equity & Inclusion Award	Employer Branding Institute
Green Design International Award (for China Dairy Industry Carbon Management Operation Platform)	World Green Design Organization (WGDO)
Typical Case Enterprise for the Collaborative Transformation and Development of Digitalization and Greenization of Enterprises in 2025	Economic Service Department of All-China Federation of Industry and Commerce, Informatization Development Bureau of the Cyberspace Administration of China
First Prize of the China Energy Conservation Association Innovation Award - Science and Technology Progress Award for Energy Saving and Emission Reduction (Carbon Neutrality Field)	Carbon Neutrality Professional Committee of China Energy Conservation Association
Benchmark Enterprise for Green Manufacturing in the Light Industry Sector in 2025 (Tianjin Yili Dairy Products Co., Ltd., Weifang Yili Dairy Co., Ltd., Tianjin Yili Dairy Co., Ltd.)	China Light Industry Council



Materiality Analysis

Stakeholder Engagement

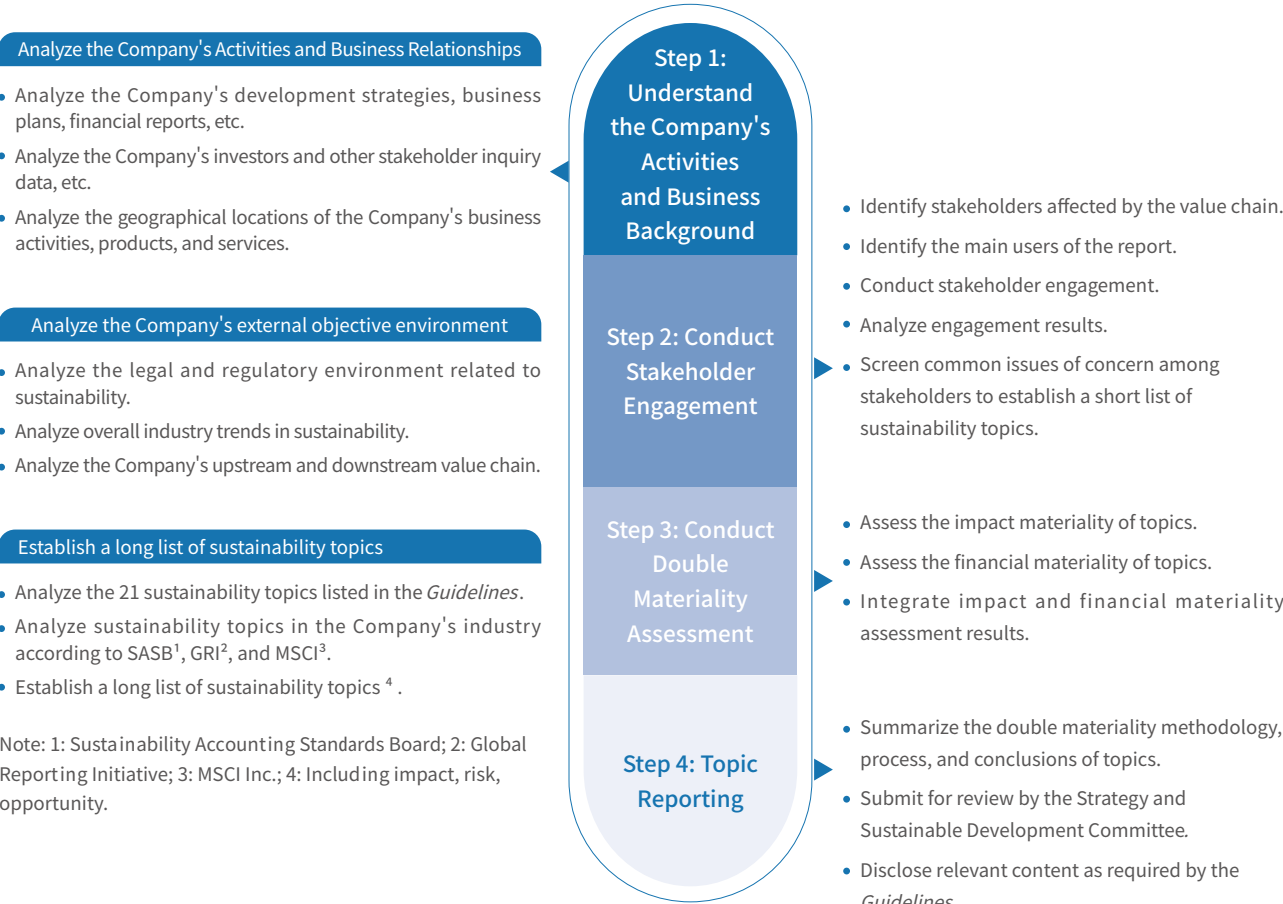
Yili has developed a comprehensive communication mechanism and has established close ties with a wide range of stakeholders. Through various forms such as official website, official Weibo account, 400 hotline, and live interaction, the Company maintains more active and in-depth exchanges and communication with all parties. During the preparation of sustainability reports, Yili proactively conducts stakeholder consultations to collect issues of concern to stakeholders and their demands on Yili, and integrates them into the Company's relevant decision-making processes.

Stakeholders	Content of concern	Communication channels	Our response
 Governments and regulatory authorities	• Operations in compliance with laws and regulations • Leadership in industry development • Provision of employment opportunities • Promotion of local economic development	• Work meetings, special meetings • Information submission and disclosure	• Implementing regulatory requirements and timely information disclosure • Participating in industry standard establishment and exchange • Creating employment positions • Supporting local economic development
 Shareholders/ investors	• Protection of investors' rights and interests • Prevention of operational risks • Improving corporate governance system	• Regular reports and interim announcements • Investor communication activities • Shareholders' meeting	• Ensuring stable dividend policy and strengthening market value management • Timely information disclosure • Continuously conducting risk management and control • Enhancing corporate governance level
 Consumers	• Safe and healthy products • Comprehensive customer service	• Consumer satisfaction survey • Consumer communication meetings • Product-related launch events • Online and offline transparent factories • Customer service hotline	• Practicing quality leadership strategy • Conducting customer satisfaction survey and analysis
 Employees	• Employees' rights and benefits • Employee career development • Occupational health and safety	• Employee training and seminars • Employee communication and feedback platform • Staff representatives' meetings • Employee satisfaction survey	• Ensuring equal pay for equal work, competitive salary levels, and employee benefits • Career development channels and vocational training • Occupational health and employee care
 Industry value chain partners	• Compliance with business ethics • Promotion of industry value chain's sound development • Mutual benefit, win-win mechanism, and common growth	• Suppliers' conference • Supplier visits • Supplier training • Customer conference and daily communication with distributors • Complaint and reporting channels	• Building a clean partnership • Responsible procurement • Industry value chain finance
 Environment	• Abide by national environmental laws and regulations • Green low-carbon operations • Response to climate change • Protection of water resource • Ecological and biodiversity conservation	• Annual <i>Sustainability Report</i> • Environmental management • Environmental protection activities • Ecological protection projects	• Strengthening environmental compliance management • Carrying out energy saving and emissions reduction projects • Promoting full chain carbon neutrality • Recycling water resource • Protecting biodiversity
 Communities	• Public welfare and charity activities • Common prosperity, support for rural revitalization • Media communication	• Public welfare and charity activities • Volunteer activities • Daily interviews, visits and special communications	• Yili Nutrition 2030, Yili Ark, One Universe, One Childhood and other public welfare projects • Employee common prosperity, industrial common prosperity, rural revitalization to promote common prosperity • Actively responding to public opinion

Double Materiality Analysis

Implementing regular materiality issue management is the core and foundation for Yili to carry out sustainable development strategic plan, risk and opportunity management, and ESG information disclosure. In accordance with the requirements of the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* (hereinafter referred to as the "*Guidelines*"), and referring to relevant international disclosure standards and assessment methods, Yili continuously conducted double materiality assessment of sustainability issues. In 2024, based on the previous impact materiality assessment, Yili analyzed for the first time the financial impact of each issue on the Company's business model, operations, and strategic planning, incorporated the views of senior management and stakeholders such as shareholders, investors, insurance companies, and banks, and provided key responses to the identified 9 sustainability topics with impact materiality and 3 sustainability topics with financial materiality in this report. In 2025, following an assessment, Yili's business model and the policy and natural environments it faces have not undergone significant changes; therefore, this report continues to adopt the Double Materiality Analysis results from the previous period.

Double Materiality Analysis Process



Double Materiality Assessment Results

By analyzing the Company's own business activities, internal and external objective environment, sustainable information disclosure standards, and combining 2,366 valid stakeholder survey questionnaires and industry expert opinions, the Company has identified 20 sub-topics under 18 topics involving "impacts", 26 sub-topics under 16 topics involving "risks", and 6 sub-topics under 5 topics involving "opportunities" from the 21 topics listed in the *Guidelines*. The Company has not identified any other sustainable development topics beyond the scope of the topics listed in the *Guidelines*.

No.	Topic category	No.	Topic category	No.	Topic category
01	Climate change tackling	08	Circular economy	15	Safety and quality of products and services
02	Pollutant discharge	09	Rural revitalization	16	Data security and customer privacy protection
03	Waste disposal	10	Contributions to the society	17	Employees
04	Ecosystem and biodiversity protection	11	Innovation-driven	18	Due diligence
05	Environmental compliance management	12	Ethics of science and technology	19	Communications with stakeholders
06	Energy usage	13	Supply chain security	20	Anti-commercial bribery and anti-corruption
07	Usage of water resource	14	Equal treatment to small and medium-sized enterprises	21	Anti-unfair competition

The 21 sustainable development topics listed in the *Guidelines*

Impact Materiality Assessment Results

Yili conducted impact materiality assessments on 20 sustainable development sub-topics involving "impacts", which fall under 18 topics, using a scoring-based approach. By evaluating the Company's impact scale, irreversibility, and scope of impact on the economy, society, and environment for each topic, the severity of the impact was analyzed; and combined with the likelihood of the impact actually occurring, the impact materiality of the topic was assessed. After evaluation, 9 topics were identified as having impact materiality.

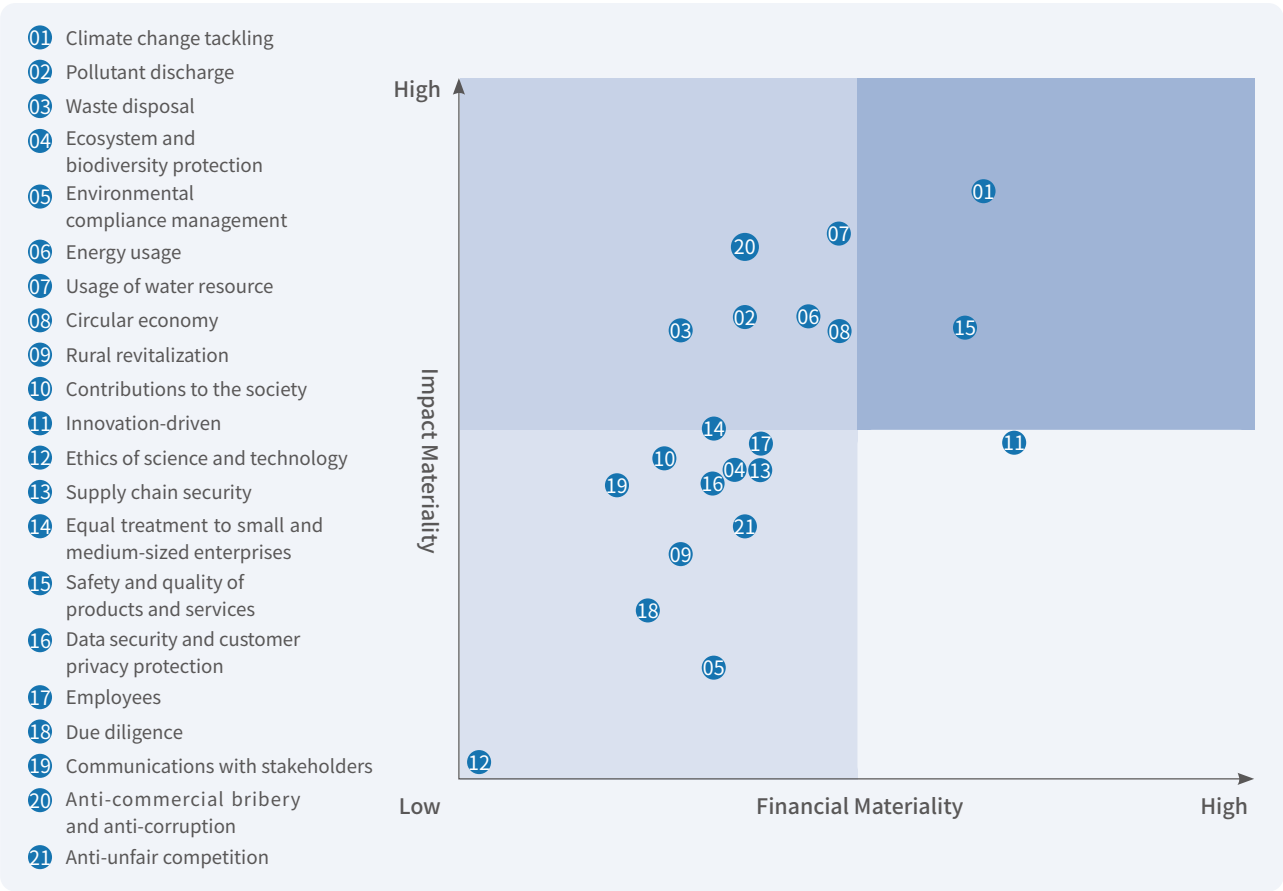
No.	Impact materiality topics			
	Topic category	Value chain position	Main impact source	Impact content
01	Climate change tackling	Upstream Own operations	Direct or indirect greenhouse gas emissions generated during planting, breeding, and production processes	Greenhouse gas emissions may exacerbate climate change, leading to adverse environmental consequences
02	Pollutant discharge	Upstream Own operations	Wastewater, exhaust gases, solid waste, and noise generated during breeding and production processes	Discharged pollutants may expose local ecosystems and communities to hazardous environmental conditions
03	Waste disposal	Upstream Own operations	Waste containing harmful substances generated during breeding and production processes	Released harmful substances may infiltrate ecosystems, posing risks to biodiversity and public health
06	Energy usage	Upstream Own operations	Non-renewable resources such as fossil fuel consumption in breeding and production processes	Fossil fuel usage may accelerate the exhaustion of finite non-renewable resources
07	Usage of water resource	Upstream Own operations	High water usage in breeding and production processes	Excessive water consumption may threaten freshwater-dependent ecosystems and socio-economic stability
08	Circular economy	Upstream Own operations Downstream	Adoption of circular economy principles in procurement, R&D, operations, and product lifecycles to align economic and environmental goals	Circular economy may reduce resource consumption, lower operational costs, and minimize waste generation
14	Equal treatment to small and medium-sized enterprises	Upstream Downstream	Overdue payments to SMEs during procurement phases of operations	Delayed payments to SMEs may jeopardize their fiscal resilience and competitive positioning
15	Safety and quality of products and services	Own operations	Defective products entering markets due to lax quality management in operations	Defective goods may endanger consumer safety, erode brand reputation, and raise public concerns over food/commodity security
20	Anti-commercial bribery and anti-corruption	Upstream Own operations Downstream	Corruption incidents (e.g., bribery, fund misappropriation) driven by economic incentives among personnel	Unethical practices may violate legal frameworks, undermine social equity, and harm collective welfare

Financial Materiality Assessment Results

Yili conducted a financial materiality assessment on 26 sub-topics related to "risks", which fall under 16 sustainability topics, and on 6 sub-topics related to "opportunities", which fall under 5 sustainability topics. The assessment was carried out in the form of interviews combined with survey questionnaires, with stakeholders participating in the assessment including senior company management, shareholders, investors, creditors, and industry experts. The assessment dimensions included the likelihood of "risks" and "opportunities" occurring for each sustainability topic, the scale of financial impact, and the impact cycle. After the assessment, 3 sustainability topics were found to have financial materiality.

No.	Topic category	Financial risk/ opportunity	Source of financial risk/opportunity
01	Climate change tackling	Risk	The evolving global net-zero policies may drive companies to upgrade and transform their equipment, forcing them to bear transformation costs in advance (e.g. asset retirement and transformation expenses).
11	Innovation-driven	Opportunity	Innovation and R&D enable companies to develop new products and services to meet market demands and changes, creating revenue streams and expanding market share.
15	Safety and quality of products and services	Risk	Defective products entering the market may trigger consumer complaints, recalls or litigation, damaging brand reputation and sales performance.

Double Materiality Assessment



Combining the evaluation results, (1) 2 topics "Climate change tackling" and "Safety and quality of products and services" are classified as double materiality topics, with both an impact materiality on the Company and financial materiality relevance. On the other hand, 1 topic "Innovation-driven" is a financial materiality topic. In accordance with the requirements of the *Guidelines*, the Company responds to the above topics in this report around four aspects: "Governance" "Strategy" "Impact, Risk, and Opportunity Management", and "Indicators and Targets". (2) 9 topics have impact materiality. The Company responds to specific topics in accordance with the relevant provisions of the *Guidelines* in this report. (3) There are other 11 topics that the Company pays attention to but that do not have impact or financial materiality, or that are not applicable to the Company during the Reporting Period. The Company refers to international mainstream sustainability disclosure criteria and the Company's actual situation to disclose or explain these topics in this report. For specific response chapters, please refer to the table below.

No.	Topic category	Impact materiality topics	Financial materiality topics	Other topics focused	Corresponding chapters in this report
01	Climate change tackling	✓	✓	-	Climate Change Adaptation Full-chain Carbon Reduction
02	Pollutant discharge	✓	-	-	Green Operations Promotion
03	Waste disposal	✓	-	-	Green Operations Promotion
04	Ecosystem and biodiversity protection	-	-	✓	Biodiversity Protection
05	Environmental compliance management	-	-	✓	Green Operations Promotion
06	Energy usage	✓	-	-	Full-chain Carbon Reduction Green Operations Promotion
07	Usage of water resource	✓	-	-	Green Operations Promotion
08	Circular economy	✓	-	-	Green Operations Promotion
09	Rural revitalization	-	-	✓	Industry Chain Prosperity Public Charity
10	Contributions to the society	-	-	✓	Public Charity
11	Innovation-driven	-	✓	-	Diverse Products Nutrition and Health
12	Ethics of science and technology	-	-	-	The Company is not involved in industries sensitive to ethics of science and technology such as life sciences and artificial intelligence
13	Supply chain security	-	-	✓	Responsible Supply Chain
14	Equal treatment to small and medium-sized enterprises	✓	-	-	Industry Chain Prosperity Key Performance
15	Safety and quality of products and services	✓	✓	-	Quality First Better Service
16	Data security and customer privacy protection	-	-	✓	Better Service
17	Employees	-	-	✓	Employee Well-being
18	Due diligence	-	-	-	No significant transactions occurred during the Reporting Period, therefore the Company was not required to perform sustainability-related due diligence
19	Communications with stakeholders	-	-	✓	Materiality Analysis
20	Anti-bribery and anti-corruption	✓	-	-	Business Ethics
21	Anti-unfair competition	-	-	✓	Better Service Business Ethics

Going forward, Yili will continue to monitor and identify sustainability issues related to its operations through various means, refine the topic list, and conduct a double materiality assessment every two years, except in case of significant changes, to identify critical sustainability priorities. These priorities will be integrated into the sustainability strategy and decision-making processes, with disclosures provided to stakeholders.

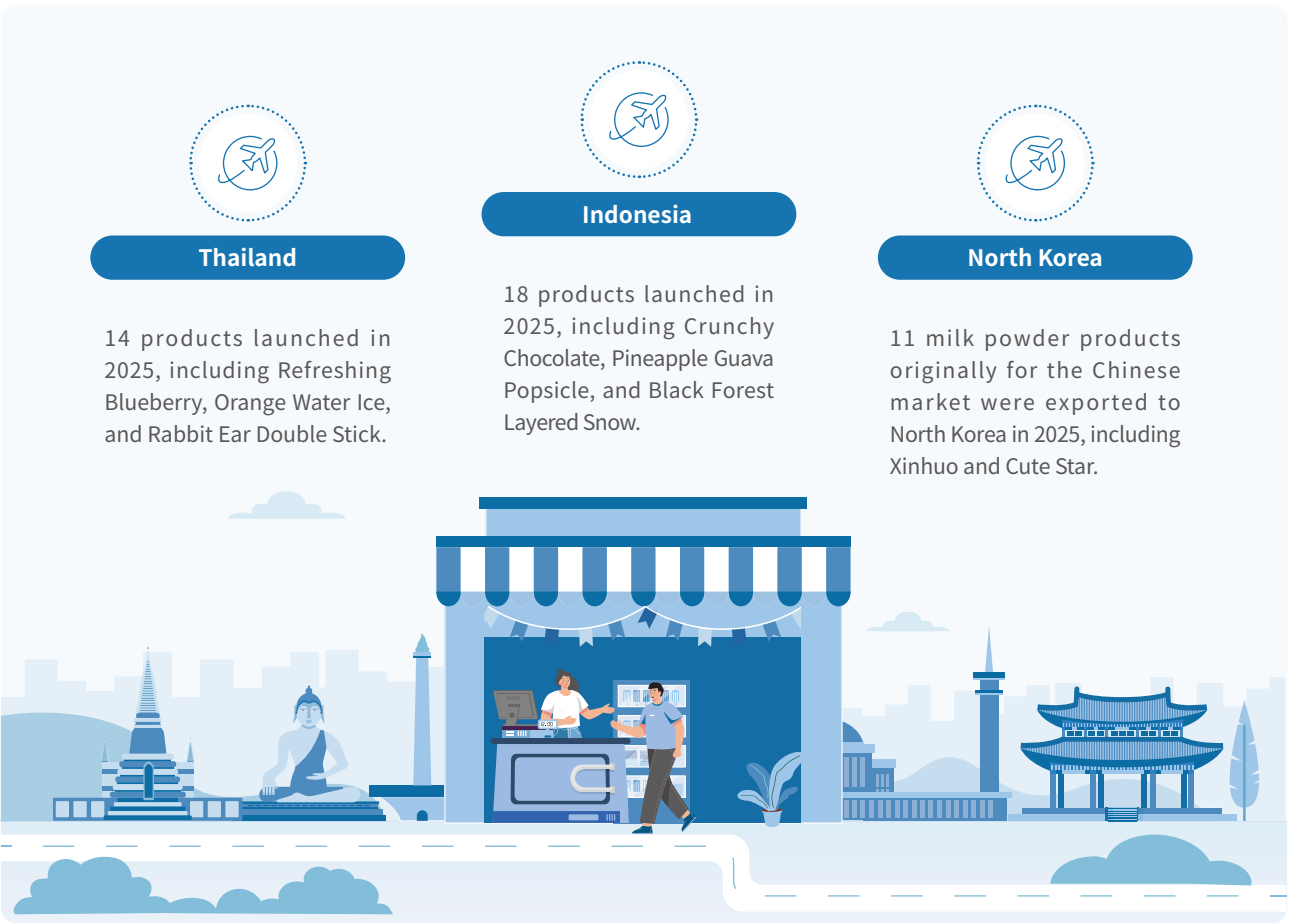
Global Presence

Yili has prioritized internationalization as a key strategic pillar, steadily advancing its global layout. Guided by the concept of mutual benefit and win-win partnerships, Yili operates with a "global mindset, local operation" approach, collaborating with global partners to promote local economic development and jointly build a global health ecosystem.

Global Resources Integration

Under the "Global Weaving Network" internationalization strategy, Yili has constructed a backbone network covering the global resource system, global innovation system, and global market system. Yili collaborates with over 2,000 global partners across 39 countries on six continents, while operating 15 self-built, majority-owned, or equity-participated innovation R&D centers and 81 production bases worldwide.

Yili actively explores the international market through cross-border trade, overseas mergers and acquisitions, self-built factories and other methods, creating a global market system through multiple channels. Currently, Yili's products are available in over 80 countries and regions worldwide, and are well received by local consumers. In 2025, Yili's Jinlingguan brand entered the market of the Hong Kong SAR, the Cremo brand officially entered Saudi Arabia, and the Satine brand officially entered Singapore, steadily expanding its international footprint.





Yili has deeply integrated into the global value chain with high-quality products and services, strengthened ties with local communities in overseas markets, and actively fulfilled corporate social responsibilities to continuously enhance its brand influence. In New Zealand, it participated in wild salmon conservation and supported campus sports. In Indonesia, it carried out disaster relief, youth care, and biodiversity conservation endeavors. In Thailand, it supported sporting events, provided medical donations, and engaged in campus public welfare initiatives. In the Netherlands, it launched food science scholarships open to all of Europe. In 2025, Yili was recognized by People's Daily Haiwainet as one of the Top 100 Chinese Brands Going Global in 2024, and its communication project *Online Tour of Yili: Exploring the Global Industrial Chain* was selected as an Excellent Case of Overseas Communication for Chinese Brands in 2024.



In 2025, Yili's practices in Thailand and Indonesia—*Cultural Integration Following Yili's Acquisition of CHOMTHANA* and *Yili Indonesia Dairy: How to Share Value with Stakeholders*—were included in the Global Platform of China Cases of China Europe International Business School (CEIBS). The Thailand case documents Yili's management experience in promoting cross-cultural organizational integration by enhancing employee well-being and strengthening cultural identity. The Indonesia case showcases Yili's achievements in localization: It has provided employment and skills training for over 2,000 local employees, collaborated with more than 500 local warehousing enterprises to build an efficient supply chain network, and cumulatively carried out over 40 public welfare activities since 2019, benefiting more than one million people, thereby achieving value co-creation with consumers, employees, distributors, communities, and various other stakeholders.

Case

Yili's Ice Cream Business Innovation Achievements Featured by Authoritative International Dairy Media

In its June 2025 issue, *Dairy Industries International*—the world's only monthly magazine dedicated to the dairy industry—published a featured story titled *A World of Ice Cream Innovation*. Spanning four full pages with over 5,000 words, the article systematically presented Yili's breakthroughs in its ice cream business across three key dimensions: innovation R&D, digitalization, and globalization. This coverage not only reflects the recognition of Yili's innovative capabilities by authoritative international dairy media but also serves as strong evidence of Yili's rising influence within the industry worldwide.





In 2025, Yili Indonesia Dairy was awarded the Top Human Capital Award 2025 by *Top Business*



In 2025, Yili won the FDA Quality Award for the sixth consecutive year, awarded by the Food and Drug Administration, Thailand (FDA)

Advancing Green Industry Transformation

Yili integrates environmental protection and low-carbon development into its business and systematically promotes the green transformation and upgrading of the entire industrial chain by carrying out energy-saving renovations and environmental cooperation.

The production base of Yili Indonesia Dairy is located in the Green Land International Industrial Center, Bekasi, West Java Province, Indonesia, covering a total area of 255 mu. It was officially put into operation in 2021 and mainly produces Joyday ice cream and other series products. Yili Indonesia Dairy possesses a wastewater treatment system with a daily processing capacity of 2,800 tons, and the treated water can be used for irrigating green plants in the factory area. At the same time, the company promotes energy-saving and emission-reduction technologies, equips itself with high-efficiency energy-saving motors which can save 1.21 million kWh of electricity annually, uses natural gas boilers that can reduce carbon dioxide emissions by 8,029 tons per year, treats all solid wastes through harmless waste procedures, and adopts low-noise equipment and vibration-damping designs in the factory area to minimize the impact on the environment.

Yili's Thailand subsidiary completed its merger procedures in 2019. Located in Pathum Thani, an industrial economic cluster in Bangkok City, Thailand, it covers a total area of 92,500 square meters and mainly produces Cremo ice cream and other series products. The Thailand subsidiary promotes low-carbon development through multiple measures: installing solar lighting facilities in factory pathways and key areas, and optimizing the operation mode of aeration machines in wastewater treatment to reduce electricity consumption.

Fulfilling Social Responsibilities

Yili has deepened its localization efforts in overseas markets, striving not only to "Go global" but also to "Integrate locally". In accordance with the *Guidelines for Overseas Corporate Social Responsibility Performance* issued by the Ministry of Commerce of the People's Republic of China, Yili actively fulfills its social responsibilities in overseas operations to enhance the sustainable development level of its international business.

On the basis of complying with the laws and regulations on corporate social responsibility in the host countries (regions), Yili respects local religious beliefs and customs by organizing traditional festival cultural celebrations, holding sports events and other cross-cultural activities, optimizing local workplace facilities, and setting up religious venues. These measures not only foster cultural exchange and cooperation among local employees, but also provide greater care to expatriate employees, thereby contributing to harmonious labor relations. Meanwhile, Yili carries out various public welfare actions locally, including educational support, afforestation, charitable donations, and emergency assistance. By fostering mutual help and win-win cooperation with local communities, Yili continuously enhances the influence of Chinese brands overseas.



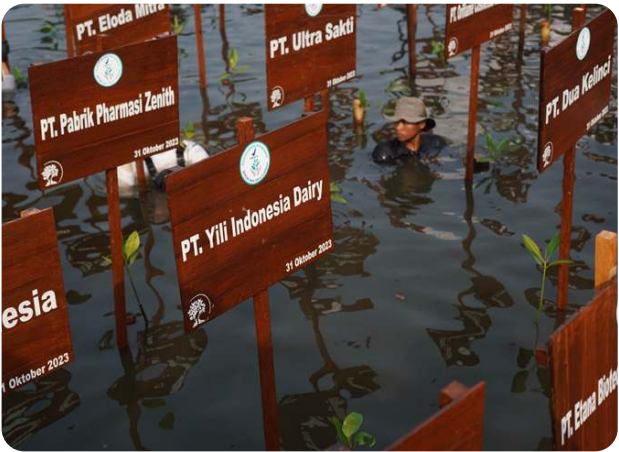
In 2025, Yili's Thailand subsidiary continued to support local educational development by donating supplies to primary and secondary schools, higher education institutions, and the Ministry of Education



In June 2025, leveraging its outstanding social responsibility performance, Yili Indonesia Dairy was awarded the Top Business Best CSR Award 2025 by *Top Business*



In July 2025, on World Ice Cream Day and Children's Day of Indonesia, Yili Indonesia Dairy launched the NoNoDance campus interactive dance program in multiple schools, bringing safety education to campuses



In December 2025, Yili Indonesia Dairy participated in a mangrove planting activity at the Angke Kapuk Mangrove Nature Park in North Jakarta, Indonesia, promoting local green and sustainable development



01

Road to Zero-Carbon

Key performance

- Invested RMB **187.41** million in environmental protection
- Certified **45** factories as national green factories
- Implemented **3,248** energy conservation and emissions reduction projects
- Conducted **711** water conservation projects
- Saved over **3** million tons of water
- Reduced greenhouse gas emissions by **230,000** tons
- Completed the construction of **1** carbon-neutral dairy farm and **4** low-carbon dairy farms



Contribution to SDGs

6

CLEAN WATER AND SANITATION



7

AFFORDABLE AND CLEAN ENERGY



13

CLIMATE ACTION



14

LIFE BELOW WATER



15

LIFE ON LAND



Climate Change Adaptation

Climate change has emerged as a severe global challenge. As a leading enterprise in the dairy industry, Yili has been committed to promoting green development within the industry. Actively responding to the national "dual carbon" strategy, the Company has formulated a carbon neutrality strategy and goals, and is continuously exploring effective strategies to address climate change. By fostering low-carbon development across its entire industry chain, Yili is contributing to the global low carbon transformation.

Governance

A well-structured management mechanism is essential for enterprises to comprehensively address climate-related issues. Yili has established a three-tier greenhouse gas emissions management framework covering "Decision-making level, Organizational level, and Implementation level", clarifying responsibilities for each tier. Through the *Zero-Carbon Future Implementation Plan*, Yili outlines actionable decarbonization pathways. Guided by the *Carbon Management Manual of Yili Group*, Yili enforces rigorous process oversight to ensure thorough, in-depth, and comprehensive execution of carbon neutrality initiatives, accelerating progress toward its "dual carbon" goals.

Decision-making level

Yili has set up a Strategy and Sustainable Development Committee at the board level. The committee consists of eight directors (including two independent directors), with Mr. Pan Gang, Chairman and President of Yili Group, serving as its chairperson. The Strategy and Sustainable Development Committee is mainly responsible for studying and making suggestions on long-term development strategic planning, guiding sustainable development, reviewing the Company's annual sustainable development plans (including sustainable development strategies, greenhouse gas management, etc.) and their implementation, and supervising the implementation of the Company's sustainable development plans.

Organizational level

The Strategy and Sustainable Development Committee is in charge of the Sustainable Development Management Office, which is responsible for the strategic supervision and management of Yili Group's sustainable development (including greenhouse gas management) and for regularly reporting to the Strategy and Sustainable Development Committee. The Work Safety Management Department of Yili Group is responsible for the daily management and promotion of greenhouse gas emissions reduction.

Implementation level

The Work Safety Management Department is equipped with a professional carbon management team to provide technical support and guidance for the implementation of carbon emissions reduction projects in each business unit of Yili Group and report to the Sustainable Development Management Office every quarter.

Strategy

As the first enterprise in China's food industry to release "dual carbon" goals and a roadmap for their achievement, Yili has issued the *Zero-Carbon Future Plan of Yili Group* and the *Roadmap for the Zero-Carbon Future Plan of Yili Group*, continuously promoting the realization of the Group's "12/50" "dual carbon" goals. The Company has achieved carbon peaking for scope 1 and scope 2 in 2012 and strives to achieve full industry chain carbon neutrality before 2050.



Carbon Management Policy

Yili actively responds to the national strategy, facilitates the Zero-Carbon Future Plan, practices its brand social responsibility, and leads the low-carbon development of the industry.

Roadmap for the Zero-Carbon Future Plan of Yili Group

Yili Group's implementation of the new development philosophy based on the new development stage

Development of a new development pattern and adherence to systematic thinking

Incorporation of carbon peaking and carbon neutrality into the Group's overall development layout

Realization of carbon peaking in 2012

Expected realization of carbon neutrality throughout the industry chain by 2050

2012

Set emissions reduction targets by taking 2012 as the base year

2021

Initially establish the business model of green, low-carbon, and circular development and significantly improve energy utilization efficiency

2030

Achieve significant results in the green transformation of the entire industry chain and enable energy consumption at the organizational level to reach an internationally advanced standards

2040

Achieve green, low carbon, and circular development, operate a clean, low-carbon, safe, and efficient energy system with high quality, and enable energy utilization efficiency throughout the industry chain to reach an internationally advanced level

2050

Carbon neutrality throughout the industry chain



Impact, Risk and Opportunity Management

Climate-related Impact Assessment Mechanism

In May 2025, Yili Group engaged an international third-party organization to conduct systematic climate risk assessment, aimed at evaluating physical and transition risks/opportunities for 76 core assets of the Group (including domestic factories, overseas factories, and dairy farms), and quantitatively analyzing the related financial impacts.

Climate-related Impact Assessment Process



Climate-related Impact Assessment

To enhance climate resilience, Yili, referencing the *International Financial Reporting Standard for Sustainability Disclosure No.2 - Climate-related Disclosure (IFRS S2)*, focused on assessing 7 categories of physical risks: extreme heat, extreme cold, floods (including floods from extreme precipitation, river floods, and coastal floods), typhoons, precipitation-induced landslides, wildfires, as well as water stress and drought. Physical risks refer to actual threats to asset and operational safety directly caused by climate change, including extreme weather events or long-term climate pattern changes such as sea-level rise and drought. It also assessed 10 categories of transition risks/opportunities. Transition risks/opportunities refer to potential negative impacts resulting from changes in policies, technology, markets and preferences, reputation, etc., during an enterprise's transition to a low-carbon economy, or competitive advantages gained by proactively adapting to such changes. Scenario analysis was conducted for three time points: 2030, 2040, and 2050.

Short List of Climate Risks and Opportunities

Type	Specific risk/opportunity
Physical risks – acute	Extreme heat
	Extreme cold
	Floods (composite risk)
	Typhoons
	Wildfires
Physical risks – chronic	Precipitation-induced landslides
	Water stress and drought
Transition risks	Policy and regulation: increasingly stringent climate-related laws, regulations, and policies
	Policy and regulation: carbon pricing-related policies and trends
	Technology: research, and investment in low-carbon transition technologies
	Market: uncertainty in raw material supply
	Market: uncertainty in energy resource supply
Opportunities	Resource efficiency: improving energy consumption efficiency in operations
	Resource efficiency: reducing resource consumption
	Energy efficiency: utilizing renewable energy
	Products and services: developing and providing low-carbon products
	Market: seizing opportunities brought by the value of agricultural carbon sinks

Based on industry best practices and aligned with the Company's actual operational conditions, the physical scenario analysis utilized two Shared Socioeconomic Pathways (SSPs) from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC): the low-emission scenario (SSP1-2.6) and the high-emission scenario (SSP5-8.5).

Physical Risk Scenarios

Scenario	Description	Assumed temperature rise
Low-emission scenario (SSP1-2.6)	This scenario assumes that countries will reduce greenhouse gas emissions in accordance with the <i>Paris Agreement</i> , thereby limiting the global temperature rise to no more than 1.8° C above pre-industrial levels (1850) by 2100.	Below 2° C
High-emission scenario (SSP5-8.5)	This scenario assumes that countries will not implement greenhouse gas emission reduction measures, maintaining current industrial scales and production methods and consequently, the global temperature would rise by approximately 4.4° C above pre-industrial levels by 2100. This is a stress test scenario for physical risks.	Above 4° C

Based on industry best practices and aligned with the Company's actual operational conditions, the transition scenario analysis utilized the International Energy Agency (IEA)'s Announced Pledges Scenario (APS) as the low-emission scenario and the Stated Policies Scenario (STEPS) as the high-emission scenario to assess potential transition risks in the medium and long term.

Transition Risk Scenarios

Scenario	Description	Assumed temperature rise
Low-emission scenario (IEA APS)	This scenario assumes that all climate commitments made by governments, including Nationally Determined Contributions (NDCs) and long-term net-zero targets, will be fully achieved on time and the global temperature is projected to rise by 1.7° C by 2100.	Approximately 1.7° C
High-emission scenario (IEA STEPS)	This scenario assumes that countries will continue with their relevant announced and implemented policies and emission reduction commitments, while industrial models and energy structures remain business-as-usual. Under this scenario, the global average surface temperature rise is projected to exceed 1.5° C around 2030 and reach 2.4° C by 2050.	Approximately 2.4° C

Climate-related Risks/Opportunities Assessment Results

Type	Specific risk/opportunity	Impact period					
		Low-emission scenario			High-emission scenario		
		2030	2040	2050	2030	2040	2050
Physical risks	Extreme heat						
	Extreme cold						
	Floods (composite risk)						
	Typhoons						
	Wildfires						
	Precipitation-induced landslides						
	Water stress and drought						
Transition risks	Increasingly stringent climate-related laws, regulations, and policies						
	Carbon pricing-related policies and trends						
	Research and investment in low-carbon transition technologies						
	Uncertainty in raw material supply						
	Uncertainty in energy supply						
Opportunities	Improving energy consumption efficiency in operations						
	Reducing resource consumption						
	Utilizing renewable energy						
	Developing and providing low-carbon products						
	Seizing opportunities in the value of agricultural carbon sinks						



Assessment Results and Response for Important Risks/Opportunities

Type	Specific risk/ opportunity	Financial impact on business operations and value chain	Impact period			Impact period			Scope of Impact	Response measures
			Low-emission scenario			High-emission scenario				
			2030	2040	2050	2030	2040	2050		
Risk	Floods (composite risk)	- Flood disasters may lead to the spoilage of feed due to moisture and induce diseases in dairy cows, indirectly affecting milk production and increasing raw milk procurement costs. In severe cases, they may destroy cattle sheds, cause livestock losses, lead to the interruption of raw milk supply, and consequently impact the Company's product delivery. - Floods may cause damage to or the scrapping of factory equipment, as well as damage to buildings such as workshops, potentially increasing costs for equipment repairs, building maintenance, and reconstruction. - Floods threaten the safety of on-site personnel or inundate/ damage roads, leading to the interruption of logistics and transportation, necessitating work stoppages and production halts, resulting in increased operational costs. - Extreme weather events such as heavy rain and floods may lead to an increase in insurance premium expenditures.							Upstream Own operations	- Comprehensively assess the impact of extreme weather on upstream dairy farms and their response capabilities. Guide upstream dairy farms in establishing strategic reserves and making procurement plans to control procurement costs. Provide early warnings to dairy farms to enhance flood prevention efforts and reduce impact on operations. - Consider the risks of heavy rain and flooding during site selection for new projects. Build disaster protection facilities and prepare emergency response resources to minimize losses to personnel and property caused by extreme weather. - Erect flood barriers and other protective facilities at critical locations and conduct regular inspections. Develop emergency response plans for extreme weather that cover personnel evacuation, business interruption, and recovery.
	Water stress and drought	- Long-term drought can easily lead to soil degradation, severely affecting the yield and quality of forage crops and other agricultural products, indirectly causing an increase in procurement costs for raw milk and agricultural by-products. - Water scarcity in dairy farm operating areas may reduce or interrupt municipal water supply. A lack of drinking water for dairy cows can potentially affect their health and milk production, leading to increased raw milk procurement costs. - Persistent water scarcity in factory operating areas leads to increased water costs and water conservation measures such as equipment retrofitting can result in higher operational costs. In severe cases, it may impact the Company's ability to fulfill production and operation plans, consequently leading to a decline in revenue.							Upstream Own operations	- Continuously assess the water risks of upstream dairy farms and raw material suppliers, guiding them to strengthen water resource management and implement water-saving actions to enhance the water risk resilience of the supply chain. - Prioritize regions with excellent water resource conditions or where water supply can be improved through engineering during site selection for new projects. - Establish a water usage monitoring system, promote water-saving processes, and continuously implement water recycling and source substitution projects to drive the efficient utilization of water resources. - Conduct assessments on the alignment between production capacity distribution and regional water stress for products with relatively high water footprints in a timely manner to alleviate regional water use pressure.
	Research and investment in low-carbon transition technologies	To advance the low-carbon transition, the Company needs to increase investment in low-carbon and negative-carbon technology R&D, process optimization, phasing out of high-energy-consuming and high-emission equipment, and procuring environmentally friendly and energy-saving equipment, leading to increased operational costs.							Own operations	- Select pilot factories to try low-carbon technologies and energy-saving processes. Promote proven energy-saving and emission-reduction models to national production bases through benchmark factory selection. - Systematically evaluate the operational efficiency of existing production facilities. Gradually replace high-energy-consuming and high-emission equipment with environmentally friendly and energy-saving alternatives to reduce carbon emissions in the production phase. - Actively participate in industry exchanges on low-carbon technologies. Conduct regular technical feasibility studies and cost-benefit analyses to promote the research, development, and application of low-carbon and negative-carbon technologies with application potential.

Limited Low Medium High

Type	Specific risk/ opportunity	Financial impact on business operations and value chain	Impact period			Impact period			Scope of Impact	Response measures
			Low-emission scenario			High-emission scenario				
			2030	2040	2050	2030	2040	2050		
Risk	Uncertainty in raw material supply	- Global climate change can cause imbalance in supply and demand and push up procurement prices for the main production regions of feed crops such as soybean and corn, increasing the Company's procurement costs and squeezing profit margins. Under the low-emission scenario, increased demand for biomass energy diverts crops like corn and soybean to energy supply, further intensifying supply-demand tensions and price hikes. - Global climate change and frequent extreme weather events can lead to declining yields of bulk raw materials that the Company needs, such as palm oil, white sugar, and cocoa, causing procurement prices to rise and increasing procurement costs.							Upstream Own operations	- Promote local forage crop planting on dairy farms or establish long-term supply contracts with growers to build a stable local forage supply system, reducing dependence on imported forage. - Encourage dairy farms and cooperative farms to adopt regenerative agricultural technologies, such as conservation tillage, water-saving irrigation, and drought- and flood-resistant crop varieties, to increase forage yields. - Conduct market analysis for bulk raw materials, dynamically assess the supply, demand, and prices of key materials. Take other measures such as establishing safety stock, diversifying procurement sources, and engaging in futures hedging to mitigate price volatility risks and ensure production continuity.
Opportunity	Improving energy consumption efficiency in operations	To advance the low-carbon transition, the Company can reduce energy consumption per unit of product by introducing energy-saving equipment and implementing comprehensive energy efficiency measures, which can help reduce energy cost and enhance market competitiveness.							Own operations	Conduct energy-saving retrofits on high-energy-consumption equipment (e.g., boilers, refrigeration systems). Promote technologies such as high-efficiency motors, variable frequency drives, and residual heat recovery to reduce energy consumption per unit of product.
	Utilizing renewable energy	Under the low-emission scenario, the comprehensive global increase in renewable energy use leads to growth in absolute supply and decrease in end-user electricity prices. Advances in photovoltaic technology improve conversion efficiency. The company can reduce energy costs by constructing photovoltaic projects and procuring green electricity. It can also explore energy storage technologies and the "excess electricity fed to grid" model to generate economic benefits.								Own operations

LimitedLowMediumHigh



This assessment systematically identifies the key climate risks and opportunities that Yili needs to prioritize, providing an important basis for the subsequent formulation of risk response measures and transition action plans. Yet, it needs to be pointed out that current scenario analysis still contains uncertainties: Firstly, regarding physical risks, although internationally mainstream climate models were selected for the assessment, these models and forecasting tools are still under development and the projections of long-term climate trends (such as the temperature rise) and the frequency, intensity, and distribution of short-term extreme events (such as compound disasters) are inherently uncertain. Secondly, regarding transition risks, there is uncertainty in future global policies and legislation regarding economic growth, energy security, social equity, and climate goals across nations; while breakthroughs and cost reductions brought by low-carbon and negative-carbon technologies involve uncertainties of technological development. Therefore, Yili will establish a regular review mechanism to closely monitor developments in climate science methodologies, industry practices, and related policy and technology dynamics. It will timely update the assessment framework and conclusions to ensure the applicability and effectiveness of the assessment results, as well as the corresponding mitigation and adaptation measures.

Metrics and Targets

To implement the *Zero-Carbon Future Plan of Yili Group*, Yili continuously strengthens climate-related adaptation actions and regularly tracks progress against predefined targets and metrics, ensuring effective mitigation of climate-related risks.

Guided by the overall goal of achieving carbon neutrality by 2050, the *Zero-Carbon Future Plan of Yili Group* sets several phased milestones to achieve its carbon neutrality targets.

The target values and relevant completion status for 2025 are as follows

Target type	Target value	Performance in 2025	Target achievement
Carbon reduction target	By 2030, total carbon emissions in Scope 1 and Scope 2 will be reduced by 35% compared to 2012.	Reduced by 39%	Achieved
	By 2030, the carbon intensity per ton of product will be reduced by 65% compared to 2012.	Reduced by 65%	Achieved
Coverage of measuring Scope 3 carbon emissions	By 2025, the carbon footprint verification for all core raw milk suppliers will be completed.	100% completed	Achieved
	By 2030, the carbon footprint verification for all core suppliers of raw and auxiliary material will be completed.	70.88% completed	In progress
Supply chain carbon emissions reduction target	By 2030, the carbon intensity of core raw milk suppliers will be reduced by 35% compared with 2021.	Reduced by 33.15%	In progress
	Actively promote the construction of low-carbon dairy farms, aiming to create two carbon-neutral dairy farms by the end of 2030.	Completed construction of one carbon-neutral dairy farm and four low-carbon dairy farms	In progress
	The carbon intensity of low-carbon transition suppliers will be reduced by 7% by 2030, with 2021 as the base year.	Reduced by 7.28%	Achieved

Note:

- 1) Core raw milk suppliers: it refers to suppliers demonstrating excellence in price competitiveness, quality assurance, delivery reliability, technical support, service responsiveness, asset management, process optimization, and workforce management, including dairy farms in which Yili holds 100%, majority or partial ownership.
- 2) Low-carbon dairy farms: it refers to dairy farms certified under the *Technical Specifications for Low-carbon Assessment of Large-scale Dairy Ranches (T/LCAA 014-2024)*, with accreditation issued by China National Testing & Certification Group Co., Ltd.
- 3) Low-carbon transition suppliers: it refers to suppliers committed to carbon inventory, implementing emissions reduction initiatives, and advancing toward carbon neutrality through operational transformations.
- 4) Carbon-neutral dairy farms: it refers to dairy farms certified under the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions from Dairy Cattle Farming Enterprises (RB/T 127-2022)*, with accreditation issued by China National Testing & Certification Group Co., Ltd.

Based on the *Greenhouse Gas Protocol (GHG Protocol)*, Yili employed the operational control method as the accounting approach for consolidating greenhouse gas emissions. This method determines consolidation based on whether the enterprise has financial and operational policy control over the relevant facilities or operational activities. It clearly reflects the emission sources directly influenced by management decisions, facilitating the precise implementation of emission reduction measures and the setting of control targets.

In 2025, Yili's key performance in greenhouse gas emissions is as follows

Indicator	Unit	2023	2024	2025
Carbon emissions in scope 1	10,000 tCO ₂ e	57	49	53
Carbon emissions in scope 2	10,000 tCO ₂ e	118	102	75
Carbon intensity per unit product	kg CO ₂ e/ton of product	170	151	129

Note:

- 1) During the Reporting Period, Yili incorporated carbon emissions from five overseas factories located in Indonesia, Thailand, and New Zealand into the statistical scope.
- 2) During the Reporting Period, the use of green electricity increased. Yili adjusted the electricity emission factors used based on *Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors* issued by the Ministry of Ecology and Environment and the National Bureau of Statistic when calculating Scope 1 and Scope 2 greenhouse gas emissions. Therefore, despite an overall increase in energy consumption, Scope 1 and Scope 2 greenhouse gas emissions decreased.

Indicator	Unit	2025
GHG reduction in scope 1	10,000 tCO ₂ e	-4
GHG reduction in scope 2	10,000 tCO ₂ e	27
Total GHG emissions reduced by direct measures (scope 1 + scope 2)	10,000 tCO ₂ e	28
Emissions reduction from redesigning production processes	10,000 tCO ₂ e	/
Emissions reduction from retrofitting equipment	10,000 tCO ₂ e	2.1
Emissions reduction from process improvements	10,000 tCO ₂ e	0.1
Emissions reduction from fuel replacement	10,000 tCO ₂ e	4
Emissions reduction from other measures	10,000 tCO ₂ e	22.17
Number of energy-saving and emissions-reduction projects	/	3,248
Quantity of purchased carbon sinks (used for carbon-neutral products)	tCO ₂ e	138,703

In 2025, Yili's greenhouse gas emissions in Scope 3 are as follows

Indicator	Unit	2025
Category 1: purchased goods and services: raw milk	10,000 tCO ₂ e	365.96

Note: Youran Dairy (including its subsidiary Saikexing) and Youyuan Farm, as two major dairy farm partners under Yili, are playing a significant role in the greenhouse gas emissions and management within Yili's value chain. Yili has started calculating Scope 3 greenhouse gas emissions for key categories, and has completed the carbon emission accounting for raw milk purchased from our core raw milk supplier, Youran Dairy (part of our Scope 3 emissions; see the above table), as well as from our 100% owned raw milk supplier, Youyuan Farm (part of our Scope 1 and Scope 2 emissions; see "Key Performace").

Full-Chain Carbon Reduction

From a blade of grass, to a cow, and to a cup of milk, Yili is committed to implementing green carbon reduction actions across the entire product lifecycle. To steadily implement the *Zero-Carbon Future Plan of Yili Group*, Yili formulated the *2025 Zero-Carbon Future Implementation Plan of Yili Group* and the *2025 Technology Promotion Plan for Carbon Neutral Energy Saving and Emissions Reduction of Yili Group*, so as to build a green ecosystem and drive green and low-carbon development across the entire value chain from raw material sourcing, production to warehousing, transportation and consumption by setting targets, establishing mechanisms, and building capacity.

Raw Material — Promoting Upstream Carbon Reduction

Yili has been going all out to create a new integrated planting and breeding model, build low-carbon dairy farms in collaboration with dairy farm owners, actively explore new models for carbon reduction in livestock farming, and accelerate the low-carbon transition of the industrial chain. Meanwhile, Yili is committed to building a green supply chain ecosystem. It joined hands with various partners and established the industry's first Net Zero Carbon Alliance, discussing effective ways to reduce carbon emissions with upstream suppliers and promoting the low-carbon transition of the supply chain.

Building Low-Carbon Dairy Farms

Carbon emissions generated at dairy farms are a major focus in Yili's carbon reduction efforts along the industrial chain. Yili rests its strategy on three pillars: biological carbon emissions reduction, fossil carbon emissions reduction, and agricultural and forestry carbon sink. It systematically implements eight core carbon emissions reduction initiatives for dairy farms. Meanwhile, the Company has been advancing the integrated planting and breeding ecological agriculture model. In this model, planting and breeding are well-coordinated and mutually beneficial, forming a low-carbon agricultural system, promoting the transition of dairy farms towards a green and low-carbon model.

Biological carbon emissions reduction

Improve feed ingredients through R&D

Optimising dairy cattle breeding

Promote low-carbon manure treatment technology

Develop and apply manure reutilization technology

Seek higher feed conversion efficiency by improving feed formulas, conducting research on the substitution of high-cost raw materials with straw microbial protein, and adjusting corn kernel processing technology. These measures can lower feeding costs while reducing methane emissions from enteric fermentation in dairy cows and pollutants in manure. Yili has collaborated with Inner Mongolia Agricultural University to study how the selection and combination of feed additives impact methane emissions, both in vitro and in vivo, of dairy cows.

Focusing on key breeding indicators, Yili cultivates high-quality dairy cows and has established a core breeding population optimized for high productivity, extended productive lifespan and lowered emissions, thus optimizing the herd structure, and reducing the greenhouse gas emissions from cattle metabolism. Utilizing the Greenfeed system, Yili measures methane and carbon dioxide emissions from cow belching, and has built a methane emissions prediction model and developed rapid batch detection technology to identify and select low-emission dairy cattle.

Yili is expanding the application of the low-carbon manure treatment technology and promoting anaerobic digestion biogas power generation projects to ensure the safe treatment and resource utilization of dairy farm waste. It has also constructed biogas facilities at new dairy farms in regions with no severe cold.

Yili has adopted an integrated planting and breeding ecological agriculture model. After treatment, hazard-free solid manure can be repurposed as high-quality bedding material for dairy cow stalls, while the liquid part of the manure becomes organic fertilizer for field application after fermentation. This approach enhances soil organic matter and reduces the use of synthetic nitrogen fertilizer. In 2025, Youran Dairy's Hanting Dairy Farm in Shandong Province, in cooperation with surrounding agricultural cooperatives and farmers, replaced chemical fertilizers with 210,000 tons of hazard-free liquid manure produced within the year. This initiative not only improved the saline-alkali soil in the local area and enhanced soil organic matter, but also formed a cycle of planting and breeding, reducing carbon emissions by 124,500 tCO₂e.

Fossil carbon emissions reduction

Introduce photovoltaic new energy

Optimize energy structure

Enhance energy-saving renovation

Agricultural and forestry carbon sink

Introduce agricultural and forestry carbon sink technology

Yili has installed photovoltaic panels on barn roofs and feed mill roofs to generate green electricity for self-consumption. In regions with abundant sunlight, new dairy farms and feed plants will consider solar-powered streetlights in priority, while for existing facilities traditional streetlights will also be replaced with solar-powered ones in a phased manner. In 2025, Yili facilitated the construction and application of a photovoltaic project at Saikexing's Xinghua Dairy Farm.

Yili has implemented oil-to-electricity conversion for forage choppers at seven dairy farms, reducing the carbon emissions of grassland operations. Advances have been seen in the replacement of coal-fired and biomass boilers at dairy farms according to local conditions, decreasing fuel oil consumption and exhaust emissions from incomplete combustion.

Yili continuously promotes energy-saving renovations at dairy farms to enhance energy and resource utilization efficiency. In 2025, 2,976 high-energy-consuming blowers were replaced with permanent magnet energy-saving blowers at core raw milk suppliers, including Jinci, Yangba, and Chenliu dairy farms. Based on estimates for a single 10,000-head dairy farm operating for 200 days per year, this is projected to save approximately 3 million kWh of electricity annually.

Yili has been promoting research on no-till planting technology and has applied the technology to oat, summer corn, and sweet sorghum cultivation, covering a total of 55,078 mu of land. This reduces carbon dioxide emissions from soil disturbance processes and can contribute to soil organic carbon accumulation.

Case

Collaborative Manure Recycling Project Granted VCS Carbon Credits

Yili continues with its partnership with core raw milk suppliers in an emission reduction project to guide and promote technology for the low-carbon treatment and field application of manure. Manure goes through solid-liquid separation processes and then the solid part will serve as bedding materials while the liquid part becomes fertilizer. These processes enabled comprehensive manure recycling while the biogas generated during treatment is captured for power generation, reducing methane and other greenhouse gas emissions. In particular, the Houshandai Dairy Farm generated biogas through thermophilic fermentation of manure after solid-liquid separation, producing up to 6.25 million cubic meters of biogas annually for a single 10,000-head dairy farm, When this amount is used fully for power generation, the capacity will be approximately 11.5 million kWh per year. By the end of 2025, anaerobic fermentation biogas power generation projects had been established and operated at 18 dairy farms of the core raw milk suppliers.

In 2025, the Zhumadian Dairy Farm, under Yili's core raw milk supplier Youran Dairy, adopted the "dual-pathway mesophilic and thermophilic anaerobic fermentation process" which significantly increased biogas production efficiency. The generated biogas is used for both power generation and heating, enabling the dairy farm to achieve self-production and self-consumption of renewable energy for part of its facilities. This biogas utilization project passed the official technical review under Verified Carbon Standard (VCS) and successfully obtained 91,300 tons of carbon credits, the highest carbon credit ever received by a Chinese dairy farm.

Case Jointly Building China's First Carbon-Neutral Dairy Farm

In 2025, Yili continued to advance low-carbon dairy farm development in cooperation with core raw milk suppliers. Pingdingshan Youran Dairy Co., Ltd. (hereinafter referred to as "Pingdingshan Dairy Farm"), a subsidiary of the core raw milk supplier Youran Dairy, made active efforts to develop clean energy solutions. Based on its self-developed totally mixed anaerobic fermentation technology for biogas, the dairy farm put into use the innovative "dual-pathway mesophilic and thermophilic anaerobic fermentation process", turning manure hazard-free and significantly increasing biogas production, and the biogas thus produced is used for power generation and heating. Furthermore, the Pingdingshan Dairy Farm effectively reduced greenhouse gas emissions by adopting low-carbon feed, and introducing new energy equipment such as electric milk transport vehicles, loaders, and feed-pushing robots. It took the lead in the industry to achieve carbon neutrality in dairy cattle farming and obtained a carbon neutrality certificate issued by China National Testing & Certification Group Co., Ltd., setting a benchmark for the industry's low-carbon transition.



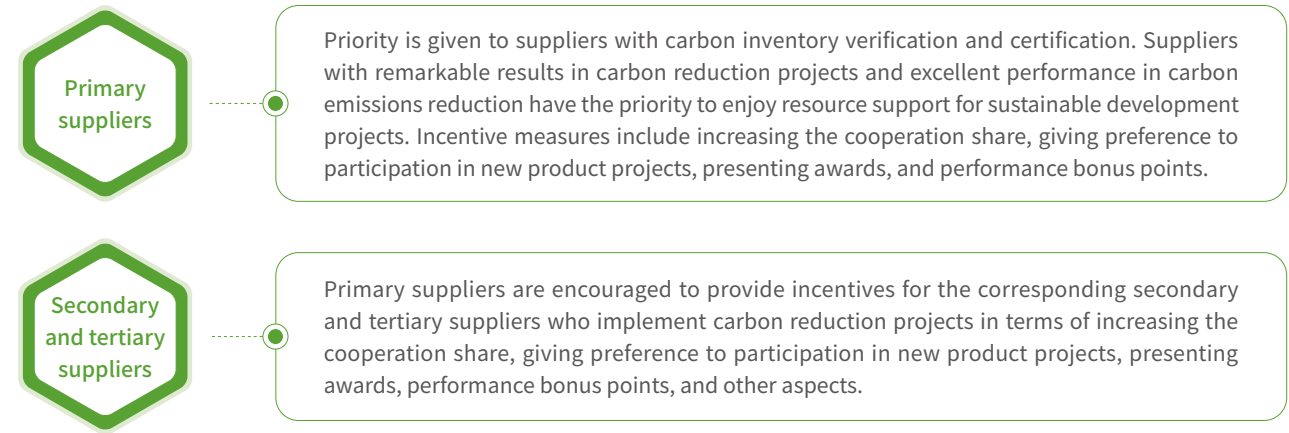
Pingdingshan Dairy Farm
Certified as the First
Carbon-neutral Dairy Farm

Building a Low-Carbon Supply Chain

As a chain leader enterprise, Yili collaborates with supply chain partners to jointly advance carbon reduction initiatives. It has actively promoted carbon inventory among suppliers, and continuously expanded the Net Zero Carbon Alliance ecosystem through incentive mechanisms and empowerment training, comprehensively enhancing suppliers' enthusiasm and capability for carbon management.

Supplier Carbon Reduction Incentives

Yili has established a sustainability performance-based incentive mechanism for suppliers and adopted new sustainability evaluation indicators. It provides performance-based incentives to suppliers that are active in carbon management and social responsibility fulfillment, so as to fully motivate suppliers for the low-carbon transition. In 2025, Yili introduced this performance-based incentive mechanism to suppliers through meetings, explaining the sustainability performance indicators and implementation requirements, thereby providing clear carbon reduction guidance to suppliers.



Note: Primary raw and auxiliary material suppliers are direct suppliers, while secondary and tertiary raw and auxiliary material suppliers are indirect suppliers.

Carbon Reduction Empowerment for Suppliers

Yili accelerates the green development of the supply chain through training empowerment, project collaboration, and directional guidance.

Conduct empowerment guidance

On the Yiqiyi learning platform, Yili organized three online training sessions in 2025 to share ideas on low-carbon operations, water footprint management, and social responsibility audits with suppliers, reaching out to 820 participants and enhancing the suppliers' capabilities in sustainability management.

Promote carbon neutrality certification

Yili actively collaborates with suppliers to carry out carbon inventory, encourages suppliers to procure industry-leading new environmentally friendly materials, and manages carbon emissions along the production and use processes of raw materials. In 2025, Yili assisted 6 raw and auxiliary material suppliers in obtaining carbon neutrality certification, supporting their low-carbon transition.

Strengthen emissions reduction collaboration

Yili continuously encourages suppliers to advance equipment upgrading for energy efficiency, energy consumption structure improvement, and packaging material reduction projects, aiming to lower greenhouse gas emissions from raw material production processes. In 2025, Yili successfully helped 11 suppliers implement energy-saving and carbon reduction projects, resulting in an emission reduction of 38,587 tCO₂e.

Case Collaboration with Packaging Material Suppliers on Energy-Saving and Carbon Reduction Projects

In 2025, Yili continued to collaborate with suppliers on carbon reduction initiatives. Regarding the use of packaging materials, Yili worked with suppliers to promote the replacement of traditional cardboard boxes with reusable containers, using 74,000 fewer cardboard boxes and reducing annual carbon emissions by 25.16 tons. Simultaneously, Yili worked with suppliers to reduce packaging weight and use less plastic. By decreasing the use of PE pellets in yogurt bottles, it reduced pellet consumption of the year by 136 tons, leading to approximately 394 tons of carbon emissions reduction. Through close collaboration with its suppliers, Yili provided replicable experience for carbon reduction across the industrial chain, contributing to the green development of the industry.

Case Expanding the Net Zero Carbon Alliance Ecosystem

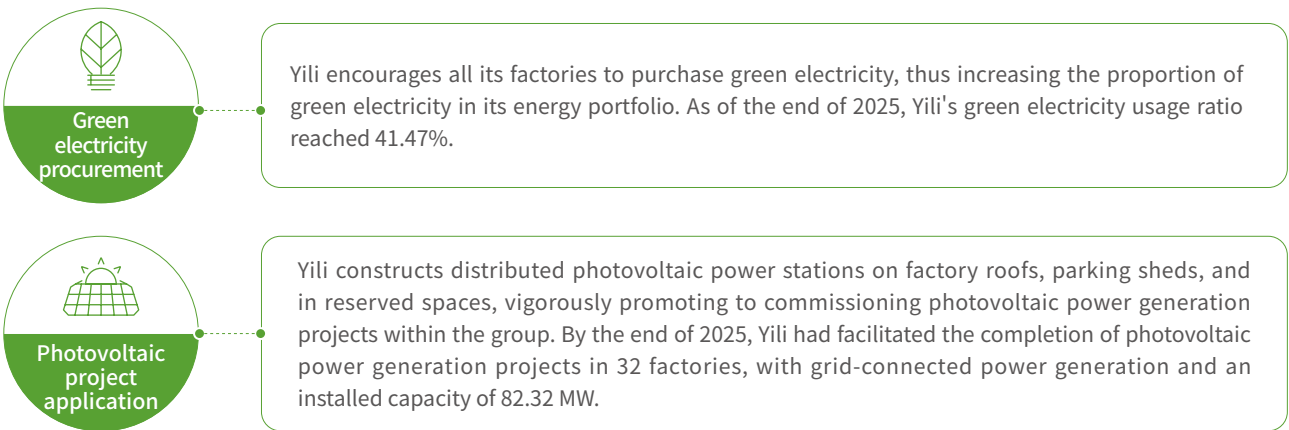
On June 16, 2025, Yili organized the Net Zero Carbon Alliance sub-forum during the WISH 2030 Summit and representatives from 10 suppliers participated. Suppliers that delivered outstanding performance in low-carbon operation were invited to share their green transformation cases and the Low-Carbon Pioneer Award was presented to suppliers with excellent carbon reduction performance, recognizing their contributions to carbon management. By the end of 2025, the Net Zero Carbon Alliance had grown to include 179 suppliers, cumulatively driving 165 raw and auxiliary material suppliers forward in the low-carbon transition, thereby fostering a green and low-carbon industrial ecosystem for the industry.

Production — Developing Green Manufacturing

Yili has incorporated green and low-carbon principles in its entire production and operation lifecycle, integrating sustainable practices through energy structure optimization, energy-saving and emissions-reduction initiatives and the establishment of carbon-neutral factories. These efforts have collectively reduced carbon emissions in the Company's production and operations while advancing efficient, low-carbon, and eco-friendly production.

Optimize Energy Structure

Yili minimizes fossil fuel dependence and streamlines energy consumption patterns by increasing the adoption of renewable energy, including solar photovoltaic power generation, thereby mitigating the environmental impact of its energy usage.



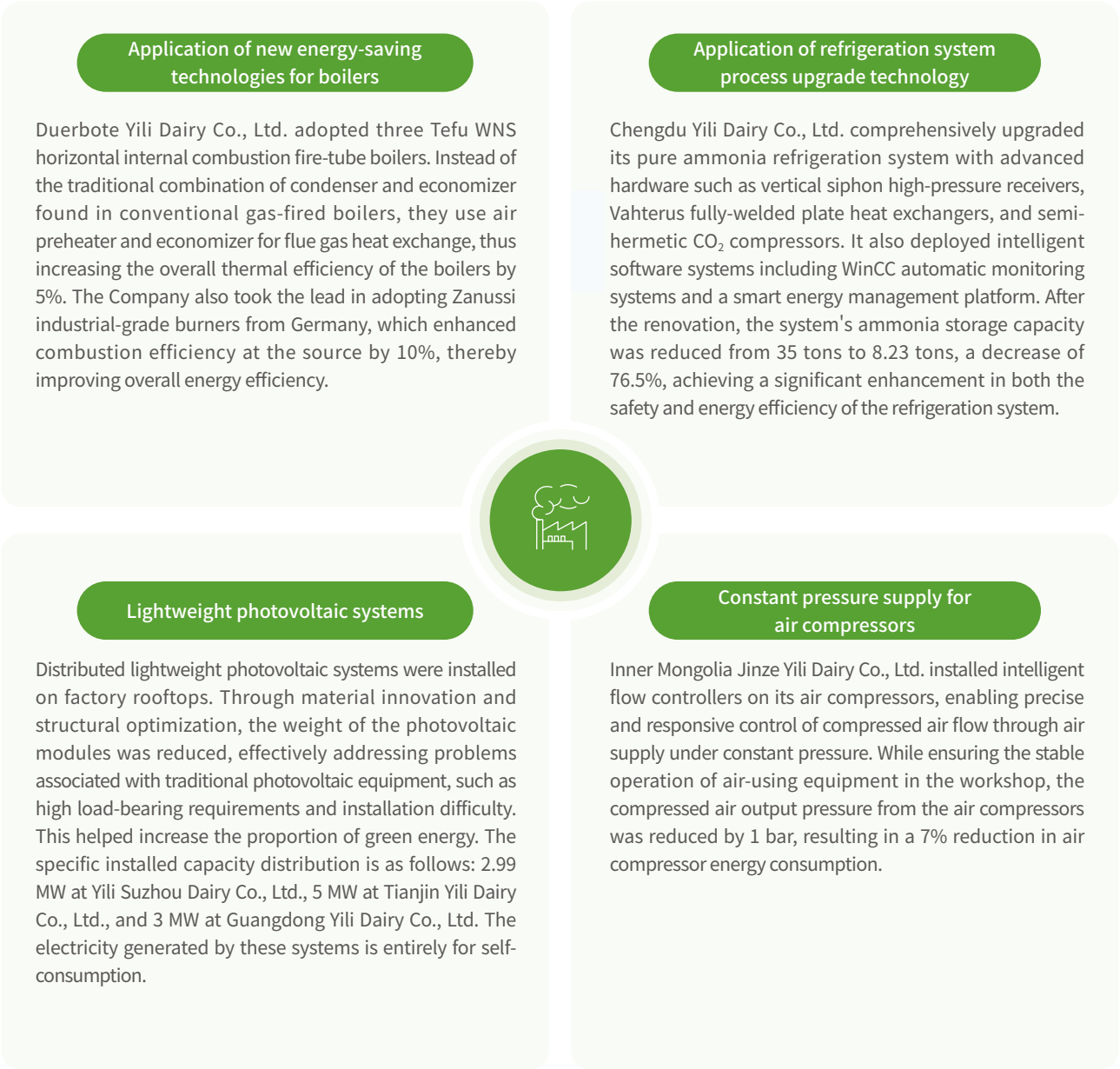
Carry Out Energy Saving and Emissions Reduction

In 2025, Yili released the *Three-Year Energy Efficiency Enhancement Plan of Yili Group (2025-2027)* and issued, early in the year, the *2025 Technology Promotion Plan for Carbon Neutrality Energy Saving and Emissions Reduction*. These plans outlined six key tasks, including actions for energy conservation and carbon reduction in energy-using products and equipment, and promoting energy efficiency retrofits and upgrades. Across major energy-consuming processes and equipment in all business units, Yili actively adopted energy efficiency enhancement technologies such as waste heat and pressure recovery and renewable energy utilization to step up energy conservation and carbon reduction efforts. Additionally, Yili promoted energy conservation and emission reduction projects at all its production, manufacturing, and operation sites. In 2025, Yili carried out a total of 3,248 energy-saving and emissions-reduction projects, covering 100% of its production and operation sites. These efforts saved 16,000 tons of steam, 8,033 cubic meters of natural gas and 178.37 million kWh of electricity, representing a saving 42,700 tons of standard coal equivalent in energy consumption*.

Note: *This data represents the cumulative estimated energy savings based on the design theory for energy-saving projects implemented in 2025.



Partial energy-saving and emissions-reduction projects carried out by Yili in 2025



Build Green and Carbon Neutral Factories

Yili actively builds green factories and carbon-neutral factories while advancing related certification efforts. As of the end of 2025, a total of 45 Yili branches/subsidiaries had obtained national-level green factory certification, and 5 factories received carbon-neutral factory certification. In 2025, Tianjin Yili Dairy Co., Ltd., Tianjin Yili Dairy Products Co., Ltd., and Weifang Yili Dairy Co., Ltd. were recognized as 2025 Green Manufacturing Benchmark Enterprises in the Light Industry by the China National Light Industry Council, securing all the available spots for the dairy industry this year.

5 Carbon Neutral Factories



Yunnan Yili Dairy Co., Ltd.



Zhejiang Yili Dairy Co., Ltd.



Inner Mongolia Jinze Yili Dairy Co., Ltd.



Changchun Yili Frozen Food Co., Ltd.



Tianjin Yili Dairy Co., Ltd.

Transportation — Building Green Logistics

Yili pursues "Green and Lean Logistics" and actively builds smart green logistics. In 2025, Yili promoted energy conservation and carbon reduction in its logistics operations by establishing a green warehousing system, optimizing transportation routes, promoting new energy vehicles, and improving vehicle load rates.

Green Low-Carbon Logistics

Building green warehouses

- Yili advanced green warehouse building by improving seasonal functional zoning across various distribution centers, reducing refrigerated areas, and adopting more environmentally friendly refrigerants. In 2025, up to 10.96% of the cold storage space used by the frozen beverages business unit adopted the carbon dioxide refrigeration technology.
- Yili launched a reusable pallet rental and cross-departmental sharing model. The yogurt business unit reduced its annual procurement of disposable plastic pallets by 82%, generating much less waste.
- Yili encouraged its factories to apply for green warehouse certification. By the end of 2025, a total of 7 factory-affiliated warehouses had been certified as National Level I (Three-Star) Green Warehouses.

Optimizing transportation routes

- Yili used digital tools such as AI algorithm models to optimize warehouse location selection, reduce transfer frequency, control secondary turnover, avoid cross-docking, and reduce transportation routes and distances. The liquid milk business unit improved the distribution of 11 stock keeping units (SKUs), reducing product transportation distance by 50.21 kilometers on average.
- Transportation demand was better coordinated. The frozen beverages business unit sorted out demand for large truck transportation exceeding 30 cubic meters in the Southwest China region and arranged direct shipments from factories, pushing the overall direct shipment rate up by 11.35% compared to 2024 and reducing intermediate transfers and reverse logistics.
- Yili worked to reduce delivery from separate warehouses. In the North China and East China regions, the yogurt business unit enabled direct shipment from factories for some orders which previously required delivery from separate warehouses, avoiding secondary storage, loading, unloading and moving for approximately 500 tons of products monthly and thus saving relevant energy consumption.
- Yili worked to make more reasonable arrangements for product delivery in terms of time and location, and uses vehicle space more efficiently. The frozen beverages business unit introduced a classification system to make better use of vehicle space during transportation, thus reducing empty-load rates in vehicles. In 2025, the average full load rate was 79.56%, 3.56 percentage points higher than the target value.

Improving transportation structure

- Yili promoted low-carbon logistics methods, replacing road transportation with sea and rail transportation based on market demand. Milk powder products were transported by railway rather than by road, resulting in a 23% reduction in carbon emissions compared to 2024. The frozen beverages business unit shipped 29 containers of its products via the sea, thus reducing carbon emissions by 8.45 tons.

Promoting low-carbon vehicles

- Yili encouraged the use of green, low-carbon transportation tools, phasing out, retrofitting, or upgrading outdated fleets to increase the proportion of vehicles that meet national standard V or above. The yogurt business unit utilizes over 10 hydrogen-powered vehicles on certain long-distance routes, reducing carbon emissions during transportation.
- Yili continues to promote the use of new energy vehicles. The cheese business unit established low-carbon logistics routes in Henan Province, with new energy vehicles accounting for 70% of the fleet, leading to a 30% reduction in carbon emissions compared to 2024. The liquid milk business unit optimized distribution routes from warehouses based on individual customer demands, increasing the proportion of orders delivered by new energy vehicles to over 75%.

Collaborating with Suppliers to Promote Green Logistics



Optimizing the supply chain distribution efficiency

- Yili has been working to improve intelligent supply chain resource collaboration platform to focus on the intelligent integration and configuration of backend supply chain resources and the rapid response to exceptions, enhancing supply chain collaboration efficiency and logistics transportation efficiency.
- Yili deployed a distribution system to plan optimal transportation routes for the raw milk logistics operations to reduce carbon emissions. In 2025, by leveraging this system and the Smart Supply Chain Resource Collaboration Platform, we achieved that the transportation distance per ton of raw milk decreased to 6.37 km, marking a 9.26% reduction compared to 2024.



Supporting suppliers to upgrade transportation facilities

- Yili drove the suppliers' logistics transportation vehicles, phased out outdated fleets, and introduced new vehicles with higher environmental standards. By the end of 2025, the proportion of milk tank vehicles of national standard V and above (including natural gas-powered and electric milk tank trucks) accounted for 100% of the total.
- Yili promoted the application of clean energy vehicles and new energy vehicles among suppliers. By the end of 2025, the proportion of clean energy vehicles (including natural gas-powered and electric milk tank vehicles) reached 32%, an increase of 5 percentage points compared to 2024.

In 2025, Tianjin Yili Dairy Products Co., Ltd. contributed the "Intelligent Warehousing and Packaging Material Recycling and Reuse" case to the list of "Typical Cases of Green and Low-Carbon Warehousing and Distribution" announced by China Association of Warehousing and Distribution. Its warehouses also won the highest-level certification in the warehousing industry - National Level I (Three-Star) Green Warehouses.

In 2025, the national standard *Guidelines for Digital Management of Greenhouse Gas Emissions Data of Logistics Enterprises (GB/T 46808-2025)*, jointly developed by Yili Group and organizations including the China Federation of Logistics & Purchasing, was officially released. This national standard is the first in the logistics industry related to greenhouse gas emissions. It clarifies a full-chain management framework covering emission source identification, data collection, and digital management processes, providing an accounting basis for the industry's green and low-carbon transition.



Consumers — Advocating Green Consumption

In alignment with the trend of low-carbon circular economy, Yili actively develops green, low-carbon products, popularizing green consumption awareness, and promotes carbon reduction at the consumption end. As of the end of 2025, Yili provides consumers with 6 carbon-neutral products and several carbon-reduction products, further offering diverse green product options.

Providing consumers with carbon-neutral and carbon-reduction products to promote green consumption.

Yili provides consumers with 6 carbon-neutral products which have obtained the carbon-neutral certificate *ISO 14068-1:2023 the Climate Change Management - Transition to Net Zero - Part 1: Carbon Neutral*. Yili achieves the carbon neutrality of the entire life cycle of these 6 products through the use of clean energy, carrying out energy-saving and emissions-reduction work, purchasing green electricity, and carbon neutrality.



Satine Hulunbuir Organic Pure Milk

The carbon emissions per pack can be reduced by **0.86 kg**.

Jinlingguan Seine Mouiller Organic Milk Powder (stage 3)

The carbon emissions per tin can be reduced by **8.8 kg**.

Satine Jersey Organic Pure Milk

The carbon emissions per pack can be reduced by **0.65 kg**.

Golden Guard Cheese Sticks

The carbon emissions per pack can be reduced by **0.60 kg**.

QiXuan Dark Chocolate Pistachio Ice Cream (57 g)

The carbon emissions per box can be reduced by **0.30 kg**.

Changqing Premium Protein Artisan Yoghurt

The carbon emissions per cup can be reduced by **0.47 kg**.

In 2025, Yili launched several more carbon-reduction products, offering consumers low-carbon and healthy product choices and advocating a sustainable and healthy lifestyle.

Satine Carbon-reduced Pure Milk (Eco-friendly Pack)

Through the three major initiatives of low-carbon dairy farms, wood-like packaging, and green factories, Yili created a fully integrated low-carbon and eco-friendly supply chain. The dairy farms utilize 11 low-carbon and carbon reduction technologies in 6 categories, ranging from soil improvement to carbon-reduced cattle feeding, to advocate a green and natural ecosystem. For packaging, FSC-certified cardboard free from bleaching and coatings is used, maintaining the natural pulp color and fiber texture and adhering to sustainable forest management rules. The factories implement carbon-reduced production and green manufacturing, to minimize negative environmental impacts.



Satine Carbon-reduced Organic Pure Milk

This is China's first fully carbon-reduced organic milk product. Using milk sourced from carbon-reduced dairy farms, and natural wood-toned packaging with reduced ink printing and kraft paper cartons, it achieves a 15%-18% reduction in carbon footprint. The product has obtained the full-lifecycle carbon reduction certification, dual certifications from China and Europe for organic products, and ecological origin assessment, ensuring carbon reduction and organic traceability throughout the process. This product won the "2025 World Dairy Innovation Awards – Best Corporate Social Responsibility/Sustainability Initiative" award at the 18th Global Dairy Congress.



Yili Eco-Pack Pure Milk

Featuring a carbon reduction packaging process that reduces aluminum foil use, this product is certified by a third party to effectively reduce the carbon footprint by 30.92% and lower the carbon emissions by 266.88g of CO₂e equivalent per carton.



Improving Carbon Emissions Management

Yili adheres to the scientific carbon reduction method of conducting thorough carbon inventory, identifying potential, implementing emission reduction, and green transformation. Rooted in the dairy industry, Yili contributes to establish the industry carbon standard system, conduct carbon inventory and carbon footprint accounting, and develop a digital carbon management platform. These efforts provide robust technical support and practical experience for China's dairy industry to move toward green and low-carbon development.

Formulation of Carbon Standards

Yili actively participates in the national and industry standards construction in the field of "dual carbon". It is involved in standard construction in eight major areas: green manufacturing, carbon footprint and carbon management, environmental impact and eco-efficiency, water resource management, climate change management, ESG and supply chain management, energy consumption and conservation, and lifecycle assessment (LCA), contributing to the pursuit of the "dual carbon" goals. By the end of 2025, Yili had led or participated in the formulation and revision of 46 standards in the green and low-carbon field, including 1 international standard, 14 national standards, and 14 association standards that have been issued and implemented, providing a scientific basis for accelerating the industry's green transformation. In June 2025, Yili obtained approval from authorities of the Inner Mongolia Autonomous Region for the "Standardization Pilot Project for the Whole-Industry-Chain Development of the Dairy Industry". This pilot project aims to establish a standardization management system covering green breeding, low-carbon production, and efficient logistics, accumulating experience as a pioneer project in the region for the standardization of the entire dairy industry chain.

Carbon Management Digital Intelligence System

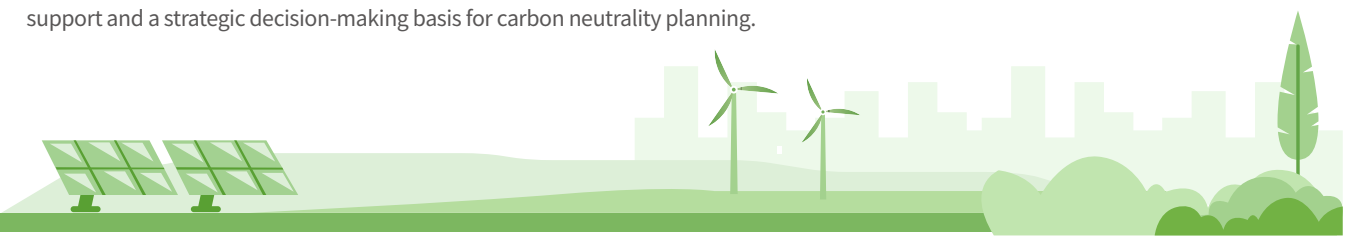
In 2024, Yili launched the first comprehensive carbon management operation platform in China's dairy industry - the China Dairy Industry Carbon Management Operation Platform. This platform aims to establish and improve the dairy industry's carbon emissions database and carbon emissions factor library, enabling precise calculation and monitoring of the carbon footprint throughout the product lifecycle of dairy enterprises, thus providing scientific basis and technical support for carbon emission management in the dairy industry. In June 2025, the China Dairy Industry Carbon Management Operation Platform was officially launched. By the end of 2025, the platform had covered 100% of Yili's factories and 10 supply chain enterprises, enabling online carbon footprint accounting for 97 products. The platform obtained a statement of compliance from the globally recognized certification service provider SGS (Société Générale de Surveillance) in 2025. This signifies that the platform's professionalism, reliability, and scientific rigor in greenhouse gas emission accounting at both the enterprise organizational level and the product level meet international standards.



Statement of Compliance from SGS

Carbon Footprint Accounting

Yili continues to carry out carbon footprint accounting for the entire product lifecycle. Based on 16 years of continuous carbon inventory experience and guided by international standards such as ISO 14064, ISO 14067:2018 the Greenhouse Gases - Carbon Footprint of Products - Requirements and Guidelines for Quantification and the Greenhouse Gas Protocol (GHG Protocol), and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Yili evaluates and quantifies the greenhouse gas emissions of its products at different stages, providing data support and a strategic decision-making basis for carbon neutrality planning.



Stage	Evaluation methods
Raw material end	- Yili collects, calculates, evaluates, and monitors the total carbon emissions and intensity generated during the production, manufacturing, and operation processes of primary and secondary raw and auxiliary material suppliers. - In 2025, Yili collected and calculated the total carbon emissions and intensity of 70.88% of its low-carbon transition suppliers, covering the Group's core suppliers.
Raw milk end	- Yili collects, calculates, evaluates, and monitors the total carbon emissions and intensity generated during the production and operation processes of cooperative raw milk suppliers. - In 2025, Yili conducted carbon inventory for 100% of its core raw milk suppliers and collected and calculated the total carbon emissions and intensity generated during the production and operation processes across 100% of raw milk suppliers.
Direct production and operation	- Yili carries out carbon inventory at the Company Organizational level. With carbon inventory as the core, it has established an accounting system for energy and environmental protection data including comprehensive energy consumption, water consumption, electricity consumption, gasoline and diesel consumption, steam consumption, wastewater discharge, and other aspects, realizing comprehensive traceability and systematic calculation of total carbon emissions and intensity data for direct production and operation. - In 2025, Yili completed the collection and calculation of total carbon emissions volume and intensity for 100% of the Group's production and operation units.
Transportation, logistics, and storage	- Upstream: Yili collects carbon footprint data from existing key suppliers and calculates the total carbon emissions and intensity of primary and secondary suppliers during the transportation and storage of raw milk as well as raw and auxiliary materials. - Downstream: Yili upgrades the existing transportation management system to visualize vehicle operation mileage and calculate, evaluate, and monitor the total carbon emissions and intensity generated during logistics transportation and storage. It also implements targeted improvement plans. The purpose is to reduce carbon emissions during logistics transportation.
Waste disposal stage of products	Yili has completed the collection and calculation of the carbon footprint of the 100% waste disposal stage of products.

In 2025, Yili completed full-scope accounting for Scope 1, Scope 2, and Scope 3 emissions. It has completed the carbon footprint evaluation and accounting of all core products (including eight core product categories: pure milk, low-temperature yogurt, low-temperature fresh milk, modified milk, ice cream, milk powder, cheese, and mineral water), with a carbon footprint accounting coverage rate of 100%.

Proportion of Carbon Emissions in the Overall Product Life Cycle of Yili Group

Category		Proportion
Scope 1	Direct emissions	2.59%
Scope 2	Indirect emissions—purchased electricity, heat, or steam	3.85%
Scope 3 (Other Indirect Emissions)	Purchased goods and services	76.92%
	Capital goods	0.91%
	Fuel- and energy-related activities	5.05%
	Upstream transportation and distribution	2.51%
	Waste generated in operations	1.44%
	Business travel	0.01%
	Employee commuting	0.18%
	Upstream leased assets	<0.01%
	Downstream transportation and distribution	5.85%
	Product use	0.05%
	End-of-life treatment of sold products	0.64%

Green Operations Promotion

Yili deeply integrates the concept of environmental protection into its entire production and operation process, optimizing energy and water use efficiency, reducing pollutant emissions, and promoting circular economy and green development.

Environmental Management System

Yili has established an environmental management structure with clearly defined responsibilities. The Strategy and Sustainable Development Committee is responsible for reviewing the Company's annual sustainable development work plans and their implementation and supervising the implementation of the Company's sustainable development plans. There is also an Environmental Management Committee responsible for the comprehensive coordination and management of environmental protection across the Group. Furthermore, Yili organizes monthly environment case sharing sessions and regulatory compliance self-audit activities to ensure that compliance requirements and industry norms can be translated into management standards. In 2025, the Group formulated *Yili Group Environmental Benchmark Evaluation Standard*, establishing a scientific, systematic, and quantifiable environmental benchmark evaluation system.

EHSQ Information Management System

Yili has established an EHSQ information management system and designed and developed dedicated modules for environment, health, and safety. Using the IoT-based online monitoring system, it realized online monitoring and management of environmental data for greenhouse gases, energy and water use, pollutants, and waste.

Preventing Environmental Protection Risks

Yili has formulated plans for environmental-protection early warning and emergency management, and continuously optimized the emergency response plans and control processes. All factories and dairy farms of the Company conducted quarterly environmental performance assessments to strengthen accountability. The Company achieved comprehensive, multi-dimensional, and systematic environmental management improvement by signing environmental responsibility agreements, identifying environmental factors, and organizing environmental protection training.

Environmental Risk Assessment

Yili established an environmental risk map and continuously conducted environmental risk assessments across the entire Group. It tracked the assessment results to advance risk evaluation and issue rectification. In 2025, Yili carried out a series of targeted environmental actions, including hardware inspections, special checks for high-risk factories, and the formulation of the *Yili Group Environmental Protection 2025-2027 Three-Year Remediation Plan*. These initiatives covered all factories, ensuring strict control over environmental risks.

Environmental Factor Identification

Yili implemented the *Environmental Factor Identification, Evaluation, and Control Process*, conducting in-depth investigations into potential pollution sources. Yili established review criteria for dimensions such as environmental monitoring frequency, hardware facility status, environmental risk map, and surrounding sensitive areas, providing a solid foundation for the subsequent formulation of targeted prevention and control measures.

Environmental Training

In 2025, Yili planned and conducted 433 environmental protection training sessions, with a total of 12,328 participants. Additionally, it carried out over 400 environmental emergency drills in its factories nationwide, raising employee awareness of environmental protection.

In 2025

Yili reported zero major sudden environmental incidents and received no significant administrative penalties from regulators. Moreover,

63 factories have passed the *ISO 14001* Environmental Management System certification

100% of its factories covered by the environmental management system certification, continuously enhancing its environmental management standards

Energy Management

Energy management is an important component of Yili's efforts to address climate change and achieve the Group's carbon neutrality goal. Yili formulated the *Energy Management Measures of Yili Group* and, within the *Three-Year Energy Efficiency Enhancement Plan of Yili Group (2025-2027)*, set targets to increase the proportion of clean energy and reduce energy consumption per unit of product, thereby strengthening energy use management.

In 2025, to be clear about the energy efficiency of existing equipment, Yili organized energy efficiency assessments together with experts from various business units for equipment in operation for over five years. Specifically, Jinan Yili Dairy Co., Ltd. invited an expert team from Zhengzhou University to conduct energy conservation diagnostics. The team performed on-site inspections of over 130 energy-consuming devices, including boilers, refrigeration systems, and air compressors, and proposed 14 energy-saving retrofit measures. Furthermore, Yili initiated energy benchmark factory selection to promote best practices for energy conservation. For specific measures and effectiveness data on Yili's energy saving and emissions reduction efforts, please refer to the "Production - Developing Green Manufacturing" section.



In 2025

A total of **63** Yili factories got *ISO 50001:2018* Energy Management System certification

Marking an increase of **14.5%** from 2024

100% of its factories are certified

Yili's key performance indicators in energy consumption in 2025 are as follows

Indicator	Unit	2025
Direct energy consumption	tce	148,735.83
Coal consumption	tons	22,893.91
Gasoline consumption	liters	172,850.10
Diesel consumption	liters	377,489.80
Natural gas consumption	10,000 standard cubic meters	11,412.30
Indirect energy consumption	tce	244,099.56
Purchased electricity consumption	kWh	1,185,552,196.81
Purchased steam consumption	tons	1,038,471.68
Total energy consumption	tce	392,835.39
Energy consumption intensity	tce /ton of product	0.0412
Reduced energy consumption*	tce	19,912.02
Proportion of green electricity usage	%	41.47%

Note: * The data reflected the actual energy consumption reduction in 2025 compared to 2024. The actual effectiveness of energy consumption reduction was affected by factors such as enterprise production capacity fluctuations, equipment operational conditions, personnel operations, and abnormal weather.

Key performance of Yili in the use of clean energy in 2025 is as follows

Indicator	Unit	2025	Consumption (tce)
Clean energy – natural gas consumption	10,000 standard cubic meters	11,412.30	132,382.68
Clean energy – solar energy power generation	kWh	69,501,096.09	8,541.68
Clean energy –biogas recovery and utilization (direct operation of wastewater treatment)	cubic meters	1,793,430	1,383.54
Clean energy – natural gas usage ratio	%	69%	/
Clean energy – solar energy usage ratio	%	25%	/
Clean energy – biomass energy (biogas) usage ratio	%	6%	/

Water Resource Management

Water resource is the foundation for human survival and development. In response to the increasingly severe global water challenges, Yili follows the water resource management philosophy of "production aligned with water availability, water conservation as a priority, efficient utilization, and systematic governance". We continuously improve the water resource management mechanism, enhance water risk management capabilities, integrate water resource management throughout the production and operation process, and promote efficient management of water resource across the entire industry chain.

Water Resource Management Mechanism

Yili has established a water resource management framework covering "Decision-making level, Organizational level, and Implementation level". We have set up a Strategy and Sustainable Development Committee at the board level. The committee consists of eight directors (including two independent directors), with Mr. Pan Gang, Chairman and President of Yili Group, serving as its chairperson. The Strategy and Sustainable Development Committee is mainly responsible for studying and making suggestions on long-term development strategic planning, guiding sustainable development, reviewing the Company's annual sustainable development plans (including sustainable development strategies, water resource management, etc.) and their implementation, and supervising the performance of the Company's sustainable development plans.

The Sustainable Development Office is under Strategy and Sustainable Development Committee, which is responsible for the sustainability performance supervision and report to the Strategy and Sustainable Development Committee on a regular basis. The Work Safety Management Department of Yili Group is responsible for the daily management on a regular basis, project promotion, technical support, and guidance of water resource and reports to the Sustainable Development Management Office every quarter. To strengthen the full-life cycle management of water, Yili formulated the *Water Management Technical Standard*, controlling from dimensions such as water withdrawal, water treatment, water use, and wastewater discharge, to promote the scientific and rational use of water resource.

Water Conservation Target

To translate the concept of water resource management into concrete actions, Yili has set water conservation targets covering both its operations and supply chain. The Company annually establishes water consumption per ton of product targets for each business unit, along with corresponding incentive mechanisms. These are implemented through the *Annual Energy Consumption Indicator Target Verification Sheet*, and incentives are distributed at year-end based on performance. Furthermore, within the *Three-Year Energy Efficiency Enhancement Plan of Yili Group (2025-2027)*, Yili has set specific goals for each business unit regarding water intensity, reclaimed water reuse rates, and alternative water source utilization by 2027. Each business unit establishes corresponding evaluation mechanisms and provides regular progress reports. The Group's Work Safety Management Department audits, guides, and supervises the implementation to continuously improve water use efficiency.

The water-related targets and achievements for 2025 are as follows

Target type	Target value	Performance in 2025	Target achievement
 Water conservation target at operation	By 2025, the water consumption of production will be reduced by 3% compared with 2021.	Reduced by 6%	Achieved
	By 2025, the water consumption per ton of product will be reduced by 3% compared with 2021.	Reduced by 7%	Achieved
	By 2025, the recycling rate of reclaimed water will be increased by 5% compared with 2021.	Increased by 8%	Achieved
	By 2030, the water consumption of production will be reduced by 3% compared with 2025.	/	In progress
	By 2030, the water consumption per ton of product will be reduced by 3% compared with 2025.	/	In progress
 Water conservation target at supply chains	Taking 2021 as the base year, within the next five years (up to 2025), the daily water consumption standard per single cow will be maintained within 110 kg.	The daily water consumption per single cow has decreased to 109 kg	Achieved
	By 2026, water consumption by high-water-dependent raw and auxiliary material suppliers located in high water-risk areas will be reduced by 2 million tons compared with 2025.	/	In progress

Water Risk Assessment

Currently, the global distribution of water resources is highly uneven, and water stress continues to rise worldwide. Yili strictly adheres to the legal and regulatory requirements of its operational locations, actively conducts water risk assessments at both the operational and supply chain levels to enhance water resource management across the industrial chain, thereby addressing global water security challenges.

Operational Water Stress Assessment

Leveraging the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI), Yili conducted water stress assessments across all its production factories. A total of 35 were identified as being located in high or extremely high water stress areas (on a five-level scale from low to extremely high), primarily in China's Shandong, Hebei, and Henan provinces and etc.

Based on the assessment results, Yili took proactive actions. At the operational level, the Company established clear water conservation targets and developed special plans for high water stress areas, aiming to continuously improve water resource utilization and reduce risks. In 2025, Yili implemented a total of 494 water conservation projects at operational factories located in all high or extremely high water stress areas, accounting for 69.5% of the total water conservation projects for the year, saving approximately 2.08 million tons (cubic meters) of water throughout the year.

Looking ahead, Yili will further advance its water conservation actions in high and extremely high water stress areas through specific measures including, but not limited to, partnerships with specialized institutions, advanced water-saving technologies, applicable water-saving processes, and water resource recycling projects. It will also conduct timely assessments of the alignment between production layouts for products with relatively high water footprints and regional water stress. Furthermore, Yili will ensure that the annual water conservation work plans formulated by each business unit cover 100% of factories in the aforementioned areas, systematically promoting the efficient and sustainable utilization of water resources.

Supplier Water Risk Assessment

To reduce the potential impact of its operations and supply chain on water resources, Yili has extended water risk management to its raw and auxiliary material supply chain. In 2025, it used the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI) and the CDP Water Watch to conduct water risk assessments for 100% of its production-based raw and auxiliary material suppliers. The assessment results indicated that suppliers of fruits and vegetables, palm oil, cocoa beans, and starch are highly dependent on water resources and that the proportion of such suppliers located in high or extremely high water risk areas is 10.7%, primarily in China's Shandong, Hebei, and Henan provinces and etc. Based on questionnaires and on-site inspections, these high-water-dependency and high-risk suppliers maintained normal water supply during the Reporting Period, with no supply disruptions due to price increases or shortages, indicating that material water risks are manageable in the short to medium term.

Based on the water stress assessment results for raw and auxiliary material suppliers, Yili precisely identified suppliers for intensified water footprint management and promoted water resource management among them. In 2026, Yili will further step up its water conservation actions for dual-high (located in high water risk areas and belonging to high water dependency industries) raw and auxiliary material suppliers. This will include setting specific water conservation targets, granting awards for outstanding water-conserving suppliers, and promoting water conservation capacity building and experience-sharing activities among suppliers. It will also improve the screening and exit mechanisms for dual-high suppliers in a timely manner to advance sustainable water resource management in the supply chain.

In addition to raw and auxiliary material suppliers, Yili also actively promotes water risk assessment among its core raw milk suppliers. Using the AWARE tool developed by the United Nations Environment Programme (UNEP) Society of Environmental Toxicology and Chemistry (SETAC) WULCA working group, Yili's core raw milk suppliers conduct water risk assessments every 2–5 years. These assessments cover, but are not limited to, water resource availability and water environment conditions of 100% dairy farms of core raw milk suppliers. The AWARE tool categorizes water risk into four tiers. The assessment results showed that approximately 13% of the core raw milk suppliers' dairy farms are located in high water risk areas, primarily in China's Beijing, Tianjin, Hebei, and Shanxi, etc. Based on surveys of the actual operations of raw milk suppliers, water supply to dairy farms in high water risk areas remained normal, indicating that material water risks are manageable in the short to medium term.

To enhance the water risk response capabilities of raw milk suppliers, Yili, based on the water risk assessment results, guides them in developing water resource management plans. Specific measures include:

Project Site Selection	Equipment Selection	Process Optimization
When selecting sites for new projects, following the <i>Technical Guidelines for Environmental Impact Assessment</i> to evaluate the ecological sensitivity and water environment of the project so as to avoid significant impacts on the surrounding water environment. Priority is given to areas with strong water resource regulation capacity or where water supply can be improved through engineering.	All equipment, including cattle drinking water systems, barn spray cooling systems, and milking parlor cleaning systems, should be selected and installed based on the designed water consumption specifications.	Water-saving technologies such as AI-based precision spraying and cleaning water reuse are promoted. Additionally, by promptly transferring cleaning water from drinking troughs, both wastewater volume and water resource use can be reduced.

Water Risk Mitigation Actions

Based on the identified water resource risks, Yili has formulated corresponding water conservation strategies. On the production and operation front, it introduced applicable water-saving technologies according to factory production processes, implemented water efficiency management actions, and installed water recycling systems and rainwater harvesting facilities. Currently, water resource management practices and water conservation actions cover 100% of self-operated production and operation sites. To comprehensively improve water resource utilization efficiency, Yili integrates the concept of water conservation throughout the entire industrial chain, actively collaborates with suppliers to promote water-saving technologies and equipment upgrades, mitigates systemic water use risks, and ensures supply chain stability.

Water Conservation Practices in Production and Operation

Business unit	Water conservation measures
 Liquid milk business unit	• Reduction of Cleaning Losses: Continuously reducing CIP (Clean-in-Place) cycle time, and steam and water losses in conjunction with the MES (Manufacturing Execution System), achieving zero abnormal monthly cleaning water loss at 20 factories. • Reuse of Cooling Water: Saving water by recycling and reusing refrigerator cooling water, using reclaimed water for process tower replenishment, and implementing self-circulation for homogenizer cooling water. In 2025, Yili saved 1.5 million tons of water at its 39 liquid milk factories.
 Infant and child nutrition business unit	• Water Treatment System Production Optimization Project: Inner Mongolia Jinze Yili Dairy Co., Ltd. improved the pretreatment stage of its water treatment system. By installing a reverse osmosis feed water pipeline and switching to softened water as the feed, it reduced cleaning water usage in the ultrafiltration and carbon filtration pretreatment processes, saving approximately 48,500 tons of water annually. • Hydrogen-Type Resin Project: Hydrogen-type resin, which represents an advanced technology in China, was introduced to effectively reduce nitrite content in softened water, allowing the replacement of purified water with softened water for workshop cleaning and thus saving 102,000 tons of water annually.
 Frozen beverages business unit	• Reclaimed Water Reuse Project: Equipment modifications were carried out at Hubei Huanggang Yili Dairy Co., Ltd., Hefei Yili Dairy Co., Ltd., and Chengdu Yili Dairy Co., Ltd. to fully recycle and reuse the backwash water from the water treatment systems instead of discharging it, saving up to 10,000 tons of water per year.
 Yogurt business unit	• Water Reclamation Projects: Water treatment concentrate recovery, lubrication water recovery, condensate water recovery, and wastewater reclamation projects recovered approximately 310,000 tons of water.
 Cheese business unit	• Mechanical Seal Water Reuse: With a mechanical seal water circulation tank put in place, mechanical seal water is collected at the nearest point and reused while ensuring the temperature and conductivity required for normal operation. This retrofit reduced seal water use by 60%, saving 0.5 tons of water per ton of product. • CIP Water Quality Optimization: For CIP cleaning, purified water was replaced with softened water, pushing water utilization efficiency up by 10% while ensuring cleaning effectiveness, saving 0.6 tons of water per ton of product. • Reduction of Abnormal Water Consumption: A CIP Loss Analysis System was put in place to manage abnormal process water consumption, reducing it by over 20% and saving 0.4 tons of water per ton of product.

 In 2025

36

of Yili's factories were awarded as provincial or municipal level "Water-Saving Enterprise"

Implemented

711

water-saving projects

100%

of Yili's production and operation sites were covered

Over

3

million tons of water were saved annually

In 2025, Yili's water resource management performance is as follows

Indicator	Unit	2025
Total water withdrawal	10,000 tons	3,579
Fresh water withdrawal intensity	tons/ton of product	3.75
Volume withdrawal from other water bodies (e.g., seawater, brackish water, reclaimed water, etc.)	10,000 tons	354.88
Total water consumption	10,000 tons	3,579
Total water consumption intensity	tons/ton of product	3.75
Fresh water consumption	10,000 tons	3,579
Fresh water consumption intensity	tons/ton of product	3.75
Qualified rate of drainage	%	100%
Total drainage volume	10,000 tons	3,662
Drainage intensity	tons/ton of product	3.84
Utilization rate of alternative water sources (seawater, brackish water, gray water, rainwater, wastewater)	%	3.96%
Recycling rate of reclaimed water	%	14.54%

Note:

1) During the Reporting Period, water consumption intensity slightly increased due to changes in the Company's product mix.

2) According to "Chapter Five: Water Resource Utilization" in the *Guide No.4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Compilation of Sustainable Development Reports (Revised January 2026)*, the formula for calculating total water consumption is "Total Water Withdrawal minus Total Water Discharge". Given that the Company's milk powder production involves a dehydration process, the volume of water separated from raw milk exceeds the volume of water used in production. Consequently, under this accounting methodology, the total discharge is greater than the total withdrawal, resulting in negative total water consumption.

Supply Chain Water Conservation Practices

Yili collaborates with suppliers for water resource management, thereby reducing the water footprint of the supply chain. As of the end of 2025, the Company has executed two supply chain water conservation projects. For raw and auxiliary material suppliers, the Company established the Global Low Water Footprint Initiative (LWFi) Alliance in 2023, aiming to promote water footprint management and water conservation actions among raw material suppliers and partners. For raw milk suppliers, the Company launched the dairy farm water conservation support projects, assisting dairy farms in reducing daily operational water consumption by promoting and applying water-saving technologies and water reuse initiatives.

Case Collaborating with Dairy Farms on Water Conservation Actions

Yili actively promotes water-saving initiatives among core raw milk suppliers through equipment retrofits for water conservation and alternative water utilization, and extends successful experience to socially cooperative dairy farms to improve water performance in upstream operations.

Promoting Intelligent Spraying Technology at Socially Cooperative Dairy Farms

In 2025, Yili promoted AI-based precision spraying and sensor-activated spraying technologies at socially cooperative dairy farms. Based on video data analysis, water is sprayed only in areas where cattle gather, providing heat relief for cows while saving water. According to research, the 44 dairy farms that adopted the intelligent spraying system saved over 50% of spray water use, reducing water waste for barn cooling.

Implementing Rainwater Harvesting Projects

Since 2022, Yili has been encouraging core raw milk suppliers to construct rainwater harvesting facilities at their dairy farms in Liaocheng, Shandong. The collected rainwater, after purification, is used for barn cleaning. The facility has a recovery capacity of up to 400 cubic meters per hour. In 2025, the maximum monthly rainwater harvest volume reached 150,000 cubic meters.

Case Promoting Water Conservation Actions among Suppliers

Yili encourages and assists suppliers in comprehensive review and in-depth analysis of their water use based on their production processes. It collaborates with suppliers to implement water conservation actions, actively leveraging its leadership role as a chain leader enterprise.

Expanding Cooperative Alliances

In 2023, Yili established the Global Low Water Footprint Initiative (LWFi) Alliance, guiding partners and authoritative institutions to jointly advance water conservation efforts in the dairy industry. By the end of 2025, the alliance had expanded to include 60 members, with 10 suppliers continuously implementing 13 water conservation projects, saving cumulatively 1.88 million tons of water.

Providing Water Conservation Capacity Building

In 2025, Yili invited third-party professional institutions to conduct specialized training for suppliers, systematically disseminating knowledge on water footprint accounting, management and certification. A total of 107 participants from 85 suppliers were trained.

Encouraging Certification

By the end of 2025, Yili had helped 5 suppliers obtain factory water footprint certification and 2 suppliers obtain product water footprint certification.

Product Water Footprint Assessment

Yili comprehensively assesses the water footprint of the entire lifecycle of its product supply chain and its impact on regional water resources based on the *ISO 14046:2014 Environmental Management - Water Footprint - Principles, Requirements and Guidelines* issued by the International Organization for Standardization. It carries out research, evaluation, and certification of the water scarcity footprint of organizations and products life cycle (LCA), and in 2022, it obtained the first *Water Footprint Verification Statement* in the dairy industry awarded by the British Standards Institution (BSI). In 2025, Yili launched a water footprint management function on the China Dairy Industry Carbon Management Operation Platform, further promoting water footprint verification at both the organizational and product levels across all business units. On November 10, 2025, Yili participated in the 30th Conference of the Parties (COP30) to the *UN Framework Convention on Climate Change* and, during the conference, launched the upgraded Yili Xinhuo Middle Aged and Elderly Milk Powder, the first milk powder product to obtain water footprint certification. This product achieves a green closed loop from the source to end-users by promoting water-saving feed cultivation, creating zero water waste smart factories, and achieving a water resource recycling rate as high as 95%.

By the end of 2025

3 products and 5

factories of Yili completed water footprint certification and obtained the *Water Footprint Verification Statement* issued by third party

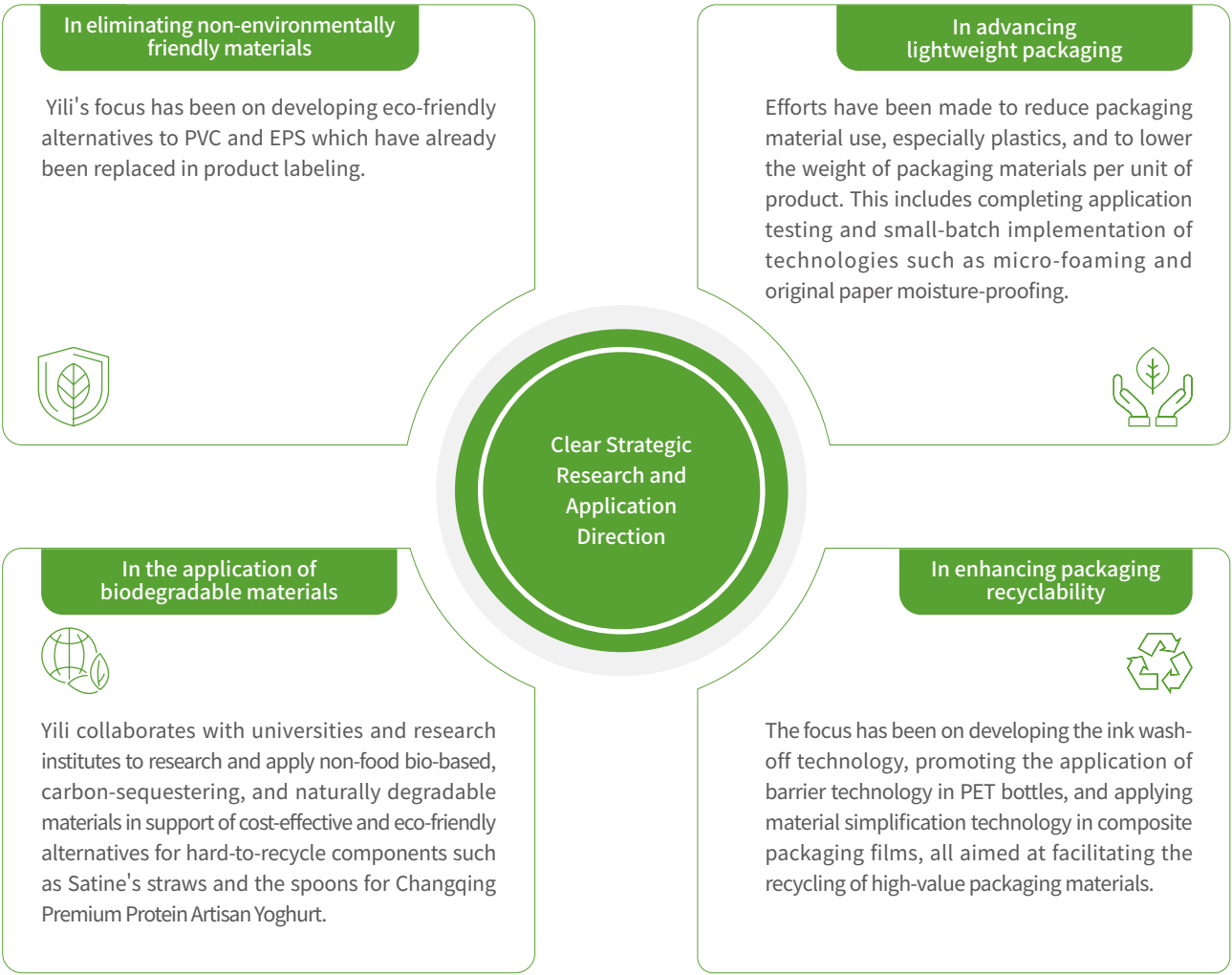


Sustainable Packaging Management

Always being committed to sustainable packaging management, Yili actively promotes the research and development of sustainable packaging innovation technologies and the transformation of results, and encourages consumers to practice sustainable consumption, thereby reducing the impact of product packaging production and waste treatment on the environment, contributing to the realization of circular economy development.

Sustainable Packaging Strategy

Yili has issued the *Overall Plan for Sustainable Packaging of Yili Group* and the *2025 Sustainable Packaging Strategic Goals and Implementing Pathway*. Adhering to the principles and strategies of reduce, reuse, refuse, recycle and degradable, Yili promotes environmentally friendly packaging design and reduces the environmental impact of packaging materials.



Yili has established 2021-2025 Sustainable Packaging Strategic Goals that encompasses the entire group and all product lines. A detailed implementation plan has been mapped out to align with this strategic objective. The Company is proactively researching and developing sustainable packaging materials and technologies, focusing on creating low-carbon, environmentally friendly packaging. This effort is aimed at achieving the overarching goal of sustainable packaging materials.

2025 Sustainable Packaging Strategic Goals and Progress

Target type	Target value	Performance in 2025	Target achievement
Use of petroleum-based plastic	By 2025, 20,000 tons of petroleum-based plastics will be reduced compared with 2019.	Cumulative reduction of 21,327.02 tons in virgin petroleum -based plastic use due to the introduction of eco-friendly technology	Achieved
Design of packaging	By 2025, over 99% of our packaging materials will be recyclable at the design stage.	99.27% of product packaging materials has been recyclable at the design stage	Achieved
Use of PVC packaging	By 2025, the use of PVC in product packaging will be eliminated.	As of the end of 2025, the usage volume of PVC packaging was 1,547.75 tons. The Group will continue to advance the phase-out of PVC	Full elimination is expected to be achieved by the end of 2026
Use of EPS packaging	By 2025, the use of EPS in product packaging will be eliminated.	As of the end of 2025, the usage volume of EPS packaging was 2,098.72 tons. The Group will continue to advance the phase-out of EPS	Full elimination is expected to be achieved by the end of 2026

Note: 1) PVC packaging is still partially used in milk tablet products and for the sealing film on some powdered milk tins.
2) EPS packaging is still partially used as cushioning pads in product gift box packaging.

Yili's usage of packaging materials is as follows

By packaging material type	Unit	Usage in 2025	Proportion of usage
Metal	tons	54,661.92	5.33%
Plastic	tons	187,879.35	18.31%
Paper	tons	773,940.87	75.42%
Wood	tons	9,697.23	0.94%
Among above: renewable packaging materials	tons	838,300.03	81.69%

Note: 1) The types of packaging materials used by Yili include plastic, paper, metal, and wood.
2) Renewable packaging materials include aluminum, metal tins, bio-based plastics, wood and bamboo materials, and paper-based packaging. The usage proportion refers to the share of renewable packaging material consumption relative to the Company's total packaging material consumption.

**Performance of Sustainable Packaging in 2025**

As of the end of 2025, the cumulative reduction in the use of virgin petroleum-based plastics due to the introduction of environmental technologies was

21,327.02 tons

The proportion of cartons for secondary packaging made from recycled paper was

100%

The proportion of paper for product primary packaging certified by FSC was

69%

Based on the 2025 packaging sustainability goals, Yili has set its 2026-2030 packaging sustainability goals and continues to track progress towards comprehensively achieving the greening, recycling, and reduction of packaging materials.

Recyclable packaging design

By 2030, Yili aims to design above 99.5% of its packaging for recycling and continue to work toward 100% being recyclable. Yili is committed to promoting the transition from recyclable to easy-to-recycle packaging through technological innovation and practical application.

Virgin plastic use reduction

By 2030, Yili aims to achieve the continuous reduction in the consumption of petroleum-based plastic per ton of products, through replacing plastic with paper, optimizing packaging structure to reduce material usage, introducing bio-based materials, and exploring scenarios for packaging reuse.

Use of recycled plastics

By 2030, Yili aims to use recycled plastic (PCR/PIR) for above 50% of its plastic packaging, in accordance with the relevant laws and regulations.



Attention to and further efforts regarding non-eco-friendly materials

Based on the elimination of non-environmentally friendly materials such as PVC and EPS, Yili aims to prioritize the use of packaging materials with better recycling streams and optimize the structure of packaging materials used by 2030.

Attention to and further efforts regarding food waste reduction

By studying the impact of packaging on food waste during preservation, storage, transportation, and consumer use, Yili systematically optimizes its packaging technology pathways and promotes upgrades in packaging materials and improvements in packaging structures to enhance product textural stability and convenience during the shelf life, thereby reducing food waste.

Research, Development and Application of Sustainable Packaging Materials

Since 2021, Yili has adopted the Packaging Impact Quick Evaluation Tool (PIQET) to calculate carbon emissions and assess environmental impact through the packaging sustainability improvement process. In 2025, Yili used PIQET to measure the carbon emissions of packaging before launching new products, incorporating the environmental impact of packaging into its business decision-making.

Yili relies on advanced R&D tools, a professional R&D team, and rich experience in cooperative R&D to continuously carry out the development and application transformation of sustainable packaging materials. In 2025, Yili received seven major awards in the field of sustainable packaging material technology research, development, and application from organizations such as the International Dairy Federation (IDF) and the "WorldStar" Packaging Awards Recommendation Committee.

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Sustainable Packaging Research and Development Projects

PET material enzymatic degradation technology	Functional coating	Packaging containing nylon recycling
Yili collaborated with Jiangnan University to successfully produce a novel hydrolase with significant degradation activity against waste PET materials. This enzyme achieves a hydrolysis efficiency of 95% on PET materials, providing an innovative solution for the biological recycling of PET.	Yili collaborated with Tianjin University and East China University of Science and Technology to research and develop functional coating technology. This coating can replace the highly dependent ethylene-vinyl alcohol copolymer (EVOH) co-extrusion technology used in composite packaging for dairy products such as milk powder and cheese. It enables the delamination and separation of the main material layer and provides high barrier properties with weather resistance, contributing to the recycling of high-value materials, as well as cost reduction and efficiency improvement regarding composite materials.	Yili collaborated with Shanghai Ocean University to study the mechanism of and look for solutions for the yellowing of oxygen-absorbing packaging containing nylon during the recycling process due to baking, aiming to improve the quality of PET packaging recycling and advance plastic recycling on the whole.

In 2025, with in-depth innovations in the field of sustainable packaging, several of Yili's packaging projects, Ambpomial 's limited eco-friendly packaging "For a Bluer Ocean", "For a Better Environment—Yili low-temperature eco-friendly PETG label yogurt cup", "removable-ink packaging", and "Satine's natural wood craft packaging" were included in two key case collections published by the Consumer Goods Forum (CGF): the *Guidelines and Case Studies on Sustainable Packaging Communication Strategies for the Consumer Goods Industry* and the *Golden Design Principles Case Collection*, and two Outstanding Contribution Awards.



Case Sustainable Packaging Application

Reducing Label Use

Yili has switched to removable-ink, high light-barrier labels for Ambpomial, completed verification for products and put them into mass production, and Ambpomial's limited eco-friendly packaging "For a Bluer Ocean" is presented for the first time with removable ink on high light-barrier labels, while recyclable PET bottles, plant-based biodegradable cushioning pads, and ocean-friendly paperboard boxes have also been used for Ambpomial. This packaging won the International Dairy Federation (IDF) Dairy Innovation Award for Dairy Packaging and Transparency Innovation and received the Packaging Star Bronze Award.

Substituting Eco-Friendly Packaging Materials

Yili developed a special PET material for the blister packaging of milk tablet products. Through processing validation across stages including granulation, tableting, thermoforming, and sealing, this packaging material has been confirmed to be compatible with existing production equipment and performs similarly to PVC, and can be an eco-friendly substitute for PVC. Once it passes the verification for replacing the PVC shrink film on milk powder cans, Yili will gradually proceed with the packaging material switch for its milk powder products.

Promoting Biodegradable Packaging Materials

Polylactic acid (PLA) is a bioplastic produced from starch-rich agricultural products such as corn, wheat, and sugar beets, and is biodegradable. After component analysis, odor analysis, and degradation cycle validation, Yili used PLA for all the straws on Changqing Air Cup product, replacing PP. In 2025, a total of 92.89 tons of biodegradable PLA were used instead of PP.

Developing Multi-Purpose Packaging

For Satine, Yili launched the Jersey edition, where the outer packaging features visual elements of the Jersey cow and uses FSC-certified virgin paperboard. This broke through the limitation of single-use packaging in terms of functionality. The box can bear a load of 80 kilograms and features DIY modification and storage capabilities, allowing it to be transformed into home decor or a storage box, serving multiple purposes.

Applying Bio-Based Packaging Materials

Under the Satine brand, Yili has successively launched products with plant-based dream cap and Hulunbuir organic plant-based monomaterial cap. The bottle caps are made from plant-based materials sourced from sugarcane, which enhances packaging recyclability. Additionally, Yili has replaced wood sticks with more regenerative bamboo sticks in some of its ice cream products. This helps reduce forest resource stress while maintaining biodegradability.

Exploring Recycled Plastic Applications

In 2025, Yili recycled and reused polyester bottles, turning them into low-density white shrinkable labels with a PCR content of 50% based on R&D efforts. This can reduce carbon emissions by 17.8% and plastic use by 15%. Currently, this packaging material has passed technical and safety tests and has completed verification for raw milk-based beverages and Cute Star Dietary Fibre Yogurt Drink products. The packaging switch is expected to be completed by 2026.

Product Packaging Recycling

As a leading dairy company, Yili actively promotes the development of a circular economy and has initiated programs to encourage consumers to participate in waste recycling activities. In 2025, Yili continued to carry out a series of product packaging recycling projects to raise public awareness of environmental protection and encourage consumers to engage in green consumption.

Case Satine Launches "Organic Living for Earth's Vitality" Empty Bottle Recycling Campaign

In 2025, Yili, in partnership with Aihuishou, launched the "Organic Living for Earth's Vitality" Empty Bottle Recycling Program. A dedicated page was launched on both the Satine mini-program and the Aihuishou mini-program, where participants could exchange recycled Satine milk cartons for eco-friendly items such as recycled flower pots and toiletry bags. The offline activities covered 38 cities, reaching out to over 12,000 communities and engaging more than 35,000 recycling devices. The campaign cumulatively attracted over 3,700 participants, recycled a total of approximately 1.8 tons of milk cartons, and achieved an estimated carbon reduction of 3 tons. It guided consumers to participate in packaging recycling and promoted the concept of low-carbon consumption to a broad audience.



Emission Management

Yili is committed to reducing pollutant emissions during production and operation, strictly adheres to national and local environmental requirements where it operates, and has formulated the Group's *Ten Red Lines for Environmental Management* to ensure effective control of air, water, noise, and other types of pollution during production. Additionally, Yili has established pollutant management systems such as the *Technical Standards for Environmental Online Monitoring*, the *Technical Specifications for Environmental Monitoring*, the *Technical Standards for Exhaust Gas Management*, the *Technical Standards for Solid Waste Disposal*, and the *Technical Standards for Water Management*, continuously promoting compliance management regarding wastewater, solid waste, and waste gas. During the Reporting Period, Yili did not receive any significant administrative penalties or face any criminal liability due to pollutant emissions. Yili also did not receive complaints from local communities or residents regarding pollutant emissions.

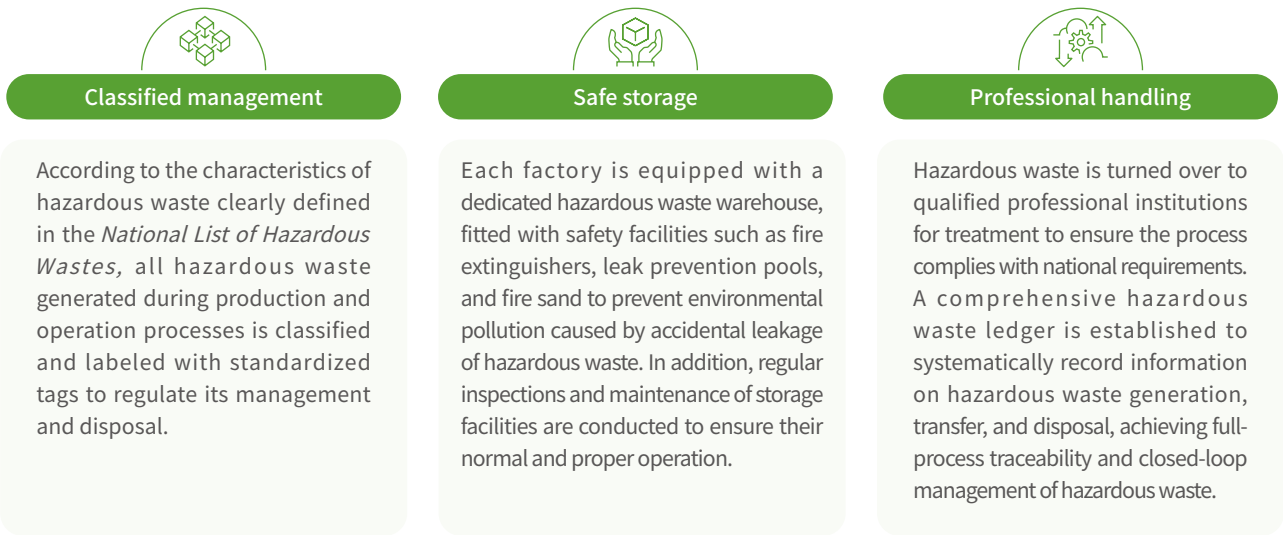
In 2025, Yili continued to strengthen the treatment and control of exhaust gases and wastewater through reduction measures at the source, category-based management, and various pollutant control projects. Comprehensive monitoring plans were established for wastewater, exhaust gases, and noise to ensure 100% compliance with all emission standards. For information regarding the pollutant emissions of the Company's key pollutant discharge units, please refer to the "Environment and Social Responsibility" section of the Company's annual report.



Solid Waste Management

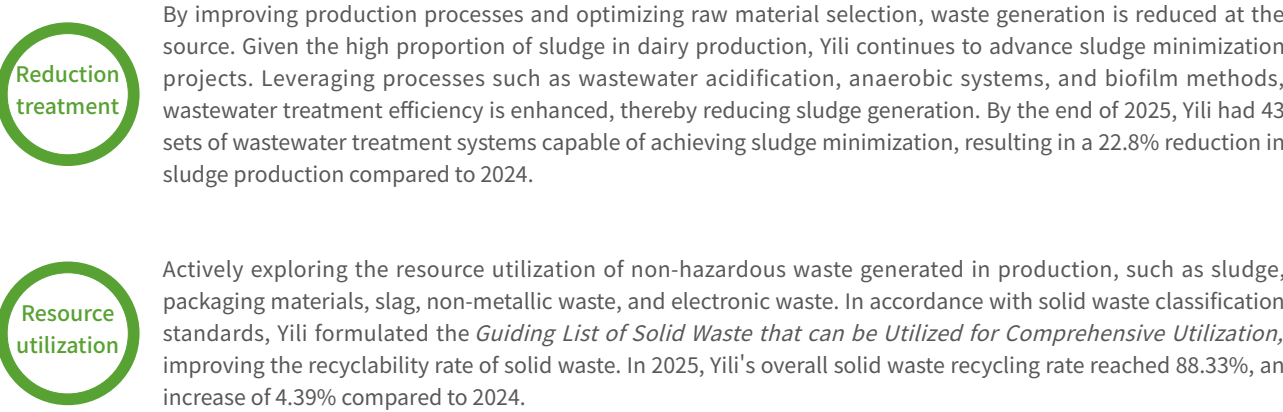
Hazardous Waste Management

Yili, in accordance with the *Technical Standards for Solid Waste Disposal*, implements strict management of hazardous waste to ensure compliant disposal and reduce potential risks to the environment and human health.



Non-hazardous Waste Management

Yili continuously advances the reduction and resource utilization of industrial non-hazardous waste. Integrated with the EHSQ information management system, the disposal of non-hazardous waste is tracked and recorded in real-time to prevent pollution of air, water sources, and soil.



Case Independently Developing Enterprise-Level Zero Waste to Landfill Accounting Algorithm

In 2025, leveraging its EHSQ information management system, Yili independently developed the dairy industry's first enterprise-level zero waste to landfill accounting algorithm and deployed it across its factories nationwide. This marked a breakthrough for the whole industry, shifting from reliance on external verification to self-control. By the end of 2025, based on the SGS Zero Landfill Waste Management System Certification criteria, Yili had 53 factories at the diamond level, 6 factories at the gold level, and 13 factories at the copper level. Additionally, 32 factories had obtained the waste-free factory certification.

Case Independently Developing the Zero Sludge Technology

In 2025, through independent technological innovation, Yili successfully developed China's first zero sludge technology. This technology achieves zero sludge generation during the normal operation of aerobic tanks, eliminating sludge at its source. By the end of 2025, this technology had obtained national patent authorization and had been promoted and applied in over 70% of the Group's factories. Once in use, it can save more than RMB 400,000 in sludge disposal costs for each factory. In 2025, through the application of this zero sludge technology in its factories, the Group reduced sludge by 3,557.77 tons.

Wastewater Management

To implement the concept of low-carbon development, Yili plans to explore new models for wastewater management during the 15th Five-Year Plan period (2026-2030) while continuing to reduce absolute pollutant emissions. Based on *Water Pollutant Discharge Standard for Food Processing and Manufacturing Industry (GB 46817-2025)*, and in compliance with laws and regulations and through full consultation with downstream stakeholders, the Company will promote the direct discharge of production wastewater to municipal wastewater treatment plants and ensure that the wastewater, with its high organic content and good biodegradability, can provide high-quality carbon sources for the treatment plants.

Wastewater treatment system

Yili continuously constructs wastewater treatment infrastructure, and upgrades, maintains, and improves existing facilities to ensure that all pollutant emissions meet relevant standards. As of the end of 2025, Yili had built 53 wastewater treatment plants, with a design daily treatment capacity of over 270,000 tons.

Wastewater monitoring

Yili strengthened the management and monitoring of wastewater emissions, achieving 100% standard compliance for pollutants such as COD, ammonia nitrogen, total nitrogen, and total phosphorus, and connected online wastewater monitoring equipment with the EHSQ system to achieve real-time monitoring of wastewater discharge.

Wastewater control

Yili effectively reduced total pollutant emissions through technological innovation and pollutant control. As of the end of 2025, it had lowered total wastewater discharge by over 100 tons, total COD by over 200 tons, total phosphorus by over 10 tons, and total ammonia nitrogen by over 10 tons.

Resource recovery

Yili promotes resource recovery from factory wastewater, reusing reclaimed water after treatment in scenarios such as deodorizing spray circulation, flushing, garbage room cleaning, and sludge press cleaning. In 2025, Yili reused over 1 million tons of wastewater, effectively reducing wastewater discharge and freshwater extraction.



Waste Gas Management

Strengthening Waste Gas Purification

According to the relevant national technical standards, Yili purified and treated waste gas, improved factory waste gas management and control measures, strengthened the management of pollutant leakage at the sources, strictly controlled unorganized waste gas leaks, collected and treated waste gas throughout the entire process from the source, to the transmission and the end, and discharged it after external inspection confirms compliance.



Enhancing Waste Gas Monitoring

Yili strengthened waste gas emission monitoring, achieved 100% compliance for pollutants such as nitrogen dioxide, sulfur dioxide, and particulate matter, and connected the flue gas online monitoring equipment with the EHSQ system for real-time monitoring.

Promote Suppliers to Strengthen the Management of Wastewater, Solid Waste, and Waste Gas

Yili revised the *Service Review Plan for Major Suppliers*, updating the environmental targets, environmental red lines, and detailed review criteria for major suppliers. In 2025, environmental reviews were conducted for core raw milk suppliers, covering compliance management, infrastructure, wastewater and manure management, hazardous waste management, and general solid waste management.

Yili encouraged all suppliers of printing, compounding, and other production processes to install RTO waste gas treatment equipment, so as to reduce VOC emissions and meet regional waste gas emission standards.

Yili's pollutant and waste discharge situation in 2025 is shown in the table below

Pollutants/waste	Unit	2025
Industrial wastewater discharge	10,000 tons	3,662.15
COD emissions	tons	1,392.10
NH ₃ -N emissions	tons	230.27
Total nitrogen emissions	tons	825.69
Total phosphorus emissions	tons	122.92
Waste gas emissions		
SO ₂ emissions	tons	28.52
NO _x emissions	tons	154.02
PM emissions	tons	7.90
Total hazardous waste generated	tons	495.37
Intensity of hazardous waste generated	tons/ton of product	0.52*10 ⁻⁴
Total non-hazardous waste generated	tons	60,454.30
Intensity of non-hazardous waste generated	tons/ton of product	0.0063

Biodiversity Protection

Yili deeply believes that "focusing on biodiversity is focusing on the future" and "building a full-chain green ecology and high-quality development is mutually reinforcing; only by protecting the diverse nature can sustainable development be achieved, and only then can the Company thrive for a long time".

As the first Chinese enterprise to sign the UN's *Business and Biodiversity Pledge*, Yili deeply integrates ecological friendliness into its corporate strategic DNA, consistently monitoring environmental impact during the manufacturing process. At all the production bases of Yili, environmental impact assessments are completed for all projects before commencement. We comprehensively evaluate the potential environmental impact on the surrounding areas after the construction of projects, and continuously carry out environmental monitoring during the operation process to reduce the impact of production and operation on the community and residents. By the end of the Reporting Period, Yili had not established any factories within the red line area for ecological protection.

Yili actively implements public welfare actions such as the "Yili Homeland Initiative" for biodiversity conservation, and has participated consecutively in the 13th, 14th, and 15th meetings of the Conference of the Parties to the United Nations *Convention on Biological Diversity* (COP13, COP14, COP15), sharing its biodiversity conservation achievements and demonstrating China's power in biodiversity conservation to the world.

Yili Homeland Initiative

Yili Homeland Initiative is a public welfare project initiated by the Yili Group with the aim of protecting biodiversity. Under the mission of safeguarding the future of life, Yili has partnered with esteemed organizations such as the World Wildlife Fund (WWF) and the China Green Foundation to implement initiatives like smart grassland management, wetland conservation in Northeast China, and habitat protection for Asian elephants.

Case Protecting Asian Elephants

From 2021 to 2025, Yili, in partnership with the China Green Foundation, carried out the "Yili Homeland Initiative - Save Endangered Asian Elephants" series of public welfare activities for five consecutive years. Through specific measures including habitat restoration, wild elephants rescue, constructing fences for reducing human-elephant conflict, and public nature science education, Yili helped protect Asian elephants and their homes. Over these five years, the project has established a 430 mu of "elephant canteen". By planting approximately 50,000 trees and creating 6 mineral licks, it provided more food for Asian elephants in the wild. Monitoring data indicated that Asian elephants visited the "elephant canteen" more frequently and stayed longer, and reduced their involvement with human communities, which, to some extent, alleviated human-elephant conflicts in the local area. Simultaneously, Yili helped construct elephant-proof walls for two schools in Xishuangbanna, enhancing school safety. The project has also distributed approximately 70,000 educational pamphlets on Asian elephant safety, prevention, and conservation to local villages and communities, raising public awareness of protection.



Case Providing "Coolness" for Stray Animals

In April 2025, Yili's Gemice brand, in collaboration with Tencent Gongyi, launched the "Tail Protection Plan". Consumers could donate cooling mats for small animals by purchasing specially packaged Gemice charity edition ice creams and participating in mini-program interactions. In partnership with the China Small Animal Protection Association, this project donated over 2,000 cooling pads to more than 100 stray animal rescue bases nationwide, alleviating the survival threats posed by heatwaves to stray animals. A public welfare pop-up event was also held at the Shanghai Wildlife Park. Through the donation of cooling devices and interactive educational activities, more animals were able to enjoy a cooler space.



Case Curbing Land Desertification

In April 2025, Yili's Jinlingguan Seine Mouiller, in partnership with the China Green Foundation, launched the third season of the "Planting Spring" public welfare activity in Zhangye City in the Hexi Corridor, planting 100,000 saxaul trees. Since being among the first to join the "Trillion Trees Leadership Initiative " China Action in 2023, Yili has cumulatively planted 300,000 saxaul trees in desertified areas such as Alxa and Zhangye. Upon maturity, these trees are expected to hold sand in place across 2.46 million square meters of land, contributing to local ecosystem restoration.

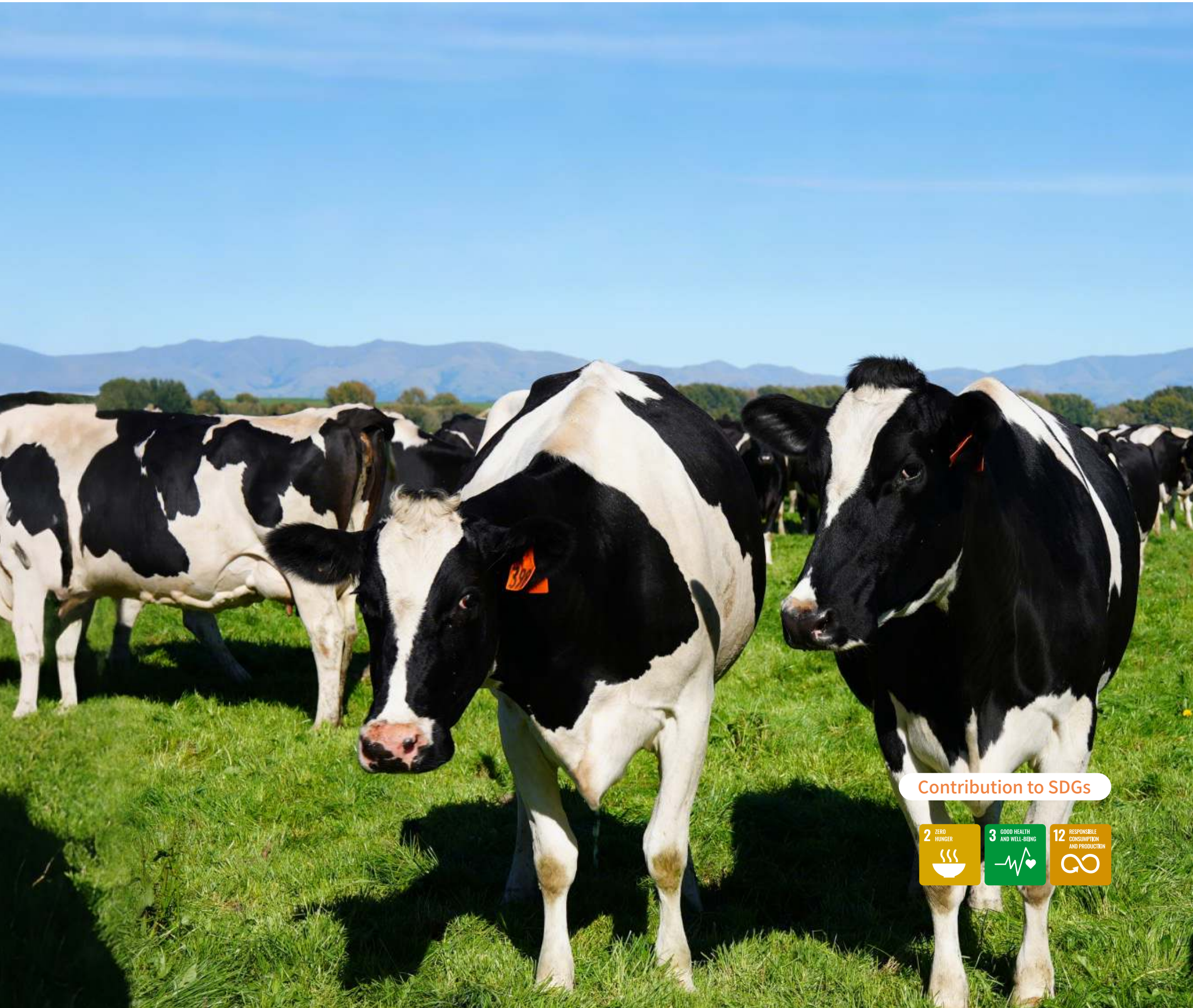


02

Sharing Premium Products

Key performance

- Dedicated product safety and quality management personnel accounted for nearly **8.4%** of the total number of employees
- Achieved **100%** coverage of employees' participation in product safety and quality training
- **0** product quality and safety incidents occurred
- Pre-delivery inspection pass rate reached **100%**
- Product inspection coverage reached **100%**
- Consumer complaint resolution rate reached **100%**
- Obtained **5,585** patents granted in China and overseas
- Obtained **1,049** patents for inventions granted
- Obtained **1,486** patents for utility models granted
- Over **60,000** person-times participated in information security and data security training



Contribution to SDGs

2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Quality First

Always adhering to the corporate creed that "Yili means the best quality", Yili has established a comprehensive quality management system, and has continuously strengthened full-chain quality control with multiple measures, high standards, and strict requirements. We continuously promote quality management, and strive to provide consumers with premium products and services.

Governance

Yili has established a top-down quality management framework and built a comprehensive quality management system to guide Yili's overall quality management practices and continuously improve food safety management levels.

Quality Management Structure

Yili has established a Product Safety and Quality Committee under the charge of Mr. Pan Gang, the Chairman and President of Yili Group, as the first responsible person, and has appointed a Chief Quality Officer to oversee product safety and quality management. Regular product safety and quality meetings are held to review, analyze, and evaluate product safety and quality control, and to make improvements for potential risks. To effectively implement quality responsibilities, Yili has established a three-level product safety and quality management structure of "Group – Business Units – Factories", with dedicated product safety and quality management personnel accounting for approximately 8.4% of the total workforce, forming a top-to-bottom product safety management network.



Yili's Three-Level Product Safety and Quality Management Structure

Quality Management System

Yili strictly complies with the *Food Safety Law of the People's Republic of China* and other relevant laws and regulations. Benchmarking against relevant standards of the European Union, Australia, New Zealand, the United States, and other countries and regions, Yili formulated and implemented internal management documents such as the *Quality Management Outline* and the *Measures for Rewards and Penalties in Quality Management*, thereby providing institutional safeguards for product quality and safety.

Focusing on both management and technology, Yili advances its excellence performance management model. Yili strives to meet authoritative food safety management standards recognized by the Global Food Safety Initiative (GFSI), such as *HACCP*, *FSSC 22000*, and *BRCGS*. For process management, it follows the *ISO 9001 Quality Management System*, applies a unified quality leadership management system across the board, and comprehensively improves system operation, ensuring that product quality and safety management systems cover 100% of its factories. At the same time, Yili actively pursues third-party quality certifications and audits to push its internal quality management towards maturity.

By the end of 2025, Yili had obtained various GFSI-recognized authoritative food safety management system certifications such as *HACCP*, *FSSC 22000*, and *BRCGS* and covering 63 factories with quality and food safety management system certifications pass rate of 100%. Among them, Yili has obtained 100% *ISO 9001* coverage and 100% *FSSC 22000* coverage.

By the end of 2025

100%

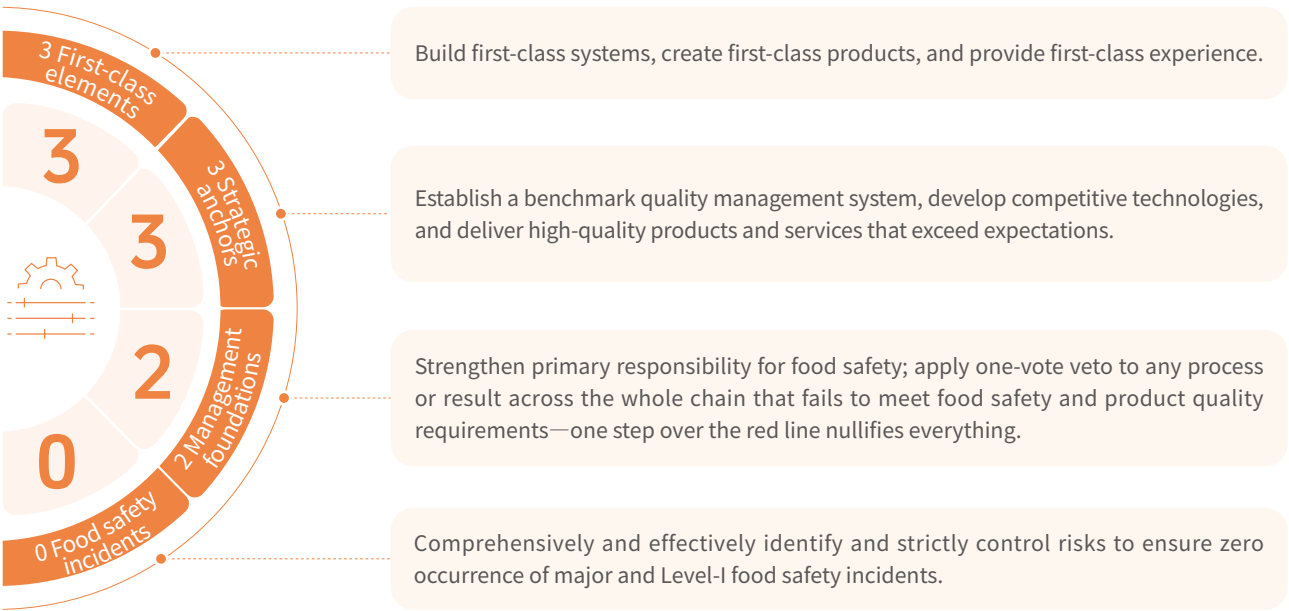
of the Group's operations had obtained *ISO 9001 Quality Management System* certification

100%

of its factories nationwide had obtained *FSSC 22000 Food Safety System* certification

Strategy

Yili is committed to producing 100% dedicated, 100% safe, and 100% healthy products and has been working on its Leading Quality Strategy. In 2025, Yili upgraded the Leading Quality 3310 Strategy to the Leading Quality 3320 Strategy, further enhancing its industry-leading quality management model, improving the consumer quality experience system, and cultivating quality competitiveness with core technologies.



Leading Quality 3320 Strategy

Impact, Risk and Opportunity Management

Yili insists on using scientific and effective methods to build an efficient, transparent, and secure food supply chain, forming clear and effective management and control processes to comprehensively prevent food safety risks.

Risk Management System

Yili has established a three-level food safety risk monitoring and control system of "Group – Business Units – Factories". This system enables full-chain monitoring, analysis, regulation, and prevention across the entire industry chain, and implements systematic management of critical control points for food safety and quality. In addition, Yili has established a food safety risk analysis model covering key areas such as risk assessment, risk management, and risk communication. The scope of risk analysis covers horizontally quality, R&D, supply, and other departments, and vertically reaches the group, business units, factories, and dairy farms, forming a comprehensive food safety protection network.



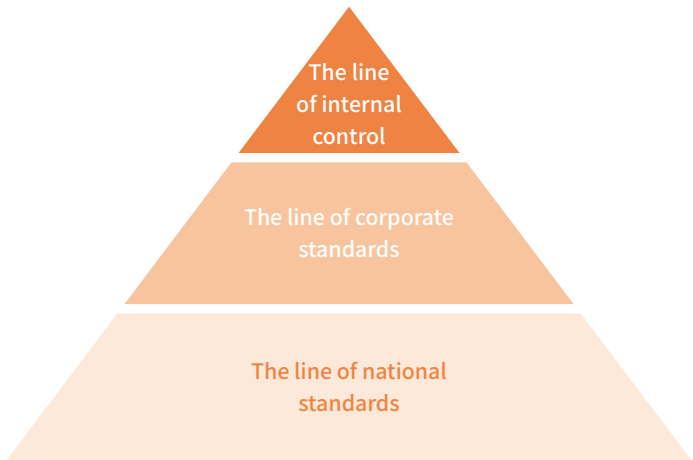
Food Safety Risk Analysis Model

Strengthening Control Measures

Yili has established strict internal control standards and set up a full-chain quality management system covering all processes from dairy farm to table to strictly control product quality and safety risks. It has also introduced advanced information management systems to continuously improve its quality management competency.

Product Safety Control Standards

Yili has pioneered industry-leading internal control standards for food quality and safety—the Three Lines of Product Safety Control. This standard is fully implemented across all Yili's factories and updated dynamically to align with the latest EU standards. Yili's corporate standards are set at 50% higher than China's national standards, while its internal control lines are 20% higher than the corporate standards. Therefore, the internal standards are far stricter than national standards. For products that fall below the internal control lines, Yili promptly carries out early warning risk research to prevent product safety risks at an early stage, promote early intervention, and further enhance food quality and safety management and control.



Three Lines of Product Safety Control

Full-Chain Control

Yili has established a whole staff, full-process, and all-round comprehensive quality management system, and it has spread its quality management philosophy to upstream suppliers and downstream distributors to jointly build a "quality ecosystem", thereby ensuring excellent product quality and safety control throughout the entire process, from the source, to the R&D, production, warehousing and logistics processes, and further to product sales, thus building its quality advantages across the full industry chain from dairy farms to the dining table.

Source Control



Establishing raw milk quality control standards for the whole chain: Yili has formulated grading standards for raw milk suppliers and implemented grade-based management. Through the "Yiqiniu • Smart Dairy Farm Ecosystem", we have achieved full-process traceability covering dairy farm inputs, the raw milk production process, logistics and transportation, and factory testing, ensuring that raw milk is 100% safe. Based on the requirements of the *HACCP Food Safety Management System*, Yili has conducted food safety hazard analysis across six stages ranging from forage planting and dairy cow breeding to logistics and transportation, identified and potential food safety hazards and critical control points, and established the *Raw Milk Food Safety Protection Plan* and emergency response procedures for food safety incidents to ensure quality control across the entire raw milk production chain.

Establishing a raw material quality review mechanism for dairy farms: To ensure quality control of raw and auxiliary materials at dairy farms, Yili guides dairy farms in establishing the *Dairy Farm Quality Control Plan*, carries out risk monitoring for incoming and stocked raw and auxiliary materials, promotes effective arrival inspection and sample retention mechanism for received raw and auxiliary materials, and uses the "Yiqiniu system" to manage the inbound and outbound movement of dairy farm inputs, thereby ensuring the quality and safety of dairy farm inputs.

Conducting raw milk input quality audit: Yili manages key inputs through a catalog-based approach, carries out qualification reviews and compliance evaluations for inputs included in the catalog, and adopts measures such as input quality monitoring, non-target substance risk screening, and unannounced inspections of manufacturers to ensure the quality and safety of dairy farm inputs such as feed, veterinary drugs, and cleaning solutions.

Production management



Yili applies the EHSQ system, quality monitoring system, risk prevention and control system, and ingredient error-proofing system to digitally manage issues such as nonconforming products and ingredient deviations, thereby improving the quality of production and processing. At the same time, Yili has introduced the manufacturing execution system (MES) and the manufacturing operations management (MOM) system to realize digital traceability and intelligent management throughout the production process.

Warehouse and logistics



In automated warehousing management, Yili relies on the coordinated operation of seven major systems including the warehouse management system (WMS) and the warehouse control system (WCS), and uses pallet RFID chips to assign codes for full-process data traceability from entry to exit. In intelligent logistics, Yili uses the Beidou Navigation Satellite System to monitor transport vehicles throughout the entire process, establishes vehicle transportation logs, standardizes product quality standards for warehouse distribution and dealer receipt, and tracks every stage in real time from product dispatch to sales terminals, thereby ensuring food safety during transportation. In addition, according to the characteristics and storage requirements of different products, Yili is equipped with professional transport vehicles and equipment to ensure delivery quality.

Product sales



Through refined management of stack placement, Yili ensures effective display of its products at retail terminals for higher purchase rates, and accelerates product turnover to ensure freshness. At the same time, in the e-commerce field, Yili has carried out special optimization actions focusing on product protection and product freshness. In addition, Yili has built a big data analysis model for consumer experience to intelligently analyze product quality, accurately identify defects, and dynamically track quality improvement results online, thereby improving consumer satisfaction.

Quality Monitoring

Establishing a global early warning mechanism



Yili has built a global big data early-warning platform for food safety hotspots across the entire industry chain. In 2025, Yili collected more than 3,700 pieces of global risk information on this platform and conducted dedicated follow-up analysis on 236 identified hotspots. Relying on the "One-Stop Digital Service Platform for Food Safety Risk Assessment", Yili completed systematic assessments of 35 categories of emerging risk indicators and solved more than 10 technical difficulties in risk control. At the same time, Yili completed safety reviews of 160 new raw materials and accordingly formulated more than 30 control measures. Through the above measures, Yili has incorporated all identified key food safety risks into its monitoring system.

Deepening the construction of quality inspection capabilities



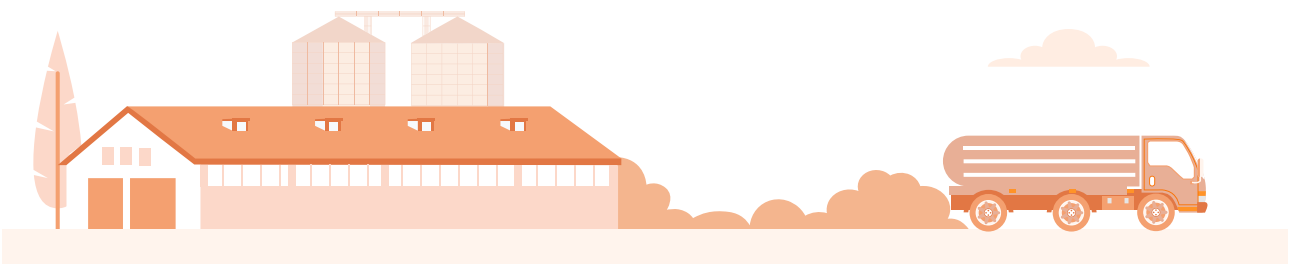
Yili has configured 80 laboratories and equipped them with advanced testing devices with a cumulative investment exceeding RMB 1.066 billion. Among them, 42 laboratories have been recognized by the China National Accreditation Service for Conformity Assessment (CNAS), which ensures the authority and reliability of internal testing. To further ensure the quality and safety of final products, Yili tests 20 million batches of products each year, achieving a 100% product inspection coverage rate. In 2025, Yili established 12 regional testing centers across China, carried out 912 dairy testing projects, and led the development of five rapid testing technologies, including "one-step rapid testing integrating microbial culture and identification", effectively improving testing efficiency and quality. In addition, Yili actively advanced the development of digital and intelligent platforms for AI-based smart raw milk testing and participated in multiple quality and safety testing studies. By the end of 2025, Yili had accumulatively obtained 53 testing-related patents and published 209 professional papers, delivering world-leading food safety testing capabilities.

Production Risk Control

Formulating risk control measures



To ensure a stable supply of raw materials, when raw and auxiliary materials fall below the safety stock level, Yili initiates an emergency cross-regional transfer mechanism to quickly replenish its inventory. In addition, during the procurement stage, Yili has the back-up raw material suppliers and alternative procurement lists based on alternative product formulas, thereby ensuring the supply. To ensure production continuity, Yili established a multi-base coordinated production and backup mechanism. Based on factors such as production processes, regional market distribution, and resource coordination efficiency, it proactively selected the backup manufacturing sites so that when the main production base is unable to meet production needs for any reason or when product demand surges, the system can, in accordance with contingency plans, promptly assign production tasks to the backup manufacturing sites in an orderly manner, thereby effectively buffering potential operational risks.



Food Safety Emergency Response

Strengthening emergency management for unexpected events



In accordance with relevant laws and regulations, Yili has emergency response mechanisms for different types of products and different consumer groups, forming a *Food Safety Emergency Plan* covering the "Group – Business Units – Factories" levels. Yili has fully implemented a three-tier mechanism for daily, weekly, and monthly food safety risk inspection, improved routine screening and rectification of hidden risks, and realized online monitoring of food safety risks, ensuring that all personnel can respond quickly and properly to food safety incidents to minimize the impact of major food safety incidents.

Promoting continuous improvement of emergency management



Yili has established an Emergency Response Action Team. Each factory is required to organize at least two full-chain emergency drills every year, with the total number of company-wide emergency drills exceeding 130 per year. Yili conducts real-time monitoring of all drill procedures and proposes specific improvement measures for problems identified during the process, thereby continuously enhancing its food safety emergency management system.

Product Traceability and Recall

Promoting product recall management



Yili strengthens its system for food sampling tests and food safety traceability, and continuously improves product traceability and recall capabilities after sales. It has established management systems and processes such as the *Product Recall Management Measures* and the *Traceability Management Regulations*, and developed an online data collection and storage system for key processes and control points in product quality, providing basic information support for product traceability. In addition, based on the severity and urgency of issues, Yili has established a standard three-level recall process and clearly defined response time limits for recalls: A Level-I recall should be initiated within 24 hours and completed within 10 working days. For a possible risk escalation in Level-II or Level-III recalls, the recall can be initiated within 48 hours with a clearly defined and highly efficient reporting mechanism in place to ensure smooth information flow and rapid decision-making. In addition, Yili regularly organizes recall management drills for all factories every year to verify the effectiveness of existing recall procedures. In 2025, Yili conducted 134 recall drills and zero product recall incidents occurred throughout the year.

Establishing a product traceability system



The traceability system of Yili, based on the manufacturing execution system (MES), the warehouse management system (WMS) and other IT systems, connects all product information from raw materials (raw milk and raw and auxiliary materials) to first-tier distributors. This establishes a full-chain food safety traceability system. By scanning product QR codes, consumers can access full-life-cycle information, such as the dairy farm that produces the raw milk, the production process, and consumption guidance. The online traceability system is available for customers, to trace raw milk, raw materials, the production process and outbound circulation. This approach ensures transparent and digital management throughout the entire process from dairy farm to table. In addition, Yili has also carried out traceability drills to ensure that information throughout the production process can be recorded, controlled, and traced.

Construction of Quality and Safety Culture

At Yili, everyone is a guardian of product safety. Activities such as Yili Quality Month, Food Safety Week, annual meetings with suppliers and distributors, brand cultural activities, Expert Lecture Hall on Excellent Quality, and employee opinion solicitation are organized every year to create a quality culture throughout the Group, and form a continual value system regarding quality and safety.

Yili carries out employee quality and safety training every year to comprehensively strengthen employees' awareness of quality and safety. September is the Yili Quality Month when company-wide training on quality and food safety is held, covering publicity of relevant laws and regulations, thematic exchanges, case sharing, and more. It also organizes management personnel at all levels to go to the front line of production and sales terminals to carry out specialized quality improvement activities. In addition to annual training, at the leadership summit held in November, the chairman emphasized to participating senior executives in charge of various businesses and representatives of outstanding employees the importance of quality safety and product quality. In December, Yili launched the "Three Safety" campaign where production, quality, procurement, R&D, engineering, and safety-related roles across the Group all participated in quality culture activities to learn advanced global quality experience and technologies, and be clearly informed of quality red lines, thereby strengthening awareness of food safety, production safety, and safety in crises. Throughout the year, Yili conducted 16 "Expert Lecture Hall on Excellent Quality" sessions, covering 16,000 professionals and helping employees better master advanced quality management concepts and practical experience. In 2025, Yili organized online and offline training on topics such as food safety regulations and quality standards, totaling 170,000 class hours and covering all middle- and senior-level management personnel. Quality-related training covered nearly 20,000 person-times, achieving 100% coverage of personnel in production, quality, technology, and safety-related positions, and the employee training completion rate of 100%.

Yili also attaches importance to quality communication with suppliers. It organizes suppliers to participate in activities such as food safety risk exchange meetings, quality analysis communication, and the Yili Quality Month, with a focus on strengthening suppliers' understanding of food safety regulations as well as product quality and production safety technologies, ensuring 100% coverage for suppliers related to food safety. In addition, every year Yili organizes all suppliers to participate in relevant training on the communication of quality requirements, safety production management standards, and quality management for the procurement of materials and services. During the Yili Quality Month in September 2025, Yili organized raw and auxiliary material suppliers to carry out exchanges and discussions on typical quality issues and invited representatives of outstanding suppliers to have exchanges with people from the Group's supply departments. In 2025, through on-site training, online communication, and livestream-based capacity building, Yili conducted 9 quality capacity building sessions for suppliers, covering topics such as rodent control, foreign matter control, change management, and typical quality cases, covering all suppliers.

In 2025

Yili conducted more than **2,727** training sessions on employee quality and safety, both online and offline

A total of **170,000** hours of training was completed

With employee coverage reached **100%**



Themed Activities on Quality and Safety

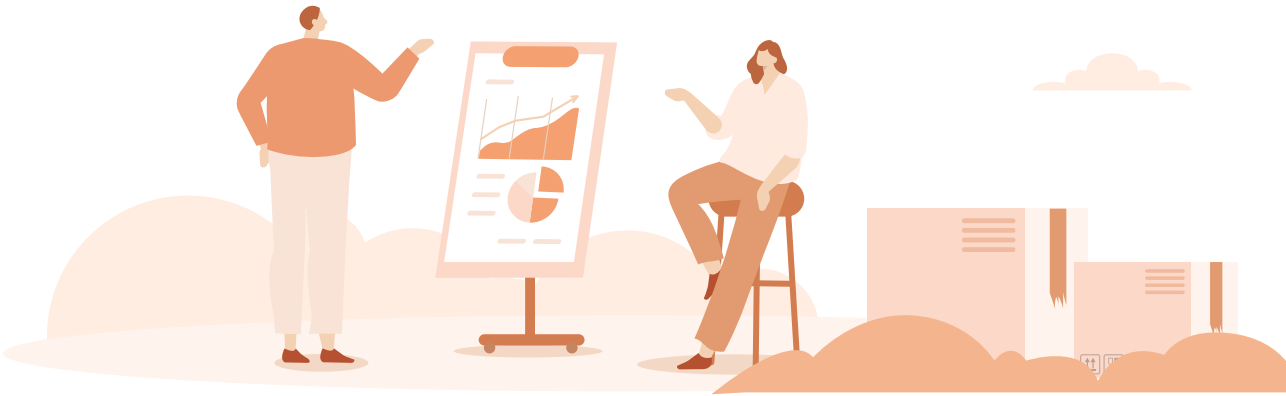
Metrics and Targets

In order to strictly implement quality management, Yili has formulated the *Guidelines on Ten Key Tasks in Food Safety Development*, with the overall goal of "preventing food safety risks and ensuring consumer rights and interests". Besides, Yili has set itself the management goals of achieving a national random inspection pass rate of 100% and zero food safety incidents in order to protect consumer health and safety.

Yili has also established a series of product safety and quality control indicators to ensure continuous monitoring and management of product quality, thereby ensuring quality leadership.

Indicator	Unit	2023	2024	2025
Total investment of testing equipment	RMB 100 million	9.47	10.14	10.66
Coverage rate of product safety risk identification	%	100%	100%	100%
The pass rate of sampling inspection by national supervisory bodies	%	100%	100%	100%
The pass rate of pre-delivery inspection	%	100%	100%	100%
Coverage rate of product inspection	%	100%	100%	100%
Number of product recall incidents occurred	/	0	0	0
Coverage rate of factories achieving certification for quality and food safety	%	100%	100%	100%
Number of laboratories with CNAS accreditation	/	21	30	42
Total detection patents obtained	/	22	48	53
Total professional papers published	/	151	179	209
Coverage rate of employee quality and safety training	%	100%	100%	100%
Number of major safety and quality liability incidents related to products and services occurred	/	0	0	0

Product safety and quality control performance data for 2023-2025



Diverse Products

Yili has created a diversified product matrix to meet the diverse nutritional needs of consumers and it has been actively promoting intellectual property right protection to enhance its competitiveness.

Various Product Selection

Liquid Milk

Satine High-Protein Ultrafiltered Milk / Protein Bucket

Catering to the demand of light-exercise consumers who prefer pure high-protein supplementation and portability, Yili launched its first portable high-protein milk. With premium milk from Ningxia and relying on the ultrafiltration technology, the product contains up to 4.4 grams of natural protein and up to 135 milligrams of natural calcium per 100 milliliters. It adopts portable PET packaging suitable for outdoor activities, commuting, and use before or after sports, as well as daily nutrition scenarios. At the same time, Yili created the industry's first round PET outer box, which can be filled with water and used as an 8-kilogram kettlebell, turning the packaging directly into a practical exercise tool.



Ambpomial Yellow Peach Oatmeal Popping Boba Yogurt

As the world's first ambient-temperature popping boba yogurt, this product uses a self-developed four-layer embedding technology and innovatively contains BC99 active probiotic popping boba, ensuring probiotic activity while delivering a novel chewy texture. Paired with large yellow peach pieces and imported oats, this product brings consumers a new yogurt experience featuring good taste and good nutrition.



Young Fun Chewy Lemon Light Milk Juice Beverage

As the first lemon-flavored particulate beverage that enables chewing while drinking, it opened up the new product category of light milk juice. With the new whole-fruit pressing process, the product keeps the lemon peel and pulp fibers, allowing consumers to enjoy the fun of chewing the pulp, drinking the juice, and savoring the fruit aroma.



Plant-Based Protein

Plant Selected Whole-Soy Ground Pouch Soymilk Drink

Precisely positioned as part of people's breakfast, this product selects soybeans from farms in the demonstration area in Heilongjiang, Northeast China, and adopts a whole-soy grinding process to retain high-quality plant-based protein. It also offers the health property of zero trans fat and uses the novel stand-up pouch packaging that is portable and heatable.



Infant and Child Nutrition

Jinlingguan Zhenhu Bocui Milk Powder

This product uses selected A2β-casein raw milk from the golden milk source belt, scientifically adds core nutrients such as lactoferrin, OPO structured lipids, probiotics, and brain nutrition compounds, and applies patented dairy-source human milk oligosaccharide (HMO) technology. It meets higher-level consumer demand for infant milk powder that is more similar to breast milk and for balanced nutrition.



Adult Nutrition

Xinhuo Digestible Sugar Milk Powder

Developed in collaboration with Beijing Tongrentang, this product draws on a century-old traditional Chinese medicine prescription for blood sugar control, scientifically combines the three traditional Chinese ingredients of Ganoderma lucidum, polygonatum, and kudzu root, and uses raw milk as its base. It also contains active probiotics and dual dietary fibers, providing consumers with the need of blood sugar management a mild and more nutritious diet solution.



Yili Qinghuo Zero-Lactose Modified Whole Milk Powder

Customized for people with lactose intolerance, this product adopts Yili's innovative lactose enzymolysis 2.0 technology to break down lactose. It also contains 4.5 billion active probiotics in three categories, including the BL-99 probiotic, a patented Chinese space strain, which works together with naturally generated milk prebiotics produced through hydrolysis to protect intestinal health.

At the 18th Global Dairy Congress, this product won the "Best Intolerance-Friendly Innovation Award of 2025 World Dairy Innovation Awards".

Yogurt

Changqing Hand-carry Milk Pot Yogurt

Fermented using 100% raw milk, this product features a clean formula. Each bottle contains 15 live bacterial strains; one bottle of the original flavor option contains 11 grams of natural milk protein, while the fruit-and-vegetable flavor option contains five kinds of delicious and healthy fruits and vegetables. With a creative packaging design with a handle, it meets consumers' needs for convenience in on-the-go scenarios.



Gonglao Hulunbuir-Probiotic Strain Milk-Skin Yogurt

With precious strains from the Hulunbuir grassland fermented, this product offers a unique and natural cheese-like aroma. It features a premium single-cup fermentation process and each cup stays for no less than eight hours for solidification. Thus, the product has a mellow and thick milk skin layer, and achieves a balance between rich flavor and a refreshing taste.



Frozen Beverage

Chocliz Red Glutinous Rice and Taro flavor crispy sticks

A chocolate-flavored crispy coating and a savory salty cheese shell wrap soft and glutinous rice paste and sweet taro paste to create layered flavor structure.



Sam's Club Raw Milk Mung Bean Ice Cream

This is a limited-edition product launched in cooperation with Sam's Club. Made with 100% high-quality raw milk which accounts for no less than 35% of the product, and first-grade mung beans, it offers rich texture with beans and mellow ice cream and blends rich milky aroma with fresh bean fragrance to create a delicious summer treat.



Cheese

Cute Star A2β Cheese Sticks

Precisely catering to the nutritional needs of babies who are prone to allergies and have sensitive stomachs, this product is made from fresh A2β-casein cheese fermented from A2 milk, making it nutritious and easy to digest. It features simple ingredients, having only cheese, proteins, water, and trehalose, and no unnecessary additives. Leveraging the unique anti-caries property of trehalose, it enriches babies' nutritional choices after the transition to milk products.



Yili Spreadable Cheese Sauce

Intended for modern healthy diet, this product builds a nutritional solution around four core features: 2.5 times milk protein, 0 sucrose, imported cheese plus fresh cheese, and standalone packaging for freshness.



Packaged Drinking Water

Inikin the Volcanic Mineral Water

As China's first volcanic natural mineral water, this product boasts rare volcanic water sources in Arxan and the Changbai Mountains. After being purified and filtered through layers of volcanic rock, the water contains five natural volcanic minerals and is rich in metasilicic acid, which is known as "gold in water" (the content is 30% higher than the national standard). The healthy low-sodium content and natural weak alkalinity offer a sweet and soft taste.



Inikin Freshly Brewing Rose Black Tea

As the industry's first fresh-brew rose black tea, this product uses patented freshness-locking cap technology and freeze-dried tea powder extracted from original tea leaves. Simply turn the cap and shake, and the rich aroma comes. It features simple ingredients, containing only black tea, double-petaled red roses, and water. The double-petaled roses are 100% handpicked in Pingyin, Shandong, with thick and full petals. The innovative label produces a rose scent once rubbed.



Intellectual Property Protection

Yili highly respects and protects intellectual property, establishing the strategic policy of "intellectual property driving innovation, and innovation driving enterprise development". We have established an intellectual property management system that focuses on key markets and serves the Company's global product markets. On this basis, we have achieved integrated global management of intellectual property and enhanced the Company's core competitiveness.

In 2025, Yili systematically revised the *Intellectual Property Management System of Yili Group*, and made improvements mainly in three areas: intellectual property licensing and transfer, trademark use, and overseas intellectual property development. The aim is to enhance the protection and utilization efficiency of innovation achievements. To promote the commercialization of core research results, Yili took the lead in completing intellectual property registration for important data assets in key fields such as probiotics and breast milk research, and obtained the *Data Intellectual Property Registration Certificate*, thereby laying the foundation for law-based protection of the Company's core data assets. At the same time, through legal means such as opposition procedures and invalidation declarations, Yili effectively removed maliciously preemptively registered similar trademarks, safeguarding its own rights and interests, and maintaining good market order. In 2025, Yili organized training sessions on topics such as intellectual property right protection in Southeast Asia and the application of AI-powered patent tools, building the capacity of intellectual property and R&D personnel, as well as staff of the international business departments. In addition, Yili launched the dairy industry's first AI patent tool based on Deepseek large model to strengthen core capabilities in patent intelligence analysis and technology trend insight in the dairy industry, so as to protect its own lawful rights and interests while avoiding infringement of the intellectual property rights of other parties.

Indicator	Unit	2025
Number of invention patents applied to main business	/	973
Number of new patents granted	/	451
Number of new patents for utility models granted	/	116
Number of new patents for inventions granted	/	68
Total number of patents for utility models granted	/	1,486
Total number of patents for inventions granted	/	1,049
Total number of patents granted in China and overseas	/	5,585

Case

Yili Won China Patent Silver Award in the Milk Powder Industry

On June 5, 2025, Yili won the China Patent Silver Award issued by the China National Intellectual Property Administration for its patent *Synergistic Prebiotic-Probiotic Combination for Butyrate Production*, which represents the highest honor of China's infant formula milk powder sector and fully showcases Yili's leading edge in patent quality, technological advancement, and commercialization effectiveness. Featuring synergy of prebiotics and probiotics, this patent helps improve infants' intestinal health, digestion and absorption. It is now in wide use in Yili's Jinlingguan product series.



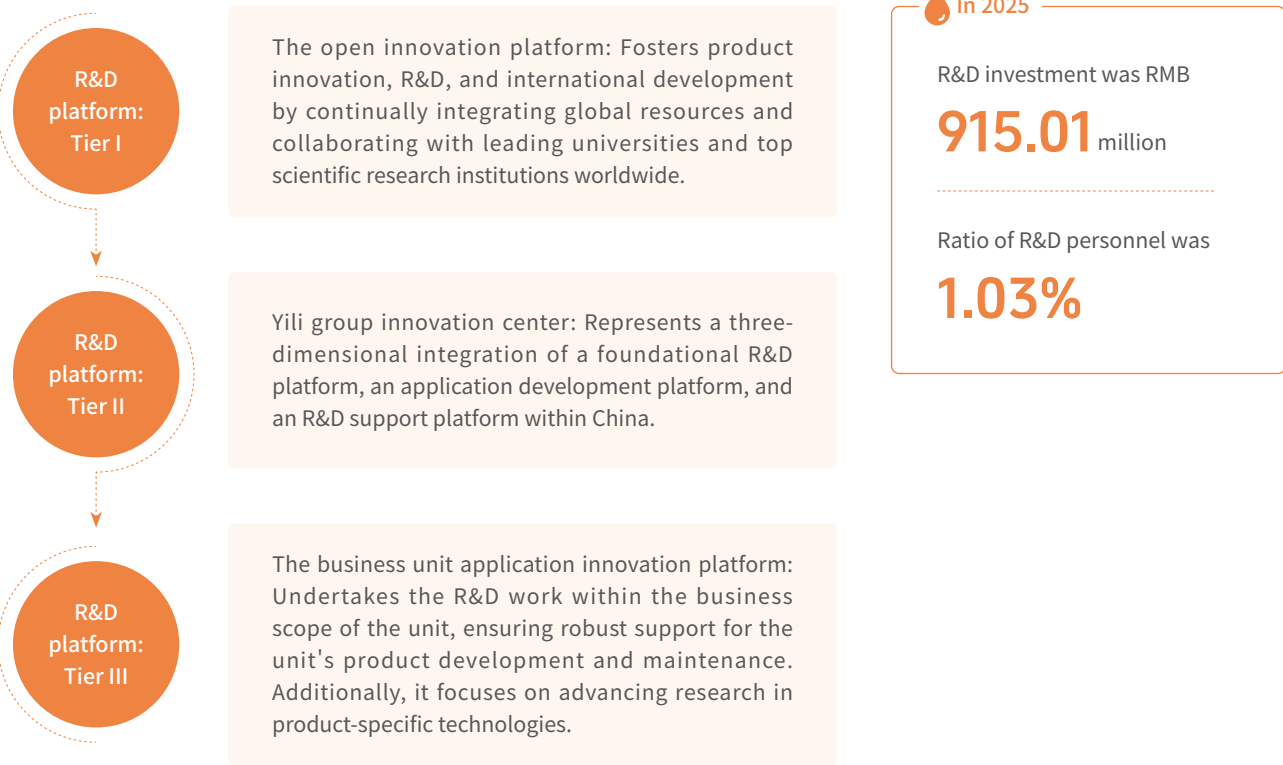
Nutrition and Health

Innovation is the primary driving force for development. In response to the Healthy China strategy, Yili centers on consumers and collaborates with global innovation institutions. We continuously explore cutting-edge technologies to break through the bottleneck issues in China's dairy industry, and accelerate the formation of new quality productive forces in the dairy industry. We also create high-quality products that meet the needs of different life stages, various groups, and multiple health requirements.

Governance

Adhering to the philosophy of "No innovation, No future", Yili has established a robust innovation and R&D system to continuously enhance technological reserves and R&D capabilities. This enables deeper consumer insights, more agile product innovation, and more efficient R&D work, so that we can provide consumers with higher-quality health products and services.

Sticking to the dominant role of innovation and R&D, Yili strengthens the allocation of R&D resources, and continuously promotes the construction of core independent R&D innovation capabilities. Globally, Yili has established, controlled, or participated in 15 innovation centers, gathering global innovative talents and resources to conduct scientific research in key areas of the global market, including nutrition and health, product development, food safety, breast milk research, food technology, and sustainable packaging. Meanwhile, Yili deepens global innovation cooperation by collaborating with top domestic and international universities and research institutions like Wageningen University in the Netherlands, the University of Cambridge, China Agricultural University and the National Center of Technology Innovation for Dairy.



Strategy

Yili has continued to advance the implementation of the five strategic goals set forth in the *Nutrition and Health Strategy of Yili Group* with the aim of enhancing the nutrition and health of its products, spreading the concept of a balanced diet and advocating a healthy lifestyle. The five strategic goals namely: "Establishing a Corporate Work System on Nutrition and Health", "Improving Product Quality with Nutrition and Health", "Promoting Innovation on Product Labeling and Claim", "Regulating Marketing and Promotion", and "Strengthening Science Popularization on Product Nutrition and Health". In addition, the following five working guidelines have been clarified with the aim of incorporating nutrition and health into Yili's long-term strategy and work plan.

Work guidelines	Work principle
Commitment to providing healthy and delicious food	Prioritizing health as the primary goal and considering food flavor as a crucial dimension in product launches.
Advocating balanced nutrition and healthy consumption	Upholding the concept of a scientific diet, dedicated to guiding consumers toward balanced nutrition.
Practicing responsible marketing to enhance corporate social value	Promoting the value of a healthy lifestyle and encouraging consumers to make informed choices through responsible marketing practices.
Providing convenient access to professional knowledge on nutrition	Committed to offering the affordable dairy products, strengthening the knowledge of nutrition and health, and aiding the public to develop a scientific approach to diet.
Enhancing research on nutrition, and contributing to the policy-making and regulatory formulation	Dedicated to in-depth exploration in the field of nutrition and health, contributing to the policy-making and regulatory improvement, and promoting the long-term development of the dairy industry.

Impact, Risk and Opportunity Management

Innovation helps enterprises shape advantages that transcend cycles. Yili collaborates with world-leading authoritative institutions and industry experts to conduct research on dairy nutrition and health, contributing to the commercialization of scientific and technological achievements.

Promoting the Construction of Standard Systems

Yili actively participates in the formulation and revision of multiple national, industry, and local standards, including standards for animal breeding, production and processing, storage, and transportation along the whole supply chain of the dairy industry, thus contributing to the joint efforts to build the industry's ecosystem.

In 2025, "Research and Application of a Standards System for Raw Milk from Specialty Dairy Livestock", a key project of the National Center of Technology Innovation for Dairy, in which Yili Group participated, was accepted, and the related achievements provided scientific support for optimizing public health policies. In addition, Yili has empowered the high-quality development of the dairy industry through standardization work. It actively participated in the formulation and revision of 10 international standards, including *Yogurt—Enumeration of Characteristic Microorganisms—Colony Count Method at 37°C* and *Detection Method for A1/A2 β-Casein*; national food safety standards such as *Raw Milk*, *Fermented Milk*, and *Cream, Butter and Anhydrous Butter*; as well as industry and association standards such as *Code of Production Process for Infant Formula Milk Powder* and *DHA-Fortified Raw Milk*, thereby standardizing and promoting the scientific development of the dairy industry.

In 2025

Yili contributed to the publication of

40national standards

4industry standards

9association standards

Strengthening Nutrition and Health Research

In response to changes in market conditions, Yili focused on the different nutritional needs and health characteristics of people of different ages, including infants, adolescents, adults, and the elderly, and leveraged cutting-edge research methods and foundational research data to precisely identify suitable nutrients and dietary patterns for them. By continuously optimizing product formulations, and developing higher-quality nutrition and health products, Yili endeavors to meet the nutritional and health needs of global consumers. In 2025, Yili received the Technology Invention Award and one special prize and two first prizes in the Technology Progress Award under the Science and Technology Award granted by China Dairy Industry Association for its research achievements such as *Research Results and Industrial Application of Human Intestinal Tract and Cellular Immunity*, *Research on Breast Milk Amino Acid Composition and Absorption Patterns and Its Application in the Development of Infant Formula Milk Powder*, *Construction and Application of a Functional Nutrition Platform for Milk Powder for Middle-aged and Elderly People*, and *Development of Nutritional Dairy Products to Improve Children's Digestive Absorption and Bone Health*.



Precision analysis of breast milk components research

Yili has systematically conducted research on the amino acid composition and absorption patterns of Chinese breast milk and established a breast milk amino acid database. By optimizing the ratio of α-lactalbumin to β-casein in product formulations, Yili has improved protein bioavailability and achieved a nutritional structure more similar to breast milk. The related research results have been applied to 13 infant formula milk powder products in the Jinlingguan series, effectively improving the nutritional suitability and absorption rate of the products.



Research on the regulatory mechanisms of adult gastrointestinal function

In the field of adult gastrointestinal health, Yili has built a full-chain R&D loop covering innovative raw material development, functional evaluation, mechanism pathway analysis, and product formulation design. By developing efficient extraction technology for key functional components based on the concept that the appropriate use of food contributes to health and well-being, as does medicine, Yili developed the new ingredient, emulsified dried ginger. At the same time, it advanced research on the mechanisms of key pathways such as digestion and stomach nourishment, clarifying the mechanism by which emulsified dried ginger helps nourish the stomach and support digestion. This research result has been successfully applied to Shuhua Lion's Mane Mushroom Milk and has received broad market recognition.

Case Xinhua Won the IDF Dairy Innovation Award

During the IDF World Dairy Summit in October 2025, Bone energy milk powder won the "IDF Dairy Innovation Award – Innovation in Dairy Products for Human Nutrition". Designed to address health problems related to bones, joints, and muscles among the elderly, the product contains 15,000 mg/kg of calcium, together with vitamin D and colostrum basic protein (CBP); and to address the difficulty in calcium absorption, it also contains sodium hyaluronate to support the joints, providing all-round nutritional support for the elderly.

89

90



Guliduo Raw Milk with Six Nuts
won the Annual Innovative Dairy Beverage Award

Inikin Freshly Brewing Ginseng Water
won the Annual Innovative Functional Beverage Award



FBIF Wow Food Innovation Awards
Organizing Committee
International Dairy Federation (IDF)

Ambpomial's limited eco-friendly packaging "For a Bluer Ocean"**won the Dairy Packaging and Transparency Innovation Award and the Bronze Award for Packaging Star under the IDF Dairy Innovation Award**

Metrics and Targets

Adhering to a consumer demand-oriented approach, Yili has continuously launched diversified innovative products such as organic, low-sugar, low-sodium, low-fat, and small-package options. While reducing its use of artificial ingredients, Yili has increased the incorporation of nutritional components. These efforts aim to meet the nutritional needs of different groups, implement the national nutrition improvement initiative, and enhance consumer health comprehensively.

In accordance with the *Work Plan for Product Sugar and Fat Reduction for 2022-2025*, Yili actively promotes the improvement of the Nutrient Profiling (NP) system. For different product categories, we have formed a list of recommended nutrients (such as vitamins and minerals) and restrictive nutrients (such as sugar and saturated fatty acids) and identified reasonable addition amounts for different population groups. This effectively enhances the guiding significance of nutritional health indicators for product development and improvement. By the end of 2025, we had launched a cumulative total of 162 new products, of which 93% met the Company's sugar reduction targets and 97% met the Company's fat reduction targets, providing consumers with better product choices.

In 2025, Yili formulated the *Work Plan for Product Sugar, Fat and Salt Reduction for 2026-2030*. In addition to requirements for reducing sugar and fat in products, it also raised requirements for sodium content management, thus launching the "three reductions" initiative for 14 categories of products, including modified milk, fermented milk, and frozen beverages. By the end of 2030, Yili aims for 100% of new products launched in the 14 categories will meet the target values for sugar, fat and sodium reduction. In addition, Yili has reduced the use of chemical fertilizers in the cultivation and processing of raw materials through cooperation with raw material suppliers and farmers, and has also actively used raw materials with organic certification, such as soybeans and raw milk in the production process.



Product type	Product definition	Proportion of revenue in 2025
No artificially added sugar and reduced sugar addition products	Products with no extra sugar added; products achieve sugar reduction through formula design and upgrades to meet Yili's sugar reduction target; and products comply with the requirements of the <i>National Food Safety Standard - General Rules for Nutrition Labeling of Prepackaged Foods (GB 28050-2011)</i> for low-sugar and sugar-free products labeling	Above 98%
Organic products	Products produced in accordance with the China National Standard for Organic Products and certified as Organic	About 6%
Nutrient fortified products	Products fortified with nutrients through formula design and upgrades in accordance with the <i>Standard for the Use of Nutritional Fortification Substances in Foods (GB 14880-2012)</i>	Above 28%
Low-sodium products	Products achieve sodium and fat reduction through formula design and upgrades to comply with the requirements of <i>GB 28050</i> for low-sodium and low-fat products	Above 90%
Low-fat products		Above 11%
Low-additive or additive-free products	Products without artificial flavors and fragrances, artificial synthetic colorants, or artificial synthetic preservatives through formula design and upgrades	Above 92%
Small package products	Products in independent packaging of less than 200 g/ml, meeting consumers' needs for moderate intake and featuring small package attributes	Above 14%

Better Service

Insisting on resonance with consumer needs, Yili accurately identifies trends in consumer demand, listens carefully to and values consumers' voices and feedback, provides consumers with high-quality products and services, protects consumers' rights and interests, works to win consumer trust, and achieves the goal of leadership in consumer value.

A Positive Customer Experience

Based on the macro environment and the new trends in the consumer market, Yili actively explores the diverse needs of consumers of all ages and in various circles and scenarios so as to get accurate insights into consumer psychology and behavior and improve its products and services.

Consumer Interaction

Yili attaches great importance to consumer experience. By expanding the application scenarios of digital technology, Yili continuously builds and upgrades dialogue channels with consumers, and enhances consumer experience through diverse experience scenarios and digital innovation.

In 2025, relying on the Yili Modern Intelligent Health Valley, Yili carried out various cultural and tourism activities and opened transparent factories to visitors. Throughout the year, it received more than 1.03 million offline visitors and achieved more than 130 million brand exposures, attracting many consumers to see Yili's quality for themselves. In addition, Yili continues to carry out the digital and intelligent quality traceability project Online Tour of Yili, which polishes Yili's global image as a quality leader. It presents Yili's global industrial presence, especially ecological dairy farms and transparent factories, and uses cutting-edge AI technology to create new models for people to witness Yili's quality.



Study tour activities at Yili Modern Intelligent Health Valley



Yili Grassland Dairy Culture Tourism Scenic Area was recognized as **Science Popularization Demonstration Base of Inner Mongolia Autonomous Region** by the Department of Science and Technology of the Inner Mongolia Autonomous Region; and the case of **Building an End-to-End, One-Stop Smart Tourism System** was selected as a **Typical Case of Digitally Empowering the Development of the Cultural and Tourism Industry** by the Organizing Committee of the China Tourism Industry Development Annual Conference.

Case Holding the "Explore with Yili, Dairy Fun" Study Tour

In 2025, under the theme of "Explore with Yili, Dairy Fun", Yili planned dedicated activities for the tourism season and the study tour season. The Yili Modern Intelligent Health Valley and more than 30 transparent factories across the country were open to tourists and groups on study tours. Visitors gained an in-depth understanding of the production process from "a blade of grass" to "a cup of milk", and personally experienced Yili's solid commitment to quality. In 2025, Yili carried out nearly 3,000 study tour activities in total.



Improve Satisfaction

Yili listens attentively to consumers and values their feedback and opinions. We have established a comprehensive consumer service management system and constructed a consumer satisfaction index system to continuously enhance product and service quality and comprehensively improve consumer satisfaction.

Yili has built a digital innovation insights platform to provide business units with an intelligent insights solution based on online consumer surveys, big data public opinion analysis, AI interviews, and survey data analysis. The platform gathers consumer inquiries and feedback from multiple dimensions to help business units better satisfy consumers' needs in all aspects. At the same time, all of Yili's business units have a regular survey system in place, carrying online and offline consumer satisfaction surveys on a quarterly basis to collect market feedback on product experience, service perception, and purchase preferences. Survey results would help Yili determine directions for further improving product experience and the satisfaction of consumers. In addition, Yili has continued to improve consumer complaint management by setting up a dedicated department to handle relevant matters, giving feedback, addressing complaints within the prescribed time limits, and following up on closed complaints. In 2025, Yili's consumer complaint resolution rate reached 100%, and consumer satisfaction rate of complaint handling through the 400 hotline reached 98.83%.

Expand customer service channels

To accurately match the needs of different consumers, Yili has established diversified intelligent service channels, including hotline, app, and mini program. Relying on the instant response and broad coverage of multiple channels, Yili has significantly shortened average service response time and satisfied consumers' service experience needs anytime and anywhere.

Improve after-sales management process

Yili strictly implements the *Smart Voice Customer Service Workflow*, adopts a comprehensive mechanism for collecting and analyzing customer feedback, and has established a closed-loop management mechanism of feedback collection–data analysis–problem rectification–effectiveness verification. After the service cycle ends, consumers are invited to evaluate the services, and systematic consumer satisfaction surveys are conducted regularly to help Yili continuously improve its service quality.

Apply smart customer service system

Yili has advanced the application of its AI intelligent customer service system. By optimizing algorithms for complaint intent recognition and emotion perception, Yili ensures prompt understanding of the real demands behind complaints. At the same time, Yili has established an intelligent complaint classification and priority scheduling mechanism that automatically assigns tasks according to the urgency and type of the issues involved, ensuring early response to urgent requests and continuously improving the timeliness of information processing.

Strengthen customer service training

Yili carries out capacity building for its customer service personnel through dedicated training on internal product processes, external service benchmarking, regulations and standards of the dairy industry, and intelligent service skills. We also planned some tiered and categorized capacity building programs in the four dimensions of job capability, compliance literacy, skills upgrading, and service optimization to improve the professional competence and problem-solving ability of customer service personnel.

Case Digging Deeper into the Problems in Experience to Drive Precise Product Iteration

Since 2023, Yili has tracked the experience performance of its own brands and comparable products in the market for three consecutive years. It has carried out observation and testing throughout the entire product experience process from observing the products, to carrying, storing, opening, drinking and disposing of them, and clearly identified problems and opportunities for improvement. By the end of 2025, Yili's liquid milk business unit had completed benchmarking analysis of 22 self-owned products and 23 comparable products in the market, identifying a total of 65 points for experience improvement.

Health Lifestyle Promotion

Yili is not only a provider of healthy food but also an advocate of a healthy lifestyle. Leveraging our brand influence, Yili carries out diverse healthy lifestyle promotion activities based on understanding of the health needs of all age groups. Through health knowledge popularization, fitness advocacy, and other approaches, we strive to enhance the health literacy of the general public.

In May 2025, Yili Xinhua joined hands with Beijing Tongrentang to launch multiple precision nutrition milk powder products based on the concept that "the appropriate use of food contributes to health and well-being, as does medicine". At the product launch event, consumers were invited to experience the wellness principles of traditional Chinese medicine through activities such as expert consultations, Baduanjin exercise sessions, and new product tasting. In addition, Yili Xinhua reached out to communities and elderly care stations across the country and delivered more than 9,200 lectures on health and nutrition knowledge to middle-aged and elderly groups, reaching more than 350,000 person-times.



On May 11, 2025, Miaozhi Crispy Cheese held a stress-relief party at Yili Modern Intelligent Health Valley. Through fun interactive games such as group dance-along, the event encouraged participants to get moving amid laughter and joy.



Responsible Marketing

Yili pays attention to the rights and interests of consumers. Yili has issued the [Responsible Marketing Management Policy of Yili Group](#) to ensure the delivery of accurate, true, and objective product information to consumers, helping them make informed decisions.

Yili has established a comprehensive marketing management framework and undertaken several initiatives to ensure that its marketing activities are legal, compliant, and ethical. These initiatives include establishing an audit and supervision mechanism, enhancing the management of promotional terms, building a platform for technical regulations, and providing clear and reasonable guidelines. Yili is committed to promptly addressing any significant feedback regarding its marketing efforts and taking necessary corrective measures to ensure that the Group adheres to its principles of responsible marketing.

Establishing an audit and supervision mechanism

Yili abides by marketing-related laws and regulations in the jurisdictions where it operates, as well as relevant rules on restrictive marketing targeting minors. The Company implements a rigorous internal audit process for all marketing campaign plans, advertising words, and design materials: first, the business unit planning teams and third-party agency partners conduct self-inspections and self-corrections, followed by cross-functional joint reviews by relevant departments including Legal Affairs and Intellectual Property. These multi-layered checks ensure the authenticity and compliance of all marketing content. For product packaging, Yili has established an internal audit process. After self-inspections are completed by the internal product teams, Legal Affairs, and Intellectual Property personnel within each business unit, a cross-functional compliance review of product labels is conducted in collaboration with Brand Management, Group Legal Affairs and relevant Intellectual Property departments. This process safeguards consumers' rights and interests, including the right to information and the right to fair trade.

Enhancing the management of promotional terms

Yili strictly controls product safety and quality elements throughout its marketing activities, and has formulated the *Management Compilation of Technical Regulations and Systems of Yili Group* to standardize the management of product labels and claims. This ensures the authenticity and compliance of claims such as raw material origin and nutritional health information on product packaging, and guarantees that consumers have a clear and definite understanding of product information.

Providing clear and reasonable guidelines

Based on product characteristics, Yili provides reasonable explanations of product use methods and precautions through product manuals and other means to promote safe and scientific product use, and ensures that the information provided does not contain any descriptions or visuals that may easily induce dangerous behaviors.

Yili regularly conducts responsible marketing reviews and promptly addresses marketing issues identified during the reviews. The marketing departments of the Company's various business units conduct responsible marketing reviews on advertising and promotional materials in accordance with the *Advertising Law*, the *Interim Provisions on Combating Unfair Competition on the Internet*, and other relevant regulations and internal requirements. Materials that fail the review cannot be used. In 2025, Yili completed a total of 1,260 marketing compliance reviews, with a rectification completion rate of 100%. At the same time, Yili actively strengthened employee awareness education by organizing regular training sessions for employees in the form of internal courses, online courses, and policy communication. In 2025, Yili organized one training session on the *Advertising Law* and marketing compliance, covering 100% of our sales and marketing personnel; delivered two training sessions on responsible marketing, attended by a total of 400 person-times from the Group's functional departments, 400 hotline customer service center, and marketing and e-commerce teams of the various business units; conducted four intellectual property training sessions, achieving 100% coverage of intellectual property and R&D personnel; and carried out one legal awareness training session on consumer rights protection focused on the *Advertising Law*, attended by 15 participants from the e-commerce teams and legal teams of the various business units and the Group's customer service team.

Case Strengthening Marketing Compliance Reviews

To control compliance risks in e-commerce operations, the details of Yili's new and upgraded products on e-commerce platforms are produced by the marketing departments of the relevant business units and need to undergo three rounds of review respectively by the marketing department of the business unit, legal affairs personnel, and the e-commerce platforms involved, ensuring full compliance of marketing content. In daily operations, the marketing departments of business units send product main images and standard detail page content to the e-commerce marketing headquarters. Each module of the e-commerce marketing headquarters conducts daily compliance inspections, and dedicated personnel carry out spot checks on customer service scripts and livestream scripts, ensuring that both marketing and consumer communication processes comply with relevant laws, regulations, and Company policies. In 2025, the infant and child nutrition business unit conducted special reviews of main images, detail pages, and other content on e-commerce platforms, further standardizing the wording for promotional purposes, especially claims relating to place of origin and milk source, and the disclosure of statutory information. This ensured that the e-commerce business operated strictly complied with all relevant laws and regulations.

Information Security and Privacy Protection

Yili attaches great importance to consumer privacy and security and is committed to comprehensively protecting consumers' rights to personal information and interests. Yili has established its Cybersecurity Management Committee at the group level, clarified responsibilities at all levels, and strengthened organizational support. The Company upgraded its internal management policies such as the *Cybersecurity Management System*, the *Data Security Management System*, and the *Personal Information Security Management System*, clarified the scope of and requirements for cybersecurity management, and continuously optimized existing policies and processes in accordance with the requirements of the *ISO 27001 Information Security Management System*. In addition, Yili continued to advance information security testing and had completed assessments of 57 information systems cumulatively by the end of 2025.

In maintaining the security of information systems, Yili has enhanced its information security protection capabilities by strengthening system security protection, improving cybersecurity operations, reinforcing data access control, and carrying out emergency response drills. With the data security inspection mechanism, Yili can promptly identify management and technical defects and issue monthly data security inspection reports, forming a closed loop for data security risk management and improving the Company's ability to prevent data security risks. In 2025, Yili did not experience any data security incidents involving customer privacy leakage.

System Security Protection

To improve business security, Yili has continuously enhanced the email system's ability to guard against viruses, phishing emails, and spam emails, and has deployed mainstream security protocols such as Secure Sockets Layer (SSL) and DomainKeys Identified Mail (DKIM) at the application service layer. At key nodes, Web Application Firewalls (WAF) and Intrusion Prevention Systems (IPS) are installed to enhance the website attack monitoring and interception. At the same time, Yili has deployed industrial security gateways in our factories to establish an isolation barrier, thereby mitigating the potential impact of cybersecurity incidents on production and business operations.

Cybersecurity Operations

Through the integrated application of extended detection and response (XDR), artificial intelligence (AI), and managed security services (MSS), Yili combines continuous monitoring under MSS with AI analysis to accurately identify abnormal attack behaviors. It also uses AI to carry out intelligent alert noise reduction and analyze and judge the priority level of alerts, significantly improving response efficiency.

Data Access Control

For off-site visitors, Yili has introduced fortress machines and other security control measures to ensure effective authentication and authorization, monitor and record data operation behaviors, and apply passwords and tokens for third parties to ensure the reliability of data transmission and access. For employees, it has established system-level access management standards, requiring all systems to regularly inventory personnel account permissions and conduct monthly inspections to review permission changes such as account request approvals and personnel changes, so as to standardize data access management.

Information Security Emergency Drills

Yili divides security incidents into grades at the group level, clearly defining the identification, handling, and review processes for each grade of security incidents. At the business unit level, each application system shall have an information security emergency response plan based on business needs. The Group conducts emergency drills on the restoration and fault manufacturing of each application database on a monthly basis, to ensure the timely recovery of application systems and the effectiveness of backup data in case of failure. In 2025, Yili conducted simulated attack-and-defense drills in scenarios such as intrusion and data acquisition, identified potential system risks and security vulnerabilities, and promoted targeted rectification.

Information Security Training

Yili regularly conducts security awareness-raising activities to enhance employees' information security awareness. In 2025, the Company delivered information security courses through the Yiqixue learning platform, with more than 54,000 people completing the learning and getting the certificate. At the same time, Yili communicated relevant content through channels such as the OA system, Enterprise WeChat, and the Digital Yili App to disseminate knowledge on phishing prevention, online security, and related topics, and prepared customized training plans for each business unit to comprehensively improve the cybersecurity literacy of all employees.

In 2025

0 data security incidents occurred

0 customer privacy breach incidents occurred

Consumer Privacy Protection

Yili has formulated consumer privacy protection policies such as the *Data Management Measures of Yili Group* and the *Digital Security Management Specifications of Yili Group*, classifies and grades consumers' personal information data, and clarifies the corresponding requirements for encryption, desensitization, and security protection of various types of personal information data in specific scenarios. In 2025, Yili revised the *Personal Information Security Management System of Yili Group* and issued the *Guidelines for Implementing Personal Information Security Compliance of Yili Group* to employees in key data-related positions, clarifying full-life-cycle protection standards for different types of personal information and sensitive information. To safeguard consumer privacy and security, Yili has continuously improved its *Privacy Policy* and carried out inspections on personal information protection, standardizing the Company's methods for collecting, processing, using, storing, and protecting consumers' personal information. Dedicated personal information organizations are responsible for receiving and resolving complaints related to the exercise of consumers' personal information rights, effectively safeguarding the data rights and interests of information subjects.

In 2025

Yili conducted
36 information security emergency drills

Over
60,000 person-times participated in information security and data security training

Data security training covered
100% of employees

03

All Thrive Together

Key performance

- RMB **24.925** billion for industry chain finance support
- A total of **100%** of partner suppliers signed the *Sunshine Agreement*
- Procured **400** tons of IP Model palm oil traceable to plantations, an increase of **50** tons compared with 2024
- For soybeans used in Plant Selected products, **100%** were certified as non-GMO IP
- A total of **69%** of primary packaging paper achieved FSC certification, **100%** of product packaging paper for low-temperature yogurt products obtained FSC/PEFC certification and **100%** of the cartons of secondary packaging were made from recycled paper
- A total of **100%** of raw milk can be traced back to the dairy farm, and **9.8%** of the purchased raw milk has obtained organic certification
- **62,666** employees in total
- Female senior management accounted for **15.71%**
- A total of **11.03** million person-times were trained
- Yili Ark impacted more than **650** schools nationwide, benefiting over **390,000** children
- Yili Nutrition 2030 covered **28** provinces (autonomous regions, municipalities directly under the Central Government), with a total sponsorship fund of over RMB **110** million, benefiting nearly **900,000** children
- Yili's One Universe, One Childhood project covered **83** primary schools in **7** regions across the country, benefiting over **19,200** children



Contribution to SDGs



Responsible Supply Chain

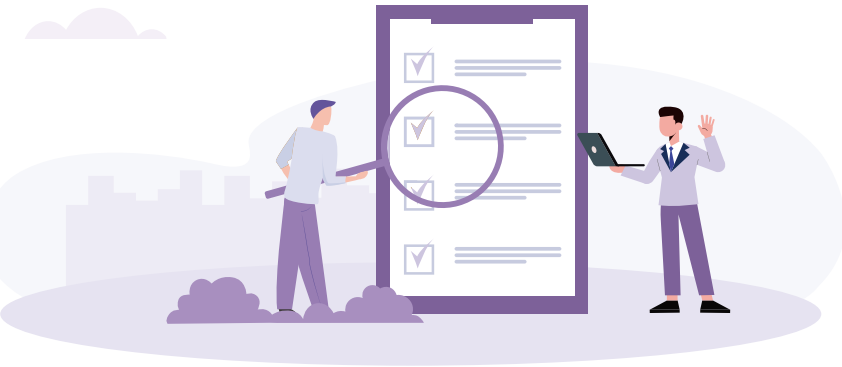
Yili is committed to building a responsible supply chain. The Company continues to improve the full lifecycle management of suppliers, strengthen quality control over raw materials and traceability management of their origins, and enhance supply chain resilience and security. By fostering long-term, stable, and mutually beneficial relationships with suppliers, Yili strives to foster a sustainable industrial ecosystem.

Supplier Management

Full Lifecycle Management of Suppliers

Yili formulates and continuously improves a series of management systems such as the *Supplier Development Management Process*, *Supplier Classification Management Process*, *Supplier Review Management Specifications*, and *Supplier Withdrawal Management Process*. It implements a full lifecycle supplier management model, and establishes a comprehensive management system covering ten aspects including supplier development, classification, performance, capability improvement, to promote effective management of suppliers. Leveraging the Supplier Management System (SRM), we have systematized and digitalized the supplier management, continuously improving supply chain management efficiency and risk control capabilities.

In 2025, we continued to optimize the processes and requirements for supplier development and withdrawal. In the supplier development phase, we refined the management requirements for supplier admission and strengthened the admission management for overseas suppliers, adding traceability verification for upstream producers to ensure the quality of raw material supply. Additionally, in terms of digital management, we upgraded the functionality of the Supplier Management System (SRM). By implementing tag-based management of suppliers, we achieved precise matching between procurement needs and supplier capabilities. We also connected the SRM system with the Quality Assurance (QA) system. By automatically capturing key indicators such as the pass rate of goods upon arrival and business scale, we enabled the online evaluation of supplier performance, thereby enhancing work efficiency.



Supplier Quality Management

Yili attaches great importance to supplier quality management. As for raw milk supply quality, based on Good Agricultural Practices (GAP) and years of experience in managing milk source bases, Yili has established supplier classification and evaluation standards from five dimensions, including quality stability and dairy farm maturity. Review teams are organized by milk source regions to conduct quarterly or semi-annual standard audits for all raw milk suppliers according to the dairy farm scale. Raw milk quality is linked to procurement pricing incentives to ensure the quality and safety of raw milk. Furthermore, we have formulated documents such as the *Quality Control Plan for Raw Milk Suppliers* and the *Compilation of Quality Standards for Raw Materials and Excipients in Raw Milk Business* to promote dairy farms to establish arrival inspection and sample retention mechanisms for incoming raw and auxiliary materials, strengthening the quality testing and control of dairy farm inputs.

Regarding raw and auxiliary material supply quality, we have continued to promote the implementation of the Quality Win-Win Model (QWM) approach. Through on-site diagnosis, coaching, and benchmarking activities, we help suppliers independently systematize, visualize, and standardize their quality management systems. In 2025, during the admission phase, we required suppliers to sign the *Quality and Food Safety Management Commitment Letter* and to display the Group's quality red lines in prominent locations at production sites, ensuring that suppliers and their employees understand and comply with Yili's quality standards. Additionally, Yili communicates identified food safety risks to suppliers weekly through a risk disposal platform and urges them to develop response strategies, thereby enhancing supply chain quality management levels.

Supplier Food Safety Audit

Yili has established an internal quality expert alliance to conduct on-site supplier evaluations according to the *Yili Group Internal Expert Selection Criteria*. During the qualification process, we carry out stringent on-site audits for all suppliers of raw materials, food additives, and packaging materials that come into direct contact with our products. Utilizing the Supplier Management System (SRM), we ensure thorough audit records and traceability management for all suppliers. We established policies such as the *Management Specification for the Filing and Verification of Raw Material Upstream Information* to guide suppliers in strengthening food safety risk management. Through methods like quarterly exchange seminars, quality analysis meetings, and the implementation of QWM negotiations, we promote the improvement and tracking of identified issues to enhance suppliers' food safety management capabilities. In 2025, we identified 195 issues through the QWM system, achieving a corrective action completion rate of 96.5%, with the remaining 3.5% still in progress. We also completed audits of 19 overseas suppliers, all of which passed.

 In 2025

A total of **100%** of raw and auxiliary material suppliers reduced VOC emissions by installing RTO facilities

A total of **100%** of raw and auxiliary material suppliers passed quality management system certification

A total of **100%** of raw and auxiliary material suppliers passed the food safety management system certification

A total of **100%** of partner suppliers signed the *Sunshine Agreement*

 In 2025

A total of **36** veterinary drug manufacturers

100% passed the GMP Good Manufacturing Practice certification

 In 2025

The food safety audit coverage rate of domestic raw and auxiliary material suppliers reached **100%**

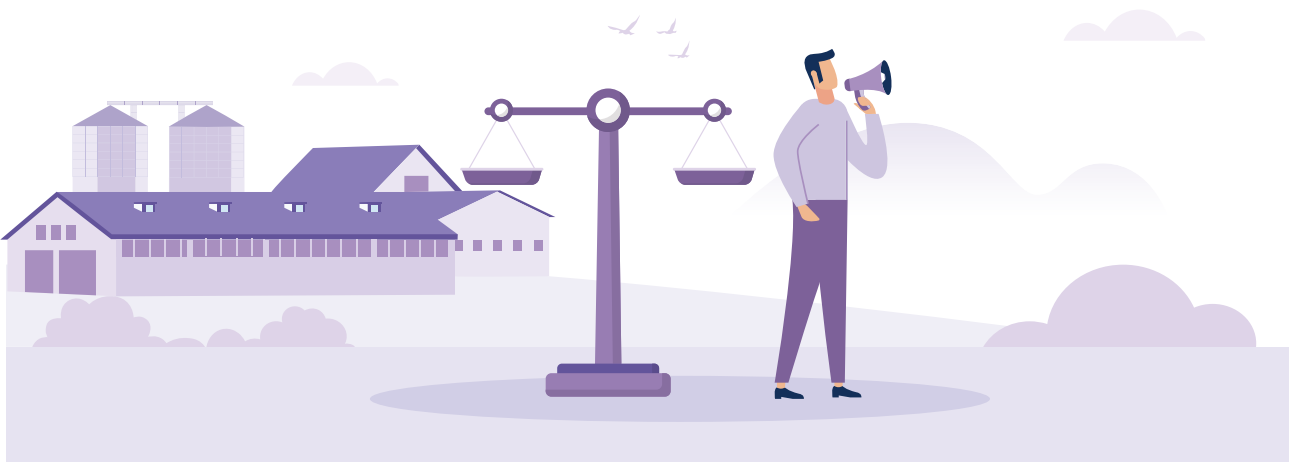
Supplier Risk Management

Yili has established a comprehensive supplier risk management system to assess suppliers' food safety risks, production safety risks, and operational risks, thereby enhancing their risk management capabilities. Yili formed a market analysis team to conduct market analysis, dynamically evaluate supply chain risks such as raw material prices and supply-demand relationships, and formulate scientific and rational procurement strategies to build an efficient and agile supply chain.

To mitigate supply risks, we identify back-up suppliers during the raw material procurement stage and promote measures such as cross-category supplier admission, diversification of single-source suppliers, and local procurement. These actions effectively ensure the security and stability of the supply chain by listing multiple suppliers. Specifically, we analyze the geographical distribution of the imported materials and the scale of procurement to diversify sources and develop a localization substitution plan, thereby reducing the impact of unexpected events on material supply. To prevent and control food safety risks arising from illegal additives or non-compliant operations by suppliers, we strictly enforce admission controls and strengthen the audit management of leading industry suppliers. We also collaborate with external experts to establish testing and monitoring methods and standards, thereby enhancing food safety risk control.

Supplier Integrity Management

Yili actively safeguards the legitimate rights and interests of its partners. The Company earnestly implements transparent procurement, requiring all suppliers to sign the anti-commercial bribery *Sunshine Agreement* and communicating the *Sunshine Action Management Requirements* to suppliers. These documents specified the Company's requirements regarding interest relationships, bribery, capital transactions, bid collusion, and other fraudulent activities. It also conducts compliance reviews to identify and address potential risks. In 2025, we revised the *Sunshine Action Management Requirements*, increasing penalties for violations. Suppliers found to be involved in fraud, bid-rigging, collusion, commercial bribery, or similar acts will have their cooperation terminated immediately. In April 2025, we launched anti-fraud dissemination events in six major regions, including North China and South China, covering 913 suppliers with over 1,800 participants. Throughout the year, 73 suppliers were blacklisted and removed.



Advocating Responsible Procurement

Yili advocates joint efforts with upstream and downstream partners to reduce supply chain risks, formulating the *Supplier Responsible Procurement Standard*, outlining specific requirements for suppliers concerning the environment, health and safety, labor management, and business ethics. All suppliers are required to sign commitments such as the *Letter of Commitment to Responsible Supply*, the *Low Water Footprint Initiative*, to advance efforts in areas such as energy conservation, consumption reduction, water conservation, emissions reduction, and "dual carbon" goal management, and clarify the carbon reduction targets of suppliers through performance communication. In 2025, Yili improved the *Social Responsibility Audit Management System of Yili Group*, integrating supplier responsible procurement into the full life cycle management of suppliers.

As a member of Supplier Ethical Data Exchange (Sedex), Yili strictly follows Sedex requirements and guidance. During the supplier admission stage, we require suppliers to conduct self-assessments according to the social responsibility audit details and verify these items during on-site audits. Simultaneously, we ask suppliers to join the Sedex platform and undergo SMETA (Sedex Members Ethical Trade Audit) audits, covering four areas: labor rights, health and safety, environmental management, and business ethics. Based on SMETA audit results, Yili has formulated the *Three-year SMETA Audit Plan for Direct Material Suppliers*, implementing tiered management for non-conformities identified in audits and urging suppliers to conduct re-audits jointly with third-party institutions to ensure effective corrections. Furthermore, we incorporate carbon footprint and social responsibility management indicators into the supplier performance evaluation system, offering performance incentives to suppliers who join the Sedex platform, conduct SAQ self-assessments, and undergo SMETA audits. Due to the outstanding contributions in promoting sustainable supply chains, Yili, as the only dairy company recognized, was awarded the Sedex Supply Chain Awards 2025–Driving Changes Award.

For core raw milk suppliers, Yili has implemented the *Service Review Plan for Major Suppliers* along with detailed rules to enhance their quality, safety, environmental protection, and animal welfare efforts. The regular review of these suppliers encompasses several areas: production safety (including fire risks and hazardous operations), environmental protection management (including legal compliance, water pollution prevention, hazardous waste management, and manure disposal), livestock management (including feed quality, raw milk quality, animal comfort, precision feeding, epidemic prevention, and veterinary drug use), organic dairy farm compliance, and other related aspects. For issues identified during reviews, Yili requires raw milk suppliers to develop specific improvement plans and continuously track their implementation. Suppliers who achieve excellent review results are rewarded to help them boost their sustainable development management capabilities.

By the end of 2025

A total of
131 Sedex audits
were conducted

38% of suppliers
participated in Sedex audits

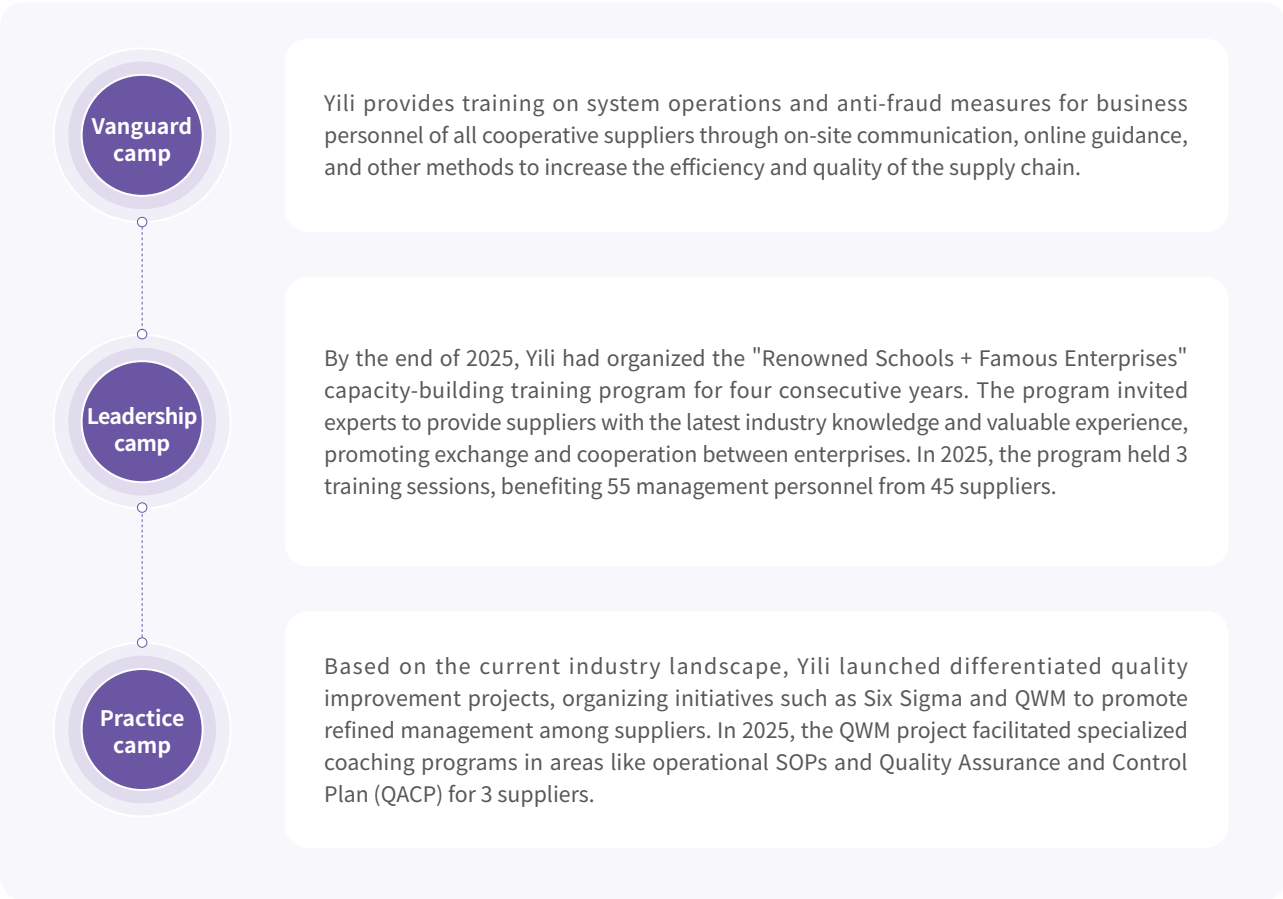
A total of
315 issues were closed
based on Sedex audit results

In 2025

The audits conducted by Yili for
core raw milk suppliers covered
65.71%
of the dairy farms

Supplier Empowerment

Yili has created a comprehensive supplier training and empowerment management system, which includes a Vanguard Camp, Leadership Camp and Practice Camp, formulating differentiated improvement strategies and training programs tailored to the needs of different supplier groups. At the same time, Yili comprehensively empowers suppliers through the Yiqiying learning platform, introducing external, high-quality course resources, providing training certification services, and inviting industry experts and scholars to give lectures. In 2025, Yili leveraged the Yiqiying learning platform to conduct specialized capacity-building training in three core areas, namely, social responsibility, carbon management, and water resources management. The training sessions covered SMETA audits, carbon data collection and verification, and water footprint accounting standards. Additionally, Yili initiated quality improvement projects. These efforts effectively enhanced the capabilities of suppliers in implementing sustainable development practices.



In 2025

9 empowerment-focused training sessions on supplier quality capability enhancement were conducted

with **100%** engagement from all suppliers

9 food safety and quality training sessions were conducted

with **100%** engagement from suppliers related to food safety

Sustainable Procurement

Yili is dedicated to offering consumers sustainable products. In 2024, Yili released the *No Deforestation Procurement Commitment*, promising to strive for a no deforestation supply of palm oil, paper and pulp, soybeans, and soybean meal by 2030. Moreover, we actively promote supply chain traceability management and sustainable procurement of raw materials. In addition to the three key raw materials with deforestation risks, we have also strengthened the certification requirements for cocoa products. And thus, we have successfully facilitated 5 partner cocoa product suppliers to pass the Rainforest Alliance certification. Furthermore, in our *Renewable Agriculture and Base Management Plan*, Yili regularly monitors information related to water sources, soil conditions, and the use of fertilizers and pesticides in upstream fruit and vegetable production bases to minimize the ecological impact of fertilizer.

Sustainable Palm Oil Procurement

Yili utilizes palm oil as a production ingredient in some of its products. As a member of the Roundtable on Sustainable Palm Oil (RSPO), Yili is dedicated to sourcing sustainable palm oil. The Company has formulated the *Yili Sustainable Palm Oil Sourcing Policy* and promotes sustainable production among palm oil suppliers, reducing the risks of deforestation and ecological damage associated with palm oil production. The *Yili Sustainable Palm Oil Sourcing Policy* specifies requirements for the Group, all its subsidiaries, and suppliers. By conducting supplier screening, review, capacity building, and collaboration, it continuously expands palm oil traceability and increases the procurement of RSPO-certified palm oil, helping the Group achieve its "zero deforestation" commitment. Yili has signed *Sustainable Palm Oil Procurement Strategic Agreements* with three major international suppliers—Yihai Kerry, Bunge, and Cargill—to advance the procurement of RSPO-certified Identity Preservation (IP) grade palm oil. Furthermore, to enhance palm oil traceability, Yili has established a palm oil procurement traceability system, defined traceability methodologies, and formulated an implementation plan for the palm oil traceability project. In 2025, Yili collaborated with the Earthworm Foundation to conduct a palm oil traceability project with its palm oil suppliers. Jointly, they identified the traceability of the palm oil supply chain and developed actions to improve palm oil traceability, continuously increasing transparency in palm oil procurement activities. In 2025, the proportions of palm oil purchased by Yili that were traceable to refineries, palm oil mills, and plantations were 100%, 99%, and 84%, respectively. Furthermore, 50% of the data traceable to plantations was verified according to stricter standards*.

In 2025, all of Yili's palm oil suppliers achieved 100% RSPO certification. The procured palm oil remained 100% traceable to the country of origin, and 400 tons of palm oil certified under the highest RSPO Identity Preservation (IP) certification were procured. Based on financial sustainability and actual impact on forests, starting from 2026, Yili plans to procure palm oil certified under the RSPO Segregated (SG) grade. By 2030, the Company aims to procure 650 tons of RSPO SG-certified palm oil cumulatively. Benefiting from its outstanding performance in sustainable palm oil practices, in July 2025, Yili, as the only company in the industry invited, participated in the 9th RSPO China Forum and Sustainable Agricultural Supply Chain Development Conference and received the RSPO award certificate "Gratitude for Partnership, Sustainability for the Future".

Note: *Stricter standards require the following conditions to be met: 1) Providing the names of the plantations, estates, or smallholders from which the procurement originated; 2) Providing their geographical locations; 3) Polygon maps must be provided for plantations larger than 4 hectares, and GPS coordinates must be provided for plantations of 4 hectares or less.

In 2025

100% of Yili's palm oil suppliers achieved RSPO certification

100% palm oil purchased was traceable to country of origin

400 tons of palm oil certified under the highest RSPO Identity Preservation (IP) were procured

 Sustainable Soybean Procurement

The soybeans purchased by Yili are mainly used for the Plant Selected series of milk products, and are all sourced from Northeast China with 100% certified as non-GMO Identity Preservation (IP) and organic. During the procurement process, we require all soybean suppliers to sign a commitment to avoid deforestation and strictly comply with relevant regulations, such as the *Forest Law of the People's Republic of China*, to eliminate deforestation. To enhance soybean traceability management, Yili monitors suppliers' management of the production process, including irrigation water, pesticide use, and deforestation risks, to reduce environmental pollution and ecological damage, as well as to trace back and supervise human rights issues, and safeguard the rights and interests of indigenous peoples and communities.

Additionally, soybean meal, a by-product of soybeans, is widely used in dairy cow farming in Yili's supply chain. Yili actively communicates with upstream dairy farms, requiring suppliers to prioritize the purchase of soybean meal that does not pose a deforestation risk and explore feasible measures for tracing the origin of soybean meal. We also actively promote alternative feeds to soybean meal to suppliers, further reducing the deforestation risk in the supply chain. In 2025, Yili conducted a research project on soybean meal reduction and substitution, formulating an application plan for replacing soybean meal with straw protein feed. The research results indicated that when the daily soybean meal intake per dairy cow exceeds 3 kg/day, a substitution of 5% of the soybean meal with straw protein feed does not affect the cow's production performance. Furthermore, Youran Dairy, a core raw milk supplier, utilized "zero deforestation" soybean meal in all its Chilechuan Ecological Smart Dairy Farms.

 Sustainable Paper Procurement

Yili prioritizes collaboration with Forest Stewardship Council (FSC)/ Programme for the Endorsement of Forest Certification (PEFC) certified suppliers, actively promotes the procurement of sustainably certified timber products, and enhances the recycling of paper packaging. During the supplier admission stage, all suppliers are required to obtain FSC certification. Driven by Yili, by the end of 2025, a total of 8 packaging material suppliers had completed FSC certification, with 2 of them successfully transitioning to certified primary paper. In 2025, while continuing to use 100% recycled paper for secondary packaging cartons, Yili's 69% proportion of primary paper for inner packaging achieved FSC certification. Among these, 100% packaging paper for low-temperature yogurt products obtained FSC/PEFC certification regarding the primary paper.

 Sustainable Raw Milk Procurement

As the most core raw material for Yili, we are committed to promoting sustainable raw milk procurement, supporting core raw milk suppliers in establishing organic dairy farms, and increasing the proportion of organic certification of products. We also endeavor to improve milk source traceability management and standardize partner dairy farm management, in a bid to provide consumers with high-quality and reliable dairy products. In 2025, Yili officially released the [Yili Sustainable Raw Milk Procurement Policy](#), specifying requirements for the raw milk procurement department and upstream dairy farms. Yili has set and achieved the traceability goal that all dairy products can be 100% traced back to their milk sources. Through services such as on-site dairy farm empowerment, remote supervision, and GPS monitoring, we conduct comprehensive, full-process supervision over dairy farm operations, including dairy cow feeding, disease treatment, milking and storage, and logistics transportation, ensuring that the source of every cup of milk is 100% traceable. Simultaneously, we conduct all-around monitoring and tracing of the performance of raw milk suppliers in areas such as dairy cow nutrition formula adjustments, animal welfare, environmental impact, and carbon emission management. We carry out carbon emission data inventory at the dairy farm end and collaborate with dairy farms on methane emission reduction projects to support the sustainable development of dairy farms.

In 2025, Yili upgraded the digital management tool for raw milk traceability, the Yida system. It enables the batch initiation of quality loss traceability tasks, improving traceability efficiency. Additionally, upon completion, an automated follow-up process is triggered to initiate improvement measures, where responsible persons then provide feedback on improvement results, forming a closed-loop management cycle.

 In 2025

A total of
100% of Yili's raw milk was
traceable to its source farms

A total of
45 partner dairy farms achieved Good
Agricultural Practices (GAP) certification

A total of
19 dairy farms and their raw milk
products achieved organic certification

A total of
9.8% of the purchased raw milk
possessed organic certification

Raw Milk Traceability Mechanism

Each dairy cow at Yili is assigned an independent ID card, with detailed information meticulously recorded to ensure traceability throughout the dairy cow's entire life cycle.

Each Yili milk truck is equipped with a satellite positioning system to enable 24/7 tracking of the transport vehicle, transport route, and transport time.

Upon entering the factory's electronic fence, the raw milk transport vehicle automatically triggers electronic delivery order data to the factory system, ensuring that raw milk information is fully transparent and traceable.



16 nationwide online video monitoring centers cover key production sites of all cooperating dairy farms. Through measures such as online rate rankings and fault repair follow-ups, the online rate of video surveillance is ensured, guaranteeing that the raw milk production process is controllable and traceable.

Electronic lead sealing management is employed during the transportation of fresh milk. This ensures that any opening of the milk tank can be traced back to the specific time, location, and personnel involved, thereby safeguarding the milk's safety during transit.

Each fresh milk transport vehicle must undergo a stringent transportation process inspection upon arrival at the factory. Only vehicles with complete traceability information are permitted to enter the Yili factory for delivery.

Safeguarding Animal Welfare

Yili collaborates with partner dairy farms to jointly practice the animal welfare principle of "One Health, One Welfare". It continuously explores new methods and pathways for animal welfare and scientific farming to enhance the well-being of dairy cows.

Yili actively participates in the research, development, and standard-setting of animal welfare-related technologies. It participated in drafting the association standard *Dairy Farm Animal Welfare Requirements— Dairy Cows*, providing a reference for scientific breeding practices. In terms of dairy cow health management, Yili has successively published over 20 professional books, including *Practical Manual of Dairy Ranch Management and Technical Guidelines for Welfare Breeding of Dairy Cows*, and has promoted the use of a series of technical tools such as dairy cow disease investigation guidelines and dairy farm healthcare standard operating procedures. Through training and guidance for dairy farm personnel, Yili promotes the implementation of dairy cow health management technical standards. In 2025, Yili published 53 technical articles on dairy cow health management. It also invited domestic and international experts to deliver 40 live training sessions on dairy cow health management, attracting 83,000 participants. This helped dairy farm practitioners enhance their professional skills and continuously improve dairy cow health management on dairy farms.

Taking the Chilechuan Ecological Smart Dairy Farm under Youran Dairy as an example. To ensure that the dairy cows are well-fed, we have specially established a dairy cow ration team consisting of 27 PhDs and over 160 professional technicians. This team customizes feed recipes based on the nutritional needs of dairy cows at different growth stages and uses a Total Mixed Ration (TMR) precision feeding system to accurately formulate rations. Furthermore, dairy farm technicians fit each cow with a smart collar embedded with the Beidou Navigation Satellite System and bio-sensing chips. These collars monitor information such as the dairy cow's weight, body temperature, daily milk yield, daily feed intake, daily steps, daily lying time, daily rumination count, and daily water consumption. They also allow real-time monitoring of over 400 indicators, including temperature and humidity in the cowshed, cow health data, and feed inventory. By adopting smart farming, key indicators such as the total bacterial count and the somatic cell count in the raw milk used by Yili have surpassed EU standards.

Yili's Commitment to Animal Welfare Assurance



Physiological welfare

We select high-quality forage materials to produce total mixed ration (TMR) feed, thoroughly mixing roughage, concentrate, minerals, vitamins, etc., to provide the cattle with high-quality, healthy, and nutritionally balanced feed for free grazing.



Environmental welfare

Regularly turn over, maintain, and replenish bedding material in the dairy cow barn beds and exercise areas. Ensure dairy cows have sufficient space for feeding and resting to guarantee their comfort. By installing additional fans, temporary windbreaks, and ventilation equipment, improve measures for heatstroke prevention and cooling, cold protection, and ventilation to reduce the impact of stress on dairy cow health.



Sanitary welfare

Introduce health monitoring technology to collect cow health data in real time, promptly identify potential health issues, and carry out special dairy farm disease prevention work. Provide timely and precise treatment for sick dairy cows.



Behavioral welfare

We ensure the freedom of dairy cows to express their natural instincts, reduce stress reactions in dairy cows through stressfree herding and standardized milking operations.



Psychological welfare

We provide sufficient space and facilities and natural living conditions with fellow companions, to alleviate the fear and anxiety of dairy cows.

Antibiotic Management

Yili actively promotes resistance reduction and bacterial resistance control through participating in the compilation of professional books, such as the *Technical Guide for Resistance Reduction in Dairy Cow Farming*, and driving partner dairy farms to carry out pilot projects for "resistance reduction" actions. By establishing standard treatment prescriptions for common dairy cow diseases, Yili guides dairy farm veterinarians in the scientific use of medications, and during the treatment of dairy cow inflammation, Yili precisely selects antibiotic drugs based on pathogen types and drug sensitivity test results, which helps shorten treatment cycles. We have strengthened awareness of antibiotic reduction, rigorously controlled risks associated with veterinary drug residues, enhanced comprehensive management of antibiotic use, and effectively mitigated risks posed by such residues.

We have formulated the *Guidance Manual for Quality Control of Dairy Farm Inputs*, conducted training on veterinary drug control for personnel in key positions, and organized warning education on veterinary medication use as well as specialized training on veterinary medication management for dairy farms. Meanwhile, Yili encourages all dairy farm owners, veterinarians, and breeding and inspection personnel to sign the *Commitment Letter for Veterinary Drug Control*, which clarifies the legal responsibilities associated with improper medication use. In 2025, we formulated the *Guidelines for Veterinary Drug Residue Control in Raw Milk*, helping dairy farms establish veterinary drug control processes. We also assisted raw milk suppliers in scientifically evaluating veterinary drug products from dimensions such as compliance and quality assurance capabilities of veterinary drug production, guiding dairy farms in selecting safer veterinary drug products.

Industry Chain Prosperity

As an industry leader, Yili adheres to the development philosophy of "Depth over speed, industry prosperity over individual success, and social value over commercial wealth". While seeking its own high-quality development, Yili also drives its industrial chain partners toward mutual growth and shared benefits in the upstream and downstream across the entire industrial chain.

Symbiotic Prosperity of the Industrial Chain

To foster healthy industry development, Yili explores an integrated industry-finance model characterized by core enterprises bearing substantive risks and responsibilities. It aligns financial support schemes with the varying development stages of its industrial chain partners, effectively resolving the financing challenges faced by small and medium-sized enterprises (SMEs) within the supply chain. In 2025, Yili further optimized its financing support system, innovatively launching a dual-dimension assessment model of "Commerce + Finance". This model identifies and assesses partners' funding needs from multiple perspectives, thereby achieving precise matching of financial resources. Simultaneously, by introducing digital means such as automated approval tools, we promoted the standardized and intelligent transformation of business processes, effectively improving operational efficiency and service response speed.

Agricultural finance: Facilitating the sound operation of cooperative dairy farm

Against the backdrop of an unimproved situation in the animal husbandry sector and widespread financial pressure faced by cooperative dairy farms, Yili provided diversified financial relief support to its cooperative dairy farms. For dairy farms with operational willingness and repayment capacity, Yili alleviated their financial pressure through financial support measures such as extending repayment cycles and adjusting repayment plans. During the autumn silage period, Yili specially provided RMB 350 million in silage financing to 19 cooperative dairy farms to ensure a stable supply of silage. In 2025, Yili provided a total of RMB 720 million in financing support to 90 cooperative dairy farms.

In 2025

We supported
6,366 customers

We financed RMB
24.925 billion
in the industrial chain finance

Supply chain finance: Promoting stable production and supply of suppliers

Yili continuously upgraded its supply chain financial services for suppliers. Centered around the entire operational chain from raw material procurement, production and processing, warehousing and logistics, to sales collection, Yili customized flexible and efficient financing solutions for suppliers to help them operate stably and grow collaboratively. In 2025, Yili provided a total of RMB 16.487 billion in financing support to 973 upstream partners (excluding cooperative dairy farms).

Inclusive finance: Helping dealers to generate revenue continuously

Yili implemented differentiated financing strategies based on the operational characteristics of different types of distributors. In 2025, in response to the financing pain points of "short-term, frequent, and urgent" for small and micro distributors, Yili launched the "Distributor Quick Loan", featuring simplified procedures, automated approval, and online processing, providing simple and convenient financing services for small and micro distributors. In 2025, Yili provided a total of RMB 7.718 billion in financing support to 5,303 downstream partners.

Benefiting Farmers and Herdsmen

Yili focuses on issues such as weak technical skills, financing difficulties, and low risk resilience among farmers and herdsmen, continuing to advance the Benefits Linkage 2.0 initiative. Through the implementation of Seven Benefits Linkage—technical services, financial support, risk sharing, high-quality forage, superior dairy cow, empowerment enhancement, and digital intelligence—Yili effectively consolidates poverty alleviation achievements and drives income growth for farmers and herdsmen.

Seven Benefits Linkage



Technical services

Yili has recruited experts with professional authority and practical experience from both domestic and international backgrounds to create the Yili Dairy Science Research Institute. This institute is dedicated to specialized technology research, technical services, and the promotion of applications in dairy cow farming. With a focus on three core service principles— cost reduction and efficiency enhancement, precision feeding, and streamlined operations— it offers comprehensive technical services to dairy farms. In 2025, Yili implemented a Livestock Engineer Responsibility System, utilizing the Yiqiniu platform to accurately identify and resolve operational issues on dairy farms, and collaborating with the Yili Dairy Science Research Institute for efficient service and empowerment. In 2025, Yili increased the average milk yield per dairy cow to 37.20 kilograms, a year-on-year rise of 2.05 kilograms, while farming costs decreased by RMB 0.31 per kilogram of milk compared to the previous year.



Financial support

Yili has innovated the financial model within the industrial chain and introduced various financial products like the Instant Insurance, Order Loan, and Silage Planting Loan. By taking into account the needs of farmers and herdsmen in terms of financing size, repayment methods, and loan tenors, these products alleviate the capital challenges they face in their development. Building on its support for cooperative dairy farms in silage procurement, Yili further extended its efforts to the silage planting stage, providing precise financial support for growers.



Risk sharing

Yili has signed long-term contracts with farmers. On one hand, it addresses raw milk surplus for partner farmers by increasing milk collection and expanding milk powder production. On the other hand, it assists upstream farmers in the supply chain in alleviating operational pressure through service cost reduction and financial relief.



High-quality forage

Adhering to the principle of "driving planting with breeding and promoting breeding with planting", Yili has conducted research on forage grass, and striven to overcome key challenges in cultivating high-quality forage grass, while promoting the application of products such as high-quality silage and localized roughage. In 2025, by providing financing to growers, Yili supported the planting of approximately 190,000 mu of organic silage, driving the production of approximately 490,000 tons of organic silage.



Superior dairy cow

Yili has initiated the comprehensive Breeding Cattle Quality Upgrading Project to enhance dairy farm productivity and production. This initiative includes germplasm research, technology transformation and application, professional training, on-site services, and policy guidance. In 2025, Yili cumulatively completed 1,029 service visits across its milk source regions.



Empowerment enhancement

By establishing the Yili Dairy Science Research Institute, we have built an integrated industry-academia-research empowerment platform. In 2025, Yili upgraded the Yi Class platform, planned 40 courses up to international standards, and also established 13 Yi Class • Elite Dairy Farm Academy Centers nationwide, conducting over 100 training sessions throughout the year. The Company continued to empower dairy farm operations, nutrition, breeding, healthcare, milk quality, and roughage planting through the "theory + practice" model.



Digital intelligence

Since 2014, Yili has pioneered the innovative model of "Digital Intelligence Empowering Industrial Upgrade" in the industry. In 2022, it independently developed the "Yiqiniu • Smart Dairy Farm Ecosystem", providing it free of charge to cooperative dairy farms. This system integrates smart dairy farm equipment and big data technologies, achieving end-to-end digital and intelligent management—from forage planting, feed management, dairy cow feeding, herd improvement, welfare and healthcare, to milk milking, storage, transportation, and collection. It guides dairy farms in quickly identifying and resolving issues, propelling the industrial chain into a new stage of smart farming.

Digitalization Empowers Dairy Industry

Digitalization is the trend and an important driving force for the development of the global industrial chain. Firmly believing that only evolution can adapt to change, Yili continuously optimizes the full-chain digital layout across the upstream, midstream, and downstream of the industrial chain, thus providing digital support and empowerment for the industrial chain upgrading.

Innovation System Covering the Entire Industry Chain

Yili promotes innovation throughout the entire industrial chain. Guided by consumer demand, Yili deepens management innovation and creates a more efficient, sustainable, and intelligent dairy industrial chain. By doing so, Yili aims to share the value of innovation with industrial chain partners.

Upstream of the industry chain

From technical training and financial assistance to dairy farm management, Yili offers comprehensive services for farmers and herdsmen. Partnering with industrial chain stakeholders, Yili is committed to building a world-class milk source base. On the technical front, Yili, on one hand, has leveraged nutritional regulation technologies to develop raw milk enriched with natural nutrients such as DHA. On the other hand, through statistical modeling and AI algorithms, Yili has constructed a quantitative matching model between infant formula and breast milk components, thereby achieving precision enhancement and comprehensive optimization of the product's nutritional suitability.

Midstream of the industry chain

Through research and development, production, and processing to distribution, Yili achieves end-to-end data-driven operations through digital systems—from consumer demand insights and industry innovation trend analysis, to digital R&D, intelligent production, and precise omni-channel delivery and circulation. On the product development front, Yili has overcome the technology for encapsulating viable bacteria at ambient temperatures, successfully achieving the long-term survival of probiotics in ambient-temperature dairy products. Simultaneously, through precise control of integrated production processes, it has made a breakthrough in efficiently preserving key active nutritional components such as lactoferrin and osteopontin in infant formula powder. It has also developed ink-washable technology, enhancing the recyclability and quality of recycled product packaging materials from design, promoting the green development of the industrial chain.

Downstream of the industry chain

Yili applies internet thinking to create more innovative business models and marketing techniques, continuously providing consumers with convenient purchasing and excellent interactive experiences. Yili has built a "Three-Dimensional Research and Insight System". At the group level, Yili focuses on master brand building and marketing innovation, and conducts shared research on consumer trends, potential customer segments, new scenarios, new channels, and new businesses, empowering multiple business lines' development. Each business unit focuses on specific businesses and sub-brand building, conducting research on product innovation, marketing innovation, and consumer experience, supporting the growth and innovation of related categories.

Digital Empowerment

Yili embraces the latest development in social digitalization and intelligence technologies, accelerating the digital and intelligent upgrade of the dairy industry. It has established a digital technology center, built an advanced digital technology platform, a high-quality digital resource system, and a professional digital talent team, forming a new driving force for business growth. Currently, Yili focuses its efforts in areas such as innovation, supply chain, marketing, core functions, digital technology, data intelligence, and digital leadership, having already achieved significant improvements in the operational quality and efficiency across all industrial chain stages, including R&D, production, distribution, and service.



Agile Innovation

The Yili Innovative Digital Operation Platform serves as the digital and intelligent transformation engine driving the Group's product innovation efforts. It fully utilizes big data and AI technologies to facilitate innovative business processes, such as product planning, collaborative creation, R&D design, and lean market launch. It gradually advances and achieves online management of innovation business, visibility of full-process progress, and real-time accumulation and reuse of data, thereby holistically improving consumer insights, shortening product innovation cycles, increasing product launch success rates, and continuously enhancing consumer quality experiences through "product + service" forms.



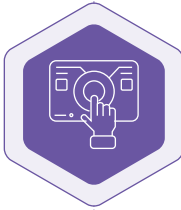
Smart dairy farm

Yili has covered the "diet, clothing, shelter, and transport" of dairy cows through digital smart management. Fully intelligent milking robots and feeding robots perform their respective duties to ensure that dairy cows receive balanced nutrition. By utilizing the Internet of Things technology, Yili automatically adjusts the temperature, humidity, and lighting of the cowshed, greatly improving the operation efficiency of the dairy farm. Yili has also developed the Yili Smart Dairy Farm Big Data Analysis Application Platform 3.0, which provides partner dairy farms with expert consultation services and visualized dynamic management tools. The platform also guides dairy farms in implementing digital management practices, while advancing lean and green operations.



Intelligent manufacturing

Yili has built smart factories to achieve full automation, process transparency, and production efficiency. The Global Intelligent Manufacturing Industrial Park located in Yili Modern Intelligent Health Valley can be regarded as a typical sample of Yili's digital and Intelligent development. The smart factories in this park have all introduced automated production lines, intelligent logistics systems, and industrial internet technology. Through intelligent sensors and machine learning algorithms, they optimize the production parameters at each stage of the production line; through robotic arms and intelligent robots, they achieve precise execution of each production step, ultimately realizing automated and intelligent management of the production process.



Intelligent operations

Yili focuses on digital and intelligent transformation across three areas, that is: self-operated e-commerce, consumer operations, and channel operations to drive effective business growth. Online, leveraging digitalized e-commerce operations, Yili expands its sales scenarios through live streaming innovations, cultivation of in-house livestreamers, and cooperation with e-commerce influencers on social media platforms. Offline, through "one item, one code", it achieves product digital management, and promotes refined store operations, ensuring consumers' access to high-quality products and services through all channels.



Artificial intelligence

Yili has accelerated the layout and application of AI technologies. On one hand, it continuously deepens the practical application of decision-making AI in product innovation, consumer insights, omni-channel, and supply chain areas, helping businesses reduce costs and improve efficiency. On the other hand, it speeds up the deployment of generative AI cutting-edge technological capabilities, building the YILI-AI platform, initially achieving efficient work in scenarios such as marketing influencer connection and sales script generation.



Data intelligence

Centered on the digital transformation of the entire industrial chain, with high-quality data assets as core production factors, Yili has built an inclusive, intelligent, and high-value data service system, forming a complete closed-loop of "collection, storage, building, management, and use". By 2025, the scale of our core data assets had exceeded 1.8 Petabytes (PB), covering the entire industrial chain, from forage planting and dairy farm management to R&D and production, warehousing and logistics, and retail operations, achieving an 85% data asset connectivity rate. Relying on high-quality data assets, Yili has achieved deep data empowerment and continuous value release across multiple scenarios, such as cost reduction and efficiency improvement across the supply chain, product R&D and innovation, and enhanced consumer experience.



Yili was selected as the **2025 Digital Transformation "Pioneer"** in China's Light Industry by the China Light Industry Association.

Yili was selected as a **National Enterprise Digital and Green Transformation** typical case by the All-China Federation of Industry and Commerce and the Cyberspace Administration of China.

Employee Well-Being

Yili continuously embeds its employer brand, centred on the core value of "Vibrant and Upward, Powering the World", into the corporate DNA. By focusing on outstanding value creators, Yili is dedicated to becoming a top employer that not only thrives continuously but also builds trust and ensures mutual success with its employees. We prioritize the rights and interests of our workforce, safeguard their health, support their growth, and cultivate a diverse, inclusive, open, and trustworthy working environment.

Maintaining Employee Rights

Yili strictly adheres to national and local laws and regulations, including the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. The Company revises and enforces a series of policies, such as the *Management Regulation on Labor Contract* and the *Management Regulation on Rest, Vacation and Attendance*, to ensure both the compliance in employment management and the effective protection of employees' legitimate rights and interests. During the recruitment process, Yili adheres to the principle of equal employment, strictly complies with collective contracts, strengthens democratic management, and establishes smooth communication mechanisms to foster an open, respectful, and equal work environment for employees.

Case

Yili Deepens Employer Brand Building, Recognized by Professional Institutions

In 2025, Yili continued to be guided by the dual brands of the Vitality Initiative and the Spring Drizzle Initiative, promoting the simultaneous enhancement of organizational vitality and warmth. The Company deepened communications with employees to strengthen their perception, continuously attracting and retaining talent. Through sustained employer brand-building efforts, Yili gained recognition from authoritative institutions both domestically and internationally. It was honored with awards, including Top Employers China 2025 by Top Employers Institute, 2025 China Most Popular Employer Among Employees Forbes China, and the 2025 Diversity, Equity & Inclusion Award by Employer Branding Institute.



Top Employers China 2025
Top Employers Institute



2025 China Most Popular Employer
Among Employees Forbes China



2025 Diversity, Equity & Inclusion Award
Employer Branding Institute



2025 Well-Being
Workplace Awards
Employer Branding Institute



TOP20 China Best Employers 2025
Zhaopin.com and the Social Survey
Research Center of Peking University



2025 Top Graduate
Employer Brands
51job.com



Employer Branding Creativity Awards 2025: Employee
Benefits Innovation Award, Best Employer Brand
Video Award, Best Innovative Recruitment Award,
Best Social Responsibility Award

Indicator	Unit	2025
Total number of employees	/	62,666
Proportion of female senior management (deputy general manager and above)	%	15.71%
Total number of ethnic minority employees	/	5,607
Proportion of local management personnel in overseas enterprises to overall overseas management personnel	%	85.61%
Employees social insurance coverage rate	%	100%
Labor contract signing rate	%	100%
Collective contracts signing rate	%	100%
Employee union membership enrollment rate	%	100%

Adhering to Equal Employment

Yili upholds the principles of equality and non-discrimination in employment, strictly implements regulations such as the *Recruitment and Employment Management Measures of Yili Group* and the *Management Regulation on Labor Contract*, and resolutely eliminates discrimination based on gender, age, nationality, religion, or disability. We safeguard employee rights in compensation, benefits, leave, promotion, anti-discrimination, and equal opportunity through practical actions. We ensure equal pay for equal work between male and female employees through a fair process of salary determination, adjustment, and various benefits. We respect employees' reasonable work preferences, strictly prohibit forced labor, and rigorously verify identity documents during the recruitment process to eliminate child labor. We also pay wages and social insurance premiums in accordance with relevant regulations, effectively safeguarding employees' legitimate rights and interests.

Yili adheres to the principles of openness, fairness, and impartiality in employment. In recruitment and selection, supported by the tracking of such indicators as Diversity, Equity, and Inclusion (DEI), Yili conducts interviewer empowerment and certification, and further enhancing the fairness of talent selection through digital means. Meanwhile, Yili continuously promotes university-industry collaboration. In 2025, Yili established stable cooperation with top-tier universities in the food sector, such as Jiangnan University, carrying out talent cultivation, internship programs, and other collaborative projects around core businesses to retain high-quality talent. Furthermore, we actively responded to national calls by creating flexible employment positions, ensuring that flexible workers enjoy equal treatment as regular employees in terms of benefits, participation in company activities, and learning resources to attract more talent.

Optimize Compensation and Incentives

Yili provides market-competitive compensation packages, continuously stimulating talent vitality. We persistently optimize the *Compensation Management System*, *Employee Performance Management System*, and the *Welfare Management System*, strengthening the value creation orientation. We solidify a comprehensive compensation management system primarily based on position-based pay combined with competency-based pay, continuously attracting, developing, and empowering outstanding value creators, achieving shared growth for the enterprise and the employees.

In talent motivation, Yili has established a performance management system that focuses on five key dimensions: growth, excellence, innovation, enhanced collaboration, and long-term capacity building. The Company adheres to the creation of exceptional value, ensuring greater rewards for more work. Yili has also constructed a clear performance appeal process to ensure fair and transparent evaluations, thereby stimulating employees' intrinsic motivation. Yili has established short-term, medium-term, and long-term incentive models covering equity incentives, organizational performance incentives, the President's Special Award, etc., along with non-monetary incentives such as expert workshops and honor recognition. For product and technological innovation, a three-stage incentive system is set up to stimulate talent vitality and creativity.

Perfect Welfare and Vacation

In terms of welfare, Yili has continuously enhanced its employee welfare system to meet the diverse and varied needs of its workforce. We offer over 40 employee benefits, including festival benefits, birthday bonus, and spousal childbirth support. In 2025, Yili continuously upgraded the welfare platform, cumulatively expanding 19 high-quality welfare resources, including internal purchases discount, external group purchases, and the E-Enterprise Health services, thereby providing employees with more convenient welfare experiences. Activities such as the "8 · 18 Welfare Day Fair" and "Health Month" were also carried out to enhance employees' sense of belonging.

In terms of vacation, Yili ensures that employees are entitled to statutory holidays and paid annual leave. Yili offers a range of leave types, including sick leave, home leave, marriage leave, bereavement leave, prenatal care leave, maternity leave, paid nursing leave, breastfeeding leave, and parental leave. To help employees achieve a balance between work and life, Yili has implemented measures such as optimized rotation management, flexible time management, and staggered attendance, tailored to the unique demands of production and operations.

In 2025

Over

40 benefits were offered, including festival benefits, birthday bonus, and spousal childbirth support

19

welfare resources were developed, including internal purchase discount, external group purchase, and E-enterprise health services

Protecting Rights and Interests of Female Employees

Yili strictly adheres to the *Law of the People's Republic of China on the Protection of Rights and the Interests of Women and the Provisions on the Scope of Prohibited Labor for Female Employees*, prohibits female employees from performing labor activities restricted by the country, provides leave for pregnancy check-ups, maternity leave, and legally mandated breastfeeding breaks of two hours per day, and reduces their workload accordingly. We have set up well-equipped loving mommy cabins for pregnant and breastfeeding female employees, providing a comfortable environment for them to rest during pregnancy, breastfeed after childbirth, and communicate about childcare.

By the end of 2025

86

loving mommy cabins were built

Strengthening Democratic Management

Yili actively advances democratic management by holding the Congress of Workers and Staff annually, through which the Company listens to, deliberates on, and votes on major issues concerning employees' rights and interests. In 2025, Yili convened the fifth session of the 13th Congress of Workers and Staff. During the meeting, Yili signed the *Collective Contract*, the *Special Collective Contract on the Protection of Rights and Interests of Female Employees*, and the *Special Collective Contract for Wages*. At the same time, Yili listened to and deliberated on the work reports of directors and supervisors, as well as the report on the performance of the above-mentioned three collective contracts, to effectively safeguard employees' rights and interests and strengthen democratic management.



The 13th Congress of Workers and Staff

Broadening Communication Channels

Yili always adheres to the principle of doing practical things for employees. The company continues to upgrade its digital, multi-dimensional, and diversified employee communication system centered on the zero-distance communication approach to deliver an efficient communication experience featuring "one-click query, dedicated response, progress visibility, and closed-loop evaluation". Furthermore, Yili continuously optimizes the AI customer service system, and advances the digital upgrade of its communication platforms, providing employees with 24/7, efficient, and convenient HR self-service support. These endeavors shorten the problem-solving cycle and enhance the overall communication experience.

Strengthening Employee Care

Yili focuses on employees' lives and is committed to creating a healthy, comfortable, and enjoyable working and living environment for employees. It also continuously carries out diversified employee care initiatives to enrich employee lives and enhance their sense of happiness and belonging.

Important festival activities

- During festivals such as the Spring Festival and the Mid-Autumn Festival, large group purchase carnivals were held, distributing group purchase coupons to employees, with total discount amounts exceeding RMB 800,000.
- The Chairman's Spring Festival Blessings event was held, distributing over RMB 1 million in red envelopes and prizes worth RMB 100,000. Additionally, nearly RMB 4.7 million in holiday red envelopes were given to over 20,000 employees working during the Spring Festival.
- The "Yijiaqin, Happy Purchase" 2025 Happy Family Day event was held, with over 7,000 employees and their families enjoying warm parent-child time through visits, tours, and fun competitions.

Care for female employees

- During "Women's Day", the "Yijiaqin, Goddess Day" event was held, presenting bouquets and other holiday gifts to over 20,000 female employees of the Company.
- Infant formula milk powder and birth support were provided for female employees on maternity leave and male employees whose spouses were on maternity leave.

Care for dispatched employees

- Yili establishes a special care implementation management mechanism for overseas dispatched employees, setting up overseas assignment allowances, living subsidies, children's education subsidies, and commercial insurance for dispatched employees and their family members. In 2025, the Group carried out condolence activities for over 4,000 dispatched employees.

Assist employees in difficulty

- In 2025, the Group distributed RMB 399,900 as Spring Festival funds to 302 employees in difficulty.

Care in special Occasions

- In 2025, the Group sent graduation congratulations and cards to the children of 430 employees nationwide with RMB 430,000.
- In 2025, the Group disbursed RMB 404,000 in Golden Autumn Student Grants to 63 children of employees facing difficulties nationwide.



Family Day Activity



Free Medical Consultation Activity



Chinese New Year Group Purchase Activity



Dragon Boat Festival Activity

Achieving Employee Development

Yili Global Talent Development Center has established the Leadership Development Center, Professional Development Center and Digital Learning Center to create a sustainable career development platform for employees. This initiative focuses on the three core values of knowledge, talents, and the industrial chain, aiming to foster outstanding value creation.

Career Development

Yili has established a scientific and systematic job system, forming development pathways across five sequences, offering dual promotion engines for both management and professional roles, and providing talents with horizontal diversified experiences and vertical growth opportunities.



Management position promotions

Yili has further improved the appointment mechanism for management personnel, conductd multi-dimensional assessment, accurately identified leadership talent, and persistently promote the in-depth implementation of the competitive employment mechanism, providing more development opportunities and platforms for talent. In recent years, Yili has accelerated digital transformation in human resources. By upgrading foundational platforms for digital talent management and development, such as Digital Talents and Yiqixue, Yili utilizes digital technologies to optimize talent review, assessment, development, and appointment mechanisms, thereby promoting the high-quality growth of employees on a global stage.



Professional position promotions

Yili conducts annual professional evaluations based on organizational and job requirements, and advance the construction of a digital platform for qualification assessment. Also, Yili carries out comprehensive evaluations around dimensions such as knowledge and skills, practical achievements, and value contribution, providing promotion and development opportunities for professional talent.

Yili highly values the construction and cultivation of management and expert talents. According to talent cultivation requirements, Yili has launched specialized programs such as the Cadre Digital Leadership Certification and Empowerment Project, Category Innovation Pioneer Camp, Strategic Elite, Taihang Class, and Mentor Coaching, providing platforms for various talents to develop and achieve themselves. Additionally, we accelerate the cultivation of "Digital and Intelligent Transformation Talent" based on business needs. In 2025, Yili newly established roles and positions for data operations, digital marketing, live content marketing, and quality experience, and built the "Yili Group E-commerce School" to facilitate the incubation of e-commerce talent.



Employee Training

Yili attaches importance to the continuous growth and development of employees, and is dedicated to cultivating and empowering outstanding value creators. Supported by digital platforms, Yili has established the Yiqixue learning platform for all employees and the Yiqiying learning platform for the growth of industrial chain partners, stimulating the learning enthusiasm of all Company personnel and partners. In 2025, Yili upgraded the Yiqixue learning platform, comprehensively introducing an "AI + Learning" product portfolio and creating functions such as AI Learning Assistant, AI Learning & Practice, and AI Learning Companion, which enable instant business Q&A, on-demand recommendation of practice question banks, online tutoring, and other functions to help learners study efficiently.

Yili creates high-level talent cultivation platforms such as the Dairy Industry High-Skilled Talent Training Base and Skill Master Workshops. The Company conducts various professional skills training, having cultivated over 20 chief technicians and senior technicians in quality control, intelligent manufacturing, and livestock farming, setting a benchmark for skilled dairy talent in the industry.

 In 2025

A total of

11.03 million

employees received training

A total of

97.90% of employees

were covered in training



Yili received the **Organization Award-Talent Development Benchmark Enterprise** and two **Achievement Award-Brand Learning Program** awards from *Training magazine*.

Occupational Health and Safety

Yili prioritizes food safety and production safety in all aspects of its operations. We have established an EHS Committee and set clear goals of "zero accidents and zero injuries", dynamically enhancing the production safety management system and fostering a healthier and safer working environment for our employees and other stakeholders entering our workplace.

 By the end of 2025

A total of

51 Yili factories had achieved *ISO 45001* certification for Occupational Health and Safety Management System

A total of

6 Yili factories had obtained Level 1 Certification of the *Work Safety Standardization for Dairy Enterprises*

A total of

1 Yili factory had been recognized as national-level safety culture demonstration enterprises

A total of

13 Yili factories had been recognized as provincial safety culture demonstration enterprises

A total of

10 Yili factories had been awarded the title of provincial (municipal) occupational health demonstration enterprises

2023-2025 Safety Performance Data

Indicator	2023	2024	2025
Number of fatalities	0	0	0
Number of serious injuries	0	0	0
Number of occupational disease	0	0	0
Lost time incident rate per million workhours (%)	0.14	0.08	0.09
Recordable incident rate per million workhours (%)	0.62	0.52	0.59

Risk Classification and Control

Yili continuously deepens the construction of its risk classification and control mechanism. Through strict inspections and reviews, and in accordance with the national dual prevention mechanism of hierarchical control of risks and hidden danger investigation and governance, the Company classifies core factory risks into four levels: major, significant, general, and low, formulating systematic and reasonably feasible control measures. At the group level, we focus on ten categories of safety risks, including fire, ammonia-related, and special operations, to carry out risk identification and dynamic assessment. Based on the latest laws, regulations, and technical standards, we update the core risk control standards. In 2025, we completed the periodic reassessment of hazard sources across the entire system and conducted specialized road transportation risk identification for new business lines, enhancing business risk control.

Perfecting Hidden Danger Investigation

Based on the risk classification and control list, Yili establishes and improves the hidden danger investigation mechanism. Through the integrated management strategy of "intelligent identification, professional diagnosis, and systematic governance", Yili comprehensively enhances its accident prevention capabilities.

Intelligent identification	Professional diagnosis	Systematic governance
Independently developed and promoted the "Smart AI Instant Report" tool, enabling a hidden danger management model featuring all-staff participation, instant capture, and intelligent analysis, strengthening dynamic risk sensing and closed-loop response capabilities.	Invited experts in fire protection and electrical fields to conduct systematic diagnostics and specialized empowerment for 5 factories. Collaborated with the China Academy of Safety Science and Technology to complete specialized assessments for ammonia refrigeration and dust explosion prevention in 5 production units, achieving 100% closed-loop rectification for identified critical risks.	Relied on the EHSQ information system to achieve dynamic management of the risk list; conducted multi-dimensional inspections by combining daily, specialized, and pre-holiday checks; implemented "one case, one strategy" specialized governance for major hidden dangers, driving a comprehensive transformation in work safety from passive response to active prevention and systematic governance.

Safety Management

Yili places great importance on the occupational health and safety of its employees. In compliance with laws and regulations such as the *Law of the People's Republic of China on Work Safety* and the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, Yili has established a comprehensive safety management system that encompasses all employees. It has also formulated the *Safety Management Manual* and continuously optimized the EHSQ information system. This system strengthens the digitalization level of occupational health and safety risk management, realizes all-around monitoring of safety management processes, and ensures the continuous and effective implementation of safety management work.



Management and control of occupational hazards

- Yili regularly monitors occupational hazard factors in the workplace. The Company conducts annual occupational health examinations for employees exposed to noise, dust, and high temperatures, establishes and maintains employee occupational health records, and strives to eliminate occupational hazards.
- To control occupational hazards, Yili focuses on source improvements and equipment optimization. It adopts effective control measures, including sound insulation and noise reduction, targeted temperature regulation at working sites, and ergonomic working environment enhancements, with a focus on implementing hardware upgrades for workplaces exposed to occupational hazards such as noise, high temperatures, and dust.



Operation safety

- Yili has formulated specifications such as the *Technical Specifications for Safety Management of Related Parties* and the *Technical Specification for Boiler Safety Management*, clarifying safety management standards throughout the entire lifecycle, including introduction, installation, operation, maintenance, and decommissioning, to ensure the safety of operational personnel.
- In 2025, Yili revised the *Technical Specifications for Fire Safety Management* and the *Technical Specification for Special Operations Safety Management*, which clarified the criteria for determining major fire hazards and optimized safe operating procedures.



Management of third parties

- Yili has established the *Technical Specifications for Safety Management of Related Parties*, providing clear safety standards and guidance for the management of third parties, and clarifying the access and exit mechanisms for them, so as to ensure the safety of their operations.
- Yili conducts regular inspections of core related parties to verify the implementation of various safety measures, carry out safety training, and optimize the rights and responsibilities in safety agreements, effectively ensuring the work safety level of related parties.



Improvement of accident investigation

- By signing *Work Safety Responsibility Agreements* annually, we decompose responsibilities by level and include them in the annual performance evaluation of management staff to ensure work safety.
- Yili upgraded the incident management system. According to the *Regulations on EHS Incident Management*, using the EHSQ information system as the carrier, Yili has achieved online reporting of incident information, data flow, and business approval. The Company has also established a case sharing process to enable self-inspections and avoid similar accidents.

Strengthen Emergency Response

In 2025, Yili formulated the *Emergency Response Management Measures for Unexpected Incidents*, further standardizing emergency responsibilities and handling procedures. By conducting specialized emergency drills, such as fire drills in confined spaces and regularly testing the effectiveness of important emergency facilities like fire protection systems, the Company comprehensively tested and improved its emergency response mechanism. Furthermore, Yili compiled the *Guidelines for Emergency Response to Natural Disasters*. Considering the natural climate characteristics of each operating location, the Company focused on five types of disasters: earthquakes, floods, rainstorms, typhoons, and blizzards, building an efficient disaster warning platform to timely obtain and release warning information, strengthen prevention and emergency measures, and achieve rapid response.



Fire Emergency Drill



Confined Space Emergency Rescue Drill

Occupational Health and Safety Training

Yili improves the safety awareness and skills of all personnel by establishing safety skill matrices for different positions, formulating annual safety training plans, and conducting diverse safety education and training. Meanwhile, Yili has established an empowerment training mechanism centered on the Lecture Hall on Excellent Safety initiative, which includes a range of professional lectures on safety management expertise and specialized training sessions delivered by internal professional trainers and external experts to improve the management's safety awareness. Additionally, in terms of capability building, we have collaborated with professional institutions to fully equip 32 factories nationwide with Automated External Defibrillator (AED) devices and conducted diverse first aid skills training, helping 989 employees successfully obtain Red Cross First Aid Certificates, effectively improving frontline emergency response capabilities. In 2025, Yili conducted over 48,000 safety training sessions with over 1.09 million participants, covering all employees and personnel from key related parties.

In 2025

Yili organized over
48,000
safety training sessions

engaging
1.09 million participants



CPR Hands-On Training



Safety Training

Maintain Physical and Mental Health

Yili always prioritizes the physical and mental health of its employees, enhancing their health management awareness through a series of comprehensive health management services. In collaboration with external organizations, Yili has established an employee health management platform, integrating physical examination resources from thousands of public and private institutions across the country, and introducing professional medical examination institutions to provide convenient online cross-regional physical examination appointment services to employees. In addition, relying on the "E-Enterprise Health" Enterprise Health Service Management Platform and annual physical examinations, Yili provides employees with full-process health services covering physical examination reservation, report interpretation, post-examination intervention, health consultation and so on.

In terms of mental health, Yili has bolstered mental health care and prevention measures for its employees by introducing third-party Employee Assistance Programs(EAP). These programs offer mental health lectures and counseling to help employees maintain a positive attitude. The Company has also set up Soul Harbor stress relief room, implemented EAP programs, and established the Yixin Care Hotline to further help employees build a positive mindset.



Mental Health Counseling Activities

Public Charity

Yili leverages its resource advantages to actively engage in public welfare initiatives and give back to society through concrete actions. Yili continuously promotes representative public welfare projects such as Yili Ark, Yili Nutrition 2030, and One Universe, One Childhood, and also collaborates with the Yixin Xiangyang Volunteer Service Federation to conduct a variety of public welfare activities, providing long-term support for children's safety and nutritional health.

Case Yili Launched "Sustainable Social Value Ecosystem", Co-building a Sustainable and Better Future

In May 2025, Yili, together with Tencent and Lenovo, jointly launched the "Sustainable Social Value Ecosystem". This ecosystem is dedicated to connecting enterprises, foundations, academia, and media to share successful experiences in social value creation. By the end of 2025, members of the ecosystem had expanded to 46. The Sustainable Social Value Ecosystem extends synergistic effects from the dairy industry to broader fields. It utilized "digital public welfare" to help with the post-flood reconstruction in Rongjiang County, collaborated with related parties to advance the Elderly Nutrition Improvement Project to help veterans "see clearly, hear well, and eat well", co-hosted the interactive public welfare exhibition "Let Goodness Speak Out", and jointly initiated the public welfare campaign "Goodness with Lenovo, Encounters with AI", using technology to help children pursue their dreams.



Safeguarding the Growth of Teenagers

Yili Ark

The Yili Ark Child Safety Public Welfare Project was jointly launched by Yili and the China Western Talent Development Foundation in 2012. It advocates that the best protection is to teach children to protect themselves. Based on the actual needs of local schools, the project takes the construction of safe ecological campuses as its key work, and is committed to improving the situation of child safety education in central and western regions of China. In the past 13 years, the Yili Ark Child Safety Public Welfare Project has cumulatively brought child safety education to 650 schools across the country, escorting the safe growth of nearly 390,000 children.

In 2025, Yili Ark initiated the "Hello, Myself" youth mental health and safety education event. Through edutainment activities, Yili delivered a joyful learning experience to children, supporting their safety and healthy growth.



The Yili Ark Mental Health Education Activity



Yili Nutrition 2030

In 2017, Yili, in partnership with the Chinese Red Cross Foundation, launched the Yili Nutrition 2020 targeted poverty alleviation project, which was upgraded to the Yili Nutrition 2030 public welfare initiative in 2021. Yili Nutrition 2030 focuses on three major actions: donating nutritional supplies, promoting health knowledge, and supporting children's dreams through nutrition. By the end of 2025, the Yili Nutrition 2030 program had reached 28 provinces (autonomous regions, municipalities directly under the Central Government) across China, with a total sponsorship of over RMB 110 million, benefiting nearly 900,000 children.

In 2025, the Yili Nutrition 2030 project entered Liangshan, Sichuan, delivering milk powder to children at Shuwo Primary School in Meigu County and establishing a school basketball team. The program also donated the construction of a new court, basketballs, uniforms, and training equipment to provide children with nutritional support, basketball coaching, and growth monitoring. In collaboration with the "Little Rice Bowl Public Welfare Plan", Yili donated milk, school uniforms, backpacks, stationery, and other supplies to students at Xingfu Primary School in Yuexi County. Through "Delicious Classroom" sessions, Yili guided students in hands-on preparation of nutritious meals, aiding in their healthy growth.



Established the "Zhen Gao Boai Basketball School Team" at Shuwuo Primary School in Meigu County



Children personally prepared nutritious meals during "Delicious Classroom" activities

One Universe, One Childhood

To provide astronomical science popularization education support to children in remote areas and cultivate reserve talents for the nation, Yili launched the One Universe, One Childhood Astronomy Public Welfare Project in October 2022. By the end of 2025, with support from professional institutions including the National Astronomical Observatories, the initiative had reached 7 provinces, municipalities and autonomous regions such as Qinghai, Gansu, Guizhou, Inner Mongolia, and Sichuan, enabling over 19,200 teenagers to explore the "starry sky".

In 2025, Yili, together with the China Population Welfare Foundation, once again launched the One Universe, One Childhood—Stargazing Together public welfare initiative. The Company donated astronomical science education kits to 15 primary schools in Hohhot, Inner Mongolia, offered fun astronomy lessons, and led 20 teachers and students from Sichuan and Inner Mongolia to visit the Beijing Aeronautics Museum and the Beijing Ancient Observatory to broaden their horizons. Furthermore, the project delivered 12,000 sets of "Astronomy Exploration Kit with Online Courses" to over 30 schools in Hohhot and Xichang, safeguarding children's astronomical dreams.



Children Experienced Telescopes On-site



Students Visited and Learned at the Beijing Ancient Observatory

Participation in Social Welfare

Yili remains dedicated to spreading kindness through concrete actions, enthusiastically participating in social public welfare activities, providing disaster relief, engaging in community building, and organizing diverse employee volunteer activities. In doing so, the Company contributes goodness to society. In March 2025, Yili launched a RMB 1.6 billion baby incentive. Starting from April, it provided eligible families nationwide with a subsidy of no less than RMB 1,600, along with full-cycle services from pregnancy until the child is 3 years old.

Yili organizes the Yixin Xiangyang Volunteer Service Federation, encouraging youth to participate in social services and be active on the front lines of volunteer work, such as promoting the Lei Feng Spirit, voluntary blood donation, caring for "the elderly and the young", and emergency rescue and disaster relief, and contributing to harmonious social development. In 2025, the Yixin Xiangyang volunteer service project was awarded the Gold Prize in the 10th Inner Mongolia Autonomous Region Youth Volunteer Service Project Competition for its rich practical outcomes and remarkable contributions to the public good.

Volunteer service performance in 2025

Yixin Xiangyang Volunteer Service Federation

Organized
362 public welfare events

Provided
1,195 hours of service



Yixin Xiangyang volunteers

A total of
2,147 volunteers participated

Provided
57,915 hours of service

A total of
64,729 people were impacted

Caring for the Elderly

In 2024, Yili, in conjunction with the China Aging Development Foundation, launched the Elderly Nutrition Improvement Project to provide nutritional support for the elderly. In 2025, the Elderly Nutrition Improvement Project provided nutritional support for veterans, senior scientists, and retired teachers aged 60 and above. This project regularly carried out nutrition and health science popularization activities in communities, nursing homes, military retirement centers, homes for disabled veterans, universities for the elderly, and senior dining halls, aiding in improving the nutritional diets of the elderly. Yili partnered with Tencent, the Eye Care Foundation, and others to carry out the "Warming Veterans' Hearts" public welfare project, donating hearing aids, dairy products, and daily necessities to veterans in Shandong and Gansu.



A Nutrition and Health Education Spring Festival Garden Party



Donation of Nutritional Products to Veterans in Shandong

Natural Disaster Relief

Leveraging years of experience in disaster relief, Yili has responded quickly multiple times to aid disaster areas. The Company explores natural disaster relief models, consolidating effective patterns for disaster assistance, and contributing to enhancing society's overall emergency response capabilities. Furthermore, in November 2025, Yili donated 10 million Hong Kong dollars for emergency aid in response to the Tai Po fire in Hong Kong, China. The donation was specifically used for medical assistance, emergency resettlement, and transitional living support for affected citizens.



In January, Yixin Xiangyang volunteers rushed to aid earthquake-affected Tingri County, Tibet, donating RMB 2 million and nutritional supplies.



In July, Yili, together with the Chinese Red Cross Foundation and the Tencent Foundation, used digital tools to accurately distribute dairy products and other supplies to residents affected by severe floods in Rongjiang County, Guizhou Province.

Supporting Rural Revitalization

Yili actively responds to the national strategy of rural revitalization by supporting local industries and carrying out public welfare activities, thus injecting new momentum into rural revitalization.

Case Ambpomial "Farmer Livelihood" Rural Support Program

Since 2022, Ambpomial has launched the "Farmer Livelihood" rural support program, a long-term public welfare project derived from the regional fruit yogurt series. In 2025, Ambpomial introduced the Guizhou prickly pear and snow pear flavored yogurt, allowing more consumers to taste Guizhou's distinctive regional fruits. In September, it held a new product launch event in Zunyi. Through immersive cultural and tourism experiences combining regional cuisine with intangible cultural heritage skills like Miao batik and bamboo weaving, the event aimed to drive local industrial development.



Case Jinlingguan 50° Extraordinary Guardianship Public Welfare Action

To improve maternal and infant health in rural areas, in 2025, Jinlingguan, in partnership with the China Population Welfare Foundation, continued to advance the 50° Extraordinary Guardianship Public Welfare Action project. It successively visited 10 counties across 9 provinces, including Jinggangshan in Jiangxi, Zhenning in Guizhou, and Nujiang in Yunnan, donating nutritional supplies with a total value of RMB 4.7 million to 3,297 maternal and infant families. Additionally, Jinlingguan conducted maternal and infant health training programs for rural doctors, attracting over 600 participants, safeguarding maternal and infant health.



Donation Ceremony in Jinggangshan

04

Responsible Operations

Key performance

- A total of **52,700** employees signed the *Letter of Commitment on Anti-fraud Work*
- **9,695** anti-fraud and business ethics training sessions were conducted for all employees, suppliers, and other external partners, where **100%** of employees and partners were covered
- More than **244** investor exchange activities were carried out, and participated in over **10** ESG-related communication meetings
- **30** law popularization training sessions for employees and **2** external law popularization trainings for suppliers and distributors were provided, with **888** individuals participating



Contribution to SDGs

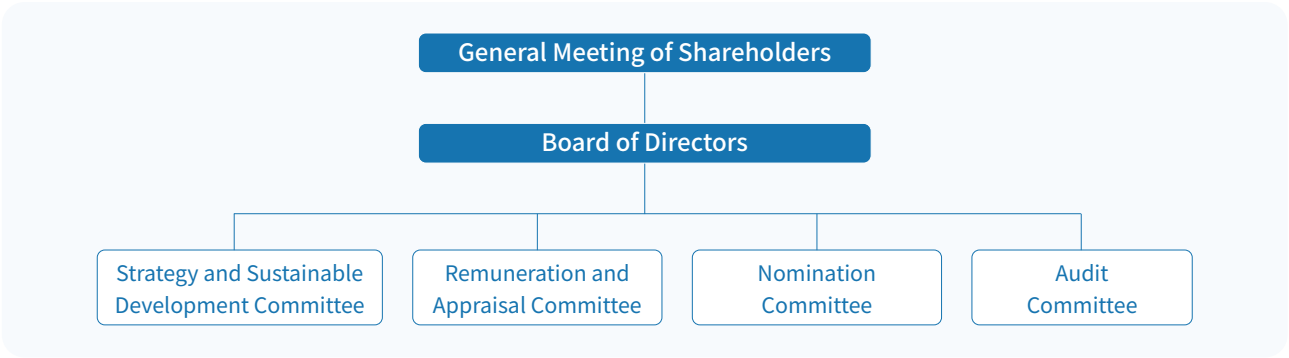


Corporate Governance

Rational corporate governance is the foundation for an enterprise to maintain sound operations. Yili has established a comprehensive corporate governance structure, clarified the governance responsibilities at all levels, established a smooth information communication mechanism, and continuously strengthened the comprehensive risk management system. These efforts promote compliant operations and facilitate the sustainable and healthy development of the Company in an all-round way.

Governance Structure

Yili has set up a top-down governance structure with clear rights and responsibilities covering the General Meeting of Shareholders, the Board of Supervisors, the Board of Directors, and the management to continuously promote the orderly implementation of corporate governance. Meanwhile, in strict accordance with the requirements of the *Company Law*, the *Securities Law*, the *Code of Corporate Governance for Listed Companies*, and relevant national laws and regulations, Yili has optimized its corporate governance structure and continuously improved its corporate governance level based on its actual development. During the Reporting Period, to further refine the Company's corporate governance structure and promote standardized operations, in accordance with the *Company Law*, the *Guidelines on the Bylaws of Listed Companies* and other relevant laws and regulations, Yili has abolished the Board of Supervisors, whose functions shall then be exercised by the Audit Committee of the Board of Directors. The aforementioned matters were reviewed and approved at Yili's first extraordinary General Meeting of Shareholders held on November 28, 2025.



General Meeting of Shareholders

The responsibilities of the General Meeting of Shareholders are clear, and well-established procedural rules are in place to ensure their effective implementation. The Company has recruited lawyers with securities practice qualifications to attend the General Meeting of Shareholders, acting as on-site witnesses. The convening, holding, and proposal procedures of the General Meeting of Shareholders comply with the relevant provisions of the *Company Law*, the *Articles of Association*, and the *Rules of Procedure for the General Meeting of Shareholders*, ensuring that all shareholders, especially minority shareholders, enjoy equal status and that all shareholders can fully exercise their rights.



Board of Directors

The Board of Directors of the Company consists of 11 directors. The selection, recruitment, and composition of directors comply with relevant laws and regulations and the *Articles of Association*. The responsibilities of the Board of Directors are clear, and all directors can earnestly and responsibly perform their duties. The convening and holding procedures of the meetings of the Board of Directors comply with the relevant provisions of the *Company Law*, the *Articles of Association*, and the *Rules of Procedure*.

The board has four specialized committees, including the Strategy and Sustainable Development Committee, Remuneration and Appraisal Committee, Nomination Committee, and Audit Committee. Each specialized committee performs its respective duties, providing more accurate and professional decision-making advice to the Board, enhancing the decision-making efficiency and effectiveness of the Board.

Independence and Diversity of the Board

The Company has formulated the *Independent Director Regulation* and selected 4 qualified experts and authoritative persons as independent directors in strict accordance with the qualifications and selection procedures stipulated in the *Independent Director Regulation*, accounting for more than one-third of the board members. The independent directors of the Company fully participate in the work of the 4 committees under the Board of Directors. Except for the Strategy and Sustainable Development Committee, all other committees are chaired by independent directors. All members of the Remuneration and Appraisal Committee and the Audit Committee are independent directors, and the chairman of the Audit Committee has a rich professional background in accounting.

Additionally, the Company attaches great importance to the diversification of the Board of Directors. In combination with the Company's development model and business needs, it comprehensively considers the composition of board members from various aspects such as gender, educational background, age, and major, so as to ensure the diversity of the Board. The current Board members possess professional capabilities in various fields including business management, corporate governance, marketing, finance, and information management. In order to ensure that the directors' capabilities can maintain professionalism and foresight in a complex and changing market environment, the Company in 2025 organized independent directors to participate in the online special course "Key Points and Suggestions for Independent Directors of Listed Companies to Combat Fraud and Perform Their Duties" hosted by the Shanghai Stock Exchange. All these measures are to ensure the effective performance of the Board's functions.

Compensation Linked to ESG

Yili places its strategic goals for sustainable development and business operations on an equal footing. Sustainable development has been incorporated into the appraisal scope of the Group's senior managers (heads of departments responsible for sustainable development issues) and linked with their performance-related pay. In 2025, Yili issued the *Measures for the Appraisal of Sustainable Development Strategy Implementation and ESG Risk Management of Yili Group* (hereinafter referred to as the "Measures"), which links sustainable development efforts and the performance of senior managers, including but not limited to reducing product carbon footprint, saving water resources, purchasing no deforestation raw materials, applying sustainable packaging materials, and ensuring product quality and safety. The *Measures* also specifies the assessment time, methodologies and weights for the performance appraisal of managers (including senior managers and employees at or above the manager level) each year. In addition, Yili adjusts the assessment items every year based on the Company's actual needs, so as to drive the long-term value growth of the Company.

In 2025
4 independent directors

Independent directors on the board accounted for over
1/3

5 female directors

Female directors on the board accounted for
45.45%

7 person-times of the Board members participated in anti-fraud training sessions,
with a coverage rate of
63.64%

Information Disclosure

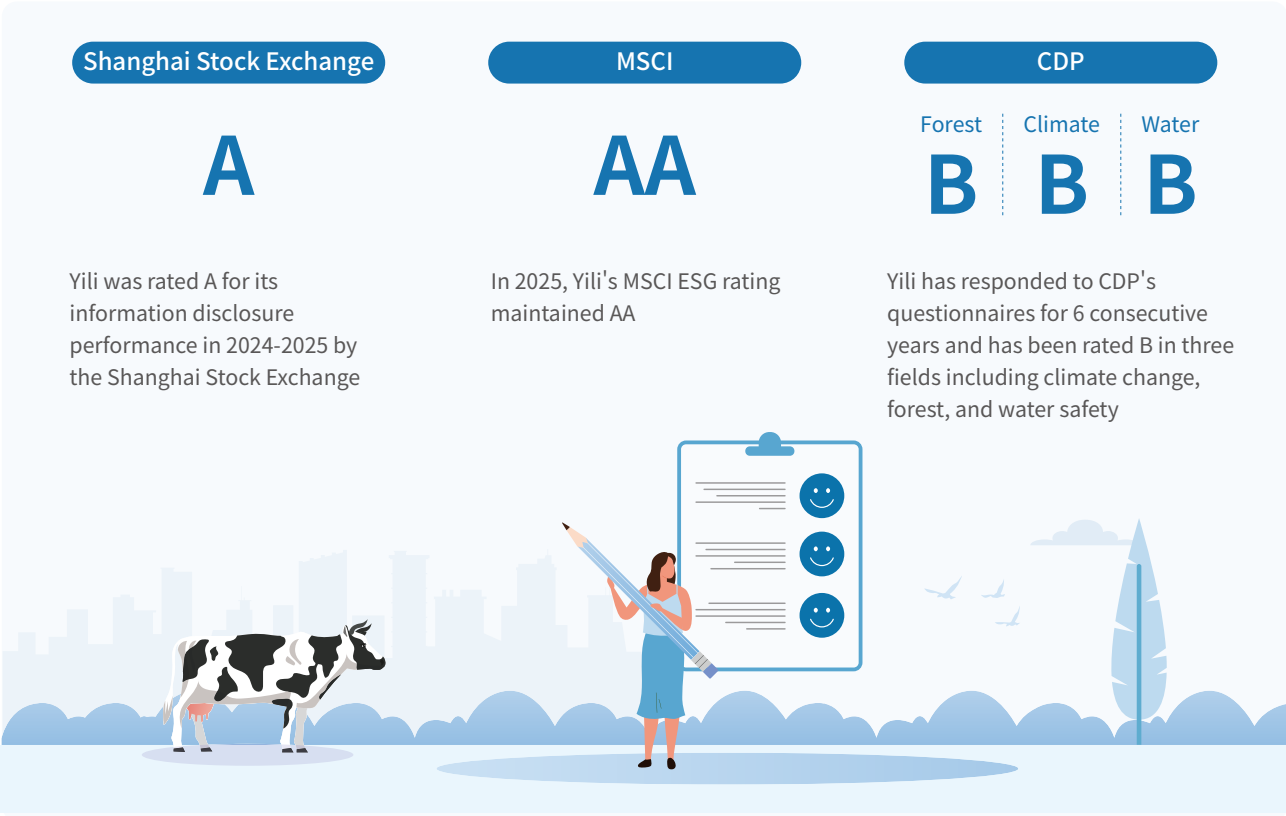
In strict accordance with the requirements of relevant laws and regulations, such as the *Company Law*, the *Securities Law*, the *Administrative Measures for Information Disclosure of Listed Companies* and the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, Yili has formulated and strictly implemented the *Management Regulation on Corporate Information Disclosure* and the *Management Regulation on Information Disclosure of Debt Financing Instruments in the Inter-bank Bond Market* to ensure true, accurate, complete, timely, and fair information disclosure. It has designated *China Securities Journal*, *Shanghai Securities News*, and the website of the Shanghai Stock Exchange as the media for corporate information disclosure to ensure that all shareholders have equal access to information.

In 2025, Yili disclosed 4 regular reports, 1 sustainability report, 127 temporary announcements, and relevant online materials. While meeting mandatory information disclosure requirements, Yili actively builds diversified investor communication platforms to address investors' concerns, continuously improving the effectiveness and transparency of its information disclosure.

In 2025, Yili carried out 244 investor exchange activities throughout the year, including on-site investor surveys, teleconferences for investors, strategy meetings of securities companies, and domestic and foreign roadshows, among others. Meanwhile, in response to investors' attention and demands, Yili organized over 10 ESG-related communication meetings, conducted in-depth dialogues with investors on sustainable development and ESG risk management, and systematically introduced Yili's strategic layout and management outcomes in the ESG field.



In 2025, Yili was selected as the Best Cases in Sustainable Development of Listed Companies by China Association for Public Companies

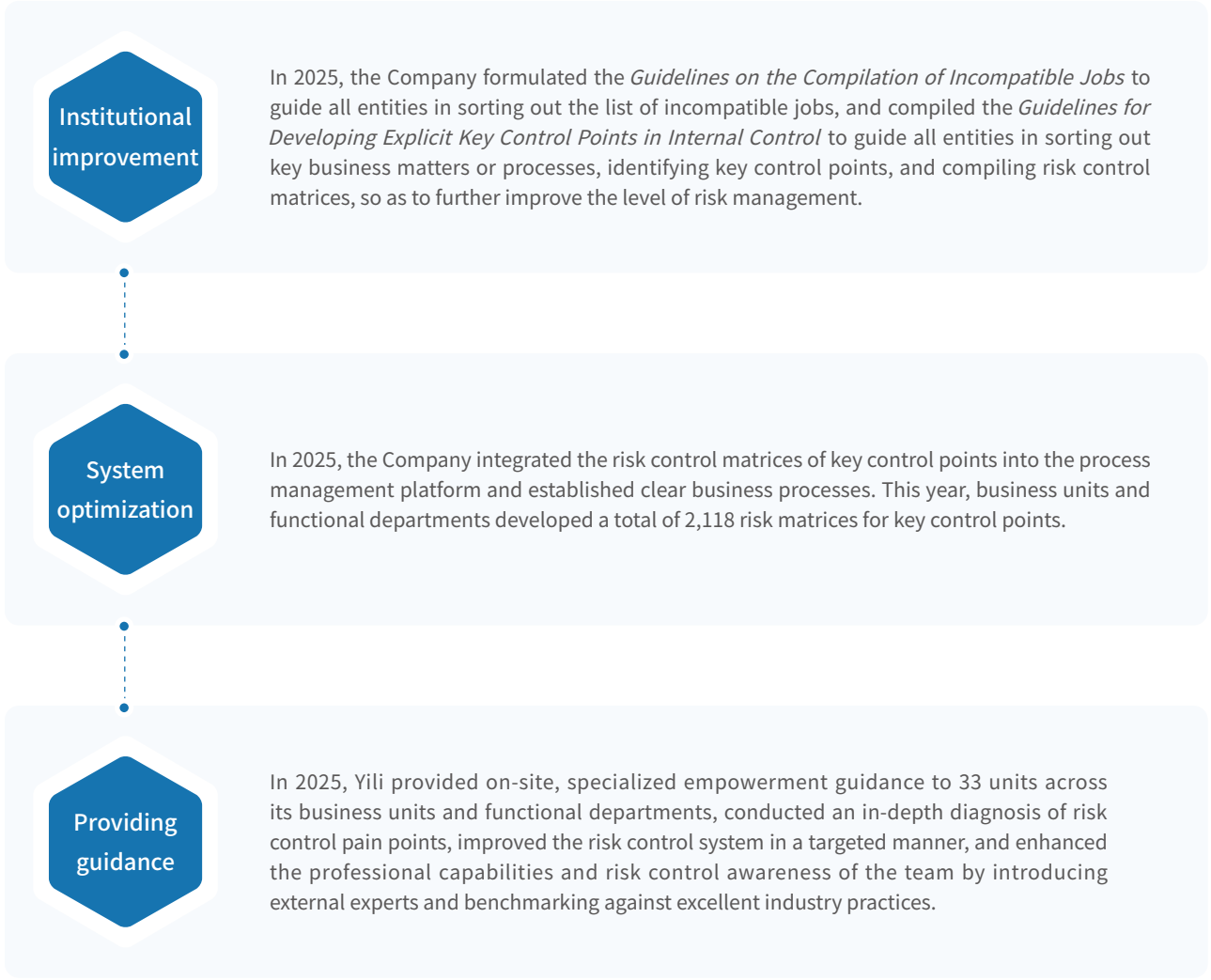


Internal Control and Risk Management

Yili regards internal control and risk management as the core pillar for ensuring the robust operation of the enterprise. Adhering to the management concept of "strengthening internal control, preventing risks, promoting compliance, and creating value", Yili has systematically established the "three-line defense" with business units as the front line, professional functional departments as the second line, and the audit department as the third line, as well as an internal audit accountability system covering the Company's governance and management levels.

To promote the implementation of the system, Yili formulated the *Internal Control and Risk Management System of Yili Group*, and established a six-in-one internal control and risk management system that takes risks and values as the orientation, control as the means, digital technology as the support, regulations as the foundation, performance management as the guarantee, and institutional processes as the core.

Yili continuously optimizes and improves its internal control and risk management system by implementing a closed-loop management mechanism for risk identification, analysis, assessment, and response. It further strengthens internal control management and enhances the risk prevention and control awareness of all employees through activities such as self-assessment, specialized evaluations, and independent audits, effectively preventing operational risks and value loss.



Business Ethics

Yili attaches great importance to the development of business ethics and adheres to the principle of aligning oneself with Yili before working for it. The Company has formulated and released the *Yili Code of Business Ethics*, as a fundamental guideline for business ethics management. Yili has also set up an anti-fraud management system to continuously strengthen the development of the anti-fraud work system. Adhering to both punishment and prevention, it has established an anti-fraud supervision, prevention, and control governance system with the core concept of ensuring that employees do not dare to be, are not able to be, and do not want to be corrupt, thereby fostering a fair, trustworthy, and transparent business environment.

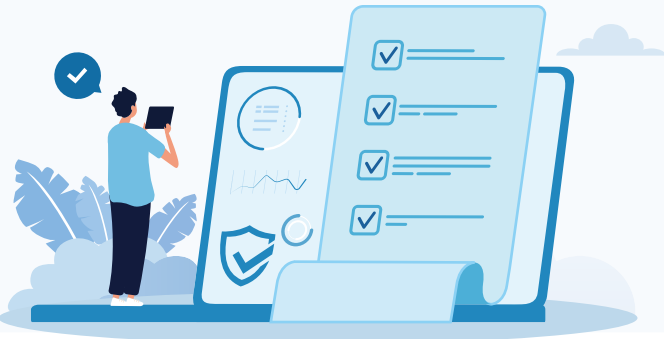
Anti-fraud and Business Ethics

Yili continuously improves its fraud prevention and control mechanisms. It has released the Chinese-English bilingual version of the *Anti-corruption Policy of Yili*, and formulated a series of anti-fraud regulations, including the *Management Standards for Audit Problem Handling Basis and Recommendations*, the *Complaint and Report Information Disposal and Risk Control Management Specifications*, the *Incentives for Anti-fraud Case Reporting*, and the *Management Standards for Complaint and Reporting Information Confidentiality*. In 2025, Yili formulated the *Special Incentives for Anti-fraud Case Reporting of Yili Group*, and revised the *Measures for Anti-fraud Work Management of Yili Group* and the *Zero-Tolerance Behavioral Boundaries Within the Yili Group*, to continuously improve the development of the anti-fraud management system. In addition, we have disclosed codes of conduct related to anti-fraud work on the official website, and work together with partners to promote the standardization and transparency of anti-fraud work. For more information on anti-corruption management of partners, please refer to the "Supplier Integrity Management" section of this report.

Anti-fraud Supervision and Prevention and Control Governance System

Yili has established an organizational structure for business ethics and anti-fraud work with a clear division of responsibilities. The Audit Committee under the Board of Directors serves as the supreme governing body for anti-fraud work. It coordinates the planning, guidance, supervision and evaluation of the Group's anti-fraud management work, and reports directly to the Board of Directors. Meanwhile, the Audit Committee of the Board of Directors reviews the internal audit work reports issued by the audit department on a quarterly basis, and deliberates the Company's internal audit work summary and plan on an annual basis, so as to grasp the Company's fraud governance work plan, anti-fraud audits, complaint investigation results and rectification status, and effectively perform anti-fraud related responsibilities. In addition, Yili has formed an anti-fraud management mechanism led by the audit department and jointly promoted by business units and the Party-mass general department. The audit department is responsible for following up on the investigation of business ethics and corruption issues and reporting to the Audit Committee regularly, so as to ensure the effective operation of the anti-fraud supervision, prevention and control governance system.

In 2025, Yili upgraded and optimized the anti-fraud collaborative prevention and control system and released the *2025 Yili Group Whole-domain Integrity Collaborative Governance System Promotion Plan*, comprehensively upgrading the whole-domain integrity governance system. The collaborative governance mechanism is implemented by deepening organizational culture, talent recruitment and employment, power restriction, internal control and risk control, normalized supervision, and serious punishment and credit restriction, so as to promote the governance of fraud issues. To review the effectiveness of anti-fraud systems and actions, Yili conducts questionnaire surveys among distributors, suppliers, contractors, and logistics providers every year. The 2025 survey results show that 92.2% of the partners recognize Yili's anti-fraud management work.



Whistleblowing and Complaints

Yili encourages fraud reporting and complaints and has specified the anti-fraud reporting management process and reward mechanism in the *Measures for Anti-fraud Work Management of Yili Group* (hereinafter referred to as the "*Management Measures*"). The *Complaint and Report Information Disposal and Risk Control Management Specifications* clearly defines the requirements for complaint information management as well as the procedures for transfer, investigation and follow-up. The investigation of complaints and reports follows the principles of timeliness, fairness, impartiality and confidentiality. For real name report information, the informant shall be replied to within 24 hours. The Company's audit department shall complete the registration and transfer, initiate the investigation procedure promptly, and investigate the fraud complaint information. Yili maintains zero tolerance for fraud and seriously addresses irregularities and fraudulent acts. If necessary, we will initiate judicial procedures and expose fraudulent acts to make our employees not dare to be corrupt. In addition, Yili provides open and smooth reporting channels for relevant parties through the official website, Yili Group WeChat Official Account and the *sunshine reporting platform*. The Company formulated the *Special Incentives for Anti-fraud Case Reporting of Yili Group* in 2025, further clarifying the conditions, standards and procedures for report rewards, and increasing the reward amount for informants. In 2025, Yili disclosed the punishment results of 11 fraud incidents through the OA system, which were viewed and studied a total of 579,900 times.

To effectively protect the interests of informants, Yili has formulated the *Management Standards for Complaint and Reporting Information Confidentiality*, and established and implemented an informant protection mechanism, requiring all relevant parties with access to informants and reporting information to strictly keep the information confidential in strict accordance with the *Management Measures*, and strengthening the confidentiality management of information related to informants, reporting content, and audit investigators during the investigation of complaint and reporting information. Yili shall hide the complainant's name, contact information, and other characteristic information during the transfer and desensitize the private information in the complaint content. Moreover, complaint investigators are required to perform approval procedures and assume the corresponding confidentiality responsibilities when accessing confidential information to effectively protect the rights and interests of informants.

WeChat official account

Whistleblowing and complaints email

Domestic
yljw@yili.com
yilijubao@163.com
pangang@yili.com

Overseas
yilicompliance@yili.com

Whistleblowing hotline

New Zealand
general.counsel@westland.co.nz

Indonesia
suarayili@yiliindonesia.com

Thailand
fraud@chomthana.com

0471-3357805

Anti-fraud Supervision and Prevention and Control Governance System

Regarding anti-fraud and business ethics, Yili has established a self-inspection and self-correction system and a special inspection mechanism to ensure that business ethics inspections cover all operating links of the Company every three years. For self-inspection and self-correction, the business departments have enabled self-inspection to cover all the front-line business units and functional departments through regular self-inspection and effective rectification validation. In 2025, through self-inspection and self-correction, Yili identified a total of nearly 7,230 problems, covering sales, procurement, R&D, quality, human resources, and other functional departments. For special inspections, the audit department systematically prepares an annual audit plan based on the risk map, business analysis, and other methodologies. It strengthens audit supervision over high-risk businesses, new businesses, and innovation-driven operations, as well as segments with weak audit coverage, and drives the timely rectification of identified problems. In 2025, the Company carried out 167 anti-fraud audit projects, covering fields such as marketing, production, brand and media, procurement, logistics, animal husbandry and milk sources, engineering, international business, R&D, finance, and investment. For major and systematic problems identified during the audit process, the Company urges business departments to carry out timely rectification, forming a closed-loop management of audit supervision, and effectively safeguarding the Company's interests.

Anti-fraud and Business Ethics Training

Yili attaches great importance to the construction of an integrity culture and requires all internal employees to sign the *Letter of Commitment on Anti-fraud Work*, promoting employees to grasp and strictly implement anti-fraud regulations and personal commitment goals. At the same time, as a necessary part of the procurement process, all external partners are also required to sign the *Sunshine Agreement* and receive briefings on Yili's anti-fraud policies both before and during cooperation. Through the briefings, partners gain a clear understanding of Yili's compliance requirements regarding anti-fraud, as well as the specific policies and procedures that encourage partners to report fraud activities.

Yili has established an anti-fraud training team to intensify anti-fraud education. Yili provided the integrity trainings to all employees, partners and third-party service providers through various methods such as thematic training sessions, warning education, themed activities, live broadcasts and information pushes. In 2025, Yili delivered 3,270 anti-fraud training sessions for all employees, reaching 134,900 participants, and conducted 349 education activities, reaching 24,700 participants. A total of 11 announcements were released on the exposure platform, accumulating 579,900 views. Meanwhile, during the 2025 anti-fraud inspection campaign, special anti-fraud training was carried out for more than 600 core managers of business units and functional departments to further deepen the anti-fraud awareness of the management team.

In 2025, we continued to include partners and third-party service personnel as key targets of the Company's anti-fraud education. A total of 4,618 anti-fraud training sessions were carried out for 24,200 partners, reaching 45,500 participants; and 1,458 anti-fraud training sessions were carried out for 67,900 third-party service personnel, achieving full coverage of all partners and third-party service personnel.

 In 2025

A total of

52,700 employees

signed the *Letter of Commitment on Antifraud Work*

Conducted

9,695 anti-fraud and business ethics training sessions for all employees, suppliers, and other external partners

Covered

100% of employees and partners



Anti-commercial bribery and anti-corruption training situation

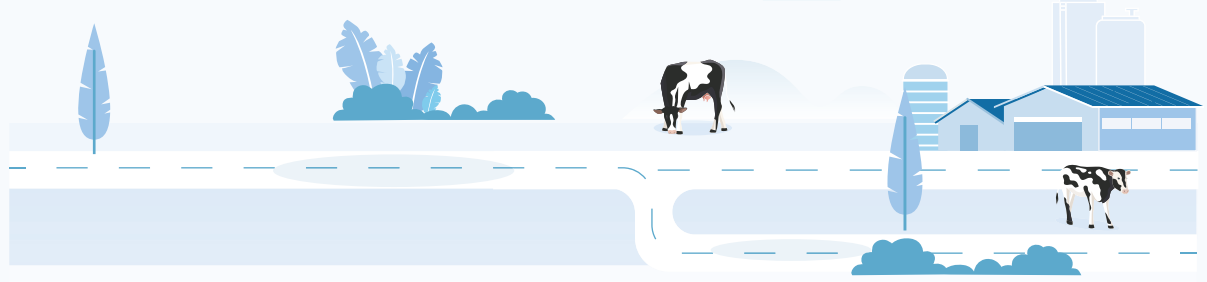
Indicator	Unit	2025
Percentage of management covered by anti-commercial bribery and anti-corruption training	%	100%
Percentage of junior employees covered by anti-commercial bribery and anti-corruption training	%	100%

Note: Junior employees are those below the manager level, and management personnel are those at or above the manager level.

External Exchange Activities

Yili is committed to building a business ethics and anti-fraud ecosystem. As a vice president unit of the Enterprise Anti-Fraud Alliance and a member unit of the Decision-Making Committee of the Trust and Integrity Enterprise Alliance, Yili actively participates in various business ethics and anti-fraud exchange activities to foster a clean and upright industry ecosystem. In 2025, Yili participated in the solicitation of revision opinions for the *Anti-fraud Management Evaluation Criteria* led by the Enterprise Anti-fraud Alliance, helping to create a clean industrial ecosystem for the entire industry.

In 2025, Yili won the "Excellent Organization Award", "Integrity Creativity Award" and "Second Prize of the 4th Enterprise Micro-Video Competition" from the Enterprise Anti-fraud Alliance.



Anti-unfair Competition

Yili has always adhered to the principles of fairness and impartiality in market competition, strictly complied with relevant laws and regulations such as the *Anti-unfair Competition Law*, upheld honest business operations, enhanced employees' legal awareness, promoted business compliance management, and facilitated the healthy development of the industry. In 2025, the Company had no lawsuits or major administrative penalties arising from unfair competition practices.

In 2025, Yili launched a risk control project for distributor management to enhance the Company's compliance awareness and organized legal knowledge popularization activities in response to the needs of business departments, so as to support the healthy development of business.



In 2025

Yili organized **30** legal compliance training sessions for employees, covering topics such as contracts, labor employment, and dealer compliance

and held **2** legal knowledge popularization activities for suppliers and distributors

attracting a total of **888** participants



Promoting fair competition

We adhere to the principle of fair competition. The *Yili Code of Business Conduct* stipulates that employees shall not engage in activities that harm competing enterprises and shall not obtain temporary competitive advantages through unfair competition means. To strengthen employees' legal awareness, the Company invited a professional legal institution to conduct one thematic training session on anti-unfair competition for employees in marketing and legal functions in 2025, with over 389 participants.



Protecting commercial secrets

Commercial secrets are the driving force for continuous innovation in enterprises. The Company actively enhances information security management and the protection of intellectual property rights, such as trademarks, patents, and copyrights, providing strong support for the high-quality development of the enterprise. For specific work on information security and intellectual property protection, please refer to the "Information Security and Privacy Protection" and the "Intellectual Property Protection" sections.



Promoting responsible marketing

We pay attention to consumer perceptions and adhere to the principle of responsible marketing to protect the legitimate rights and interests of consumers. The *Yili Code of Business Conduct* stipulates that false or misleading advertising and promotions are not allowed. For specific work on responsible marketing, please refer to the "Responsible Marketing" section.

Party Building

Yili has established the "1234 Pyramid Party Building Model" featuring "one center, two promotions, three initiatives, and four integrations" to effectively play the leading role of Party building in the development of the enterprise, and achieve synchronous resonance between Party building and enterprise development.

The Party Committee of the Group leads all grassroots party organizations in thoroughly implementing the general requirements for Party building in the new era. Focusing on enhancing political and organizational functions, the Committee has created handling models for basic party affairs, selected advanced model branches, and deepened the joint construction and assistance mechanism between headquarters and branches. These efforts helped Party branches with weak foundations to identify problems, address shortcomings, strengthen weak links, build teams, and improve qualities, thereby comprehensively enhancing grassroots Party building and promoting the deep integration of Party building with production and operations. In 2025, Yili deeply studied and implemented the spirit of the fourth plenary session of the 20th CPC Central Committee and launched special actions for party branches known as the "Six Ones" and for party members known as the "Six Take-the-Leads," to drive the company's high-quality development.



Yili Group was awarded the title of **"The 7th National Civilized Unit"**.

Yili's case, *"Six Ones" and "Six Take-the-Leads": Construction of the Navigation Project*, was selected as one of the **top 100 innovative Party building cases in emerging fields of 2025** by *Non-Public Enterprise Party Building*.

Yili's case, *Party Building Inspires Hearts and Shapes Souls, Boosting the Dairy Industry to Ride Waves of Changes*, was selected and published as a typical case of **"Strong Party Building, Strong Development"** for national non-public enterprises by the central social work department.



Outlook

The year 2026 marks the beginning of the 15th Five-Year Plan period. Standing at a pivotal node connecting the past and the future, Yili will seize the structural opportunities for the dairy industry to shift from "quantity growth" to "quality growth". We will continue to uphold the *WISH 2030 Manifesto for a Better World* and deeply practice the concept of sustainable development from four dimensions: "Road to Zero-Carbon", "Share Premium Products", "All Thrive Together", and "Responsible Operations". We will develop new quality productive forces in the dairy industry and contribute to the construction of a Healthy China by enhancing the health literacy of all people.



Road to Zero-Carbon

Guided by the *Zero-Carbon Future Plan of Yili Group*, we continue to deeply integrate green development and carbon reduction efforts into the entire industrial chain. We will double our efforts in areas such as carbon footprint, water footprint, circular economy, and biodiversity conservation, and continuously explore more scientific and sustainable ways to protect nature, promote green and low-carbon transformation, and foster harmony between humanity and nature.



Share Premium Products

Adhering to the corporate creed that "Yili means the best quality", we safeguard product safety and quality with rigorous standards, striving to provide consumers with 100% dedicated, 100% safe, and 100% healthy products and services. Meanwhile, upholding the philosophy that "No innovation, No future", we focus on nutrition and health research and product innovation to deliver more healthy choices for customers.



All Thrive Together

We advocate the concept of harmony and coexistence. While ensuring our own development, we continuously explore win-win cooperation within the industrial chain. By building a responsible supply chain, promoting No Deforestation Procurement, and improving multi-party collaboration mechanisms, we drive green and coordinated development across the industrial chain. We cherish talent and grow together with our employees, providing them with broader development spaces and channels for value realization. With an altruistic spirit, we fulfill our social responsibilities, share development fruits with society, and help form a high-quality development ecosystem that fosters a virtuous cycle.



Responsible Operations

We adhere to business ethics, regarding integrity and compliance as the cornerstones of corporate governance. We continuously improve our governance system and internal control mechanisms to create a fair, transparent, clean, and self-disciplined business environment. On this basis, we actively connect with global resources to empower innovation upgrades. By deepening international cooperation, we steadily advance our global layout, leading the high-quality and sustainable development of the industry.

Riding the waves, we embark on a new journey together. In the future, guided by the strategic goal of "Overall Value Leadership", we will join hands with industrial chain partners and all sectors of society to stimulate innovation vitality, embrace the development opportunities of the 15th Five-Year Plan, and jointly move towards a new stage of high-quality and sustainable development.

Key Performance

Environmental Dimension

Quantitative indicators	Unit	2025
Issue: Environment -E1 Climate Change Adaptation		
Total carbon emissions	10,000 tCO ₂ e	128
Including: classified by scope		
Scope 1 carbon emissions	10,000 tCO ₂ e	53
Scope 2 carbon emissions	10,000 tCO ₂ e	75
Reduction of greenhouse gas emissions	10,000 tCO ₂ e	23
Including: classified by scope		
Scope 1	10,000 tCO ₂ e	-4
Scope 2	10,000 tCO ₂ e	27
Total amount of greenhouse gas emissions directly reduced by emission reduction measures (classified by measures)		
Redesign of production process	10,000 tCO ₂ e	/
Equipment transformation	10,000 tCO ₂ e	2.1
Process improvement	10,000 tCO ₂ e	0.1
Fuel replacement	10,000 tCO ₂ e	4
Other emission reduction measures	10,000 tCO ₂ e	22.17
Issue: Environment -E2 Pollutant discharge		
Air pollutants		
Waste gas emissions		
SO ₂	tons	28.52
NO _x	tons	154.02
PM	tons	7.90
Water pollutants		
Industrial wastewater discharge	10,000 tons	3,662.15
COD	tons	1,392.10
NH3-N	tons	230.27
TN	tons	825.69
TP	tons	122.92
Issue: Environment -E3 Waste disposal		
Total waste generated		
Including: classified by waste type		
Total hazardous waste generated	tons	495.37
Total non-hazardous waste generated	tons	60,454.30
Intensity of hazardous waste generated	tons/ton of product	0.52*10 ⁻⁴
Intensity of non-hazardous waste generated	tons/ton of product	0.0063

Quantitative indicators	Unit	2025
Issue: Environment -E5 Environmental compliance management		
Number of significant administrative penalties imposed by ecological environment and other relevant departments due to environmental incidents during the Reporting Period	/	0
Issue: Environment -E6 Energy usage		
Basic situation of energy use		
Total energy consumption	tce	392,835.39
Including: classified by energy type		
Coal	tons	22,893.91
Gasoline	liters	172,850.10
Diesel	liters	377,489.80
Natural gas	10,000 standard cubic meters	11,412.30
Purchased electricity	kWh	1,185,552,196.81
Purchased steam	tons	1,038,471.68
Direct energy consumption	tce	148,735.83
Indirect energy consumption	tce	244,099.56
Energy consumption intensity	tce/ton of product	0.0412
Clean energy usage		
Natural gas consumption	10,000 standard cubic meters	11,412.30
Solar energy power generation	kWh	69,501,096.09
Biogas recovery and utilization	cubic meters	1,793,430
Natural gas proportion	%	69%
Solar energy proportion	%	25%
Biomass energy (biogas) proportion	%	6%
Issue: Environment -E7 Usage of water resource		
Total water consumption	100,000 tons	3,579
Total water consumption intensity	tons/ton of product	3.75
Issue: Environment -E8 Circular economy		
Solid waste recycling rate	%	88.33%

Social Dimension

Quantitative indicators	Unit	2025
Issue: Society -S2 Contributions to the society		
Total number of volunteers	/	2,147
Duration of public welfare activities	hours	1,195
Issue: Society -S3 Innovation-driven		
R&D investment amount	RMB 10,000	91,501
Proportion of R&D investment in main business income	%	0.97%
Proportion of R&D personnel	%	1.03%
Number of invention patents applied to main business	/	973
Total number of patents for inventions granted	/	1,049

Quantitative indicators	Unit	2025
Total number of patents granted in China and overseas	/	5,585
Issue: Society -S6 Equal treatment to small and medium-sized enterprises		
Accounts payable (including notes payable) balance at the end of the Reporting Period	RMB 100 million	131.30
Proportion of accounts payable (including notes payable) balance at the end of the Reporting Period to total assets	%	8.63%
Issue: Society -S7 Safety and quality of products and services		
Number of major safety and quality liability incidents related to products and services occurred during the Reporting Period	/	0
Issue: Society -S8 Data security and customer privacy protection		
Data Security		
Number of data security incidents during the Reporting Period	/	0
Customer Privacy Protection		
Number of customer privacy breaches during the Reporting Period	/	0
Issue: Society -S9 Employees		
Total number of employees	/	62,666
Employee training coverage rate	%	97.90%

Note: In Yili's employment forms, 100% are full-time employees, and the number of part-time employees is 0.

Sustainable Development Related Governance Dimension

Quantitative indicators	Unit	2025
Issue: Governance related to sustainable development -G3 Anti-bribery and anti-corruption		
Percentage of management covered by anti-commercial bribery and anti-corruption training	%	100%
Percentage of junior employees covered by anti-commercial bribery and anti-corruption training	%	100%

Economic Dimension

Quantitative indicators	Unit	2025
Gross revenue	RMB 10,000	11,593,111
Net profit	RMB 10,000	1,151,391
Taxes and dues	RMB 10,000	685,415
Weighted average ROE	%	20.87%
Ratio of liabilities to assets	%	61.51%
External donations	RMB 10,000	50,278
Social contribution value	RMB 10,000	3,447,661
Per share social contribution value	RMB/Share	5.45

Youyuan Farm's Data

Quantitative indicators	Unit	2025
Scope 1 carbon emissions	10,000 tCO ₂ e	53.20
Scope 2 carbon emissions	10,000 tCO ₂ e	6.69
Direct energy consumption	tce	5,268.29
Diesel consumption	liters	4,253,645.15
Indirect energy consumption	tce	11,645.10
Purchased electricity consumption	kWh	126,045,874.30
Total energy consumption	tce	16,913.39
Green electricity consumption	kWh	31,293,214.29
Total water withdrawal	10,000 tons	489.79
Total water consumption	10,000 tons	244.19
Total drainage volume	10,000 tons	245.60
Total hazardous waste generated	tons	11.22
Total non-hazardous waste generated	tons	96.69

Note:

1) The social dimension data in the "Key Performance " already covered social-related data (such as the number of employees, etc.) for Youyuan Farm.

2) Apart from diesel and purchased electricity, Youyuan Farm did not utilize other types of energy.

3) Given that Youyuan Farm was not included in the list of key pollutant discharge units, the mandatory disclosure requirements for its pollutant discharge information did not apply.

Indicator Index

Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)

Topic dimension	Topic	Corresponding chapter
 Environmental	Climate change adaptation	Climate Change Adaptation P27-38 Full-Chain Carbon Reduction P39-52
	Pollutant discharge	Green Operations Promotion P67-70
	Waste disposal	Green Operations Promotion P67-70
	Ecosystem and biodiversity protection	Biodiversity Protection P71-72
	Environmental compliance management	Green Operations Promotion P53
	Energy usage	Full-Chain Carbon Reduction P43-45 Green Operations Promotion P54-55
	Usage of water resource	Green Operations Promotion P55-61
 Social	Circular economy	Green Operations Promotion P62-67
	Rural revitalization	Industry Chain Prosperity P110-111 Public Charity P124-128
	Contributions to the society	Public Charity P124-128
	Innovation-driven	Diverse Products P83-86 Nutrition and Health P88-92
	Ethics of science and technology	The Company does not belong to ethics of science and technology sensitive industries such as life sciences, artificial intelligence, etc.
	Supply chain security	Responsible Supply Chain P101-108
	Equal treatment to small and medium-sized enterprises	Industry Chain Prosperity P110-111 Key Performance P145
 Sustainable Development Governance	Safety and quality of products and services	Quality First P75-82 Better Service P92-95
	Data security and customer privacy protection	Better Service P97-98
	Employees	Employee Well-being P115-123
	Due diligence	The Company did not have any significant transactions during the Reporting Period, therefore, the Company did not need to carry out sustainable-related due diligence work
	Communications with stakeholders	Materiality Analysis P16-20
	Anti-commercial bribery and anti-corruption	Business Ethics P135-138
	Anti-unfair competition	Diverse Products P87 Better Service P97-98 Business Ethics P139

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 5.0) Issued by the Chinese Academy of Social Sciences

Content		Disclosure indicators
About the Report		P1.1,P1.2,P1.3,G3.7
Chairman's Message		P2.1,P2.2
About Yili		P4.1,P4.2,P4.3,P4.4
Sustainable Development Management		P3.1,G2.1,G2.2,G2.3,G2.4,G3.1,G3.2,G3.3,G3.11
Materiality Analysis		G3.5,G3.6
Global Presence		P4.4
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	Full-Chain Carbon Reduction	G3.4,V4.3,S5.6,S5.7,V1.3
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Reader Feedback

Dear Readers:

Thank you for reading the *Inner Mongolia Yili Industrial Group Co., Ltd. Sustainability Report 2025*. If you have any comments or suggestions, please feel free to let us know for our continuous improvement in sustainable development management.

On a scale of 1 to 5 (1 being the lowest and 5 the highest), please provide ratings as answers to the following questions.

1. Your overall evaluation of the Yili Group's sustainability Report

1

2

3

4

5

2. Do you think the Report reflects the Yili Group's significant impact on the economy, society, and environment?

1

2

3

4

5

3. Your overall evaluation of the extent of information disclosure in the Report

1

2

3

4

5

4. Your overall evaluation of the quality of wording and descriptions in the Report

1

2

3

4

5

5. Your overall evaluation of the formatting and design of the Report

1

2

3

4

5

6. Please leave any other comments and suggestions here:

Your Contact Information:

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We will take your comments and suggestions into consideration and assure you that your personal information will be kept confidential without any third-party access.

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