

Shanghai M&G Stationery Inc.

Environmental and Sustainability Commitment

1. Purpose

Shanghai M&G Stationery Inc. (hereinafter referred to as “M&G”) adheres to environment-friendly and low-carbon development, striving to a sustainable business future. In addressing climate change, forest and biodiversity conservation, water resource management, and circular economy, M&G strictly complies with national laws and regulations, continuously improves operational management to reduce environmental impacts, and actively collaborates with upstream and downstream partners in the value chain to build a healthy, safe, and responsible sustainable value chain.

2. Scope

This policy applies to M&G and its subsidiaries. Suppliers, contractors, and partners are encouraged to follow it.

3. Commitment

3.1 Climate Change

M&G developed its carbon neutrality strategy aligning with the Paris Agreement, systematically identifying climate risks and opportunities, and developing a comprehensive value chain climate action plan. M&G commits to:

- Achieving carbon neutrality across the entire value chain by 2050 and actively promoting net-zero emissions;
- Sourcing 100% renewable energy by 2050;
- Encouraging key suppliers to develop climate change management goals and action plans; and
- Collaborating with key stakeholders on climate and environmental innovation to enhance environmental management capabilities building across the value chain.

3.2 Forest and Biodiversity Conservation

M&G complies with laws and standards related to forest and biodiversity conservation and upholds the following commitments:

- Assessing the impact of project or engineering site selection and construction on local biodiversity, avoiding natural habitats, wetlands, forests, wildlife corridors, and agricultural land;
- Evaluating biodiversity risks at operational sites and taking necessary measures (e.g., avoidance, mitigation, restoration, and offsetting) to address potential or actual impacts;
- Achieving no net loss of biodiversity and no gross deforestation in operations and the value chain;
- Minimizing adverse impacts of business operations on forests and biodiversity; if unavoidable impacts on ecosystems occur, implementing restoration actions in affected areas;
- Partnering with collaborators to seek opportunities for generating net positive impact (NPI) on biodiversity; and

- Encouraging suppliers and partners to adopt biodiversity conservation guidelines or policies in their operations.

4. Governance

4.1 Management Structure

M&G has established a sustainability governance framework with clear responsibilities and top-to-bottom coordination, forming a hierarchical system comprising the Board of Directors, Strategy Committee, Sustainability Office, various centers, departments, and subsidiaries to drive the implementation of environmental and sustainability management.

- Board of Directors: Oversee and supervise environmental impacts, risks, and opportunities, reviewing environmental policies, management, performance, and target progress.
- Sustainability Office: Coordinates the breakdown of environmental goals and responsibility allocation, regularly reviews environmental performance, and facilitates specific work plans and implementation across business centers and departments.
- Centers, Departments, and Subsidiaries: Responsible for the execution of specific projects and achieving sustainability goals.

4.2 Continuous Improvement

M&G continuously enhances the company's environmental management system, gradually expanding the coverage of internationally recognized ISO 14001 Environmental Management System certification. M&G promotes ongoing improvement through policies, objectives, audit results, data analysis, corrective and preventive actions, and management reviews. M&G conducts annual audits to ensure the effectiveness of the environmental management system is continually enhanced.

4.3 Capability Building

M&G supports the implementation of the Environmental and Sustainability Commitment by regularly providing environmental capacity-building for employees. M&G also strengthens communication with key stakeholders, such as suppliers, on critical environmental issues to raise awareness and build capabilities in environmental protection both internally and externally.

5. Sign-off

This policy is prepared by the M&G Sustainability Office and reviewed and approved by the executive management team. The company will periodically review policy implementation, proactively seek feedback from external stakeholders, and welcome supervision and comments to ensure the fulfillment of related commitments and goals.

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