农夫山泉

NONGFU SPRING CO., LTD.

農夫山泉股份有限公司

Terms of Reference for Sustainable Development of Office of Public Policy & Sustainable Development

Chapter I Purpose

Article 1 Sustainable development and corporate social responsibility are of vital importance to Nongfu Spring Co., Ltd. (hereinafter referred to as "the company"). The company has set up the Office of Public Policy & Sustainable Development (hereinafter referred to as "the Office") to assist the Board of Directors (hereinafter referred to as "the Board") in identifying and monitoring the company's sustainable development risks, developing sustainable development strategies, tracking sustainable development performance and disclosing sustainable development-related information.

Chapter II Members

Article 2 The Office is a working organization subordinate to the Board of the company and will be under the management of one executive director designated by the Board (hereinafter referred to as "the designated director"), and report to the Board. The Office shall consist of not less than two members appointed by the designated director. The composition and terms of reference of the Office will be regularly updated in accordance with regulatory requirements and best practices.

The director of the Office shall be appointed and removed by the designated director, and shall take charge of the work of the Office.

Chapter III Work Meeting on Sustainable Development

Article 3 The Office shall, as set forth in the *Terms of Reference of the Office of Public Policy & Sustainable Development* and the needs of the company, organize and hold meetings on sustainable development. The quorum of any meeting shall be two office members, one designated director and at least five personnel of other functional departments of the company.

The director of the Office shall attend all meetings of the Office.

Participants may participate in any work meeting on sustainable development through teleconference or other communication devices, and all participants attending any meeting through such devices shall be able to hear each other. Persons who attend a meeting in the manners described in this article shall be deemed as participating in person.

Chapter IV Number and Procedures of Meetings

Article 4 At least four work meetings on sustainable development shall be held each year. The director of the Office or the designated director may call for a meeting on sustainable development when he/she deems it necessary. Upon receipt of such a call, the director of the Office shall call a meeting as soon as reasonable, practical and practicable and to the convenience of all members.

The Office may invite other members of the Board or senior management to attend the meeting as nonvoting delegates and express their opinions; external consultants may also be invited to attend the meeting.

Chapter V Resolutions of Work Meetings on Sustainable Development

Article 5 Each resolution of any work meeting on sustainable development shall be signed and made by the participants of the meeting. Resolutions may be signed and circulated by fax or other electronic means of communication. This article shall not prejudice any provision of the *Listing Rules* relating to the holding of meetings of the Board or the Committee of Directors.

Chapter VI Authorization

Article 6 The Office has been authorized by the Board to review, evaluate and make suggestions on any matter and issue within its scope of authority.

The Office has been authorized by the Board to consult independent legal or other independent professional opinions and ensure that independent professionals with relevant experience and expertise attend the meeting if it deems it necessary to perform its duties.

The Office shall be provided with adequate resources to carry out its duties.

Chapter VII Duties

Article 7 Vision, Goals, Strategies and Framework of Sustainable Development

(I) To examine and formulate the vision, goals and strategies of sustainable development of the company, and provide suggestions to the Board on relevant sustainable development work. To supervise the formulation and implementation of the sustainable development goals of the company, including formulation and submission to the Board of the management performance goals of sustainable development of the company for review and approval; inspection of the progress of achieving the goals and making recommendations on the actions required to achieve these goals;

(II) To examine and report to the Board the major international trends in sustainable development, and risks and opportunities of sustainable development;

(III) To supervise and guide all functional departments to fully implement the company's sustainable development strategies and related actions;

(IV) To examine and assess the adequacy and effectiveness of the framework for sustainable development at the company level;

(V) To identify matters and issues that have a significant impact on the company's operations and/or the interests of other important stakeholders from the perspective of sustainable development.

(VI) To review and supervise the company's sustainable development policies and practices to ensure their compliance with legal and regulatory requirements, adopt and update policies concerning the company's environmental protection, social responsibility management and corporate governance as necessary;

(VII) To identify, assess and manage important matters and issues related to sustainable development (including business risks of the company), and update the assessment results to the Board on a regular basis.

Article 8 Performance of Sustainable Development

(I) To supervise, review, evaluate and report to the Board the following matters and issues:

• Actions taken by the company to promote the fulfillment of sustainable development goals, strategies and framework;

• Performance achieved by the company on sustainability indicators.

(II) To supervise the channels and means of communication with the company's stakeholders and ensure that a proper communication policy that can effectively promote the relationship between the company and the stakeholders and protect the company's reputation is put in place;

(III) To supervise internal and external views on the sustainable development work of the company and to provide suggestions for improvement.

Article 9 Sustainable Development Report

(I) To review the company's announcements on the performance of identified major sustainable development matters and issues and make suggestion to the Board, including but not limited to:

• Supervision and reporting of appropriate international or national standards for sustainable development report (where applicable);

• Preparing an annual sustainable development report of relevant achievements, and submitting it to the Board for consideration and approval, and then uploading it to the website of the Hong Kong Exchanges and Clearing Limited and the company;

• Reviewing the annual report on sustainable development and other disclosure information related to sustainable development work, and making suggestion to the Board for approval, and proposing specific actions or decisions for the Board's consideration to maintain the integrity of sustainable development.

(II) To review the supervision and participation process of the Board of the company on sustainable development and provide improvement suggestions to the Board;

(III) To ensure that the company provides in its financial report summary (if any) and annual report or independently publishes a sustainable development report prepared by the Board in accordance with the disclosure requirements of the *Corporate Governance Code*(as set out in Main Board Listing Rules Appendix 14) and the *Environmental, Social and Governance Reporting Guide* (as set out in Main Board Listing Rules Appendix 27).

Article 10 Miscellaneous

(I) To perform other functions assigned to the Office by the Board;

(II) To comply with any requirements, directions and regulations as may be specified by the Board from time to time or set out in the Articles of Association of the company or imposed by law or regulatory authorities from time to time;

(III) To arrange training related to sustainable development for the Board, relevant executives and functional departments.

Chapter VIII Reporting Procedures

Article 11 The Office shall report its decisions or recommendations to the Board at least twice a year, unless the Office is restricted by legal or regulatory restrictions from doing so (e.g. restricted disclosure due to regulatory requirements). The director of the Office shall provide the Secretary of the Board with a copy of the resolutions and minutes after each work meeting on sustainable development. Such minutes or written resolutions shall specify the findings, recommendations and decisions of the Office. The Secretary of the Board shall submit a copy of the minutes/written resolutions of each work meeting on sustainable development to the Board at the next meeting of the Board, and list matters and issues to be submitted to the Board for deliberation on the agenda of the Board.

The complete minutes of each meeting of the Office shall be kept by the director of the Office. The first draft and final draft of meeting minutes of the Office shall be sent to all members of the Office successively within a reasonable time of period after each meeting. The first draft will be for getting opinions from all members, and the final draft for recording.

Chapter IX Update of Terms of Reference

Article 12 When necessary, these terms of reference may be updated and amended in response to any change in environmental and regulatory requirements (such as the *Listing Rules*). Any amendment to these terms of reference shall be approved by the Board of the company, and fully comply with the *Listing Rules* and other regulatory requirements.