



五糧液
WULIANGYE

Environmental, Social and Governance (ESG) Report

2022

Aroma of the Nation, Harmony of Wuliangye, Masterpiece of Chinese Baijiu

WULIANGYE YIBIN CO., LTD.

守创
诚信
做
极致

恒久伟业

绵长大爱

Integrity

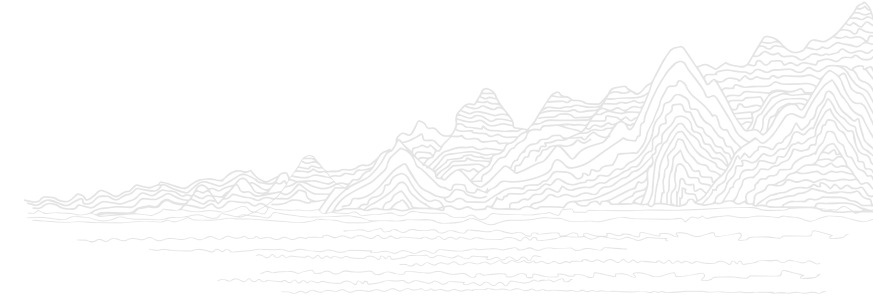
Excellence

Create everlasting achievement

Advocate universal love.

守创
诚信
做
极致

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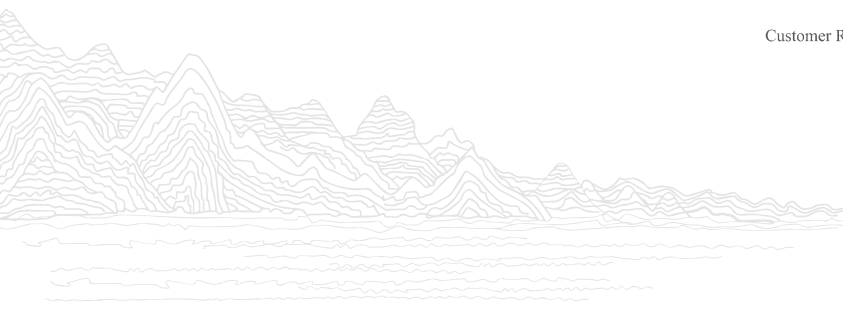
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Introduction

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About this Report

Based on our principles of being objective, standard, transparent, and comprehensive, the 2022 Environmental, Social and Governance (ESG) Report of Wuliangye Yibin Co., Ltd. (hereinafter referred to as this "Report") discloses in detail Wuliangye's practices and performance in environmental, social, and governance ("ESG") causes, as well as in operations, in 2022.

Data Specification



Data contained in this Report is collected from government public data, Wuliangye's internal statistical statements, third-party surveys, administrative policies and reports, and third-party evaluations and interviews. This Report has been reviewed and approved by the Board of Directors of Wuliangye Yibin Co., Ltd.

Designation



For the convenience of our readers, "Wuliangye", "Company", and "We" are used in this Report to refer to "Wuliangye Yibin Co., Ltd."

Reporting Period



This Report covers the period lasting from 1 January 2022 to 31 December 2022. To make its content more comparable and complete, this Report has included data from previous years or 2023.

WULIANGYE

Normative References



The UN Sustainable Development Goals (SDGs) for 2030
 The Ten Principles of the UN Global Compact
 GRI Sustainability Reporting Standards (GRI Standards)
 Chinese Academy of Social Sciences - Corporate Social Responsibility (CASS-ESG5.0)
 ISO26000: Guidance on Social Responsibility (2010)
 GB/T36001-2015 Guidance on Social Responsibility Reporting
 Shenzhen Stock Exchange (SZSE) - Guidelines for the Standard Operation of Listed Companies
 Guidelines No.1 of the Shenzhen Stock Exchange ("SZSE") on the Self-regulation of Listed Companies - Standard Operation of the Companies Listed on the Main Board

Availability



This Report is available online and in print copy (environmentally-friendly paper). The online report can be viewed and downloaded at: <http://www.cninfo.com.cn>

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Chairman's Message



Secretary of the CPC Committee and
Chairman of the Board of Wuliangye
Yibin Co., Ltd.

曾丛勤 (Mr. Zeng Congqin)

The year 2022 was a momentous and remarkable one. Despite encountering various challenges, Wuliangye still managed to achieve significant breakthroughs. In adhering to General Secretary Mr. Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, we thoroughly implemented the guiding principles of the 20th CPC National Congress along with the instructions given by Mr. Xi Jinping during his visit to Yibin City in Sichuan Province. Additionally, with the general principles of "staying politically aware, driving development, improving people's livelihood, ensuring safety, and delivering first-class performance" as our guide, we spared no effort driving economic growth while also pushing ahead with high-quality development. We overcame considerable difficulties while forging ahead, performed well in both stable current year growth and long-term growth planning, and delivered improvements in both financial results and development quality, thus maintaining the momentum for high-quality development with stable progress and improvement.

In 2022, we focused on stable development to consolidate the foundation for sustainable development. We firmly adhered to our top priority of high-quality development, with our starting point being satisfying people's increasing demands for a better life. To this end, we fully, accurately, and comprehensively applied this new development philosophy and determined a path for high-quality development that involved "an ecological and quality-oriented Wuliangye with culture as the foundation, digital transformation as the driver and sound corporate governance as the support".

Additionally, we implemented three major programs: quality brands, marketing innovation and high-quality & fast growth, which we did as part of our endeavour to develop into a world-leading Baijiu producer with superior products, strong brands, advanced innovation and modern governance. In 2022, remarkable progress was made in areas like leadership, cultural development, branding, brewing and production, marketing reforms, technological innovation, and long-term planning, with core business indicators, corporate brand value, and famous Baijiu production and sales all hitting record highs. Moreover, the program of high-quality & fast growth was implemented, laying a long-term foundation for sustainable success. These concrete achievements provided a perfect answer to the question about the long-term development of the Baijiu industry.

In 2022, we took integrity and innovation as the foundation to inject more vitality into sustainable development. We inherited our core mission while promoting innovation. In terms of brewing and production, we stuck to our production secrets of "growing, brewing, selecting, aging and mixing", continued our craftsmanship from previous generations, and strove for excellent quality to create more Baijiu brands that are recognized as "Famous". Additionally, we developed a system of innovation featuring forward-looking theoretical research, question-oriented application research, and market-oriented technological innovation, and we also set up the China Scientific Research Centre for Baijiu Flavour and the China Engineering and Technology Research Centre for Baijiu Brewing Grains. Moreover, more efforts were exerted to achieve breakthroughs in key technologies, such as fermentation pit aging, flavour substances, and health mechanisms. As a result, multiple internationally advanced technological achievements were attained. In terms of marketing, we fully implemented our marketing strategy of "headquarters responsible for overall marketing and regional marketing divisions responsible for regional marketing" and swiftly responded to changes in the market. We also created a harmonious marketing model and focused on opening up harmonious marketing channels, developing a harmonious consumer market, building a harmonious partner ecosystem, providing harmonious high-quality services, and boosting harmonious consumer experience. All these enabled us to grow our high-quality market share.

In 2022, with cultural development as the core, we consolidated our strengths in sustainable development. The cultural content of the Wuliangye brand has been strengthened. The scenic spot of Wuliangye has been selected as one of the first scenic spots as national intangible cultural heritages and a national demonstration base for industrial tourism. Additionally, construction began on the Chinese Baijiu cultural sanctuary and the gateway for world-class Baijiu producers. We further explored the cultural content of the Wuliangye brand, settled on a new brand concept of "Aroma of the Nation, Harmony of Wuliangye, and Masterpiece of Chinese Baijiu", and successfully built a range of unique brand cultural IPs such as the "Harmony Cultural Festival". We publicized our brand culture in an innovative way and continued building a high-level brand image through frequent appearances at various grand occasions, both international and national, such as the Boao Forum for Asia, APEC, and the China International Import Expo. As a result, the brand's value has achieved double-digit growth for five consecutive years to reach RMB364.619 billion, with Wuliangye becoming the only Baijiu producer in China to have won the "2022 Best China Brand".

In 2022, with green and low-carbon development as our driving motivator, we laid the groundwork for future sustainable development. We adhered to the path of green development, one that puts ecology first. During his visit to Yibin City in Sichuan Province, General Secretary Mr. Xi Jinping remarked that "We should try every means possible to protect the water quality of the upper reaches of the Yangtze River in line with standards identical to those for brewing fine liquor". With this in mind, we proposed formal standards for producing the fine Baijiu of Wuliangye. More specifically, we must uphold the ecological concept of integrity between nature and humans, the quality concept of the pursuit of excellence, the craftsmanship concept of striving for continuous improvement, the development concept of integrity and innovation, and the values of moderation and harmony. Moreover, we expanded green development, conserved energy, reduced pollution, and cut carbon emissions on all fronts. No environmental accidents occurred throughout the year, and "three forms of waste" were discharged while maintaining 100% compliance with standards. All these earned Wuliangye the "Carbon Neutrality Industry Pioneers Award" presented by China Energy Conservation Association while also being named an "Environmental Integrity Enterprise" by Sichuan Province. Wuliangye was also included among green enterprises in Sichuan Province, and in the "Sustainable China Industry Development Initiative 2022" annual report released by the APEC as the only company in the industry.

In 2022, we fulfilled our charitable responsibilities and strengthened momentum for sustainable development. We persisted in balancing and coordinating economic benefits and public interests while also advancing inclusive development through high-quality growth. We adhered to the policies on "stability on six key fronts" and "security in six key areas" and shouldered our responsibilities as a state-owned enterprise in initiatives such as emergency rescue, employment stabilization, and rural revitalization. We donated RMB15 million to earthquake relief and post-disaster reconstruction in Luding County and Ya'an City, created more than 1,000 jobs, and granted RMB24 million worth of consumption vouchers to employees. These moves earned Wuliangye the 2022 China Agriculture Award for Outstanding Contributions to Rural Revitalization, as well as the Progressive Entity in Paired Assistance of Sichuan Province.

The year 2023 is the first year in which the guiding principles of the 20th CPC National Congress are being implemented on all fronts, and it marks a crucial transition year for the "14th Five-Year Plan" as well as a year for solidifying the foundation for the Company's future high-quality development. In 2023, we will continue focusing on stability, seeking progress in stability, improving quality and efficiency, as well as making more contributions. At the same time, we will continue to take quality, culture, integrity and innovation as the foundation, while also shouldering great responsibility, taking the initiative, and setting a benchmark amid socioeconomic development. We will strive for effective quality improvement and reasonable financial growth as we march towards a Global 500 company at a faster pace and write Wuliangye's next chapter for modern development with Chinese characteristics.

About Wuliangye

Enterprise Overview

Wuliangye Yibin Co., Ltd. was incorporated on 21 April 1998 based on the shareholding system reform of Sichuan Yibin Wuliangye Distillery. It was listed on the Shenzhen Stock Exchange in the same year (stock code: 000858).

Wuliangye sits in a region hailed by the United Nations Educational, Scientific and Cultural Organization and the Food and Agriculture Organization of the United Nations as the "most suitable region in the same latitude for producing high-quality, pure distilled Baijiu" in Yibin City, one renowned as "The First City of the Yangtze River" and "Capital of Liquor in China". It has developed product system represented by series such as "Wuliangye", "Wuliang NongXiang", and "Xianlin Ecological". As a representative of Chinese strong-flavoured Baijiu and a renowned national brand, the flagship "Wuliangye" series has been awarded "Nationally Renowned Liquor" four times. In terms of global market planning, the Company has established 26 regional marketing divisions and 75 marketing regions across 31 provinces (autonomous regions and municipalities directly administered by the central government) nationwide. It has also set up international marketing centres in Europe, the Americas, and Asia-Pacific, with products sold in more than 100 countries and regions worldwide.



The Company recorded operating revenue of **RMB 73.969 billion**, up **11.72%** year on year.

The Company recorded net profits attributable to the parent company of **RMB 26.691 billion**, up **14.17%** year on year.

Development strategy

During the "14th Five-Year Plan" period, the Company is vigorously implementing the "135" development strategy, in which "1" refers to Wuliangye's goal to develop into a world-leading Baijiu producer; "3" refers to the three major programmes of quality brands, marketing innovation and high-quality & fast growth; and "5" refers to the ecological and quality-oriented, with culture as the foundation, digital transformation as the driver and sound corporate governance as the support.

Development goals

Wuliangye focuses on its principal business to attain the "2118" development goals, including the capacity to produce 200,000 tons of unblended liquor, the capacity to warehouse one million tons of unblended liquor, a sales revenue of more than RMB 100 billion, and a total pre-tax profit of RMB 80 billion.

Highlights of 2022

- FEB**
 - The 8th-generation Wuliangye flavour spectrum was released for the first time.
 - The protective renovation programme for the Wuliangye old fermentation pit site was approved by the National Cultural Heritage Administration.
- MAR**
 - The "Wuliangye" flight carried the Sichuan delegation to Beijing for the Fifth Session of the 13th National People's Congress.
 - The 2022 Investor Exchange was held.
- APR**
 - Wuliangye attended the opening ceremony of Boao Forum for Asia at the invitation of Boao Forum for Asia as an institution director of its Council and an honorary strategic partner at the highest level of its annual meeting.
 - Wuliangye was invited to attend the US-China Business Exchange.
- MAY**
 - A Party committee meeting was held to convey and learn about the guiding principles of the 12th Sichuan Provincial Party Congress.
 - The 2021 Annual General Meeting of Shareholders was held.
 - The 80,000-ton pottery jar cellar was officially put into use.
- JUN**
 - Chairman Zeng Congqin attended the 11th Chinese Baijiu Top 8 Summit.
 - Chairman Zeng Congqin went to Jiangnan University for inspection and exchange and inaugurated the Collaborative Innovation Lab for "Microbiomics and Ecological Fermentation Technology".
- JUL**
 - A range of activities were held in celebration of the 101st anniversary of the founding of the Communist Party of China.
 - Wuliangye was included among the "Global Top 50 Most Valuable Spirits Brands" and ranked first among all spirits in terms of the brand index.
 - A research team of Wuliangye first discovered the strain "Moniliella aeria".
 - Wuliangye took part in the 17th China International Alcoholic Drinks Expo.
- AUG**
 - As an official partner of Michelin Guide and a designated Baijiu sponsor of the dinner, Wuliangye attended the Michelin Star Revelation 2022 Guangzhou and its "Pearly Guangdong" themed dinner.
 - Wuliangye participated in the 5th Anniversary Expert Seminar of the China International Import Expo.
 - A Party committee meeting was held to convey and learn about the important speeches made by General Secretary Xi Jinping at the special seminar for leading Party and government cadres at the provincial and ministerial level.
- SEPT**
 - Wuliangye attended the International Science, Technology and Innovation Forum of Boao Forum for Asia as an honorary strategic partner.
 - Wuliangye participated in the commemoration of the 50th anniversary of the establishment of diplomatic relations between China and Mexico.
 - Wuliangye participated in the 2022 Economist Roundtable of Boao Forum for Asia.
 - Wuliangye attended the 19th China-ASEAN Expo once again as a strategic partner.
- OCT**
 - A meeting was held to convey and learn about the guiding principles of the 20th CPC National Congress.
 - Wuliangye sponsored "Guo Gan & His Friends" Concert International, Paris.
- NOV**
 - Wuliangye was included among the industry cases of 2022 and in the annual report Beyond Net Zero of the "Sustainable China Industry Development Initiative". Additionally, it was named "Top 10 Influential Brands of China in Green and Ecological Development".
 - Wuliangye was invited to the opening ceremony of the Fifth China International Import Expo and released the "Wuliangye-Fifth CIE Commemorative Baijiu".
 - Wuliangye ranked 239th on the World's 500 Most Influential Brands 2022, 12 places higher than last year.
 - Wuliangye sponsored the APEC China CEO Forum once again.
 - The "2022 Wuliangye Cultural Baijiu Products Debut" was held in Chengdu City.
- DEC**
 - The result of the "Research and Application of the New Microorganisms in the Brewing System of Strong-flavoured Baijiu" project completed by Wuliangye in collaboration with Jiangnan University was rated internationally advanced.
 - The 26th Wuliangye 12•18 Conference of Extensive Consultation, Joint Contribution and Shared Benefits was held.
 - Wuliangye hosted the 2022 China Chief Baijiu Taster Annual Meeting.



Honours and Awards

Brand

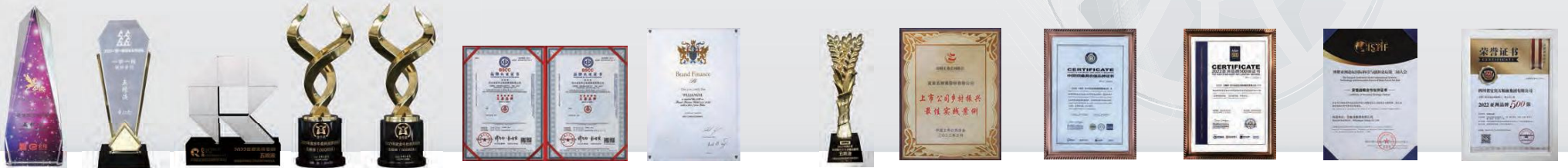
Awarding Unit	Content
World Brand Lab	The 239th on the (19th) World's 500 Most Influential Brands 2022
World Brand Lab	The 33rd on the (17th) Asia's 500 Most Influential Brands 2022
World Brand Lab	The 16th on the (19th) China's 500 Most Valuable Brands 2022, with the brand value assessed at RMB364.619 billion
Brand Finance	The 59th on the Brand Finance Global 500 2022, with the brand value assessed at RMB28.744 billion
Brand Finance	The 2nd on the Global Top 50 Most Valuable Spirits Brands with a rating of AAA
R&F Global Ranking	The "Wuliangye" brand was ranked 1st on the (28th) Top 100 Most Valuable Chinese Brands in Baijiu manufacturing, with the brand value assessed at RMB366.922 billion.
Organizing Committee of the AsiaBrand Ceremony	Top 500 Brands in Asia in 2022
Beijing Sky Certification Centre	BSCC Certificate for Brand Certification for 5-star Brands
World Brand Lab	The (19th) "Top 10 Influential Brands of China in Green and Ecological Development" in 2022
Wind	Top 50 of the Aggregate Market Value Rankings

ESG

Awarding Unit	Content
China CSR Annual Forum	2022 Responsibility Case (Programme for Collaborative Use of Brewing Waste for Pollution Reduction and Emission Cut)
China Securities Journal	2021 Golden Bull Social Responsibility Award
China Association for Listed Companies	Best Practice Case for Listed Companies in Rural Revitalization
Wind	Wind Best Listed Companies of 2022 in ESG Practice
The Blood Donation Office of Yibin City and Central Blood Station of Yibin City	2021 Outstanding Unit for Blood Donation
China Foundation for Poverty Alleviation	Remarkable Contributor to Poverty Alleviation
Caijing.com.cn	2022 Caijing Award for Sustainable Development Efficiency
MRCJ	2022 China Liquor Industry Golden Bottle Awards: Special ESG Prize of the Year
Organizing Committee of China Agricultural Brand Annual Award Ceremony	2022 China Agriculture Award for Ten Outstanding Contributions to Rural Revitalization

Operation

Awarding Unit	Content
China Association for Quality Inspection	Quality Leader in the Baijiu Industry of China
China National Light Industry Council	The 6th on the Top 100 Technology Enterprises in the Light Industry of China
Sichuan Enterprises Federation	The "From Seed to Liquor" Whole-process Quality Control Model won the Sichuan Provincial Enterprise Management Modernization Innovation Achievement (First Prize)
Securities Times	Tianma Award for Best Investor Relations of Chinese Listed Companies
www.p5w.net	Best New Media Operator of the 2021 Investor Relations Golden Awards
www.p5w.net	Performance Presentation Innovation Prize of the 2021 Investor Relations Golden Awards
www.p5w.net	Prize for Interactive Relations with Minority Investors of the 2021 Investor Relations Golden Awards
Securities Times	Outstanding Management Team of the Year in the 16th Awards for the Value of Listed Companies in China
Capital Week	2022 Best Listed Companies in Investor Relations Management
China Securities Journal	2021 Golden Bull of Investment Value
China Association for Listed Companies	2022 Best Practice Award for the Supervisory Committees of Listed Companies
Directors & Boards	Best Board of Directors Prize in the 16th Directors & Boards Round Table Award for Listed Companies in China
Scientific and Technological Award Committee under China Alcoholic Drinks Association	The Transmission Mechanism and Application of Key Microorganisms and Flavour Components in Multi-grain Strong-flavoured Baijiu project won the first prize in the 2022 Science and Technology Progress Award of the China Alcoholic Drinks Association
China National Light Industry Council	2022 Progressive Unit in Digital Transformation in the Light Industry in China
Ministry of Culture and Tourism of the People's Republic of China	National Demonstration Base for Industrial Tourism
China Intangible Cultural Heritage Protection Association	The scenic spot of Wuliangye was included in the list of the first group of National Recommendations for Integrated Development of Intangible Cultural Heritage and Tourism
Sichuan Provincial Development and Reform Commission	Sichuan Provincial Promotion Centre for Digital Transformation (Industry-based)



ESG Governance

In vigorously pushing ahead with sustainable development, the Company has made ESG part of strategic management, operations management, and organizational management and carried out ESG work scientifically and compliantly. Additionally, the innovation in ESG governance has been advanced to help the Company become a pioneer of carbon neutrality culture in the Baijiu industry in China and an ESG benchmark of the industry by the end of the "14th Five-Year Plan" period.

ESG development plan

To fully improve Wuliangye's ESG governance capabilities, the Company has formulated an ESG development plan to guide Wuliangye's ESG development on an ongoing basis.

<p>Completion of Organizational Structure</p>	<p>An ESG system integrated into the Company's present organizational structure shall be built to specify related responsibilities.</p>
<p>Carrying out Integration on All Fronts</p>	<p>ESG-related indicators shall be integrated into performance assessment and work goals of all departments to secure the thorough implementation of system plans.</p>
<p>Improvement of System Plan</p>	<p>Combining with the Company's development strategy, an ESG plan and targets shall be formulated, and the ESG system shall be improved to ensure the implementation of the plan.</p>
<p>Enhanced Information Disclosure</p>	<p>The disclosure way of ESG information shall be innovated, and the information disclosure shall be carried out through multiple channels and angles to continuously improve disclosure levels.</p>

ESG Development Plan of Wuliangye



In adhering to the sustainable development philosophy, (Wuliangye) has vigorously incorporated ESG governance requirements into each process of business management. Additionally, it has been refining and improving its ESG development spectrum, expedited the development of an ESG system with Chinese characteristics, and fulfilled its social responsibility as a leading enterprise through pattern moves.

-- By Chairman Zeng Congqin at the Publicity Meeting for Learning about and Implementing the Guiding Principles of the 20th CPC National Congress

Chairman Zeng Congqin has laid particular emphasis on Wuliangye's ESG development

Initiatives for ESG improvement

The Company lays equal emphasis on study and growth. Therefore, it has vigorously sought cooperation with professional third-party institutions during ESG development to improve ESG governance. At the same time, ESG training is organized from time to time by the Company in combination with external resources to continuously widen the ESG knowledge of employees at all levels.

<p>Empowerment through the Management by External Institutions</p>	<ul style="list-style-type: none"> • Customization: Social responsibilities/ESG improvement plans shall be customized for the Company. • Planning: Strategies for sustainable development shall be formulated to guide the related work. • Management Optimization: The overall integration of social responsibility management shall be carried out, and an ESG evaluation system shall be formulated. • Rating Improvement: ESG rating management shall be carried out. • Disclosure Enhancement: The ESG information disclosure level shall be improved continuously.
<p>Effectiveness Improvement through the Collaborative Internal and External Training</p>	<ul style="list-style-type: none"> • Expert Invitation: ESG experts shall be invited on a regular basis to conduct knowledge empowerment for the Company. • Themed Training: The Company shall conduct special training on a regular basis for directors, supervisors, officers and other related personnel of the Company in a targeted way, improve related personnel's awareness and business abilities in performing environmental responsibilities, corporate governance and social responsibilities, and pay a return visit to exchange and communicate.

Initiatives for ESG Improvement

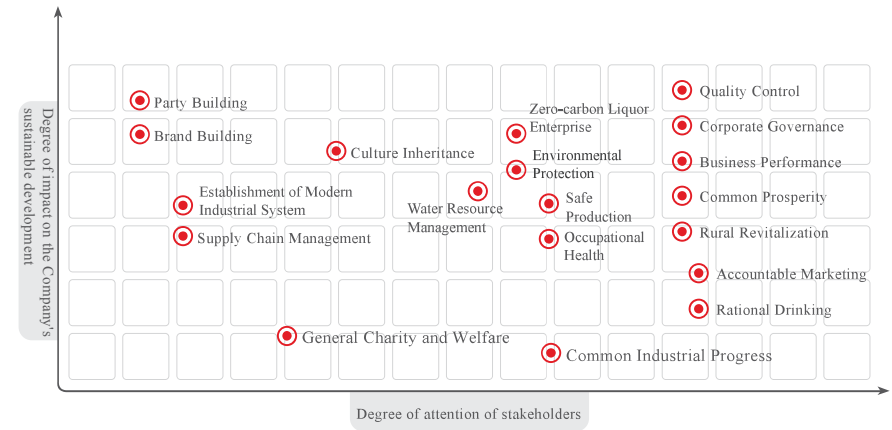
Communication with Stakeholders

Stakeholders	Issues of Concern	Our Solutions
Governments and regulators	Tax payment according to laws Compliant operation Anti-corruption Promotion of economic development Climate action Rural Revitalization Public welfare and charity	Active efforts to pay tax in accordance with laws Improvement of corporate governance Carrying out risk control on all fronts Extensive employment Carbon emission reduction throughout the whole process Innovation in rural revitalization mode Proactively participating in social welfare undertakings
Shareholders and investors	Improvement of return of investment Providing shareholder services	Increasing cash dividend Holding general meetings of shareholders Holding investor exchanges Innovation and improvement in information disclosure mode
Customers	Product and service quality Business information security Accountable marketing Protecting customers' rights and interests	Carrying out intelligent agriculture Establishing a digital service platform Improving the Information Technology Management System Improving the technology for information-based management Advocating rational drinking
Suppliers and the industry	Promotion of joint progress of the industry Promotion of industry development	Production technique inheritance and optimization R&D and innovation

Stakeholders	Issues of Concern	Our Solutions
Employees	Right and interest protection Training and development Health and safety	Optimizing the employment mechanism Improving the training system Strengthening safe production and health management
The public	Social welfare Community development	Launching public welfare and charity activities Supporting rural revitalization

Material topics analysis

Based on its status and taking Chinese and international ESG disclosure standards and guidelines as references and global excellent practices as benchmarks, Wuliangye identified material topics and took them as important bases on which the Company continued to carry out ESG governance and information disclosure.



Material Topics Matrix



01 Sunshine

Harmonious Beauty From Governance

Safeguarded by transparency, Wuliangye continuously enhanced its corporate governance capability and level to improve transparent governance. Meanwhile, the Company cared for employees and built a transparency team, perfected a just, fair and open mechanism for selecting, supporting, optimizing and benefiting business to carry out transparent cooperation. In addition, the Company cared and contributed to society by fulfilling transparency responsibility, and was committed to setting a modern governance benchmark for China's Baijiu industry.

- Achievements of Party Building
- Corporate Governance
- Home for Staff
- Value Chain Management
- Rural Revitalization
- Social Responsibility

Responsive SDGs



Optimise risk control compliance and drive high-quality development

Wuliangye comprehensively promotes law-based corporate governance, consciously integrates the requirements of compliance with the law into the whole process of production and operations, and strengthens decision-making by law. Meanwhile, it promotes compliance management, improves legal supervision, and continuously improves its ability in risk prevention and mitigation from the source.

Internal control system

During the Reporting Period, Wuliangye took compliance management as the premise, laws and regulations as criteria, and risk management as orientation, continuously deepened the developing of the internal control system, and formulated an internal control system that is based on the internal controller system and internal control policies and focuses on the self-assessment and assessment in the internal control system. Moreover, the Company extended the functions of information technology systems, designed an information technology platform for internal control self-assessment, and utilised information technology interaction to reinforce the efficiency and quality of internal control.



Ideas about the building of the internal control system

Specific content of the internal control system

Risk prevention and control committee

In order to implement the internal control system that is oriented in risk management objectives, Wuliangye established the Risk Prevention and Control Committee to implement laws, regulations, and policies, built a risk management mechanism that is reasonable and effective based on the principles of legitimacy, safety, and efficiency, formulated a risk ledger to monitor and supervise the implementation of relevant risk control measures.



Structure of the Risk Prevention and Control Committee

- During the Reporting Period, the Company deeply carried out research-based audits and formulated the Exploratory Study of the Internal Audit Practices of Wuliangye's Engineering Construction Project, which was regarded as excellent experience by Internal Auditors Association of Sichuan Province.
- The Company participated in theoretical seminar on the "Status and Role of Internal Audit in Addressing Risks and Challenges under the New Situation". It also formulated the Exploration of the Risk Prevention and Control Systems of State-owned Enterprises from the Perspective of "Three-Line Model", which demonstrated Wuliangye's improvement measures for the risk prevention and control system based on the "Three-line Model". The article was granted the First Prize by the Internal Auditors Association of Sichuan Province.
- During the Reporting Period, Wuliangye Yibin Co., Ltd. audited 1,701 items, such as project budget and settlement, tendering and bidding supervision, and procurement, saving RMB 0.413 billion. Meanwhile, the audits over economic benefits or responsibilities or special audits were conducted regarding the essential processes, important positions, and key fields of the production, procurement, and sales of the ten subsidiaries and workshops to prevent production and operating risks and safeguard its stable development.



Home for Staff

Wuliangye adheres to the "Four Firsts" talent philosophy, implements the "Five Batches" talent development program, serves as an industry benchmark for law-abiding practices, and is committed to fostering a diverse, inclusive, equal, harmonious, healthy, and safe work environment.



Protect rights and interests, and demonstrate diverse care

Wuliangye strictly adheres to the *Labor Law*, *Labor Contract Law*, *Collective Contract Provisions*, *Social Insurance Law*, *Housing Provident Fund Management Regulations*, *Special Regulations on the Labor Protection of Female Workers*, *Occupational Disease Prevention Law*, and other laws and regulations to protect the legitimate rights and interests of workers. The Company focuses on employees' personal lives, assists with resolving life difficulties, organizes a variety of interest-based activities, and is committed to fostering harmonious labor relations.

Optimizing the employment mechanism

The Company promotes equality and diversity based on compliant employment practices and opposes employment discrimination. During the employment process, employees' nationality, household registration, ethnicity, political affiliation, gender, and religious beliefs are fully respected.

Child protection

- **Prohibiting child labor:** Strictly verify age information during recruitment in accordance with the State Council's *Regulations on Prohibition of Child Labor* and do not employ minors under the age of 16.

Opposing discrimination

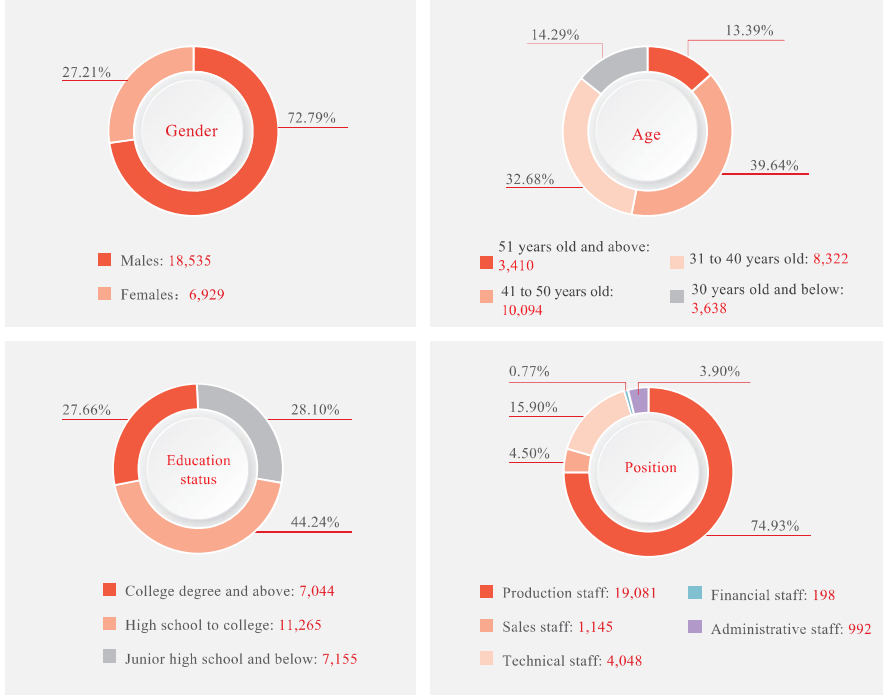
- **Compliance with laws:** Strictly abide by the *Labor Law*, *Women's Rights and Interests Protection Law*, *Disabled Persons Employment Regulations*, and other laws and regulations, avoiding discrimination in recruitment, promotion, remuneration, and other aspects due to differences in nationality, household registration, ethnicity, political affiliation, gender, or religious beliefs.

Diversified employment

- **Diversified Employment Mechanism:** Establish a diversified employment system primarily based on labor contracts, supplemented by labor dispatch and part-time employment.
- **Diverse Employee Types:** Offer equal job opportunities, working conditions, and equal pay for equal work to individuals of different genders, ages, educational backgrounds, and disabilities.
- **Diversified Recruitment Channels:** Mainly focus on campus recruitment and public social recruitment, with headhunting and internal recruitment as supplementary methods.

Optimizing the employment mechanism

● Total number of employees: As of 31 December 2022, the Company has a total of **25,464** employees.



Practicing democratic communication

The Company adheres to democratic management, implementing the Workers and Staff Congress and Membership Representatives Conference system, fully safeguarding employee rights. The Company is committed to transparency, continuously expanding communication channels, and ensuring the effectiveness and efficiency of top-down information dissemination and bottom-up feedback.

Expanding employee communication channels

- **Listening to employees' voices:** Employee Visiting Day, message functionality on the "Wuliangye Family" Digital Labor Union platform, and conducting employee opinion surveys.
- **Labor dispute mediation:** The Company has a labor dispute mediation committee formed by the labor union, human resources department and staff representatives; community-level units have labor dispute mediation groups; front-line teams have part-time mediators; all these have formed a three-tier labor dispute mediation network system covering the Company, workshops and teams.

Adherence to the openness of factory affairs

- **Public information:** Enterprise development plans, significant decision-making schemes, and essential rules and regulations for production and operation, annual production and operation targets and completion, bidding for engineering construction projects, procurement and supply of bulk materials, signing, renewal, modification, and implementation of collective contracts and labor contracts, employee recruitment and dismissal, evaluation of professional and technical titles, selection criteria, procedures, and results for outstanding and advanced employees, employee training plans, safety production and labor protection measures, and occupational disease prevention and control measures, appointment and employment of middle-level leaders and essential personnel, and other matters.
- **Public channels:** Workers and Staff Congress, symposiums, public columns, suggestion boxes, documents, broadcasting, television, waste paper, bulletin boards, Wuliangye official website, "Wuliangye Family" Digital Labor Union platform, and WeChat public accounts, etc.

Communication mechanisms

Case

Continuously expanding communication channels and effectively enhancing communication efficiency

During the Reporting Period, the Company successfully held a new session of the Workers and Staff Congress and the Membership Representatives Conference. They established mechanisms for administrative transparency, labor union supervision, and staff evaluations, creating seamless online and offline channels for democratic participation. The Company deliberated on **19** proposals, including *Collective Contracts* and the *Regulations on the Management of Labor Protection Supplies*, effectively safeguarding workers' democratic rights. The Company collected **38** rational suggestions from employees through the "Wuliangye Family" Suggestions and Proposals column, gathered **114** "Golden Ideas" from labor unions, and continually facilitated channels for employees to participate in enterprise management.



The first meeting of the second session of the Workers and Staff Congress

Case

Conducting satisfaction surveys to fully understand employee concerns

During the Reporting Period, to strengthen employee communication, the Company conducted a "Satisfaction Survey Questionnaire on Labor Union Work" and a "Canteen Material Procurement Questionnaire Survey." Employee satisfaction with labor union work reached over **96%**, while satisfaction with canteen meals was **87.47%**. The opinions and recommendations expressed by employees facilitate the progress and enhancement of the Company's services towards its staff.

Improve compensation and benefits

Wuliangye values employee motivation and feedback. The Company has established a comprehensive compensation and welfare system by formulating and implementing regulations such as the *Provisional Regulation on Wage Management* and the *Trial Measures for the Management of Subsidiary Companies' Total Wages*. In terms of compensation management, the Company distributes pay based on positions, capabilities, and performance, establishing a competitive compensation distribution system in the market. For welfare management, the Company has designed differentiated welfare policies for various job groups, simultaneously providing feedback and incentives.



Salary distribution system

- Mandated benefits**
- **Five insurances and one housing fund:** Pension insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance, and housing provident fund.
 - **Paid leave:** National statutory holidays, annual leave, marriage leave, family care leave, etc.

- Benefits for special groups**
- **Women's benefits:** Mommy & Baby Room, supplies for female workers, family education lectures, fun competitions, etc.
 - **Benefits for young workers:** Training and learning opportunities, skill improvement programs, youth networking activities, etc.
 - **Benefits for workers in need:** Subsidies for workers in need, provincial relief fund for workers in need, and internal layoff and recuperation for seriously ill workers.

- Full employee benefits**
- **Financial subsidies:** Application for settlement and startup subsidies for qualified talent with master's or Doctoral degrees.
 - **Living benefits:** Application for talent apartment qualifications for introduced talent with master's or Doctoral degrees, coordinating school admissions for their children.
 - **Honor recognition:** Active recommendation of various talents to participate in municipal and provincial talent honor evaluations.

- Other benefits**
- **Insurance benefits:** Supplementary medical insurance, corporate annuity system.
 - **Growth benefits:** Skill training and enhancement, educational advancement, etc.
 - **Facility benefits:** Employee library, gym, etc.
 - **Supportive welfare:** Health check-ups, psychological counseling, holiday care, cultural and sports activities, etc.

Benefit system

Organize diverse activities to demonstrate employee care

To demonstrate Wuliangye's care for all employees, the Company carries out a wide range of employee care initiatives.

Case // Conduct consolation activities for employees and implement the Company's care and support

The Company regularly carries out various support activities every year, such as assistance for those in special hardship, consolation during major holidays, support for deceased and hospitalized employees, and double support for military families. Consolation payments are distributed to various groups of employees in need, such as retirees, those on leave due to serious illness, military dependents, and retired military personnel, demonstrating the Company's care and concern. In 2022, a total of over **17,000** holiday gifts and more than **RMB11.5 million** in holiday benefits were distributed, benefiting over **5,500** people.



Case Promoting elderly care and supporting the elderly population

To fulfill the Company's commitment to providing support, care, and happiness for the elderly, the Company has specifically provided a dedicated activity space of 1,150 square meters for the Wuliangye Elderly Sports Association. Additionally, the Company allocates an annual special activity fund of RMB360,000 to support events for the elderly, greatly enriching the lives of retirees.



Wuliangye Elderly Sports Association celebrates International Women's Day with a cultural performance.

Case "Happy Enterprise" three-Year plan to create a happy working environment

During the Reporting Period, seizing the opportunity of being selected as a pilot project in Sichuan Province for "shaping a happy life and environment for employees," a three-year "Happy Enterprise" construction plan was developed, and a series of employee care initiatives were launched. For example, the Company continuously cares for employees stationed abroad, promoting the implementation of vacation and health check-up policies for them; assisting employees' children in obtaining preferential treatment at high-quality schools in Yibin, saving over RMB370,000 in tuition fees; it actively advanced summer environmental improvements in employee dormitories during high-temperature periods; the Company completed pilot projects for direct drinking water and promoting them extensively, covering 11 production workshops; it also enhanced the "Employee Home" facilities by adding cameras, projectors, computers, fitness equipment, tables, chairs, water cups, display boards, and books to nearly 20 "Employee Homes." These measures have effectively improved the working environment for employees and received positive feedback.

Case Organizing cultural and sports activities to enrich leisure time

The Company continuously diversifies its portfolio of offline events. During the Reporting Period, it successfully organized various cultural and sports activities such as the "Yangtze River Guardians Alliance" volunteer initiative, "Youth With You, Youth With Me" team-building events, "Rose Classroom" activities for female employees, Family Day events for employees stationed abroad, "Building a Clean and Beautiful World" employee cultural performances, table tennis competitions, and badminton tournaments.

Throughout the year, more than 70 community-level cultural and sports events were organized, while employees initiated and conducted over 500 "Interest Alliance" activities such as fitness, badminton, and basketball through the "Wuliangye Home" platform. Over 10,000 participants engaged in these events, effectively enriching employees' work and personal lives.



"Yangtze River Guardians Alliance" Volunteer Activity



Environmental protection day cultural performance



Table Tennis Competition



Parent-Child Reading Sharing Session

Tailoring education to empower talent development

Wuliangye places great importance on employee training and development. It has established an employee education and training centre to coordinate and organize staff training. Every year, the Company gathers training needs through various channels such as questionnaires, interviews, on-site assessments, and analysis meetings. Combining company development, manpower planning, employee career development needs, and performance indicators, a comprehensive training needs analysis is conducted. Based on this analysis, training plans are scientifically designed and diverse training activities are carried out.

Training for newcomers

- **Induction training:** The Company organized new employee training activities for recent college graduates, employing methods such as thematic lectures, case analysis, practical exercises, and extension training. Topics covered included corporate culture, rules and regulations, professional ethics, and safety precautions.
- **Talent rotation mechanism:** The Company organized new college graduates to rotate through positions in marketing and production.

On-the-job training

- **Vocational skill training:** We vigorously implement the vocational skill upgrading project, make full use of national encouragement policies, and organize liquor production workshops and new employees to receive work-based training.
- **Talent training channels:** The "Management Measures for the Training of Baijiu Tasting and Evaluation Talents (for Trial)" were introduced to encourage young employees with a talent for tasting and evaluating Baijiu to master tasting and evaluation skills, and to explore channels for training tasting and evaluation talents across job types, positions and functions.

Talent development

- **Talent Recruitment and Cultivation Management Measures:** The Company adopted stratification, classification, and category management for outstanding talents, strengthened the cultivation of young talents, widened career development paths, established a reserve talent pool, and formulated targeted annual training plans to protect talent development rights and interests.

Employee Training and Development System

- During the Reporting Period, in accordance with the annual training plan, the Company extensively carried out various levels and types of training, focusing on operations management, production techniques, marketing, safety, quality, environmental protection, finance, and disciplinary inspection. This was done across different levels, categories, and positions.
- **68** company-level training sessions with 12,688 participants
- **77** department-level training sessions with 5,191 participants
- **238** workshop-level training sessions with 54,127 participants
- **23** skill training sessions with 1,312 participants
- **10** external training sessions with 120 participants
- The above trainings used a total of more than **RMB3.5 million** in funds, achieved **100%** training coverage, and had a pass rate of over **90%**.



Case // These powerful talent cultivation measures successfully achieved four significant milestones.

During the Reporting Period, the Company achieved four significant milestones in talent cultivation.

- Firstly** Wuliangye successfully established two national-level talent incubation platforms within the same year - the Cao Hongying Skills Master Studio and the National High-skilled Talent Training Base, creating opportunities for cultivating more highly skilled talents.
- Secondly** This marks the inaugural independent certification of the professional skill levels of wine tasters, winemakers, and Baijiu brewers. This initiative is anticipated to generate cost savings of over RMB100 million for the Company in the future.
- Thirdly** Wuliangye obtained the qualification for independent evaluation of top-class technicians for the first time, breaking the ceiling of career development paths for skilled talents.
- Lastly** The Company successfully hosted the highest-standard provincial vocational skills competition, the "Sichuan Craftsman Rod" Baijiu Tasting Contest, earning recognition from the Yibin Municipal People's Government and the Provincial Department of Human Resources and Social Affairs.

Health management, promoting safe production

Wuliangye adheres to the occupational health and safety policy of "Safety First, Precaution Crucial, Full Participation and No Failure", establishing a comprehensive occupational health and safety management system, and diligently implementing various safety production and occupational health measures to ensure the health and safety of employees in all aspects.

Ensuring safe production

During the Reporting Period, Wuliangye successfully passed the ISO45001: 2018/GB/T45001-2020 audit and certification, obtaining the certificate. In the production and operation process, strict adherence to the safety work requirements of normalized education, investigation, rectification, punishment, and accountability is maintained. We continue to follow the safety work guiding principle of "Prevention First" and "Fire Prevention as the Focus," while resolutely implementing strict and severe safety management measures.

- 01 System construction**

In accordance with the GB/T45001-2020/ISO45001: 2018 standard requirements, we have established and maintained an effective occupational health and safety management system.
- 02 System guarantee**

We have formulated and are implementing more than 30 production safety management rules and regulations, including the Production Safety Management System, Fire Safety Management Regulations and Production Safety Management Performance Assessment Measures.
- 03 Organizational guarantee**

The Production Safety Committee and the Production Safety Supervision Department have been established, providing adequate resources in personnel, finance, and materials required for occupational health and safety.
- 04 Emergency guarantee**

We laid efforts on the emergency response team, emergency equipment, emergency response capability, emergency plans and drills, striving to promote the modernization of emergency management capability.
- 05 Hidden Danger Management**

A dual prevention mechanism of graded risk management and control, as well as hidden danger investigation and management, has been established. We implement risk management and control in four grades: red, orange, yellow, and blue. We carry out standardized hidden danger investigation and management in accordance with relevant national laws, regulations, and standards to address hidden dangers at their earliest stages.
- 06 Safety culture**

We have created a safety culture with unique corporate characteristics by building a safety publicity team and diligently organizing activities such as the "Five Entries" of safety publicity to enhance the safety awareness of all staff members.
- 07 Working environment guarantee**

Landscape rectification is implemented in all workshops, and factory area bathrooms and blue washing rooms are upgraded and renovated.
- 08 Eco-environmental construction**

The Company's industrial park is a national AAAA-level industrial tourism scenic area, and an ecological wetland park is being constructed.

Safety management system



- The Company consistently implements "normalized education," organizing various targeted safety training sessions at different levels. It has successively conducted **12** specialized safety knowledge training sessions on safety production checklist management and gas safety knowledge, training **2,662** people.
- External safety experts were invited to provide specialized training on responsibility implementation for the primary person responsible in each unit. The primary responsible individuals and safety management personnel participated in **6** training sessions on safety production knowledge and management capabilities organized by the Yibin City Emergency Bureau, training **33** people.

Safety production measures

In 2022, the Company held a safety production work conference, conducted safety production inspections, organized safety management training, and launched "Safety Production Month" activities.



2022 "safety production month" launch ceremony



Conducting safety management training for the primary person responsible



Conducting safety production inspections



Holding the 2022 Safety Production Work Conference

Case Technological empowerment, advancing intelligent safety monitoring

To improve the efficiency of safety monitoring, the Company actively promotes the intelligent transformation of safety monitoring. For instance, a smart electricity safety monitoring system is installed in the power distribution facilities at Workshop 513's production site, enabling real-time monitoring of electrical equipment voltage, current, and faults. The mobile APP can receive real-time early warning information about hidden dangers and faults, achieving online monitoring management and enhancing electrical operation safety.

Case // Information technology transformation: innovating health and safety management models

The Company actively promotes the information technology transformation of safety management by simultaneously operating the Dual Prevention information system and the Occupational Health and Safety Management Information System. It has established multiple business modules, including both APP and WEB versions, based on GIS mapping, covering **8,137** risk points. This has enabled closed-loop and transparent management of two major business processes: risk identification and demonstration to inspection plan formulation and execution" and "hazard investigation to hazard control. These efforts effectively implement the safety management requirements of "normalized investigation" and normalized rectification.

Enhancing emergency response capabilities

To improve the ability to handle emergencies, the Company continuously strengthens emergency management and modernizes emergency capabilities.

Establishing a full-time firefighting team for the Company

- **Team status:** Established in 1991, the Company's full-time firefighting team consists of **116** members. It is among the first provincial emergency rescue teams in Sichuan Province and has been awarded the titles of "National Worker Pioneer" and "National Youth Civilization."
- **Team responsibilities:** The team maintains 24-hour combat readiness with military-style management, bearing the dual responsibility of fire safety protection for over **20,000** employees within the Company's **18** square kilometer area and providing social emergency rescue and disaster relief.

Improving emergency response capabilities

- **Emergency command and plans:** The Company has established **1** emergency rescue command centre, **7** automatic fire control centres, **2** comprehensive emergency plans, **11** specialized emergency plans, and **64** firefighting operation plans.
- **Community-level unit emergency response:** Community-level units have established voluntary firefighting teams and set up **71** micro fire stations, regularly carrying out various emergency drills to enhance emergency response capabilities and rescue levels.

Strengthening emergency equipment support

- **Addressing the shortcomings of emergency equipment:** The Company actively promotes the upgrading of emergency equipment and the provision of high-precision equipment.
- **New equipment:** In 2022, the Company added **4** high-performance emergency firefighting rescue vehicles, including multi-articulated arm large-span lifting jet vehicles, as well as **2** logistical support vehicles, **1** troop transport vehicle, and **107** on-board equipment pieces, such as large-flow portable pumps, fire cannons, and positive-pressure air respirators.

Emergency capability enhancement measures

Case // Carrying out emergency drills to enhance practical capabilities

In December 2022, the Company conducted a comprehensive emergency rescue drill. During the drill, a hypothetical situation was enacted where a laboratory technician working at the quality inspection centre inadvertently spilled highly concentrated ethanol onto an electric heating plate. This resulted in combustion, and the ignition of combustible materials in the surrounding area. The entire drill took **25** minutes, during which each team demonstrated a high level of meticulousness, seriousness, and close coordination. They executed the rescue operation with scientific precision and promptness in their response. This drill activity assessed the effectiveness of the Company's emergency management system and improved the practical capabilities of the emergency team.



Emergency drill scene

Guarding occupational health

During the Reporting Period, Wuliangye insisted on integrating elements of the occupational health and safety management system throughout the entire safety management process. The system operation has become more practical and effective by continuously refining measures such as hazard identification, operational control, and performance improvement. The Company successfully passed the re-certification audit of the Occupational Health and Safety Management System.



Occupational health and safety management system certification

- During the Reporting Period, the Company had an occupational disease incidence rate of **0**, an employee physical examination rate of **100%**, and a total investment of **RMB21,658,400** in occupational health and safety.



The Company has established and improved management systems, including the *Regulations on Occupational Disease Prevention and Control Supervision and Management*, *Occupational Health Monitoring and Archive Management System*, and *Occupational Health Management Performance Management Measures*. An occupational health work leadership group has been set up, led by the Party Secretary and Chairman, with other company leaders as members, and the Logistics Service Centre serving as the Company's occupational health management department.

- During the Reporting Period, the Company examined **173** suppliers in total and terminated its cooperation with **9** non-compliant suppliers, including the exit of all categories and a single category.



Case // Holding the annual Convention: Achieving shared growth through discussion and collaboration to commend excellent supplier partners

During the Reporting Period, Wuliangye held the 26th 12*18 Annual Convention: Achieving Shared Growth through Discussion and Collaboration. At the convention, the Company selected three suppliers as the annual excellent strategic partners in 2022 from three dimensions of "performance, quality, and after-sales", helping the Company to maintain its win-win cooperation with supplier partners.



Excellent strategic Partners

Building green supply chain

Wuliangye incorporates environmental protection and energy conservation into supplier management and follows the principles of prioritizing energy conservation, environmental protection, and economy in procurement. It seriously informs each supplier of the Company's energy and environment requirements and requires them to sign the *Letter of Notice for Energy and Environment Requirements*. In addition, the Company demands all suppliers to provide packaging materials that comply with sanitation and food safety requirements, establishes a sound system for guaranteeing the safety and sanitation of food packaging materials, and applies green, environmental friendly, and pollution-free raw and auxiliary materials for production.

- During the Reporting Period, the Company newly revised a *Supplier Management Measures for Packing Supplies (Trail)*, further clarifying the admission of suppliers and strengthening the hierarchical management, daily appraisal, annual reviews, and other supplier-related work.



Sustainable agriculture development

Grain is crucial to Wuliangye. The Company adheres to the base upgrading and construction ideas of "Yibin as the core and Sichuan as the entity, taking into account some quality grain regions of production for brewing in China" and adopts three modes of "core demonstration, strategic cooperation and industry-university-research-application (customization)". Therefore, the Company successfully built the Wuliangye's grain base for brewing, covering an area of 1.15 million mu (1 mu is equal to approximately 666.67 square meters).

Wuliangye sets out to practice the idea of sustainable agriculture in the management of its grain base for brewing. It respects the environment, protects natural resources, ensures the fair and reasonable income of farmers without harming the interests of the next generation of agricultural practitioners.



Investigate and survey Wuliangye's grain base for brewing

Standardizing planting patterns

- **Concern for agricultural ecosystem:** The Company adheres to the demand for green, environmental friendly, and pollution-free production and considers the agricultural ecosystem as a whole, adopting a localized and coordinated approach based on local conditions.
- **The standardized mode of "five unifications" and "five quality support":** "Five unifications" refers to the unification of variety distribution, seedling management, fertilization formulas, transplant management, and pest control measures. "Five quality support" refers to quality seeds, quality approaches, quality production, quality soil, and quality machinery.

Popularizing green technology

- **Compilation of technical manuals:** The Company requires its raw grain suppliers to produce, cultivate, and manage quality control in accordance with green cultivation standards. Based on the special geographical and climate environment of Yibin, Wuliangye has compiled technical manuals for green cultivation of brewing grains and green prevention and control of pests and diseases, guiding the green production and cultivation in the base.

Providing training for farmers

- **Corporate standard training sessions:** During the Reporting Period, the Company has organized three training sessions on corporate standards for Yibin customized glutinous red sorghum participated by a total of **260** suppliers and farmers.

Guaranteeing farmers' income

- **Farmers' income:** During the Reporting Period, Wuliangye built a grain base for brewing with an area of **1.15 million** mu, achieving an agricultural output value of **RMB610 million**, a tax revenue of **RMB30 million**, and an average income of **RMB6,900** per household.

Specific measures for sustainable agriculture development

Establishing a new type of manufacturer relationship to achieve a win-win cooperation

Wuliangye is committed to building a new type of symbiotic and co-prosperous relationship with manufacturers. By strengthening the management, support, and training of its distributors, continuously enhancing channel transformation, and ensuring comprehensive and steady progress in new development, the Company aims to achieve a win-win cooperation with its distributors.

Distributors support

During the Reporting Period, the Company optimized dealer support and enhanced manufacturer cohesion through in-depth research on merchants, promoted regional marketing divisions to be responsible for regional marketing, and strengthened manufacturer interactions.

Conducting in-depth research on merchants

- **Officer investigation and survey:** Officers of the Company took the lead in investigating and surveying the market and extensively listened to the opinions of merchants.
- **Conduct round-table discussions:** The Company took the opportunity of round-table discussions in Chongqing and Chengdu to have in-depth discussions with distributors about the market and strategies.

Promoting regional marketing divisions to be responsible for regional marketing

- **Officers and functional departments provide targeted services to front-line marketing regions:** Formulate and improve supporting systems for high-quality market order management and standardized entertainment activities.
- **Implement "headquarters responsible for overall marketing and regional marketing divisions responsible for regional marketing":** The five powers, namely powers on personnel, finance, property, assessment, and ad hoc decision-making, have been orderly delegated to the marketing regions to make the best use of resources and provide refined services and precise support for the market.

Reinforcing interactions with manufacturers

- **Conduct activities together:** The Company conducted advertising campaigns, entertainment events, and tasting activities together with manufacturers, helping the terminal sell-through.
- **Innovate team-building model:** The Company organized training sessions for excellent store managers to return to the factory for visit and study, invited opinion leaders from various regions to participate in immersive trips to the factory, and invited distributors to participate in the first "Craftsmanship Cup" marketing skill competition.

Measures for dealer support



Communication Conference for Brand Operators

Case

Creating a "Brand Innovation and Marketing" workshop to promote high-quality development of businesses

In April 2022, the Company launched the fourth "Brand Innovation and Marketing" workshop and invited representatives of its brand operators to participate in the training. This training helped brand operators understand the Company's strategic development plans and operational planning, enhance their skills and methods in market operations, and improve their overall operational capabilities.

Case

Conducting skill training for distributors to improve their collaborative combat ability

In 2022, the Company conducted special training for distributors for multiple times, with 22 distributors and over 80 operation team members participating. This training aims to consolidate and strengthen distributors' knowledge of the brand and products of Wuliangye, help them develop core competitiveness, efficiently promote the overall service quality and professionalism of front-line sales personnel and customer service staff, further improving customer satisfaction and achieving higher consumption conversion rates.

Case

Visiting and offering assistance to struggling distributors to help overcome difficulties

In 2022, the overall economic situation in Henan market was tough. In order to implement Wuliangye's concept of "joint contribution and shared benefits" and "developing together", the Henan Dealer Association purchased supplies and carried out visiting activities for 860 social terminals and distributors in the province, helping small distributors to get through the difficult times.

Commitment to common industrial progress to demonstrate enterprise responsibility

Wuliangye undertakes the responsibility of a large-scale liquor enterprise, actively joins various industrial associations and initiatives, and participates in the formulation of liquor industry standards. It also hosts and participates in various industrial exchange activities, cooperates with famous liquor enterprises with mutual trust, and assumes responsibilities together. Wuliangye continuously contributes its wisdom and strength to the realization of high-quality industrial development.

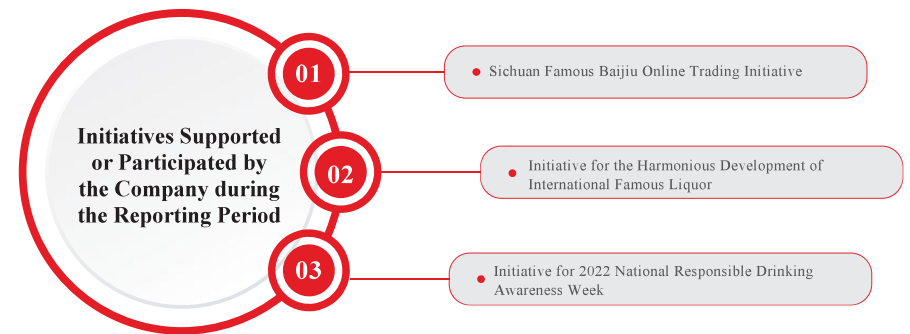
Standards Formulated with the Company's Participation

Level	Name of Standards	Status
National Standards	<i>Analysis Methods for Baijiu GB/T10345-2022</i>	Official Release
National Standards	<i>Geographical Indication Product Quality Requirements for Wuliangye</i>	Approval of Project Establishment
National Standards	<i>National Standard Validation Point for Baijiu Produced by Solid Fermentation</i>	Material Submission
Industrial Standards	<i>Specifications for Baijiu Quality Safety Traceability System QB/T5711-2022</i>	Official Release
Corporate Standards	<i>Local Glutinous Red Sorghum (Trial)</i>	Official Release
Corporate Standards	<i>Baobaoqu (Starter Culture for Baijiu Fermentation)</i>	Official Release
Corporate Standards	<i>High-temperature Daqu (Starter Culture for Baijiu Fermentation)</i>	Official Release
Industrial Standards	<i>Evaluation Requirements for Green Factory in Baijiu Industry</i>	Standard Drafting
National Standards	<i>Water Withdrawal Norm Part 15: Baijiu Manufacturing</i>	Standard Drafting
Local Standards	<i>Report and Disclosure Guidelines fuse Gas Emissions Calculation of Baijiu Enterprises in Sichuan Province</i>	Public Solicitation of Opinions
Corporate Standards	<i>Brewery Wastewater Discharge Standards</i>	Official Release
Group Standards	<i>Greenhouse Gas Calculation Methods and Reporting Standards for Baijiu Enterprises of China Alcoholic Drinks Association</i>	Approval of Project Establishment
Group Standards	<i>Carbon Footprint Evaluation Standards for Baijiu Products of China Alcoholic Drinks Association</i>	Approval of Project Establishment
Group Standards	<i>Demonstration Area for Zero Carbon Emission in Chinese Liquor Industry of China Alcoholic Drinks Association</i>	Approval of Project Establishment
Local Standards	<i>Technical Specifications for Artificial Ecological Wetland Treatment of Brewing Wastewater DB/5115/T34-2020</i>	Official Release
Local Standards	<i>Technical Specifications for Green Design Product Evaluation of Multi-grain Strong-flavoured Baijiu DB5115/T33-2020</i>	Official Release

The Company's Participation in Social Organizations

Level	Name of Association	Association Position
National	China Alcoholic Drinks Association	A Vice Chairman Organisation
	China National Association for Liquor and Spirits Circulation	A Vice Chairman Organisation
	China Trade Association for Anti-counterfeiting	A Member Organisation
	National Technical Committee 532 on Brand Evaluation of the Standardization Administration of China (TC/532)	A Member Organisation
	National Technical Committee 471 on Brewing of the Standardization Administration of China (TC/471)	A Committee Member
	Subcommittee 7 on Winy Reference Materials of National Technical Committee 118 on Reference Materials of the Standardization Administration of China (TC118/SC7)	A Member Organisation
	Subcommittee 2 on Strong-flavoured Baijiu of National Technical Committee 358 on Baijiu of the Standardization Administration of China (TC358/SC2)	A Member Organisation
	Subcommittee 2 on Brew Beverage Machinery of National Technical Committee 101 on Light Industrial Machinery of the Standardization Administration of China (TC101/SC2)	A Committee Member
	China Association for Standardization (CAS)	A Member Organisation
	China National Food Industry Association	A Vice Chairman Organisation
	The China Association for Quality (CAQ)	A Vice Chairman Organisation
	China Association for Listed Companies	A Vice Chairman Organisation
	Chinese Society for Environmental Sciences	A Group Member Organisation
	China Ecological and Environmental Protection Facilitation Alliance	A Member Organisation
	Committee of Brewing, Chinese Institute of Food Science and Technology	A Vice Chairman Organisation
	Boao Forum for Asia	Institution Director
	Baijiu Brewing Technique Special Committee of China Intangible Cultural Heritage Protection Association	A Standing Director Organisation
	APEC China Business Council	A Member Organisation
	China Chamber of International Commerce	A Vice Chairman Organisation
	APEC China Digital Economy Committee	A Committee Member Organisation
China Institute of Internal Audit	A Member Organisation	
Carbon Neutrality Committee of China Energy Conservation Association	A Member Organisation	
Council of China Environment News	A Standing Director Organisation	

Level	Name of Association	Association Position
Provincial	The List Company Association of Sichuan	A Vice Chairman Organisation
	Sichuan Environmental Investment Utilization Association	A Chairman Organization
	Sichuan Environmental Science Society	A Standing Director Organisation
	Sichuan Association for Quality	A Member Organisation
	Sichuan Health Supervision Association	A Vice Chairman Organisation
	Sichuan Association for Standardization	A Vice Chairman Organisation
	Time-honored Brand Special Committee of Sichuan General Chamber of Commerce	A Director Organization
	The General Association of Sichuan Entrepreneurs	A Standing Vice Chairman Organisation
	Sichuan NGO Network for International Exchanges	A Member Organisation
	Sichuan Chamber of International Commerce	A Vice Chairman Organisation
	The Association for the Golden Triangle of Chinese Baijiu in Sichuan	A Vice Chairman Organisation
	Sichuan Association for Internal Auditor	A Member Organisation
	Sichuan Audit Society	A Vice Chairman Organisation
	Sichuan Charity Federation	A Member Organisation
Municipal	Yibin Association for Quality	A Vice Chairman Organisation
	Yibin Association for Standardization Facilitation	A Member Organisation
	Yibin Audit Society	A Vice Chairman Organisation
	Yibin Foundation for Caring for Next Generation	A Member Organisation



Technical assistance

During the Reporting Period, Wuliangye continuously carried out technical assistance for two local liquor enterprises, namely "Xiaojiaolou" and "Jiangkouchun", in Pingchang County, Bazhong City, helping them promote product quality and quantity.



Technical instruction in Jiangkouchun



● The Company assisted Jiangkouchun in the reconstruction of an automated Qu-preparation workshop. Based on local conditions, **16** production technique specifications were formulated, including Qu-preparation Production Technique, Equipment Operation Regulations, and Finished Qu Acceptance Standards. Throughout the year, Wuliangye has produced **379** tons of incised notopterygium, including the first-grade Qu of **59.86%** in average.



● The Company assisted Xiaojiaolou in completing the first phase of pit construction, building **448** new pits, of which **65** have started normal production.
● The Company guided Jiangkouchun to culture and produce approximately **30,000** kilograms of fermentation liquor and over **39** cubic meters of pit mud in a staggered way.
● The Company guided Jiangkouchun to restore **42** old fermentation pits and build **17** new ones, of which **6** have been put into normal production.



● In 2022, the two assisted enterprises have further improved their high-quality yield and produced premium-grade flavoured liquors, ending the status with no self-produced premium-grade flavoured liquors.
● Jiangkouchun's annual average liquor yield increased by **10.2** percentage points year on year.
● Xiaojiaolou's annual average liquor yield increased by **3.05** percentage points year on year.

Technical assistance achievements

Rural Revitalization

Wuliangye has always been actively devoted to the course of rural revitalization with a high sense of political responsibility and historical mission and provided paired assistance for Litang County, Ganzi Prefecture and Pingshan County, Yibin City according to the arrangements of the CPC Sichuan Provincial Committee, the People's Government of Sichuan Province, the CPC Yibin Municipal Committee, and the People's Government of Yibin City.

- In 2022, Wuliangye solidly carried out the paired assistance work and invested more than **RMB460 million** in paired assistance the whole year.
- Specifically, industrial assistance funds exceeded **RMB440 million**.
- Consumption assistance funds exceeded **RMB10 million**.
- Educational assistance funds totaled **RMB9.61 million**.
- Organizational construction funds exceeded **RMB400,000**.



Strengthening organizational guarantee to ensure the stable progress of paired assistance

Wuliangye set up a leading group for paired assistance to coordinate the assistance, made a series of arrangements to consolidate and expand the achievements of poverty alleviation linked up with rural revitalization effectively, strengthened the organization and leadership, and solidly promoted paired assistance. The Secretary of the Party Committee of the Company served as the leader of the leading group for paired assistance in rural revitalization. Through task setting by the Party Committee, pairing of the community-level Party organizations and implementation by front-line Party members and cadres, a trinity assistance organization system of "headquarters, staff office and combat team" was comprehensively formed.



Leading group for rural revitalization



02 Quality

Permanence from Refinement

Focusing on quality, Wuliangye insists on the concept that quality is life and every drop of liquor must be made out of dedication and adheres to innovation leadership, combining modern technology with old traditional production techniques. Wuliangye has always remained committed to craftsmanship and the production secrets of "growing, brewing, selecting, aging and mixing", strictly implements the protection of consumer rights and interests, continuously improves the whole-process quality management system from seed to liquor, and establishes the quality benchmark of Chinese Baijiu industry.

- R&D Innovation
- Technique Inheritance
- Quality Management
- Customer Responsibility

Responsive SDGs



R&D Innovation

In 2022, the Company developed an innovation system featuring forward-looking theoretical research, question-oriented application research, and market-oriented technological innovation in all respects. Focusing on common issues in the industry and the concept of green and low-carbon development, the Company made original and forward-looking technology breakthroughs centring on fermentation mechanism, health factors and flavour substances, promoted the in-depth integration of technological innovation and traditional brewing technique of intangible heritage, empowered outstanding quality with strong technological innovation, continuously consolidated the leadership of traditional advantageous industry and led the quality upgrading of Baijiu industry.

Guaranteeing continuous innovation by optimizing scientific research management

Improvement of systems

Wuliangye has successively issued and improved a series of management systems and rules, including the Regulations on Scientific and Technological Research Management (Trial), the Regulations on Research Expenditure (Trial), the Implementation Rules on Awarding Scientific and Technological Innovation Achievements, the Implementation Rules on Awarding Minor Innovations and Progresses (Revised), the Regulations on the Management of Post-doctoral Science and Technology R&D Stations and the Implementation Opinions on Talent Project (Trial), forming a well-improved technological innovation management system and incentive mechanism. The maximum amount of the Company's internal technological achievement awards has been raised from **RMB2 million** in the early stage to **RMBS million**, which can stimulate the enthusiasm of scientific researchers and effectively support technical innovation.

Wuliangye is continuously improving its innovation system and has built seven national innovation platforms including the National Quality Supervision and Inspection Centre of Baijiu Products, the National Enterprise Technology Centre, the National Industrial Design Centre, the International Joint Research Centre of Quality and Safety of Alcoholic Beverages, the Post-doctoral Science and Technology R&D Stations, China Scientific Research Centre for Baijiu Flavour, and China Engineering and Technology Research Centre for Baijiu Brewing Grains.

Promotion of platform building

China Engineering and Technology Research Centre for Baijiu Brewing Grains was recognized by China National Light Industry Council

The Company was awarded as China Scientific Research Centre for Baijiu Flavour by China Alcoholic Drinks Association

The National Enterprise Technology Centre passed the re-evaluation with a high score

Highlights of science and technology platform building in 2022

Sichuan Key Laboratory for Solid Fermentation Resource Utilization successfully completed the election of the Academic Committee

Strengthening scientific research and serving enterprise development

In 2022, Wuliangye continuously made new breakthroughs in terms of technological innovation, actively applied for patents, published scientific research papers, and won many awards and honours for scientific achievements. Wuliangye continued to carry out product R&D, focused on technology, and consolidated its strengths in sustainable development.

Technological innovation

- During the Reporting Period, the Company cumulatively applied for **210** patents, and obtained **19** authorized patents for invention and **30** authorized patents for utility model.
- The Company published **87** scientific research papers, including **32** SCI ones, and won **2** awards.
- **4** scientific achievements were selected as **Significant Scientific and Technological Achievements of Chinese Baijiu in 2022**.
- **3** scientific achievements passed the achievement authentication at the provincial level with the overall level leading the world.



Wuliangye's scientific research paper, Identification of Different Commercial Strong-flavoured Baijiu Brands by Stable Carbon Isotopes, won the first prize of Scientific and Technological Excellent Paper Award of China Alcoholic Drinks Association

Wuliangye's "Transmission Mechanism and Application of Key Microorganisms and Flavour Components of Multi-grain Strong-flavoured Baijiu" project won the first prize of Science and Technology Progress Award of China Alcoholic Drinks Association



Wuliangye's "Technical Research on Output Increase of Sorghum Distillation Pits" project won the third prize of Science and Technology Progress Award of China National Light Industry Council

Wuliangye's scientific research paper, *Research on the Screening and Optimization of Vermouth Leaven and Intelligent Brewing*, won the third prize of the 4th Brewing Microbial Preparation Application Technology Paper Competition in 2022

Case First discovering key microbial strains and deciphering the key to the Aroma of the Nation

Wuliangye discovered and announced three typical microbial strains of strong-flavoured Baijiu for the first time in the world, including caproicbacterium sp. JNU-WLY1368, proteiniphilum sp. JNU-WLY501 and moniliella aeria WLY-L-M-1 isolated from pit clay of Workshop 501, verifying the scarcity value of Wuliangye’s special brewing environment.

Case Introducing foreign experts and participating in international sharing

The Company introduced the cooperation project with Michael Qian, a famous American expert in flavour chemistry, published approximately **3,000** compounds detected in the 8th-generation Wuliangye for the first time in the world, around **1,000** compounds more than the industry average, and completed the 8th-generation Wuliangye flavour spectrum, with results published in international journals.

Meeting consumer demands by promoting product innovation

In 2022, Wuliangye adhered to the market-oriented and consumer-centric development principle, insisted on independent innovation and promoted product innovation and optimisation of product mix on the basis of brand and product positioning research.

Case Commemorative products of the Spring Festival Gala “Wuliangye Rabbit Yuanyuan” were sent out, showing the charm of harmony culture

Rabbit Yuanyuan is the mascot of the Spring Festival Gala. The Company launched Wuliangye commemorative products of 2023 Spring Festival Gala with the image of Rabbit Yuanyuan. The design of “Wuliangye Rabbit Yuanyuan” highly integrates Wuliangye’s brand characteristics and zodiac culture. On the basis of oriental aesthetics, it combines design elements of Spring Festival, and further constructs the value expression of Wuliangye’s harmony culture featuring diverse forms, rich content and extensive coverage, injecting new vitality into the brand.



2023 Spring Festival Gala commemorative product “Wuliangye Rabbit Yuanyuan”

Case “Wuliangfang Qingyun” won the “Qingzhuo Award”

“Wuliangfang Qingyun”, a new product of the Company, participated in the appraisal of “Qingzhuo Award” as the Company’s annual participation product. “Qingzhuo Award” is recognized as the most rigorous and professional new liquor evaluation activity in the industry, which is known as the highest honour for new products. After being selected by experts, “Wuliangfang Qingyun” won the honour as the annual new product, strongly proving the hardcore quality of the complete series of new products.



Wuliangfang Qingyun

Case “Wuliangye Harmonious Sichuan” won the special silver award of “Golden Panda Tianfu Creative Design Awards”

“Wuliangye Harmonious Sichuan”, as one of the representative products of the “harmony” culture series of Wuliangye-branded high-end Baijiu products, presents a sincere piece of hometown feeling through the refinement and interpretation of hometown culture and history, realizing the combination of Wuliangye brand culture and local Sichuan culture.



Wuliangye Harmonious Sichuan

Technique Inheritance

Wuliangye has always remained committed to craftsmanship and the production secrets of “growing, brewing, selecting, aging and mixing”, continuously improves the whole-process quality management system from seed to liquor, and ensures consistent excellent quality.

Promoting perfect techniques with craftsmanship

Wuliangye’s traditional production techniques adopt its unique “Baobaoqu” as the carrier for the combination of microorganisms in the environment, leverages fermentation technologies such as circular fermentation, solid-state vinasse renewal and double-round button fermentation, and uses its special distillation techniques in the domestic liquor industry including level-based vinasse removal, level-based distillation and quality-based blending to give birth to Wuliangye’s style of “lasting aroma, mellow, pleasant and smooth taste, and harmonious, well-balanced and comprehensive flavours”.

Inheriting brewing techniques

Wuliangye actively promoted the high-quality development of traditional distillation techniques, organized managers and key personnel of business in each production workshop to carry out targeted operation training and skill competitions of production techniques, continuously consolidated and improved the skills of the Company’s key personnel, and cultivated excellent talent team.



Case // Inheriting traditional distillation techniques by organising operation training of production techniques

During the Reporting Period, the Company leveraged the "Craftsmen Incubator" platform to carry out theoretical and practical training of core distillation skills such as “vinasse-based ingredient making”, “distillation of grains in retorts” and “quality-based liquor selection” in the medium temperature liquor production workshop. The Company organized the leader and key personnel of Qu-preparation team to conduct training of Qu-preparation management and Qu-preparation production techniques such as wheat mixing, material moistening, milling, material mixing, Qu block forming and bacterial culture management. Besides, in accordance with the work plan of “Spring Buds” that bolsters weak spots, the Company actively carried out workshop assistance activities and improved brewing skills to inherit traditional techniques.



Unblended liquor tasting and evaluation training in Workshop 515



Workshop assistance training



Practical training of ingredient making in Workshop 507

Case // Skills competitions were actively carried out to improve employees’ technical skills

In 2022, the Company held the first Wuliangye “Craftsmanship Cup” professional skills competition for employees, and carried out the sixth municipal skills competition in brewing production (vinasse-based), Qu-preparation (bacterium culture) and professional tasting and evaluation together with Yibin Federation of Trade Unions, so as to promote training through competition and effectively improve the skills of employees.



Municipal Qu-preparation (bacterium culture) skill competition in Yibin



The final of “Craftsmanship Cup” distillation of grains in retorts competition

Quality Management



The Company's rapid development has always relied on quality as the centre. Wuliangye focuses on quality throughout its whole development process, insists on the quality concept that quality is the soul and brewing must be made with craftsmanship, practices the quality-first principle that allows only the best grains to be used, upholds century-old craftsmanship and pursues optimal liquor production, and continues to improve its industry-leading quality management system.

Improving mechanisms and optimizing management capabilities

Wuliangye continuously improves quality management system. Besides, in accordance with the *Hazard Analysis and Critical Control Point (HACCP) Certification Requirements (V1.0)*, it organizes the version conversion and certificate renewal of quality management system and HACCP system. In April 2022, the revision and release of system documents was completed. In July, the Company successfully passed quality management system, HACCP system and product quality certification inspections conducted by China Quality Mark Certification Group Sichuan Co., Ltd., and obtained certificates of quality management system, HACCP system and product quality certification.



- During the Reporting Period, the state, provincial and municipal administrations for market regulation and testing institutions conducted sample test of **87** batches of products in the market. The Company sent samples of **34** batches to the third-party testing institutions, and the labelling, quality indicators, food safety indicators all met the requirements of national laws and regulations, standards and enterprise standards.
- The product qualification rate was **100%** from 2020 to 2022.



Forward-looking and preventive source control of new products: The Company fully evaluates the packaging materials and labelling of each product from the design and development stage. Wuliangye mainly identifies compliance, customer demands, safety, environmental protection, functionality and stability to ensure the safety and reliability of products.



Standardized management of incoming inspection of packaging supplies: The Company has formulated the internal control standards to implement control on the incoming inspection of packaging supplies in three aspects including the management of obtaining certificates and notes from suppliers, the testing of each batch of sampling and the supervision and random inspection and verification to ensure the food quality and safety of each batch of packaging supplies put into use.



Systematic control on packaging and production: The Company identifies, assesses, checks and controls risk factors that may affect products in the whole production chain in advance. Wuliangye strictly implements production techniques in each step of the production process, and rigorously controls workforce, machinery, materials, processes, measurement and environment to ensure the full control of the process and the products.



Strict food safety control on the liquor: The Company conducts inspection and control on the sensory and physiochemical indicators of each batch of to-be-packaged liquor and outgoing liquor, effectively ensuring that each batch meets the standard requirements.

Quality control throughout the industrial chain



In order to ensure product quality, Wuliangye applies modern analytical techniques and modern analytical instruments in the whole-process testing of Wuliangye's production. Modern analytical instruments including gas chromatographs such as HP, SHIMADZU and PE, atomic absorption and chromatography-mass spectrometry are used to carry out comprehensive quality control of product quality and production processes such as procurement of raw materials, unblended liquor grading, ageing liquor and blending.

- During the Reporting Period, the Company successfully passed the on-site inspection of the China National Accreditation Service (CNAS) for Conformity Assessment and added **77** new testing parameters, marking that the Company's testing and calibration capabilities have reached the level of international recognition. The test data and report issued for **126** parameters within the accreditation range will be recognized by the national and regional laboratory accreditation institutions that have signed mutual recognition agreements (ilac-MRA) with CNAS, which will provide strong technical support for the implementation of the Company's internationalization strategy.

Quality management of raw grain

In accordance with the requirements of closed management and true traceability, the Company implements three unifications for the use of seeds, fertilizers and pesticides and the “five ones” control measures (one household, one order, one certificate, one document and one card), carries out selection of production bases, scientific formulation of planting norms and practical strengthening of quality supervision, and adheres to the quality-based approach to promote the healthy development of Wuliangye and the sustainable income growth of grain farmers.

The acceptance of raw materials adopts the internal enterprise standard which is stricter than the national standard, and each variety has an average of 4 more testing indicators than national standard.

The Company requires that every grain stored and used comes from the latest season of production at the base, arranges special personnel to conduct on-site or video reviews of newly produced grain at the base and retains samples for subsequent comparison to improve quality stability.

Packaging quality management

In 2022, Wuliangye issued the *Regulations on the Packaging Quality Management of New Products Development* to strengthen the quality management of packaging supplies of new products development and ensure that the packaging meets the quality requirements in design, R&D, sample sealing, production and utilization processes. New product testing includes leakage, filling, transportation, stacking and drop tests.

The Company checks testing samples of new products on site and the samples of qualified new products are sealed. The Company regularly carries out information analysis of packing quality, concludes and provides guiding opinions for later development and production to continuously improve product quality.

Sample liquor management

Sample liquor is the physical samples extracted and retained permanently from each batch of liquor products produced by the Company according to different product names, specifications, batch numbers and production dates, which is a significant asset that cannot be reproduced and regenerated. At present, the Company retains more than **200,000** bottles of liquor samples. Each bottle of liquor sample is entitled with two codes. The sample code is used for recording sample information, and the address code is used for recording sample storage location, so as to realize online transmission and quick access of information by scanning codes. The Company leverages the *Full-life-circle Sample Liquor Management Information System* to deepen information technology management on sample liquor and ensure effective traceability of products.

Cultivating quality culture by strengthening promotion

The Company adheres to the quality ethics based on good faith and trustworthiness, takes high quality and safety as the pride, and insists on the quality values that quality is life and commitment. The Company actively carries out various kinds of publicity and education training to cultivate a quality culture in line with the quality guidance principle of “where there is a contradiction between quality and efficiency, the dominance of quality remains constant; where there is a contradiction between quality and production volume, the production volume is still subject to quality”.

Quality awareness training

- In 2022, the Company organized raw and auxiliary materials procurement, acceptance and management personnel, members of the HACCP team, full-time (part-time) food quality and safety managers, measurement managers, measurement confirmation personnel to carry out training of food quality and safety professional knowledge and measurement knowledge, with a total of more than **500** participants.

Quality skill competition

- In 2022, the Company organized the first Wuliangye “Craftsmanship Cup” product packaging quality skills competition, post training for quality inspection of package materials and grain inspection knowledge and skills competition, effectively encouraging inspectors to compete with each other and improve their inspection skills.

Pre-job qualification assessment

- In 2022, the Company carried out annual training and qualification assessment for **64** package materials inspectors, **167** finished liquor inspectors and grain inspectors, effectively promoting inspectors to continuously master new knowledge and new skills and improve their work ability.

Quality month activity

- In 2022, the Company carried out the quality month activity themed on “consolidating the quality foundation and promoting quality improvement”. Wuliangye thoroughly publicized and implemented the important instructions of General Secretary Xi Jinping on quality and food safety, implemented the major decisions and deployments of the CPC Central Committee, the State Council and the State Administration for Market Regulation such as the construction of a country of sound product quality, food safety regulation and standardized development, and fully enhanced employees’ awareness of quality and safety to vigorously promote the quality of Wuliangye.

Cultivating quality management culture

Customer Responsibility

For a long time, Wuliangye has insisted on satisfying the people’s yearning for a better life as its highest goal, formed a market demand-oriented and customer-centric after-sales service concept, attached great importance to consumer experience and feelings and actively created happiness for consumers.

Protecting consumer rights and interests by strengthening management

During the Reporting Period, Wuliangye protected the legitimate rights and interests of consumers from after-sales, brand rights protection, demand research and information protection, and continuously improved the quality and efficiency of after-sales services.

- During the Reporting Period, Wuliangye actively handled enquiries and complaints with a timely processing rate of **100%** and a completion rate of **100%**.
- Provided more than **150** sessions of door-to-door services to consumers or customers.
- Set up **18** authentication service stations cumulatively.
- Organized and participated in more than **50** public welfare, voluntary authentication and anti-counterfeiting activities.
- Conducted customer satisfaction survey, with a customer satisfaction score of **96.04**.



Giving back to loyal customers of the brand sincerely

After-sales services

- **Establishing management system:** Wuliangye issued After-sales Service Procedures.
- **Building after-sales service platform:** Wuliangye accelerated the construction of the after-sales service centre integrating consumption, experience, appraisal and services.
- **Guaranteeing quality of customer services:** Wuliangye actively accepted inquiries and complaints and provided door-to-door high-quality services.

Brand rights protection

- **Conducting anti-counterfeiting campaign:** Wuliangye built an internal and external cooperation network of "industry cooperation and interaction and government-enterprise synergistic linkage" to form a brand protection mechanism of "online monitoring and offline crackdown".
- **Organizing publicity activities:** Wuliangye carried out public welfare activities, voluntary authentication, and anti-counterfeiting publicity activities.

Demand research

- **Establishing daily information reflection channels:** Wuliangye used visits, discussions, questionnaires and other research methods to understand the opinions and suggestions of distributors and customers.
- **Actively implementing customers' opinions:** Wuliangye has solved problems including expense verification and report, policy support payments, smart code system operation, store upgrade, product configuration, etc.

Information protection

- Wuliangye arranged special personnel to collect and manage information of consumers or customers.
- Wuliangye had special hotline to handle feedback from consumers or customers.
- Wuliangye protected customer privacy.


protecting consumer rights and interests

Drinking responsibly and adhering to responsible marketing

Healthy, rational and moderate drinking has become a social consensus and a new culture of liquor consumption. As a super-large state-owned enterprise and a leading enterprise in the liquor industry, Wuliangye takes the initiative to shoulder the social responsibility of publicizing and promoting the concept of rational drinking. Adhering to the concept of responsible marketing of "consumer-driven and value-based operation", the Company takes up the social responsibility as an liquor company by widely publicizing that minors are not allowed to drink alcohol, opposing alcohol abuse and drunk driving, and advocating healthy, rational and moderate drinking.

Case Participating in the "Alcohol Awareness Week" and promoting healthy lifestyle

Wuliangye actively took part in the National Alcohol Awareness Week 2022, with the theme of "Care for Growth, No Alcohol for Minors", continued to convey the concept of rational drinking to the public through online communication, offline display, promotion and interaction activities. It launched activities with enthusiasm and positive actions on saying "No" to drunk driving, preventing minors from drinking and drinking moderately, promoting harmony between the alcohol industry, society, drinking and consumer, and making a better life with liquor.



Alcohol Awareness Week

Case Promoting responsible marketing by organizing publicity training

In 2022, the Company provided social responsibility training to sales personnel of marketing divisions by corporate documents and online learning platforms to convey and publicize legal knowledge including the protection of consumer rights and interests and anti-unfair competition, and promote knowledge and concepts related to responsible marketing, including offering products or services with excellent quality, reasonably selecting channels and effectively meeting consumers' demands in a timely manner.

03 Ecology

Harmony for Long-standing

Making "ecology" the base colour, "green production, low-carbon cycle, ecological benchmark" the guideline for energy and environment, science and innovation the driving force, management and technology the important grasp, energy-saving, emission reduction, pollution reduction and green transformation the target orientation, Wuliangye constantly optimized the operation and management mechanism, accelerated the green and low-carbon transformation of energy, steadily and efficiently promoted the "carbon neutrality and carbon peak" strategy, created an ecological park, realized ecological production, provided ecological products, and strived to build "Eco-Wuliangye" to be a good leader in the Chinese brewing industry to practice the "carbon neutrality and carbon peak" strategy.

- Environmental Management
- Emission Management
- Zero-carbon Liquor Enterprise
- Green Logistics
- Water Resources Management

Responsive SDGs



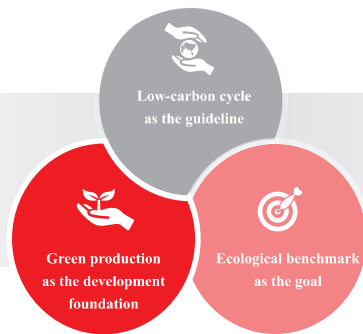
Environmental Management

Wuliangye attaches great importance to environmental management; driven by green development, the Company continues to run efficiently the environmental management system, constantly improves the management system, actively carries out practices on ecological protection, and realizes the harmonious development between corporate value and ecological value.

Promoting green development of the Company relying on advanced concepts

According to the national layout in the carbon neutrality and carbon peak strategy, Wuliangye, making ecology the base colour, quality the core, culture the support, digital capacity the driving force and integrity the protection, tries every effort to build a new five-in-one sustainable, healthy, high-quality low-carbon development model covering "ecological and quality-oriented, with culture as the foundation, digital transformation as the driver and sound corporate governance as the support".

- During the Reporting Period, the Company conveyed and studied the ecological civilization philosophy more than **50** times.
- The Company held **12** meetings of the Environmental Management Committee and special meetings on environmental protection to research and deploy relevant environmental protection work.



Environmental management concept

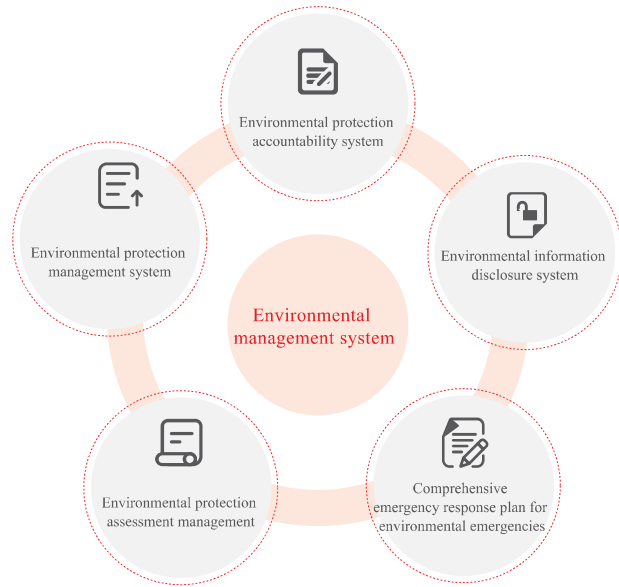
Deepening environmental responsibilities and jointly guarding clear water and blue sky

Wuliangye efficiently operates its environmental management system under the provisions of the *Environmental Protection Law* and the *Implementation Measures for Yibin Ecological Environmental Protection Performance Assessment (Trial)*, clearly divides powers and responsibilities, and promotes the Company's environmental management in an orderly manner.

- During the Reporting Period, the Company was named "Environmental Integrity Enterprise" in the province, and was selected as one of the second batch of green enterprises in the province; also, the Company received the "Industry Pioneer Award for Carbon Neutrality" from the China Energy Conservation Association, and the Program for Collaborative Utilization of Brewing Waste to Reduce Pollution and Carbon was selected as a Responsibility Case of the Year at the 14th China Corporate Social Responsibility Conference.
- The total cost for construction of environmental protection projects and operation of pollution governance facilities was **RMB0.23 billion**.
- Zero general environmental pollution accidents and above, and the "three wastes" reached the discharge standard **100%**.
- **1,502** routine inspections and **6** special inspections were conducted.
- One company-level drill for environmental emergencies was conducted, with over **70** participants and **30** observers.
- The external audit of the environmental management system was passed and the certificate was obtained.



Certificate of environmental management system certification



Environmental management system

Environmental information transparency


- According to relevant laws, regulations, and documents, represented by the *Measures for Self-monitoring and Information Disclosure by National Key Monitoring Enterprises (Trial)* and the *Measures for the Administration of Legitimate Disclosure of Enterprise Environmental Information*, Wuliangye has formulated the *Measures for the Administration of Environmental Information Disclosure* to regulate the Company's environmental information disclosure and better fulfill its legal obligations and social responsibilities for ecological and environmental protection.

Environmental emergency response

According to the *Emergency Response Law* and the *Interim Measures for the Management of Emergency Sources of Environmental Emergencies*, and other laws and regulations, the Company carried out environmental risk assessment and established the *Comprehensive Emergency Response Plan for Environmental Emergencies*.

Strengthening green education and building a solid ecological development concept

In order to raise the green and low-carbon awareness of all employees, the Company vigorously carried out energy conservation and environmental protection training and publicity activities at such nodes as World Environment Day, National Low-carbon Day and National Energy Efficiency Promotion Week. The training content covered the concept of environmental protection, carbon peaking and carbon neutrality, energy and environmental protection laws and regulations and standards, environmental monitoring technologies, emergency drills, etc., effectively enhancing employee awareness of energy conservation and environmental protection.

- During the Reporting Period, a total of **27** training sessions and events on energy and environmental protection were organized, covering more than **50** units, including functional departments, workshops and subsidiaries of the Company, with **50,000** employee participants.
 - 7,000** volumes of publicity materials were released, **600** copies of publicity posters were posted, **5** environmental-related micro-films were watched, **33** micro videos were recorded, **6** PPTs were made, and **24** eco-civilization speeches were given.
 - Observation of **2** excellent works on golden ideas for energy saving and emission reduction was organized, **128** essays on ecological civilization were solicited, and **1** activity of Yangtze River Guardian Alliance was carried out
- 

Clear division of responsibilities

- In environmental protection, the Company strictly follows the graded accountability management method by establishing the *Environmental Protection Accountability System*, and adhering to the principle that "whoever in charge is responsible, whoever on duty is responsible, whoever violates is responsible, whoever pollutes is responsible".

Normalised inspection and assessment

- The Company developed the *Environmental Protection Assessment Management Measures* to regularly and irregularly supervise, assess and evaluate the implementation of environmental protection and related efforts in each responsible unit, and granted rewards and punishments as informed by the results of the supervision and assessment or evaluation.



Publicizing green concepts to employees



Launching ceremony of energy saving and environmental protection publicity month

Case Emergency drills for unexpected environmental incidents were organized to strengthen first responders' emergency response capability

In November 2022, the Company organised an emergency drill for ammonia leakage emergencies. The drill was conducted with the process of emergency planning, emergency response, closure of the plan and review of the drill to enhance the emergency response speed and emergency disposal capability of employees in case of unexpected environmental accidents.



2022 emergency drill for unexpected environmental incidents

Comprehensive utilization of resources helps the Company's sustainable development

The Company optimised the allocation of resources, gave full play to the synergy of resource conservation and pollution reduction, and enhanced sustainable development through the efficient use of resources.

Case Through recovery of waste heat from gas discharge, secondary heat energy is used to fuel production

The natural gas boilers in the Company's Jiangbei Park used energy savers and condensers to recover waste heat from flue gas, and drainage heat exchangers to recover waste heat from boiler drainage. The first and second phases of the Company's 100,000-ton ecological brewing project were designed to use lithium bromide units to cool down the water and recover waste heat from the cooling water.

Case Integrated use of waste distillers grains for secondary energy production volume

The fresh distillers grains produced by the Company's brewery were all used to produce reformulated liquor through the reformulated liquor workshop, and the discarded grains were then disposed of externally for the production of feed, etc. The Company is currently planning a new distillers grains biomass cogeneration project.



Planning map for the Company's distillers grains biomass cogeneration project



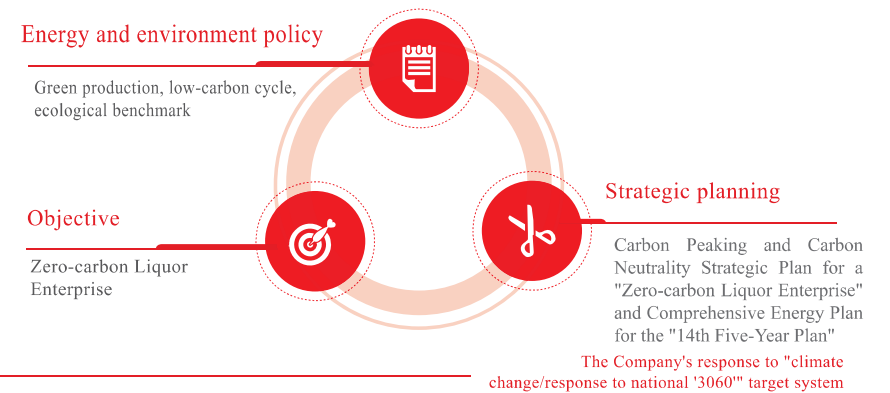
Zero-carbon Liquor Enterprise

In response to the national goal of "carbon peaking and carbon neutrality", the Company took the lead in the industry to propose the creation of a "Zero-carbon Liquor Enterprise" in 2021; starting with institutional mechanisms such as systems, organizations, supervision and incentives, the Company built a comprehensive energy, environmental and greenhouse gas management system, formulated a Comprehensive Energy Plan for the "14th Five-Year Plan" and a Carbon Peaking and Carbon Neutrality Strategic Plan for a "Zero-carbon Liquor Enterprise", strengthened its system of green and low-carbon standards, increased the application of low-carbon technologies, and actively and steadily promoted the "carbon peaking and carbon neutrality" efforts.

Unlocking the "Carbon Peaking and Carbon Neutrality" code and promoting green and low-carbon development

Wuliangye proactively carried out efforts to respond to "climate change/response to the national '3060'" strategy, normalised greenhouse gas emission accounting and verification, participated in the formulation of national, local and industry green and low-carbon standards, such as the *Norm of Water Intake—Part 15: Chinese Spirits Production, Specifications of Greenhouse Gas Emissions Accounting, Reporting, and Information Disclosure for the Baijiu Enterprises*, and *Evaluation Requirements for Green Factories in the Baijiu Industry*, and has continued to establish and improve systems for emission accounting and reporting management, project management, process management, intellectual property management, supply chain management, information disclosure management, compliance and trading management, publicity management and carbon asset management to gradually build a comprehensive carbon emission management system.

- During the Reporting Period, the Company completed greenhouse gas verification including Scope 1 emissions of **381,100** tons, Scope 2 emissions of **103,000** tons and indirect emissions from upstream raw material transportation of **13,500** tons.

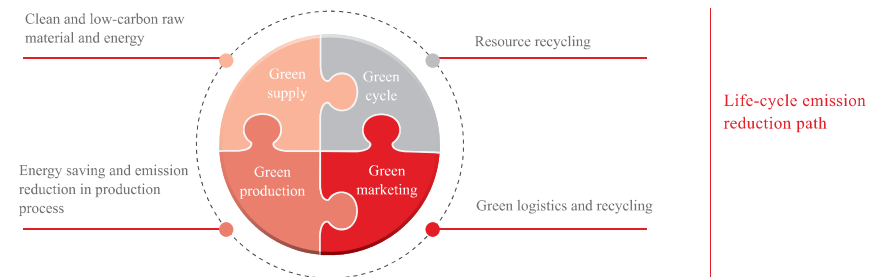


Zero-carbon Liquor Enterprise

The Company developed a Carbon Peaking and Carbon Neutrality Strategic Plan for a "Zero-carbon Liquor Enterprise" and a Comprehensive Energy Plan for the "14th Five-Year Plan". The Company has launched new centralised wastewater treatment plant and biogas power generation, electric boiler configuration for 100,000-ton ecological brewing project (Phase I), 110kV intelligent substation, water supply system upgrade and other projects to effectively reduce production carbon emissions through technical equipment upgrade.

Greenhouse gas management system

The Company keeps operating a greenhouse gas management system and conducts internal and external verification every year. The Company plans to create a life-cycle emission reduction path and set a green and low-carbon benchmark in the Baijiu industry.





Greenhouse Gas Verification Certificate

Be a good energy guard and continuously improve the management system

By establishing a sound energy management system, strengthening the monitoring of energy and environmental protection data and continuously upgrading production equipment, the Company has effectively achieved its energy saving and consumption reduction targets and quickly resolved energy supply crises.

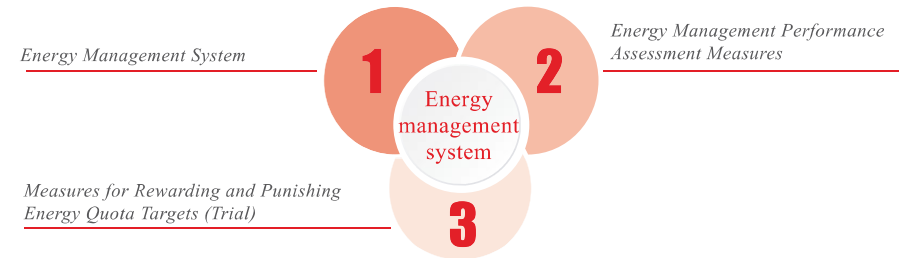
- During the Reporting Period, the Company passed the external audit of the energy management system and obtained the certificate.
- The Company reduced steam loss by **13.93%** and power supply loss by **21.89%**.
- The Company's natural gas consumption decreased by **5.32%** year on year, diesel consumption decreased by **19.73%** year on year, and total electricity consumption decreased by **6.47%** year on year.
- The unit-product comprehensive energy consumption of unblended liquor reached the **domestically advanced level** as per the *Cleaner Production Standard: Liquor Industry*.



Certificate of Energy Management System Certification

Energy
management
system

The Company has built up a leading group on energy conservation headed by the Chairman, in which the General Manager is the Deputy Leader, to continuously run the energy management system and organise annual energy reviews and internal and external audits of the energy management system to further ensure the effective operation of the energy management system.



Case Continuous equipment upgrading for creation of clean energy configurations

The Company prepared the Comprehensive Energy Plan for the "14th Five-Year Plan" as the guideline and increased the proportion of clean energy use by implementing projects such as electric energy substitution, biogas power generation and distillers grains biomass cogeneration project.



Biomass energy to support green production: The new centralised wastewater treatment plant of the Company has been equipped with a biogas power generation system so that the power generation amount can satisfy the electricity demand of liquor production workshops. Meanwhile, the Company is promoting the construction of the distillers grains biomass cogeneration project.



Electric energy substitution to improve cleanness: In the Company's 100,000-ton ecological brewing project (Phase I), electric boiler configuration has been taken into consideration. It is planned to construct electrode boilers to further reduce the emission intensity of pollutants. In addition, superheated steam delivery technology will be adopted to further reduce steam delivery loss.



Biogas power generation system



Electrode boiler

Paying close attention to technical reform and innovation to promote energy saving and consumption reduction in production

- During the Reporting Period, **63** small improvements and reforms were completed, of which **3** QC achievements generated financial benefits of **RMB2.9797 million**. *Improving the Production Volume of Single Retort in the Distiller Area I* won the **Second Prize for the Company's Excellent QC Project**, and Reducing the Frequency of Equipment Failure in the Back-end Treatment Station and Reducing the Frequency of Pipe Blockage in the Wastewater Station III won the **Third Prize for the Company's Excellent QC Project**.
- Reducing the Frequency of Equipment Failure in the Back-end Treatment Station won the **Second Prize of Yibin Excellent QC Release** and the **Sichuan Province Excellent QC Achievement**.

Case 508 workshop technical transformation project on the reduction of water consumption in manual bottle washing

Through this technical transformation project, the unit consumption of water for products was reduced by about 31%, and the production efficiency was effectively improved and the labour intensity of employees was lowered, which can save production cost of approximately RMB0.36 million per year. After the implementation of the project, the annual wastewater discharge can be reduced by 3,000 m³ and COD discharge by 100 kg, which will be gradually promoted.

Water Resources Management

In order to meet the "14th Five-Year Plan" targets on water consumption and intensity control released by the National Development and Reform Commission, Wuliangye has set targets related to water consumption for production, established a sound water resources risk management system and wastewater discharge management system, and upgraded water resources protection through the upgrading of production water, water production equipment and wastewater treatment systems.

Implementing resource utilisation and improving water management mechanisms

The Company upholds the principle of technology-assisted resource allocation optimisation and proactively promotes bottle-washing water and cooling water recycling projects and water supply system upgrading projects for efficient use of water resources.

- During the Reporting Period, the amount of recycled water or reclaimed water totalled **1,310,973 m³**.



Strict wastewater management, collection and treatment

Wuliangye has formulated and implemented the *Brewery Wastewater Discharge Standards*, which are stricter than national and provincial wastewater discharge standards. By promoting the construction of such projects as water recycling and centralised sewage treatment plants as well as water resource protection supervision, the Company conserved water resources, reduced the amount of discharge and protected water sources. In addition, the Company completed the renovation project of the pipeline network in Jiangbei Park, launched projects to enhance the wastewater treatment capacity, upgrade and renovate the loading, unloading and transfer of distillers' grains, build new centralised sewage treatment plants and plan the drainage network, etc. Through the implementation of the projects, the Company reached a leading level in wastewater treatment.

Case Newly-built centralised wastewater treatment plant helps improve wastewater quality

The Company intends to build a centralised wastewater treatment plant, and the main drainage index will be further improved on the standard of *Sichuan Minjiang and Tuojiang River Basin Water Pollutant Discharge Standards* (DB51/2311-2016) for centralized wastewater treatment plants in industrial parks.



Planning map of the proposed centralised wastewater treatment plant

Insist on multiple measures to protect water sources wetlands

In accordance with the "14th Five-Year Plan" on Integrated Water Environment Management in Key Watersheds and the Wetland Protection Law, Wuliangye has made every effort to promote the Ecological Park's capacity enhancement, landscape renovation, green ecology and cultural creation, among other key tasks. In order to give full play to the ecological wetland's function of removing pollutants and realise the ecological water recharge of the Songgong River, the Company has engaged a third-party organisation to maintain the ecological wetland, ensuring that all types of plants function properly and preventing other debris from entering water.

- During the Reporting Period, the Company promoted **18** key construction projects in the Ecological Park and **498** items of hidden maintenance for production protection, with a total investment of approximately **RMB2.595 billion** completed
- Investments in ecological wetland maintenance amounted to nearly **RMB0.8 million**.
- **3** wastewater treatment plants, **1** deep treatment area and **1** eco-wetland for environmental protection were constructed in the Ecological Park.



Air pollution control management
Electrode overheating steam boilers were constructed to ensure that the requirements of carbon reduction in heavy pollution weather are met

Solid waste management
Biomass boilers were constructed to use distillers grains biomass for cogeneration to achieve efficient disposal of distillers grains

Water pollution prevention and management
New projects were constructed to upgrade wastewater treatment capacity and centralised wastewater treatment plant projects



Ecological Park pollution control project system

Increase regulatory efforts to improve resource and energy efficiency

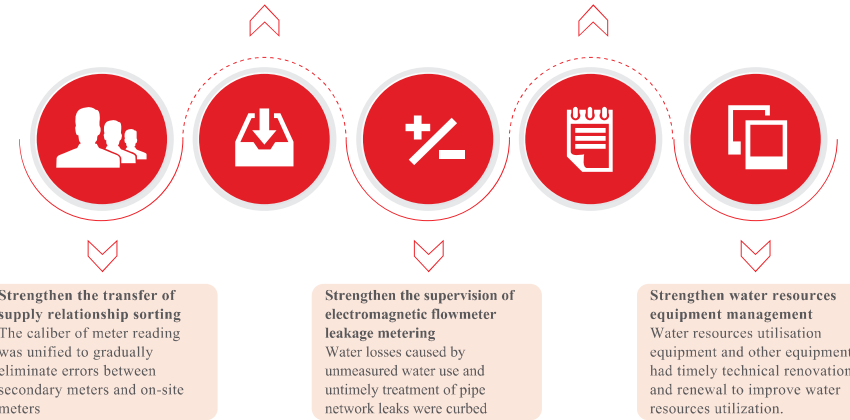
In accordance with the *National Water Conservation Action in China* and other documents on water conservation, Wuliangye effectively conserved water and steam resources and improved resource and energy utilisation by supervising the processes of water supply, transportation and utilisation.

- During the Reporting Period, the Company implemented the optimisation and transformation of cooling water recycling for measuring buckets and ice buckets. As a result, **252,600** tons of water, **24,958.23** tons of steam (0.5MPa) and **RMB6.7482 million** could be saved annually.



Strengthen pipeline network inspection and meter maintenance
Meanwhile, new stainless steel pipelines were put into operation, and old pipeline network originally buried underground was sealed and stopped one by one to reduce the leakage of old pipelines.

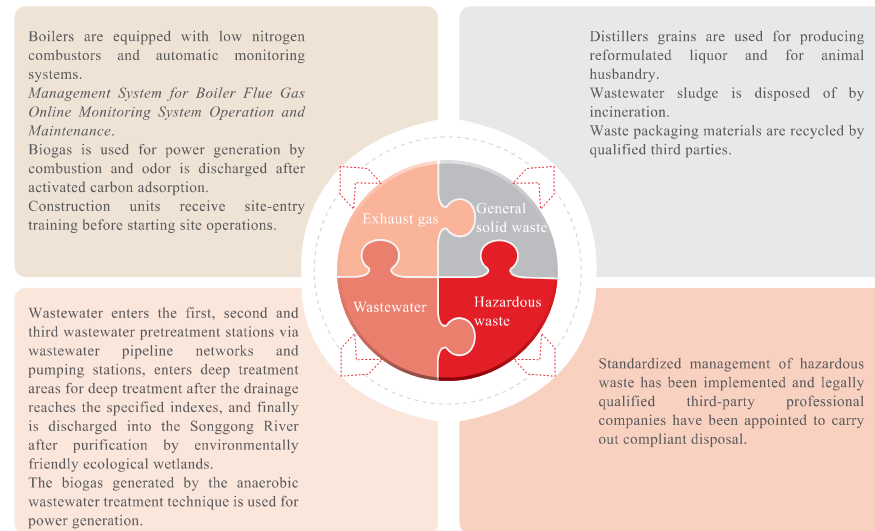
Strengthen the management of water-using units
Outsourced construction units were required to install meters for metering after construction, and the water consumption of construction units was monitored.



Water resources process monitoring

Emission Management

The Company strictly implemented the requirements of pollution prevention and control, strengthened the management of pollutant emissions, vigorously carried out waste recycling and fully realized the secondary use value of wastes.



Management requirements for the discharge of different pollutants

Establishing a management system to ensure standard "three wastes" discharge

In accordance with the national emission permit regulations and other relevant policies and regulations, Wuliangye has strictly implemented pollution prevention and control requirements and obtained the *Emission Permit of Wuliangye Yibin Co., Ltd.* issued by the Yibin Ecology and Environment Bureau. Wuliangye also implemented emission permit management, met the requirements for classification and monitoring of emissions, fully reduced pollutant emissions, effectively relieved environmental pressure and provided strong support and protection for the Company's environmental protection.

- During the Reporting Period, the Company initiated 20-day intensive ozone control in summer and 115.5-day emergency response to heavy pollution weather.
- The Company's total pollutant discharge was **58%** lower in chemical oxygen demand, **90%** lower in ammonia nitrogen, **57%** lower in total phosphorus, **59%** lower in total nitrogen and **78%** lower in nitrogen oxides compared to the permitted amount under the discharge permit.
- The Company conducted 22,396 water quality monitoring, 587 waste gas monitoring and 232 noise monitoring throughout the year.
- The Company released a total of 332,544 items of self-monitoring data on wastewater, exhaust gas and plant noise to society. The data transmission efficiency of 18 sets of online flue gas monitor and 6 sets of online wastewater monitor was **99.96%**, and the marking rate was **100%**.

Strict implementation of pollution prevention and control

The Company developed a special program for pollution prevention and control, making specific management requirements for the discharge of different pollutants to minimise the environmental threats arising from emissions.

Under instructions of superior documents and relevant requirements, the Company organised 6 special meetings at the Company level and formulated 4 special programs, namely *Air Pollution Prevention and Control Program*, *Air Pollution Prevention and Control Program in June*, *One-plant & One-policy Implementation Program for Heavy Pollution Weather Emergency Response* and *Implementation Program of Water Environment Quality Assurance in June*.

Continuous environmental monitoring

- According to the environmental management requirements and emission permit management regulations, the Company formulated its self-monitoring programs to effectively enhance the capacity of environmental risk prevention and control.

Proactive disclosure of environmental information

- In accordance with the requirements of the Department of Ecology and Environment of Sichuan Province, the Company published its self-monitoring data on wastewater, exhaust gas and plant noise in the Sichuan Pollution Source Monitoring Information Management and Sharing Platform to society, and simultaneously promoted the installation and networking of automatic monitors of volatile organic compounds.


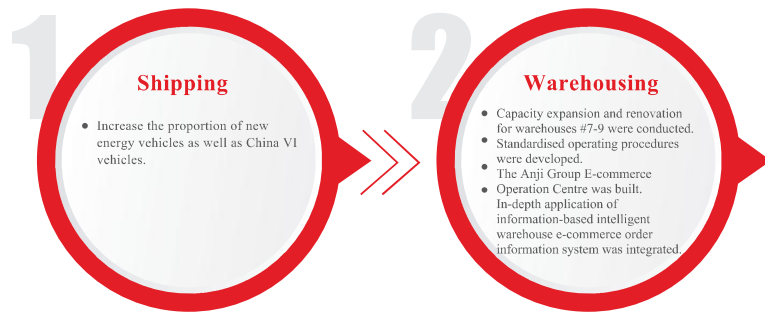
Green Logistics

The Company has put the concept of "green" throughout storage, packaging and transportation, etc. Through the establishment of a green logistics system, the Company has curbed the environmental hazards caused by logistics, realized the purification of the logistics environment and made the best use of logistics resources.

Maintaining sustainability and creating green logistics throughout the process

Based on the Green Logistics Indicators and Accounting Methods GB/T37099-2018, the Company has established a green logistics system for transportation and warehousing.

- During the Reporting Period, the Company procured **12** logistics transport vehicles, including 5 new energy trucks and 7 China VI vehicles.
- The new energy trucks and the China VI vehicles accounted for **31.1%** of the total vehicles.
- The Company's new energy vehicles accounted for **12.53%** of the total vehicles.

Green logistics system

Strengthening energy saving and carbon reduction, bolstering green logistics action

The Company established a green logistics system and carried out green logistics practices in warehousing, transportation and packaging, aiming to deeply implement the "green" concept.

- During the Reporting Period, among all domestic branch warehouses, direct distribution could be realised in a total of **1,059** districts/counties, accounting for **41.11%** of the total number of districts/counties where distribution was possible in China. In these districts/counties, distribution to points within **24** hours was available.



Case Warehouse expansion and renovation optimizes- the operational efficiency of warehouse

During the Reporting Period, the Company continued to implement the concept of "green logistics". By expanding and renovating warehouses and optimizing warehouse operation efficiencies, the Yibin Warehouse completed the renovation of the 7#, 8# and 9# warehouses, which increased the storage capacity by approximately **60%** with the same storage area.



Warehouse expansion and renovation

Case Creating green parcels and empowering waste reduction

During the Reporting Period, the Company actively guided customers to promote the shipment and distribution of original packaging, and publicly recruited enterprises with environmental protection waste treatment qualifications to recycle packaging waste, so as to reduce the generation of waste.



Parcel shipping and distribution

Case Choose a small rear axle ratio to effectively reduce fuel consumption

Compared with the **2.867** ratio of the China V vehicles purchased by the Company in 2021, the Company, taking into account the actual routes, has chosen **2.733** ratio, which can travel longer under the same engine speed by burning the same amount of fuel and excluding other factors affecting fuel consumption, effectively reducing fuel consumption.



Rear axle ratio for China VI vehicles

04 Culture

Honorable for Etiquette

Based on "culture", Wuliangye continues to consolidate and enrich its brand culture, so as to develop itself into the Baijiu cultural sanctuary. By continuously elaborating the contents of its brand culture and promoting the Chinese liquor culture, it aims to promote the Chinese liquor culture overseas and comprehensively develop itself into a benchmark for cultural development in the Chinese Baijiu industry.

- Elaborating the Path of Cultural Development
- Expanding the Path of Cultural Promotion

Responsive SDGs

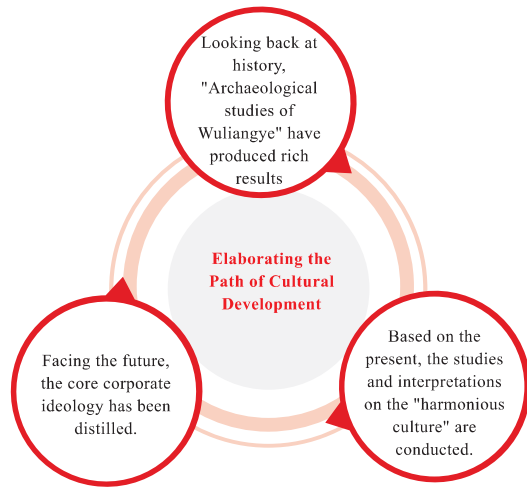


Elaborating the Path of Cultural Development

During the Reporting Period, Wuliangye conducted in-depth research on the cultural theory, vigorously conducted platform construction and the protection of cultural heritage, unswervingly continued to elaborate the path of cultural development, and consolidated the foundations for its high-quality sustainable development.

Enhancing theoretical guidance and consolidating the cultural basis

To better develop its cultural system and continuously promote its culture-related soft power, during the Reporting Period, Wuliangye implemented the theoretical development of culture that integrated the past, the present and the future.



Achievement of theoretical development of culture

- **"Archaeological studies of Wuliangye":** Wuliangye conducted a series of archaeological studies and published corresponding study results, such as *The Origin of the Chinese Baijiu from the Perspective of the Ancient Liquor Fermentation Pits in the Yuan Dynasty, 2200 Years in the Remains, The Encounter of the Sanxingdui Culture with the Liquor Capital Yibing, Natural Sciences and Social Sciences in Environmental Archeology, and The Historical Workshop of the Chinese Baijiu Paid Homage to Civilization with Inheritance.*
- **Studies and interpretations related to "Harmonious Culture":** Through public collection and selection, 11 new study programs, including *The Harmonious Culture of Wuliangye, The Eight Cultural IP of Ancient Liquor Fermentation Pits, and The Exploration of the Historical and Cultural Elements of Wuliangye,* were launched.

- **Corporate mission:** To create outstanding experiences for customers, create happiness for employees, and create returns for investors.
- **Corporate vision:** Wuliangye is committed to developing itself into a world-leading liquor enterprise with brilliant products, outstanding brands, leading innovation capacity and modern governance and an enterprise that keeps developing in a high-quality, sustainable, and rapid way.
- **Core values:** Loyal, clean and responsible, as well as grateful, contented and hardworking.

Concise core corporate ideology

Focusing on platform construction and achieving resource intensification

To better exhibit its history, culture and core advantages, during the Reporting Period, Wuliangye actively participated in the construction of various cultural platforms such as the cultural base, books, promotion videos and We Media.

Cultural bases

During the Reporting Period, the Company successfully established the liquor knowledge promotion base, which was listed as one of the ninth group of social sciences promotion bases in Sichuan Province, and was the first promotion base for liquor culture and liquor knowledge within the province. Moreover, the Company collaborated with Du Fu Thatched Cottage to promote project construction and cultural cooperation through the project of the Chinese Poem and Liquor Culture Research and Communication Centre.

Cultural books

During the Reporting Period, the Company published five series of cultural books, namely *Warming the Liquor and Talking about the History, An Illustration of Wuliangye, Wuliangye: Poems and Liquor, The Comfortable Wuliangye, and The Oriental Magic: Wuliangye in Chinese and Western Poems,* as well as a corporate periodical, *Liquor in a Great Power.*

Cultural promotional videos

During the Reporting Period, the Company made and published various promotion videos, such as *Ultimate Beauty for Harmony, Aroma of the Nation and Harmony of Wuliangye,* and *Hundreds of Flavours in One Liquor Jar.*

Cultural we media

During the Reporting Period, the We Media Matrix of Wuliangye, including the official WeChat account, the official Douyin account and the official Toutiao account, was optimized.

Case Upgrading and renovating Wuliangye Liquor Culture Museum

During the Reporting Period, Wuliangye Liquor Culture Museum that had been closed previously for upgrading and renovation was re-opened after construction completion. The upgraded museum uses the Tang and Song styles in its appearance, integrates the new Chinese style design concepts, and adopts the exhibition methods of contemporary museums. With measures such as artistic installations, physical models and digital tour guides, a multidimensional introduction is made possible that covers the Chinese liquor culture, the liquor culture of Yibin, the brand of Wuliangye, the features of Wuliangye's production processes, the history and culture of Wuliangye, the corporate development of Wuliangye and the corporate vision of Wuliangye, making the museum an important platform to exhibit the brand culture of Wuliangye.



The nightscape of Wuliangye Liquor Culture Museum

Case Planning for the construction of the Chinese Baijiu cultural sanctuary

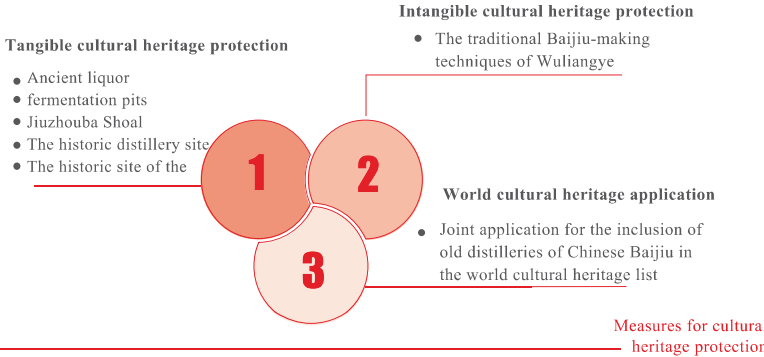
During the Reporting Period, the Company intended to plan for the construction of the Chinese Baijiu cultural sanctuary with the focus on the area of the 501 distillery workshop. The project was expected to cover a land area of approximately 55 mu and the estimated total investment was RMB1.1 billion. With this project, the Company aims to construct a business district that places the ancient fermentation pits at the centre and integrates catering and shopping, tour experience of liquor culture, and leisure and entertainment, so as to further highlight the features of the liquor culture of Wuliangye.



Blue print of the Chinese Baijiu cultural sanctuary

Cultural heritage protection

During the Reporting Period, the Company continued to promote the conversion and application of the results of "Archaeological studies of Wuliangye", promote the joint application for the inclusion of Chinese Baijiu in the world cultural heritage list, and conduct the protection of cultural heritage.



Tangible cultural heritage protection

- During the Reporting Period, in terms of the protection of fermentation pits, the Wuliangye Ancient Fermentation Pit Site's Protection Plan was completed, the protective renovation programme for the Wuliangye old fermentation pit site was approved, and the application for the famous and quality old fermentation pit of strong-flavoured Baijiu in Sichuan Province was completed.
- In terms of the archaeological studies of historical sites, the historic distillery site and the historic site of the Mansion of the Ye Family were partially subject to detailed cleaning, so as to lay a solid foundation for protection, exhibition and utilization in the next step.
- A preliminary investigation on Jiuzhouba Shoal (the portal area of Wuliangye) was conducted to specify the locations and scopes of a series of protective programs for historical remains such as the ancient city walls of the Tang and Song Dynasties.

Intangible cultural heritage protection

- During the Reporting Period, Zhao Dong, inheritor of the traditional steamed liquor-making technique, was included in the recommendation list of Sichuan Province for the sixth group of representative inheritors of national intangible cultural heritage.
- The scenic spot of Wuliangye was included in the list of the first group of National Recommendations for Integrated Development of Intangible Cultural Heritage and Tourism.

World cultural heritage application

- During the Reporting Period, *Joint Application for the Inclusion of Old Distilleries of Chinese Baijiu in the World Cultural Heritage List: Feasibility Study Report on Wuliangye* was formulated.



05 Digitalization

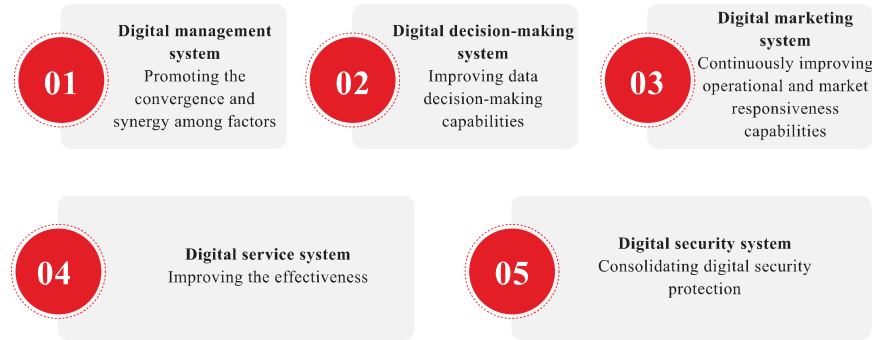
Smart for Effectiveness

With digitalization as the driving force and in order to implement the strategic deployment of the Central Government, provinces and municipalities to develop digital economy, Wuliangye deeply engaged in digital transformation on a high-quality development path that was five-in-one as the driver and sound corporate governance as the support. Wuliangye gradually promoted a new round of a full-chain transformation for traditional enterprises through digital technologies, which empowered the management and operation of the Company with digital forces, promoted the sustainable development of the Company, setting a benchmark for digital transformation in the Chinese Baijiu industry.

- Digital Construction
- Digital Application
- Digital Information Security

Responsive SDGs

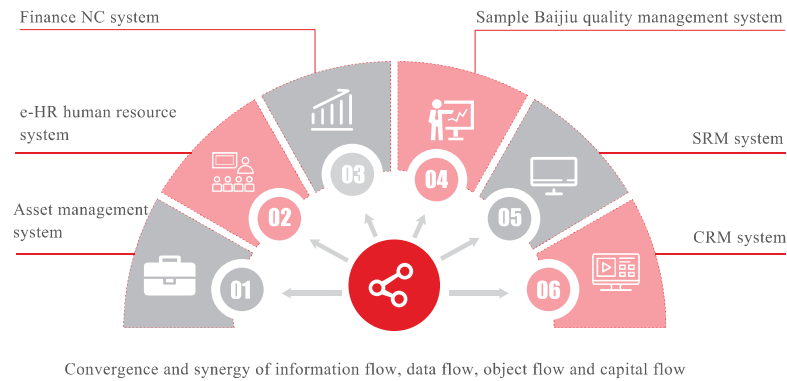




Digital systems

Digital management system

The Company established digital management systems and built more than 30 digital platforms such as Finance NC system and e-HR human resource system to ensure the stable operation of business links such as human resources, finance, material, production, supply, marketing and research, and realize the convergence and synergy of information flow, data flow, object flow and capital flow.



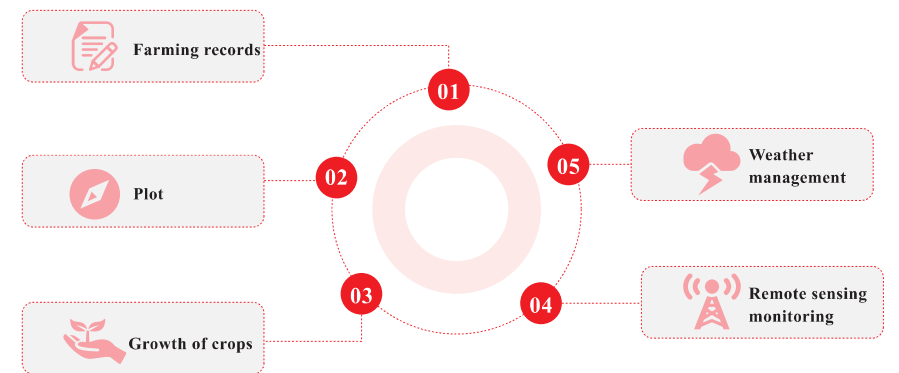
Digital management system

Creating intelligent agriculture to tell the Wuliangye story with heart and soul

Wuliangye introduced the intelligent agricultural management system, and built the intelligent agriculture display platform of Wuliangye's grain base. Wuliangye created a "five-dimensional traceability" system, featuring the all-round quality and safety traceability planting files for Wuliangye's brewing grain base, which provided local base traceability files for the best choice of crop varieties, bases, farms and warehouses, presenting Wuliangye's "seed to grain" traceability chain.



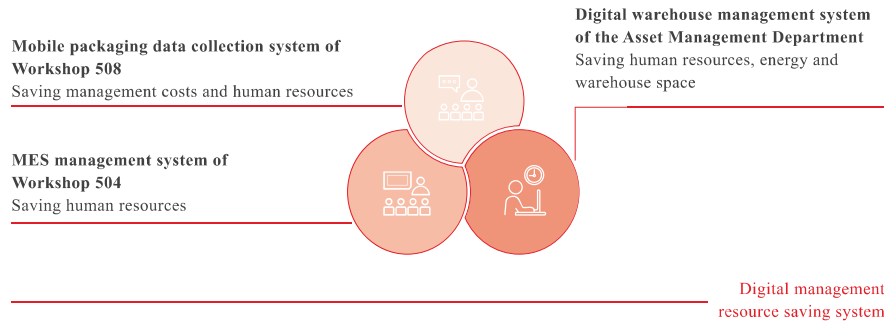
Intelligent agriculture safety traceability information platform for Wuliangye's brewing grain base



"Five-dimensional traceability" planting file concept

Contributing digital intelligence to help save resources

Wuliangye relies on its digital management system to achieve resource savings in multiple dimensions such as management costs, human resources, energy and warehouse space, greatly reducing production costs and improving production efficiency.



Mobile packaging data collection system	<ul style="list-style-type: none"> • The full-process remote visualization management platform saved management time and effort for managers. • The full-process refined and controllable management platform can help producers reduce workload, improve production efficiency and save human resource costs.
MES management system	<ul style="list-style-type: none"> • In the entry stage of the raw materials, the number of operators per shift and per team was reduced from 15 to 5, increasing efficiency by 60%. • In the grinding stage, the number of operators per shift and per team will be reduced from 15 to 10, increasing efficiency by 40%.
Digital warehouse management system	<ul style="list-style-type: none"> • Full-process automated and digital operation and maintenance management of finished Baijiu storage operations improved production efficiency, production quality and saved human resources costs. • The use of low-energy intelligent equipment, flexible logistics solutions, and the shortest operating path achieved low-carbon smart manufacturing that maximized energy savings. • Reasonable warehouse design maximized savings in warehouse space costs.

Digital Application

During the Reporting Period, Wuliangye gradually promoted a new round of a full-chain transformation for traditional enterprises through digital technologies, and applied digital technology to fully assist the Company in promoting major projects, such as anti-counterfeiting code, Wuliangye Sales Club and intelligent storage.

Providing digital platforms to form an exclusive area for consumers

The WeChat platform of Wuliangye Consumer Club, which integrates value-added membership benefits and private interaction, provides Wuliangye lovers with a more comfortable and better distinguished experience.

Case Identifying authenticity and seeking traceability through scanning the WeChat code

The 8th-generation Wuliangye has an intelligent code management system consisting of multiple codes associated with bottle caps, boxes and cases, which will realize the whole process of traceability in all aspects of product production, logistics, storage and sales. Consumers can scan the code on the bottle to participate in the traceability and anti-counterfeiting process to protect their rights and interests. After removing the cap, consumers can scan the QR code at the top of the bottle with WeChat to access the Wuliangye Consumer Club WeChat account to learn about the authenticity and traceability of the product.

开瓶扫码人会参与溯源防伪

五粮液消费者俱乐部

哈喽！终于等到你啦~
感谢关注五粮液消费者俱乐部！
这里是五粮液粉丝的聚集地。

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※戳这里，千份五粮好礼，暖意放送

▲开瓶扫码，会员升级
※戳这里，扫一扫

Code-scanning of the 8th-generation Wuliangye

Product traceability in Wuliangye Consumer Club WeChat account

Conclusion

Build on Past Achievements and Open up the Future of 2023

In 2023, in accordance with the general principle of "staying politically aware, driving development, improving people's livelihood, ensuring safety, and delivering first-class performance", Wuliangye will keep focusing on stability, seeking progress in stability, improving quality and efficiency, as well as making more contributions. Concurrently, Wuliangye will persist in taking quality, culture, integrity and innovation as the foundation and taking "superior products, strong brands, advanced innovation and modern governance" as the main direction. Wuliangye will continue to bolster weak spots, consolidate advantages, take proactive actions and ride on the momentum to strive for effective quality improvement and reasonable growth as well as to further consolidate and enhance its status as a leader in strong-flavoured Baijiu in China.





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AROMA OF THE NATION, HARMONY OF WULIANGYE
-MASTERPIECE OF CHINESE BAIJIU-