



贵州茅台酒股份有限公司
KWEICHOW MOUTAI CO.,LTD.

2022

Environmental, Social
and Governance Report

KWEICHOW MOUTAI CO., LTD.



About the Report

Organization

This Report covers Kweichow Moutai Co., Ltd. and its affiliated organizations. To facilitate presentation, "Kweichow Moutai Co., Ltd." is referred to as "Kweichow Moutai", the "Company", "we" and "us", and our controlling shareholder, China Kweichow Moutai Distillery (Group) Co., Ltd. is referred to as "Moutai Group" in this Report.

Reporting Period

This Report covers the period from January 1 to December 31, 2022, with part of the content falling outside of the period. Given the production cycle and process requirements of products, part of the production data should be calculated based on the production year (from October 1 to September 30 of the following year).

Publication Interval

This Report is an annual report and is the second Environmental, Social and Governance Report issued by Kweichow Moutai.

Declaration

All financial data herein are derived from the Annual Report 2022 of Kweichow Moutai Co., Ltd., and all other information and data are derived from relevant statistics of the Company. The functional currency of all monetary amounts involved is Renminbi ("RMB"). Certain amounts and percentage figures herein have been rounded, and therefore, the totals shown in certain tables may not be the sum of the foregoing figures.

Language

This Report is available in both simplified Chinese and English. In case of any discrepancy in understanding the content, the simplified Chinese version shall prevail.

Basis of Preparation

This Report is prepared in accordance with the Guidelines of Shanghai Stock Exchange for Self-discipline Supervision of Listed Companies No. 1 - Standardized Operations and the Guideline for the Preparation of the Report on Performance of Corporate Social Responsibility, with reference to the GRI Sustainability Reporting Standards (GRI Standards) by the Global Sustainability Standards Board (GSSB), the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises 5.0 (CASS-ESG 5.0), etc.

Access

This Report is published in both print and electronic formats. For more information on Kweichow Moutai's ESG performance or to download the electronic version of this Report, please visit the following websites.

Official website of Kweichow Moutai: <https://www.moutaichina.com/>

Official website of Shanghai Stock Exchange: <http://www.sse.com.cn/>

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Message from the Chairman

Only after polishing can a piece of jade be finer. 2022 marked an extraordinary year for Kweichow Moutai. Facing complicated circumstances both in and outside of China, as well as risks and challenges, we stayed abreast of the times. We delved into and acted on the guiding principles of the 20th CPC National Congress. In the call of the times to embrace the great rejuvenation of the Chinese nation on all fronts through a Chinese path to modernization, we made great strides to develop into a world-class enterprise with excellent products, outstanding brands, leading innovation and modern governance. We also held unswervingly to the "Five-Line" high quality development path, and thusly promote our high quality development and modernization to create a great era.

We optimized our governance to fully promote quality and efficiency. Adhering to high-quality development led by high quality Party building, we continued to optimize our corporate governance structure and vigorously promote the construction of a modern enterprise system. We improved investor relations management to create sustainable value returns for our shareholders. We strengthened internal control and built up a compliance-driven awareness to consolidate the rule of law management system and enhance our risk prevention capabilities. By upholding the philosophy of "Quality is the Soul of Life" and the "Five-Craftsmanship" Quality Philosophy, and implementing the "365" quality

management system, we achieved a leap up in our quality management capability. Keeping the philosophy of "building foundation with suppliers", "enhancing tenacity with supply chain" and "achieving greatness through our people", we built a modern industrial chain ecosystem. We implemented the "five-integration marketing approach" to fully transform our marketing system. By highlighting cultural empowerment, we promoted the "going out" of culture and digital transformation. We also accelerated the construction of "Smart Moutai" to solidify our digital base and boost our high quality development.

We preserved the ecosystem to make our business greener.

We practiced the concept of "lucid waters and lush mountains are invaluable assets" and pursued green development with ecology as the priority by firmly adhering to the "green line" development path. In response to the "Dual Carbon" strategy, we implemented the five special projects, namely, increase of ecological water utilization, improvement of air quality, soil pollution control, protection of microorganism, and ecosystem balance, as well as the five special actions of energy saving, carbon reduction and efficiency enhancement, green product design, green transformation of industrial chain, green technological innovation, and green and low-carbon lifestyle. To address climate change and boost green power coverage, we upgraded new energy equipment and sewage treatment plants. We built ecological wetlands, plant protection forests, ecological green walls, "production-living-ecological" spaces and other key projects with high standards to protect biodiversity. The community of life among mountains, waters, forests, soil, rivers and microorganisms was built to create synergies with green industries. We improved the green and low-carbon circular industry chain to modernize the eco-environmental governance system and governance capacity.

We committed to fulfilling our social responsibility and giving back to society. Adhering to the social responsibility concept of "Big Brands Big Responsibilities", we shared our

development achievements with society. Firmly believing that employees are the most valuable asset, we implemented the "four projects" and the "four training programs" to vitalize talents in all sectors. We implemented the "Happy Moutai" special improvement plan, securing the senses of happiness and achievement of our employees. We implemented the "one village, one program" rural revitalization work plan to support development of industries with rural characteristics and construction of beautiful countryside. We carried out the project "China Moutai & Backbone of the Nation" for 11 consecutive years, along with the public welfare activities such as "Moutai Prince - Bright Youth", "Guizhou Daqu - Dews of Love", and "Jiang of Han - Craftsmanship Heritage" to promote the transmission of social value with practical actions. We helped people in need and engaged in earthquake relief, safeguarding people's lives and demonstrating Moutai's brand image and corporate responsibility.

2023 marks the opening year of full implementation of the spirit of the 20th CPC National Congress and it is a critical year for the implementation of the "14th Five-Year Plan". We will create a broad picture of the market with high-quality development, continue to follow the "Five-Line" high quality development path with Moutai aesthetics as the essence and direction, and make every effort to promote the high quality development and modernization of Moutai. That said, we will join hands with investors, consumers, employees, and partners to create a better future and usher in a new chapter for Moutai aesthetics.

Chairman of Kweichow Moutai Co., Ltd.

丁雄军



About Kweichow Moutai

Company profile

Kweichow Moutai Co., Ltd. was incorporated on November 20, 1999, by China Kweichow Moutai Distillery (Group) Co, Ltd. as the main sponsor, jointly with seven other units. Its current controlling shareholder is Moutai Group. The Company was listed on the Shanghai Stock Exchange in August 2001 with the stock code 600519.

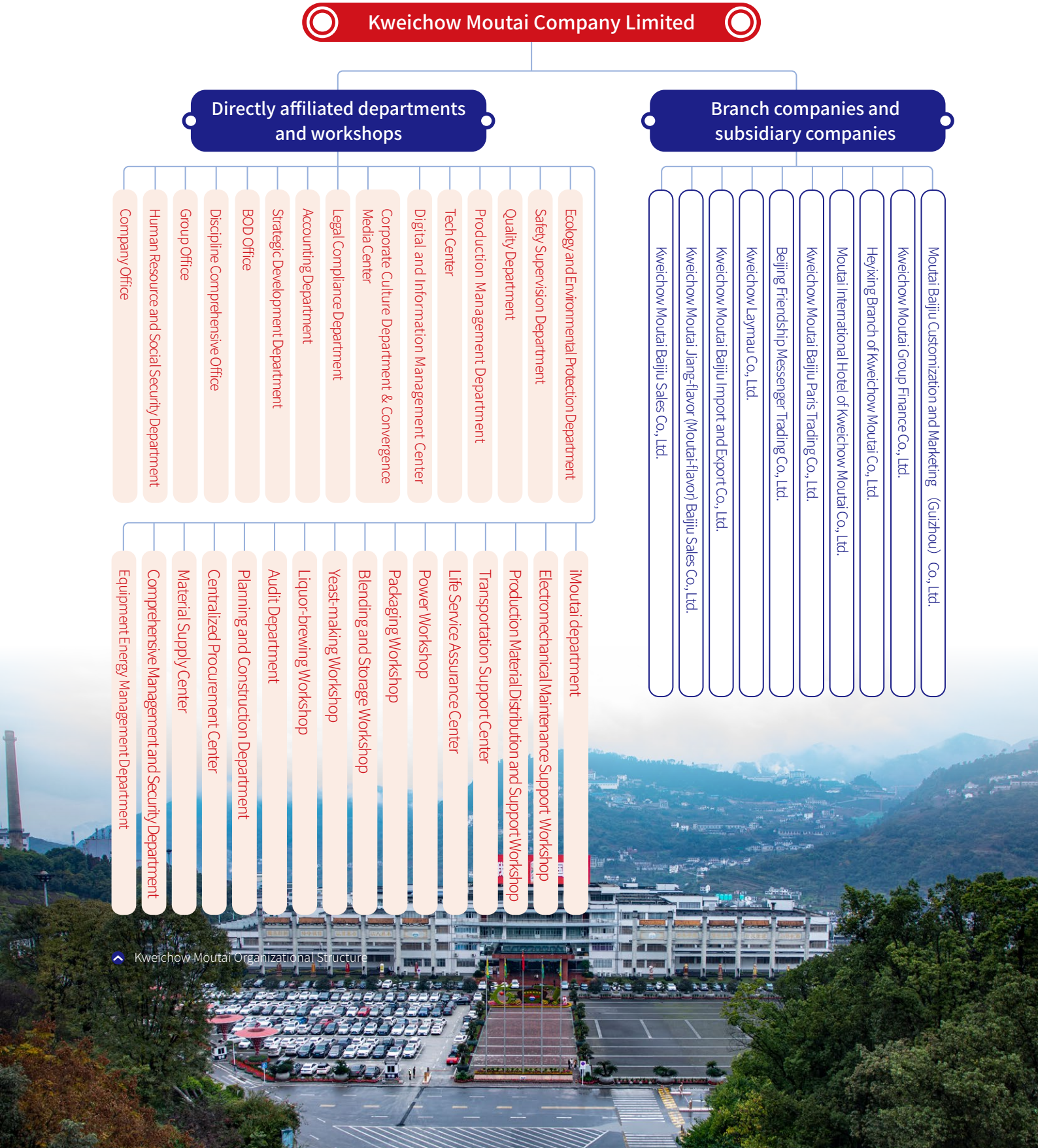
Headquartered in Moutai Town along the stunning banks of the Chishui River in northern Guizhou Province, the Company is mainly engaged in the production and sales of Moutai Liquor and Moutai-flavored series liquors. The hero product, Kweichow Moutai Liquor, is the originator and indisputable representative of Daqu Jiang-flavor Liquor in China. The brand is an integration of National Geographical Indication Products, Central European geographical indication products, organic food, and national intangible cultural heritage. Boasting lingering fragrance, it made Chinese Baijiu known by the world.

Over the years, Kweichow Moutai has committed itself to brewing fine liquors with craftsmanship while pursuing modern governance and innovation leadership through transformation. The Company has made great efforts to implement the concept of green development and sustain cultural empowerment for high quality development and modernization. In 2022, the Company reported a total revenue of RMB 127.554 billion, with a net profit attributable to the parent company of RMB 62.716 billion, the Company ranked first in the "Top 50 Global Most Valuable Spirits Brands of Brand Finance" for 7 consecutive years, and ranked 3rd in the "Top 100 Most Valuable Chinese Brands" with a brand value of US\$108.49 billion, making it the most valuable alcoholic beverage brand in China.

Corporate culture

Mission	Brew a high quality living experience
Vision	Build a world-class enterprise and world-beating brand
Core values	Great products, decent conducts and harmonious community
Corporate spirit	Devote to Moutai to win glory for the motherland
Quality philosophies	Honoring the principles, abiding by the rules, sticking to the craftsmanship, cellaring enough liquor to age, and not selling freshly brewed liquor

Organizational structure



Key performance



Environmental performance

Total investment in environmental protection

RMB **381,082,900**

Electricity consumption intensity

6.68 kwh/CNY10,000 revenue

Water consumption intensity

0.70 ton/CNY 10,000 revenue

Hazardous waste disposed

100%

Comprehensive energy consumption

0.01 ton standard coal/CNY 10,000 revenue

Natural gas consumption intensity

8.18 m³/CNY 10,000 revenue

Hazardous waste disposed

40.32 ton

Solid waste utilization rate

100%



Social performance

Total employees

31,413

Customer complaint resolution rate

100%

Major production safety accidents

0 times

Public charity donation amount

RMB **225,431,100**

Staff training ratio

100%

Safety production training ratio

100%

Major fire accidents

0 times

Rural vitalization investment

RMB **63,960,500**



Economic performance

Total assets

RMB **254.365** billion

Total operating revenue

RMB **127.554** billion

Net profit attributable to shareholders of the parent company

RMB **62.716** billion

Total cash dividends

RMB **57.370** billion

Annual Awards of Kweichow Moutai

China National Food Industry Science and Technology Progress Award

China National Food Industry Association (CNFIA)

2022 Top 500 Chinese Enterprises

China Enterprise Confederation (CEC)
China Enterprise Directors Association (CEDA)

No.2 in the list of "China Brand Value Evaluation Information Release"

China Council for Brand Development (CCBD)

No.14 in the List of Most Valuable Global Brands

Kantar

Guizhou Province "Lucid Waters and Lush Mountains Are Invaluable Assets" Practice Innovation Base

Guizhou Provincial Department of Ecology and Environment

No.1 in the list of 2022 Top 100 Guizhou Enterprises

Guizhou Provincial Enterprise Confederation (GEC)
Guizhou Provincial Enterprise Directors Association (GEDA)

No.1 in the list of Top 50 Global Most Valuable Spirits Brands

Brand Finance

No.3 in the list of Top 100 Most Valuable Chinese Brands

Kantar

"Corporate of the Year" of the 17th People's Corporate Social Responsibility Award

People's Daily
People's Daily Online

No.1 in the list of Most Valuable State-owned Listed Companies in China

Hurun Research Institute

No.1 in the list of China's 500 Most Valuable Food and Beverage Brands

World Brand Lab

Memorial Award for 20 Years of Striding Forward

Guizhou Brewing Industry Association

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ESG Management

ESG management integration

Regarding ESG management as a key measure to promote high quality development, Kweichow Moutai upholds the concept of "Big Brands Big Responsibilities" based on responsible operation. We also strike a balance between corporate development, economic growth and sustainable development to enhance our capacity for sustainable development.

Guided by the philosophy of responsibility, we promote ESG efforts in a systematic manner. While the Board of Directors is the highest responsible body for ESG matters, the management coordinates ESG arrangements, and all departments and affiliates manage and practice ESG issues based on their business attributes, incorporating ESG management requirements into the entire process of company production and operation. We constantly uphold the new major development philosophies of innovation, coordination, green, openness and sharing and the "Five-Line" high quality development path. Adhering to the motto of "Quality is the Soul of Life", we build up the two lifelines of ecology and safety, serve the national strategy, people's demand for a better life and the sustainable development of enterprises, creating economic, social and environmental values for all stakeholders.

"Five-Line" high quality development path

Blue line

Vision and blueprint

Green line

Unswervingly pursue green development with ecology as the priority by establishing "one base and one benchmark"

White line

Sustain the return-to-zero mindset, with a focus on reform, innovation and construction

Purple line

Fully tap into the cultural connotation and empower development with culture

Red line

Lines of environmental protection, safety and anti-corruption

Substantial topics identification

In the light of the Company's development strategy and operational practices, as well as the sustainable development trends in and outside China and the features of the Baijiu industry, Kweichow Moutai identifies and sorts out the topics that are most relevant to our business activities and most concerns our stakeholders, and makes them the focus of our ESG efforts and social responsibility communication, so as to form ESG management priorities and better respond to the demands of our stakeholders.

Key Topics Identification

Corporate Governance	Environmental Responsibility	Social Responsibility
<ul style="list-style-type: none">• Business results• Corporate governance• Operation according to law• Craftsmanship heritage and innovation development• Risk identification and management• Brand building and protection• Anti-corruption• Business ethics	<ul style="list-style-type: none">• Carbon emission management• Energy management• Water resources management• Packaging material management• Pollution control• Ecological protection• Waste management	<ul style="list-style-type: none">• Occupational health and safety• Employee rights and benefits• Promoting industry development• Supply chain management• Product quality and safety• Customer service• Responsible marketing• Moderate drinking• Community development• Public welfare activities



Stakeholder communication

Kweichow Moutai attaches great importance to the full communication with all the stakeholders, such as government and regulators, shareholders, consumers, employees and suppliers. The Company listens to and analyzes their concerns and demands in depth, incorporates them into the scope of ESG management and responds to them with practical actions.

Stakeholders	Expectations and Demands	Communication and Response
Government and Regulators	<ul style="list-style-type: none">• Abide by laws and regulation• Anti-corruption• Economic development• Pay taxes according to law• Increase employment	<ul style="list-style-type: none">• Manage the corporate according to law• Risk management• Achieve green and high quality development• Pay taxes on time and in full• Promote employment
Shareholders	<ul style="list-style-type: none">• Profitable return on investment• Preserve and increase the value of assets• Standardize corporate governance	<ul style="list-style-type: none">• Actively distribute profits• Reasonable operation• Improve disclosure of information
Consumers	<ul style="list-style-type: none">• Food safety• Considerate service• Product quality• Consumer health	<ul style="list-style-type: none">• Strengthen food safety management• Improve after-sales service• Enhance quality management• Advocate moderate drinking
Employees	<ul style="list-style-type: none">• Protection of rights and interests• Career development• Physical and mental health	<ul style="list-style-type: none">• Improve welfare benefits• Enhance talent training system• Work-life balance
Distributors	<ul style="list-style-type: none">• Strategic support• Win-win collaboration	<ul style="list-style-type: none">• Develop reasonable marketing strategy and incentive policy• Distributor training
Suppliers	<ul style="list-style-type: none">• Fair and impartial procurement• Compliance and trustworthiness	<ul style="list-style-type: none">• Responsible sourcing• Technical support• Supplier management• Supplier training
Community	<ul style="list-style-type: none">• Public welfare• Community development	<ul style="list-style-type: none">• Carry out public welfare charity activities• Promote community investment• Contribute to rural revitalization
Environment	<ul style="list-style-type: none">• Environmental compliance• Achieve the goals "carbon peak" and "carbon neutrality"• Ecological governance	<ul style="list-style-type: none">• Improve environment management system• Develop Moutai into a benchmark enterprise in the Baijiu industry• Promote ecological conservation

01 Pursue Long-term and Sound Operation with Ethical Business Conduct

Sound governance is the heart of building a modern enterprise system. Kweichow Moutai fully implements three-year action plan for SOE reform, and continuously improves the governance system, the corporate governance structure, and the compliance mechanism by benchmarking with world-class enterprises. With efforts to constantly enhance the construction of a modern enterprise system, the Company aims to achieve scientific, robust and effective corporate governance, allowing sound corporate governance to serve as a cornerstone and powerful driver for the Company's sustainable development.

SDGs



- Improve corporate governance
- Strengthen internal control and compliance
- Adhere to business ethics
- Focus on cultural empowerment



Improve corporate governance

Kweichow Moutai strictly complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies and other laws and regulations, and response to the requirements of regulators, to constantly improve the corporate governance structure of modern enterprises, establish and improve the incentive mechanism for development. We revised and optimized the Articles of Association and Rules of Procedure of the Company's Board of Directors to incorporate the overall requirements for the party construction into the company's Articles of Association, further enhance the modern management capability and level of the Company.

Governance structure

Kweichow Moutai establishes a corporate governance structure and operational mechanism with the Shareholders' Meeting, the Board of Directors, the Board of Supervisors and managerial level at the core. The Company revises the rules of procedure continuously, optimize the composition of the Board of Directors, strengthens the ability of directors to perform their duties, ensuring that each governance body of the Company performs its duties in a standardized, efficient and adequate manner, so as to promote the continuous improvement of corporate governance.

Shareholders' Meeting

The Shareholders' Meeting is held in strict accordance with the Articles of Association and the Rules of Procedure for Shareholders' Meetings. Notices of the meeting, deliberations and voting at the meeting are carefully conducted to ensure that shareholders enjoy equal status and effectively exercise their rights to information, participation, questioning and voting.

Board of Supervisors

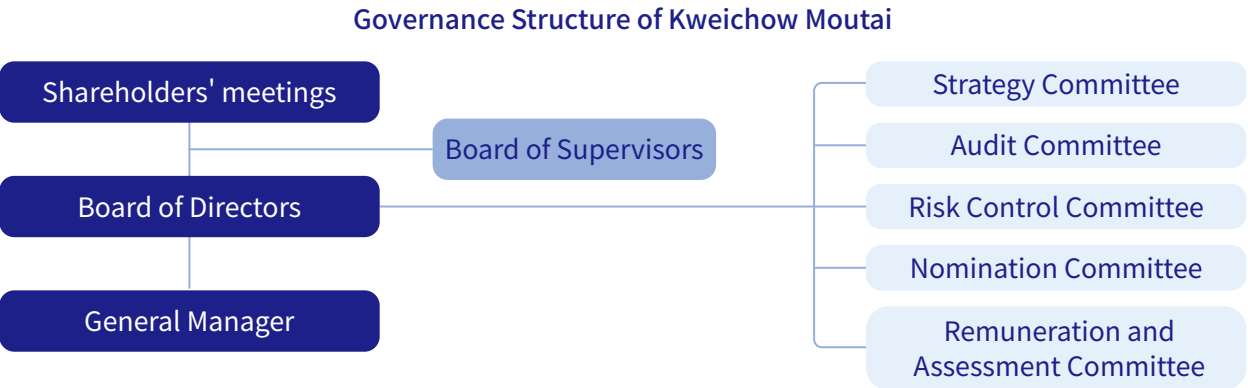
The Board of Supervisors of the Company has a total of 3 supervisors, including 1 employee supervisor. The Board of Supervisors shall supervise the financial status and operations, connected transactions and the performance of duties by directors and senior management of the Company, and promote the coordinated operation and effectively check and balance of the Company's governance bodies.

Board of Directors and its Committees

The Board of Directors of the Company has 7 directors, including 3 independent non-executive directors, 1 female director and 1 employee director. The Board of Directors comprises five special committees, namely the Strategy Committee, the Audit Committee, the Risk Management Committee, the Nomination Committee and the Compensation and Assessment Committee.

Managerial level

The managerial level of the company carries out daily production and operation matters in accordance with the statutory authority and the authorization of the Board of Directors, is responsible for organizing and implementing the resolutions of the Board of Directors, and reports to the Board of Directors, and effectively plays the role of business planning, implementation supervising and management improving.



- Held 1 annual shareholders' meeting and approved 15 proposals
- Held 1 interim general meeting and approved 3 proposals
- The Board of Directors held 14 meetings and approved 57 proposals
- The special Committee under the Board of Directors held 20 meetings and approved 36 proposals
- The Board of Supervisory held 5 meetings and approved 12 proposals



First interim general meeting held in 2022

Election of directors

Independence

The Audit Committee is fully composed of independent directors, the Nominating Committee and the Compensation and Assessment Committee are chaired by independent directors, and independent directors make up the majority of the Risk Management Committee, Nominating Committee and the Compensation and Assessment Committee.

Diversity

Information on candidates' educational background, work experience, and part-time employment is reviewed at the director nomination stage, and the Nomination Committee under the Board of Directors regularly reviews the structure, size and composition of the Board of Directors in terms of skills, knowledge, experience and gender each year to ensure a diversity of the board members.

Professionalism

Industry talents and experts with professional experience in accounting, finance and law are employed to serve on special committees to enhance the quality and efficiency of the Board of Directors' performance and comprehensive governance, and to ensure scientific decision-making of the Board of Directors.

- By the end of 2022
- Board of Directors
 - 3 Independent board members
 - 1 expert in accounting
 - 1 expert in finance
 - 1 expert in law



Remuneration management

Kweichow Moutai continues to optimize the remuneration management system. We establish and improve the market-based incentive and restraint mechanism by promoting the full coverage of the managers' tenure policy and contract-based management, linking managers' remuneration with our operating performance and individual performance, and appropriately promoting the market-based talent selecting and appointing.

To constantly improve performance management, the Company formulates the Performance Appraisal Management Measures of Managerial Level and the Compensation Appraisal Management Measures of Managerial Level. The Company established a scientific employee compensation and performance management mechanism highlighting performance and value creation. We sign a Letter of Responsibility for Business Performance with the management, which includes business performance, safety, environment and business ethics in the performance appraisal of employees to improve both management quality and efficiency.

The quasi-annual salary system is implemented for middle management, and the corresponding salary level is determined based on the nature of their work, responsibilities and benefits, risks, performance and other factors.

The remuneration of independent directors is implemented in accordance with the standards determined by the shareholders' meeting, and the Board of Directors decides on remuneration matters, rewards and punishments for senior management and delivers the remuneration of senior management in accordance with the results of the annual business performance appraisal.



General employees implement the performance related salary system, adopt the total wage contracting system and other methods according to the management needs, and refer to the labor market salary level, and combine the technical and knowledge requirement, labor intensity, performance and other elements to determine the salary.

Disclosure of information

Kweichow Moutai earnestly implemented the relevant laws and regulations on disclosure of information of listed companies and the Administrative Measures for the Disclosure of Information of Companies. We constantly improve the transparency in disclosure of information by disclosing the Company's information in a proactive and standardized manner, so as to make true, accurate, complete, timely and fair disclosure in practice and fully demonstrate the Company's high-quality development to the market.

In 2022, the Company continued to expand the channels for disclosure of information, held its first annual results presentation by live streaming across the network, maintained effective communication with regulators, and organized special research for investors to actively collect external opinions and suggestions.



Strengthen internal control and compliance

Kweichow Moutai further deepens the corporate reform, improves the compliance management system, and regulates the operation behavior according to law. Besides, the Company enhances the ability of risk prevention and control to boost stable development with a high level of internal control and compliance management.

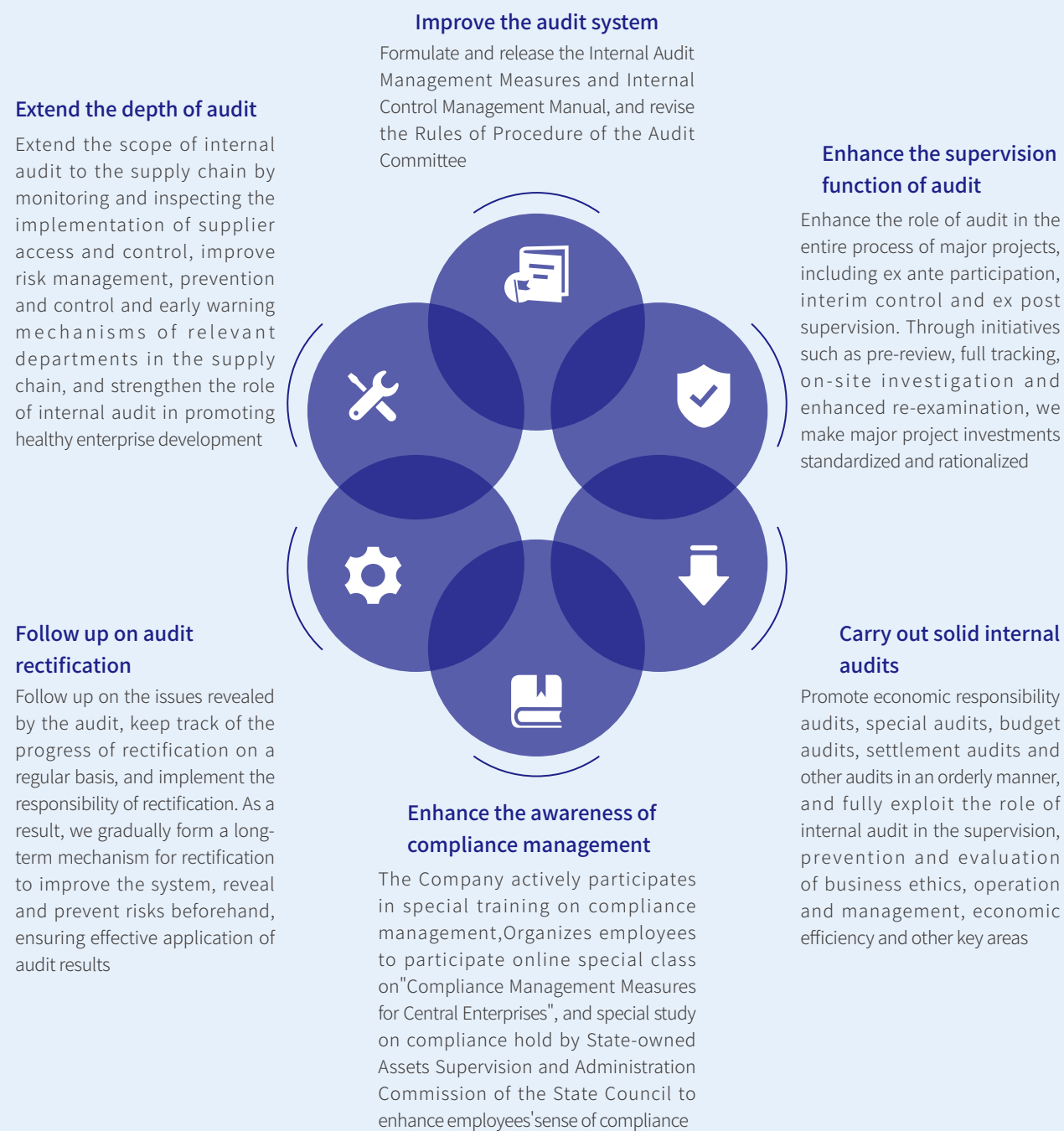
Managing the corporate according to law

The Company strictly abides management laws and regulations, improves the regulation system and builds a high quality legal talent team. We have deepened the integration of law and business to better prevent risks and continuously improve our level of governance in accordance with the law, offering solid legal guarantee for the Company's reform and innovation.



Internal control and compliance

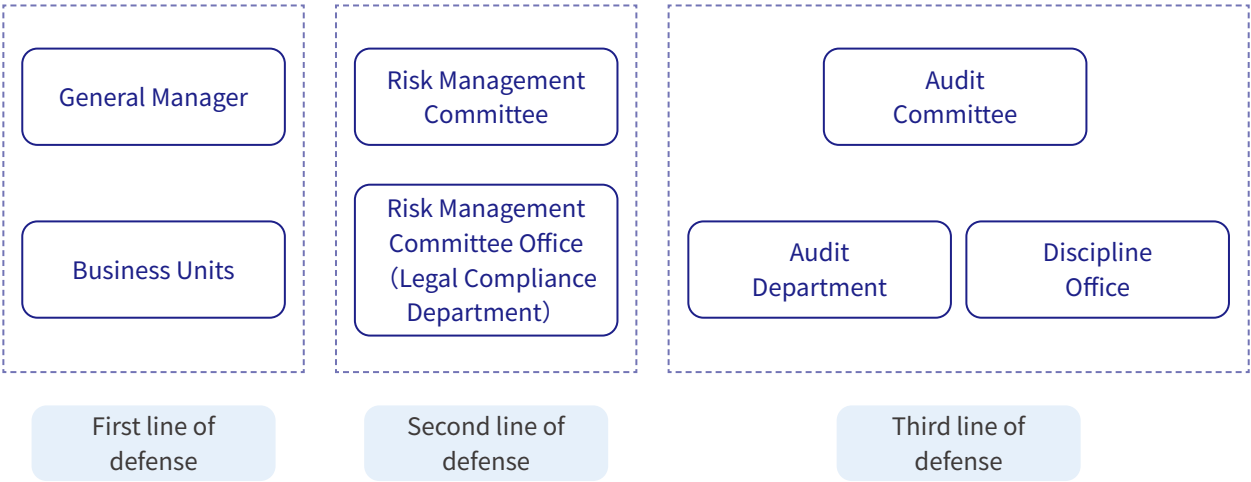
The Company strives to promote internal control and compliance in a systematic and institutionalized manner. Adhering to the integrity and compliance-driven internal management philosophy, we make the best of the synergy between internal control and compliance management to secure the sustainable and healthy development of the Company. During the Reporting Period, we conducted 3 outgoing audits, 1 in-appointment audit, and 3 special audits for the key aspects of internal control such as sales and finance, 618 audit projects including economic audits and special audits and realize full internal audit coverage every third year.



Risk management

The Company endeavors to build a comprehensive risk management system by improving the risk management mechanism, structure, and process to lay a solid foundation for risk prevention and control.





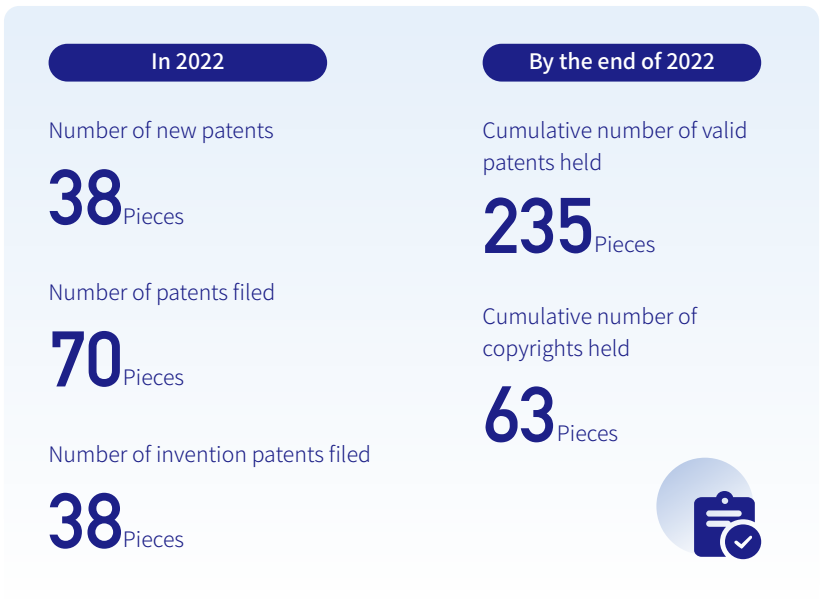
Comprehensive risk management "Three Line of Defense"

Rights protection in the market

Kweichow Moutai continues to improve the market rights protection mechanism by formulating the Market Rights Protection and Reward Measures. With the establishment of the Moutai Rights Protection Data Center, we leverage the advantages of collecting leads to work with market regulators to deepen the analysis and research of, as well as crack down on counterfeit infringement. By doing so, we protect the rights and interests of our consumers and ourselves in accordance with the law, as well as jointly create and maintain a sound market order and business ecosystem.

Intellectual property protection

Kweichow Moutai strictly abides by the Patent Law and other relevant laws and regulations to keep improving its intellectual property management. In 2022, the Company formulated and released the Copyright Management Measures, revised the Trademark Management Measures and Patent Management Measures to support a process-based and standardized intellectual property management system. In addition, the Company promoted high quality intellectual property protection through multiple measures, such as launching the Intellectual Property Collaborative Innovation Management System and the "Flying" trademark exploration project.



Adhere to business ethics

Upholding the philosophy of operating with integrity, Kweichow Moutai strictly complies with the laws and regulations such as the Anti-Monopoly Law, the Anti-Unfair Competition Law, the Supervision Law and the Anti-Money Laundering Law, and observes the code of business conduct. We engage in market competition in compliance with the law and oppose any form of commercial bribery, money laundering, monopoly and unfair competition.

Integrity management

Kweichow Moutai continues to advance efforts to promote integrity management and develop integrity culture. We also improve the management structure, institutional norms and strengthen the awareness of business ethic integrity to see integrity management through.

Management structure

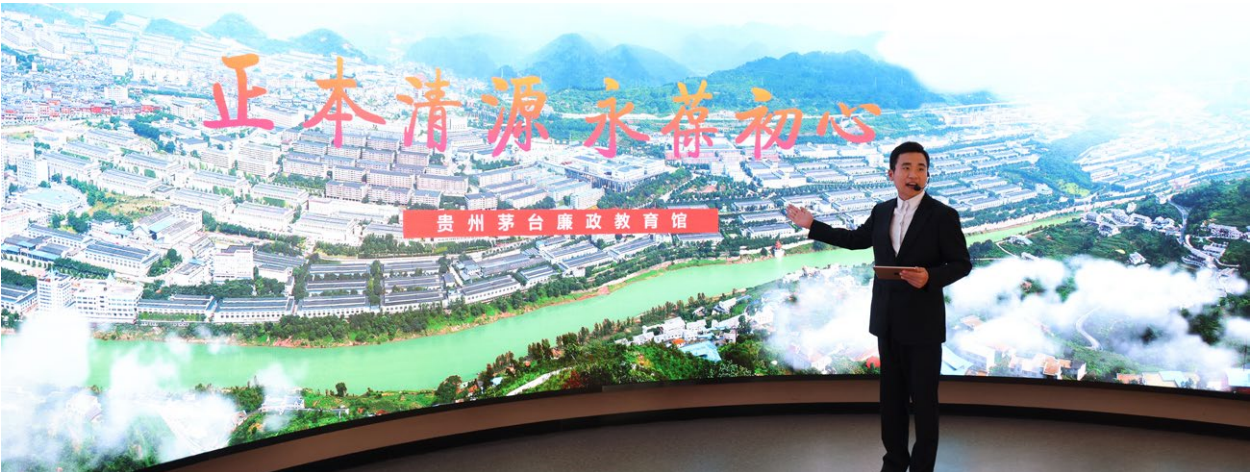
The Risk Management Committee is the unit responsible for business ethics and integrity management, and the Discipline Inspection Committee is the supervision and management department, and all functional departments perform strict implementation of ethical issues

Regulation

The Measures for Handling Employees' Violations of Discipline and related regulations are formulated to strictly regulate employees' behavior. Meanwhile, supervision and management measures are adopted for suppliers and distributors with the same intensity, and "zero tolerance" is maintained in dealing with corruption

Awareness of integrity

Actively carried out anti-corruption activities to cultivate a culture of integrity. The Disciplinary Inspection Committee takes the lead in providing integrity training and education to employees at all levels. Carrying out regular warning education with Moutai Integrity Education Hall, "Qingfeng" Lecture Group, and Warning Education Conference as carriers, covering 18,150 employees, and strengthening the ideological defense line of employees' integrity



Kweichow Moutai Integrity Education Hall



Case

Carry out integrity education to strengthen the awareness of integrity in performing responsibilities

On April 13, 2022, Kweichow Moutai organized a special warning education conference as a sponsor. During the conference, managers at various levels and staff representatives watched an educational film on integrity. By analyzing typical cases of disciplinary and legal violations, the Company enabled employees to profoundly understand the severity of disciplinary violations and raise their awareness of integrity and self-discipline.



Case

Carry out anti-money laundering publicity activities

In 2022, Kweichow Moutai organized employees to participate in publicity activities such as "anti-fraud, anti-money laundering, anti-organized crime", personal finance and credit investigation, so as to improve their anti-money laundering awareness and prevent financial risks.

Whistleblower protection

The Company strictly follows and implements the Work Rules for Discipline and Supervision Organs Investigation and Handling of Reports and Accusations and the Announcement of Telephone Number and Website of Discipline and Supervision Organs (Institutions) for Petitioning. We regulate the process and smooth the channels of reports handling and ask designated personnel to handle reports to ensure that the role of supervision and reporting is given effective play.

Reporting channels

Reporting telephone: 0851-22385896
Reporting URL: <http://guizhou.12388.gov.cn>
Reporting mailbox: 6/F, Near Elevator Entrance, Office Building of Kweichow Moutai Co., Ltd.

Reports handling process



The Company strictly implements the confidentiality requirements, secures legal protection for whistleblowers, and controls the access scope of reporting and problem clues. We follow the principles of confidentiality and avoidance, strictly prohibit the disclosure of problem clues and handling methods, and no one can access problem clues without approval.

Anti-unfair competition

The Company attaches great importance to fair competition and complies strictly with the Anti-Unfair Competition Compliance Guidelines, Anti-Monopoly Compliance Guidelines and other systems. We establish and improve the list of relevant compliance risks and obligations to strengthen the awareness of fair competition among all employees, constantly strengthen management related to anti-monopoly and anti-unfair competition, and promptly deal with possible unfair competition and monopoly in market transactions, developing a fair market environment.



Focus on cultural empowerment

With a focus on "Beautiful Times and Beautiful Life", we dig deeper into the connotation of liquor culture, and promote the construction of Moutai culture through activities revolving around people, culture, objects, arts, rituals, festivals, harmony, history and artifacts. In this way, we push forward the creative transformation and innovative development of excellent traditional culture and bring the charm of Moutai culture into full bloom.



2022 Kweichow Moutai Dragon Boat Festival Ceremony

Inspire cultural vitality

Nurtured by the excellent traditional Chinese culture, Chinese liquor culture harbors rich Chinese philosophical wisdom. Kweichow Moutai deeply pays close attention to the connotation of traditional culture in the new era and explores the production cycle of Moutai liquor and the seasonal laws of the 24 solar terms. We keep in tune with the times and follow the beauty of "co-brewing with the season" and endow innovative charm in the inheritance of ingenuity. We carried out a series of activities featuring Moutai characteristics such as Vernal Equinox Forum, Grain Rain Lecture Forum and Summer Solstice Strategy Seminar. We revamp and upgrade our corporate culture concept, improve cultural heritage protection, and analyze and enrich Moutai culture in all aspects. We build the Moutai Culture Experience Gallery and make it a cultural window for us to improve interaction with our customers. We diversify our cultural activities and promote participation in multiple ways for an organic integration of cultural heritage and corporate development.

Case Moutai Culture Experience Gallery

Moutai Culture Experience Gallery represents a brand new terminal model for providing consumers with cultural exchange and interaction opportunities with Moutai. Delivering a variety of functions such as Moutai culture publicity, experience visits, collection guidance, identification and appraisal, it is a paragon of Moutai Liquor market cultivation, cultural dissemination and interactive experience.



First Moutai Culture Experience Gallery technology exhibition hall in Hubei

Facilitate the "going out" of culture

Kweichow Moutai vastly expands its global presence in market share, continues to broaden its international vision, and adheres to a culture-driven approach. In 2022, through a series of overseas cultural promotion activities such as cultural exchanges, tastes and thematic exhibitions, the Company proactively spread the excellent Chinese traditional culture and showcased the new image of Chinese enterprises. The Company strived to promote the deep integration of Moutai culture and international culture and build a world-class brand with culture as a carrier.

Case Spread Chinese culture and facilitate open cooperation: Moutai's APEC trip

In November of 2022, Kweichow Moutai attended the APEC CEO Summit 2022 and participated in the forum discussions. In addition, the Company engaged in holding a series of cultural, economic, trade and charity events such as "China Moutai Thailand Tasting - A Hint of Baijiu Aroma in the APEC" and "APEC CEO Summit 2022 - CEO Closed-door Luncheon". These efforts aimed at leaving our footprint in the APEC, connecting with the world and spreading Chinese culture and positive energy of Chinese enterprises.



Kweichow Moutai in the APEC CEO Summit

Case The scent of Moutai brings us together to see the beauty: 2022Moutai Fan Carnival

On December 31, 2022, the "Moutai Fan" Carnival and the 3rd Global Moutai Fan Festival was held in Sanya, where "Moutai fans" from all over the world gathered to learn about the long history of Moutai culture. The global Moutai Fan Festivals show a more open attitude and bring Moutai culture to international audiences, which further enhance overseas consumers' awareness and emotional bonding with Moutai,deepen their understanding of Chinese liquor culture and boost the internationalization of the Company's brand



2022 Global Moutai Fan Carnival

02 Create Long-term Value by Sustaining the Industry

Adhering to the mission of "Brew a high quality living experience", Kweichow Moutai practices the corporate spirit of "Devote to Moutai to win glory for the motherland" and adheres to "Quality is the Soul of Life". We inherit and adhere to Moutai Liquor traditional brewing process, respect and obey to "five craftsmanship" quality concept, and strive to build foundation with traditional inheritance and seek breakthroughs with modern innovation. Kweichow Moutai is committed to providing customers with quality products and services and joining hands with the whole industry chain to advance modernization.

SDGs



- Pursue superior quality
- Driven by intelligence and innovation
- Provide attentive services
- Link to the industry ecosystem



Pursue superior quality

Regarding product quality as its foundation, Kweichow Moutai implements the principle of "Quality is the Soul of Life", strictly abides "five craftsmanship" quality concept, implements "365" quality management system, strengthens the construction of quality culture and brews the first-class product with quality of ultimate excellence.

Brewing with craftsmanship

Kweichow Moutai strictly abides the Product Quality Law of the People's Republic of China and practices the quality philosophy of "five craftsmanship". The Company strives to sustain quality management and improve the level of refinement and lean management.

Refine the technique of quality craftsmanship

Execute full control over the entire processes, scenarios and employees

Solidify the essence of quality craftsmanship

Implement the philosophy of "quality is the soul of life"

Stay true to the quality craftsmanship

Stick to the original principle of "Reach for higher ground with quality as the priority"



Sharpen the tools of quality craftsmanship

Enhance modernized quality management with the support from standards and techniques of production quality management

Cultivate quality craftsmen

Strive to build first-class craftsman teams, research teams and cultivate management elites

Quality management system construction

The Company builds a comprehensive "365" quality management system to reinforce quality management functions, improves the quality management system, and promotes standardized, scientific and professional quality management, laying a solid foundation for high quality development.

"365" quality management system

"3" objectives

Achieve the goals of a better quality management system, balanced region-wide quality development and a leap in the overall quality level

"6" tasks

Endeavor to perform the tasks of quality management by all employees, quality synergy in the whole region, quality control throughout the life cycle, all-round quality supervision throughout the whole process by all employees, construction of co-ordinated quality and ecological development community and modernization of quality governance capacity

"5" guarantees

Provide the guarantees of organizational leadership, talent support, financial support, supervision and assessment and public opinion propaganda



Quality supervision structure

Established The Quality Leadership Group and Quality Committee and set up quality specialists and quality supervisors, and a "stationing system" is implemented for branch quality chief officers and quality specialists of key segments



Quality management standards

Maintain the operation of the quality management maturity evaluation system and improve the quality operation evaluation index system of the industrial chain, formulate and publish the Annual Quality Objectives Management Regulations, the High-quality Development Performance Assessment Management Regulations and other systems.



Quality supervision and assessment

A quality supervision and assessment system comprising of daily inspection by quality specialists, process quality assessment, product quality supervision and sampling, quality system audit and type inspection, supplemented by unannounced inspection and special investigation of quality events, is fully implemented.



Quality management system certification

The Company was certified by ISO 9001:2015 Quality Management System and Hazard Analysis Critical Control Point (HACCP) System



Kweichow Moutai's Quality Management System and HACCP System certifications

Whole process management of quality

Kweichow Moutai attaches importance to quality management throughout the whole product life cycle. We invest heavily to improve the technical process and equipment, optimize standard operating procedures, and establish a whole-chain quality control system to implement all quality requirements into the grassroots business process. Meanwhile, we set up a quality management information platform to enable information traceability throughout the whole process of raw material procurement, production and brewing, packaging and sales, and after-sales service, so as to improve the quality management level of the whole industry chain and provide customers with products of superior and assured quality.

Targeting the entire Baijiu industry chain, we build and improve the quality and safety risk management system for Baijiu, and implement graded control over food safety risks. In addition, we build a database of alcoholic beverage regulations covering 53 countries and regions, enabling the monitoring of 1,123 indicators for 49 categories of materials in the whole industry chain, effectively improving the product quality and food safety management level.

Quality culture construction

The Company builds up the quality culture by designing and implementing three-dimensional quality culture dissemination activities between the Company on one side and employees, local communities and consumers on the other, with a view to promoting the construction of quality culture. In 2022, the Company held the "Moutai Craftsman's Day" kick-off meeting and the "All-round Craftsman" labor competition to consolidate the foundation of quality culture; played an active part in the "Quality Month" exchange activity on quality management in Guizhou Province; participated in the 6th Skills Competition for Professionals in the Liquor Industry in Guizhou Province to show the results of quality management and to boost quality culture exchanges.

Whole process management of quality

Case

Front-load inspection for a strict procurement process:For raw and auxiliary materials, the "1+N" three-level inspection mode is fully implemented, with batch sampling inspection before procurement, check before acceptance upon warehousing, and confirmation before use to establish a solid foundation for the quality of base liquor.

Precise process and accurate control: Implement 100% full coverage sampling inspection for Moutai series of Daqu production teams, evaluate and grade all round of Moutai base liquor

Crafted products with high quality and stable production: Exercise strict control over product quality, improve flavor quality, optimize inspection techniques and improve inspection capabilities. Newly developed over 10 near-infrared rapid detection methods for key nodes in yeast and liquor making ,maintaining 100% batch inspection coverage rate, sampling pass rate of packaged finished products and pass rate of outgoing products

Dedicated to providing reliable services:Enable information traceability throughout the entire process from product delivery, warehousing, logistics and distribution to end consumers, responding to customer needs immediately and effectively promoting product quality improvement

Recognition of "Moutai Craftsmen" who make great contributions

Case

On September 23, 2022, Kweichow Moutai held the first "Moutai Craftsman's Day" kick-off meeting to award the "Outstanding Master and Apprentice", "Outstanding Shift (Team) Leader", "Gold Medal Staff", "Moutai Model Worker" and the first prize winner of the provincial skills competition for the year. At the meeting, an appointment ceremony for a series of Moutai Liquor brewing technicians was held to further create an environment honoring craftsmen, labor, knowledge, technology and innovation, and to encourage employees to concentrate on brewing, improve their skills and pass on their know-how to build a team of knowledgeable, skilled and innovative craftsmen.

Case

Emphasize sorghum seed quality and jointly explore the development path of brewing raw material seed industry

On December 23, 2022, Kweichow Moutai participated in the first "Red Tassel Forum" with more than 60 agricultural experts and representatives of liquor companies to share ideas on the development of the brewing raw material seed industry. Only with good seed can grow good grain, and only with good grain can brew good liquor. Kweichow Moutai strengthens quality management from the source, focuses on mature products layout, scientific price mechanism, standardized products logistics and beneficial industrial ecology, and strives to develop a complete market system, making new contributions to the revitalization of Guizhou seed industry and high-quality development of Jiang-flavor liquor industry.

Chairman Ding inspects on "Red tassel" sorghum

Build the foundation of safety

Regarding safety as an anchor, Kweichow Moutai continues to strengthen safety responsibilities, enhance safety awareness, and improve safety management capabilities, with a view to building a sound line of defense for safety and creating a safe, stable and healthy production environment.

Production safety assurance

The Company implemented the 2022 Safety Production Work Essentials and took safety production objectives as the guide to further implement safety responsibilities, refine safety systems, establish and improve safety risk control mechanisms, escorting high quality sustainable development of the Company.

Mechanism construction

Formulate and publish the Management Measures for Handling Typical Violations of Safety Production and Fire Fighting and the Safety Production Reporting Management Measures, the chief leaders to sign the Letter of Responsibility for Safety Production and Fire Fighting Targets.

Specialized governance

Promote the special rectification tasks such as the "three-year action", "consolidation and improvement" and "cracking down on non-compliances and violations", and carry out specialized actions to enhance production safety and further make up for the shortcomings.

Risk control

Carry out annual safety risk identification and evaluation, safety risk assessment in key areas of the plant systematically, and establish the "semi-monthly dispatch" and "monthly verification" mechanism for hidden hazard management to improve the level of risk control and hidden hazard management.

Emergency management

Continue to push forward the preparation and revision of emergency plans, increase investment in fire safety and emergency supplies, strictly implement 24-hour emergency duty, and carry out various types of safety emergency drills such as firefighting, limited space operations, dust explosion, and smoldering combustion of distiller's yeast to improve the firefighting, rescue and emergency response capabilities of employees.



Practical emergency drill for Baijiu rescue and comprehensive emergency response

Occupational health and safety

We make every effort to guard the occupational health and safety of our employees, uphold the policy of "safety first, prevention foremost and comprehensive management", and continuously improve the occupational health and safety management system. We formulate and implement internal systems such as the Occupational Health Management System, the Occupational Disease Hazard Prevention and Control Responsibility System, and the Safety Management Regulations for Special Operators. During the Reporting Period, the Company has passed ISO 45001:2018 Occupational Health and Safety Management System Certification.

In 2022, Kweichow Moutai arranged for an assessment of the status quo of occupational disease hazards and conducted on-site research and OHS reviews of liquor-making and daqu-making workshops and units to facilitate the prevention and control of occupational disease hazards and promote source management.

We attach great importance to and actively implement safety training for employees. For this reason, we formulate the Safety Production Education and Training Management Regulations to regulate safety production education and training management. Meanwhile, we enhance employees' awareness of safety and improved safety operation skills by conducting safety knowledge contests and issuing the Safety Culture Handbook.



Kweichow Moutai's OHS Management System certification

"Moutai Prince Cup" Safety Production Knowledge Contest

Kweichow Moutai took part in 2022 "Moutai Prince Cup" Safety Production Knowledge Contest, which covered 12 aspects such as occupational health, production safety, and fire safety. The knowledge contest covered a wide range of areas and spanned a long period of time. It aimed at strengthening the awareness of all employees on safe production and occupational health, improving their theoretical safety knowledge and skill level, firmly establishing the concept of safe development, and promoting safe production activities.



"Vibrant Work-break, Happy Moutai": Work-break exercise promotion

In 2022, to prevent employees from occupational physical strain injuries and reduce the risk of occupational diseases, Kweichow Moutai joined hands with orthopedic experts from the Peking University Third Hospital to create work-break exercises tailored to each type of employees. The exercises took into account the actual working conditions of Moutai, including liquor-making, yeast-making, packaging and logistics. At the opening ceremony of the sports meeting, the Company organized nearly 2,000 employees to perform the collective work-break exercises and issued an official document to promote the exercises. We encouraged employees to practice the exercises between work sessions to create a favorable environment of "healthy life, happy work".

Work-break exercises



Driven by intelligence and innovation

Staying true to the development philosophy of "technology is the first productive force and innovation is the first driving force", Kweichow Moutai inherits and innovates beauty with science and technology, and continues to enhance innovation leadership with technology. The Company leverages the opportunity of digital transformation to explore the operation model of "Smart Moutai" and build up new momentum for its transformation and upgrading.

Innovate to create beauty

Kweichow Moutai proactively deepens enterprise reform, carries out management improvement actions aim to become world-class enterprises and establishes a sound market-based operating mechanism and management target system. We pursue high quality and dynamic development by giving priorities to industrial structure optimization, improvement of the technological innovation capacity, and continuously deepen reform of the marketing system, so as to comprehensively improve the company's modern management ability.

Guided by the idea of "laying out the innovation chain around the whole industry chain and empowering the industry chain with the innovation chain", we lay out the innovation chain around raw material cultivation, brewing process and product quality. Besides, we promote theoretical research, technology R&D and demonstration application, and deep integration between the innovation chain and the industry chain to develop a new industrial ecosystem with technology.



Research on raw material cultivation

Good seed, effective method, favorable soil and healthy ecology



Five major core technology systems

Basic research system, brewing process technology system, liquor body design system, quality evaluation system, and food safety control system



5-dimensional quality expression

Production area, process, base liquor diversity, sensory features and typical style, and comfortableness after drinking

Improve management

We continue to improve innovation mechanisms and formulate systems such as the Comprehensive Budget Management Measures, the Regulations on the Management of R&D Input Statistics and the Regulations on the Management of Scientific Research Funds to regulate the use of R&D resources and improve the energy efficiency of R&D management. In 2022, we deepened system reform, further clarified institutional positioning and management functions, and optimized R&D project management processes, providing a solid organizational backstop for the Company's innovation and development.

In 2022

R&D investment in science and technology

RMB **559** million



Science and Technology Innovation Platform construction

We value the construction of scientific and technological innovation platforms. Through forming alliances with scientific research institutions, universities and other professional institutions and giving full play to our advantageous resources, we make every effort to promote the construction and operation of five innovation platforms, including "two laboratories, two centers and one station", with the aim of creating a highland of technological innovation, and achieving a new leap in the construction of traditional brewing science and innovation platform.

Key Laboratory of Industrial Microbial Resources Development: Conduct research in the areas of resource mining, functional development, engineering bacteria construction, and industrial application

Key Laboratory of Specialty Sorghum Innovation (proposed): Focus on the basic theories and key technologies in the innovation of specialty sorghum germplasm

Guizhou Brewing Engineering Technology Research Center: Sustain research on process detection technology, control technology, mechanical and digital upgrading around the brewing process



Construction of the innovation platform featuring "two laboratories, two centers and one station"



Guizhou Baijiu Manufacturing Innovation Center: Conduct research on intelligent manufacturing and green, low-carbon and circular development of the whole industry chain of Baijiu

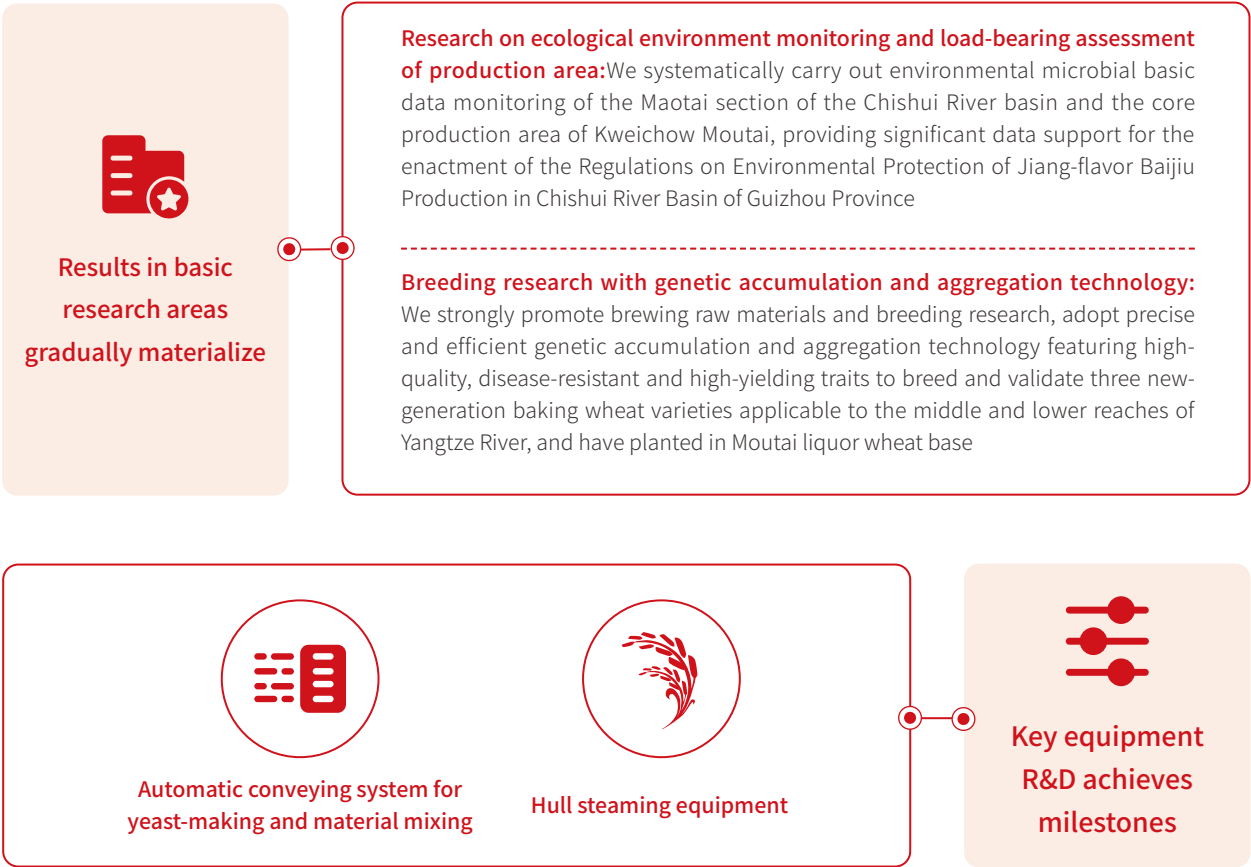
Chishui River Maotai Ecosystem Field Scientific Observation and Research Station: Perform monitoring and evaluation of ecological factors such as water, soil, air and microorganisms in the brewing region with a focus on environmental and ecological research

Deep industry-university-research integration

Kweichow Moutai integrates external R&D resources for deepening cooperation with universities and research institutions such as Institute of Microbiology of the Chinese Academy of Sciences (IMCAS), Chinese Research Academy of Environmental Sciences (CRAES), Tsinghua University, and Jiangnan University. By doing so, we aim to promote the transformation of innovation achievements, complement advantages, and seek mutual benefits, win-win outcomes and common progress. In 2022, leveraging the industry-university-research cooperation platform, we successfully declared the national key R&D program "Green Small Watershed Construction Technology System and Application Demonstration" and the provincial science and technology support program "Research, Development and Application of Online Monitoring System for Daqu Fermentation Process", further enhancing our comprehensive technical strength.

Transformation of scientific and technological achievements

We adhere to the market-oriented R&D path. By strengthening basic research, applied research and transforming achievements, we have created a series of scientific and technological achievements in terms of the brewing process, brewing equipment, digital technology and green technology, enabling the linkage of innovation, industry and value.



Scientific and Technological Innovation
Achievement Awards of Kweichow Moutai in 2022





Key technology and industrial application of precise control on brewing process of Jiang-flavor Liquor



First Prize of Science and Technology Progress, China National Light Industry Council (CNLIC)



Quality analysis research and application of Northern Guizhou high-quality brewing sorghum based on modern food histology technology



First Prize of Technology, China National Food Industry Association (CNFIA)



Research on risk screening and migration patterns of key processing aids for Baijiu and its polymeric storage materials



Second Prize of Technology, CNFIA



Key technology R&D and industrial application of liquor lees organic fertilizer production



The First Innovation Award, State-owned Assets Supervision and Administration Commission of Guizhou Province



Bioinformatics-based flavor control research and industrial application of Jiang-flavor Liquor



Significant Scientific and Technological Achievements of Chinese Baijiu in 2022, China Alcoholic Drinks Association (CADA)



Construction and application of the technical system of flavor substance analysis for oral perception of Jiang-flavor Liquor



Significant Scientific and Technological Achievements of Chinese Baijiu in 2022, China Alcoholic Drinks Association (CADA)

In 2022


Carried out 116 scientific research projects in seven areas such as raw materials, microorganisms, and brewing environment

Carried out 1 national level project

Published 29 academic articles

Carried out 3 ministerial level projects

including 12 indexed in the SCI



Sci-tech innovation talent cultivation

We regard scientific and technological talents as valuable resources, observe management plans such as the Implementation Plan on Building the Highland of Scientific and Technological Innovation Talents, the Implementation Plan for the Outstanding Youth Program, the Management Measures for the Selection of Outstanding Talents Award, and the Management Regulations for the Re-employment of Technically Skilled Personnel. We keep perfecting the innovative talent platform, and systematically promote the introduction and cultivation of sci-tech innovation talents to build a talent highland.



Case

2022 Moutai Group Scientific and Technological Innovation and Talent Work Conference

On March 20, 2022, Kweichow Moutai supported the organization of and participated in the "Moutai Group Scientific and Technological Innovation and Talent Work Conference" during the "vernal equinox". At the conference, the five core systems of Moutai Liquor brewing were released and a ladder training plan for innovative talents was formulated. In addition, we held the recognition ceremonies for "2022 Moutai Outstanding Talent" and "2022 Scientific and Technological Innovation Achievements" awards, which motivate employees to be pioneering, pragmatic and innovative, and provide new momentum for the company's high-quality development.

Create "attractive" products

Kweichow Moutai constantly optimizes the structure of its product chain, increases R&D efforts on new products, enriches product flavors and packaging design, and broadens product categories on the basis of its products, boosting product attractiveness with innovation. In 2022, Kweichow Moutai unveiled a variety of cultural Moutai Liquor offerings, such as Kweichow Moutai Renyin Year of the Tiger, and Moutai 1935. We also pioneered the non alcohol beverage product, Moutai Ice Cream, to serve the diversified needs of consumers in different age groups and different scenarios.



Renyin Year of the Tiger Zodiac Baijiu

Renyin Year of the Tiger Zodiac Baijiu is the 9th offering in Kweichow Moutai's Zodiac Baijiu series. It is blended with 200 different base liquors of different ages over a five-year period, bringing together the Chinese zodiac, the Five Elements, ink painting and the art of calligraphy to provide an all-round, immersive cultural experience for tasters.



Moutai 1935

Moutai 1935 is produced in the core production area of the Chishui River Basin (Heyixing production area) and Kweichow Moutai Geographical Indication Reserve. It is blended with the base liquors of the two production areas with the cultural kernel of "happy reunions", creating a "happy culture" themed drinking scenario and revealing the cultural profundity and superior quality of Moutai.



Moutai Ice Cream

Jointly launched by Kweichow Moutai and Mengniu, Moutai Ice Cream marks an R&D breakthrough targeting at young consumers. The high-quality raw materials, scientific formulas and advanced technologies involved all stem from Kweichow Moutai's dedication to innovation.

Smart Moutai

Digital technologies have become a new engine for enterprise transformation and upgrading. Kweichow Moutai makes full efforts to promote the construction of "Smart Moutai", deeply implements the intelligent transformation strategy, and promotes the deep integration of information technology and liquor manufacturing industry, with a view to inspiring innovation momentum and creating value.

Accelerate digital transformation and build "Smart Moutai"

In accordance with the Opinions on Accelerating the Construction of "Smart Moutai", Kweichow Moutai continues to improve its management system and organizational structure and sets up a digital and information management center to coordinate the investment and allocation of resources and boost the development of "Smart Moutai".

Upholding the principle of "making targeted breakthroughs with demand orientation", the Company starts with smart marketing to accelerate the layout of supply chain, operational control and smart parks. By enabling digital business processes and building a sound digital business synergy management system, the Company creates new momentum and new advantages for its high-quality development.

Smart marketing

Based on iMoutai, our digital marketing platform, we build a full-chain marketing management model comprising Moutai Mall, marketing service system upgrading, warehousing and logistics management system, distribution traceability system and financial settlement platform, and comprehensively promote capabilities of product operation, brand operation, market operation, user operation and data operation.

Smart supply chain

We complete the construction of the centralized procurement platform, launch and run the material supply management platform, packaging production plan management system and warehousing and logistics system, and realize digital and transparent management of the whole procurement process.

Smart legal affairs

To provide support for smart legal affairs, we launch and run the intellectual property management system and promote digital operation and control.

Smart parks

We complete the construction of the integration platform for liquor storage security and fire protection, and realize the integrated and visualized management of personnel, vehicles and events in the demonstration area.



Case

Share a quality life at "iMoutai"

On May 19, 2022, the "iMoutai" digital marketing platform was officially launched. As a one-stop service platform dedicated to providing consumers with open, convenient and reassuring services in response to the consumption trend in the digital economy era, "iMoutai" represents a breakthrough of Kweichow Moutai's digital construction, manifesting the constant practice of its quality philosophy of "brewing a high-quality living". Kweichow Moutai uses "iMoutai" as a medium to bring Moutai Liquor into thousands of households, allowing consumers to experience the true beauty of Moutai and life. By the end of 2022, "iMoutai" has registered users over 30 million.



"iMoutai beauty life" Gallery

Maintain network and information security to escort digital transformation

Kweichow Moutai abides by laws and regulations such as the Cybersecurity Law of the People's Republic of China and Data Security Law of the People's Republic of China, and formulates the Network and Information Security Management Measures, Terminal Security Management Regulations, and Information Disaster Recovery System to optimize the Company's data standards. We promote the construction of a digital base with Moutai cloud and big data platform at the core, complete the backbone network of double-core campus construction and strengthen data management capacity and technical support.

Network and information management initiatives

Network security

- Carry out regular network security emergency drills, hidden dangers investigation and rectification
- Push network security-related systems and knowledge to employees through the "iMoutai" platform
- Organize internal learning and training sessions to improve employees' awareness of network security

Information security

- Implement computing environment, data encryption storage and transmission, and terminal protection in strict accordance with the requirements of level-3 classified protection
- Establish data classification and grading management systems, and authorize data access and use on demand

Privacy protection

- Promote digital identity authentication to protect the privacy of registered users
- Push security know-hows through "iMoutai" to enhance users' awareness of privacy protection

In 2022

Number of customer privacy-related complaints received

0 times



Provide attentive services

"Consumer-centric" is Kweichow Moutai's eternal service philosophy. We execute the "five-integration marketing approach" to protect consumers' rights and interests in all aspects. To allow each and every consumer to enjoy Moutai's quality products, feel unique culture and experience attentive services with peace of mind, we conduct responsible marketing, protect consumer privacy and smooth consumer communication channels.

Kweichow Moutai's "five-integration marketing approach"				
Resource integration	Digital integration	Cultural integration	Brand convergence	Combination of management and service
Proactive marketing and precise positioning	Smart retailing with digital platform	Culture aggregation for long-term prosperity	Brand empowerment and structure optimization	Market cultivation and consumer satisfaction

High-quality services

We continue to optimize our service system, strictly implement the Standardized Service Specifications for exclusive Stores of Kweichow Moutai, the Management Measures for Customer Consultation and Complaints and other systems to standardize the management process of consumer services and complaints. In addition, we make the Customer Service Center a window for consumer consultation and complaints, and provide the customer service hotline, corporate email, official WeChat account, "iMoutai" and other platforms to serve consumers through multiple channels and forms. In this way, we ensure timely and effective response to consumers' feedback and meet their needs with high-quality services.



Safeguard consumers' rights and interests

Product recall

Develop the Management Measures for Leaking Baijiu Exchange and Management Measures for Product Replacement (Rework) to continuously improve product after-sales management and services

Product identification

In response to consumers' product identification needs, we carry out free identification activities regularly in our self-operated stores in various provinces and cities across the country, fully support consumers defend their rights according to law and build up customer trust



Kweichow Moutai's convenient identification activity publicity

Improve consumer experience

Third-generation Moutai Baijiu exclusive stores

Focusing on the five key essentials of "seeing, listening, tasting, eating and gifting", Kweichow Moutai has promoted the construction of the Third-generation exclusive store integrating four functions of "brand image, cultural display, drinking experience and customer service", further improved the service standards and product display specifications of the exclusive stores, and strengthened the brand, culture, and digital empowerment based on meeting the basic functions of product display, tasting, and retail, so as to provide Moutai "attractive" products, "attractive" culture and "attractive" service experience to customers.

Moutai Baijiu tastings

We held Moutai Baijiu featured tastings, transformed and upgraded the traditional one-way output to two-way interactive communication through innovating consumption scenarios and standardizing the tasting process. Meanwhile, we made the tastings more enjoyable and rewarding to connect with core consumer groups and enhanced the image of Moutai brand.



Third generation Moutai Baijiu exclusive stores

Responsible marketing

Upholding the principle of integrity management, Kweichow Moutai formulates the Management Measures for the Marketing and Promotion of Moutai Liquor Distribution System, the Guiding Principles for the Management of General Distribution Products (Brands), the Marketing Activities Support Program for Kweichow Moutai Liquor, and other systems. We standardize advertising and promotional terms, clarify the application and review process for advertising and promotion, and specify the responsible departments to prevent exaggerated or false advertising in the marketing process and safeguard consumers' rights and interests.

We require distributors to conduct responsible marketing in the same way as us. We provide special training sessions on marketing responsibility for distributors, channel traders, and staff of self-operated stores and exclusive stores. The topics cover relevant laws and regulations, service specifications, anti-counterfeiting and genuine products guarantee, and analysis of marketing strategies in the digital age.

Moderate drinking

Kweichow Moutai vigorously advocates the healthy consumption concept of "Moderate Drinking", and absolutely fulfills the relevant regulations stipulating that "no alcohol sales to minors". We fight against alcoholism and drunk driving, engage actively in rational drinking campaigns, assume the social responsibility of a liquor manufacturer, practice responsible marketing and foster harmony between the industry and society, drinking and consumer health.

Case

"Care for Growth, No Alcohol for Minors": National Alcohol Awareness Week 2022

On December 26, 2022, the National Alcohol Awareness Week 2022, hosted by the China Alcoholic Drinks Association (CADA), was officially launched. Kweichow Moutai took an active part in it and joined the participants to speak out for rational drinking, advocating "Care for Growth, No Alcohol for Minors".

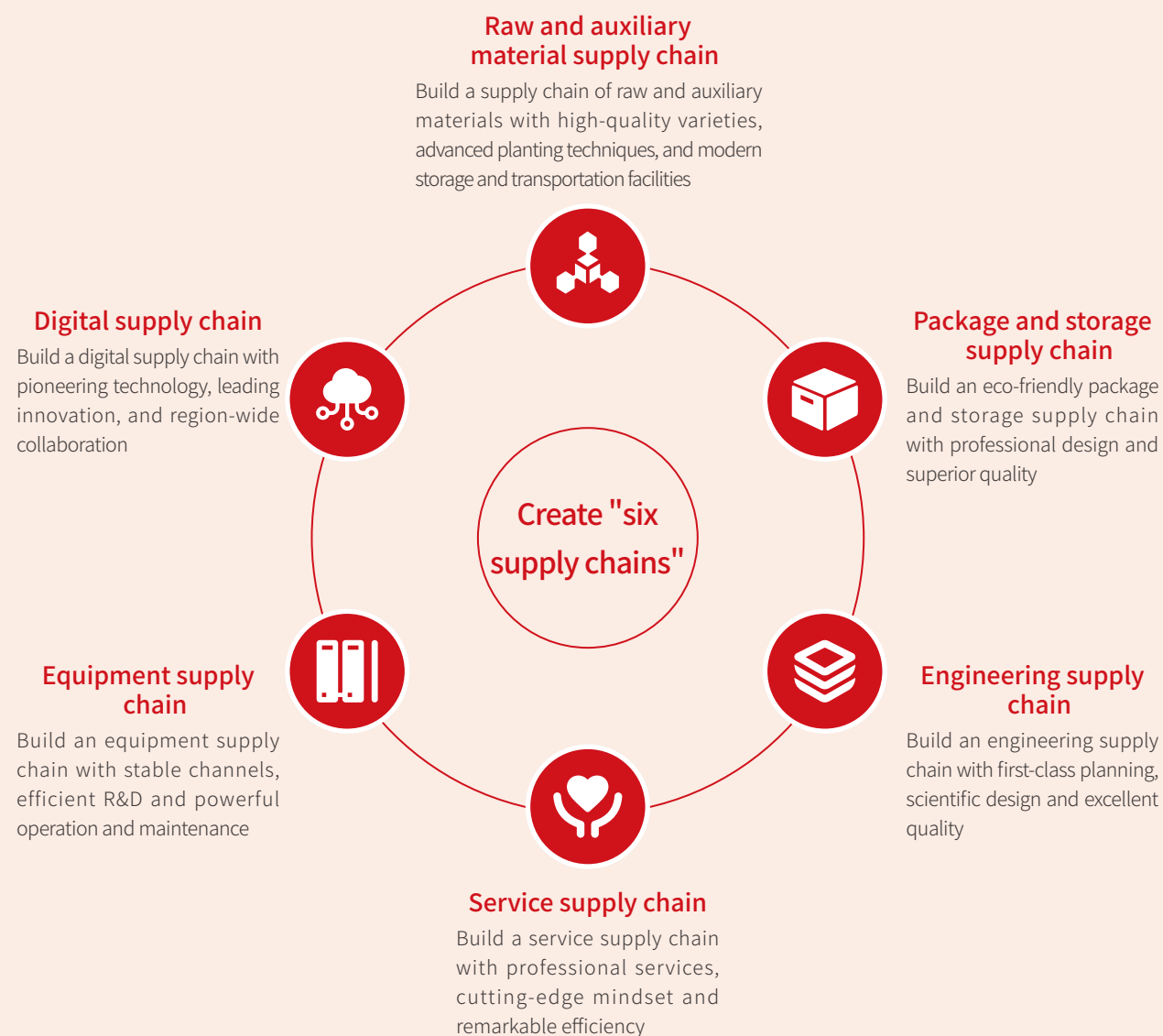


Link to the industry ecosystem

Kweichow Moutai focuses on creating long-term value for the industry ecology, deepens strategic deployment for the supply chain, improves market environment and promotes industrial integration with distributors, and builds a modern ecosystem. We also work with our value chain partners to jointly create a benign development space and boost the high-quality development of the industry.

Fuel supplier development

Adhering to the general idea of "supply quality products, build strong partnerships, and connect with the modern world", Kweichow Moutai establishes long-term stable relationships, mutual trust, mutual benefit and win-win cooperation with suppliers through strict management, responsible procurement, and sincere and open communication. We promote supply management expansion and upgrade from "business" to "chain" and from "chain" to "network" and use "six supply chains" to build a modern supply network for Moutai.



Strengthen supplier management

We continue to strengthen supplier management. In 2022, we formulated and issued the Regulations on Supplier Relationship Management and the Rules on Supplier Management for Package Storage Materials and revised and issued systems such as the Supplier Management Measures and Procurement Management Measures. By facilitating the establishment of a "chain chief system" for management based on the "six chains", we aim to transform from "procurement management" to "supply chain management", and from "transaction-based procurement" to "strategic ecological construction".

In 2022

Supplier annual audit ratio

100%



Supplier access

- According to the Procurement Management Measures, evaluate suppliers comprehensively in terms of technology, quality, service and qualification. The Legal Compliance Department reviews procurement documents and builds inspection teams to conduct on-site audits according to project needs
- Explicitly require suppliers to provide qualification documents pertaining to quality, environmental protection, occupational health, food safety, etc. to ensure that they are well qualified and competent
- Build an electronic procurement platform to manage the procurement process in a standardized, procedural and information-based manner

- Formulate and strictly implement the Supplier Management Measures, Supplier Relationship Management Regulations, etc. to clarify the management responsibilities of each department and standardize the supplier management process
- Implement classified and graded supplier management, classify suppliers into strategic, guaranteed and competitive categories based on their impact on the Company's development strategy and production operation, and improve the quality and efficiency of existing supplier management



Supplier management




Supplier audit


- Conduct regular annual supplier reviews, with assessment criteria covering multiple dimensions such as product quality, supply timeliness, service quality, and rectification, and include social and environmental elements such as safety management, energy consumption, and emission management into the assessment system
- For suppliers who fail the evaluation, we request them to rectify within a certain period of time and submit a written commitment. If they still fail after rectification, we will consider terminating partnership with them

Build a sustainable supply chain

We practice responsible procurement, incorporate green and clean requirements into our supplier management system, and update and improve the Supplier Management Measures and Supplier Relationship Management Regulations. We select and cultivate suppliers with outstanding environmental and social performance as long-term partners to secure a sustainable supply chain and thus enhance the overall competitiveness of the value chain.

**Green procurement**

Adhering to the principle of "ecological prior and green development", we give priority to establishing strategic partnerships with environment-friendly enterprises, prefer green products and services in procurement, and encourage suppliers to carry out environmental R&D.


**Procurement integrity**

We firmly adhere to the principle of "compliance with laws, regulations and discipline", formulate such regulatory documents as the Registration and Filing System for Leadership Instructions During Material Supply Business Operations and the Prohibitive Provisions for Material Supply Integrity, and incorporate integrity management into supplier assessment.

In 2022

Supplier procurement integrity coverage ratio

100%



Promote supplier communication

We value frank and transparent communication and exchange with suppliers. For the sake of mutual growth, we organize training and communication sessions with suppliers, help them establish the sense of responsibility, use our resources to provide technical and financial support to suppliers to improve their supply capacity and enhance the anti-risk capability of the supply chain.

In 2022, the company steadily promoted the construction of raw and auxiliary material storage and supporting facilities for suppliers, formulated and implemented systems such as "Supplier Warehouse Construction Improvement Plan", "Quality Management Improvement Plan for Husk and Straw", and "Management Improvement Plan for Husk and Straw Suppliers", supported and urged suppliers to establish standardized raw and auxiliary material transfer warehouses around Moutai plant, and guided suppliers to introduce equipment such as raw material sorting and rapid pesticide residue detection, further improve supplier quality assurance capabilities through in-depth cooperation and technical support.

**Case**

"Building foundation with suppliers", "enhancing tenacity with supply chain" and "achieving greatness through our people"

On October 27, 2022, the 2023 Annual Procurement and Supply Chain Conference was held in Moutai International Hotel with the theme of "Embracing a Brighter Future by Integrating Chains and Promoting Digital and Intelligent Technologies". More than 200 supply partners attended the conference either online or offline. The Company communicated deeply with suppliers on "procurement and supply system reform and supply chain modernization", signed cooperation agreements with representatives of 9 strategic partners, and awarded 25 excellent supply partners in 2022, striving to build up sustainable supply partnerships.

In 2022

Number of annual supplier training

19 times



Grow with distributors

Considering distributors as key partners, Kweichow Moutai works with them to improve the quality and efficiency of marketing efforts by adopting "five-integration marketing approach". We actively communicate with distributors to share industry dynamics and organize special training sessions to help improve their capabilities. Furthermore, by setting up a sound assessment and evaluation mechanism for distributors, we enhance their core competitiveness, channel loyalty, suitability, and motivation for cooperation, forming a strong strategic cooperation alliance with them.

**Standardized management**

Formulate the Management Measures for Distributors of Moutai Baijiu and Jiang-Flavor Baijiu Marketing Co., Ltd. to enhance marketing network management; add the distributor integrity commitment clause to the Distribution Contract to specify distributors' anti-corruption obligations

**Distributor training**

Organize online and offline business training sessions for distributors, covering 19 provinces in Southwest, Northwest, Central and East China; improve distributors' knowledge base and practices in marketing strategy development, corporate culture, new developments in the liquor industry and production management processes. During the Reporting Period, 1,131 participants attended offline training sessions and 4,500 participants attended online sessions

**Distributor communication**

Establish the responsibility system of first asking, and conduct regular investigations and field visits to distributors to learn about their needs and grasp market-related information. Regularly organize marketing work meetings to commend distributors with excellent performance. During the Reporting Period, 115 distributor group awards and 35 individual awards were granted

**Marketing platform construction**

With the "iMoutai" digital marketing platform as the core bond, we work with distributors to create a marketing channel featuring "platform-based unified sales, centralized online settlement, and precise offline distribution" of Moutai Baijiu, and integrate multiple resources to build a S2B2C online and offline integrated liquor sales model to empower our distributor partners with the marketing platform and jointly promote the digital transformation of marketing

**Case**

Kweichow Moutai Marketing conference

On December 30, 2022, the Kweichow Moutai Marketing Conference was held in Sanya, Hainan. Representatives of distributors from all provinces and cities were invited to make a comprehensive review of Kweichow Moutai's marketing work in 2022, make a scientific deployment for 2023 and focus on the "five-integration marketing approach" as a guide to provide consumers with service throughout the product life cycle. The conference also held a distributor award ceremony to commend outstanding dealers such as the 2022 "Excellent Channel Merchant Award", "Sailing Together Award", and "Five in One Marketing Innovation Award", so as to recognize and encourage the outstanding contributions of distributors and create a new pattern of marketing work in which manufacturers interact and distributors work together with one heart.



 Kweichow Moutai Annual Marketing conference



Case

Heritage: Inheritors of Moutai embark on a journey to explore the origin of Moutai culture

On July 8, 2022, hundreds of Moutai distributors and inheritors from Fujian, Jiangsu, Shanxi, Hunan, Tianjin, Shandong and Jiangxi came to Moutai and started a journey to explore the origin of Moutai culture in a competitive manner. Inspired by the "Five-Line" high quality development path, the event divided the participants into five teams: blue, green, white, purple and red. It guided the participants to landmark sites such as the Moutai liquor brewing industrial heritage buildings, the Chishui River, the Chinese Liquor Culture City, and deeply integrated the content of the event with the Moutai culture, so as to stimulate the cohesion, centripetal force and combat effectiveness of the inheritors of Moutai, inject new vitality into the sustained, healthy and stable development of Moutai liquor marketing business.



Inheritors of Moutai embark on a journey to explore the origin of Moutai culture

Lead industry development

Based on the technical advantages as a leading liquor manufacturer and our "Moutai Standards", Kweichow Moutai takes an active part in the development of industry standards as well as exchanges and seminars. We also carry out a variety of activities on promoting capacity building, value sharing and win-win cooperation, and facilitating technical reform and industry development.



Play a leading role

Give full play to the role of the Jiang-flavor Baijiu Sub-Committee as a secretariat to ensure high-quality and efficient performance of its duties and functions, actively promote standard development in terms of environmental protection, safety, greening and digitalization to secure an advanced, scientific and applicable Jiang-flavor Baijiu standard system, and boost sustainable and healthy development of the industry.

Persistently promote the establishment and implementation of the industry standard system to provide standard technical support for the high-quality development of Jiang-flavor Baijiu. In 2022, the Company accelerated the revision of the national standard of Jiang-flavor Baijiu, completed the draft national standard of Quality Requirements for Baijiu Part 4: Jiang-flavor Baijiu, and revised 42 national, industry and group standards, and 102 company-level technical standards.



Promote standard construction



competitive and cooperative

Explore diversified communication and cooperation mechanisms, support and participate in a number of industry communication activities including "Seed Industry Revitalization and Modern Agriculture", and build friendly relations with industry peers through visits, exchanges, forums, seminars, etc., to cultivate an ecosystem featuring competitive and cooperative development in which all players value each other for mutual prosperity.



Case

Kweichow Moutai participated in the leadership change in the 2nd Session of the Jiang-flavor Liquor Sub-Committee of National Technical Committee on Chinese Spirits of Standardization Administration of China

On December 9, 2022, Kweichow Moutai held the inaugural meeting of the 2nd Session of the Jiang-flavor Liquor Sub-Committee of National Technical Committee on Chinese Spirits of Standardization Administration of China and the first General Meeting, which marked the official establishment of the 2nd Session of the Jiang-flavor Liquor Sub-Committee. Kweichow Moutai played an active part in the leadership change, took responsibility as secretariat of 2nd Session of the Jiang-flavor Liquor Sub-Committee and jointly promoted the high-quality development of the Chinese spirits industry.

03 Guard the Picturesque Landscape for a Beautiful Ecosystem

Pursuing sustainability with green operation has become a consensus among enterprises. Kweichow Moutai unswervingly follows the path of green development, and focuses on key areas such as ecological environmental protection, energy saving and carbon reduction, pollution control and water resources management to constantly improve its comprehensive ecological and environmental protection management capabilities, build a green, low-carbon and sustainable development path and move towards a green future featuring ecological beauty and corporate prosperity.

SDGs



- Strengthen environmental management
- Addressing climate change
- Manufacture and operate in a green manner
- Preserve biodiversity



Strengthen environmental management

Kweichow Moutai deeply practices the philosophy of green development with ecology as the priority, firmly takes the "green line" development path, and integrates environmental responsibility into corporate development strategy and daily operation and management. Revolving around the construction of "one base and one benchmark" (Building a Demonstration Base for the Practice of Xi Jinping's Thought on Ecological Civilization and creating an Eco-environmental Benchmark Enterprise), we systematically ramp up our environmental management to secure continuous improvement of the brewing eco-environmental quality of Moutai.

Environmental management mechanism

Kweichow Moutai strictly complies with State laws and regulations such as the Environmental Protection Law of the People's Republic of China, continuously improves our environmental management system and structure, and standardizes the environmental management process. During the Reporting Period, the Company has passed the GB/T 24001-2016/ISO 14001:2015 Environmental Management System certification.



Kweichow Moutai's ISO 14001:2015 certification



Management structure

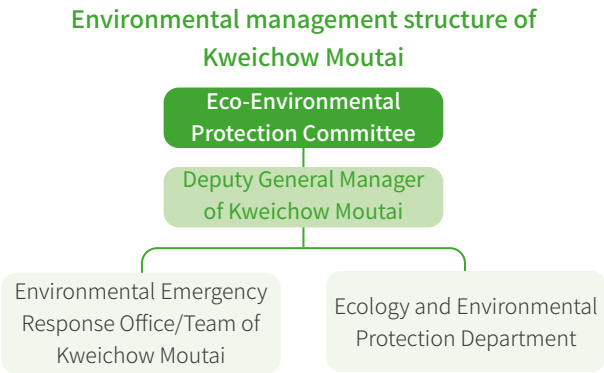
The Company continues to improve its environmental management structure, with the Corporate Eco-Environmental Protection Committee as the highest decision-making body, the Deputy General Manager assuming leadership responsibility, and the Eco-Environmental Protection Department as a specialized agency for environmental management. The Company ensures the effective operation of its environmental management mechanism through a clear top-down management structure.

Regulatory system

The Company further standardizes the environmental management process in accordance with the Overall Plan on Building a Demonstration Base for the Practice of Xi Jinping's Thought on Ecological Civilization and Creating an Eco-environmental Benchmark Enterprise, the Compliance Guidelines for Eco-environmental Protection, the Eco-environmental Protection Management Regulations, the Rules for Appraisal of Eco-environmental Protection Work, and other measures. We also formulate management rules on matters such as sewage, waste and environmental emergencies to develop a sound environmental management system.

Performance appraisal


The Company formulates the Rules for Appraisal of Eco-environmental Protection Work, requires key managers to sign the Letter of Responsibility for Environmental Protection, and specifies the requirements for environmental performance appraisal in the Comprehensive Appraisal Management Measures. We link environmental performance with the remuneration of senior management and the promotion, remuneration and bonuses of general employees to ensure the implementation of environmental management responsibilities.



Environmental management measures


Kweichow Moutai implements full-process environmental management and carries out environmental factor identification on an annual basis. By building an environmental management platform and a regular monitoring mechanism, the Company monitors, measures and controls relevant environmental factors, and carries out special improvement actions to enhance environmental management in all aspects.

Environmental factor identification




- Develop a green development technical standard system for the entire chain of design, use, monitoring and governance of all factors
- Identify environmental factors, issue a list of important environmental factors, and develop environmental factor control measures
- Establish the environmental footprint list and evaluation and analysis methods

Management platform construction




- Build a comprehensive data management platform for collecting, preserving, and maintaining eco-environmental protection data to achieve eco-environmental monitoring and facilitate information-based management
- Establish an intelligent water resources management platform for the whole process of water extraction, water supply, water use, water discharge and recycling to strengthen water resources management capabilities
- Set up a platform for monitoring the operation of gas boilers and flue gas emissions, systematically promote steam metering management, and enhance the management capacity of flue gas and other major pollutants

Regular monitoring



- Water environment quality: Monitor a total of 10 indicators including pH, temperature, flow rate, chemical oxygen demand, ammonia nitrogen, total phosphorus, total nitrogen, suspended solids, chromaticity, 5-day biochemical oxygen demand at 11 cross-sections of the Chishui River
- Atmospheric environment quality: Monitor 6 indicators covering sulfur dioxide, nitrogen oxide, carbon monoxide, ozone, PM10, PM2.5 at 5 air quality monitoring stations in the plant area
- Meteorological environment: Monitor wind speed, wind direction, temperature, atmospheric pressure, humidity, rainfall, sunlight intensity at 3 monitoring stations in the plant area

Special improvement actions



- Implement five special projects, namely, "increase of ecological water utilization, improvement of air quality, soil pollution control, protection of microorganism, and ecosystem balance" to build a modern industrial development pattern featuring harmony between human and nature
- Implement special actions of energy saving, carbon reduction and efficiency enhancement, green product design, green transformation of industrial chain, green technological innovation and green and low-carbon lifestyle to comprehensively promote green production methods

Addressing climate change

Climate change has emerged as a global responsibility issue of great concern that poses serious challenges to the development of various industries. Guided by China's target of "reaching carbon peak by 2030 and carbon neutrality by 2060", Kweichow Moutai takes an active part in climate action, optimizes its energy consumption structure, and gives full play to its management efficiency to pursue sustainable development.



Identification of climate change risks and opportunities

Kweichow Moutai pays close attention to the profound impact of climate change on our production and operation, identifies climate change risks and opportunities in the liquor manufacturing industry based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and strives to manage climate change risks in our business.

Kweichow Moutai Climate Risk and Opportunity Identification Results			Potential Impacts
Risks	Transformation risk	Policies and Laws	Increase in compliance costs to meet national and industry "Dual Carbon" related regulatory requirements
		Technologies	Additional research inputs for new technologies to meet low-carbon emission requirements, as well as increased operating costs for renovating existing R&D and production facilities
		Markets	Higher production costs due to changes in raw material prices (e.g., energy, water, etc.) and emission requirements (e.g., waste treatment, wastewater discharge)
		Reputation	Higher expectations from regulators, investors, customers and other stakeholders in addressing climate change and related information disclosure, and adverse reputational risks arising from inadequate action or disclosure
	Entity risk	Acute	Reduced or disrupted capacity due to extreme weather events affecting daily production operations and supply chain disruptions
		Chronic	Increased operational risk due to changes in the production environment, raw material production, biological flora, etc. required for brewing due to long-term climate and environmental changes
Opportunities	Products and services		Enhanced execution efficiency and profitability of core products and reduced product costs
	Resource efficiency		Increased efficiency in the use of energy, water, packaging materials, etc. to reduce resource consumption and lower operating costs
	Energy		Lowered risk of future energy price hikes by promoting the use of low-emission energy or clean energy (e.g., biomass energy)

Promote energy saving and carbon reduction

Kweichow Moutai establishes the energy management system with high standards and improves energy management efficiency based on the Energy Management Manual, Energy Operation Management Regulations, Energy Data Management Regulations and other policies and systems to actively respond to climate change. The Company sets up annual energy consumption targets in accordance with the Energy Conservation Target Management Regulations and decomposes the targets into workshops such as liquor-making, power, and yeast-making to reinforce energy consumption supervision and assessment and drives down comprehensive energy consumption. By the end of the reporting period, the Company has obtained the ISO 50001:2018 Energy Management System certification.

The Company continues to optimize the energy use structure, develop energy-saving and eco-friendly technologies, formulate carbon emission management plans, and build a new power system dominated by new energy sources. We have set the carbon reduction target of reaching full green power coverage in Kweichow Moutai headquarters by 2023 to accelerate greenhouse gas emission reduction and fuel our clean and low-carbon development.



Kweichow Moutai's ISO 50001:2018 certification



Kweichow Moutai's certificate for green power purchase



Energy saving and carbon reduction initiatives

Procurement of green power

Optimize the structure of energy use and procure 44 million kWh of green power, which is equivalent to the reduction of 32,930.60 tons of carbon dioxide, 20.68 tons of sulfur dioxide and 18.92 tons of nitrogen oxide

Equipment renovation

Replace aged energy-consuming equipment such as transformers, motors and condensers, renovate 4,500 drying lights in the liquor-making workshop, and replace energy-consuming motors in the secondary pumping station to reduce equipment energy consumption

Low-carbon travel

Sustain the commute mode featuring "green and low-carbon, multiple means integration, and two points and one line", encourage employees to take service vehicles and to purchase renewable energy vehicles

Platform construction

Build an energy metering and intelligent system platform, monitor data of key energy supply equipment and plant energy consumption online, realize automatic and information-based energy data statistics and analysis, and improve the Company's energy supply management level

Green logistics

Explore measures such as rational layout and planning of transport routes, shorten transport routes, improve vehicle loading rates, regular maintenance of transport vehicles, and use clean energy to reduce carbon emissions in the logistics chain

Green office

Encourage workshops to formulate and implement scientific power consumption plans, advocate reasonable use of air conditioners and lighting in office areas, and promote paperless office based on an information management platform

In 2022

Comprehensive energy consumption intensity

0.01 ton standard coal/CNY 10,000 revenue

Electricity consumption intensity

6.68 kwh/CNY 10,000 revenue

Natural gas consumption intensity

8.18 m³/CNY 10,000 revenue

Diesel Consumption

645.73 ton

Gasoline Consumption

219.16 ton



Calculation method description: The comprehensive energy consumption intensity is calculated based on the General Principles for the Calculation of Comprehensive Energy Consumption (GB/T2589-2020) and is directly converted from the energy consumption of gasoline, diesel, natural gas, and electricity.

Produce and operate in a green manner

Guided by the idea of green development, Kweichow Moutai ramps up resource and emission management, supports water conservation and soil conservation of the Chishui River, and promotes water environmental protection. By implementing the "clean, multi-circulation and low-emission" production model, we minimize our environmental impact as much as possible, and promote green transformation and pursue better development during economic development.



Water resources protection

Water resources is one of the most indispensable resources of Kweichow Moutai. Benefiting most from the sound eco-environment of the Chishui River Basin, we built a scientific water resources management system for the whole process of "water extraction, water use and water treatment". The Company improved the recycling rate of water resources through equipment and technological innovation and endeavored to improve water environment management to protect the water ecological environment.

Rational use of water resources

Scientific monitoring

There is 1 water intake in the Moutai plant area. We built ecosystem monitoring stations in the areas around the water intake to keep a close watch on changes in water resources indicators such as water quantity and quality, improved the water environment early warning system, and prevent water resource risks in water intake areas

Layout optimization

Promoted ongoing water supply pipeline network investigation and renovation projects, optimized pipeline layout, pipeline leakage supervision, as well as maintenance response, and enhanced water extraction and utilization benefits

System upgrading

Launched intelligent water metering equipment and optimized the management and operation of cooling water recycling system, concentrated water reuse system, and continuously improve the efficiency and benefits of water recycling, saved 2,015,700 ton of water through system upgrading during the reporting period


Process improvement

Encourage workshops to optimize production processes, replaced cellar mud soaking with moistening, make cellar bottom with liquor tailings instead of water, further reducing water consumption in the production process and lowering the pressure on local water resources caused by production and operation




During the Reporting Period, the wastewater discharged by the Company all met the Table 3 (Direct discharge standards) of the Discharge Standard of Water Pollutants for Fermentation Alcohol and Distilled Spirits Industry (GB 27631—2011). Furthermore, the Company has set the discharge target of having discharged wastewater from the park reach the quasi-surface water Class IV or higher standards by 2025.

Strengthen wastewater discharge management




Standardized treatment

Strictly standardized the wastewater treatment process, improved wastewater treatment facilities, and established a pipe network system for plant cleaning sewage and rainwater-diversion. Implemented market-based operation of wastewater treatment and ensure compliant discharge of wastewater through online monitoring system of wastewater treatment



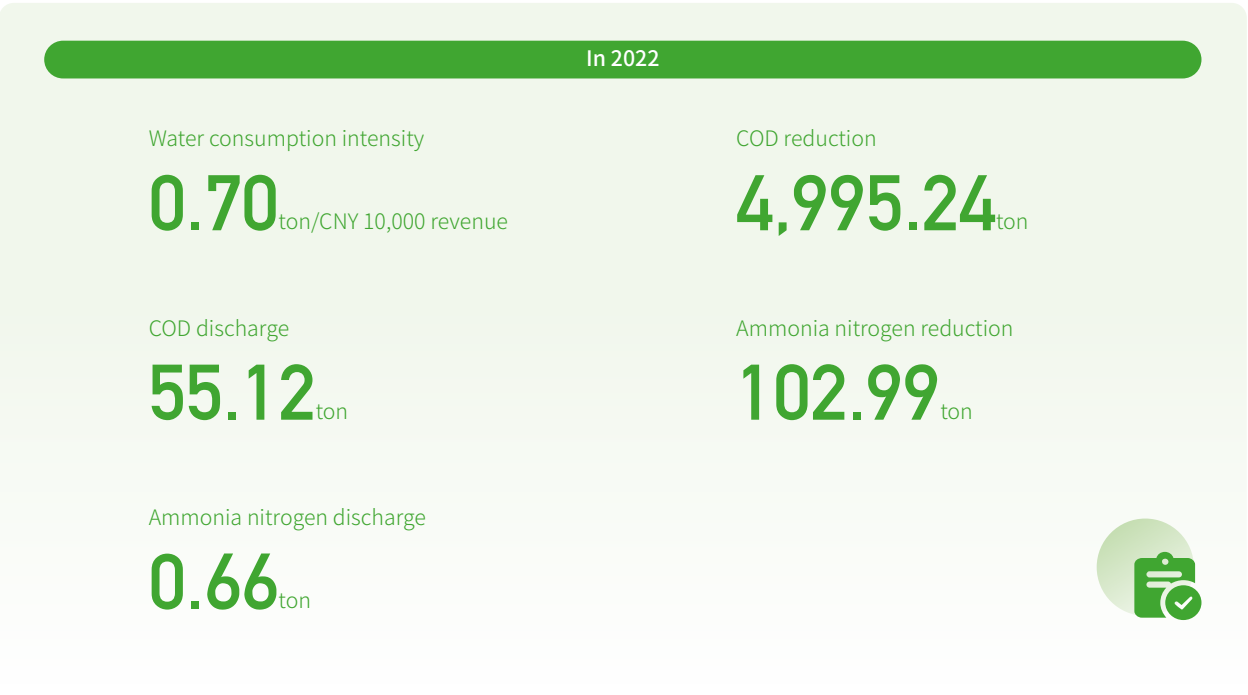
Harmless discharge

Enhanced the comprehensive wastewater treatment capacity continuously, carried out research on the technique of wastewater treatment for Jiang-flavor Baijiu production, improving the water quality online monitoring system and operation management mechanism of end treatment facilities, with the aim of realizing harmless discharge to Chishui River



Reclaimed water reuse

For wastewater that meets the standard after treatment, we collect and use it again for greening maintenance, ground washing and other purposes to realize the full utilization of water resources. During the reporting period, reclaimed water reuse volume 167,400 ton




Green packaging materials

Kweichow Moutai boosts the development of circular economy and formulates systems such as Product Development Management Procedures, Packaging Material Restriction Requirements for New Product Development and Waste Material Recycling Management Regulations. Specifically, we manage the packaging materials used in the production process, such as cartons, colored paper boxes, glass liquor bottles, ceramic liquor bottles, plastic bottle caps, metal bottle caps, and ribbons with the ideas of reduction, greening and recycling, use renewable materials to produce paper boxes, handbags, cups, and glass bottles. We make great efforts to promote the liquor bottle recycling project and plan to recycle 6 million milky glass bottles in 2023 through reverse logistics.

Packaging material management


Reduction

Incorporating green packaging indicators into the development process of new products. In 2022, we reviewed the packaging materials of 429 products of the Company, sorted out and analyzed excessive packaging of products and adjusted 5 excessive packaged products to reduce the use of packaging materials




Greening

Adopting biodegradable, recyclable and reusable packaging as far as possible, and developing the Packaging Material Technology Blacklist (Environmental Protection Category) and List of Prohibited and Restricted Packaging Materials to include non-eco-friendly packaging materials in the list of prohibited and restricted use



Recycling

Working with logistics and cultural tourism companies under Moutai Group to gather liquor bottles and other packaging materials and transport them back through the national warehousing and distribution centers and trunk transportation resources of logistics companies, and put them into reuse as raw materials for packaging materials or materials for cultural and creative products





Emission reduction management

Exhaust gas emissions

Kweichow Moutai strictly implements air pollution prevention and control measures. By installing continuous monitoring systems for flue gas emissions in boiler rooms and monitoring air quality in real time through five air monitoring stations set up in the plant, we continuously control and reduce emissions of air pollutants such as construction dust, boiler flue gas and motor vehicle exhaust to guard the clean blue sky.

Types of exhaust gases and their prevention and control measures

Dust from construction, welding, grinding and other operations

Enhancing the standardized management of dust from projects under construction and roads in the Moutai Baijiu Geographical Indication Reserve, and effectively control the emission sources of respirable particulate matter, lungable particulate matter, ozone and other air pollutants

Sulfur dioxide and nitrogen oxides from operating boilers

Using natural gas-powered low-pollution gas boilers to consolidate the results of the "coal-to-gas" conversion, and promoting the low-NOx transformation of gas boilers to effectively reduce sulfur dioxide and nitrogen oxides emissions

Motor vehicle emissions

Promoting the gradual replacement of the plant's official commuter vehicles with natural gas ones, and implementing the even-odd license plate policy for employee vehicles, which can reduce tailpipe emissions by 120 million m³ per year

Waste management

The company makes great efforts to strengthen waste management, formulates the Waste Material Recycling Management Regulations, identifies and sorts out the waste generated in its production and operation activities, and adopts targeted prevention and management measures and recycling methods to mitigate the negative impact of its operation on the environment.

Hazardous waste

- Hazardous waste generated from production and equipment operation:**Identify the hazardous waste in accordance with the National Hazardous Waste List, establish a hazardous waste management ledger, set up temporary storage rooms for hazardous waste, and tighten supervision over the whole process of collection, storage, transportation and disposal. All hazardous wastes generated are disposed of collectively by qualified third-party entities to avoid environmental pollution. In 2022, a total of 5.57 tons of waste oil, 15.50 tons of hazardous chemical wastes and experimental liquid waste, 14.89 tons of waste lead batteries, and 4.36 tons of other hazardous wastes were disposed through qualified third-party entities.

Solid waste

- Solid waste generated in the brewing process:**Deliver the brewing by-products to Moutai Ecological Circular Economy Industry Demonstration Park for unified treatment, and produce natural gas, organic feed and organic fertilizer by multi-stage utilization of waste lees, supplemented by adding the brewing by-products such as waste cellar mud into fertilizer and waste yeast grass into feed, to realize resourceful utilization of all brewing by-products and form a green cycle.
- Building-related construction waste:**Reduce the production of waste soil and sludge during project construction by balancing excavation and filling, classifying waste soil, recycling topsoil, etc.



Preserve biodiversity

Kweichow Moutai regards the ecological environment as its core productivity, superior product quality depends on the unique natural environment. The Company strictly abides by the Convention on Biological Diversity and other eco-environmental protection conventions and policies, and deeply implements the philosophy of "lucid waters and lush mountains are invaluable assets". We are committed to enhancing the comprehensive management of the eco-environment and building a community of shared destiny by protecting terrestrial, aquatic and microbial biodiversity in the Chishui River Basin.

Cultivate a green ecology

Kweichow Moutai attaches great importance to the protection of biological habitats. That's why we formulate and implement the "production-living-ecological" spaces plan comprising an intensive and efficient production space, a beautiful ecological space and a green and low-carbon living space. Moreover, we actively protect the eco-environment of the Chishui River, enlarger afforests area in the plant, and promote the construction of a ecological improvement project in the China Wastewater Treatment Plant, with a view to forming a new pattern of harmonious coexistence of human and nature.

Protect the ecology of the Chishui River

Assistance in the enactment of regulations

Kweichow Moutai assists the government in the promulgation of the Regulations on Environmental Protection for the Production of Jiang-flavor Baijiu in the Chishui River Basin of Guizhou Province to regulate the discharge standards of liquor production effluent and strictly prohibit construction waste soil and project water from reaching the channels of the Chishui River.



Investment in ecological management

The Company donated RMB50 million for ecological management of the Chishui River Basin in 2022.



Reproduction and returning activities

Carry out reproduction and returning activities in the Chishui River after commissioning professional institutions for biodiversity and health quality inspection, releasing a total of 120,000 fish.



Ecological research

Partner with the Institute of Hydrobiology (IHB), Chinese Academy of Sciences (CAS) to carry out the project of "Research on the Technical System of Water Ecological Health Assessment of Chishui River", collecting fish taxa, benthic invertebrates, water environment samples, zooplankton and microorganisms from 25 monitoring sites in Chishui River, and initially identifying 70 species of fish and more than 20 species of benthic animals.



Construction of ecological protection forest

We facilitate the construction of key greening projects, such as the ecological protection forest of Tanmao Express Line and the main traffic corridor of the plant, in accordance with the "production-living-ecological" spaces plan, to improve afforested area and build a green barrier. In 2022, we arranged for about 1,200 employees to plant a total of 4,206 trees in the voluntary tree-planting activity during the Spring Festival, added afforested area 45000 square meters, with a total afforested area of 1475000 square meters; A total of 12 "Clean Chishui" Moutai Youth Volunteer River Patrol Campaigns were carried out, collected 750.89 kilograms of garbage along Chishui river.

High-quality tailwater ecological wetland

We standardize the process of brewing wastewater treatment of Jiang-flavor Liquor by leveraging the brewing wastewater green treatment technology system for Jiang-flavor Liquor. Using the discharged water from the wastewater system as a source, we build the Zhonghua ecological wetland to support water ecology and environment protection of the basin. The discharged water is treated by ecological means. After treatment, the quality of discharged water meets the surface water Class III standard.



Case

Honored as 2022 "Lucid Waters and Lush Mountains Are Invaluable Assets" Practice Innovation Base

Kweichow Moutai deeply implements the philosophy of "lucid waters and lush mountains are invaluable assets" and insists on the path of "green development with ecology as the priority". We innovate an ecological environmental protection demonstration area with Moutai characteristics, actively promote industrial ecology and ecological industrialization, and organically combine economic and social development with ecological environmental protection. We continuously improve the ecological environment, raise the public satisfaction, and construct the "Lucid Waters and Lush Mountains Are Invaluable Assets" community, to form a path model of "protecting microorganisms to improve efficiency, using culture to achieve green development, boosting agriculture based on green development, and formulating systems to empower development". The Moutai Liquor Geographical Indication Reserve was honored as 2022 Guizhou Province's "Lucid Waters and Lush Mountains Are Invaluable Assets" Practice Innovation Base.



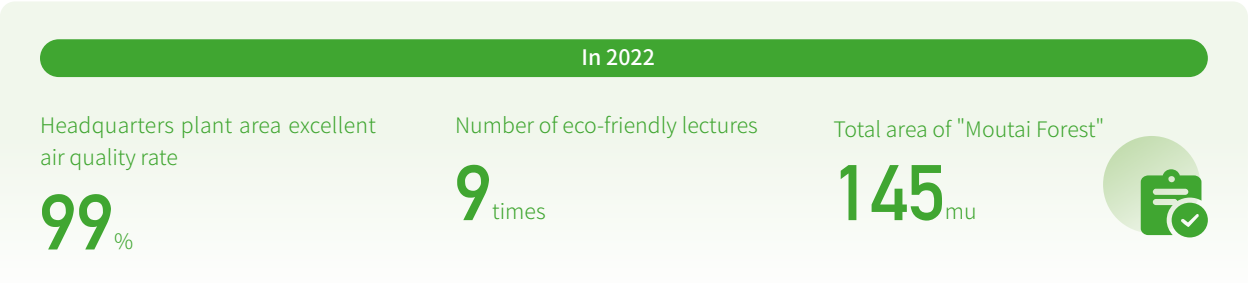
Case

Kweichow Moutai attended the side event "Ecological Civilization: Towards Harmonious Development between Human and Nature" at the second phase of the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15)

In December 2022, Kweichow Moutai attended the side event "Ecological Civilization: Towards Harmonious Development between Human and Nature" at the second phase of the COP15 in Canada, co-hosted by the Chinese Research Academy of Environmental Sciences (CRAES), the United Nations Development Programme (UNDP) and the Endangered Species Scientific Commission of the People's Republic of China. At the meeting, we introduced the typical experience and practices of Kweichow Moutai in protecting the biodiversity of the Chishui River Basin and the practice of "lucid waters and lush mountains are invaluable assets" from the aspects of "coexistence, co-governance and sharing". We also expressed our commitment to continue fulfilling our corporate social responsibility and advocating the green development of enterprises in the basin, which was well received by the guests.



Kweichow Moutai attended the "China Corner" side event of COP15

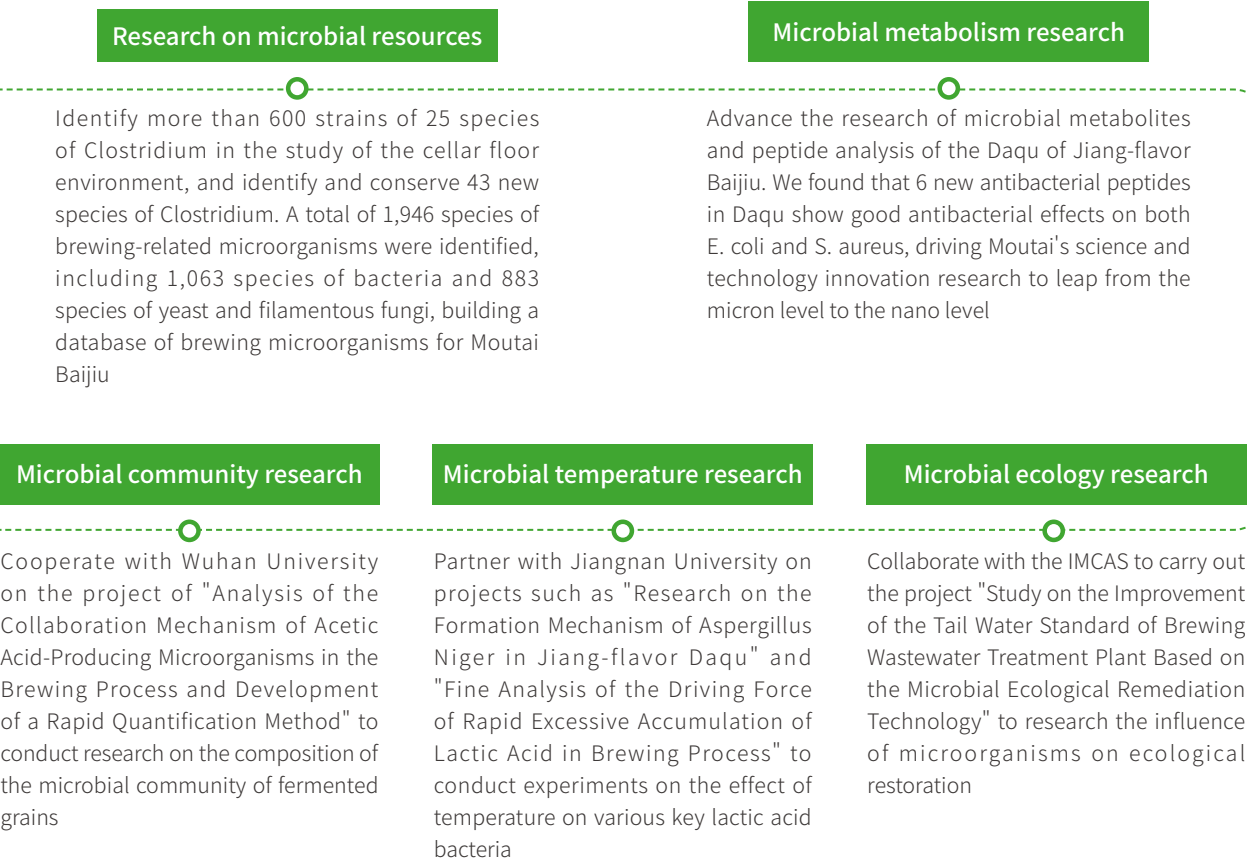


Protect biological flora

The special microbial environment contributes to the unique flavor profiles of Moutai Liquor and Jiang-flavor Liquor. As such, Kweichow Moutai continues to promote the scientific application and research of brewing microorganisms, as well as the collection and protection of microbial resources, and actively seek strategic cooperation with others in microbial research to jointly advance brewing microbial research.

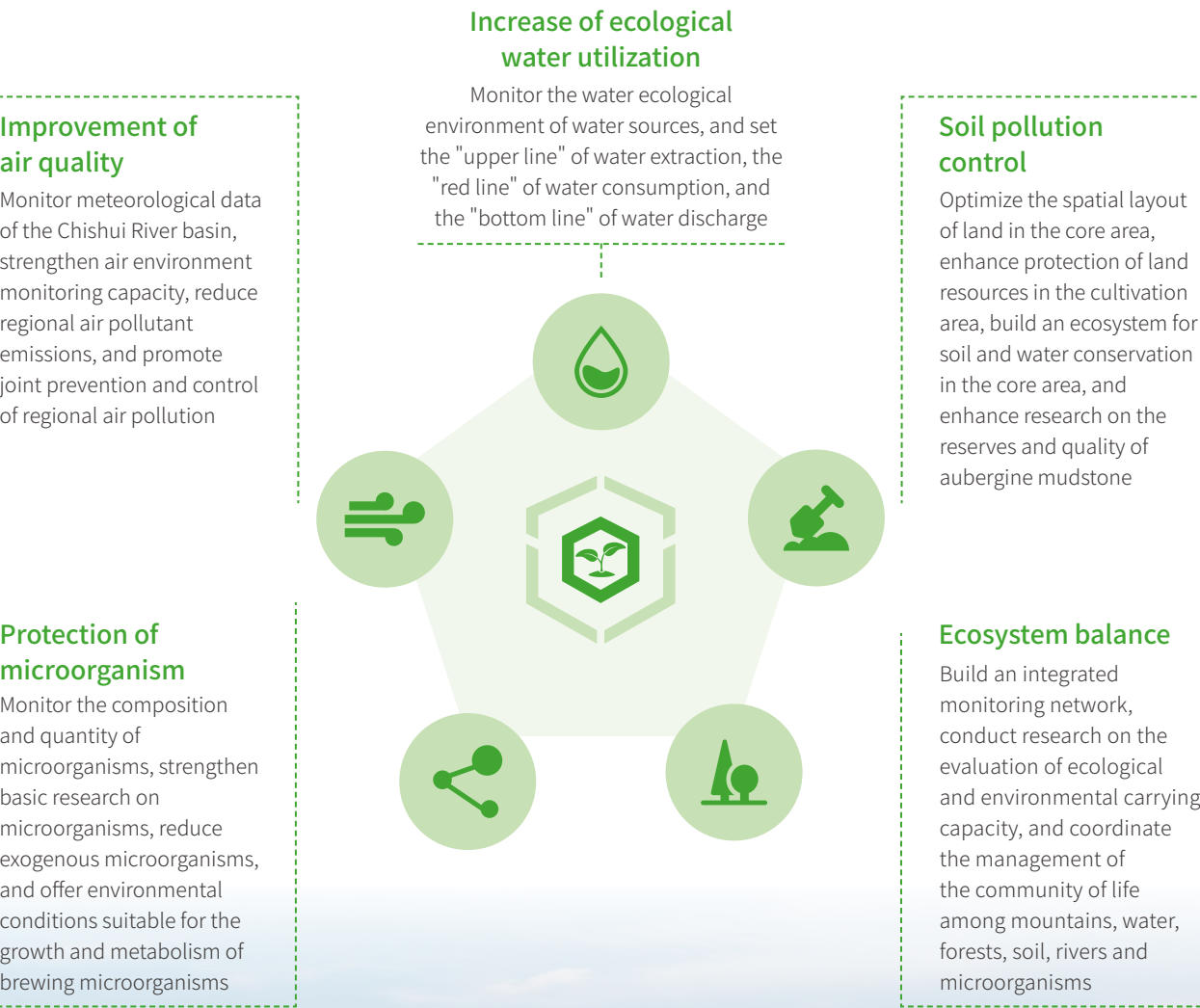
Microbiological research

Centering on the three major research directions of "microbial diversity, stability and metabolic complexity", Kweichow Moutai works with various institutions such as the IMCAS and the IHB-CAS and the CRAES to carry out a number of collaborative projects and actively implement research in multiple fields such as brewing microbiology, water environment microbiology and proteomics.



Special protection projects

Brewing relies on a unique microbial environment where a balance of water, air, soil and ecology is crucial. We take proper account of the relationship between Kweichow Moutai and nature to respect, accommodate and protect nature. Upholding a systematic mindset, we implement the five special projects, namely, increase of ecological water utilization, improvement of air quality, soil pollution control, protection of microorganism, and ecosystem balance, as well as the five special actions of energy saving, carbon reduction and efficiency enhancement, green product design, green transformation of industrial chain, green technological innovation, and green and low-carbon lifestyle. In this way, we build the community of life among mountains, waters, forests, soil, rivers and microorganisms and consolidate our base of green development.



04 Create a Better Life Together

Growing together with its employees and living in harmony with the community is an important way for a company to pursue sustainability. It is also a value pursuit for Kweichow Moutai. Adhering to the people-oriented approach, we protect the rights and benefits of our employees and value their growth and development, respond actively to demands of the community, and devote ourselves to the national strategies such as rural revitalization. As a responsible corporate citizen, we fulfill our responsibilities to create a better life and share the future with the community.

SDGs



- Improve employee well-being
- Gather the power of goodwill
- Contribute to rural revitalization
- Fulfill responsibilities



Improve employee well-being

Upholding the concept of "employees are the most valuable asset and talents are the first resource", Kweichow Moutai integrates the growth of employees with our development and creates an inclusive and comfortable working environment. At the same time, we provide smooth promotion and development channels for employees, pay attention to their needs, building positive and harmonious labor relations. To align employee growth with our development, we provide adequate protection of rights and interests, fair opportunities, and better development prospects for our employees.

Employee rights and benefits

Kweichow Moutai strictly abides by the Labor Law, the Labor Contract Law and other national laws and regulations. To fully protect the rights and interests of employees, we constantly improve our employment management and compensation and welfare system.

Protection of rights and interests

The Company formulates the Management Measures for Employee Recruitment and other systems, and enters into, fulfills, changes, dissolves or terminates labor contracts with employees in accordance with law. We adhere to the principles of openness, competition and meritocracy, and eliminate discriminatory behavior and employment restrictions against nationality, gender, age, race, religion, pregnancy and disability. We respect the rights and interests of employees, oppose discrimination in employment, and strictly prohibit harassment in the workplace. Any form of forced labor and recruitment of child labor is prohibited. We secure the authenticity and compliance of personal information and prevent child labor from occurring at the source by specifying requirements in our job description and strictly examining identity information in accordance with regulations.

Welfare benefits

The Company continues to optimize the employee compensation management system, reform the income distribution system, and build a market-based compensation system that is externally competitive, internally fair and incentive-based. The Company makes active efforts to improve the employee pension and medical security system, continues to improve the enterprise annuity system, and timely declare employee pension insurance, medical and social insurance. Besides, we purchase comprehensive personal accident insurance for all employees to secure their lives and livelihood. We strictly implement the statutory working hours and rest and leave system, revise the Leave and Attendance Management Measures to ensure that all employees are entitled to statutory holidays, paid holidays, parental leave, and other employee rights and benefits in accordance with the measures.

Improve the salary system

Revise the Implementation Measures for Salary Management, and improve the system for issuing employees' performance pay, allowances, overtime pay and vacation pay

Strengthen performance appraisal

Formulate the Management Regulations on Performance Appraisal for High-Quality Development, and give full play to the incentive role of performance appraisal to further mobilize employees and boost enterprise management effectiveness

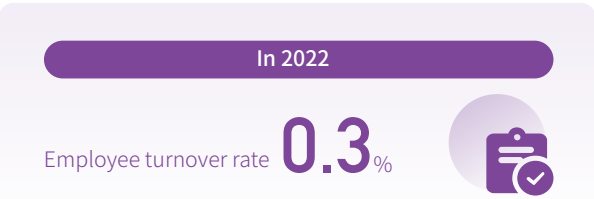
Optimize the salary model

Design a salary model with job salary and performance salary as the mainstay and multiple distribution methods coexisting to link salary, job and performance closely and stimulate the vitality of talents



Employee management and care

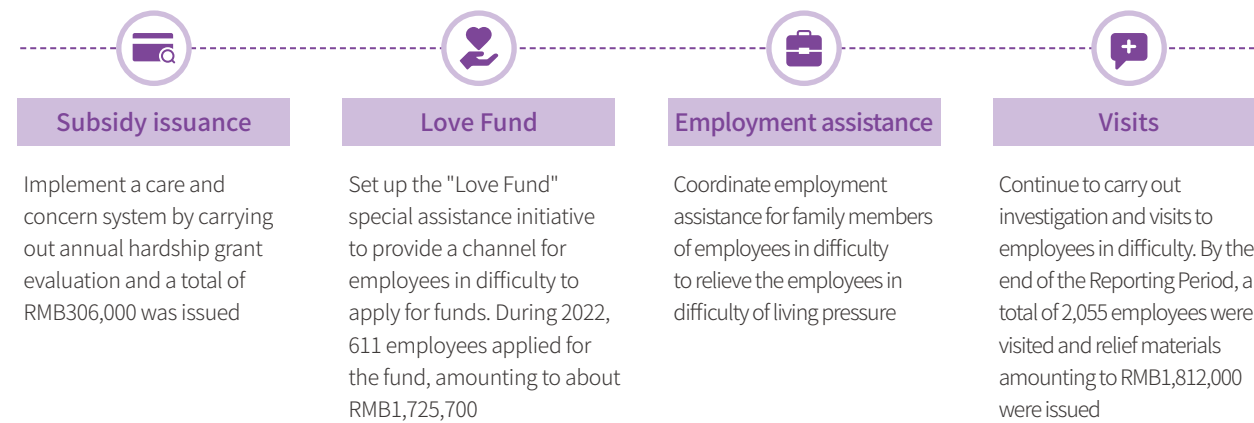
Kweichow Moutai provides employees with fair development opportunities and sound career platforms. We adhere to the principle of equal pay for equal work between men and women, care about employees' demands and voices, and are committed to creating a working environment marked by respect and inclusiveness, enhance employees' sense of belonging from the aspect of salary and benefit, spiritual pursuit and fulfillment.



Employee care

We continue to improve the Loving Care Project Management Measures and provide funds to support employees in difficulty and retirees. For employees who are unable to perform their jobs due to physical conditions, the Company have formulated the Management Measures for the Withdrawal and Transfer of Employees from Incompetent Positions, which specifies the basic conditions, treatment provisions, processes and mechanisms for internal withdrawal and position adjustment. We also help employees with special needs transfer or adjust to production support positions in accordance with the measures.

Help employees in needs



Women care

We sign and implement the Special Collective Contract for the Protection of Special Rights and Interests of Female Employees to protect the rights and interests of female employees in terms of salary, rest and leave. We set up leaves for antenatal care and maintain exclusive communication channels for female employees, such as the "agony aunt" e-mail box, information sharing group for psychological guidance during pregnancy and childbirth. In addition, we established "Home for Female Employees" and add new parking spaces and special channels for pregnant women. We provide special labor protection supplies for female employees, purchase health insurance, and organize health checks for female employees, such as cervical cancer and breast cancer screenings, to provide practical assistance to female employees.



Democratic management

We continue to improve the Management Measures of Factory Affairs Disclosure, sign the Collective Wage Negotiation Agreement, the Special Collective Contract on Occupational Safety and Health, and the Special Agreement on Labor Protection for Employees at each annual staff representative assembly to protect employees' rights to information, participation and supervision. We make full use of diversified channels such as chairman's through train, symposium, visit and research, suggestion box, colleague bar, and online questionnaire to learn about employees' opinions, suggestions and demands for rights and interests, and promote democratic communication and consultation. In 2022, more than 300 staff suggestions were collected through the staff representative assembly and incorporated into rationalized suggestions for management improvement.

Joyful and colorful life

We organize diversified cultural and sports activities such as badminton tournaments, staff sports games, work-break exercises performance, and holiday theme activities to promote balance between employees' work and life, we enhance cohesion of our organization and improve employees' sense of well-being.



Case

Competition fosters a brighter future: staff sports games

From August to November 2022, Kweichow Moutai involved in organizing the 2022 Annual Staff Sports Games. A total of 31 major events and 106 minor events were held, covering traditional competitive sports such as basketball, soccer, table tennis, and badminton, as well as innovative mass sports such as 1000-people work-break exercises performance, fitness dance, air volleyball, Kabaddi, and caterpillar racing. These events fully demonstrated Moutai's openness and vitality in this great era.



Case

Charming Moutai: A Liquor of Ceremonies: Manner and etiquette contest

On the 112th International Women's Day, Kweichow Moutai participated in the manner and etiquette contest themed "Charming Moutai: A Liquor of Ceremonies". Through this contest, we further inherit and carry forward the culture of liquor etiquette, improve the etiquette of Moutai employees, and fully show the charm of female employees. In this way, we can build a corporate image and vision marked by beauty.

Employee training and development

Kweichow Moutai attaches great importance to staff education and training. As such, we integrate internal and external high-quality resources and improve the training management system to constantly improve the professional skills and overall quality of employees and build a new pattern of talent training.

Training system

To further improve the employee training management system, the Company formulate the "14th Five-Year Plan" for Talent Development and the Employee Education and Training Management System. Focusing on the entire chain of attracting, cultivating, employing and retaining talents, we make great efforts to implement the "four projects" for talents, optimize the "eight steps to cultivate craftsmen" system and the "four training programs", and provide strong support for the growth and development of employees with high-level talent management and targeted talent programs.



"Four projects" for talent development

- Project of "nest building for attracting phoenixes": Introduce outstanding talents
- Project of "seedling breeding": Cultivate talents meticulously
- Project of "fission for efficiency": Utilize talents precisely
- Project of "devoted service": Retain qualified talents



"Eight steps to cultivate craftsmen" talent cultivation system

- Induction training - "Into the furnace"
- Job training - "Scalping"
- Skill recognition - "Smelting"
- Master-apprentice - "Hammering"
- Backbone cultivation - "Refining"
- Excellent shift (team) leader - "Quenching"
- Moutai craftsman - "Sublimation"
- Technical positions - "Hardened into steel"



"Four plans" for talent training

- "Chief Plan" for leading talents: Cultivate a group of chief experts in key areas such as science and technology, blending, tasting and brewing
- "Inheritance Plan" for brewing talents: Cultivate highly skilled brewing talents to inherit liquor culture
- "Outstanding Youth Plan" for young talents: Cultivate young talents with high potential in finance, accounting, law, natural science or engineering technology
- "Elite Plan" for business management talents: Foster a group of business management talents with global strategic vision, market expansion capability, management innovation ability and social responsibility



Employee training

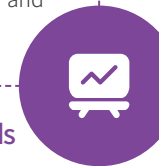
The Company takes an active role in facilitating employees' career development, analyzes and identifies training needs and formulates annual training plans according to corporate strategies and human resource planning, combined with performance evaluation results and departmental goals and tasks. We provide classified and graded training by means of special lectures, seminars and exchanges, project-based system, mentorship, teacher-apprentice, job training, network training and skill competitions to enhance the professional abilities of our employees.

Enrich teaching and learning resources

Partner with a number of institutions of higher learning such as Peking University, Tsinghua University, Shanghai Jiao Tong University, Zhejiang University, Xiamen University, University of International Business and Economics, as well as professional scientific research institutions, training institutions, and management experts

Optimize course system resources

Provide employees with sufficient course resources for strategic decision-making, corporate culture, business knowledge, safety know-how, behavior training, laws and regulations, executive ability, professionalism, etc.



Diversify training and development methods

Provide employees with targeted training in diverse forms such as job rotation, master-apprentice, mentor training, on-the-job training, online lectures, cadre attachment, leadership training camps, etc.

Build learning support platform

Establish Moutai staff training school and Moutai online learning platform to integrate internal and external high-quality resources and build Moutai's talent training base



Case

Baijiu appraiser specialized training

Kweichow Moutai continues to strengthen the systematic cultivation of liquor appraiser, and attract talents to build a dynamic team for reserved liquor appraiser. In 2022, the company conducted two phases of specialized training for liquor appraiser from April to August and from September to October, and selected candidates for the first session of the third phase in December. In a total of 8 training and selection sessions of 3 phases covering 3,200 participants were completed in 2022, accelerated the development of our appraiser training system and enhanced the company's appraiser reservation.



Baijiu appraiser specialized training



Case

Diversified law popularization training for employees

Kweichow Moutai has continued to promote law popularization education in an institutionalized, normalized and diversified form to further enhance employees' sense of law. In 2022, the Company organized 22 training sessions on Law popularization, issued 2,000 brochures on the Civil Code and 12,000 brochures on law popularization, and invited external legal experts to give 2 specialized lectures. We organized middle-level managers and above to take online law exams and support general employee to attend an award-winning quiz about civil code on the WeChat Official Account of "Qianwei Pufa". Over 10,000 employees have obtained the certificate.

In 2022

Employee training ratio

100%

Average training hours per employee

42 hours



Talent incentives

With the goal of "building one of the most attractive and cohesive talent highland in the liquor industry", the Company continues to improve its talent incentive mechanism. By formulating and publishing the Management Measures for Supporting Employees' On-the-job Studying for master's degrees and Above, Upgrading Professional and Technical Titles and Vocational Skill Levels, we encourage employees to obtain on-the-job academic degrees and upgrade their professional and technical titles. We also provide tuition fees for employees who study on the job and obtain a graduate degree or higher, and take multiple measures to improve the overall quality of our employees.

Talent incentives

Material incentives

- Set up individual awards and bonuses such as Outstanding Talent Award and Moutai Model Worker
- Set up mass awards and bonuses such as Management Innovation Achievement Award and Excellent QC Team Award
- Formulate tuition reimbursement policy for in-service postgraduate studies and above
- Formulate incentive policies for professional and technical titles and vocational skill level salaries

Recognition incentives

- Arrange for rehabilitation activities for model workers and award-winning employees at all levels
- Set up organizational awards such as Excellent Innovation Studio and Quality Trustworthy Shift/Team
- Circulate a notice of commendation and award employees with significant contributions

Value realization

- Make reasonable use of employees' research results, adopt their constructive suggestions and provide them with counterpart job suggestions
- Set up career development paths such as technical tutors and village cadres

Talent promotion

The Company continues to improve the employee growth system by building a promotion channel featuring two-way support and balance between technology and skills, management and titles, so as to select and cultivate more outstanding talents and build a high-quality craftsman team. The Company formulates the Management Measures for the Evaluation of Professional and Technical Personnel Titles, the Management Measures for the Appointment of Technical Positions of Moutai Brewing Series, and the Management Measures for the Evaluation of Qualifications for Technical Positions of Moutai Brewing Series to provide employees with three promotion channels. Specifically, they can choose to be brewing talents, technical talents or management talents. In this way, we ensure that employees of different positions

and ranks have clear promotion and development paths. For brewing talents, we set up the production position channel which includes five sequences (liquor-making, yeast-making, blending, tasting and scientific research) and five ranks (chief, special, level-1, level-2 and level-3); for technical talents, we set up the technical position channel with five ranks (chief researcher, special researcher, chief engineer, deputy chief engineer and technical supervisor); and for management talents, we set up the management position channel with four ranks (chief at middle level, deputy at middle level, chief at section level and deputy at section level). According to these measures, we clarify the procedures of grade evaluation, appointment and assessment and expand the career development space for talents in various fields.

Gather the power of goodwill

Kweichow Moutai deeply assumes its "Big Brands Big Responsibilities" concept, and actively participates in social welfare undertakings. We pay attention to the needs of the community and people for a better life, drive the prosperity of the community with our development, and share the fruits of development with the community.

Education public welfare undertakings

Kweichow Moutai explores effective ways to constantly integrate ideological leadership and public welfare undertakings. Partnering with China Youth Development Foundation and provincial youth foundations, we have carried out the project "China Moutai & Backbone of the Nation" for 11 consecutive years. By doing so, we help students in need to make their way from home to university so that they can grow up to be constructive professionals in various fields and pursue their dreams. As of the end of the Reporting Period, "China Moutai & Backbone of the Nation" project has donated more than RMB1.1 billion, providing targeted financial support to over 210,000 students.



"China Moutai & Backbone of the Nation" charity activity

Bring together the power of public welfare

While pursuing development, Kweichow Moutai implemented social responsibility into the strategy and operation management of the Company, and pass on our belief in goodness to the public. Together with our distributors, we have established the "Moutai Prince - Bright Youth" charity fund, the "Guizhou Daqu - Dews of Love" special fund, and the "Jiang of Han - Craftsmanship Heritage" heritage protection charity fund. We also advocate our sub-brands to set up the HuaMao Baijiu "A Trip to Guizhou to Pursue the Three Virtues" charity fund, the "Laymau - Love and Growth with Badminton" juvenile badminton development charity fund and the "WangMao - Star Project" charity fund.

Care for left-behind children - "Moutai Prince - Bright Youth" charity fund

We care for left-behind children in rural areas, helps build up rural teaching resources in Guizhou, and safeguards the mental health of children in relocation sites. During the Reporting Period, "Moutai Prince - Bright Youth" charity fund devoted RMB8 million and launched the "Project Hope - Accompanying Action", "Seedling Support Project", "Star Project", "A 100-Year Trip for Youth Care" and "Sowing Dreams By Making Every Voice Heard" public welfare projects. All these efforts are aimed at broadening the horizons of rural children, boosting their self-confidence and enabling them to grow up healthily and happily in a warm society.



"Moutai Prince - Bright Youth" charity activity

Case

"Moutai Prince - Bright Youth": Introducing cheerleading gymnastics to schools to facilitate full integration of sports and education

In November 2022, at the National Fitness Complex of Guizhou Province, we held the launch ceremony of the public welfare program of "Moutai Prince - Bright Youth": Introducing cheerleading gymnastics to schools to facilitate full integration of sports and education. The "Moutai Prince - Bright Youth" charity fund has always been committed to helping juveniles grow up healthily and sponsors a series of campus training and major classroom activities in many places across China, with over 1,000 teachers and 5,000 students from primary and secondary school participating in them. It contributes to the organic combination and optimal allocation of sports and education resources, the cultivation of sports and education reserve talents, and the development of special programs.

Care and respect for the elderly - "Guizhou Daqu - Dews of Love" charity fund

We continue to devote ourselves to the cause of caring, respecting and supporting the elderly. During the Reporting Period, the special fund of "Guizhou Daqu - Dews of Love" built 25 service stations for the elderly. In addition, we launched 10 projects to compile "village histories" in Guizhou Province and supported the building of a comprehensive senior activity center "Elderly Home" in Henan Province. By doing so, we enriched and improved the life of the elderly and protect traditional villages.



“Guizhou Daqu - Dews of Love” series of public welfare projects

Cultural relics protection - "Jiang of Han - Craftsmanship Heritage" charity fund



Yinxu Public Welfare Relics Restoration Exhibition of "Jiang of Han - Craftsmanship Heritage" charity fund

We value the protection of cultural relics and history, and contribute to the preservation of China's cultural relics. During the Reporting Period, the "Jiang of Han - Craftsmanship Heritage" charity fund held the Yinxu Public Welfare Relics Restoration Exhibition in Anyang in July 2022. Through this project, we contributed our share to the preservation and inheritance of cultural relics and the protection of national cultural heritage.

In 2022

Public charity donation amount RMB

225,431,100

Donation to China Youth Development Foundation:

RMB 100,000,000

"Moutai Prince - Bright Youth" public welfare fund donation:

RMB 24,616,200

"Jiang of Han - Craftsmanship Heritage" public welfare fund donation:

RMB 8,687,300

"China Moutai & Backbone of the Nation" project sponsored students:

16,000

"Guizhou Daqu - Dews of Love" public welfare fund donation:

RMB 8,946,100

"Laymau - Love and Growth with Badminton" Children's Badminton Development Fund donation:

RMB 4,730,000



Contribute to rural revitalization

Making full use of our resources, we promote paired assistance efforts and implement the "one village, one program" rural revitalization work plan. We support rural economic construction and the development of science, education, culture and health undertakings by concentrating our strengths, so as to drive Guizhou's rural revitalization and development to a new level.

In 2022

Rural vitalization consumption assistance amount:

RMB 63,960,500

Rural vitalization population coverage

37,483

All-round support for rural industries

Industrial revitalization

Kweichow Moutai organically combine industrial development with rural revitalization and implement rural revitalization work plan based on local conditions. We boost rural industrial revitalization by creating organic raw material and edible mushroom industries, and developing cultural tourism with rural characteristics. All these efforts provide solid support for rural residents' income growth.

Promote raw material industry



Employ the resources of the liquor industry to implement the "company + government + platform company + cooperatives and farmers" sorghum base management model; support the construction of Moutai's sorghum demonstration base; and improve the standard of raw material cultivation by providing free seeds, green and organic fertilizers to farmers of raw material bases, offering agricultural technical guidance and training on sorghum cultivation, and increasing investment in organic crop certification.

Create an edible mushroom industry



Leverage the positioning of "county of vegetable and mushroom" of Daozhen Klau and Hmong Autonomous County, Moutai's management advantages and agricultural expert resources; take measures such as assigning first secretaries in villages and assistance team members, encouraging distributors to fund the construction of mushroom sticks maturation cultivation rooms; activate the endogenous power of rural revitalization and jointly support the development of edible mushroom industry in Daozhen.

Develop cultural tourism with rural characteristics



Participated in the construction of revolutionary and beautiful villages in Chishui City and Bozhou District and leading rural revitalization demonstration counties in Meitan. The Company jointly build revolutionary training bases with distributors, organize grass-roots Party organizations to carry out training and group-building activities in Meitan and Chishui, so as to boost the revolutionary cultural tourism industry.



Diversified support

We take active steps to promote rural revitalization through consumer support and sales of agricultural and sideline products through channel expansion. Partnering with Renhuai City's guaranteed supply vegetable bases, we increase the purchase of agricultural and sideline products in Daozhen County and Renhuai City based on the "farmer + guaranteed supply base (cooperative) + canteen" model. Meanwhile, we bridge the Company's stakeholders and the producers of agricultural products by mobilizing employees and distributors to purchase. In this way, we expand sales channels for farmers and provide local employment opportunities for rural residents.

Cultivation of rural talents

Kweichow Moutai adheres to the idea of increasing people's confidence and helping them acquire knowledge and skills for rural revitalization, and stimulates the endogenous driver of rural revitalization by cultivating rural revitalization talents, building rural technical training teams, and offering employment support to rural talents.



Academic support

Provide funding on a four-year cycle for 1,500 college students to study in majors that are in urgent need for rural revitalization



Talent support

Explore a new path of talent training by assigning cadres to each other with Chishui City, and dispatch 14 excellent cadres for year-round on-site support



Technical training

Conduct skill training on special agricultural planting techniques. A total of 9 sessions of technical training have been conducted in the regions assisted, and 97 technical talents have been trained



Employment support

Coordinate recruitment needs to recruit college students in key areas of rural revitalization who meet the qualification requirements

Fulfill responsibilities

While pursuing high-quality development, Kweichow Moutai pays high attention to and actively responds to social needs. Leveraging our leading role in the industry chain, we encourage systematic and sustainable charitable behaviors of distributors and combine resources of multiple enterprises to jointly contribute to social affairs, which includes disaster relief, elderly support, care for children and ecology protection. Through these practical actions, we promote the transmission of social values.



Case

Support earthquake relief efforts for Luding

In September 2022, a 6.8-magnitude earthquake hit Luding County, Garzê Tibetan Autonomous Prefecture, Sichuan Province, causing heavy casualties and property damage. Kweichow Moutai responded immediately by donating RMB15 million to the victims of the earthquake in Luding through the Sichuan branch of Red Cross Society of China (RCSC) to support rescue and relief efforts and flood control, and help people in the affected areas to resume their normal lives as soon as possible. Through practical actions, we demonstrated the "humanity, fraternity and devotion" spirit of the Red Cross Society and our role as a responsible corporate.



Case

On the move for rescue and disaster relief

Utilizing our firefighting resources, Kweichow Moutai teams up with firefighters, forest public security officers to search and rescue centers to engage in social rescue in the surrounding area and safeguard the safety of the residents. In August 2022, when a forest fire broke out in Tiantai Mountain, Chishui City, the Company responded quickly and dispatched 5 fire engines and 45 firefighters for rescue actions, saving the community from losses of RMB132 million and earning praise from governments at all levels, local enterprises and residents.



Case

Dancing for a Healthy Life: Supporting public welfare sports programs

In December 2022, the 5th Moutai Prince Cup National Square Dance Competition and the 6th Moutai Prince Cup Guizhou Province Square Dance Competition (Bijie Station) came to a successful conclusion. Since 2016, Kweichow Moutai Jiang-flavor (Moutai-flavor) Baijiu Sales Co., Ltd. has continuously supported the square dance competition with title sponsorship, promoting the introduction of sports and fitness into daily life, and boosting the in-depth integration of national fitness and national health. The competition is also a platform for employees to strengthen their bodies and showcase their style.



Kweichow Moutai staff volunteers carry out children care activity

Outlook

"Pooling the strength and will to shoulder responsibility and striving vigorously to draw a new chapter." 2023 marks the opening year for fully implementing the spirit of the 20th CPC National Congress, and it is also a critical year for the "14th Five- Year Plan". Facing the overlapping periods of new order reshaping, new pattern formation and new reform efforts, Kweichow Moutai will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and implement the development philosophies of innovation, coordination, green, openness and sharing. Keeping pace with the national development, advancement of era, and needs of the people, we will firmly pursue the greatness with rock-solid determination, spare no efforts to realize a wonderful life, and strive to embrace a bright future with high quality and strong industry. We will write a new chapter of Moutai's high-quality development and modernization construction together!



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Feedback

Dear readers,

Thank you very much for reading the Kweichow Moutai 2022 ESG report during your busy schedule. Your comments and suggestions on this report are highly appreciated for us to improve the quality and level of the report and our ESG efforts!



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Your information

Name: _____ Tel.: _____

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Your overall rating of this reports is

☐ Excellent ☐ Good ☐ Fair

How well do you think this report reflects the Company's significant economic, social and environmental impact

☐ Well ☐ General ☐ No idea

How clear, accurate and complete do you think the information, data and indicators disclosed in this report

☐ Very good ☐ Good ☐ Fair ☐ Bad ☐ Very bad

Which aspect of this report are you most satisfied with?

What information would you like to know more about?

What are your suggestions for our future reports?



本报告采用环保纸张和环保油墨制作
减少打印, 保护环境



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