



五粮液®

**SOCIAL RESPONSIBILITY REPORT**

**2021**

**Strong Flavor of China · Harmonious Wuliangye · Top Chinese Baijiu**

WULIANGYE YIBIN CO., LTD.

守创  
诚信  
做  
极致

恒久伟业

扬

绵长大爱



Integrity

Excellence

Create everlasting achievement

Advocate universal love.

## About This Report

The 2021 Social Responsibility Report of Wuliangye Yibin Co., Ltd. (hereinafter referred to as this "Report") is the 14th annual corporate social responsibility ("CSR") report released by Wuliangye Yibin Co., Ltd. (hereinafter referred to as "Wuliangye") since 2008. Based on our principles of being objective, standard, transparent, and comprehensive, this Report discloses in detail Wuliangye's practices and performance in areas of its responsibilities to environmental, social, and governance ("ESG") causes in 2021.

### Reporting Period



This Report covers the period lasting from 1 January 2021 to 31 December 2021. To make its content more comparable and complete, this Report has included data from previous years.

### Scope of This Report



This Report covers Wuliangye Yibin Co., Ltd. (stock code: 000858) and its subsidiaries.

### Release Period



This Report is an annual report. The 2020 report was released in April 2021.

### Data Resource and Credibility



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

### Normative References



GRI Sustainability Reporting Standards ("GRI Standards")

Chinese Academy of Social Sciences - Corporate Social Responsibility 4.0 ("CASS-CSR4.0")

The Ten Principles of the UN Global Compact

ISO26000: Guidance on Social Responsibility (2010)

GB/T36001-2015 Guidance on Social Responsibility Reporting

# WULIANGYE

Shenzhen Stock Exchange ("SZSE") - Guidelines for the Standard Operation of Listed Companies

Shenzhen Stock Exchange ("SZSE") - Guidelines for the ESG Environmental, Social Responsibility and Corporate Governance Information Disclosure of Listed Companies (Exposure Draft)

### Designation



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

### Availability



This Report is available online and in print copy (environmentally-friendly paper). The online report can be viewed and downloaded at:

<http://www.cninfo.com.cn>

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## A Message from the Senior Management



Mr. Zeng Congqin  
Secretary of Party Committee and Chairman of Wuliangye Group  
Secretary of Party Committee and Chairman of Wuliangye Yibin Co., Ltd.

甬山新

The year 2021 marked the centennial anniversary of the Communist Party of China. It was also the first year of the "14th Five-Year Plan". Based on this historic point of advancing from the first centenary goal to the second, we seized the moment and strategic opportunities for a new chapter of high-quality development. Bearing in mind the country's top priorities, we observed the prevailing trend, thought and planned in terms of the big picture. We focused on major issues, as well as sought stable progress by maintaining strategic focus. We saw meeting the new needs resulting from enhanced consumption as our objective and the supply-side structural reform as our guiding principle so that we could comprehensively promote the sustainable, steady and high-quality development of Wuliangye.

**In 2021, we consistently adhered to innovation empowerment to meet the diverse needs of our customers.** We proactively implemented the national innovation-driven development strategy and upheld our core values of staying honest and quality-oriented while advocating craftsmanship and inheritance-inspired creation so as to capitalize on the advantages of our environment, craftsmanship and aged fermentation pits. Apart from the original technological innovation platforms, such as China Light Industry Laboratory, the solid fermentation laboratory and the National Enterprise Technical Center, efforts were also accelerated to promote the creation of the innovation center for the Baijiu industry of Sichuan Province. Thus, along with the innovation of production techniques and improvement of product quality, we consistently promoted the supply-side structural reform, optimized our product system and committed ourselves to upgrading the internationalization of our Baijiu products in the new dual-circulation development pattern, thereby creating a full product system that would meet the needs of consumers around the world. Moreover, through these efforts the international competitiveness and influence of Chinese Baijiu would be enhanced, and it would be recognized throughout the world.

**In 2021, we upheld value sharing as the means to promote the steady development of the Company.** We have steadily maintained the core value ideas of "creating happiness for employees, creating outstanding experiences for customers, and creating returns for investors" and vigorously practiced the spirit of a state-owned enterprise by readily taking responsibility to realize value sharing with all stakeholders. Additionally, guided by the strategy of talent-based development, we created a well-developed welfare mechanism and empowerment platform and built up a community of shared future for the Company and its employees. A continuous effort was made to promote the stability of the supply chain and the channel transformation, establish a new relationship of coexistence and co-prosperity with suppliers, and elevate the customer's experience with high-quality services. We also protected the rights and interests of our investors, unblocked communication channels for investors, and created a steady increase in value on their behalf.

**It was in 2021 that we implemented the green development philosophy to grow into an environmental benchmark enterprise.** We were committed to promoting the harmony between man and nature. To achieve this goal, we resolutely followed the national strategy of carbon-emission peaking and carbon neutrality. In doing so, we proactively implemented the arrangements for the nationwide battle to prevent and control pollution, and prioritized the work of environmental protection. For example, we took the lead in putting forward the vision of building a "Zero-carbon Liquor Enterprise" as well as actively formulated related strategies and implemented them. Additionally, we created Minjiang Ecological Reserve and environmental-protection ecological wetlands, thereby contributing to the realization of carbon-emission peaking and carbon neutrality. Besides, in the process of realizing the brand value, we held firm to the eco-cycle development philosophy and strove to carry out the principle "from the land, to the land". By reducing the consumption of production resources, recycling products and services, recycling production materials, and controlling the production process, we formed an efficient production pattern featuring low consumption and comprehensively created a resource-saving, environmental development mode, thus facilitating the realization of sustainable development.

**In 2021, we carried forward the principle of harmony so as to help people have happier, more fulfilling lives.** Guided by "mean and harmony", the essence of Confucianism, we stuck to cultural confidence, polished our national symbols and promoted the Chinese culture so as to prosper in the new era. We consistently endeavored to apply the principle of harmony as a symbol of Chinese Baijiu that meets people's needs for a better life, thus building a national brand and a Chinese business card that would be known throughout the world. We established a three-in-one organization structure in order to guide the assistance work and thus improve people's livelihood and made a five-year plan to help the assisted regions achieve revitalization. Additionally, we devoted ourselves to the public-welfare undertaking by resting on charitable foundations to contribute to regional development and common prosperity.

The window of opportunity is short-lived. So, we must seize it without hesitation. The world is undergoing profound changes unseen in a century, with both opportunities and challenges. In pursuit of long-lasting business, we'll actively take up development opportunities, shore up our weak spots, develop our strengths, and create new growth drivers in accordance with the principle of bolstering weak spots and consolidating advantages while bolstering the digital transformation. Moreover, we'll implement the new development philosophy and integrate with the new national development pattern to play a steady role as a state-owned enterprise in contributing to a strong national economy over the long term.



# About Wuliangye

## Company Profile

### Company Development

- 1952** Eight old liquor production workshops jointly established the Yibin Daqu Liquor Production Industrial Joint Venture. Then, the venture changed its name to Yibin No. 24 Liquor Distillery of Southern Sichuan State-Owned Monopoly Company.
- 1959** Its name was changed to Sichuan Local State-Owned Yibin Wuliangye Local Distillery.
- 1964** Its name was changed to Sichuan Yibin Wuliangye Distillery.
- 1998** In the joint-stock reform, Sichuan Yibin Wuliangye Distillery restructured part of its assets into Wuliangye Yibin Co., Ltd., which went public on Shenzhen Stock Exchange under the ticker symbol 000858.
- 2020** Wuliangye's market capitalization exceeded RMB1 trillion.

### Brand Value of the Company

Throughout the year 2021, the Baidu Index of Wuliangye has been above the average level of the leading peers. In addition, Wuliangye is constantly consolidated in terms of the brand's core advantages. It ranks first among peers on authoritative lists, such as the World's 500 Most Influential Brands, China's 500 Most Valuable Brands, and Brand Finance Global 500.

### Corporate Vision

In pursuit of long-lasting business, Wuliangye is committed to developing into a green, innovative, world-leading enterprise that keeps growing in a high-quality and sustainable way.

### Development Goals

Wuliangye sticks to the general principle of seeking progress while maintaining stability and the new development philosophy. Additionally, it consistently deepens its long-term policy of "shoring up weak spots, developing strengths, and creating new growth drivers" to improve quality, strengthen management and control, strengthen digital transformation, as well as realize new development. Meanwhile, Wuliangye strives to attain the "2118" development goals, including the capacity to produce 200,000 tons of unblended liquor, the capacity to warehouse one million tons of base liquor, a sales revenue of more than RMB100 billion, and a total pre-tax profit of RMB80 billion.

## Highlights of 2021

- February**
  - Held the Year-end Summary Conference 2020.
- March**
  - Concluded a contract with the Secretariat of the Boao Forum for Asia to become the Honorary Strategic Partner of the Boao Forum for Asia Annual Conference 2021.
- April**
  - Attended the opening ceremony of the Boao Forum for Asia Annual Conference 2021.
  - Undertook the 10th Chinese Baijiu T9 Summit.
  - Co-held the Social Responsibility Forum for State-owned Enterprises.
- May**
  - Donated RMB200 million to the building of ten kindergartens in the central urban area of Yibin.
  - Being the first enterprise in the Baijiu industry to attend an important international academic conference as the first author's unit.
- June**
  - Ranked second on the Brand Finance Spirits 50 2021.
  - Held the 2020 General Meeting of Shareholders.
  - Held the signing ceremony for its strategic cooperation with Postal Savings Bank of China.
- July**
  - Held a celebration for the 100th anniversary of the founding of the Communist Party of China.
  - Held the signing ceremony for its strategic cooperation with the Hong Kong-based Sunwah Group.
- September**
  - Attended the APEC Women Leadership Forum 2021 as a partner and the designated supplier for the wine for the theme dinner.
- October**
  - Being the exclusive strategic partner and the exclusive title sponsor of the launching ceremony of the large-scale documentary, *The Forbidden City*.
- December**
  - Being awarded the 19th China Quality Award.
  - Attended the 2021 Boao Forum for Entrepreneurs.
  - Signed a strategic cooperation agreement with Bazhong.
  - Undertook the special session dedicated to Wuliangye under the Old Baijiu in Household collection event.
  - Signed a technical cooperation agreement with Beijing Technology and Business University on the Biological Activity Research and Application of Polysaccharide in Huangshui of Wuliangye.
  - Held the 25th Wuliangye 12·18 Super Fan Festival.
  - Held the 25th Wuliangye Liquor Sage Ceremony.
  - Held the 25th Wuliangye 12·18 Annual Convention: Achieving Shared Growth through Discussion and Collaboration at the major venue and 27 online sub-venues.





# Honors and Awards

## Brand

Honor or Award	Organizer
The 251st on the World's 500 Most Influential Brands 2021	World Brand Lab
The 17th on China's 500 Most Valuable Brands, with the brand value assessed at RMB325,316,000,000	
The 35th on Asia's 500 Most Influential Brands 2021	
The 61st on the Brand Finance Global 500 2021	Brand Finance
The 3rd on China's 100 Most Valuable Brands	R&F Global Ranking
Top 200 Enterprises in China Light Industry	China National Light Industry Council
Like 2021 My Favorite Chinese Brand	China National Brand
2021 China Brand Innovation Case	People's Daily

## Operation

Honor or Award	Organizer
The 19th China Quality Award	The China Association for Quality (CAQ)
2020 Sichuan Tianfu Quality Award	The People's Government of Sichuan Province
The First Prize of the 2020 Science and Technology Award by the China National Food Industry Association	China National Food Industry Association
Best Practice Case for the 2020 Annual Report Results Presentation by Listed Companies	China Association for Public Companies
Special Award for Scientific and Technological Progress in China's Wine Industry during the "13th Five-Year Plan" Period and Award for Outstanding Scientific and Technological Contributions to China's Wine Industry	Scientific and Technological Award Committee under China Alcoholic Drinks Association
2021 China Corporate Credit Top 500	China Enterprise Reform and Development Society China Cooperative Trade Enterprises Association
Gold Medal in the World Cocktail Championships	International Bartenders Association
2021 · China Agriculture Award for Ten Outstanding Contributions to Rural Revitalization	Organizing Committee of China Agricultural Brand Annual Award Ceremony
2021 Best Operator and Performer	Organizing Committee of China High-end Wine and Spirits Expo
Best New Media Operator of the 2020 Investor Relations Golden Awards	www.p5w.net
2020 Golden Bull of Investment Value	China Securities Journal

## Social Responsibilities

Honor or Award	Organizer
The Third Sichuan Charity Award - The Most Charitable Contributor	The People's Government of Sichuan Province
2021 China Corporate Social Responsibility Case	People's Daily
2021 Green Innovation	China CSR Annual Forum
2021 Outstanding Corporate Social Responsibility Report	China CSR Annual Forum
The 15th China Listed Company Value Evaluation - China Listed Company Corporate Social Responsibility Award	Securities Times



# 01 Inheritance

Time-honored Brand that Bears  
"Red" Heritages

The year 2021 marked the start of the "14th Five-Year Plan" period that is a critical period for Wuliangye to ride on the momentum to start a new journey and important window period for Wuliangye to seize strategic opportunities to arrange the new round of high-quality development. Wuliangye closely united around the CPC Central Committee with Comrade Xi Jinping as the core and earnestly implemented the decisions and arrangements of the CPC Central Committee, the State Council, the CPC Sichuan Provincial Committee, the People's Government of Sichuan Province, the CPC Yibin Municipal Committee, and the People's Government of Yibin City. Meanwhile, it consolidated its top position in strong flavor spirits and expedited to become a modern world-leading liquor enterprise featuring excellent products, outstanding brands, leading innovation, and modern governance so as to welcome the convening of the 20th CPC National Congress and the 12th Congress of Party Representatives of Sichuan Province with more excellent achievements.

- Party Building
- Celebration of the 100th Anniversary of the Founding of the Communist Party of China



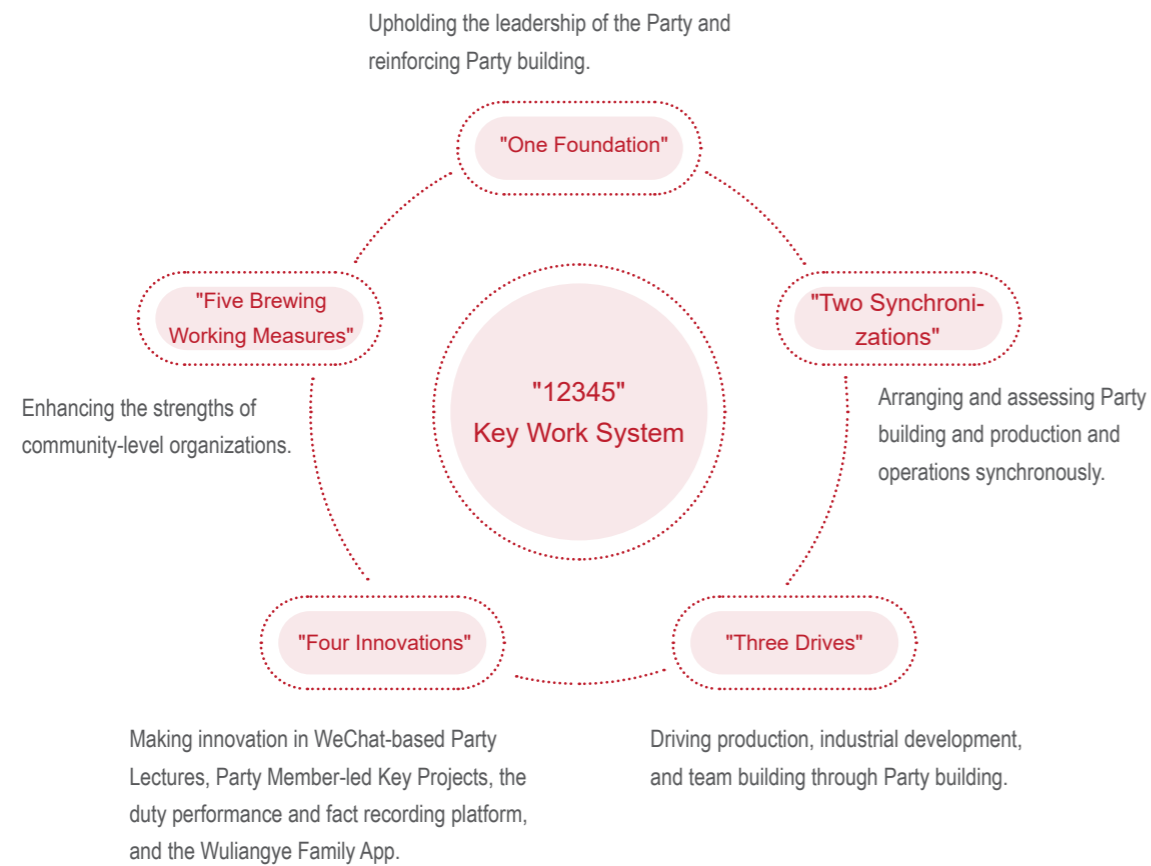




# Party Building

The Company always upheld the leadership of the Party, reinforced Party building, and consolidated the "root" and "soul" as a state-owned enterprise. In terms of specific practices, Wuliangye created the "12345" Key Work System, promoted the deep integration between Party building and production and operations, and led high-quality corporate development based on high-quality Party building. Moreover, it exerted all its effort to have a solid start of the "14th Five-Year Plan" period and establish a basic guarantee for becoming a Fortune Global 500 company and modern world-leading enterprise featuring excellent products, outstanding brands, leading innovation, and modern governance.

## The "12345" Key Work System

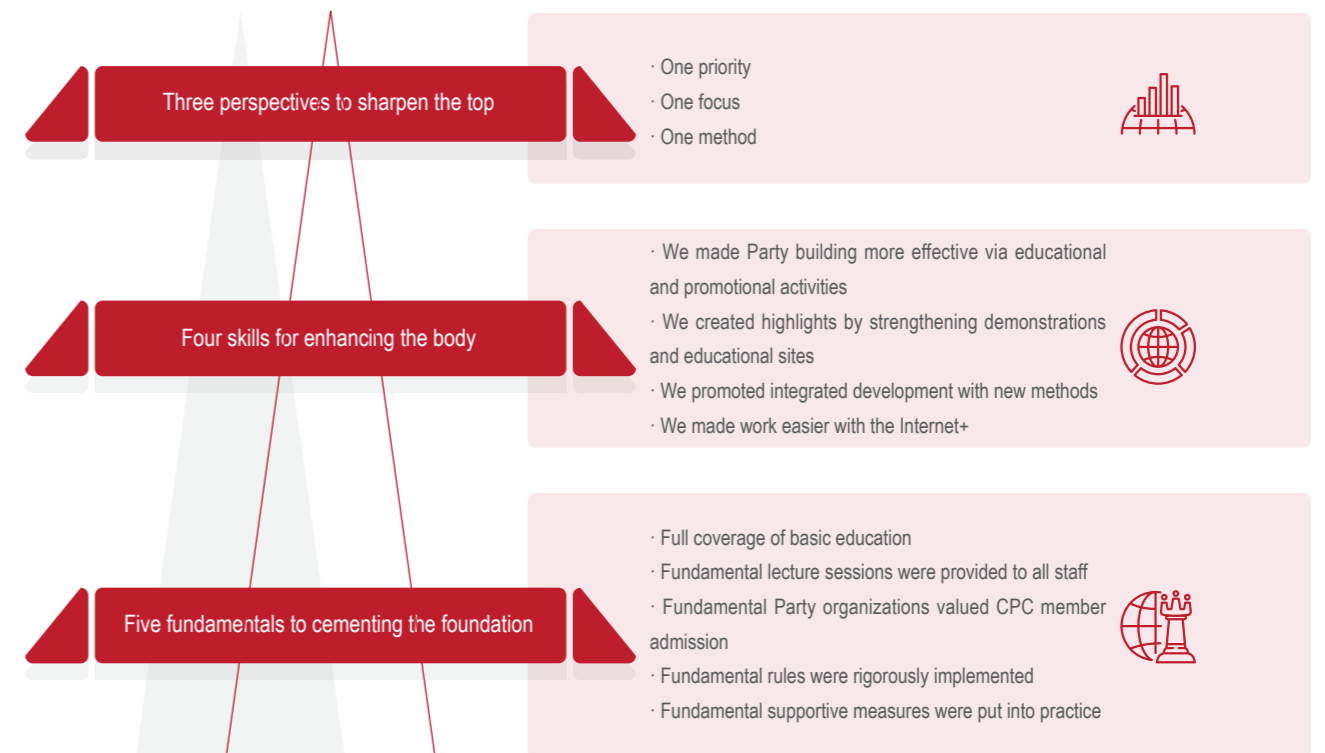


## One Foundation

"One Foundation" means upholding the leadership of the Party and reinforcing Party building. During the Reporting Period, the Company achieved the "Three Full Coverages"—the full coverage of the development of Party organizations, the full coverage of the "Integration of Party Building into the Articles of Association", and the full coverage of prerequisites that the Party Committee discussed and regarded as major decisions. In the meantime, it fully promoted the standardized and normalized building of Party organizations, issued the *Guidelines for the Standardized and Normalized Building of Community-level Party Organizations*, pushed forward organizational development, organizational life, team management, information and materials, and the standardized and normalized development of activity platforms, and strengthened Party branches' role as a fortress in battles.

- The Company integrated Party organizations into the governance structure, specified and enhanced Party organizations' legal status in the corporate governance structure, and embedded Party building into its Articles of Association. Concurrently, it specified important matters, such as Party organizations' responsibilities and authorities, institutional settings, operating mechanisms, and basic guarantee, and constantly promoted the **"Self-inspection of the Integration of Party Building into the Articles of Association"**. During the Reporting Period, Wuliangye's tier-1 subsidiaries completed the revision to their articles of association.
- The Company further implemented and improved the the dual responsibilities requirement (to be responsible for both Party and business work), ensured the inclusion of members of CPC Wuliangye Committee in management or the board, and vice versa, strictly implemented a prerequisite for management and the board in making major decisions to have issues discussed and studied first by the Party committee. Throughout the year, the Party Committee of the Company reviewed **173** major matters.
- The Company held more than **1,500** sessions of educational and learning activities, benefiting over **40,000** Party members, and offered more than **140** sessions of on-site lectures on the Party history and nature.
- The Company's works on the theme Zhao Yiman were granted the **first prize of a themed speech competition of the State-owned Assets Supervision and Administration Commission of Sichuan Province and Second Prize of the Finals of the First Community-level Theory Publicity Competition of Sichuan Province**, and the competitor was named to the **"Top 10 Golden Promoters"** of Sichuan Province.

## Pyramid Project to Enhance Standard Party Building of Community-Level Party Branches and Consolidate the "One Foundation"



**Case** Strictly Controlling CPC Member Admission

The Company gave top priority to political standards and strictly selected Party member candidates. The frontline employees who engaged in production and operations and marketing, young employees, and those with a high educational background were the main sources of such candidates. During the Reporting Period, the Party committees of the Company and its subsidiaries approved 217 new Party members. In the meantime, in order to further enhance the political quality of active applicants for Party membership, the Company held training sessions for active applicants for Party membership (and potential Party members). A total of 377 active applicants for Party membership and potential Party members from community-level Party organizations participated in the training and took exams.

**Case** Having a Strict Political Life

The Company's Party Committee organized special organizational life meetings during the Reporting Period. All community-level Party organizations conscientiously organized pre-meeting learning, heard employees' voices, deeply investigated issues, and performed strict criticism and self-criticism. Party members were guided to exchange their ideas, summarize experience and lessons, and conduct criticism and self-criticism. Leadership team members, as ordinary Party members, attended special organizational life meetings of their respective Party branches, earnestly carried out criticism and self-criticism, and achieved two "One Hundred Percent".



Special organizational life meeting on the learning and education of the Party history of the First Party Branch



Special organizational life meeting on the learning and education of the Party history of the Party Branch of Sacred Mountain Molin Group Co., Ltd. Si Chuan (Sacred Mountain Molin Group)

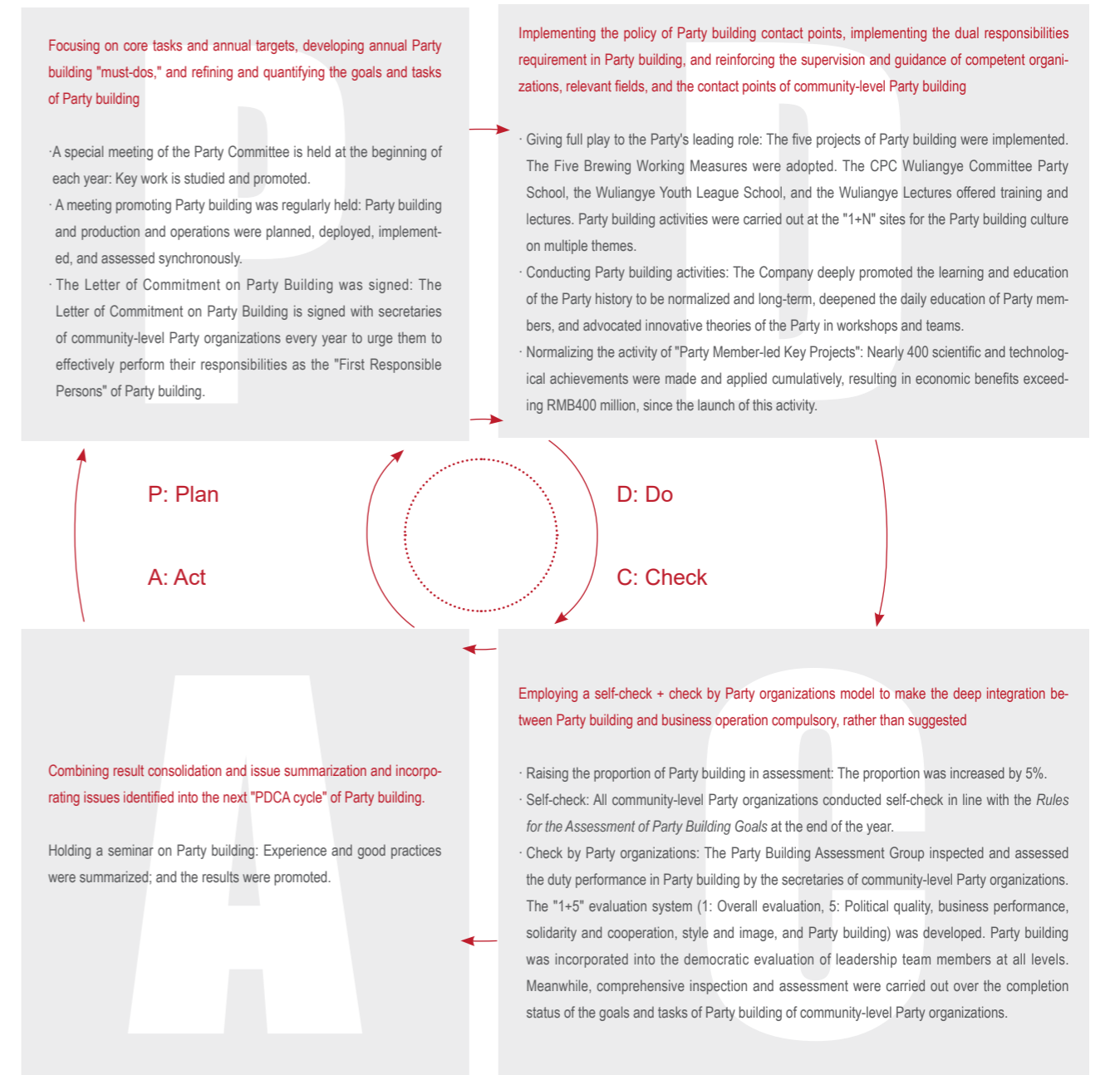


Special organizational life meeting on the learning and education of the Party history of the 11th Party Branch

## Two Synchronizations

"Two Synchronizations" means the synchronous arrangement and assessment of Party building and production and operations. Every year, the Company synchronously issued the goals of Party building and production and operations through the No. 1 Document. The dual responsibilities requirement in Party building was implemented. The *Letter of Commitment of Production and Operation Goals* and the *Letter of Commitment of Party Building Goals* are signed at the same time to keep raising the weight and proportion of Party building in assessment. Additionally, it continued to improve and implement the "Plan-Do-Check-Act Cycle" and turned the integration between Party building and production and operations more reasonable, systematic, feasible, and practical.

### Continuing to Improve and Implement the "Plan-Do-Check-Act Cycle" to Enhance Production and Operations

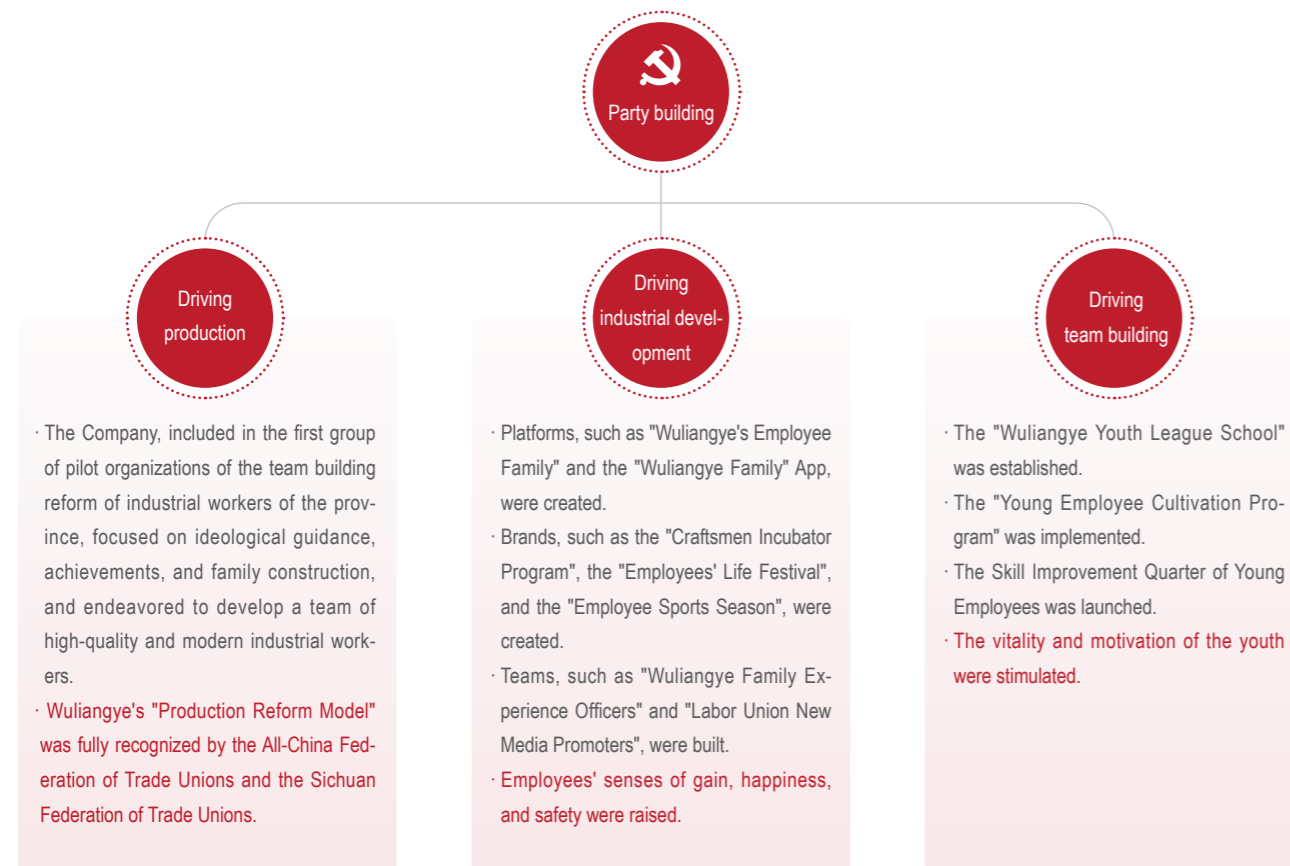




## Three Drives

"Three Drives" means the drive of production, industrial development, and team building through Party building. During the Reporting Period, the Company highlighted the "Improvement in the Well-being of Employees", stuck to the synchronous growth of employee income and corporate development, and establish a "normalized + emergency" assistance mechanism. Besides, it continued to implement the Management Measures for Leaving the Post for Recuperation due to Critical Illnesses, improved the production and living environments of employees, and practically enhance the well-being of employees.

### "Three Drives" Work Mechanism



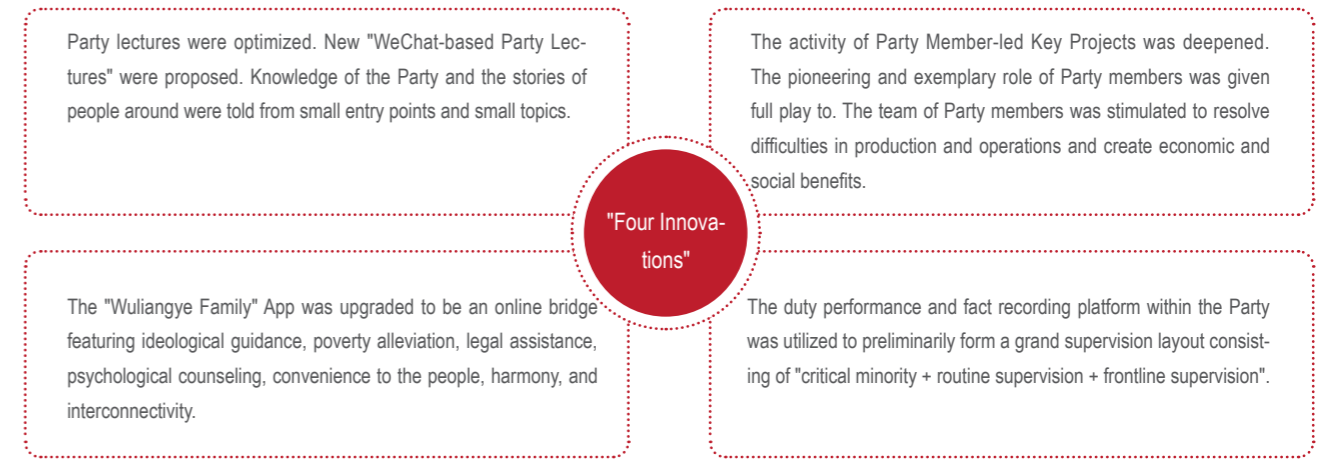
## Four Innovations

"Four Innovations" means the innovation in "WeChat-based Party Lectures", Party Member-led Key Projects, the duty performance and fact recording platform, and the Wuliangye Family App. The Company addressed difficulties in development through innovation and constantly strengthened community-level Party organizations.

During the Reporting Period, the Company's "Wuliangye Family" App was named to "Top 10 Corporate Platforms" by the All-China Federation of Trade Unions.



## "Four Innovations" Work Mechanism



## Work System of "Party Member-led Key Projects Addressing Difficulties in Development"

### Actively Responding to the Party's Call

The Regulations of the Communist Party of China for the Community-level Party Organizations of State-owned Enterprises (Provisional) were observed.

The requirements of the CPC Central Committee and the CPC Sichuan Provincial Committee for strengthening the Party building of state-owned enterprises were implemented. The integration between Party building and production and operations was deepened.

### Planning Work Implementation Paths

The Party Committee closely followed the working idea of "Party Building and Shared Development".

The Party branches' role as a fortress in battles and the Party members' pioneering and exemplary roles were given full play to.

The activity of Party Member-led Key Projects was conducted.

### Ensuring implementation

The Guidelines on Standardization of Community-level Party Organization Construction in Wuliangye Group and Yibin Wuliangye were issued.

The Steering Group of the Activity of Party Member-led Key Projects was established.

All community-level Party organizations took charge of the routine management of Party Member-led Key Projects.

### Party Members Taking the Lead in Overcoming Difficulties

Projects were set up regarding the topics closely related to the Company's reform and development, such as Party building, production technologies, marketing, financial management, quality management, safety management, energy and eco-protection management. The exemplary and leading role of Party members was given full play to.

### Converting Results to Improve Quality and Efficiency

Results were applied to production and operations and converted into economic and social benefits to drive the Company's reform and development.

A model for Party Member-led Key Projects was developed, which is normalized and long-acting and centers on first-class business, new business records, and optimal results.

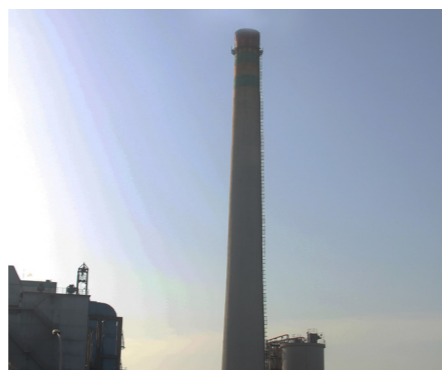


### Case Party Members Playing an Exemplary Role in Party Member-led Key Projects

The Company gave full play to the pioneering and exemplary role of Party members and deeply conducted the activity of Party Member-led Key Projects to address difficulties in development. During the Reporting Period, 100 results were achieved by overcoming difficulties, resulting in economic benefits of nearly RMB300 million. Particularly, great achievements were made in the "Project of Desulfuration and Flue Gas Cleaning with Alkali Recovery Boilers", the "Project of Multiple Measures for Reducing Energy Costs", and the "Project of Improvement in the Transport Efficiency of the Heat Supply Network of the Jiangbei Industrial Park", in terms of energy conservation, emission reduction, and environmental protection. Besides economic benefits, the Company made favorable social benefits.



Party Member-led Key Project: Recycling of Bottle Washing Water



Party Member-led Key Project: Achievements in the Project of Desulfuration and Flue Gas Cleaning

## Five Brewing Working Measures

The "Five Brewing Working Measures" aim to enhance the strengths of community-level organizations. In combination of the actual Baiju production, the Company applied the "Five Brewing Working Measures" to community-level Party organizations and enhanced the quality and efficiency of the building of community-level Party organizations.

### Five Brewing Working Measures

Reflect results in production quality in a business-oriented and data-based manner.



Advocate solidarity and cooperation, promote integration and efficiency, and form work synergy.

Improve the overall skill level of employees by adopting the "transmitting, aiding and leading" mode and encouraging employees to "compete with each other".

Reflect results in innovation and efficiency, based on management, by overcoming difficulties.

Give full play to the pioneering and exemplary role of Party members by promoting the best practices of model Party members.

## Celebration of the 100th Anniversary of the Founding of the Communist Party of China

The year 2021 marked the 100th anniversary of the founding of the Communist Party of China. The Party will lead the Chinese people to start a new journey to build a modern socialist country in all respects. In order to grandly celebrate the 100th anniversary, promote and eulogize the Party's remarkable achievements, and carry forward the hardworking and enterprising spirit, the Party Committee of the Company pushed forward activities on five themes, "Centennial Journey, Centennial Impression, Original Aspirations, Hardest Row, and Wisdom of the Masses", properly conducted major events of Party building, promoted the deep integration between Party building and production and operations, and stimulate Wuliangye to become a Fortune Global 500 company.

### Held the Activity on the Theme "Revisit Revolutionary Sites and Recall Revolutionary Memory"

During the Reporting Period, the Company organized Party members and cadres to visit revolutionary resources in Yibin, such as the Zhao Yiman Memorial Hall and the Li Shuoxun Memorial Hall, to learn the moving stories of revolutionary martyrs. Frontline Party members from 21 marketing war zones and 58 marketing bases nationwide leveraged local revolutionary resources and held more than 140 on-site lectures on the Party history and nature at red education bases, such as the sites of the previous sessions of the Congress of Party Representatives and the Jinggang Mountains, and revolutionary site, such as the Hubei-Henan-Anhui Revolutionary Memorial Museum, so as to perceive the power of patriotism and carry forward the tradition of revolution.



Reviewing the Chinese Communist Party Admission Oath



Visiting the site of the First CPC National Congress



Visiting Zhu De's Former Residence



Visiting the Zhao Yiman Memorial Hall



## Holding a Grant Exhibition Celebrating the 100th Anniversary of the Founding of the Communist Party of China

The Company held a grant exhibition celebrating the 100th anniversary of the founding of the Communist Party of China in line with high standards and developed an offline program on the theme "Learn the Party history and Wuliangye's History" open to the public. Since its opening on "1 July", it attracted more than 10,000 visitors came from superior organizations, brother enterprises, and surrounding communities.



An exhibition celebrating the 100th anniversary of the founding of the Communist Party of China

## Holding the July First Awarding Event

The Company held the "Two Excellent and One Advanced" commendation conference during the Reporting Period to commend excellent Party members, excellent Party workers, advanced community-level Party organizations, and advanced organizations and individuals in poverty alleviation and stimulated Party organizations at all levels and Party members to strive to make achievements in "starting a new undertaking". Twenty advanced community-level Party organizations, 50 excellent Party workers, and 100 excellent Party members were commended at the July First Awarding event by the Party Committee of the Company.



July First Awarding Event



Commended representatives



Speech by the representative of advanced community-level Party organizations



Speech by the representative of excellent Party workers

## Holding an Employees' Variety Performance Celebrating the 100th Anniversary of the Founding of the Communist Party of China

The Company held an employees' variety performance celebrating the 100th anniversary of the founding of the Communist Party of China, on the theme "Centennial Endeavor, New Journey", to review the Party's splendid development in the past century and wish the great Party to lead the Chinese people to march toward a new journey and a new era.



An employees' variety performance celebrating the 100th anniversary of the founding of the Communist Party of China

# 02 Governance

Cellar Prosperity throughout Ancient and Modern Governance

The year 2021 is of special significance as it marks the beginning of the 14th Five-Year Plan. Facing this historical moment advancing from the first centenary goal to the second, the Company adhered at all time to the guidance of strategy, mechanism and awareness, implemented its actions firmly, and kept its corporate mission of "promoting our historic legacy, co-creating a life of enjoyment" in mind to stabilize governance, strengthen inner control, inherit the practice of the old, breed new practice and consolidate the Company's foundation in its sustainable and high-quality development.

- Corporate Governance
- Risk control Compliance
- Anti-corruption and Upholding Integrity
- Digital Transformation and Upgrade
- Social Responsibility Management

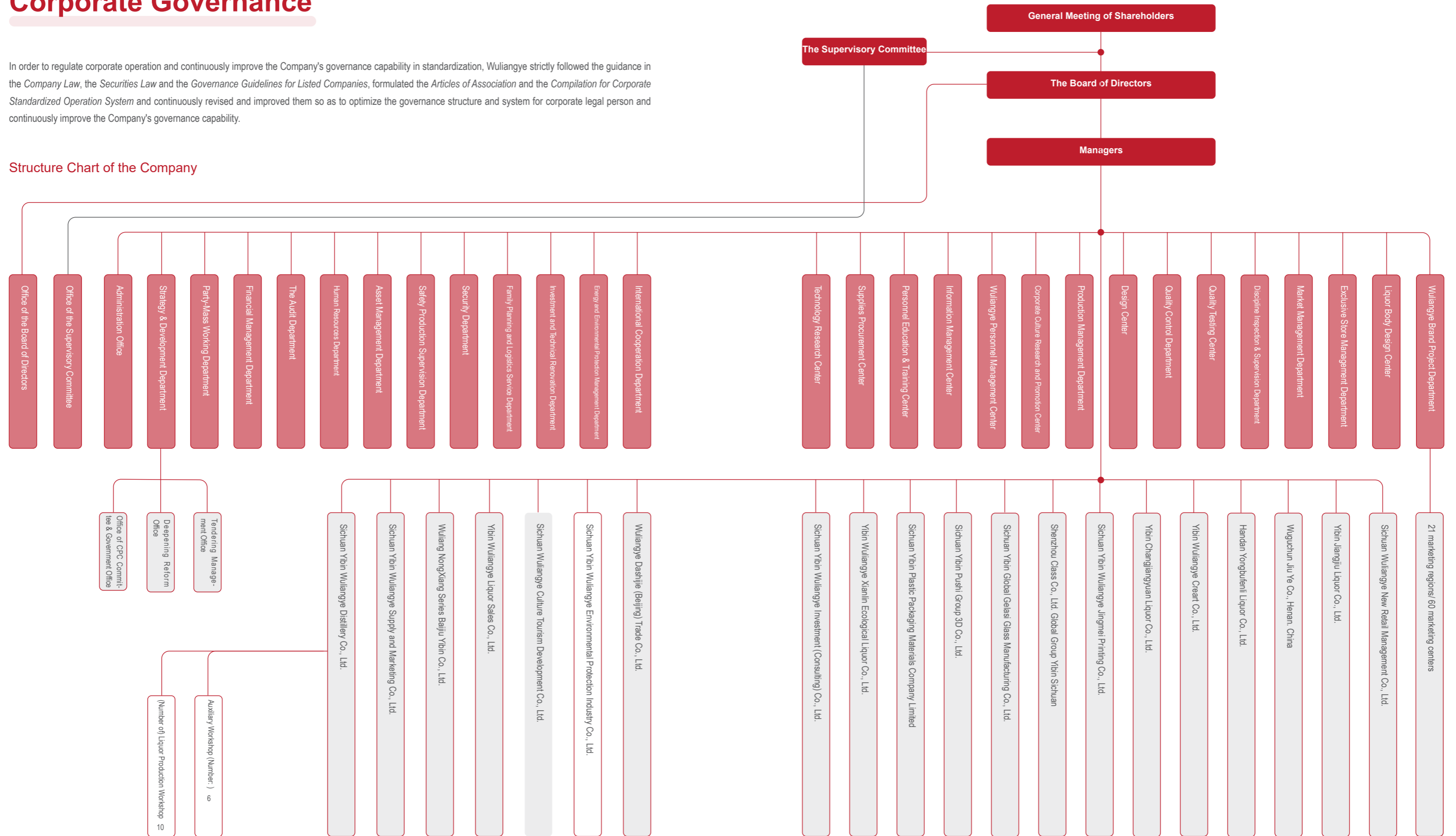




# Corporate Governance

In order to regulate corporate operation and continuously improve the Company's governance capability in standardization, Wuliangye strictly followed the guidance in the *Company Law*, the *Securities Law* and the *Governance Guidelines for Listed Companies*, formulated the *Articles of Association* and the *Compilation for Corporate Standardized Operation System* and continuously revised and improved them so as to optimize the governance structure and system for corporate legal person and continuously improve the Company's governance capability.

## Structure Chart of the Company





## Operation of General Meetings of Shareholders, Board of Directors, and Supervisory Committee to Safeguard Stable Development

In 2021, the Company continuously improved and built governance structure and system, secured the power of the General Meetings of Shareholders, the Board of Directors and the Supervisory Committee in decision-making and supervising in accordance with the *Articles of Association*, the *Procedure Rules of the General Meeting*, the *Procedure Rules of the Board of Directors* and the *Procedure Rules of the Supervisory Committee*, and further clarified the scope of their respective rights and responsibilities to improve the three boards' capability in independent operation and mutual supervision.

During the Reporting Period, there were **8** directors in the Company, including **4** independent non-executive directors and **4** independent directors.

**2** female directors were also included.



### The 2020 General Meeting of Shareholders



More than **300** of the Company's directors, supervisors, officers, investors and securities researchers, analysts and others attended the meeting.

**12** proposals were deliberated and **12** proposals were passed.



### The Board of Directors



In 2021, **17** meetings of the Board of Directors were held.

**36** proposals were deliberated, and **36** proposals were passed.

Wherein, **2** on-site meetings were held,

and **18** proposals were deliberated;

**15** proposals were deliberated in way of circulating for perusal,

and **18** proposals were deliberated.



### The Supervisory Committee



In 2021, **5** meetings of the Supervisory Committee were held,

and **21** proposals were deliberated.

Wherein, **2** on-site meetings were held,

and **18** proposals were deliberated;

**3** proposals were deliberated in way of circulation and communication,

and **3** proposals were deliberated.



### Officer Meetings



In 2021, **16** officer meetings were held, involving **47** items.

Wherein, **24** issues were deliberated and conveyed the spirit of important meetings for **6** times.

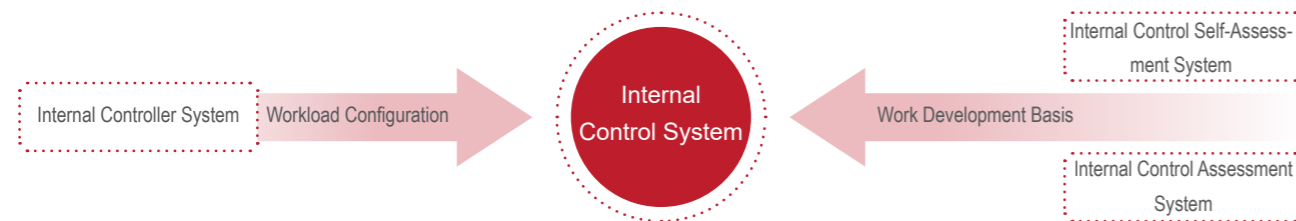




# Risk Control and Compliance

To safeguard stable development, the Company continuously improved internal control system and risk control system. The *Internal Control Audit Scheme (Trial)* and the *Internal Control Evaluation & Assessment Scheme (Trial)* were formulated in accordance with the *Company Law*, the *Securities Law*, and the *Basic Criteria of Enterprise Internal Control*, and periodic disclosure of the *Internal Control Self-Assessment Report*, the *Internal Control Authentication Report* and the *Audit Report on the Assessment of Risk Continuity of Finance Companies* and the *Report on the Deposit and Usage Condition of Raised Funds* were carried out. Meanwhile, the Company made its Risk Control Committee play a further role, carried out internal control self-evaluation and assessment per annum within the whole company to cope with its operations risks. Besides, the Company noticed the risk in environmental protection, and carried out energy planning, carbon neutral and water balance projects accordingly, so as to include environment, social and governance (ESG) and related risks in its corporate risk control step by step.

## Two Major Bases for Internal Control System



## Organization Structure and Responsibility Scope of Risk Prevention and Control Committee

- Laws, regulations and policies shall be implemented thoroughly, and scientific and standardized risk-management system shall be built comprehensively on the principle of legality, safety and effectiveness, so as to improve the Company's capability in prevention and control and efficiency, and to safeguard the stable running of operation and management.
  - Such works as risk identification, prevention and control of every risk control group shall be supervised.
- It shall be in charge of the deliberation of risk detection report of every risk control group and of supervision in implementation of the report upon its being passed.



- It shall divide and carry out risk control at this level in accordance with functions, grasp and supervise the risk prevention and control of tier-1 subsidiary, and its establishment of risk control measures.
- It shall establish risk accounts related to each subsidiary respectively, and supervise and urge it to take measures to control risks seasonally.
- It shall carry out test check in line with the accounts, inspect major potential risks, produce a report on special inspections, put forward suggestions for rectification, and report to Risk Prevention and Control Committee for deliberation.

## The High-quality Development of Internal Review Transformation of the New Era

Depth of Understanding The Party Committee Attaches Great Importance	The Intensity in Execution of Duty Around the Center of Overall Situation	Rectification Intensity Emphasis on Audit Closed Loop
<ul style="list-style-type: none"> <li>· Secretary of Party Committee shall earnestly perform duties in internal review management of main person in charge;</li> <li>· The Company's Party Committee shall carry out the overall planning on internal review development, deploy work focus, implement the main responsibility for rectification, and build such mechanisms as audit accountability and internal collaborative supervision;</li> <li>· The Company's Party Committee shall strengthen various configuration and security of internal review work.</li> </ul>	<ul style="list-style-type: none"> <li>· It shall implement the three-year action plan for the reform of state assets and state-owned enterprises, establish a five-year rotational audit plan for economic responsibility audit of cadres, and achieve diversified sector audit of comprehensive coverage.</li> <li>· It shall implement major policies and measures of the Party and the state and the Company's strategies thoroughly, and carry out policy tracking audit on the basis of business reality.</li> <li>· It shall focus on internal governance, and strengthen risk audit.</li> </ul>	<ul style="list-style-type: none"> <li>· It shall establish rectification accountability system, and advance closed loop management for rectification and cancellation together with internal supervision force;</li> <li>· The audit findings shall be linked to cadre's assessment, reward and punishment, appointment and removal, and performance;</li> <li>· It shall combine with the Company's strategy of implementing "backwardness and forwardness" in subsidiaries, and clear out four "zombie enterprises" timely.</li> </ul>

During the Reporting Period, Wuliangye won the honor of "national advanced enterprise for typical experience in internal audit for promoting organization to implement major policies and measures of the Party and the state thoroughly";

The review audit for project budget (settlement) and procurement budget saved the Company's funds of RMB **186,000,000**; Internal audit personnel on secondment were cited by Provincial Party Committee Inspection Group, Municipal Party Committee Inspection Group and audit institutions.



# Combating Corruption and Upholding Integrity

To further reinforce the awareness of Party members and cadres in incorruptibility and self-discipline, and to carry out "Learning from Cases to Facilitate Improvements" in manner of addressing both symptoms and root causes, the Company shall adhere to the basis of "cases", the key of "facilitating", and the goal of "improvement, improve party conduct, strengthen discipline, and fight corruption as a whole, and actively develop integrity-themed vocational training sessions, incorruptibility education and warning education, so as to improve the supervision system and prevent incorruptibility risks effectively. The Company shall also maintain a "zero tolerance" attitude to punish corruption, investigate and prosecute corruption in accordance with discipline and law, and launch supervision over the whole process of major project investment.



## It shall persist in preventing and controlling incorruptibility risks in manner of addressing both symptoms and root causes.

To advance the establishment of the system for preventing and controlling incorruptibility risks, sticking to the combined practice of punishment and prevention, the Company printed and distributed the *Notification on Setting up a Leading Group for Establishing the System of Investigating and Affixing the Responsibility in Illegal Operation and Investment*, the *Implementation Measures for Investigating and Affixing the Responsibility in Illegal Operation and Investment*, the *Accountability Regulations on Violations of Laws and Rules and Wrongdoings*, and other system documents. It also enforced seriousness in conducts and discipline to complete "Learning from Cases to Facilitate Improvements", to screen and update incorruptibility risk areas, and to refine prevention and control measures and launch prevention against improper related-party transactions.

### Double-guarantee practice in enforcing seriousness in conducts and discipline and "Learning from Cases to Facilitate Improvements"



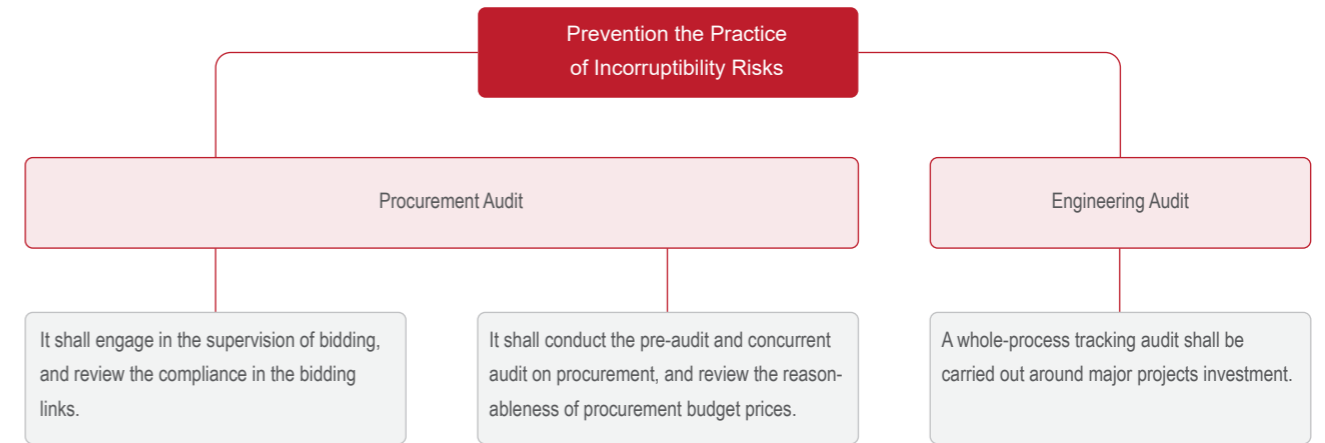
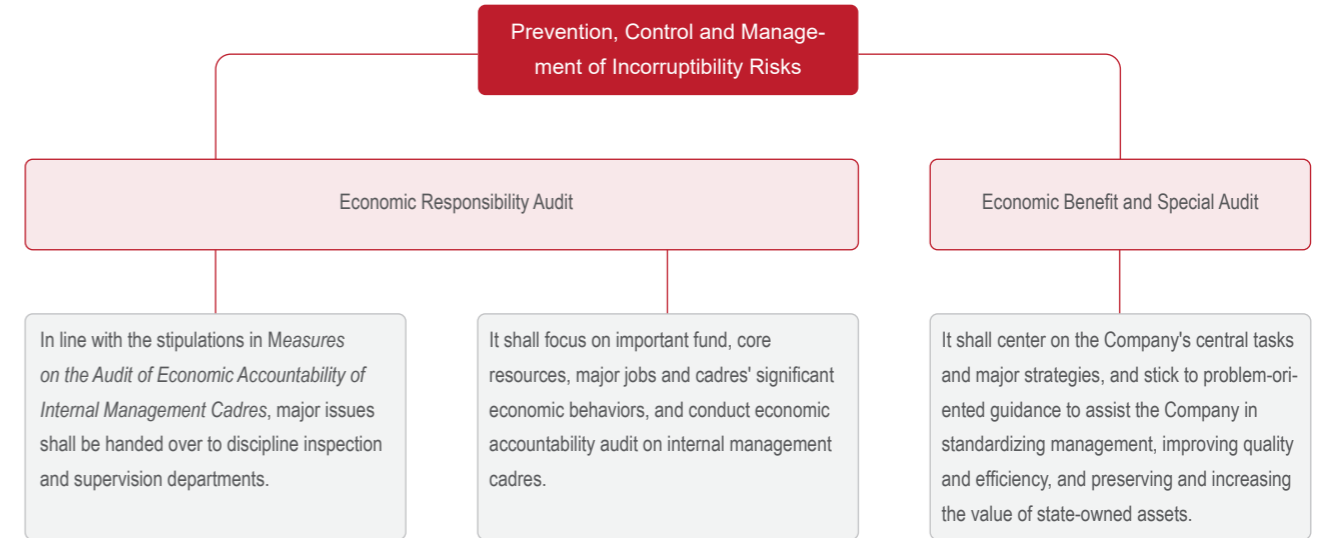
During the Reporting Period, in terms of enforcing seriousness in conducts, discipline and accountability:

The Company handled **39** problematic clues, put **6** cases on record, gave **8** people party disciplinary sanctions upon verifying disciplinary violations, and gave **12** people administrative penalties, **10** people received oral or written warnings, **20** people received criticism and education and **98** people received reminder conversations.

In terms of "Learning from Cases to Facilitate Improvements":

The Company's Party Committees at all levels held meetings (Party branch committee) on "Learning from Cases to Facilitate Improvements", warning education meetings and learning and education meetings. They also shoot an inside film *Strayed Away* for warning, which was viewed by times cumulatively, organized over people to visit discipline and law education bases, and interviewed more than personnel of important jobs at their home on incorruptibility. They organized or so leaders and cadres to sit on court trials of cases in a hierarchical manner and through batches, revised, improved and established over systems, analyzed issues, and completed rectifications in a high-quality manner.

## Highlighted Practice in the Prevention and Control of Incorruptibility Risks



During the Reporting Period, through major projects tracking audit, progress payment of RMB **352** million was lessened after audit; through pre-audit and concurrent audit on procurement, procurement funds of RMB **3,072,300** was saved by means of reviewing the reasonableness of procurement control prices, procurement methods, supplies disposal and the likes of **65** projects; the Company's procurement funds of RMB **73,739,800** was jointly saved with the constituent units of supervising the opening of the tender by means of engaging in the supervision on procurement bidding and reviewing the compliance for bidding links of **478** projects.





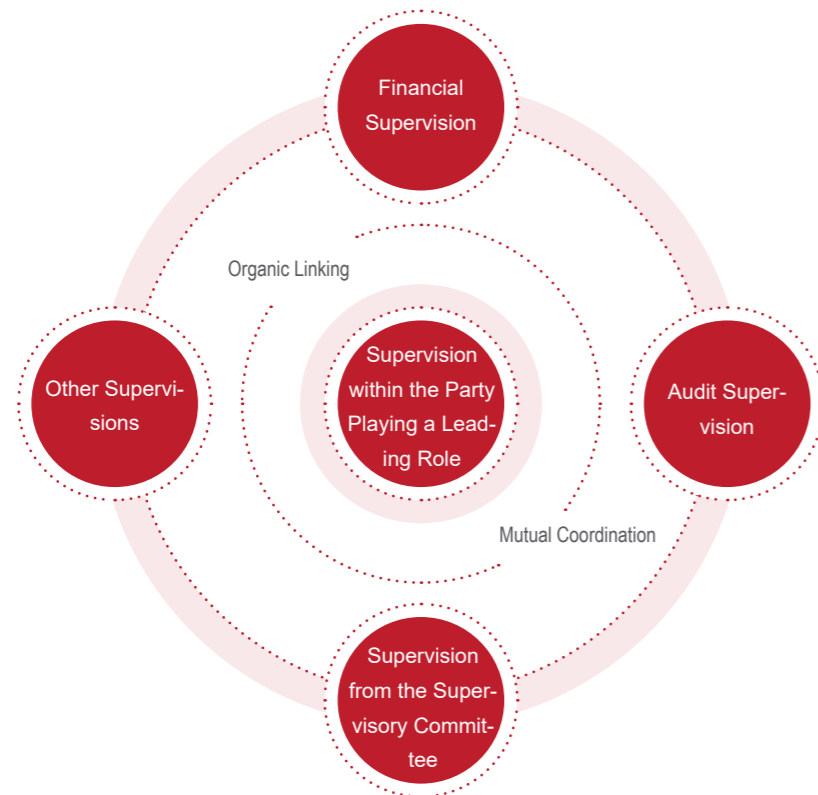
### The Safeguard Mechanism for Implementing Anti-corruption



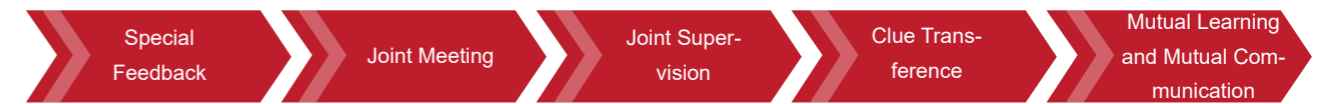
### Supervision systems shall be improved and clean state-owned enterprises shall be built.

To advance the establishment of "clean state-owned enterprises", the Company built and improved joint supervision systems, formulated *Implementation Opinions on the Establishment of Joint Supervision System*, set up leading groups for joint supervision, and created five mechanisms for special feedback, joint meetings, joint supervision, clues transference, and mutual communication and mutual learning to further coagulate joint forces of normal and long-lasting supervision.

### Multi-dimensional Joint Supervision



### Five Work Mechanisms for Joint Supervision System



### Realization Path for Joint Supervision System

#### Construction of Management System

Establishment of Joint Supervision System

#### Institutional Mechanism Support

· *Implementation Opinions on the Establishment of Joint Supervision System* was formulated and mechanisms for linked and collaborative work between the Party's supervision within the Company and other types of supervision were established.

#### Implementation of Work Actions

· Leading groups for joint supervision and responsible for joint supervision on all fronts were set up.

#### Case

A special operation on "Serious Discipline throughout Four Seasons" was developed, and the quality and efficiency of supervision were improved.

The Company stuck to requirements in the "Year for Supervision Quality Improvement" of the Municipal Commission for Discipline Inspection and Supervision, printed and circulated *Action Plan for the Special Operation in the Year for Supervision Quality Improvement*, carried out the special operation on "Serious Discipline throughout Four Seasons" in a deep-going way, and determined a key supervision point every quarter to achieve "One Theme One Season, Operations throughout Four Seasons". During the Reporting Period, the Company launched 83 joint supervision and issued 21 *Notifications on Issue Rectification*.

#### Case

The Internet supervision and supervision within the Party were integrated, and network supervision platforms facilitated the carrying out of anti-corruption in an innovative and efficient manner.

The Company integrated Internet and supervision within the Party in an organic way, and exploited the political advantages of "Internet Plus" in supervision within the Party to the full. In 2018, it developed a "Platform for Supervision within the Party and Accountability Supervision" in an innovative way, which refined such responsibilities as the Party Committee's responsibility for overall supervision, the Secretary of Party Committee's responsibility as the "First Person Accountable", team members' separate responsibilities in supervision, and the Discipline Inspection Commission's special responsibility for supervision into "Nine Lists", to achieve responsibility specification, responsibility execution, and responsibility investigation and affixation in line with the lists. The platform won the award nomination for the Second China Incommptibility Innovation Award, and received high evaluation and vigorous promotion from the Municipal Party Committee, Municipal Commission for Discipline Inspection and Supervision, and Municipal State-owned Assets Supervision and Administration Commission of Yibin City to be widely promoted and applied in more than 30 state-owned enterprises at the provincial and municipal levels.

During the Reporting Period, the platform completed over **4,000** tasks, a completion rate of **100%**, which not only assisted and facilitated the healthy development of the Company and its employees, but also gained favorable public reaction.

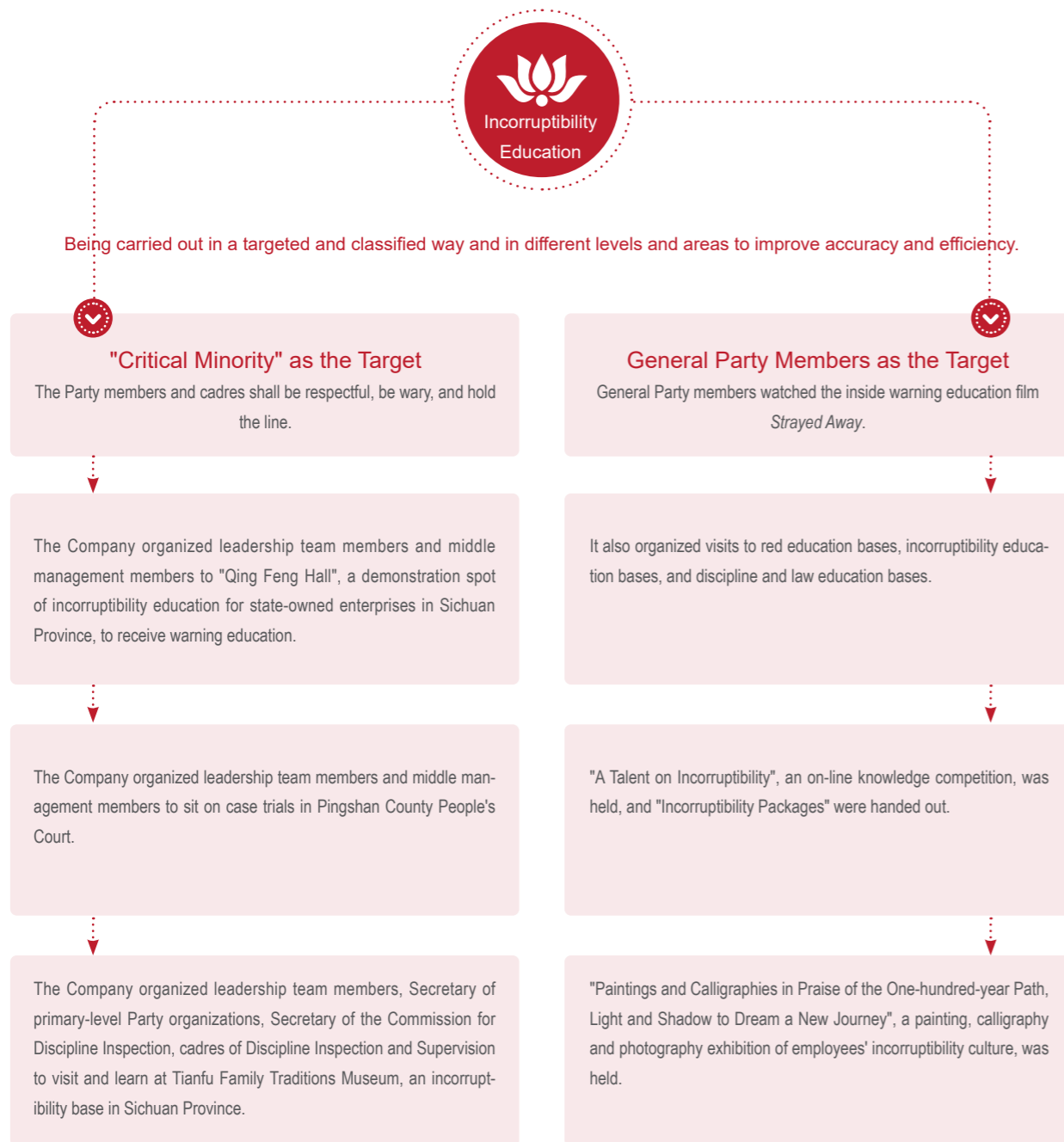




# Incorruptibility education was carried out to improve party conduct and strengthen discipline strictly and impartially.

The Company adhered to a hard way of warning education to carry out "Learning from Cases to Facilitate Improvements", and organized Party members and cadres in a targeted way to such places as red education bases, incorruptibility education bases, and discipline and law education bases to appreciate incorruptibility stories, to review the pledge of party membership, and to receive the baptism of incorruptibility culture.

## Incorruptibility education was carried out in different levels and areas



On 14 May, the Company organized leadership team members, assistants of general managers and main person in charge of Party organizations in sub-groups to "Qing Feng Hall" to receive warning education.

On 29 November, the Company organized visits to Tianfu Family Traditions Museum to carry out incorruptibility education.



On 31 December, the Company's Discipline Inspection Commission organized work seminars themed "Learning from Cases to Facilitate Improvements and Governance" in food inspection system.

On 21 October, the Company organized a painting, calligraphy and photography exhibition of employees' incorruptibility culture in state-owned enterprises.

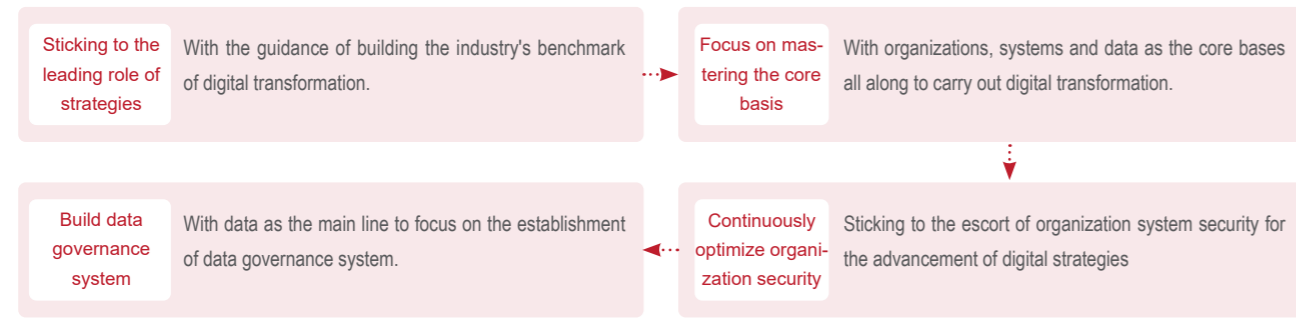




# Digital Transformation and Upgrade

To grasp the strategic opportunity of "Digital China", the Company advanced the operation of "Cloud Service Promotion, Big Data Usage, and Intelligentization Endowment" on all fronts, and further implemented the digital transformation strategy. The Company established the industry's first-class intelligent retail system, digital management system, digital business innovation system and the industry's digital transformation benchmark, with the advancement of deep integration of the next-generation information technology and the manufacturing industry as the main line, with the marketing digital transformation as the breakthrough, continuously promoted the transformations of digital empowerment businesses, abilities and management, and established digital enterprises of national industry leader on all fronts, to create new drivers of growth and new advantages for enterprise's high-quality development.

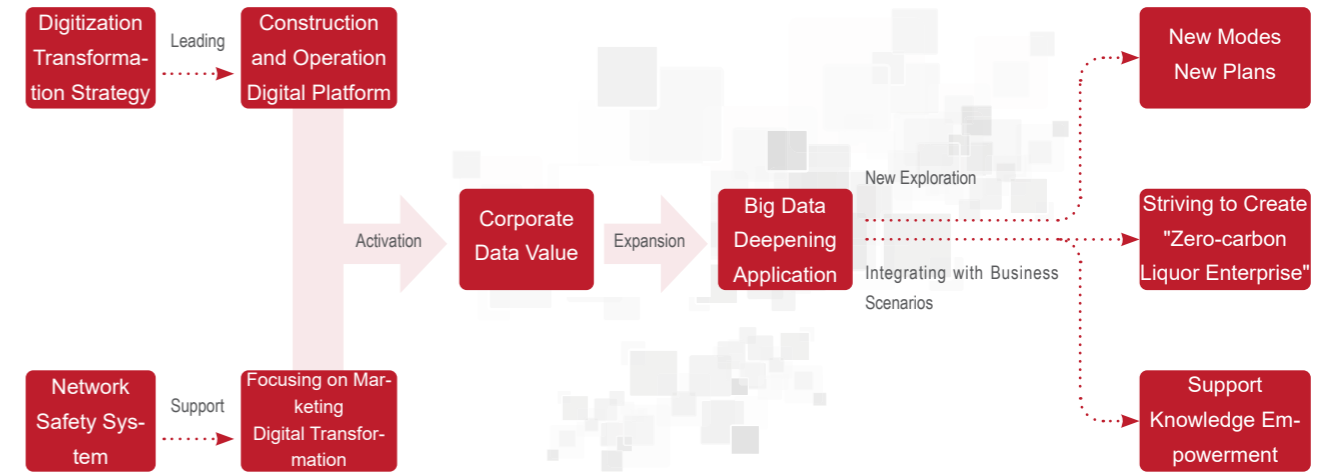
## The Digital Management System of 2021



## Double-security Mechanism for Digital Transformation



## Path for Digital Transformation and Upgrade



### Case Activating data value to empower the Company's improvement in governance ability

The Company accelerated the establishment of the foundation platform for the data safety of modern enterprises, set up operation digital platform, activated enterprise's data value, and was devoted to establish "Digital Wuliangye". The Company advanced the implementation of Enterprise's Resources Plan (ERP) project on all fronts, combined internationally advanced management experience with Wuliangye's digitalization, boosted the revolution and reengineering of organizations, processes and so on inside the Company, and explored an ERP construction path that is suitable for Wulingye's reality.

Meanwhile, the Company conducted strategic cooperation with third parties, continuously carried out the establishment of data governance system, and printed and circulated *Administrative Measures for Wuliangye's Data Classification*. It also continuously optimized the functions of master data management platform, managed data on the basis of normalization and standardization, established systems of digital command center and marketing decision-making center, and efficiently collected and used data assets so that it enabled enterprise's data value to be constantly activated and its insight could be continuously improved on the basis of data. The Company's innovation achievements in production, marketing, logistics, storage, security and protection and other areas on the basis of such technologies as big data, Internet of things, blockchain, and artificial intelligence all contributed model applications to the industry.

### Case Improving the abilities in data collection, analyzing and handling, and deepening the expansion of big data applications

During the Reporting Period, the Company deepened the project application results of the big data center of China's liquor industry on a continuous basis. First, it excavated and analyzed the integrity of RMB8 million liquor enterprises and merchants via the big data project on integrity of China's liquor industry, explored the release way of the integrity index in the liquor industry, guided honest liquor enterprises and merchants to perform the authentication for integrity, and explored a new application model for integrity assessment in liquor industry. Second, it achieved Internet of Things monitoring over the link of making distiller's yeast via the on-line monitoring of distiller's yeast-making progress and the big data mining project for crafts. Meanwhile, the Company conducted deep analysis and excavation on the management of bacterial culture of distiller's yeast, and built mechanical learning model for material, craft and the quality of distiller's yeast to explore a big data plan for optimizing distiller's yeast-making.



**Case** Relying on new technologies in digitalization to create intelligent Wuliangye

During the Reporting Period, under the guidance of the vision for striving to create "Zero-carbon Liquor Enterprise", the Company followed PDCA Administrative System to effectively advance and continuously improve the development of integration of "information technology and industrialization" inside the enterprise, to build intelligent resource platform for real-time monitoring of carbon footprint in production and running, to form basic database for carbon footprint, and to provide scientific basis for decision making in reaching the goals of carbon emission peak and carbon neutrality. In the meantime, the Company deployed around GIS demonstration, and risk spots management platform, with double control in safety and production as the core and GIS geographic information technology as the basis, and formed real-time safety management system for information distributed in four colors, namely "red, orange, yellow, and blue", to effectively improve safety management efficiency.

**Case** Building network safety system to escort digital transformation

The Company thoroughly implemented such laws and regulations as *Cyber Security Law* and *Data Safety Law*, introduced new technologies of cyber security, and built a three-dimensional cyber security system integrated people defense, physical defense and technical defense to reach zero accident and zero incident of cyber safety inside the Company. The Company also thoroughly implemented national information safety protection at different levels, created safe space for digital transformation, and planned to create mutual connection and communication between remote special line date and backup for disaster recovery to reach digital transformation via the escort of full-dimensional control, full-network protection, round-the-clock operation. It also conducted regular and coordinated offensive and defense drills with municipal Office of the Central Cyberspace Affairs Commission to test the Company's cyber security defense ability in actual combats.

During the Reporting Period, the Company's digital transformation achievements were as follows:

- It has been recognized as **the first digital transformation promotion center of the industry in Sichuan Province**;
- It has been awarded **"Excellent Practice Unit in Digital Transformation of Enterprises in Western China"** by Sichuan Enterprises Federation and Sichuan Entrepreneurs Association.



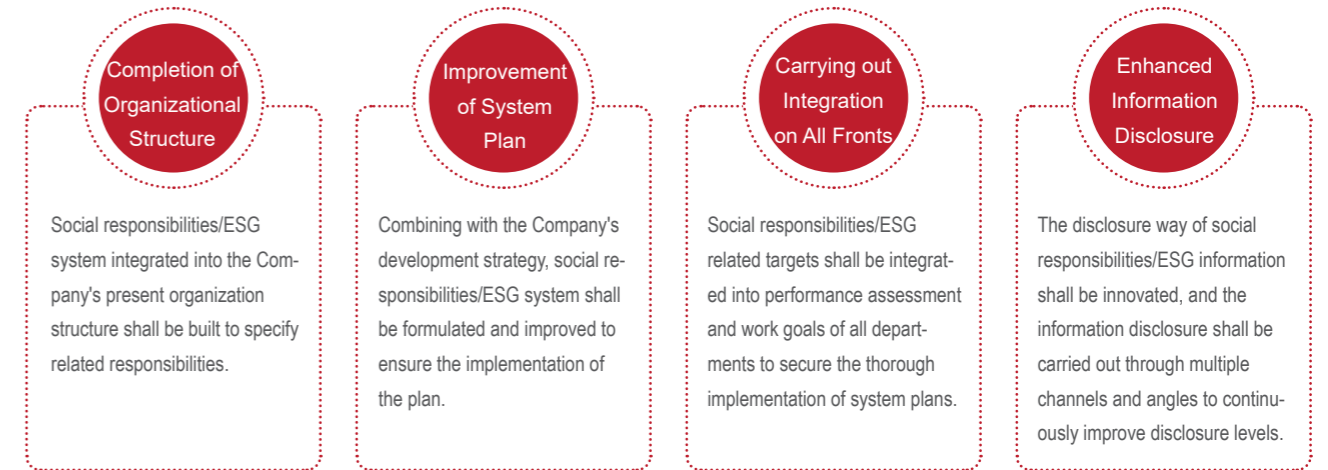
## Corporate Social Responsibility Management

The Company grasped new opportunities, started a new journey and forged ahead to open a new situation. The Company learned hard from advanced typical experience in social responsibilities governance, strengthened the performance of social responsibilities, and further improved ESG levels. It also demonstrated its social responsibilities as state-owned enterprise with practical actions, and was devoted to reach joint sustainable development between enterprises and the society.

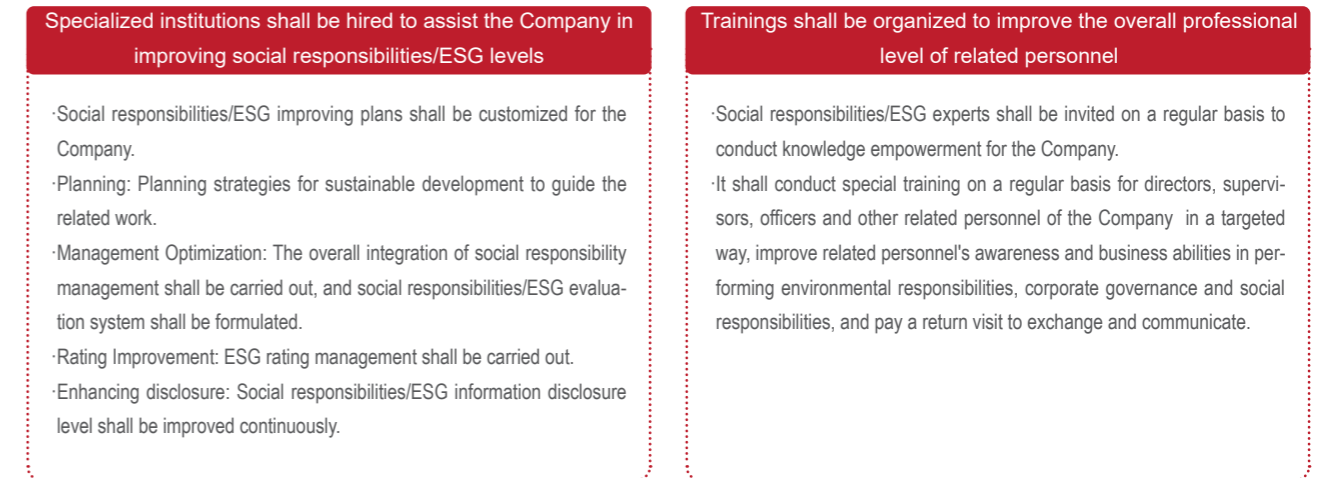
### Social Responsibility Management

To reach high-quality development at higher level, and accelerate its steps in building a green, innovative, and leading world-class enterprise, the Company focused on the overall improvement of the governance level of social responsibilities on the basis of actual situation, combined its reality with development strategy, planned an enforceable development path for social responsibilities with key points, and guided the implementation of its social responsibilities on all fronts.

### Social Responsibilities/ESG Development Plan



### Social Responsibilities/ESG Overall Empowerment







## Participation by Stakeholders

The Company shall recognize issues of concern of all stakeholders on the basis of business and operation realities, keep an open mind to listen and communicate actively, and respond with efficiency to the concerns from all stakeholders on the topic of the Company's social responsibilities.

### Wuliangye's Communication with Stakeholders

Stakeholders	Issues of Concern	Ways and Demonstration of Communication
 Governments and regulators	Tax payment according to laws Compliant operation Anti-corruption Promotion of economic development Climate action Poverty alleviation Public welfare and charity	Active efforts to pay tax in accordance with law Improvement of corporate governance Carrying out risk control on all fronts Extensive employment Carbon emission reduction throughout the whole process Innovation in rural revitalization mode Proactively participating in social undertakings
 Shareholders and investors	Improvement of return of investment Providing shareholder services Equitable access to information	Increasing cash dividend Holding general meeting of shareholders Innovation and improvement in information disclosure mode
 Customers	Meeting multiple needs Guaranteeing product quality Provide high-quality service Accountable Marketing	Increasing innovation and R&D Improvement of quality control Guarantee service quality Advocating rational drinking
 Suppliers and the industry	Fair and just procurement Abiding by business ethics Integrity and mutual benefit Promotion of industry development	Establishing open and transparent procurement mechanism Improvement of industry-university-research-application cooperation Participation in the formulation of industry standard Promotion of joint progress of the industry

Stakeholders	Issues of Concern	Ways and Demonstration of Communication
 Employees	Health and safety Remuneration and benefits Career training and development Democratic communication Care for employees	Optimizing labor management Improvement of compensation and benefits system Improving employee training and career development system Guaranteeing the smoothing operation of labor union and the congress of workers and staff Carrying out employee activities
 The Public	Energy conservation and consumption reduction Emission reduction and pollution reduction Supporting community development	Establishing "Zero-carbon Liquor Enterprise" Ensuring compliant emission Carrying out public welfare activities

## Substantive issue analysis

In 2021, Wuliangye carried out investigations on stakeholders, and identified key and concrete topics, on the important basis of which the Company continued to carry out social responsibility management and information disclosure of social responsibilities.

### Substantive issue analysis



# 03 Techniques

## Premium Products through Ancient and Modern Efforts

Innovative products inheriting craftsmanship, long-standing distillation techniques and quality control supported by technology make the world-renowned representative of Chinese strong flavor Baijiu - Wuliangye. As a famous national brand, Wuliangye has always been committed to the protection, research and dissemination of traditional Chinese Baijiu culture, making baijiu a carrier to enhance friendship and cultural exchanges among people from all over the world, so that the world can continue to feel the charm of the "harmony" culture of Chinese Baijiu.

- Craftsmanship-embedded Innovation
- Technique Inheritance
- Quality Management
- Culture Inheritance







## Craftsmanship-embedded Innovation

While inheriting craftsmanship-embedded products and techniques, Wuliangye empowers future development with innovation, implements the requirements for high-quality development of Baijiu, takes the consumer market demand as the guidance, and meets the diversified demands of consumers for Baijiu.

## Guaranteeing continuous innovation by improving regulations

Wuliangye adheres to pragmatic, efficient, innovative, open and inclusive work ethics, and sees transferring basic application research and scientific achievements into actual innovations fundamental for its development. It has formulated multiple policies including the *Regulations on Scientific and Technological Research Management (Trial)* and the *Regulations on Research Expenditure (Trial)* to standardize the management of innovation processes including industry-university-research cooperations, management of scientific and technological equipment, and awarding and protection of scientific and technological achievements.

### An innovation management system

#### Whole-process management

Wuliangye formulated the *Regulations on Scientific and Technological Research Management (Trial)* and the *Regulations on Research Expenditure (Trial)* to clarify the whole-process management procedures for science and technology R&D projects and ensure the smooth carrying-out of the projects.



#### Industry-university-research cooperations

Wuliangye revised three regulations related to the key national laboratory of solid-state distillation of strong flavor Baijiu of the Chinese light industry, including the *Regulations on the Management of Post-doctoral Science and Technology R&D Stations* and the *Work Regulations for the Key National Laboratory of Solid-state Brewing of Strong Flavor Baijiu of Chinese Light Industry*.

#### Management of scientific and technological equipment

Wuliangye formulated the *Regulations on Management and Disposal of Test (Experimental) Devices for Scientific Projects (Trial)* to standardize the handling procedures for scientific and technological equipment and integrate its idle equipment for science and technology R&D, greatly improving the success rate of R&D.

#### Awarding of scientific and technological achievements

Wuliangye revised the *Implementation Rules on Awarding Scientific and Technological Achievements* and the *Implementation Rules on Awarding Minor Innovations and Progresses*, forming a preliminary system of full coverage and clear hierarchies to award innovation achievements.

#### Protection of scientific and technological achievements

Wuliangye formulated the *Implementation Rules on Trademark Management*, *Implementation Rules on Patent Management* and *Implementation Rules on Copyright Management* to create a healthy environment for scientific and technological innovation.

In 2021,

· Formulated **4** enterprise standards, with a yoy increase of **100%**.

· Published **28** scientific research papers, with a yoy increase of **47.37%**.

· Applied for **265** new patents, including **23** invention patents, **20** utility model patents and **222** appearance design patents.

· Had **238** authorized patents, including **5** invention patents, **15** utility model patents and **218** appearance design patents.

· Won **3** awards, including the Best Style Award of the Most Beautiful Winebottle Design and the silver and bronze awards of the Most Beautiful Winebottle Design

· Won **2** awards, including the golden and bronze awards of 2021 Tianfu Baodao Industrial Design Competition.

· Wuliangye's technical center won the top in the liquor industry with **82.3** points in the 2021 Annual Appraisal Results of the National Enterprise Technology Center issued by the National Development and Reform Commission.

· Wuliangye's appearance design patent, Winebottle (for *New Wuliangye Product 181*) (i.e., the 8th-generation Wuliangye winebottle), won **the third prize of 2020 Sichuan Patent Award**.

· Wuliangye's "Research and Application of Wuliangye Baobaoqu Quality Improvement Technology" Project won **the first prize of 2020 Science and Technology Award of China National Food Industry Association**.

· Wuliangye's "Research and Application of Exogenous Food Safety Risk Assessment Method for Brewing" Project won **the second prize of 2020 Science and Technology Progress Award of China National Light Industry Council**.



## Industry-university-research cooperation

In 2021, Wuliangye integrated external R&D resources, and continued to enhance enterprise-university-research cooperations with Sichuan University of Science & Engineering, Jiangnan University and Beijing Technology and Business University, as well as the conversion of innovation results, seeing a record high of its innovative scientific and technological achievements.

### Case // Improving the quality of Baijiu in cooperation with Sichuan University of Science & Engineering

Wuliangye, working with Professor Luo Hui's team from Sichuan University of Science & Engineering, had a systematic study and on the microbial flora of Wuliangye Baobaoqu. They tackled key problems and made significant progress in the research of the driving forces of the microbial community succession. The research result, *Environmental factors and interactions among microorganisms drive microbial community succession during fermentation of Nongxiangxing daqu*, was published in *Bioresource Technology*, an international journal of biological engineering and application of microbiology (affecting factors 9.642, TOP journal of Zone 1 of the Chinese Academy of Sciences).

This study result is the latest achievement in the in-depth and comprehensive cooperation between Wuliangye and Sichuan University of Science & Engineering, the promotion of further enterprise-university integration and the resolution of important scientific problems in industrial development. It is of significant scientific value for the control of microbial flora of Baobaoqu in the fermentation process, the improvement of Daqu's quality and the advancement of the increase of Baijiu's high quality rate, and will further boost the technological progress and quality improvement of Baijiu.



## Case Revealing the secret of good liquor in cooperation with Jiangnan University

Wuliangye worked with Professor Xu Yang's research group from Jiangnan University to tackle key problems in industry-university-research cooperation, and has published *The Ecological Adaptability of Caproic Acid Contributes to Its Dominant Position in Anaerobic Fermentation System and Caprobacter Lactate: A New Microbial Species Isolated from the Cellar Mud for the Production of Strong Flavor Chinese Baijiu* on international authoritative journals. The former is the first to discover and successfully identify a new species of hexanoic acid bacteria, the main body of strong flavor Baijiu distillation, and further reveals the flavor and alcohol genes of Baijiu from the scientific perspective, marking a breakthrough in the scientific and technological innovation in the field of food and fermentation industry in China. The latter makes available scientific and standardized naming and accurate annotation for the species and scientific classification of hexanoic acid, the main body of strong flavor Baijiu distillation, that had puzzled Chinese Baijiu researchers for over half a century.



Jiangnan University-Wuliangye Collaborative Innovation Laboratory

## Case Guaranteeing industry-university-research cooperations by building the international scientific joint flavor laboratory

With the support of International Joint Research Center of Quality and Safety of Alcoholic Beverages and the guidance of foreign experts, Wuliangye established Wuliangye International Scientific Joint Flavor Laboratory (Wuliangye Scientific Collaborative Flavor Innovation Center) following international standards, and equipped it with a number of globally leading high-end equipment and first-class supporting facilities for the scientific research of flavor. The laboratory has become a cutting-edge innovation platform to promote the high-quality development of Wuliangye and lead the flavor research of traditional Chinese Baijiu.

In 2021, the team of the lab, guided by foreign experts, attended the three famous international professional academic conferences, namely the ACS (American Chemical Society), IFT (International Institute of Food Science and Technology) and Weurman, and presented posters, playing an active role in building the platform for academic exchanges between Wuliangye and domestic and foreign peers. The team published a scientific paper on *Molecules*, a well-known foreign journal, in which it, for the first time among peers, put forward a new method for the research of Baijiu flavor that is easy to operate and has good reproducibility. It is of great significance for the quality improvement of Baijiu, and will effectively enhance global consumers' awareness of the scientific innovation and quality management of Chinese Baijiu represented by Wuliangye.

## Intellectual property management

As the pilot enterprise of standardization and standard implementation of intellectual property management among Sichuan enterprises, Wuliangye implements standards in an all-around manner following the *Regulations on Enterprise Intellectual Property Management*, and has timely revised the *Intellectual Property Management Handbook*, *Procedural Document* and other system documents, refined 12 control procedures including the procedures for trademark management and patent control, and obtained the IPMS (Intellectual Property Management System) certificate.



IPMS certificate

## Case Improving all employees' awareness of intellectual property protection by organizing training

In order to actively improve all employees' awareness of intellectual property protection, Wuliangye organized the 2021 Intellectual Property Publicity Week themed on "comprehensively strengthening intellectual property protection and promoting the construction of a new development pattern", and offered special training on the building and operation of the intellectual property management system and brand intellectual property risk control covering technical innovation, contract management, advertising and marketing and other contents related to intellectual property for full-time and part-time intellectual property personnel in relevant functional departments, subsidiaries and workshops. It also engaged provincial and municipal intellectual property protection centers to offer special training on high-quality patent mining and patent technology document writing for R&D and technical personnel.

Meanwhile, Wuliangye played educational intellectual property videos on all its LED screens and in all its elevators, and publicized intellectual property knowledge to all employees on its legal service column in Wuliangye Family, OA knowledge platform, WeChat group, QQ group and other carriers from different perspectives, through different channels and in different forms, so as to improve the awareness of intellectual property protection.



Training on the practice of intellectual property standard implementation



## Providing innovative products based on demands

In 2021, Wuliangye, following the principle of "three characteristics and one recognition" and based on the investigation and analysis results of market demands, as well as product development strategies, focused on the development of innovative products, such as 39° Wuliangye, 1618 Wuliangye, and Wuliangye Harmony-series products, which, aiming at high end, internationalization and youth, meet customers' demands at all levels.

## Wuliangye's main brand products

In 2021, Wuliangye continued to enhance the development of two core pillar products for the high-end market, namely the 8th-generation Wuliangye and Classic Wuliangye, and has basically completed the building of the main product structure to meet the diversified demands of consumers.

### Case Meeting consumer demands by enriching the product structure

In order to meet the diversified demands of consumers, including collection and gifting, Wuliangye sold limited-edition Wuliangye Bubu Gaosheng packages, containing one 50ml product, one 100ml product, one 250ml product, one 375ml product, one 500ml product, one 750ml product and one 1,000ml product, in addition to its core product, the 8th-generation Wuliangye. Bubu Gaosheng packages symbolize promotion and prosperity, and are loved and praised by consumers.



Wuliangye Bubu Gaosheng

### Case Launching Harmony-series to pay tribute to Chinese culture

Harmony-series products are based on excellent traditional Chinese culture, integrate the history and culture, cultural customs and landmarks of different provinces, municipalities directly under the central government, autonomous regions and special administrative regions, focus on high-end consumption scenarios with regional characteristics with regional and cultural properties, as well as rareness and topicality, so as to strengthen the correlation between Wuliangye and regional markets and scenarios.



(Harmony Wuliangye) Wuhan



(Harmony Wuliangye) Macao

## NongXiang series Baijiu

In 2021, Wuliangye gathered superior design resources to develop single star products, and launched 2nd-generation Wuliang Chun (Spring) series, MingMen series, Wuliang Chun (Rich Flavor) ChunPin series, Jian zhuang 1911, Renyin Lunar Tiger Year series and popular concept series, enriching the brand product matrix and providing consumers with diversified choices.

### Case Meeting consumers' demands by upgrading Wuliang Chun (Spring)-series products

In the first half of 2021, Wuliangye upgraded Wuliang Chun (Spring)-series products to 2nd-generation Wuliang Chun (Spring)-series products in response to market changes. The package design of the products was the upgrade strategy of the 8th-generation Wuliangye with minor adjustments and updates, making no subversive changes to the overall image. All the products were included in the "one code for one bottle" traceable marketing system, and were provided with anti-counterfeiting box labels specific to the structural characteristics of the new package design.



2nd-generation Wuliang Chun (Spring)-series products



### Case // Launching the popular 2021 concept series focusing on emerging consumers

In 2021, based on the brand position of taking popular liquors as "entry luxury liquors", Wuliangye successfully launched the popular 2021 concept series and sold only 10,000 limited-edition bottles of the series to emerging consumers interested in entry luxuries in 2021 through online operation. The popular 2021 concept series paid tribute to the high-end and fashionable brand tone and exquisite lifestyle with a new productism and from the individualization perspective, meeting diversified demands of high-end consumer groups and creating the choicest sophisticated liquor in the industry.



Popular 2021 concept series

## Optimizing consumer experience by upgrading the package

In 2021, Wuliangye fully upgraded the package opening structure and design to improve consumer experience and provide consumers with better opening and tactile experience.

### Case // Improving opening experience by upgrading the package structure

While upgrading the 8th-generation Wuliangye, Wuliangye re-designed the cap structure, so that consumers can remove the outer cap with bare hands without using special tools. The inner cap in the package can still be destroyed at once, but an ergonomic opening puller is provided, so that consumers can easily remove the cap, which comprehensively improves consumer experience while meeting the demand for anti-counterfeiting.



Optimizing the opening method

### Case // Improving consumer experience in an all-around way by making innovations at the source

At the very beginning of designing Wuliang Chun (Spring) MingMen-series products, Wuliangye took full consideration of consumer experience, including opening experience and tactile experience. It adopted a non-destructive opening method for the package box of the product, and adopted integral one-off unscrewing for the cap. It also extended the handling part of opening, so that consumers can open it easier. For the box, it adopted new paper-plastic-combined technology, leather-feel-imitated materials and other new technologies and materials to further improve the tactile experience of the box.



Wuliang Chun (Spring) MingMin-series products

## Technique Inheritance

The traditional Baijiu-making techniques of Wuliangye are listed as a national intangible cultural heritage. Wuliangye always guards the honor of "Time-honored Brand of China". In producing its products, Wuliangye follows the "nature-oriented, time-honored, inherited and developed, craftsmanship-embedded and skillful" traditional techniques and adheres to the ancient motto of "excellent materials, proper timing, in-place work and find method", so that the traditional distillation techniques of Wuliangye can be passed down from generation to generation.

## Sticking to inheritance for ancient and modern strong-flavor liquors

Adhering to the modern production philosophy of "high quality, high yield, low consumption, balance and safety", Wuliangye summarizes and extracts its techniques characterized by "five-grain formula, Baobaoqu block, circular fermentation, solid-state vinasse renewal, mud pit fermentation, level-based vinasse removal, mixed steaming and boiling, level-based vinasse input, quality-based liquor selection, quality-based blending, grade-based storage and carefully blending" and the four-word essence, namely "distillation, selection, rest and blending", of its traditional distillation techniques. Oral tutoring and passing on from generation to generation give birth to Wuliangye's style of "long-lasting aroma, rich flavor, and well-balanced and clear taste".



## Technique characteristics

### 1. Five-grain formulas

36% of sorghum, 22% of rice, 18% of glutinous rice, 16% of wheat and 8% of corn.

### 2. Baobaoqu block

Wuliangye has prepared Baobaoqu, a fermentation starter, with good quality wheat under medium to high temperature. Baobaoqu is seen as a remarkable achievement in artificial cultivation due to its bulge-shaped appearance.

### 3. Circular fermentation

Vinasse is taken out of one pit and put into the pit next to it or the alternate pit for next fermentation after leveling, so that vinasse of different nutritional compositions and structures can flow and circulate between different pits, which balances and enhances the fermentation levels of all operating pits.

### 6. Level-based vinasse removal

Vinasse is removed from different levels, including top, upper, medium, lower and double-round bottom, based on their sensorial characteristics, so as to ensure that vinasse of different fermentation features will not be homogenized unexpectedly.

### 5. Mud pit fermentation

Mud pits are used as the fermentation equipment. With the national treasure fermentation pit dated back to the start of the Ming Dynasty, the largest ancient fermentation pit group of the industry, Wuliangye continues live-state distillation till today, enabling the benign iterative evolution of "cultivating pits with vinasse and cultivating vinasse with pits", which endows the strong old pit flavor of Wuliangye that is classic and elegant.

### 4. Solid-state vinasse renewal

New raw and auxiliary materials are added to fermented vinasse at a reasonable proportion to ensure appropriate physical contents and nutritional compositions of the materials of the next round, so as to ensure a reasonable and controllable fermentation process.

### 7. Mixed steaming and boiling

It is not only the gelatinization process of the newly added raw materials for distillation but also the separation and concentration process of alcohol and flavor substances in fermented vinasse, which emphasizes the retention of the unique characteristics of vinasse of different levels.

### 8. Level-based vinasse input

Wuliangye puts vinasse into different levels of the same fermentation pit in accordance with the methods and structures of vinasse-based ingredient making, as well as operation control.

### 9. Quality-based liquor selection

Subtle color, aroma and flavor differences of liquor in different parts inside the pit are distinguished through observation, smelling, and tasting, and unblended liquor is selected based on quality and location. Liquor on the very top and bottom will be discarded.

### 12. Careful blending

Wuliangye first creates the blending technique of "blending liquors with liquors" and mixes and flavors different basic liquors from the aspects of vision, smell and taste, so as to ensure and stabilize Wuliangye's style of "rich and well-balanced flavor".

### 11. Level-based storage

Unblended liquor is separately stored in different zones in line with its grade determined, so that it can mature in a natural way to make it easier for later blending.

### 10. Quality-based blending

As per principles "like dissolves like" and harmony principles, Wuliangye calculates how to mix unblended liquor in order to create a good taste and typical style that almost or already reaches quality standards.

Representative inheritors of the representative projects of Wuliangye's traditional distillation techniques declared in 2021: Zhao Dong and Fan Guoqiong were recognized as representative inheritors of provincial intangible cultural heritage; Liu Ming, Li Xi and Shi Degang were recognized as representative inheritors of municipal intangible cultural heritage; Fu Gangyuan, Chenqiao, Zhangjie and other four were recognized as representative inheritors of district intangible cultural heritage.



## Exploring perfect techniques with craftsmanship

Wuliangye always sticks to traditional techniques, continuously improves the recognition of cultural identity of producers, has formulated relevant standards and policies, cultivates core skills of "vinasse-based ingredient making", "distillation of grains in retorts", "quality-based liquor selection" and "quality-based blending", follows the apprenticeship model in daily work, and keeps exploring and carrying forward its perfect techniques in inheritance.

### Skill-passing-on methods

#### Building the "Craftsmen Incubator" platform

Wuliangye established the "Craftsmen Incubator" named after craftsmen and gave full play to the role of "Craftsmen Incubator" skill leaders as "leading wild geese".

#### Implementing the "Young Employee Cultivation" apprenticeship program

Wuliangye implemented the "one-to-one" apprenticeship model to require excellent skill group leaders to sign apprenticeship agreements with young employees for paired-tutoring. Tutors teach apprentices skills to inherit traditional techniques.

### Case // Inheriting traditional distillation techniques and improving employees' skills

In order to promote high-quality development of traditional distillation techniques while inheriting the techniques and making innovations, Wuliangye intensified the targeted training on production process operation, production site management and distillation tasting and evaluation skills for production management personnel and team leaders in all workshops based on its actual situation and routine training, for example, training on vinasse-based ingredient making, unblended liquor quality evaluation, distillation of grains in retorts, liquor selection and blending, Qu-preparation management and Daqu quality evaluation. The training was mainly in the form of on-site practice training, with point-to-point on-site demonstration. Employees attending the training had their professional skills improved through on-site training, visiting, comparison of physicals and on-site communication.



Qu-preparation under medium to high temperature (Shaping, bacterium culture) skill competition



Vinasse-based ingredient making skill competition



Distillation of grains in retorts skill competition



5th Municipal Unblended liquor tasting and evaluation skill competition



# Quality Control

Wuliangye always implements the quality concept that quality is life and every drop of liquor must be made out of dedication and follows the quality-first principle that allows only the best grains to be used, upholds century-old craftsmanship and pursues optimal liquor production. In 2021, Wuliangye achieved the work objectives of 100% ex-factory pass rate of products, 100% product qualification rate in national, provincial, municipal and third-party supervisory sampling inspections, and 0 food safety accidents.

## Strengthening mechanisms and upgrading the management system

Wuliangye strictly abode by the *Food Safety Law*, *Product Quality Law* and other national and local laws and regulations related to food quality and safety, established the whole-process management policies covering food quality and safety, including the *Regulations on Food Quality and Safety Management*, *Regulations on Finished Liquor Quality Management* and *Regulations on Packaging Material Quality Management*, and a good quality management system including 34 procedural documents, 20 prerequisite programs and the HACCP plan.

### Quality management system

Implementing management objectives

At the beginning of the year, Wuliangye distributed the work objectives for food quality and safety, signed food quality and safety responsibility letters with relevant units, and required every employee to assume respective responsibilities, so as to ensure the thorough fulfillment of respective duties.

Internal quality control

In accordance with the *Food Safety Self-inspection Policy*, Wuliangye organized regular tour visits and inspections over all units to implement the self-inspection duty of each unit. It formulated and strictly implemented quality control measures, and carried out blind sample assessments and standard sample assessments by the five assaying categories, covering almost all assaying items from raw materials to semi-finished goods and to finished goods.

Problem summary and improvement

Problems identified in quality supervision and inspections and results achieved were summarized and analyzed systematically, and submitted in the form of brief reports or special reports. For new products, packaging materials, packaging production process control and after-sales product quality feedback, special quality analysis meetings were held to identify the causes of problems, find out crucial reasons, and propose preventive measures.

Management of measuring instruments

In 2021, 18,635 measuring instruments were inspected/calibrated and 3,258 certificates were issued. All measuring instruments were timely sent for inspection as entrusted by requesting units, and the 100% weekly inspection rate was maintained. Besides, measuring instruments were managed more strictly, and the warehousing of new measuring instruments was strictly controlled, with 100% inspection rate of newly purchased measuring instruments.

### Case Establishing the Technical Committee on Standardization to standardize quality control standards

In January 2021, Wuliangye established the Technical Committee on Standardization and its Office. In the committee, the Secretary of Party Committee acted as the Director, Chairman as the Deputy Director, Deputy General Manager as the Secretary-General, and heads of the design department, production department, quality department, technical research department and testing department as the members. The Office of the Technical Committee on Standardization was managed by the Quality Management Department, with the Deputy General Manager as the Director, the head of the Quality Management Department as the Deputy Director, and personnel engaging in quality, production, design, testing and technical research as the members. Moreover, Wuliangye formulated the *Regulations on Formulation and Revision of Technical Standards* to standardize its work procedures for formulation and revision of technical standards, so as to ensure the applicability and operability of its quality control standards.

In 2021, Wuliangye obtained quality and food HACCP management system certificate and manufacturer's certificate from the China Quality Mark Certification Group Sichuan Co., Ltd., and also passed the measurement management system annual inspection conducted by China Certificate Center for Metrology and Measurement.



## Strict food safety control

Wuliangye added indicators for plasticizers, bisphenol A, solids, heavy metals and food safety stricter than international limits to the testing process of raw and auxiliary materials, unblended liquor, outgoing liquor, packaging materials, semi-finished goods and finished goods to ensure product quality with process quality. Besides, Wuliangye strictly controlled the food quality and safety of outgoing liquor, ensured that outgoing products of the same batch not only meet domestic standards but also meet the standards of any country or region it exported the products to, so that it realized the same lines, same standards and same quality of products in domestic and foreign markets.

### Quality control procedures

**Strengthening the quality and safety supervision of production water**  
 Quality safety supervision

**Strengthening the quality supervision and management of raw and auxiliary materials**  
 Quality control

**Strengthening the preventive management of the production process of products**  
 process management

- Conducted random sampling inspections over the acceptance and storage management of water-involving products, implementation of routine water quality monitoring of workshop and food safety prevention to identify problems in time and urge remediation;
- Extracted outgoing water, water at the end of the pipe network and slurry water and entrusted an external party to inspect them. All inspection results met the standards.

- Built the 1 million-mu base especially for grains, established the product whole-life-cycle quality system from seed to liquor, realizing 100% pre-inspection, traceability and controllability of unprocessed grains.
- Carried out occasional sampling assessments and fixed on-site supervisory inspections over major workshops of raw and auxiliary materials acceptance to intensify sampling inspections of heavy metals and storage quality of grains.

- Tested and analyzed each batch of liquor;
- Tested the hygienic indicators of packaging materials in direct contact with liquor;
- Carried out special inspections of the package production line;
- Inspected the quality of incoming finished liquor.



Special meetings on quality analysis



Quality-related training

**Case** Improving the awareness and capabilities of quality control by carrying out the quality month activity

In September 2021, Wuliangye carried out the quality month activity themed on "taking in-depth quality improvement actions to vigorously promote building a powerful country with quality". In the activity, Wuliangye participated in the overall arrangement of the provincial and municipal quality month activities, and sent experts to liquor enterprises in Chengdu to offer special training on improvement.

All departments, based on their actual situation, promoted and organized activities related to the quality month to convey quality management knowledge and quality laws, regulations and standards to employees, guide employees to improve quality awareness through WeChat, SMS, QQ, internal network system, blackboard posters, meetings, LED screens and other media. Through position skill competitions, position drills and knowledge contests, employees' quality awareness, quality skills and operational skills were generally improved, and a good atmosphere of full participation and highlighting quality was created.



Product packaging quality competition

**Case** Studying risk assessment methods and refining the safety risk control mechanism

In order to guarantee food safety, Wuliangye carried out the *Research and Application of Methods on Evaluating Exogenous Food Safety Risks in Liquor Production*, in which it fully assessed the possible risk factors in production and transportation of raw and auxiliary distillation materials and sales of finished liquor during the shelf life, and put forward corresponding solutions, forming a systematic risk assessment plan for the production of Baijiu. It also formulated the corresponding food safety standards to fill the gap in the field of risk control in distillation in the Baijiu industry. In 2020, Wuliangye was awarded the second prize for scientific and technological integration of the Chinese light industry.

Based on the results of the study, Wuliangye developed and refined a set of risk assessment and identification methods, formulated the food safety risk assessment procedure, carried out a general and comprehensive inspection over the potential safety hazards in liquor-related production of raw and auxiliary distillation materials and stainless steel products, plastic products and ceramic pots (ceramics) in contact with liquor during production (e.g., migrations, pesticide residues, mycotoxins and antibiotics), and took the lead in establishing the product whole-life-cycle quality system from seed to liquor, realizing 100% pre-inspection, traceability and controllability of all production processes and fully guaranteeing the food safety of products.

**Case** Implementing the standardized quality management model for packaging materials in contact with liquor to ensure the safety of packaging materials

In 2021, on the basis of the results of the *Control on Baijiu Liquor Exposed to Hazardous Substances of Process Material* project, Wuliangye, starting with packaging materials in contact with liquor and by establishing a strict quality control system for materials in contact with liquor and formulating quality testing methods and standards for glass, ceramic and plastic packaging materials in contact with liquor, systematically implemented the standardized quality management model for packaging materials in contact with liquor, thus strictly preventing Baijiu products from quality problems due to the introduction of hazardous substances, such as exogenous heavy metals, phthalate esters and bisphenols, effectively guaranteeing the product quality of all packaging materials in contact with liquor during Baijiu production and ensuring no product quality problems in municipal, provincial and national sampling inspections of Wuliangye's Baijiu products.

In 2021,

**100%** ex-factory pass rate of products.

**100%** product qualification rate in national, provincial, municipal and third-party supervisory sampling inspections.

0 food safety accidents.

Won the "National Quality Award" issued by the China Association for Quality.





## Intelligent upgrading to ensure quality improvement

In 2021, Wuliangye gave full play to its strengths as a leading enterprise and promoted the construction of the intelligent packaging workshop and the liquor blending and storage warehouse, guaranteeing both capacity and quality improvement.

### The infrastructure project to guarantee quality improvement



**Automatic storage and milling of unprocessed grains**

- A new silo, milling workshop, work tower and ancillary facilities will be built in the project;
- After completion, the project can realize the storage capacity of 48,000 tons of unprocessed grains and the production capacity of 600,000 tons of milled powder, which will benefit the stable supply of high-quality unprocessed grains, make intelligent grain storage and milling available, optimize the production environment and improve the production efficiency.



**Distillation base Expansion**

- The production capacity of solid unblended liquor will be increased by 100,000 tons to further meet the market demand for high-end high-quality Baijiu;
- Five new liquor production workshops will be built in one of the project stages, which, after completion, will produce about 20,000 tons of high-quality unblended liquor per year, thus facilitating the continuous improvement of production capacity of high-quality unblended liquor and enhancement of Wuliangye's core competitiveness.



**Base liquor storage capacity Increase**

- 14 new half-open liquor storehouses will be built;
- After completion, the blending and storage capacity of unblended liquor will be increased by 360,000 tons, which will benefit the expansion of the storage capacity of base liquor, quality guaranteeing of liquor to be packaged, stabilization of high-quality base liquor and supply of liquor to be packaged and will make available intelligent base liquor storage, blending and transport.



**Packaging and storage intelligent distribution**

- A new intelligent packaging workshop, intelligent 3D warehouse, storehouse for liquor to be packaged and storehouse for packaging materials will be built;
- The project has two stages. After completion, the annual packaging capacity will be about 210,000 tons, the annual finished liquor storage capacity will be 36,000 tons and the daily shipment capacity will be 1,500 tons, which will facilitate the quality guaranteeing and supply stability of finished liquor, as well as improvement of production efficiency, and will make finished liquor packaging and storage automated and intelligent.

### Case Traceable distillation to guard distillation quality with big data

In 2021, the grain base of Wuliangye in Yibin covered a total area of over 510,000 mu. For 100% pre-inspection, traceability and controllability of unprocessed grains, Wuliangye built the distillation grain base traceability management system from five perspectives of remote sensing analysis, precision meteorology, standard planting, field management and plot management, and added "e-identity" quality control labels to the grains produced in the base, so as to track, regularly or from time to time, the whole process from seed selection and cultivation and scientific planting to field management and collection and transportation, which effectively prevented unqualified planting and grains of poor quality from entering the distillation process.



Intelligent agriculture display platform of Wuliangye's grain base

### Case Managing sample liquor scientifically and refining the product traceability system

In order to respond to the state's call for building the national Baijiu quality and safety traceability system, Wuliangye exerted efforts in management standard formulation, information-based system building and hardware facility improvement, and built the product traceability system centering on the management of sample liquor. Wuliangye realized scientific sample liquor management by giving each bottle of sample liquor a unique sample information code and location code, rapidly connecting such location code and information code with a PDA and timely uploading them to the information management system. Since the 1980s, Wuliangye has extracted and retained nearly 200,000 bottles of liquor samples that serve its product authentication, quality management, product development, after-sales handling, information traceability, standard formulation and quality improvement.



Sample liquor storage





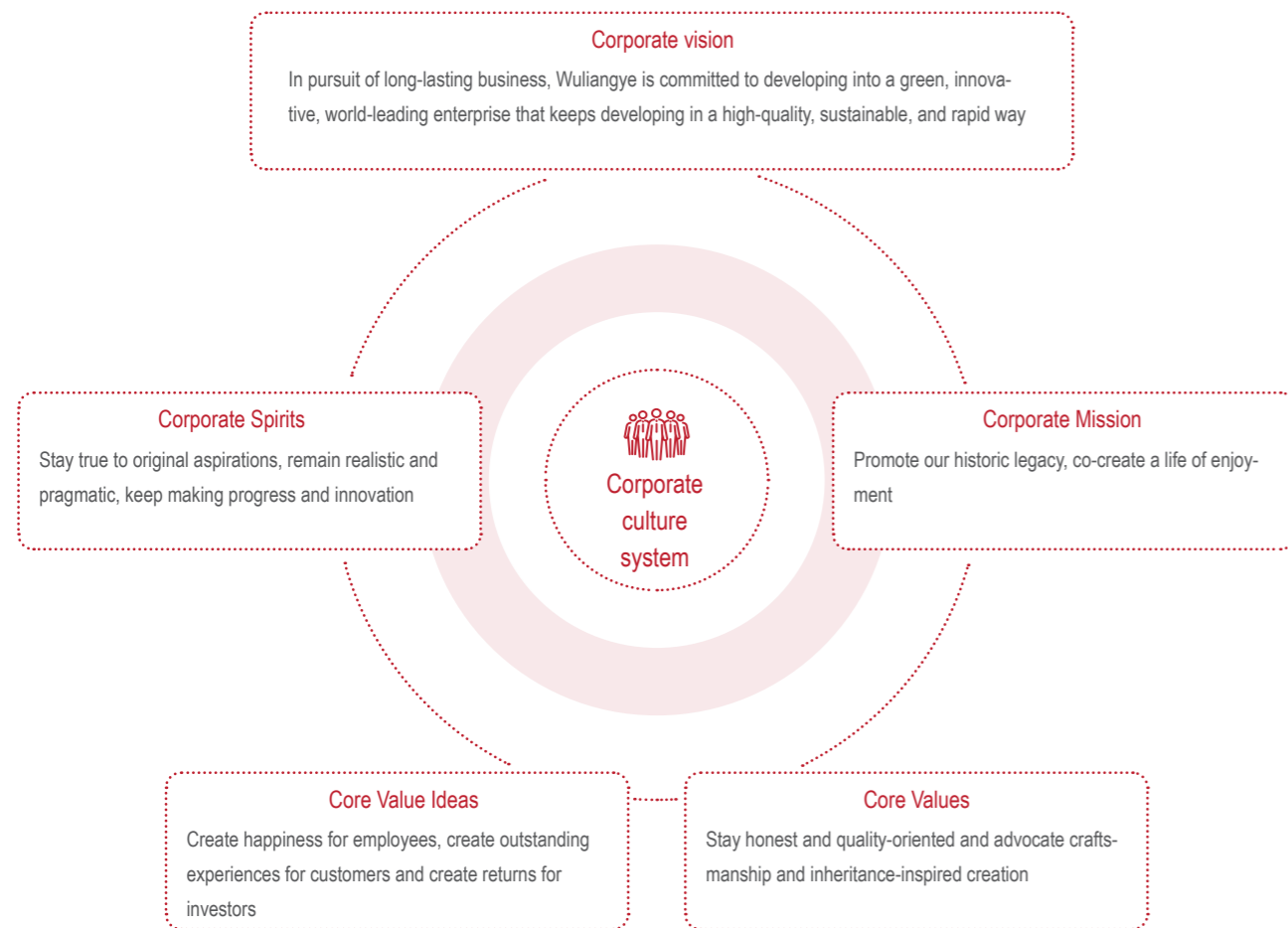
# Culture Promotion

As a unique cultural symbol and spiritual totem of China, Baijiu plays the role of a messenger of cultural communication between the East and the West. By guarding cultural heritage and carrying forward the Baijiu culture, Wuliangye undertakes the responsibility for exporting excellent traditional Chinese culture and Baijiu culture to the world.

## Cultural cultivation to enrich the brand connotation

Wuliangye actively practices the culture-based development strategy, continuously refines its corporate culture system, continuously promotes the development of brand culture from three aspects of cultural inheritance, cultural communication and cultural protection, and supports the creative transformation and innovative development of excellent Chinese liquor culture.

### Corporate culture system



## Three major directions for corporate culture development in 2021

Cultural studies	Cultural communication	Cultural protection
<ul style="list-style-type: none"> <li>· Implement the "Exploring Wuliangye's Historic Values" project</li> <li>· Continuously promote the studies on culture</li> <li>· Streamline and establish the cultural system</li> </ul>	<ul style="list-style-type: none"> <li>· Deeply tap into the brand culture</li> <li>· Strengthen the construction of the cultural front</li> <li>· Organize the publication of Wuliangye's brand culture books</li> </ul>	<ul style="list-style-type: none"> <li>· Efficiently promote cultural relics protection</li> <li>· Coordinate all parties to apply for the inclusion of Baijiu in the world heritage list</li> <li>· Enhance the echelon building of intangible heritage inheritors</li> </ul>

### Case // Hold the special expert lecture on Wuliangye culture to deeply tap into the brand culture

On 27 September 2021, Professor Li Houqiang, a well-known economist and academic leader, was invited to hold a special lecture on *Wuliangye culture*. He systematically expounded on the academic foundation and rich connotation of Wuliangye culture, explained in detail the core essence and value of times of Wuliangye culture, and discussed with representatives attending the lecture the epochal character, guiding significance in practice and innovative communication of Wuliangye culture.



The special lecture on Wuliangye culture



Prof. Li Houqiang delivered a keynote speech

## Carry forward the liquor history and guard the cultural heritage

In 2021, Wuliangye carried forward and guarded the cultural heritage. Internally, it accelerated the revision of the *Wuliangye Ancient Fermentation Pit Site's Protection Plan*, and applied for the inclusion in the *2022 List of Major Historical and Cultural Sites Protected at the National Level*. Externally, it signed the *Consensus on Jointly Applying for the Inclusion of Chinese Baijiu in the World Heritage List*.



### Implementing the "Exploring Wuliangye's Historic Values" project

In 2021, Wuliangye releases the results of the "Exploring Wuliangye's Historic Values" project. It laid a solid foundation for Wuliangye's future protection of major cultural relics and promotion of traditional culture.

#### Results of the "Exploring Wuliangye's Historic Values" project

- 01 · Trace back the production and living time of the urban area of Yibin City back to the early and middle Shang Dynasty; · Find a cultural accumulation layer about 3,500 years ago in Zhangwanhe Workshop Area of Wuliangye through the investigation and analysis of the soil samples of the cultural layer.
- 02 · Enrich the physical materials of the development history of Yibin City since the Han Dynasty; · Wuliangye discovered the city wall of the Ming Dynasty, storefront buildings of the Qing Dynasty, large municipal drainage facilities of the Ming and Qing dynasties and other relics, which is conducive to enriching and improving the development history of Yibin City.
- 03 · Wuliangye dated back the distillation technology based on crypt-type fermentation pits its upper history limit to the Yuan Dynasty; · Wuliangye provided evidence for the historical age of Yibin's multi-grain Daqu distillation technology characterized by crypt-type fermentation pits and Wuliangye's ancient pit groups dating back to the Yuan Dynasty, providing clues for tracing the history of Baijiu making in Yibin and even in South China.



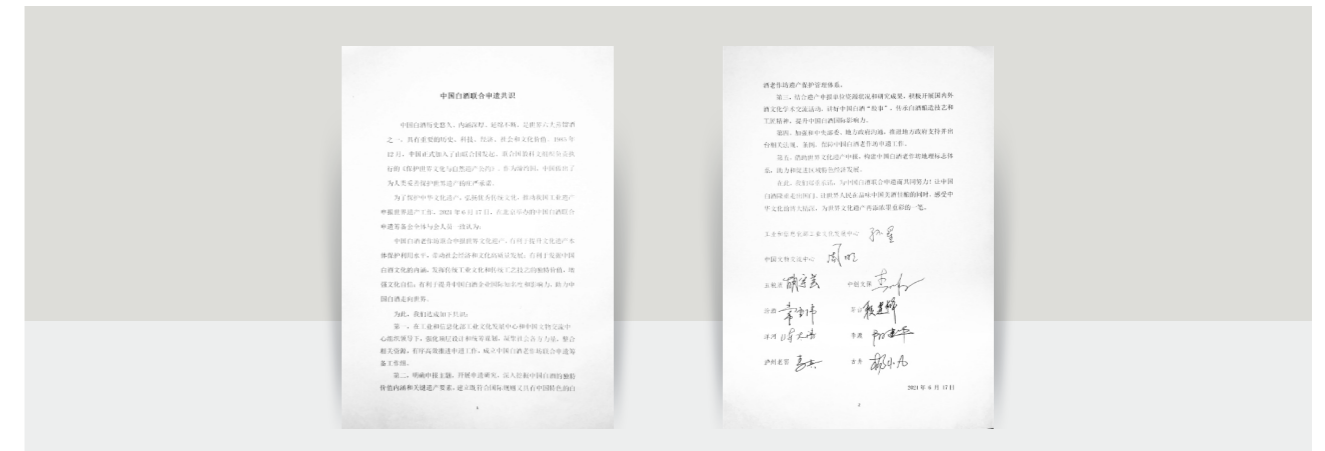
Press conference to release the results of the "Exploring Wuliangye's Historic Values" project

### Advancing the application of Baijiu for inclusion in the world heritage list

Wuliangye actively advanced the joint application of Chinese Baijiu for inclusion in the world heritage list. In 2021, it signed the Cooperation Framework Agreement on Jointly Application for the Inclusion of Chinese Baijiu in the World Heritage List Raised by Time-honored Chinese Baijiu Workshops, contributing to the promotion of Baijiu culture around the world.

### Progress in applying for the inclusion of Baijiu in the world heritage list

- June Wuliangye participated in the preparatory meeting for the application for the inclusion of Baijiu in the world heritage list, reached five consensuses, and signed the *Consensus on Jointly Applying for the Inclusion of Chinese Baijiu in the World Heritage List*.
- October The Industrial Culture Development Center of MIIT led a visit to Wuliangye to study the joint application, and reached a consensus on the background significance, policy support, strategies and work arrangements for the next step of the application.



Consensus on Jointly Applying for the Inclusion of Chinese Baijiu in the World Heritage List

### Protecting the cultural heritage

In order to strengthen the protection of Wuliangye's ancient fermentation pit site and other precious cultural relics, Wuliangye revised the *Wuliangye Ancient Fermentation Pit Site's Protection Plan* in 2021, assessed the safety of Changfasheng and Lichuangyong ancient pits and auxiliary buildings, and wrote the safety assessment and identification report.



Safety Assessment and Identification Report on Changfasheng Ancient Fermentation Pit and Auxiliary Buildings

Safety Assessment and Identification Report on Lichuangyong Ancient Fermentation Pit and Auxiliary Buildings



## Promoting Baijiu culture all around the world

Chinese Baijiu culture is an important part of excellent traditional Chinese culture. By virtue of China's "Belt and Road Initiative" and the "Going Global Together" strategy of the provincial Party Committee and government of Sichuan for Sichuan dishes and Sichuan liquor, Wuliangye seized the opportunity and actively built strategic alliances with well-known overseas enterprises to promote Chinese Baijiu culture around the world.

### The overseas cultural communication system

#### Offline exchanges

- Overseas exhibitions: Wuliangye held tasting events in the UK, Russia, Georgia, Japan and other countries, and invited local political and business celebrities to taste its liquor together.
- Exchanges with representatives in China: In 2021, the Consul General of Germany and the Consul General of The Republic of Korea in Chengdu visited and had exchanges with Wuliangye, and Wuliangye participated in the event to celebrate the 26th anniversary of the establishment of the sister-province relation between Sichuan Province and Brussels-Capital Region, as well as the 2021 National Day Reception of the People's Government of Sichuan Province.
- Foreign-related activities: Wuliangye participated in the China session of the 2021 "International Tea Day" event.

#### Improving online communication

- In May 2021, Wuliangye opened the "Wuliangye International" official WeChat account to promote Wuliangye's brand culture and activities and exhibitions to dealers and fans at home and abroad, and has published a number of articles on Wuliangye's history and culture till now.
- In September 2021, Wuliangye completed its overseas social media matrix (covering three major international social media platforms as Facebook, Twitter and Instagram) and put it into operation.

#### Establishing the communication platform

- Establishing Wuliangye restaurants: Wuliangye opened Tokyo Wuliangye Restaurant and Hong Kong Wuliangye Restaurant, and is orderly advancing the preparation works for South Korea Wuliangye Restaurant, Milan Tasting Center in Italy and Dusseldorf Tasting Center in Germany, which will form the platform to promote Wuliangye and Chinese Baijiu culture.
- Enhancing international cooperation in marketing: Wuliangye reached a strategic cooperation with Pernod Ricard, and marketed products together in Thailand, Singapore and Malaysia.

#### Ensuring smooth communication

- As at the end of 2021, Wuliangye has obtained registration protection in 88 countries and regions including the United States, the European Union and South Korea, and has 469 international registered trademarks.
- It has also established a multi-dimensional monitoring, defending and protection system to actively and dynamically monitor the trademark registration of its core brand "Wuliangye" at home and abroad and accurately identify infringement, so that it can take the initiative to protect its rights in accordance with the law.

### Case Holding the 25th Liquor Sage Ceremony to honor excellent traditional Chinese culture

In December 2021, Wuliangye held its 25th Liquor Sage Ceremony in Mount Jiusheng, which was themed on "inheriting the liquor history and culture and unfolding the new chapter of harmony". The ceremony worshiped the heaven and earth and the Liquor Sage, and included a liquor initiation part and group worship part. Through gun salute, music and dance worship, incense burning with clean hands, offering the holy five grain articles, three tributes and other solemn ceremonies, Wuliangye expressed its reverence for craftsmanship and pursuit of the ultimate craftsmanship inherited from generation to generation and showed its inheritance and integration of Chinese liquor culture and Wuliangye culture.



The 25th Liquor Sage Ceremony

### Case Performing the world's excellence in Boao Forum

In April 2021, Wuliangye, as an honorary strategic partner and working with Boao Forum for Asia, presented itself at the welcome dinner for forum members and partners and the diplomatic envoy dinner, and participated in important events such as the opening ceremony of the annual conference of the forum and parallel sessions. It gave full play to its responsibility and role as a strategic partner, promoted mutual respect and mutual learning between Chinese and foreign cultures, and supported forum participants to gather Boao views and form Boao solutions, making contributions to boosting global economic recovery, improving global governance and advancing global cooperations and illustrating the new pattern of Chinese Baijiu brands and enterprises going global.



Opening ceremony of the 2021 annual conference of Boao Forum for Asia



Welcome dinner for diplomatic envoys

### Case Present the charm of Chinese Baijiu at the World Expo

Dubai World Expo 2020 (hereinafter referred to as the "World Expo") kicked off on 1 October 2021, and the "Light of China" China Hall was officially opened on the same day. As an official partner and designated liquor of China Hall at the World Expo, Wuliangye made a wonderful appearance together with China Hall, deepening cooperation with the World Expo and contributing the strong-flavor harmonious power of China to the harmonious development of the world with Baijiu as the medium.

# 04 Environment

## Preservation of Rivers in Their Natural State through Ancient and Modern Cultivation

Wuliangye is a fine Chinese Baijiu liquor that is derived from the earth. Blessed by nature, Wuliangye has always cherished its green aspirations and is the first to propose the idea of building a "Zero-carbon Liquor Enterprise". It creates environmentally friendly ecological wetlands, and builds spatial patterns and production methods that are resource-efficient and environment-friendly, in an effort to pursue a green, environmentally friendly, low-carbon and sustainable development path and bring good liquor back to good mountains, good water and good rivers, thereby establishing itself as a devoted liquor enterprise with a balance of five elements and a return of five senses to truth.

- Environmental Management
- Zero-carbon Liquor Enterprise
- Ecological Conservation
- Green Logistics



## Environmental Management

The Company places great emphasis on environmental protection management, and under the guidance of green development, builds an energy, environment and greenhouse gas management system that operates efficiently. It also continues to improve its management system and actively carries out training, emergency drills, daily inspections and other environmental protection practices with a view to achieving the harmonious development of corporate value and ecological value.



Environmental management system was certified by China Quality Certification Center

A total of **16** environmental training sessions were organized in 2021, reaching more than **30,000** people.  
It is the first company in the industry honored as the "Green Design Demonstration Enterprise for Industrial Products" by the Ministry of Industry and Information Technology of China.

It has been awarded the title of "Environmental Integrity Enterprise" in Sichuan Province for **five** straight years.  
It was granted the Enterprise of Outstanding Contribution to Environmental Protection in 2021.



### Case // Coordinating different levels of the Company to solidify the cornerstone of ecological conservation

To advance environmental management in an orderly manner, the Company held seven meetings of the Environmental Management Committee and 17 special meetings on environmental protection during the Reporting Period. Additionally, the leaders led more than 90 on-site work sessions and dedicated themselves to creating a more complete environmental management system throughout the Company.

- Top-level design:** With the "low-carbon circular, ecological benchmark" policy as the guideline, the Company set up a leadership group headed by the Secretary of Party Committee and Chairman of the Board, and formulated the *Ecological and Environmental Protection Work Plan* and other policy documents to provide guidance for the orderly implementation of environmental protection work.
- Grassroots promotion:** A total of 17 key remediation tasks were identified, and 14 people from grassroots units were assigned to engage in environmental monitoring and on-site supervision to ensure the implementation of the remediation work. To date, the remediation tasks have been fully completed.
- Philosophy publicity and implementation:** To further transmit the concept of ecological civilization, the Company produced five large outdoor environmental protection posters, compiled and made more than 30 theme display boards, and repeatedly played environmental protection information and ecological civilization slogans on electronic display screens to urge all employees to keep in mind the importance of ecological conservation.

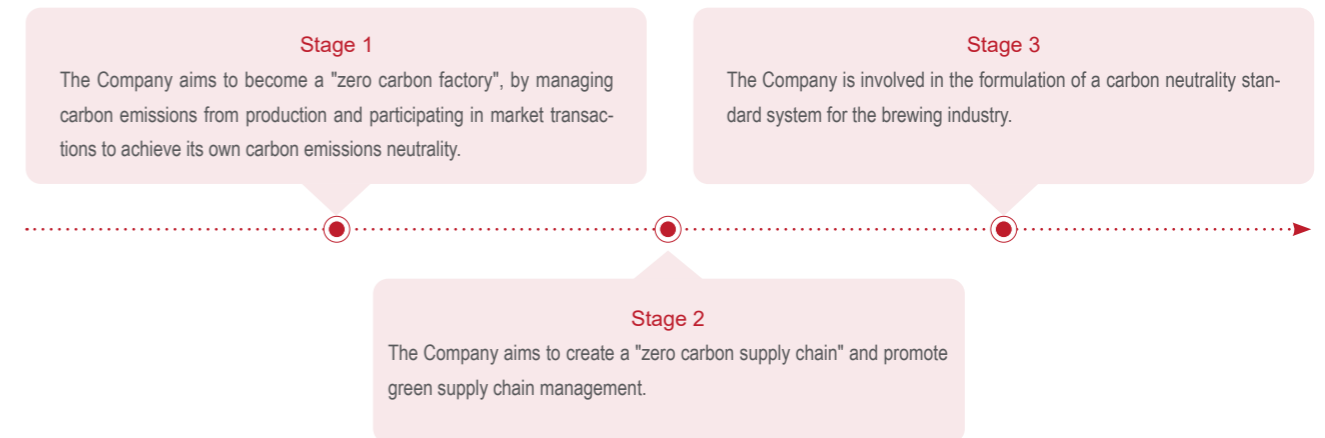
## Zero-carbon Liquor Enterprise

Adhering to the national target of "carbon emission peak and carbon neutrality", the Company is the first to put forward the vision of "Zero-carbon Liquor Enterprise". It takes active steps to explore low-carbon solutions, and fully promotes green and low-carbon energy, aiming to be the pioneer of "carbon neutrality" culture in China's brewing industry.

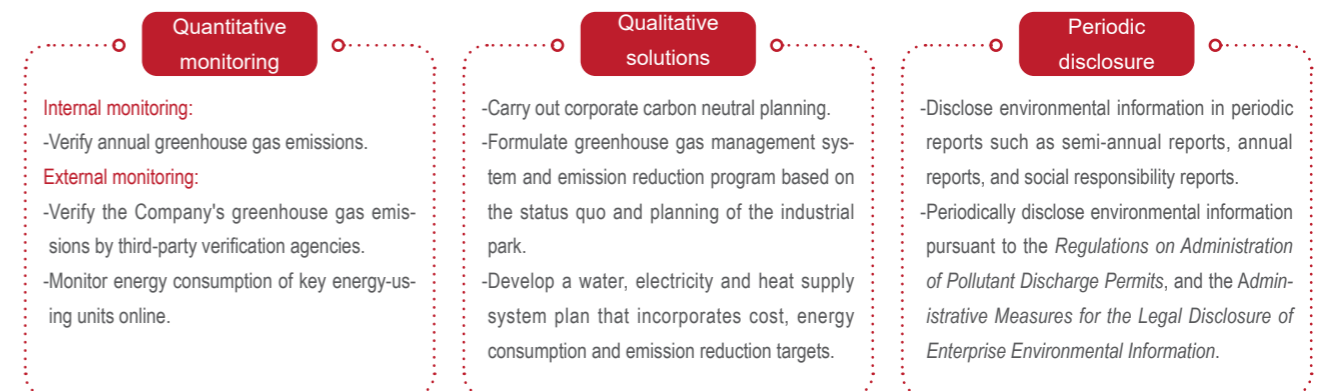
### Establishing a safeguard mechanism to explore smart zero carbon

To advance the work of zero carbon in an orderly manner, the Company has established a carbon emission management mechanism consisting of "quantitative monitoring - qualitative plan - regular disclosure" to create a comprehensive and intelligent carbon emission management system. In the formulation of the standard, the Company actively solicited the opinions of stakeholders and experts, and put in place an incentive system to encourage employees to jointly explore the plan of building a "Zero-carbon Liquor Enterprise".

### Three stages of creating a "Zero-carbon Liquor Enterprise"



### Work mechanism for carbon emission control





Greenhouse gas verification statement

Case Putting our heads together to contribute to low-carbon development

To boost the motivation of all employees in putting forward reasonable suggestions to the Company, the Company has implemented the *Implementation Rules on Awarding Minor Innovations and Progresses*, and encouraged employees to propose new ideas on existing production equipment, production techniques, management methods with respect to improving the level of resource utilization and reducing pollution emissions through the activity of "Golden Ideas" for energy conservation and emission reduction, with a view to providing new approaches to the Company's target of zero carbon. Four award levels and amounts were established for the Achievement Award to motivate employees to provide input and contribute to the creation of a green future.

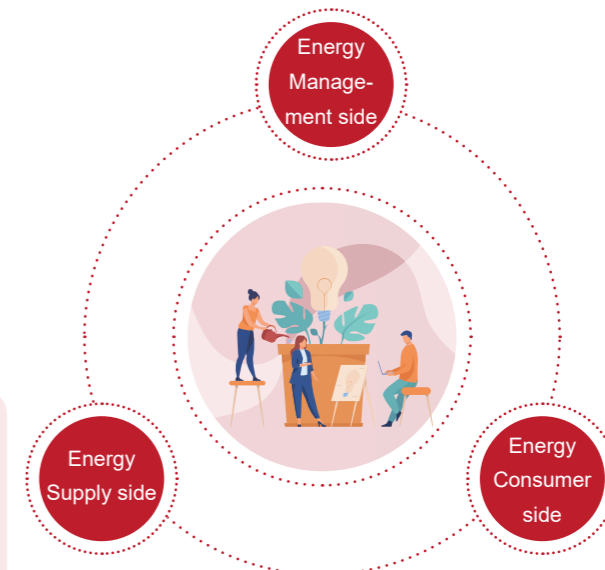
Embracing a green future powered by energy

The Company constantly improves the energy management system, actively develops a new energy structure, and properly performs energy consumption data monitoring and disclosure to achieve omni-port control and omni-channel management.

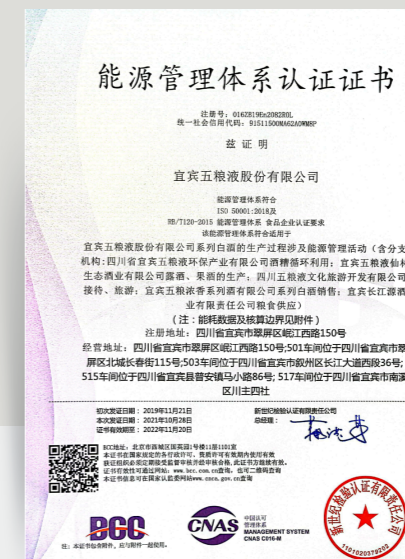
Energy & environmental protection strategy

Fully implement digitalization and create a digital application scenario of "integrated intelligent energy + carbon neutrality + blockchain".

Fully launch green energy supply, covering distillers grains biomass cogeneration and biogas power generation, with the aim of achieving renewable energy for electricity and heat.



Fully push forward the electric energy substitution and energy efficiency improvement projects, and ensure the comprehensive energy consumption indicators reach the industry leading level.



Energy Management System Certification



**Case** Online monitoring of energy consumption is introduced to facilitate government energy planning

In response to government calls, the Company has strengthened daily energy monitoring and management, and conducted energy audits, energy efficiency benchmarking and energy measurement reviews. Additionally, it has completed the access terminal building of the online energy consumption monitoring system during the Reporting Period, which transmitted energy and environmental protection data from the enterprise-end equipment to the higher-level system, thus facilitating the government to conduct energy macro analysis and strategic planning work, and also providing data support for enterprises to further explore the scope of potential energy saving.

**Case** Digital technology is further integrated with business scenarios to create a "Zero-carbon Liquor Enterprise" with green and low-carbon efforts

The Company has promoted the integration of technologies such as applied 5G, artificial intelligence and edge computing with business scenarios through strategic cooperation with third parties, and continued to build Wuliangye smart stores. Wuliangye Smart Store Project (Phase I) has already been up and running and continued to be updated to improve user experience. Phase II will focus on data governance and business control capability improvement, deeply integrate business flows of data and marketing system, so as to upgrade procedures with data, enhance efficiency with procedures, promote innovation with procedures, thus enabling business to be visualized. Meanwhile, focusing on the target of "carbon emission peak and carbon neutrality", the Company will build a platform for monitoring intelligent energy and environmental protection to achieve comprehensive testing and analysis of the Company's energy and environmental protection data, thereby continuously promoting green and low-carbon governance and sustainable development.

**Case** Biogas power generation is implemented to turn waste into treasure

To better tackle biogas, the Company converted the pollutant biogas generated by anaerobic fermentation at each wastewater station into electricity through gas-fired generator sets, and comprehensively utilized biogas from Wuliangye wastewater treatment stations to generate approximately 8.2 million kWh of electricity in 2021, resulting in a reduction of CO2 emissions by approximately 4,300 tons. The biogas power generation project has achieved the comprehensive utilization of combustible organic pollutants and promoted the use of clean energy while treating wastewater, which contributes to the Company's energy structure transformation.

## Ecological Conservation

Baijiu making has a natural dependence on the regional resources and natural ecological environment of the region, and is subject to extremely strict requirements. In the view of Wuliangye people, "protecting the ecology at all costs and with all efforts" is the foundation for the Company to achieve one glory after another, and is also the premise for the sustainable development of the Company. During the Reporting Period, the Company strictly complied with the emission regulations, ensured the compliant disposal of all types of waste, improved the recycling rate of waste, conserved resources, protected water and soil, and worked hard to build a home with blue sky, lush land and lucid water.

### Pollutant governance

**Waste-water** -The wastewater is treated and purified at multiple levels through treatment stations, deep treatment areas, and ecological wetlands, and the final pollutant indicator of the discharged water conforms to the *Water Pollutant Discharge Standard for Minjiang and Tuojiang River Basins in Sichuan Province*.

**Ex-haust gas** -Ultra-low emissions of boiler exhaust gas is achieved by switching from coal to gas, burning clean energy such as natural gas, while adopting low nitrogen combustors. -The odor and biogas produced in the process of wastewater treatment are collected in a classified manner for adsorption and purification and comprehensive utilization. -Bare soil coverage at construction sites, and wet work during soil breaking, are implemented to effectively prevent and control dust generated during the project construction.

**Solid waste** -The general solid waste generated by the Company is mainly distillers grains, wastewater sludge and waste packaging materials. Specifically, distillers grains are recycled for the production of reformulated liquor and fodder. Wastewater sludge is disposed of by incineration, and waste packaging materials are recycled by qualified third parties.

**Hazardous waste** -The Company has implemented standardized management of hazardous waste and appointed legally qualified third-party professional companies to carry out competent disposal.

During the Reporting Period,

**Zero**

Environmental pollution incidents of minor and above

**100 %**

Total pollutant emission compliance rate

**100 %**

Exhaust emission compliance rate

**100 %**

Wastewater discharge compliance rate

**100 %**

Noise emission compliance rate



**Case** Through resource utilization of solid waste, distiller's grains can be used to realize circular economy

During the brewing process, a large amount of distiller's grains are generated, and the Company uses them as raw material to brew reformulated liquor, thus realizing the full utilization of residual sugar and precipitation in distiller's grains. By producing approximately 8,000 tons of reformulated liquor per year, the Company effectively achieves the resource utilization of distiller's grains as a solid waste of production, representing an integral part of Wuliangye's circular economy.



Distiller's grains recycling

**Case** Songgong River dredging project protects the lucid water of Changjiang River

In response to the remediation action of the Changjiang River outfall traceability, the Company invested approximately RMB2.35 million to dredge and desilt the 4,500-meter-long Wuliangye section of the Songgong River. It also implemented the renovation of the underground river channel, re-found the slope, hardened construction, to resolve the problem of river siltation and suspended sediment deposition. The project construction was completed during the Reporting Period. It will be combined with a long-term river maintenance mechanism to ensure smooth river flow, enhance the flooding and drainage capacity of the river, and further enhance the ecological environment of the Songgong River Basin.

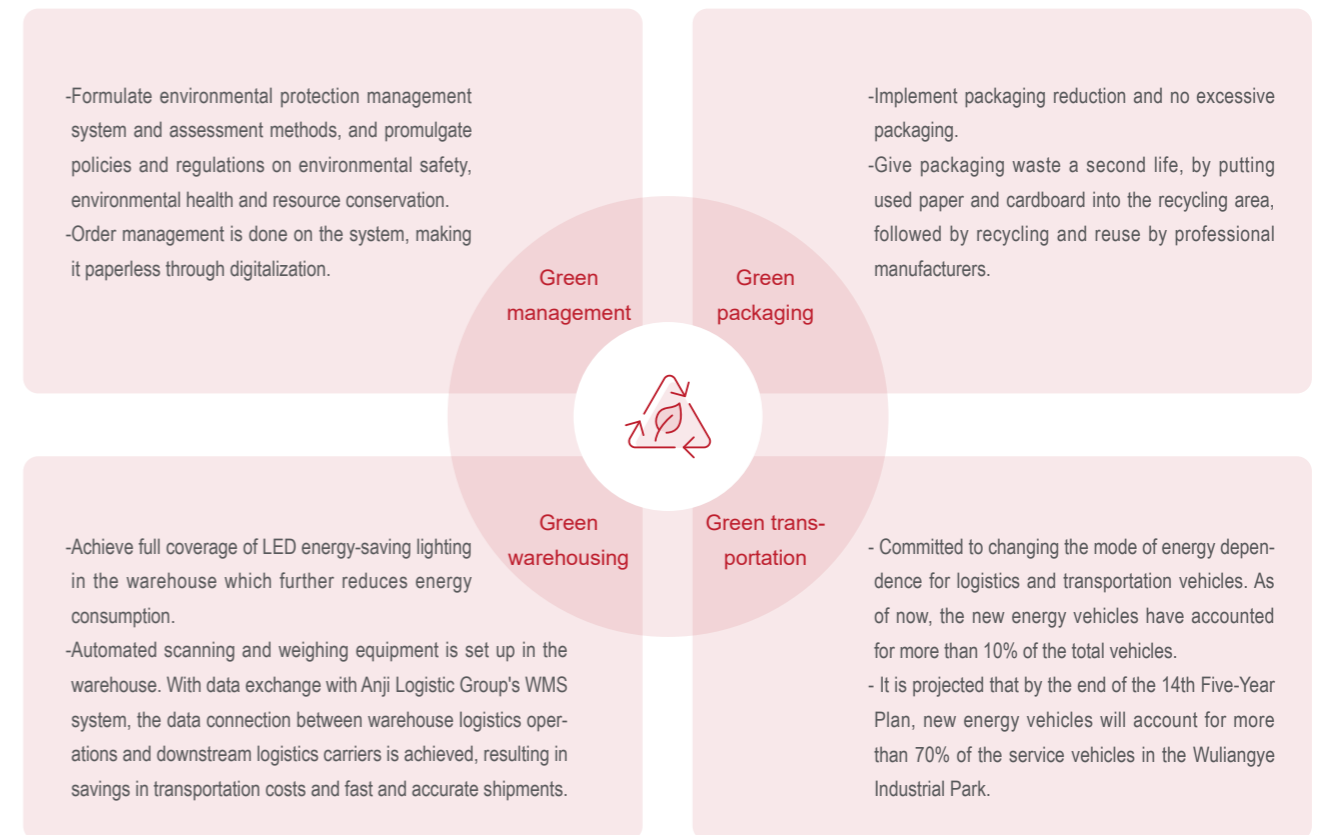


Songgong River Wetland

## Green Logistics

Anji Logistic Group, a subsidiary of Wuliangye, has been providing holistic logistics solutions for Wuliangye for many years. In the course of business development, it has introduced advanced logistics technologies, planned logistics activities wisely, promoted the green development of logistics management, product packaging, storage and transportation, thereby minimizing the impact of logistics on the environment.

### Green logistics system



During the Reporting Period, Anji Logistic Group was awarded **the Level 1 Green Warehouse Certification** by the China Association of Warehousing and Distribution.

**Twenty-one** environmental training sessions were conducted for full-time drivers, with a total of **1,274** participants.

The coverage reached **100%**.





# 05 Society

Extensive Brotherhood through  
Ancient and Modern Cultivation

Originating in Yibin with a history of more than 4,000 years of Baijiu, Wuliangye culture, as an important bearer of Baijiu civilization, is constantly exploring the balance between its development and sustainable economic and social progress. While offering consumers great Baijiu, Wuliangye advocates the concept of healthy and rational drinking, develops sustainably with the power of responsibility, and contributes to the economic development, social progress and the good life of the people to the best of our ability, bringing "harmony" to life and spreading warmth to all families.

- Supplier Management
- Dealer Support
- Consumer Service
- Employee Recruitment and Development
- Investor Relations Management
- Industrial Progress
- Rural Revitalization
- Charities





# Supplier Management

Guided by the idea of "extensive consultation, joint contribution and shared benefits", the Company strictly manages its suppliers to ensure product quality according to its business development needs, and empowers our suppliers to achieve win-win cooperation.

## Strict management to ensure the product quality

During the Reporting Period, the Company optimized our management system in improving grain quality and strengthening risk response, and insisted on transparent procurement to protect the legitimate rights and interests of suppliers.

### Optimization of supplier management

Reinforcing targeted management	Optimizing the assessment system	Enhancing risk response
We made independent management systems for major areas, including storage management, quality management, grain quality, food safety assurance and grain traceability management for more refined and targeted management.	We reduced the weight of financial assessment, strengthened the guiding attributes of the assessment work and the application of results, rewarded partners with excellent assessment results, and punished suppliers with poor assessment results accordingly.	In response to the status quo of zero inventory base, we strengthened the control of Yibin's local storage resources and enhanced the construction of the supply chain's anti-risk capability.



## Transparent procurement initiatives

Signing an integrity commitment with suppliers		Organizing occasional integrity talks and work sessions Organizing visits to integrity bases for party members and cadres
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During the Reporting Period,  
 Supplier contract performance rate was **100%**.  
 Occurrence of **0** quality and food safety incidents due to purchased packaging.

## Empowering and fueling industry development

The Company is committed to working with suppliers to enhance product quality while empowering the upstream and downstream industry to build a win-win industrial chain and promote industrial development and upgrading.

### Supplier empowerment practices

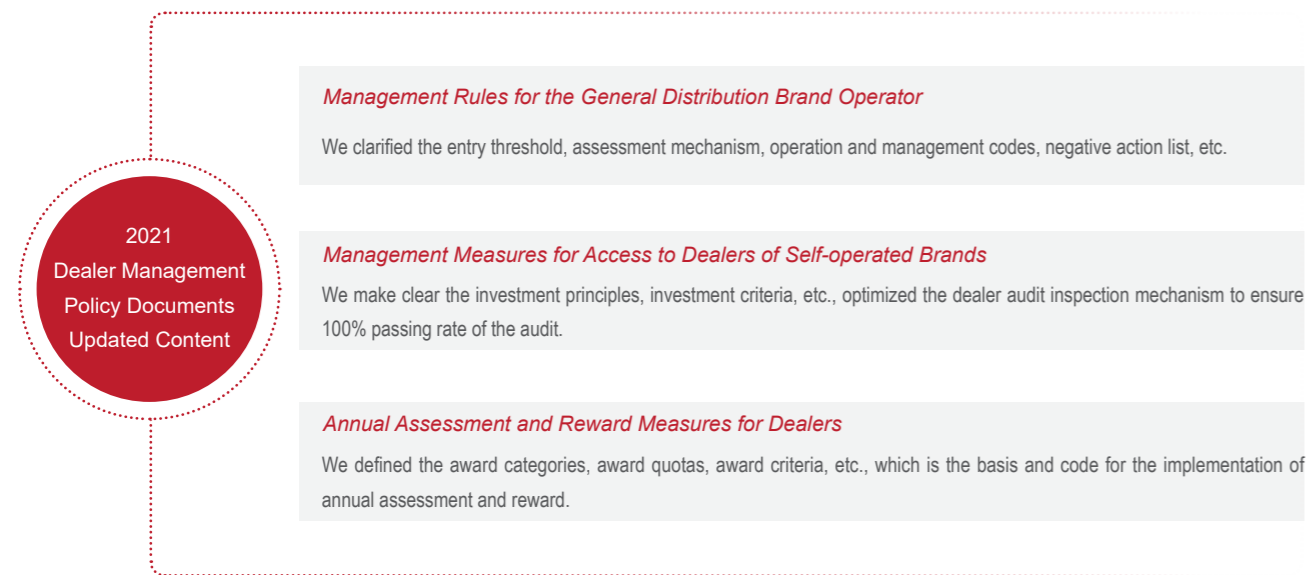
<p><b>Learning Policies</b></p> <p>We organized suppliers to study the Company's food hygiene and safety system, and qualified suppliers of piecemeal materials in the warehouse to study the newly revised <i>Management Measures for Suppliers of Piecemeal Materials</i>.</p>	<p><b>Conducting Training</b></p> <p>We conducted training on SRM system operation and safety management for qualified suppliers in the warehouse.</p>	<p><b>Strengthening Exchange</b></p> <p>We organized supplier conferences, selected outstanding suppliers and strengthened exchanges and learning among suppliers.</p>
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# Distributor Support

The Company upholds the cooperation philosophy of "extensive consultation, joint contribution and shared benefits", prioritizes dealer training and assessment, insists on high-quality marketing results, continuously strengthens communication and training, establishes routine training in the area and occasional video conference training system, solves dealers' problems and promote win-win development between the Company and dealers through the new product launch conference, key dealer exchange seminars, online training sessions, etc.

## Updating dealer management policy documents



During the Reporting Period, more than **20** dealer training sessions were conducted, covering more than **300** dealers.



## Case Win-win development stimulates and fuel high-quality marketing

In order to strengthen the contractual awareness of dealers and better play the role of incentive mechanism, the Company issued the *Annual Assessment and Reward Measures for Dealers* during the Reporting Period, using it as the basis and code for the implementation of annual assessment and reward for dealers. The *Measures*, dominated by the quantitative indicators which are supplemented by qualitative indicators, guide the Company to assess individually or comprehensively the dealers' contract performance rate, year-on-year sales growth rate and market management ability, to set the "12-18 reward" and "year-end market support" according to the actual marketing work, and to downgrade or disqualify from reward dealers in breach of contract, thus guiding dealers to constantly improve brand image, expand market channels, better cultivate and serve consumers.

## Case Extensive consultation, joint contribution and shared benefits on a new journey

With the theme of "New Era, New Journey, New Action", the 25th 12-18 Conference of Extensive Consultation, Joint Contribution and Shared Benefits was held in Yibin. Continuing to adopt a combined online and offline method, the conference was held at main venue of the Wuliangye Yibin International Conference Centre and 27 online branch venues simultaneously, with a total of approximately 2,500 participants, including leaders and guests at all levels, heads of relevant provincial and municipal authorities, brand operators, partners, investors and media representatives. The Company extensively exchanged and cooperated with dealers, listened to their voices and strived to provide first-class policies, first-class services and first-class environment for all dealers.



Zeng Congqin, Secretary of the Party Committee and Chairman of the Board of Directors of the Company, attended the 25th 12-18 Conference of Extensive Consultation, Joint Contribution and Shared Benefits

## Case Building a regular communication mechanism to promote communication among dealers

During the Reporting Period, the Company established a regular interaction mechanism in the segment of other Baijiu series with core dealers, holding a number of communication meetings with core dealers of the Wuliang Chun (Spring) brand, Wuliang Chun (Rich Flavor) brand, Jianzhuang brand and general distribution brand to convey the Company's strategies, listen to the voices of dealers, deepen communication and interaction, and solve problems for distributors in a practical manner.



Wuliang Chun (Spring) core dealers' meeting



Wuliang Chun (Rich Flavor) core dealers' meeting



Case // Empowering dealers to tell the Wuliangye story

In order to enhance the ability of the dealer team to tell the Wuliangye culture story well, the local dealer associations, together with the marketing zones, carried out Wuliangye culture knowledge learning sessions, organized dealers to systematically study the Wuliangye brand culture and product knowledge, and helped dealers to improve their abilities in advertising, terminal construction, consumer cultivation etc., ensuring that everyone in the marketing team could tell, would tell and indeed tells the Wuliangye story well.



Wuliangye culture knowledge learning session

## Consumer Services

Adhering to the consumer service concept of "attracting consumers with culture and impressing customers with service", the Company protects consumer rights and interests and improves the whole process of service, creating a "warm Baijiu enterprise" for consumers.

## Digital empowerment to enhance consumer experience

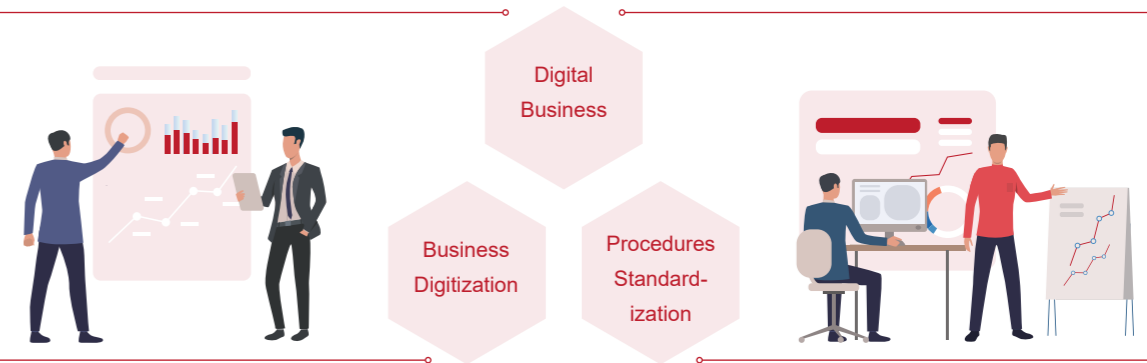
During the Reporting Period, the Company carried out and completed the second phase of its digital marketing transformation project with "digital re-processing" as the starting point, integrated data into processes and organizations, established a model of direct sales channels, and tapped into market increment, achieving the three core value objectives of high-quality growth, new mode of sales and efficient operations, injecting the power of big data into consumer services through digital business capability enhancement and uses technology, and creating a more convenient and better consumer experience for consumers.

### Leveraging digital achievements

The Company innovates in service management approaches and leverages the power of digital technology to transform marketing business into visual node data and data analysis results into marketing strategies, which helps the marketing team to make precise decisions, boost market response speed and provide services in a more targeted manner.

## Digital achievements

- Covering the entire sales process data, the analysis has produced more than 300 reports of various types to guide business development.
- Digital tools such as the "Marketing Decision Command Centre", "Self-service Analysis Platform" and "Sales Detail Enquiry" have been built to support precise policy making.



- Dealers and offline business at all levels were integrated into online management to digitally assign tasks, identify breaches and monitor the process.
- An online decomposition mechanism for sales targets was established and the policy of "individual responsibility and follow-up by day" was implemented through digital tracking.

- The implementation standards, synergy mechanisms, key control points and indicators for each business and management process of the marketing system were defined.
- The design of process standardization and re-processing for 21 marketing zones, 9 business areas and more than 240 key control points was completed.

During the Reporting Period, **16** online learning courses were developed with **501** participants and a total of **7,487** hours of learning time, with a per capita learning time of **14** hours. Examinations were conducted **nine** times, with over **6,000** participants, covering the entire Wuliangye marketing system.



Case // Information technology supports staff growth and knowledge empowerment is effective

During the Reporting Period, the Company continued to integrate knowledge management, innovation management awareness and business scenarios, and disseminated and shared knowledge in multiple forms. The Company internally provided online training services for nearly 1,100 employees in the marketing system and externally for more than 6,500 exclusive store staff, applying information technology to empower the organization and employees to improve their knowledge and service quality.

## Building Smart Retail

Since its digital transformation, the Company has been actively building a smart retail system, employing data governance to improve operating capability of exclusive stores, building smart stores with smart devices and using the power of technology to create a quality consumer environment. At present, the Company has carried out smart retailing pilot in 20 exclusive stores in three zones, namely Sichuan, Jiangsu and Henan.



## Store Smart Retail System

### Exclusive Store Operation Management Cockpit System

Gathering data from more than 1,500 exclusive stores across the country, the visualization interface displays a number of indicators including sales, warning lists, red and black lists, etc., making operation management more transparent.



### Intelligent Store Patrol System

With 5G, AI, cloud computing and other technologies, the system makes available online customer flow statistics, remote store patrol, temperature and humidity monitoring and early warning, reminding stores to maintain a comfortable consumer reception environment at all times to enhance the consumer shopping experience.



### Purchase, Sales and Inventory System

We optimized the code-scanning in/ex-warehouse function, integrated the code-scanning action originally required through the smart system and terminal club system into the purchase, sales and inventory system, making it more convenient for exclusive store consumers to operate.



### Cloud Store

1,524 cloud stores were built online to facilitate consumers to redeem their rights and self-service transactions at all times; product appraisal service stations were also established on the cloud store platform to make available online appraisal appointments to safeguard the legitimate rights and interests of the Company and consumers.



## Building a new digital retail

Based on "new thinking, new users, new scenarios, new products and new models", the Company is building a multi-dimensional consumer cultivation system with more accurate digital construction, building Wuliangye's core consumer base, deepening the construction of vertical ecological empowerment platforms and broadening consumer touch points; the Company is also launching the "Wuliangye New Retail" WeChat video account to further improve the interaction chain with consumers and enhance the effectiveness of brand marketing, upgrading and optimizing the "Consumer Club" to enrich consumer rights and benefits and improve consumer value perception, introducing automatic message response robots, and upgrading consumer-related order management, invoicing management and logistics management information systems to increase the information management paths positively iterated. By continuing to cultivate new digital retailing, the Company has been able to adjust its market identity and marketing strategy, improve its products and services, and continuously enrich the online experience of consumers, thus strengthening the emotional link between the brand and consumers.

## Case Information technology enhances user experience

During the Reporting Period, Wuliangye's new retail APP was accessed more than 10,000 times, 16 interactive games were launched in the consumer club, customer service handled online responses more than 550,000 times, nearly 100,000 self-service invoices were issued by consumers, and the total number of consumers reached by special activities on virtual rights exceeded 10,000. Digital information technology provided consumers with fast shopping, rich online activities, intelligent online consultation and efficient after-sales service.



Organizing online events

## Drinking rationally and adhering to responsible marketing

The Company upholds the principle of honest operation, ensuring that products are not exaggerated or falsely advertised in the marketing process and that consumers' rights are not infringed upon. Under the concept of responsible marketing, the Company takes up the social responsibility as an alcohol company by widely publicizing that non-adults are not allowed to drink alcohol, opposing alcohol abuse and drink-driving, and advocating healthy and rational drinking.

### Responsible marketing tools

#### Policies Security

We made the "Regulations on Advertising and Publicity" to strictly prohibit the use of ambiguous concepts to mislead consumers about the quality of products in product promotion and sales.

#### Strategy Requirements

- We offered banned words for brand advertising to ensure that product quality and effects are not exaggerated.
- All product packages, merchant manuals, and brochures are labelled with the risk warning that "excessive alcohol consumption is harmful to health".

#### Concept Promotion

The promotion of rational drinking is reinforced by the prohibition of underage drinking and the exclusion of underage consumers from access to consumer rights.



Case A month of rational drinking activities is carried out to promote moderate drinking

During the National Rational Drinking Campaign Month in the Reporting Period, the Company launched activities on refusing to drink-driving, preventing underage drinking and drinking in moderation, actively promoting a new culture of civilized and rational drinking, and promoting harmony between the alcohol industry, society, drinking and consumer health.



National Rational Drinking Campaign Month

## Take customer satisfaction as the benchmark to ensure service quality

The Company attaches great importance to consumer opinions, takes customer satisfaction as an important indicator, improves product quality and service methods in a targeted manner, and creates elaborate quality and heartfelt service to create outstanding experiences for consumers.

During the Reporting Period, the Company's customer satisfaction was measured by the Sichuan Association for Quality, with a

result of **94.99**,

It was up **0.17** compared with the previous year's result of **94.82**.



### Customer satisfaction improvement initiatives

#### Internal improvement

- Performance assessment: Strictly implement performance assessment to motivate staff to do reception service well in every respect.
- The Company provided training to popularize knowledge of consumer rights protection, enhance customer service personnel's understanding of consumer rights, and strengthen customer service awareness.

#### Care

- Holiday care: the Company carried out consumer care work before holidays, including telephone greetings, gifts and other means.
- Regular call-back: the Company paid regular call-back visits to understand consumer needs, collect suggestions and make appropriate improvements.
- Offline visits: the Company paid quarterly offline visits to consumers who have met certain requirements, presented gifts and collected suggestions.

#### External strengthening

#### Survey

- Rewards for filling in the questionnaire: Consumers were encouraged to scan the card sent with the goods to fill in the questionnaire, which was summarized and adjusted by the Company every month.
- Increased frequency: The frequency is increased to four consumer satisfaction survey return visits per month to improve consumer perception of the brand.

#### Feedback

- Feedback on comments: Customer service staff was required to respond to consumer comments on different products in a timely manner every day and to categorize them, and to summarize product comments each month and make appropriate adjustment accordingly.



**Case** Quality service to enhance the consumer experience

The Company has always been adhering to the consumer service attitude of "excellent quality, heartfelt service, unity of mind and staff" to create outstanding experiences for consumers. To further learn about the voice of consumers, the Company regularly conducted consumer satisfaction surveys and organized customer service training activities to continuously improve the quality of the Company's consumer services; the Company also organized regular consumer interaction activities and provided holiday wishes and gifts to consumers. Given the different levels of consumers, the Company strived to launch marketing activities targeted at different circles, and provided a series of services with the core value idea of "good life" to create a model of good life for Wuliangye consumers.



Customer service training activities



七夕有奖征集 | 原来, TA已陪伴了我们一生  
酒愈陈愈香, 爱历久弥新

Online interactive activities for consumers on the Chinese Valentine's Day

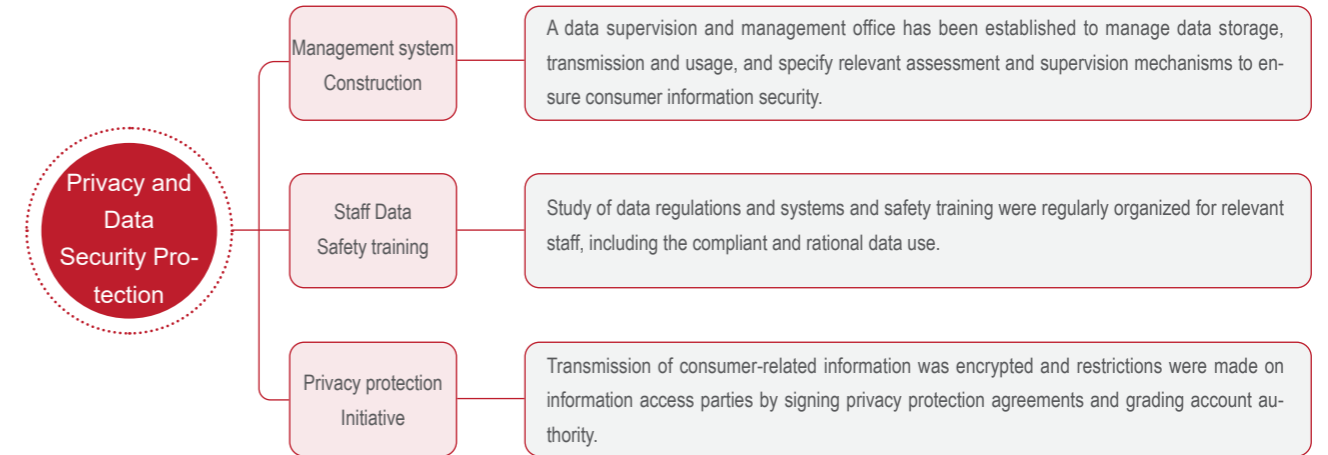
**Protection of rights and interests to put consumers' mind at ease**

The protection of consumer rights and interests is the core foundation of the Company's business development and is the primary responsibility of the Company to the market. In terms of management, Wuliangye New Retail has set an operation management department to coordinate the implementation of customer service, improve the quality of after-sales service, protect consumer privacy and data security, and create a reassuring consumer experience.

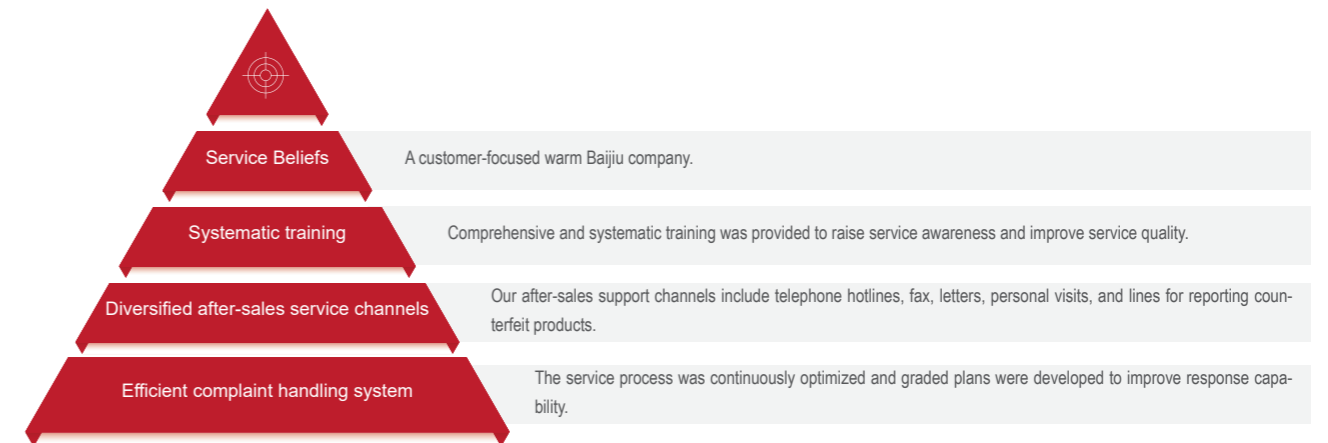
**Consumer Rights Protection System**



**Privacy and Data Security Protection System**



**After-sales Service System**



During the Reporting Period, over **95%** of complaints were addressed to the satisfaction of customers.



**Case** Secure quality consumption by strict selection and production

The Company adhered to the principle of "three characteristics and one recognition" and the requirement of "three focuses" in the segment of other Baijiu series, and continued to optimize its products. During the Reporting Period, the Company withdrew 7 general distribution brands and 509 products. At present, the Company has reduced the number of brands to 36 and the number of products to 500, forming a development pattern in which the four strategic national brands are the core and the growing brands and general distribution brands are strategically synergetic, with the co-prosperity and co-existence of multiple brands, so as to select better quality products and more reliable dealers for consumers and guarantee the quality of the entire consumption process.



# Employee Recruitment and Development

Wuliangye upholds a strategy of empowering itself through talents. Resting on the core value idea of creating happiness for employees, we strictly implemented an "equal pay for equal work" philosophy, and are recruiting more people while keeping existing positions intact. We take employee empowerment and welfare into careful consideration, and try to develop more medium and long-term incentives in order to build a common future for employer and employee to share benefits and risks and to boost the organization's healthy development for coming decades.

Awards received	Organizer
Wuliangye Family's Digital Labor Union was rated as one of the Top Ten Platforms for Enterprises	All-China Federation of Trade Unions, Cyberspace Administration of China
National Demonstration Enterprise of Safety Culture Construction	China Association of Work Safety
Sichuan Provincial Highly-Skilled Technician Training Construction Project	Department of Human Resources and Social Security of Sichuan Province Sichuan Provincial Finance Department
Gold Medal Mediation Organization for Labor Disputes	Department of Human Resources and Social Security of Sichuan Province Sichuan Federation of Trade Unions
Highest Grade I Enterprise for Outstanding Achievements in Wage Budget Management in 2020	SASAC Yibin
Enterprise with the Highest Evaluation Grade A in Labor Security, Law Compliance and Good Faith in Yibin in 2020	Yibin Human Resources and Social Security Bureau

## A Working Environment that Features Diversity and Fairness

The Company practices equal and diversified employment and equal opportunities, and adopts democratic management and communication to meet employees' reasonable demands and create a democratic and fair working environment.

### Employment with compliance

Wuliangye has formulated and issued a series of policy documents, focusing on creating a diversified working environment, advocating fair opportunities, insisting on stabilizing and expanding employment, and providing more job opportunities for society through high-quality development.

#### Diversified employment

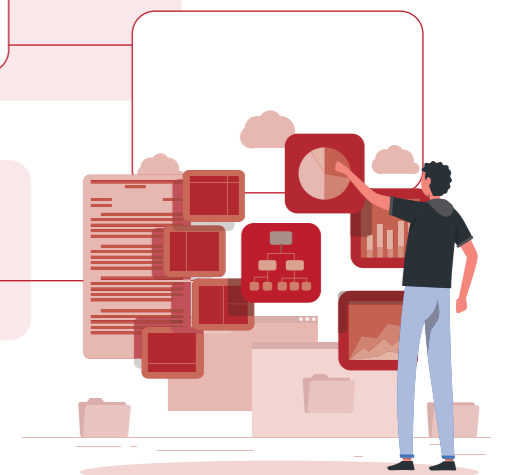
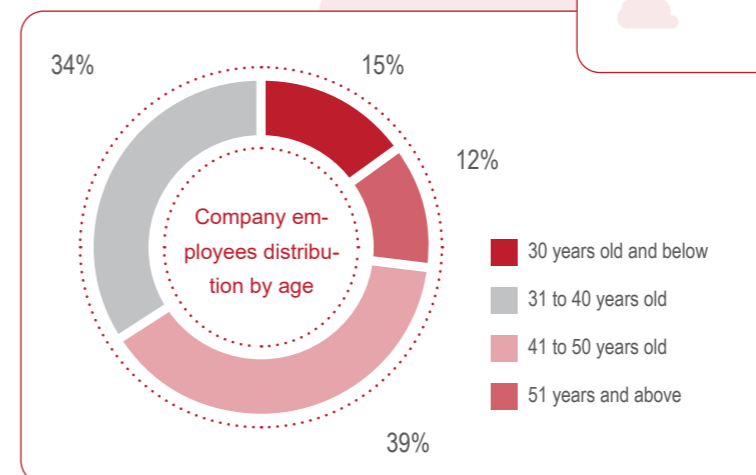
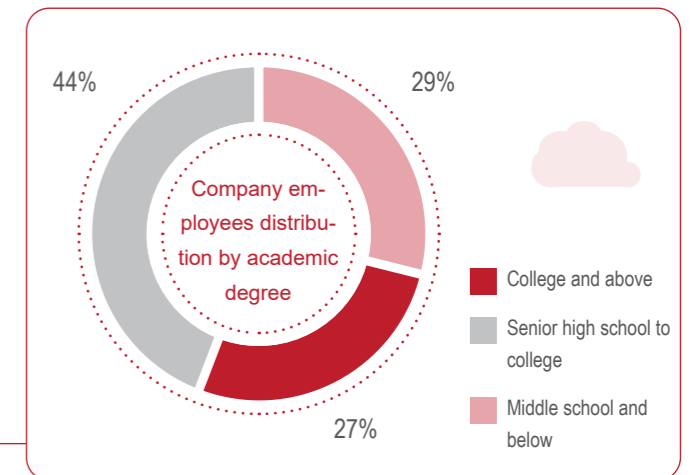
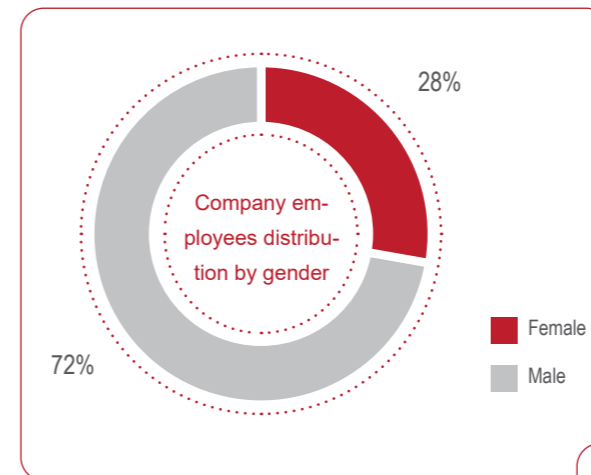
- **Employment mechanism:** dominated by labor contract system and supplemented by diversified employment methods.
- **Recruitment mechanism:** dominated by social recruitment and campus recruitment and supplemented by headhunting and internal recruitment.
- **Management system:** The *Recruitment Management System*, the *Management Measures for Internal Competitive Recruitment (for trial implementation)*, and the *Management Measures for Retired Employees* are all in place.

#### Equal employment

- **Fair opportunities:** Policies on "stability on six key fronts" and "security in six key areas" are implemented, and special campus recruitment activities are held; fair employment opportunities are provided for people with disabilities positively.
- **Provision of job opportunities:** In 2021, 14 ex-servicemen and their dependents were recruited to work in the Company, and appropriate jobs were provided for people with disabilities.

#### We safeguard the legal rights and interests of employees

- **Anti-Forced Labor:** the *Measures for the Implementation of Paid Annual Leave for Employees*, the *Notice on the (Temporary) Treatment of Staff on Layoff*, and the *Measures for the Administration of Internal Layoff and Recuperation for Seriously Ill Employees (for trial implementation)*.







## Democratic management and communication

The Company has established a democratic system and communication channels for employees to well receive information from superior leaders and express their opinions, and responded positively, objectively and enthusiastically to employees' demands and opinions.

### Improvement of the democratic system

- **System of meetings of staff representatives:** The system of meetings of staff representatives at multiple levels (group level, department level, workshop level and subsidiary level) has been improved. 13 proposals have been considered and adopted at the group level through staff meetings, meetings of staff representatives and staff group meetings.
- **The system of staff supervisors:** staff supervisors have been equipped in accordance with the law to fully express their opinions and exercise their voting rights in the supervisor meeting, participate in special research and inspection work of the Supervisory Committee, and report to the staff council on their performance of duties, etc.

### Adherence to the openness of factory affairs

- **Mechanism:** We have a leadership mechanism based on the party committee, a public mechanism based on the administration, a supervision mechanism based on the disciplinary committee and the labor union, and an appraisal mechanism based on employees.
- **Content:** We make publicly available the development plan of the Company, the major decision-making schemes and important rules and regulations for production and operation, the annual production and operation targets and their completion, the bidding of engineering and construction projects, the procurement and supply of bulk materials, the conclusion, renewal, change and fulfilment of collective contracts and employment contracts, the recruitment and dismissal of employees, the evaluation and appointment of persons with professional and technical titles, the conditions, procedures, quantity and results of the selection of outstanding and advanced employees, the training plan for employees, safety production and labor protection and measures to prevent and control occupational diseases, selection and appointment of middle-level leaders and personnel in important positions, etc.
- **Forms:** meetings of staff representatives, seminars, open boards, suggestion boxes, documents, broadcasts, television, newspapers, boards, Wuliangye's official website, the Wuliangye Family's Digital Labor Union platform and WeChat public account.

### Broadening communication channels for employees

- **Labor dispute mediation:** The Company has a labor dispute mediation committee formed by the labor union, human resources department and staff representatives; grassroots units have labor dispute mediation groups; front-line teams have part-time mediators; all these have formed a three-tier labor dispute mediation network system covering the Company, workshops and teams.
- **Listening to the voices of employees:** we implemented the "Staff Visiting Day" system, and received suggestions and suggestions from employees through the Wuliangye Family's Digital Labor Union platform, and carried out various research activities on staff canteen meals, shift dormitories, drinking water at work and frontline staff in the marketing system.

## Case Building a "Gold Medal Mediation Organization for Labor Disputes" to resolve conflicts and disputes

In 2021, the Wuliangye Labor Dispute Mediation Committee was officially awarded as one of the first 13 "Gold Medal Mediation Organizations for Labor Disputes" in Sichuan. The establishment of a network of mediation organization for labor disputes strengthened communication efficiency and resolved conflicts and disputes at the grassroots level and at the source.



Granting of the "Gold Medal Mediation Organization for Labor Disputes"

## Employee care, creating a happy working environment

The Company continues to improve its welfare system and develop a comprehensive professional talent training system and incentive mechanism to help employees improve their techniques and career development and enhance their well-being and sense of belonging.

### Staff welfare

Wuliangye provides differentiated welfare support for employees, actively carries out various sympathy activities and corporate culture building activities, lays care and concern efforts for employees, meets the needs and expectations of employees, and continuously improves the living standards of employees.

#### Mandated benefits

- **Five insurance and house fund:** we paid pension insurance, unemployment insurance, medical insurance, work injury insurance and maternity insurance for employees, and established a working group for supplementary payment of pension insurance.
- **Paid leave:** national statutory holidays, annual leave, maternity leave, marriage leave, parental leave, etc.

#### Employee benefits

- **Leave benefits:** seniority leave, blood donation leave, parental leave, etc.
- **Financial benefits:** corporate annuity scheme, high temperature allowance, etc.
- **Growth benefits:** technique upgrading, training, further training, etc.
- **Facility benefits:** welfare bookstore, gymnasium, psychological counselling, etc.
- **Supportive welfare:** physical examination, legal assistance, psychological counselling, birthday offerings, cultural and sports activities, etc.

#### Full employee benefits

- **Financial subsidies:** application for settlement and business start-up subsidies for the introduction of talents with Master's and Doctor's degrees.
- **Living benefits:** application for the qualification of talent flat for the introduction of talents with Master's and Doctor's degrees, and coordination for the schooling of their children.
- **Honor recognition:** various talents are recommended to participate in honor evaluation.

#### Benefits for special groups

- **Women's benefits:** mommy & baby room, quarterly female worker supplies, family education lectures, fun competitions for female workers, etc.
- **Benefits for young workers:** training and learning opportunities, technique enhancement programs, sports and competition programs, living services, etc.
- **Benefits for workers in need:** Wuliangye education fund, subsidized funds for workers in need, mutual help and hardship fund, internal layoff and recuperation for seriously ill workers, etc.



**Case** Organizing elderly activities and caring for retired employees

In 2021, the Company allocated RMB418,000 (including RMB60,000 for funeral expenses) for special activities for the Wuliangye Elderly Sports Association, provided 1,150 square meters of dedicated activity space for the Association, distributed holiday gifts and offerings during the Dragon Boat Festival, Mid-Autumn Festival and Spring Festival, and arranged for 4,814 people to undergo health examinations throughout the year to implement the Company's policy of Care and Happiness for the Elderly and protect and enrich the lives of retirees in their twilight years.



Elderly activities

**Case** We organized cultural and sports activities to enrich the lives of employees

During the Reporting Period, the labor union organized 73 sports and cultural activities such as fishing, mountain climbing, flower arranging and healthy runs, while employees also initiated and carried out 430 "Interest League" activities such as fitness, Tai Chi, badminton and basketball through the Wuliangye Family, with 6,853 participants, enhancing employees' sportsmanship and awareness of exercise.



Table Tennis Competition

During the Reporting Period, the Company established **396** practical projects such as salary reform and occupational health, **394** of which have been completed and **2** are being implemented to address the urgent needs and aspirations of employees and to effectively respond to practical demands for employees.



**Education**

Wuliangye empowers its employees and supports employee development through a wide range of orientation programs and training sessions for new employees.



- **Pre-job training:** A combination of online and offline training activities are organized for new recruits, including lectures, case studies, practical exercises and outreach training, covering corporate culture, rules and regulations, professional ethics, professional etiquette, social responsibility, quality management, safety precautions and other aspects.
- **Job rotation system:** new college graduates are organized to have rotation studies in the frontline of marketing and production.



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



- **Sound internal competitive recruitment mechanism:** Wuliangye has issued the "Management Measures for Internal Competitive Recruitment (for trial implementation)" to smooth the internal promotion channel and implement internal competitive recruitment for some middle-level management positions in the Company.
- **Establishment of a reserve talent pool:** In order to realize the stratified, graded and classified management of outstanding talents, Wuliangye has issued the "Measures for the Introduction and Training of Talents (for trial implementation)" and established a reserve talent pool.



Quality development for new college graduates



Training courses for new college graduates



Case Implementing Craftsmen Incubator Program for Enhancing Skill Sets

In 2021, the number of Craftsmen Incubator Program was expanded to 16, covering the Company's starter propagation, liquor production, tasting and blending, liquor design, machinery manufacturing, bottle making and other sectors, and the number of leading technicians and members has increased to 282. The Company carried out 67 apprenticeship training sessions, with more than 1,100 participants, to enhance the professional skills of employees.

On 8 May, the Company held a meeting for the promotion the reform of the industrial workforce construction and for the summary and commendation of the Craftsmen Incubator Program for 2020, commending 65 technicians at all levels, including model workers, artisans and Baijiu evaluators for 2020, and 86 outstanding leading technicians and members for 2020, to enhance the sense of gain and happiness of outstanding talents.



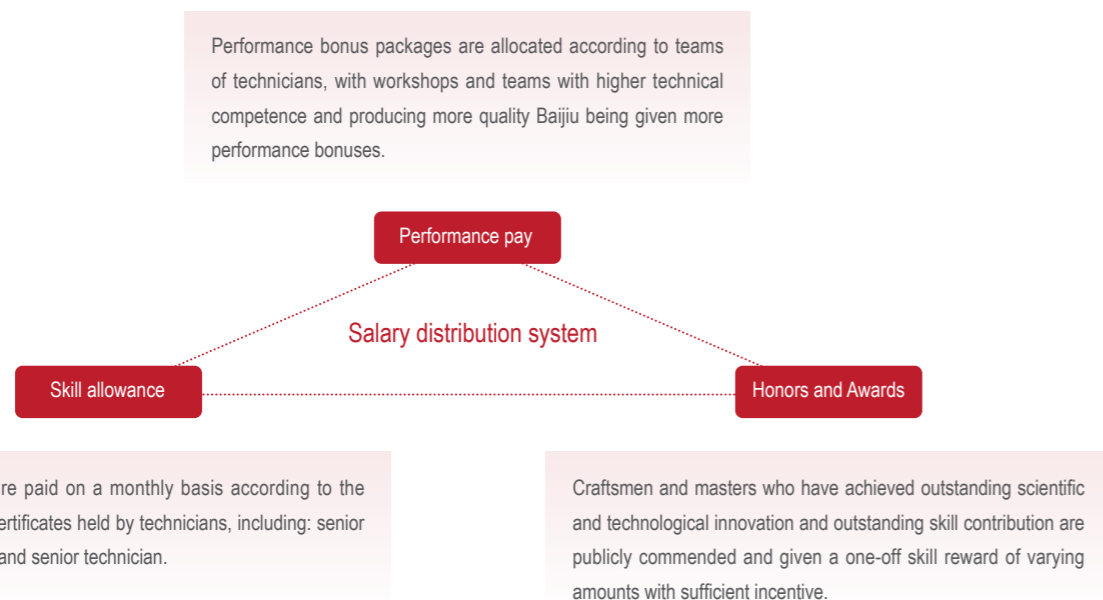
Craftsmen Incubator Program



Summary and Commendation of the Craftsmen Incubator Program for 2020

Salary incentive

Wuliangye emphasizes a skill-value oriented salary distribution system, where staff performance pay, skill allowances and one-off skill rewards are directly or indirectly linked to skill levels.



Safe production and protection of employees' health

During the Reporting Period, the Company promoted system improvement and practical actions on the two major employee responsibility issues: production safety and occupational health, and strictly implemented pandemic prevention and control to safeguard the health and safety of employees.

- The overall safety profile of the Company was stable throughout the year, with **0** large and above production safety accidents, **0** general and above equipment safety accidents, and **0** fire accidents, achieving **37** straight years without fire since records were kept.
- Wuliangye continued to maintain the Company's occupational health and safety management system certificates.
- A total of **20,168** employees were covered by health examinations throughout the year at a cost of over RMB **14.99** million, of which **10,457** people in contact with food production positions participated in the examinations, with an on-the-job health examination rate of **100%**.
- We have established health examination files for food workers, with **10,457** people eligible for health certificates, at a total cost of RMB **803,600**.
- We organized occupational health examinations for **2,278** people at a cost of RMB **1.58** million.

- We were awarded National Demonstration Enterprise of Safety Culture Construction, Advanced Production Safety Entity among Central and Provincial Key Enterprises, Excellent Entity of Sichuan Production Safety Month, Advanced Entity in Safety Production Target Management among Municipal State-owned Enterprises in 2021 and other honors.
- The Five Entries (entry into rural areas, communities, enterprises, schools, and families) of safety publicity passed the inspection of Sichuan Provincial Safety Office.
- We won the first prize in Yibin's emergency storytelling competition of Celebrating the Centennial of the Party and Building a New Civilized City".
- We won the third prize in the Yibin Knowledge Contest on the Newly Revised *Production Safety Law*.
- The employee-created video work on occupational health communication titled My Voices on Occupational Health won the first prize in the national "2nd Occupational Health Communication Campaign.



## Health and Safety Initiatives

The Company adheres to the concept of Putting People And Their Lives First and the occupational health and safety policy of Safety First, Precaution Crucial, Full Participation, No Failure, and conscientiously implements the Five Normalizations including normalized education, investigation, rectification, punishment and accountability to continue to optimize our management mechanism and working environment to ensure the health and safety of our employees in all aspects.

**01 System construction**  
We have established and operated an occupational health and safety management system in accordance with the requirements of GB/T45001-2020/ISO45001:2018 standard.

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

**03 Organizational guarantee**  
The Production Safety Committee and the Production Safety Supervision Department have been established to provide adequate protection in people, money and materials required for occupational health and safety.

**04 Emergency guarantee**  
We laid efforts on the emergency response team, emergency equipment, emergency response capability, emergency plans and drills, striving to promote the modernization of emergency management capability.

**05 Hidden Danger Management**  
We have established a dual prevention mechanism of graded risk management and control and hidden danger investigation and management, implemented risk management and control in four grades: red, orange, yellow and blue, and carried out standardized hidden danger investigation and management according to relevant national laws, regulations and standards to nip hidden dangers in the bud.

**06 Safety culture**  
We create a safety culture with unique corporate characteristics, build a safety publicity team, and earnestly organize the "Five Entries" of safety publicity and a series of safety publicity activities to enhance the safety awareness of all staff.

**07 Working environment guarantee**  
We improved the appearance of workshops, upgraded the toilets and washrooms in the factory.

**08 Eco-environmental construction**  
The Company's industrial park is a national AAAA grade industrial tourism scenic area; the coal-to-gas boiler project was implemented; an ecological wetland park was constructed.

## Health and safety practices

The Company carried out various safety inspections, safety publicity, safety training and emergency drills to strengthen occupational health and safety management.



The Company's leaders led safety inspections



Special safety inspections were carried out

### Case Production Safety Month activities were organized to raise staff safety awareness

The Company carried out Production Safety Month, "119" Fire Fighting Awareness Month, "Production Safety Law" Promotion Week and other thematic activities to promote the new "Production Safety Law" and "Fire Prevention Law" and raise employees' safety awareness.



"Launching ceremony of "Production Safety Month"



**Case** Safety knowledge training was organized to improve staff's safety capability

The Company conducted 82 training sessions on safety management of related parties, management of the production safety responsibility listing system, and the new version of the occupational health management manual and procedure documents, with 6,137 participants, to improve the safety skills and safety operation capacity of employees.



Special equipment safety management training

**Case** Carrying out AIDS awareness campaign

Taking World AIDS Day on 1 December as an opportunity, the Company organized a series of AIDS awareness activities in all units to prevent and control the infestation of HIV at source and secure the health of employees.



AIDS awareness campaign

## Pandemic prevention and control efforts

During the recurrence of the pandemic, the pandemic prevention and control office of the Company continued to strengthen organizational leadership, to make clear the responsibility of pandemic prevention and control at all levels, to strictly guard against the pandemic, and to make greater efforts for the regular prevention and control measures in a strict and detailed manner, so as to effectively protect the health and safety of all employees and fulfil the responsibility and commitment of a state-owned enterprise.

**Strengthen organizational leadership**  
Build a pandemic prevention and control system

**Put in place**  
Normalized prevention and control measures

**Strengthen supervision and inspection**  
Implement management responsibilities

- **Organizational system:** a leading group for pandemic prevention and control has been established for overall responsibility and unified command. The leading group for pandemic prevention and control governs a comprehensive coordination group, a pandemic prevention and control group, a health control group, and a material supply group functioning through close cooperation.
- **Emergency management:** we formulated the "COVID-19 Prevention and Control Emergency Plan" and carried out emergency drills to improve the Company's emergency response capability for pandemic prevention and control.
- **Pandemic prevention strategy:** We adhere to the daily "Pandemic Report", publish and inform the actual situation and problems of pandemic prevention and control, and adjust the direction of the Company's pandemic prevention in a timely manner.

- **Staff management:** The passage of staff is accompanied by temperature measurement, health code presentation scanning to strengthen staff track management and to control third-party staff and key areas.
- **Health control and management:** we implement measures such as wearing masks, daily cleaning, ventilation and disinfection, strengthen food safety and well secure materials and supplies.
- **Control all kinds of gatherings:** we uphold the principle of "whoever hosts a gathering is responsible", and strictly control the frequency and size of meetings.
- **Strengthen publicity education and scientific prevention:** we carry out health promotion and education activities and promote vaccination for all staff.

- **Supervision and inspection:** We keep records and report information, supervise and inspect the implementation of pandemic prevention and control measures in all units, constantly identify risk points and weak links in prevention and control, and make up for shortcomings and loopholes in a timely manner.
- **Specify the responsible person:** In accordance with the principle of "whoever manages is responsible", we provide timely guidance to rectify problems found during inspections, and hold accountable units and relevant responsible persons who fail to perform their duties and neglect their work by following the relevant regulations.

## Investor Relation Management

The Company strictly follows the *Company Law*, the *Securities Law*, the *Guidelines of the Shenzhen Stock Exchange for the Investor Relations Management by Listed Companies* and other applicable laws, regulations and regulatory provisions, the *Articles of Association*, the *Information Disclosure Management System*, the *Investor Relations Management System* and other systems to announce information to the public through the designated media within the prescribed time and in accordance with the prescribed procedures and methods, and to ensure that the information disclosed is true, accurate, complete and timely. The Company also proactively organizes various investor relations activities to strengthen communication and exchanges with investors, with particular emphasis on shareholder returns and protection of the interests of small and medium-sized investors, and is committed to maximizing the legitimate rights and interests of the Company, its shareholders and other relevant stakeholders.



### Sharing the development fruits with investors

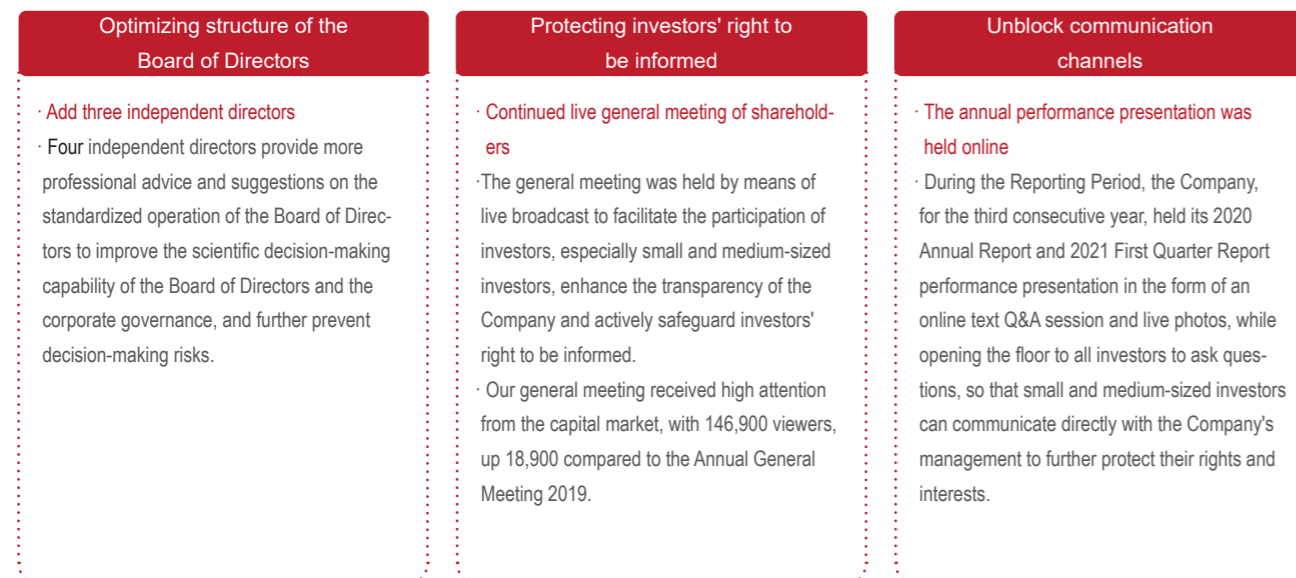
The Company focuses on shareholder returns and always shares the development fruits with investors. The total cash dividends in 2020 reached RMB **10.015** billion for the first time, accounting for **50.19%** of the net profit attributable to the parent company in the year. Since its listing in 1998, the Company has distributed cash dividends **18** times, with a cumulative cash distribution of RMB **49.597** billion, **13** times the total amount of RMB **3.815** billion raised.

The Company's profit distribution plan for 2021 is to distribute cash dividends of RMB **30.23** (pre-tax) for every 10 shares to all shareholders based on the existing total share capital, amounting to RMB **11.734** billion (pre-tax).

### Investor Communication Channels



### Initiatives to protect the interests of small and medium-sized investors



### Case

We hold preparatory meetings for the preparation of periodic reports to safeguard the legitimate rights and interests of investors

In 2021, the Company held a preparatory meeting for the preparation of each periodic report, including two preparatory meetings for the preparation of the 2020 annual report and two preparatory meetings for the preparation of the 2021 third quarterly report. The Chairman of the Company personally called and chaired the meetings, attaching great importance to the work related to information disclosure, ensuring the quality of disclosure of periodic reports and safeguarding the legitimate rights and interests of investors.



Annual Report Working Meeting



The first working meeting for the third quarterly report

For the year 2021

The Company, in relation to investor interaction:

Responded to **428** online questions from investors through the interactive platform of the Shenzhen Stock Exchange and exchanged with investors via calls for more than **1,000** times.

Communicated with domestic and overseas fund companies, securities companies, QFII (Qualified Foreign Institutional Investors) and individual shareholders in **66** batches, including a total of **1,799** persons.

In relation to information disclosure:

For **6** consecutive years, we were awarded **A** grade in the annual information disclosure assessment of listed companies by the Shenzhen Stock Exchange.

We disclosed a total of **73** periodic and interim reports.

We were awarded the Best Investor Relations Award of China Listed Companies and the Best Board of Directors for Investor Relations of Chinese Companies Listed on the Main Board.

We were awarded the Best Practice Case of 2020 Annual Performance Presentation for Listed Companies and the Best Practice Case of 2021 Board of Directors of Listed Companies by the China Association for Public Companies.



## Common Industrial Progress

Wuliangye continues to lead industrial development with a more open attitude, more innovative thinking and a more forward-looking vision, demonstrating the responsibility of a state-owned enterprise. Moreover, through measures such as actively participating in industry discussions and in the preparation of industry standard, and assisting local liquor enterprises, Wuliangye shares innovation achievements, promotes the R&D and innovation of the industry, continuously improves the standard, and leads industrial development in a high-quality way.

## Industry Exchange, Sharing, Building and Moving Forward Together

Wuliangye actively joins various kinds of associations, hosts and participates in various kinds of industry exchange activities, and cooperates with famous liquor enterprises with mutual trust and assume responsibilities together, continuously contributing Wuliangye's wisdom to the realization of high-quality industry development.

### Various Associations Joined by Wuliangye

Name of Association	Position
China Alcoholic Drinks Association	A Vice Chairman Organization
China National Light Industry Council	A Vice Chairman Organization Specially Invited
China National Association for Liquor and Spirits Circulation	A Vice Chairman Organization
China Chamber of International Commerce	A Vice Chairman Organization
China Association for the Promotion of Patriotism and Support for the Armed Forces	A Vice Chairman Organization
China Enterprise Confederation, China Enterprise Directors Association	A Member Organization
Beijing Intellectual Property Judicial Protection Association	A Member Organization
The China Council for Brand Development (CCBD)	A Member Organization
China Trademark Association	A Standing Director Organization
China Intellectual Property Society	A Member Organization
China Association for Public Companies	A Vice Chairman Organization
China Institute of Internal Audit	A Member Organization
China Association of Work Safety	A Member Organization
China Fire Protection Association	A Member Organization
Chinese Society for Environmental Sciences	A Member Organization
China Ecological and Environmental Protection Facilitation Alliance	A Standing Director Organization
The Industry Association for the Golden Triangle of Chinese Liquor	A Vice Chairman Organization
Committee of Traditionally Fermented Foods, Chinese Institute of Food Science and Technology	A Vice Chairman Organization
China Trade Association for Anti-counterfeiting	A Member Organization
The China Association for Quality (CAQ)	A Vice Chairman Organization
China National Food Industry Association	A Vice Chairman Organization

Name of Association	Position
National Technical Committee 532 on Brand Evaluation of the Standardization Administration of China (SAC/TC532)	A Committee Member Organization
National Technical Committee 471 on Brewing of the Standardization Administration of China (SAC/TC471)	A Committee Member
Subcommittee 7 on Winy Reference Materials of National Technical Committee 118 on Reference Materials of the Standardization Administration of China	A Member Organization
Sub-committee 2 on Strong Flavor Baijiu of National Technical Committee 358 on Baijiu of the Standardization Administration of China (TC358/SC2)	A Member Organization

### Case // Moutai's Visit to Wuliangye for In-Depth Exchanges on Future Development of the Enterprise and the Industry

On 10 December 2021, Moutai Group held a discussion and exchange meeting with the Company. On the meeting, Ding Xiongjun, Secretary of Party Committee and Chairman of Moutai Group, made in-depth exchanges on future development of the enterprise and the industry with Li Shuguang, the then Chairman of Wuliangye Group and Secretary of Party Committee of Yibin Wuliangye. Both sides agreed that Moutai and Wuliangye, as the leading enterprises of Chinese Baijiu, should apply themselves on a new development stage, implement a new development concept and build a new development pattern, further improve mutual exchange and communication mechanism, promote the traditional friendship of Moutai and Wuliangye to be played in a higher level and a larger range, create a new cooperation situation of Maotai and Wuliangye, and bring new vitality into the high-quality development of Chinese Baijiu.



The Discussion and Exchange Meeting between Moutai and Wuliangye

### Case // Undertaking the "14th Five-Year Plan" Strategic Development Seminar of Chinese Strong Flavor Baijiu to Contribute the Strength of Wuliangye to High-quality Development of the Industry

On 6 April 2021, the "14th Five-Year Plan" Strategic Seminar of Chinese Strong Flavor Baijiu, sponsored by China Alcoholic Drinks Association and undertaken by Wuliangye, was held in Chengdu. The representatives of some famous liquor enterprises, such as Song Shuyu, Chairman of China Alcoholic Drinks Association, Li Shuguang, the then Chairman of Wuliangye Group and Secretary of Party Committee of Yibin Wuliangye, Zhang Liandong, Deputy Secretary of Party Committee and Chairman of Yanghe Stock, Liu Miao, Secretary of Party Committee and Chairman of Luzhou Laojiao, and Zhou Qingwu, Deputy Secretary of Party Committee of Gujing Group and General Manager of Gujing Distillery, attended the seminar. On the seminar, the representatives of all liquor enterprises shared their opinions on how Strong Flavor Baijiu can bring good wine to the good life, contribute their strength to the high-quality development of the industry, and contribute their wisdom and strength to the healthy and sustainable development of Chinese Nongxiangxing Baijiu and Chinese Baijiu industry.

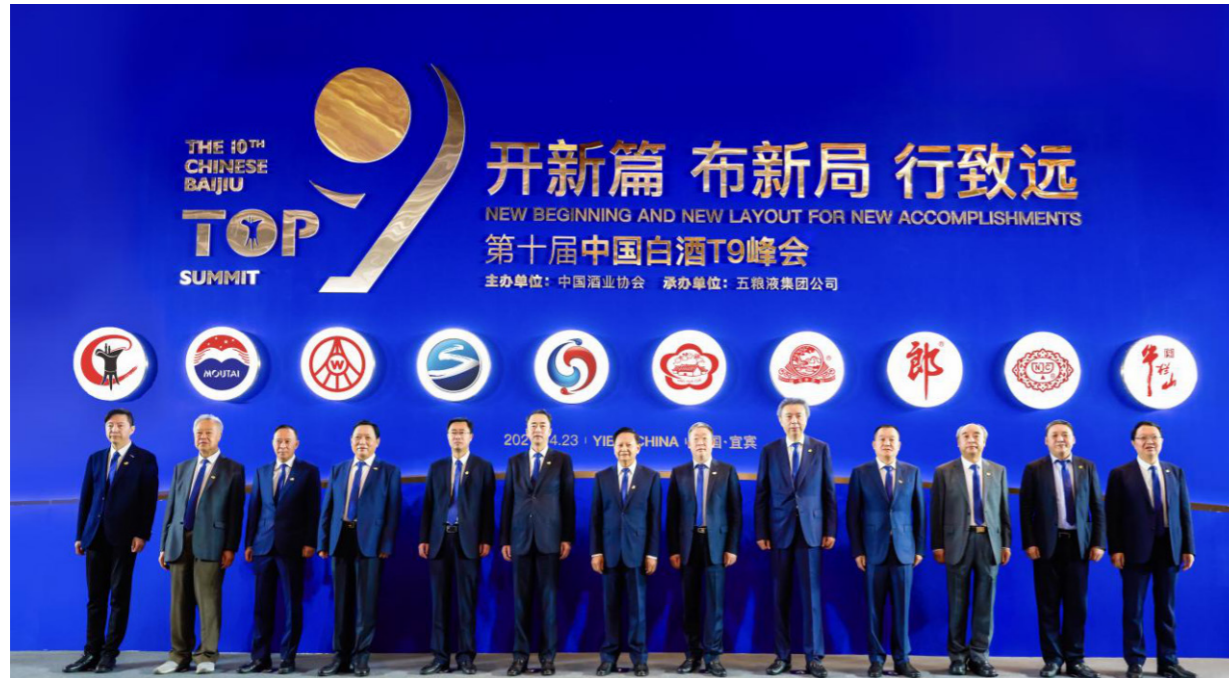


The "14th Five-Year Plan" Strategic Development Seminar of Chinese Strong Flavor Baijiu



Case Undertaking The 10th Chinese Baijiu Top Summit to Point a Way toward the Development of Baijiu Industry

On 23 April 2021, The 10th Chinese Baijiu Top Summit was held in Yibin, Sichuan. The main person in charge of China Alcoholic Drinks Association and the nine main persons in charge of large enterprises in Baijiu industry exchanged ideas on high-quality development of Chinese Baijiu industry during the "14th Five-Year Plan" period, centering on the theme of "New Beginning and New Layout for New Accomplishments". Li Shuguang, the then Chairman of Wuliangye Group and Secretary of Party Committee of Yibin Wuliangye, made an exchange speech on the theme of "Creating a New Situation of High-quality Development of Chinese Baijiu under the Guideline of 'Three New' Theory". There were nine consensuses agreed in the summit, pointing a way toward the development of Baijiu industry.



The 10th Chinese Baijiu Top Summit

## Formulate Standards to Improve Industrial Standardization

Wuliangye actively participates in the formulation of industry standards to make industry standards more specific, scientific and complete in the aspects such as technology and technique, quality control, testing methods, labels, packaging and storage, strongly devoting outstanding contribution to the promotion of achieving high-quality development of the industry.

### The Revision of Standards Led and Participated by Wuliangye during the Reporting Period

Type of Standard	Name of Standard	Release
National Standards	Quality Requirements for Baijiu Part 1: Nongxiangxing Baijiu	Official Release
	Terminology of Baijiu Industry	Official Release
Local Standards	Sichun Liquor (Nongxiangxing) Age Liquor Terminology	Official Release
	Sichun Liquor (Nongxiangxing) Age Liquor Production Technique Specifications	Official Release
Industrial standards	Specification for Baijiu Quality Safety Traceability System	Have been reported to the Ministry of Industry and Information Technology by China Light Industry Information Center and been in the phase of approval and release

## Help Liquor Enterprises and Assume Responsibility

In 2021, Wuliangye carried out technical consultation assistance for two "Xiaojinhua" liquor enterprises of "Xiaojiaolou" and "Jiangkouchun" in Pingchang County, Bazhong City. On the basis of "Wuliangye" technology, combined with the actual situation of the enterprises assisted, Wuliangye carried out a series of consultant services such as fermentation pit and mud, fermentation technique, product research and development, quality system, and staff training. At present, the production level, quality control level and staff skills of the assisted enterprises have been greatly improved, highly recognized by local governments, leaders of industry associations and the assisted enterprises, thus fully reflecting the responsibility of the leading enterprise, and further upgrading the social image of the state-owned enterprise Wuliangye.

Assist in improving traditional fermentation technique and standardize the foundation development of fermentation pit

- **Fermentation pit and mud:** Assist Xiaojiaolou in building new fermentation pit; guide Jiangkouchun to culture and produce fermentation liquor in a staggered way.
- **Distilled yeast making:** Assist Jiangkouchun in upgrading technical improvement of equipment for distilled yeast making and rectifying the workshop for distilled yeast making.
- **Fermentation technique:** Assist liquor enterprises in revising and improving the quality management system documents such as production technique and operation procedures, and provide regular and irregular on-site technical guidance.

Assist in improving the management system of the product and elevate the quality management

- **Research and development of new products:** Assist liquor enterprises in revising and improving technique documents of new product research and development; cooperate with Xiaojiaolou in the development and research of new forest ecological products and new low-drunken degree products of Xiaojiaolou, and assist in the sample selection and technical blending of base liquor for Jiangkouchun Chunhe series new products.
- **Product filling:** Assist Jiangkouchun in managing and improving on-site quality control process and system, and combine on-site guidance and spot check to promote the improvement of its production volume and qualification rate year on year.

Assist in improving professional quality of the staff and enhance technical training of talents

- **Know-how training:** Regularly or irregularly organize and help the staff of liquor enterprises to participate in relevant know-how training of distilled yeast making, liquor making, evaluating and blending.
- **On-site learning:** Organize and select technical management backbones of assisted enterprises to visit Wuliangye workshop for on-site learning, so as to effectively improve the professional skills and quality control level of employees.





# Rural Revitalization

Wuliangye has always been actively devoted to the main battlefield of rural revitalization with a high sense of political responsibility and historical mission. The Company gives first priority to industrial assistance, and continues to promote the development and improvement of people's livelihood in assisted regions, helping to realize "industrial prosperity, ecological livability, rural civilization, effective governance, and affluent living".

## Poverty Alleviation Honors

Awarding unit	Honors
The CPC Central Committee and State Council	National Advanced Individual for Poverty Alleviation
The Poverty Alleviation Office of the State Council	Top 50 Comprehensive cases of accurate Poverty Alleviation by Enterprises
The CPC Sichuan Provincial Committee and Government	National Advanced Individual for Poverty Alleviation
State-owned Assets Supervision and Administration Commission of Sichuan Province	Top Ten Characters of State-owned Enterprises for Poverty Alleviation in Sichuan Province
Sichuan Provincial Economic and Information Department	Sichuan Provincial Advanced Collective for Poverty Alleviation in Industrial Field
Organizing Committee of China Agricultural Brand Annual Award Ceremony	2021 China Agriculture Award for Ten Outstanding Contributions to Rural Revitalization

## Master the overall assistance in poverty alleviation through efficient management

Wuliangye set up a leading group for paired assistance to coordinate the assistance, made a series of arrangements to consolidate and expand the achievements of poverty alleviation linked up with rural revitalization effectively, strengthened the organization and leadership, and solidly promoted paired assistance.

### The leading organization system of assistance in poverty alleviation

The Secretary of Party Committee of the Company took charge personally and served as the leader of the leading group for paired assistance in rural revitalization. Through task setting of the Party Committee, pairing of the grass-roots Party organizations and implementation of the front-line Party members and cadres, the trinity assistance organization system of "headquarters, staff office and combat team" was comprehensively constructed.

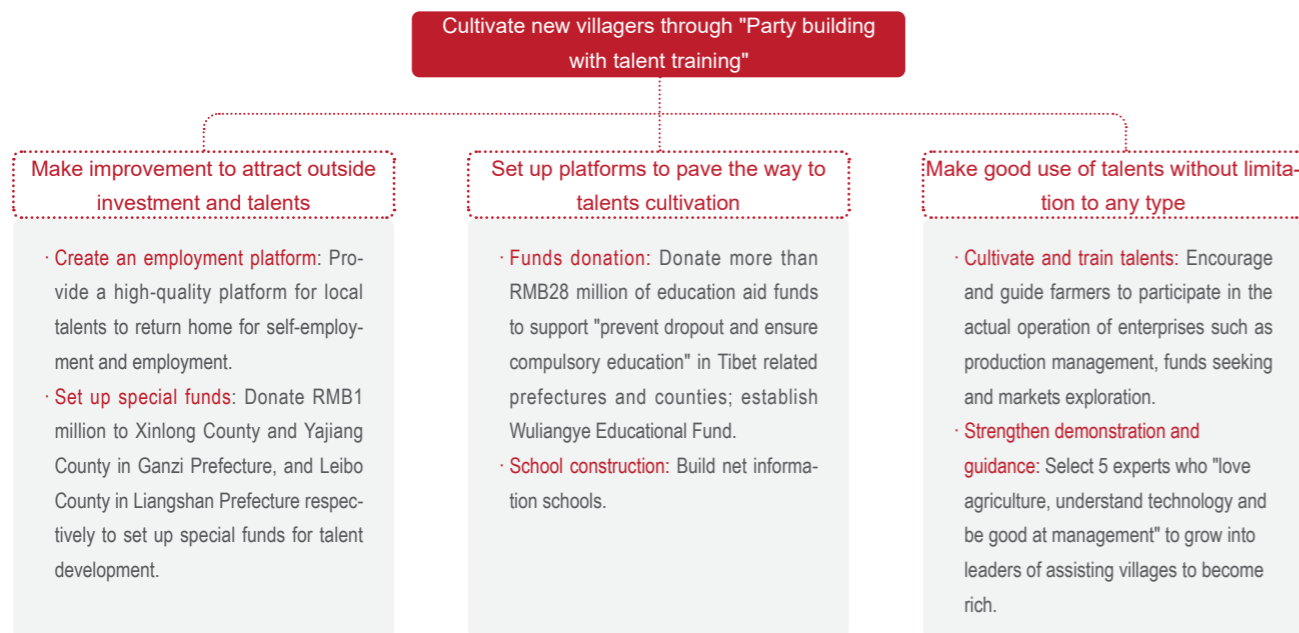
### The leading organization system of assistance in poverty alleviation



## Three Models

Wuliangye insists on strengthening the Party's leading role, constructing a new development model of "Party building with characteristic industry", "Party building with grass-roots governance" and "Party building with talent training", and forming a new atmosphere of rural revitalization of "industries enrich agriculture, organizations boost agriculture, and talents assist agriculture".





## Assist truly, and implement the assistance plan

Wuliangye plans the assistance projects to lay the foundation, promote development and manage in long term, focusing on industrial assistance, continuing to promote the long-term effective development and improvement of people's livelihood in assisted regions, promoting the overall revitalization of rural industries, talents, culture, ecology and organizations in assisted regions, and helping to realize the common prosperity.

### Five-year plan for paired assistance

The Company had drawn up a five-year plan (2021-2025) for paired assistance. According to the resource endowment, current industrial situation and development needs in the assisted counties, the Company planned the direction and content of paired assistance in a targeted way, and continued to promote the development and improvement of people's livelihood in assisted regions.

Paired assistance regions	
Naisha Village, Mula Town, Litang County, Ganzi Prefecture (provincial paired assistance)	Hero Village, Qingping Yi Nationality Town, Pingshan County, Yibin City (city paired assistance)

### Key work direction and content of "Five-Year Plan"

#### Cultivate and expand industries

- **Construction of industrial base:** Focus on the construction of characteristic industrial demonstration base for fruits and vegetables of Wuliangye in Qinghai-Tibet Plateau and industrial demonstration base for high mountains and forest land of Wuliangye in Yi Nationality Town, etc.
- **Development of industrial base:** Further develop the effects of special grain base for liquor making, bamboo material acquisition base, tea raw material procurement and so on to increase farmers' earnings.

#### Develop consumption related assistance

- **Increase product procurement:** Actively purchase high-quality agricultural products in assisted regions by means of normalized purchasing instead of donating, centralized procurement for important solar terms, and pre-purchase orders in canteen, etc.
- **Organizing product sales through exhibition:** Hold special exhibitions of agricultural products, organize the products in assisted regions to appear in the expressway, airport and supermarket.
- **Explore sales channels:** Participate in various large-scale exhibitions and sales activities, and display the products on "832" platform.

#### Adhere to the bottom line of poverty alleviation

- **Do a good job in assisting students with love:** Provide scholarship awards and subsidies to students and families in difficulty from different categories and levels, so as to ensure the effectiveness of educational assistance projects such as "Wuliangye Educational Fund" and "Litang Aid Fund for University Students in Difficulty".
- **Improve the infrastructure:** Help and support a number of targeted and effective infrastructure construction projects to effectively improve the living environment.

## Key assistance in 2021

In 2021, the Company invested RMB681 million in total in industry, consumption, education and other aspects, continued to undertake the assistance in Litang County, Ganzi Prefecture, and Pingshan County, Yibin City, and continuously promoted the long-term development and improvement of people's livelihood in assisted regions.

### Key assistance achievements in 2021

#### Wuliangye focused on the construction of industrial base, and continuously released the vitality of industrial revitalization

- **Wuliangye consolidated the construction achievements of industrial base for fruits and vegetables (mushrooms) in Qinghai-Tibet Plateau:** It drove economic income in rural collective organizations to reach more than RMB5 million, provided more than 30 fixed employment positions and more than 100 seasonal employment positions, with total payroll of nearly RMB1 million paid annually, average income of over RMB20,000 for migrant workers, and dividends of RMB500,000 for 74 households of farmers and herdsmen.
- **Wuliangye actively participated in the planning and construction of vegetable supply base "vegetable basket" in Litang County:** It took Naisha Village as the pilot, built a whole industrial-chain vegetable park featured by "branding of front-end channel, systematization of local production and sales, regionalization of radiating surroundings", and revitalized 25 winter-warm vegetable greenhouses and 609 mu land, driving the average annual income of Naisha village to exceed RMB10,000.
- **Wuliangye promoted the development of bamboo forest (seedling nursery) industrial demonstration base in Qingshanyan:** It continuously conducted the development of multiple industries, implemented the planting of Tricholoma matsutake and Dictyophora indusiata, and introduced and planted Bambusa vulgaris Schrader ex Wendland 'Wamin'. The scale of the project construction reached tens of mu.
- **Wuliangye assisted the sustainable development of bamboo industry and tea industry in Yibin region:** It took over nearly 1 million ton of bamboo materials from Pingshan County, Xingwen county, Gong County, Cuiping District and other counties and districts in Yibin.



**Wuliangye extended the consumption related assistance path to effectively explore the product consumption markets**

- **Wuliangye activated the vitality of its domestic sales:** It purchased tens of categories of agricultural special products in Litang County, Pingshan County and Xingwen County by means of normalized purchasing instead of donating, centralized procurement for important solar terms, pre-purchase orders in canteen, and launch of "Wuliangye Family" APP, etc., with the procurement amount of more than RMB12.6 million.
- **Wuliangye explored the export channels of products:** It assisted agricultural special products such as mushrooms and Auricularia auricula in Litang County, etc, in exploring online and offline consumption markets by means of holding special sales exhibitions for agricultural special products, organizing the assisted products to participate in large-scale agricultural theme activities such as China Agricultural Brand Annual Award Ceremony and Sichuan Agricultural Expo, and strengthening the connection with product channels such as supermarkets, etc.

**Wuliangye strengthened the construction of grass-roots organizations to significantly improve the efficiency of rural governance**

- **Wuliangye strengthened the construction of grass-roots Party organizations:** It selected five cadres stationed in the village to serve as Deputy Secretary of Party Committee of the countryside and town, and First Secretary stationed in the village respectively, focused on strengthening the construction of Party organizations, and publicized the policies of the Party and policies of benefiting farmers and the people in a long term through on-site lectures by Party members, on-site listening by the masses and on-site answers by cadres, etc.
- **Wuliangye strengthened the collective economic organization construction:** It continued to play the capital leverage effect of the special industrial funds donated to Litang County in the early stage, continued to leverage nearly RMB1 million to develop collective economy in 2021, elevated the anti-risk ability of collective economy, improved the agriculture linking mechanism, and ensured the stable earnings of farmers, driving the industry to increase the average annual earnings exceeding RMB5,000 for more than 5,000 farmers and herdsmen in 4 villages.

**Education assistance with love and enthusiasm for more solid support to regional talents**

- **Wuliangye improved basic education level:** It donated RMB200 million, mainly used to subsidize basic education promotion projects of 10 urban and rural areas in 4 central urban districts of Sanjiang New District, Cuiqing District, Nanxi District and Xuzhou District in Yibin; donated RMB120,000 worth of schoolbags, books, laptops and other educational and teaching materials to the Central School of Mula Town by means of visiting and discussing as well as on-the-spot investigation.
- **Wuliangye continued to do a good job in love education program:** It delivered RMB100,000 grants to 20 college students in Litang County with the standard of RMB5,000 for the fourth consecutive year; provided financial aid to seven students in difficulty in Hero Village, Qingping Yi Nationality Town, Pingshan County with the standard of RMB2,000 per person; organized the cadres in the village to hand over 300 sets of "love education packages" to the students in Wuliangye Hope Primary School in Xingwen County and Jinping Town Central Primary School in Pingshan County.

**Wuliangye enriched and expanded publicity carriers to enable the social assistance atmosphere to become increasingly strong**

- Wuliangye prepared and published the first targeted poverty alleviation report.
- Wuliangye made elaborately and exhibited assistance feature films.
- Wuliangye widely promoted foreign media publicity.

## Public Welfare and Charity

In 2021, Wuliangye actively launched public welfare and charity activities, devoting itself to public welfare and charity in poor areas, and assisting poor groups with compassion. Meanwhile, the Company actively fulfilled its social responsibilities to support national defense and military construction, and vigorously promoted the in-depth development of military-civilian integration.

Honors	Organizer
The Third Sichuan Charity Award - The Most Charitable Contributor	The People's Government of Sichuan Province
The Third Sichuan Charity Award - The Most Influential Charitable Organization	The People's Government of Sichuan Province
Compassion Enterprise Award for Caring for Next Generation in Sichuan	Sichuan Provincial Committee for Caring for Next Generation Bureau of Veteran Cadres of the CPC Sichuan Provincial Committee Sichuan Spiritual Civilization Development Office
Advanced Collective for Yibin Three-year Transportation Campaign	The Work Leading Group Office for Construction of Yibin as a Mega Transportation City

## Assistance in relief to promote charity

Wuliangye actively developed public welfare and charity projects from the aspects of poverty relief, teaching assistantship to assist education, disaster relief and assistance, and assistance in the elderly and the orphans, implemented the effective linking between consolidation and exploration of poverty alleviation achievements and rural revitalization, and promoted social harmony and economic growth.

### Poverty relief

Wuliangye assisted and subsidized the groups in difficulty, helped the families, orphans, the disabled and the elderly, and promoted the harmonious development of society.

**Case** Wuliangye participated in the donation project of China Police Martyrs and Heroes Foundation, and supported the casualty pension of police martyrs

Wuliangye donated RMB10 million, and set up "Wuliangye Love" Special Fund for Preferential Care and Assistance of Police Martyrs in China Police Martyrs and Heroes Foundation, specially used to condole, assist and rescue police martyrs and heroes with outstanding performance in the process of maintaining social security and stability and the safety of people's lives and property, as well as policemen who sacrificed and got disabled with extreme poverty and their families, so as to contribute its strength as a state-owned enterprise to the casualty pension of police martyrs.

### Teaching assistantship to assist education

Wuliangye actively participated in the construction of basic education in poverty-stricken regions, assisted students from needy families to finish their studies, devoted itself to poverty alleviation through education, and promoted the high-quality development of talent cultivation.



Case

Wuliangye participated in the kindergarten construction project in the central urban region of Yibin city to assist development of basic education in urban and rural regions of Yibin

Wuliangye made financial assistance of RMB200 million, mainly used to subsidize the construction of ten kindergartens in four central urban areas of Yibin, including Lizhuang, shaping, Baishawan and other urban-rural combination regions of Yibin, so as to accelerate basic construction of a public service system of pre-school education with wide coverage, basic guarantee and quality in urban and rural regions, assisting the long-term development of basic education in urban and rural regions of Yibin. The overall building area of the kindergarten project covers 43,941 sqm. After completion, there will be 3,510 new children's degrees added, providing a strong guarantee for the development of basic education in urban and rural regions of Yibin.



Donation for education assistance and foundation ceremony of kindergarten building project in central urban region of Yibin

Case

Wuliangye participated in the acrobatic education-based poverty alleviation project in Yibin to set up the patriotism of teenagers

Wuliangye moved into the base of acrobatic education-based poverty alleviation project in Yibin, and carried out a learning project of Party history for acrobatic teenagers. After the learning, the staff from Wuliangye Charitable Foundation gave children books, stationery and other articles for study and daily use. Wuliangye told stories about the Party, revolution and heroes in a pleasant, interesting and funny way, and deeply planted the emotion of loving the Party, the country and socialism, guiding teenagers to follow words of the Party and move forward with the Party.



Education propaganda of history learning of the Party

Case

Wuliangye subsidized the construction project of football playground in Bowangshan No. 2 Kindergarten in Xingwen County to support the development of sports

Wuliangye donated RMB2 million to subsidize the construction project of football playground in Bowangshan No. 2 Kindergarten in Xingwen County. In September 2021, the football field was put into use smoothly with a total area of 4,956 sqm and a standard of seven-person system, which solved the problem of the shortage of sports ground for more than 1,600 students in Yanyang Primary School, open to the public for free during holidays, strongly supporting the development of education and sports in Xingwen County.



The football field of Bowangshan No. 2 Kindergarten was put into use

Case

Wuliangye participated in the project of Provincial Poverty Relief Fund in Yibin to escort students in difficulty with love

Wuliangye donated RMB1 million to subsidize public welfare activities of Provincial Poverty Relief Fund to sponsor education in Yibin from year 2021 to 2023 to escort students in difficulty with love. Wuliangye had carried forward the fine tradition of the Chinese nation featured by helping the poor and fostering virtue through moral education, further expanded the scale of public welfare activities of Provincial Poverty Relief Fund to sponsor education, and broadened the coverage of assisting poor college students.

Case

Wuliangye set up special funds of Teaching Assistantship to Assist Education, thus balancing the development of education and the building of teaching staff

Wuliangye donated RMB10 million to set up a special fund of Teaching Assistantship to Assist Education in Sichuan Education Foundation to reward model teachers who had made outstanding achievements in education, subsidize excellent teachers who had difficulties in family life due to special reasons such as illness and poverty, and actively create a social atmosphere of respecting teachers and valuing education, thus balancing the development of education and the building of teaching staff, as well as improving the material conditions of rural education and characteristic education.



**Case** Wuliangye set up the project of Friends of Tsinghua-Yibin Scholarship for Young Talents to promote talent training

Wuliangye donated RMB600,000 to establish Friends of Tsinghua-Yibin Scholarship for Young Talents. From 2021 to 2023, Wuliangye appropriates RMB200,000 to Tsinghua University every year to support its development of education and teaching, promote the career of talent cultivation, and encourage students to keep forging ahead and pursue excellence.

**Disaster relief**

Wuliangye went to the front line of disaster relief, actively participated in disaster relief, provided strong support for the resumption of work and production in disaster-affected areas, and assisted needy families and people in special poverty caused by natural disasters, so as to promote social harmony and economic stability.

**Case** Wuliangye participated in flood fighting and disaster relief in Henan to support local flood control and disaster relief

In July 2021, many regions in Henan suffered from heavy rain. Wuliangye donated RMB60 million to support flood fighting and disaster relief in Henan. At the beginning of August, 8 vehicles fully loaded with Wuliangye donated materials for flood fighting and disaster relief such as epidemic masks, medicines and protective clothing rushed to disaster areas in Henan. Through the arrangement of Henan Charity Federation, they completed the delivery of donated materials in Zhengzhou, Kaifeng, Hebi and other places, providing strong support for the flood control and disaster relief in Henan. On 18 October, Henan Charity Federation granted Wuliangye with Outstanding Contribution Award in Charitable Donation for Flood Fighting and Disaster Relief in Henan.



Assistance in flood relief materials in Henan

**Case** Wuliangye supported COVID-19 prevention and control in Nanxi District to assist in the fighting against the pandemic in Yibin

Facing the severe situation of repeated pandemic in Nanxi District, Yibin, Wuliangye donated RMB2 million to the Red Cross in Nanxi District, Yibin, which was specifically used to support COVID-19 control and the resumption of work and production in Nanxi District, Yibin, assisting Yibin to resolutely win the blocking and protracted war of COVID-19 control.

**Wuliangye assisted the elderly and the orphans**

Caring about the elderly with full love, Wuliangye donated RMB700,000, used to support the first art exhibition of the elderly in Sichuan, contributing to the undertaking of assisting the elderly and the orphans. The works in the exhibition reflected the fruitful achievements made by all fronts since the founding of the Communist Party for 100 years, the founding of the People's Republic of China for 72 years, the reform and opening up, as well as the 18th National Congress of the Communist Party of China. It successively made itinerant exhibitions in Yibin and Chengdu, attracting more than 20,000 old comrades to attend the exhibition, promoting the development of art career and even cultural career related to the elderly in the whole province, enriching the life of the elderly, and building a positive and good social environment through calligraphy creation.

**Volunteer services for a harmonious society building**

With the aim of contributing to the enterprise and serving the society, the Youth League Committee of the Company organized young volunteers to carry out a series of thematic volunteer services, including assistance in COVID-19 control, environment protection, serving the community, respecting the old and loving the young, civilized persuasion, and venue volunteer services, so as to assist in building a harmonious society.

A total of more than **340** volunteer services were organized and carried out throughout the year, with staff volunteers of **2,898** participating and the service duration of **17,118** hours in total. The voluntary service project of Wuliangye Love Action was rated as Excellent Voluntary Service Project by Yibin Spiritual Civilization Development Office.



**Volunteer service activities organized and conducted in 2021**

Number of activities: **164**  
Service duration: **6,576**  
Number of participants: **843**



Number of activities: **100**  
Service duration: **6,163.5**  
Number of participants: **1,503**

Number of activities: **24**  
Service duration: **432**  
Number of participants: **72**

Number of activities: **57**  
Service duration: **3,946.5**  
Number of participants: **480**



Volunteer services for Wuliangye 12-18 Annual Convention



Activities caring for left-behind children



Civilized persuasion actions in Cuiping Mountain



Home cleaning into community

## Support the military to promote the military-civilian integration

Wuliangye actively fulfilled its social responsibilities to support national defense and military construction, and vigorously promoted the in-depth development of military-civilian integration, solidly carried out the work to support the military and families, attached great importance to the work for retired military personnel, safeguarded the legitimate rights and interests of the military and families, implemented the idea of strengthening the military in the new era, and created a new situation of militia building.

### National defense construction

**Wuliangye carried out the construction of backbone militia of the Company:** It invested RMB1,370,800 funds in total in military equipment and training of the backbone militia through the whole year. The backbone militia of the Company had participated in emergency tasks such as earthquake relief, flood control and emergency rescue, fire fighting and rescue, and emergency response for many times.

### Service station construction

**Wuliangye built the service station into a home for retired military personnel:** Considering handling practical work, paying attention to practical results and solving difficulties as important principles of the service station work, the Company continuously carried out in-depth information collection, assistance in solving difficulties of the poor, and visit and sympathy activities, and solidly conducted visiting and reception work.

### Caring scheme

**Visit for caring scheme:** The Company regularly carried out visit and sympathy activities for the families of retired military personnel and active servicemen, for example, the retired military personnel who were in difficulty, and left the post for recuperation due to serious illness, and the stationed military troops.

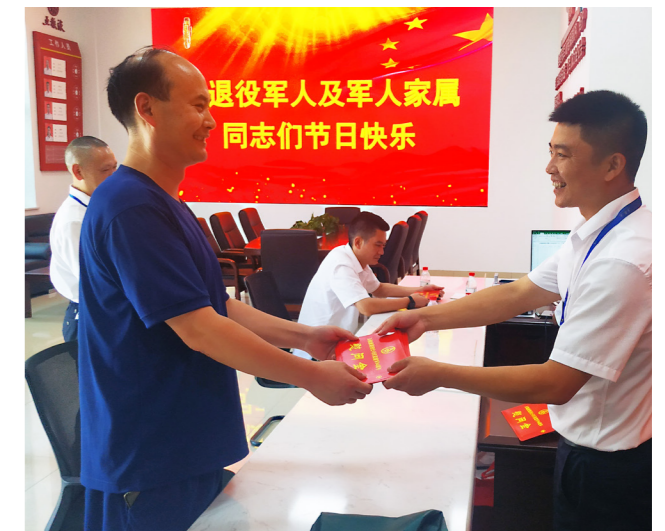
**Caring scheme:** The Company delivered sympathy funds and items to the retired military personnel, the families of active servicemen and other special care objects, totaling RMB2,681,600, and visited the stationed military troops during major festivals, and distributed sympathy materials according to the actual needs of the military.

### Case // Wuliangye held a symposium of heart-warming action with the theme of Bringing the Warmth of the Party to the Hearts of Veterans to care for retired veterans

On the eve of the Centennial birthday of the Party, Wuliangye invited volunteers to resist U.S. Aggression and Aid Korea, the retired military personnel who had been awarded Citation for Merit, Class II or higher, and disabled military personnel to the Company, viewed development and construction of the Company, observed the drills of military subjects for basic militia of the Company, held a symposium of heart-warming action with the theme of Bringing the Warmth of the Party to the Hearts of Veterans, and listened to veterans telling their own experiences of war history, touching deeds and participation in the process of development and growth of the Company. The Company delivered sympathy funds and items to 18 veterans attending the meeting, totaling RMB54,000.



Wuliangye sent the Party's warmth to veterans



Sympathy to the retired military personnel on Army Day

### Case // Visiting veterans, families of active servicemen, and other subjects enjoying preferential treatment

Taking major festivals as an opportunity, Wuliangye conducted discussion and sympathy activities for the retired military personnel and the families of active servicemen in the Company to convey its care, sympathy and greetings. During the Reporting Period, the Company conducted sympathy activities to 4,246 people of retired military personnel on the job, military personnel who left the Company or get retired and the families of active servicemen, and delivered sympathy funds and items, totaling RMB2,681,600.

### Case // Wuliangye conducted visit and sympathy activities to the stationed troops, and cared for the military personnel

Taking major festivals such as the Spring Festival and the Army Day as an opportunity, Wuliangye conducted visit and sympathy activities to the stationed troops. Combined with COVID-19 control requirements, Wuliangye carried out the visits and discussions with the theme of Co-construction and Mutual Integration Development of the Military and Enterprises to the stationed troops, such as military divisions, People's Armed Forces Department of Cuiping District, Army Aviation, the PLA Rocket Force, and the armed police detachment, recognized the actual difficulties in the life and training of the stationed troops, and quickly organized targeted sympathy materials to the stationed troops. During the Army Day, the Company visited eight stationed troops and emergency forces, and held three symposiums, delivering sympathy funds and items such as air conditioners, cool drinks and training equipment, totaling RMB350,000.

## Performance

### Economic Performance

Indicator	Unit	2021
Total assets	RMB million	135,621
Operating revenue	RMB million	66,209
Taxes paid	RMB million	25,451
Total profit	RMB million	32,450
EPS	RMB	6.023
Total cash dividends for 2020	RMB million	10,015

### Employee Performance

Indicator	Unit	2021
Total employees		25,803
Employment contract signing rate	%	100
Social insurance coverage rate	%	100
Proportion of female managers	%	20
Medical examination coverage rate	%	78.16
Input into employee training	RMB'0,000	536.49
Input into assistance for employees in need	RMB'0,000	161.31

### Social Performance

Indicator	Unit	2021
Input into rural revitalization	RMB'00 million	6.81
Total donations	RMB'0,000	9,915.98
Volunteer events	Times	345

### Environmental Performance

Indicator	Unit	2021
Chemical oxygen demand emissions	Ton	82
Ammonia nitrogen emissions	Ton	2
Exhaust gas emissions	Billion m <sup>3</sup>	1.6
Sulfur dioxide emissions	Ton	0.8
Nitrogen oxide emissions	Ton	104
Total consumption of industrial energy resources	10,000 tce	22.88
Carbon dioxide emissions	10,000 tons	51.96

# Future Outlook

Throughout the challenging 2021, Wuliangye implemented the decisions and arrangements made by the CPC Central Committee, the State Council, the CPC Sichuan Provincial Committee, the People's Government of Sichuan Province, the CPC Yibin Committee, and the People's Government of Yibin City, promoted business development and social responsibilities in parallel, and finally achieved new steady development progress.

In an important period of window and strategic opportunities for a new round of high-quality development, Wuliangye will continue to follow the leadership of Party building and work hard with partners. Additionally, it will value stability, adhere to the general principle of seeking progress while maintaining stability, seize each opportunity, and pursue innovations while carrying on the essence. By fully building an "ecological, high-quality, cultural, digital, and honest" brand, Wuliangye will effectively fulfill its mission as a state-owned enterprise and exercise its political, economic, and social responsibility comprehensively.

Consolidate the development foundation	Party Building	<ul style="list-style-type: none"> <li>Reinforce full and strict governance over the Party, consistently promote the work of "Learning from Cases to Facilitate Improvements", and improve the system for combating corruption and upholding integrity.</li> <li>Optimize the setup of the Party organizations by classification and level in a scientific and dynamic manner to ensure that the Party organizations that are set up are "essential and practical".</li> <li>Give full play to the exemplary role of Party members and enhance the building of the cadre team.</li> </ul>
	Corporate Governance	<ul style="list-style-type: none"> <li>Optimize the corporate governance structure and management mechanism and improve the capability of the General Meetings of Shareholders, the Board of Directors, and the Supervisory Board in independent operation and mutual supervision.</li> <li>Consistently improve the internal control system and the risk control system and incorporate ESG-related risks into the corporate risk management.</li> <li>Strengthen the communication with investors, protect the interests of minority investors, and be committed to maximizing the legitimate rights and interests of the Company, shareholders, and other stakeholders.</li> </ul>
	Brand Building	<ul style="list-style-type: none"> <li>Intensify the building and output of brand culture and tell the stories concerning the quality, history, and public welfare of Wuliangye in a systematic manner.</li> <li>Insist on the combination of characteristics and fashion, enrich the cultural customized product system, improve the procedures for product research and development, and develop the market of liquor with a low alcohol content to consistently meet the consumer demands in the new era.</li> <li>Insist on both scale and value and consistently upgrade the quality of other Baijiu series to make the "excellent quality within reach" become the core value idea of Wuliang NongXiang series Baijiu that consumers are familiar with.</li> </ul>
	Consumers Services	<ul style="list-style-type: none"> <li>Consistently encourage responsible marketing to protect the rights and interests from being infringed.</li> <li>Build an industry-leading digital marketing system, digital management system, and digital business system to create more convenient and better experiences for consumers with technologies.</li> <li>Carry out periodic consumer satisfaction surveys and organize customer service training activities to continuously improve the quality of the Company's consumer services.</li> </ul>

Co-create premium products	Pursuing innovation while carrying on the essence	<ul style="list-style-type: none"> <li>Persist with traditional production techniques, constantly improve the cultural identity of producers, improve related criteria and regulations, and conduct training in core brewing techniques.</li> <li>Carry out the industry-university-research institute research and innovation incentive work to empower future development with innovation.</li> </ul>
	Quality control	<ul style="list-style-type: none"> <li>Strengthen the quality control mechanism and implement whole-process quality inspection and control to ensure food safety.</li> <li>Improve food safety criteria and promote the research and application of the methods for assessing food safety risks.</li> <li>Upgrade and build the largest brewing base for pure-grain solid fermentation in the industry and constantly increase the famous liquor rate of Wuliangye.</li> </ul>
	Employee Recruitment and Development	<ul style="list-style-type: none"> <li>Develop a comprehensive professional talent training system and incentive mechanism to help employees improve their techniques and career development.</li> <li>Consistently improve the Company's welfare system and enhance employees' well-being and sense of belonging.</li> <li>Promote and carry out system improvement around two major responsibility issues, namely production safety and occupational health, and adopt strict pandemic control measures to protect employees' health and safety.</li> </ul>
	Value chain support	<ul style="list-style-type: none"> <li>Optimize the supplier management system, protect the legitimate rights and interests of suppliers, insist on transparent procurement, and strengthen communication and training to empower suppliers.</li> <li>Prioritize dealer training and assessment, strengthen communication and training, update and improve dealer management policies, and solve dealers' problems to promote win-win development between the Company and dealers.</li> </ul>
	Common industrial progress	<ul style="list-style-type: none"> <li>Proactively participate in exchange activities in the industry and the assistance campaigns of liquor producers to contribute the strength of Wuliangye to high-quality development of the industry.</li> <li>Promote the criteria formulation by exploring more detailed, standard, scientific, and comprehensive industry criteria.</li> </ul>
Develop the ecological blueprint	Strengthening green management	<ul style="list-style-type: none"> <li>Build an energy, environment, and greenhouse gas management system that operates efficiently and consistently improve management regulations.</li> </ul>
	Practicing Ecological Conservation	<ul style="list-style-type: none"> <li>Fully build ecological parks and insist on providing ecological products to realize ecological production comprehensively.</li> <li>Strictly comply with emission regulations and ensure the compliant disposal of various waste to fully develop a circular economy and become an energy-saving, environmentally-friendly liquor producer.</li> </ul>
	Construction Zero-carbon Liquor Enterprise	<ul style="list-style-type: none"> <li>Consistently improve the incentive system for building a "Zero-carbon Liquor Enterprise", optimize the mechanism for carbon emission management, and explore low-carbon programs.</li> <li>Fully promote green and low-carbon energy and properly perform the monitoring and disclosure of energy consumption data to achieve omni-port control and omni-channel management and carbon neutrality.</li> </ul>
Contribute to common prosperity	Devotion to Public welfare and charity	<ul style="list-style-type: none"> <li>Give attention to vulnerable groups and implement public welfare projects concerning education, disaster relief, and love for the elderly and orphans.</li> <li>Consistently fulfill the social responsibility for supporting national defense and military development, carry out concrete work to support the army and give preferential treatment to families of servicemen, and deepen the civil-military integration.</li> </ul>
	Services Rural Revitalization	<ul style="list-style-type: none"> <li>Mainly focus on industrial support, instruct local farmers in planting special grain for brewing, and continue to improve the development of assisted regions and people's life.</li> <li>Implement the targeted assistance mechanism, improve the organization system to steer the assistance work, and consolidate the achievements of poverty alleviation.</li> </ul>



## Benchmarks for Indicators

Report content		CASS-CSR 4.0
About This Report		P1.2/A5
A Message from the Senior Management		P2.1/P2.2
About Wuliangye		P4.1/P4.3/P4.4/A3
Inheritance · Time-honored Brand that Bears "Red" Heritages	Party Building	M1.1
	Celebration of the 100th Anniversary of the Founding of the Communist Party of China	M1.1
Governance · Cellar Prosperity through Ancient and Modern Governance	Corporate Governance	M1.1
	Risk Control and Compliance	M1.1/S1.1
	Combating Corruption and Upholding Integrity	M1.3
	Digital Transformation and Upgrade	M2.4
	Corporate Social Responsibility Management	G2.1/G2.2/G2.3 G2.4/G6.1
Technique · Premium Products through Ancient and Modern Efforts	Craftsmanship-embedded Innovation	M2.4/M2.6
	Technique Inheritance	M2.2
	Quality control	M2.2/M2.3
	Culture Inheritance	G6.3/G2.4

Report content		CASS-CSR 4.0
Environment · Preservation of Rivers in Their Natural State through Ancient and Modern Cultivation	Environmental Management	E1.1
	Zero-carbon Liquor Enterprise	E1.3/E1.9/E2.23/E2.24
	Ecological Conservation	E2.11/E2.13/E2.17/E3.3
	Green logistics	E2.21
Society · Extensive Brotherhood through Ancient and Modern Cultivation	Supplier Management	M3.15/M3.1/M3.2
	Distributor Support	M2.9
	Consumer Services	M2.8/M2.9/M2.10/M2.13/M2.14/M2.15/M2.16/ M2.18
	Employee Recruitment and Development	S2.1/S2.2/S2.4/S2.8/S2.10/S2.11/S2.12/ S2.14/S2.17/S2.18/S3.1/S3.3/S3.5/S3.6
	Investor Relation Management	M1.4/M1.5
	Common industrial progress	M3.6
	Rural Revitalization	S4.12
	Public welfare and charity	S4.1/S4.6/S4.10/S4.11
Performance		S1.5/S2.3/S4.8/S4.13/E2.25/S2.5
Future Outlook		A1
Benchmarks for Indicators		A5
Suggestions and Feedback		A6

# Suggestions and Feedback

Dear readers:

Thank you for reading *The 2021 Corporate Social Responsibility Report of Wuliangye Yibin Co., Ltd.* to provide you and other stakeholders with more professional and valuable CSR information. We hope you can complete relevant questions in the feedback form. With your help, we can further improve our social responsibility and sustainable development management in the future.

Please rate the following questions on a scale of 1 to 5 (1 being the lowest and 5 being the highest).

1. Your overall rating of this Report

1       2       3       4       5

2. Do you think this Report reflects Wuliangye's significant influence on the economy?

1       2       3       4       5

3. Do you think this Report reflects Wuliangye's significant influence on the environment?

1       2       3       4       5

4. Do you think this Report reflects Wuliangye's significant influence on society?

1       2       3       4       5

5. Do you think this Report accurately reflects Wuliangye's corporate governance?

1       2       3       4       5

6. Your overall rating of the information disclosed in this Report:

1       2       3       4       5

7. Your overall rating of the writing quality of this Report:

1       2       3       4       5

8. Your overall rating of the design of this Report:

1       2       3       4       5

9. Which issues in this Report interest you most?

10. Do you have any other opinions or suggestions for this Report?

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