

2024

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE (ESG) REPORT
LUZHOU LAOJIAO



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About the Report

Luzhou Laojiao Co., Ltd. (hereinafter referred to as "Luzhou Laojiao", "the Company", or "We") publishes an independent report annually to disclose information related to sustainable development.

From 2006 to the present, the Company has published 18 social responsibility reports and environmental, social, and governance (ESG) reports. It aims to truthfully, accurately, and completely disclose the efforts and achievements made by the Company in practicing high-quality sustainable development to stakeholders including the government and regulatory authorities, shareholders and investors, customers, suppliers and industries, employees, and the public, thereby fully addressing their expectations.

Subject Entities

This Report makes disclosure on Luzhou Laojiao and its subsidiaries. The disclosure scope aligns with that of the annual report.

Basis of Preparation

- The 17 Sustainable Development Goals (SDGs) under the United Nations 2030 Agenda for Sustainable Development
- The Ten Principles of the United Nations Global Compact (UNGC)
- GRI Sustainability Reporting Standards (GRI Standards), issued by the Global Sustainability Standards Board (GSSB)
- ISO 26000: 2010 Guidelines on Social Responsibility
- The Guidelines on Sustainability Reporting for Chinese Enterprises (CASS-ESG6.0) issued by the China Enterprise Reform and Development Research Society and Responsibility Cloud Research Institute
- Guidance on Social Responsibility Reporting (GB/T36001-2015)
- Shenzhen Stock Exchange (SZSE) Social Responsibility Instructions to Listed Companies
- SZSE Guidelines No. 1 for Self-Regulation of Listed Companies—Standardized Operation of Main Board Companies
- SZSE Guidelines No. 17 for Self-Regulation of Listed Companies—Sustainability Reporting (Trial)

Data Source and Reliability

All data cited in this Report are derived from the Company's official documents, statistical reports, and financial statements. All monetary amounts are denominated in Renminbi (RMB). The Company and all members of the Board of Directors undertake that the information disclosed herein is true, complete, and accurate, without any misrepresentations, misleading statements, or material omissions.

Terminology Used in the Report

For ease of reference, short names are used herein as follows:

Short Name	Full Name
Luzhou Laojiao, the Company, We	Luzhou Laojiao Co., Ltd.
Distillery Company	Luzhou Laojiao Distillery Co., Ltd.
Huangyi, Huangyi Distilling Ecological Park	The park in Huangyi Town, Jiangyang District, Luzhou City
Luohan, Luohan Distilling Ecological Park	The park in Luohan Town, Longmatan District, Luzhou City
Xiaoshi Distilling Base	The production base in Xiaoshi Subdistrict, Longmatan District, Luzhou City

Reporting Timeframe

This Report presents the annual ESG disclosure for the period January 1, 2024 to December 31, 2024. To enhance comparability and completeness, retrospective data has been incorporated where necessary.

Access to the Report

In line with our commitment to low-carbon and environmental sustainability, we release this Report exclusively in digital format. You can access both the Chinese and English versions of the Report through our Company's official website (<https://000568.iryi.com/#/esgreport>) or CNINFO (www.cninfo.com.cn).

Message from the Chairman of the Board



LUZHOU LAOJIAO
Secretary of the Party Committee and Chairman

2024 marks a crucial year for Luzhou Laojiao as we push forward with our 14th Five-Year Plan. Despite the challenges of a fast-changing economy and growing competition, we have embraced this year's theme of "Resolve, Breakthrough, Innovation, and Collaboration." Through collective effort and determination, we have seen steady progress in both revenue and profit, while making notable strides in brand culture, smart manufacturing, sustainability, and social responsibility.

Building on sustainability, laying a strong foundation for long-term growth. Anchored in our strategic pillars—Brand Leadership, Quality Excellence, and Cultural Legacy—we focus on building a holistic "six-in-one" Luzhou Laojiao model, which integrates brand value, product quality, cultural heritage, technological innovation, digital transformation, and social harmony. We are firmly committed to reclaiming our position among the top three in China's baijiu industry, with our leadership reflected in our strong profitability, growing brand value, and leading progress in digital intelligence transformation. Through our "700 Years of Chinese Aromatic Baijiu Heritage" campaign, we earned recognition as a National Intangible Cultural Heritage Production Base for 2023-2025 and were officially certified as the "Birthplace of Chinese Strong Aroma Baijiu". We have also placed strong emphasis on environmental stewardship, conducting carbon emissions accounting across the organization for four consecutive years, performing product carbon footprint assessments, analyzing carbon emissions and the effectiveness of energy-saving and carbon-reduction measures, and completing the evaluation of our *Carbon Peaking Action Plan*. For eight years, we have published Product Quality White Papers and received numerous national-level quality honors, including the "Model of Integrity and Quality" award.

Pledging through action, realizing our mission of shared prosperity. True success is not only measured by financial results but by how we contribute to society. At Luzhou Laojiao, we integrate social responsibility into every aspect of our business to establish a distinctive and sustainable development model focusing on the environment, collaboration, and governance. On the environmental front, our "Digital and Intelligent Luzhou Laojiao" strategy continues to evolve with investments in projects like the Luzhou Laojiao Intelligent Packaging Center. This new facility is setting industry standards for both efficiency and energy use, driving innovation in the high-end baijiu sector and promoting its green and intelligent development of the baijiu industry. We have also promoted the cultivation of organic sorghum, building a low-carbon supply chain from field to production. On the social side, we live by the philosophy of "co-distilling with nature, coexisting in harmony." We are dedicated to supporting initiatives like the Pillar Project and the Luzhou Laojiao Scholarship, which benefited over a thousand students.

Additionally, we contributed to rural revitalization efforts in Hongyuan County. In 2024, we were honored as one of Sichuan's "Top 10 Philanthropic Enterprises." In terms of corporate governance, we prioritize strong management practices, constantly refining our integrated framework that covers authority, systems, and processes. This has enabled us to create a highly efficient and well-coordinated compliance operation system, earning the highest "Grade A" rating in annual information disclosure assessments from the Shenzhen Stock Exchange and establishing ourselves as a benchmark for corporate compliance. We also established the "Three Major and One Big" decision-making mechanism, ensuring that major decisions, key personnel appointments, significant project arrangements, and large-scale financial expenditures undergo collective discussion and approval, with the Party Committee taking a lead role in providing direction, overseeing the big picture, and ensuring effective implementation. Moreover, we have promoted the development of the "Intelligent Human Resources Sharing" and "Digital and Intelligent Collaboration Platform," which has helped us build a more effective governance system. This effort has earned us recognition as a leader in industrial data governance in China.

Covenanting with the future, co-creating a sustainable legacy. At this pivotal moment in history, we are fully integrating Environmental, Social, and Governance (ESG) principles throughout our value chain, aligning corporate growth with societal responsibility. We will continue refining our governance structure, enhancing transparency, and strengthening shareholder trust through strong financial performance and long-term value creation. We will deepen our "Mutual Growth Between Manufacturers and Vendors" philosophy, leveraging digital tools and resource sharing to build a mutually beneficial industry ecosystem. Embracing the "Five Shared Principles"—shared cultural roots, unified standards, collective rule adherence, joint market expansion, and mutual support in adversity—we will continue collaborating with industry partners to strengthen our collective future. We remain steadfast in our founding mission of "crafting exceptional baijiu for the people," ensuring that every bottle we produce represents our commitment to "consistent quality, sincere service," and sharing the taste of China with the world.

Message from the General Manager



LUZHOU LAOJIAO

Deputy Secretary of the Party Committee and General Manager

The year 2024 marks the 700th anniversary of Luzhou Laojiao's continuous commitment to preserving traditional distilling techniques, and it is also a pivotal year for the Company as we continue to navigate a complex market environment. Under the leadership of the Party Committee and the Board, everyone at Luzhou Laojiao has come together, staying determined and focused to ensure that all tasks are carried out smoothly. This unity has allowed us to maintain steady and positive growth, creating a strong foundation for the final phase of our 14th Five-Year Plan.

This year, the Company has made significant progress in overcoming key market challenges, with digital innovation playing a central role in driving growth.

We actively implemented our marketing strategy of "firm commitment, digital innovation, efficient collaboration, and comprehensive execution" which helped expand our market reach and maintain steady sales growth. The National Cellar brand took the lead, making a major contribution to revenue, while the Luzhou Laojiao brand focused on strategic growth, continuously strengthening its brand foundation. By implementing regional strategies such as the Hundred Cities Plan 2.0 and East China Strategy 2.0, we successfully expanded our presence across provinces, autonomous regions, and cities, further improving market coverage and penetration. At the same time, we accelerated our transformation to digital and intelligent marketing, fortifying our digital channels. The innovation and upgrading of Luzhou Laojiao's membership system further enhanced consumer loyalty and brand stickiness.

In 2024, we laid a strong foundation for quality and set a new industry benchmark with our intelligent systems.

We upheld strict standards for quality, production capacity, and supply chain security, ensuring high-quality development at every step. Through a series of measures, including promoting a digital management system for red sorghum, enhancing our laboratory CNAS system, and launching an automated paper box production line, we have consistently improved product quality. We have also strengthened production capacity guarantees, achieving a 100% execution rate for base liquor production processes and a 100% liquor source guarantee rate. The 63.37 hectare intelligent distilling technical transformation project has made steady progress, improving both resource utilization and production efficiency.

Additionally, the Luzhou Laojiao Intelligent Packaging Center has officially opened, setting a new benchmark in the industry as the first "Intelligent Manufacturing Benchmark Enterprise" in the baijiu sector of China.

This year, our focus on management innovation has boosted both quality and efficiency, and system optimization helped drive momentum.

We focused on refined management and improved the three-in-one management framework of authorization, system, and process. We've also deepened state-owned enterprise reforms, optimizing our governance system, and were honored as an "Advanced Primary-Level Party Organization in Sichuan Province." Our commitment to safety remained strong, with no work-related accidents throughout the year. We have made remarkable strides in risk prevention and control, particularly in areas like intellectual property protection and legal risk management, and earned the highest "Grade A" rating in the Shenzhen Stock Exchange's annual information disclosure assessment. The "Talent Hub" has made initial progress, enhancing our talent pool and advancing our "three-pillar" human resources management model. We have also embraced digital and intelligent management practices, building a collaborative platform and implementing RPA robot scenarios. This innovation has earned us the title of "Forerunner" in China's industrial data governance and a place as a "Forerunner" case in China's light industry digital transformation.

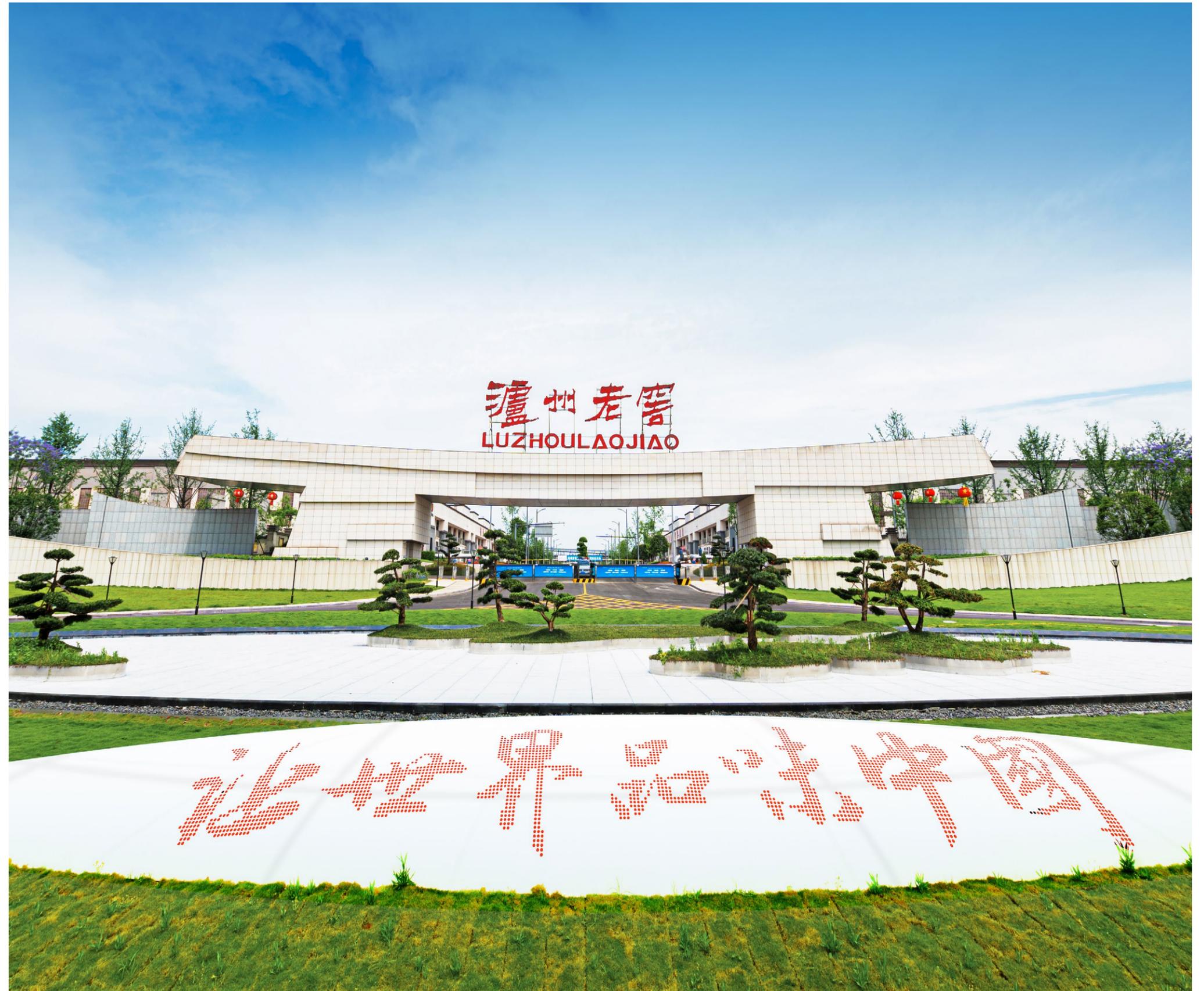
Looking ahead to 2025, as we conclude our 14th Five-Year Plan, we are ready to tackle new challenges and seize fresh opportunities with a broader strategic vision, a steadier pace of innovation, and a more efficient coordination!

About Luzhou Laojiao

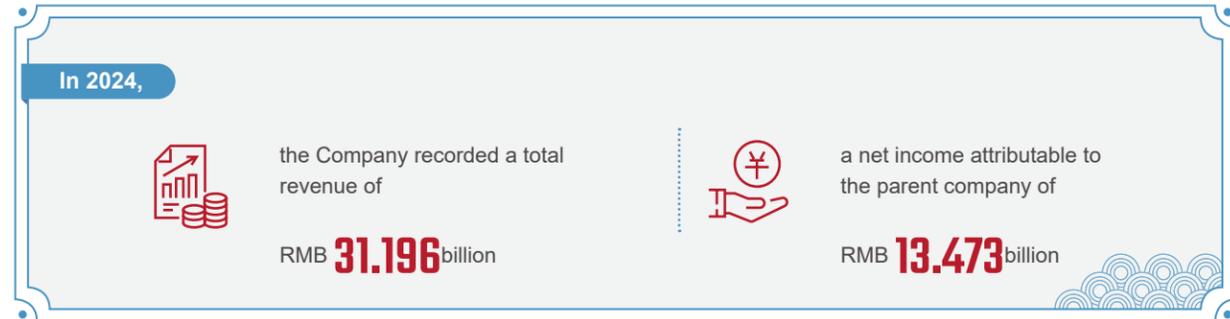
Company Overview

Luzhou Laojiao Co., Ltd. (stock code: 000568) is a large state-owned liquor enterprise that evolved from 36 distilling workshops established during the Ming and Qing Dynasties. The Company is recognized as the pioneer of China's strong-aroma baijiu techniques, the creator of strong-aroma standards, and the builder of strong-aroma brands, earning it the title of the "ancestor of strong-aroma baijiu." The Company preserves the "Traditional Distilling Techniques of Luzhou Laojiao," passed down through 24 generations since 1324 AD, and it has been included in the first batch of the "National Intangible Cultural Heritage List." The Company also owns the "1573 National Treasure Cellars," which has been continuously used since 1573 AD. This cellar group is the largest, most complete, and longest-continuously used "living distilling cultural relic" in the world. It is designated as a "National Key Cultural Relic Protection Unit" and included in the "Preliminary List of China's World Cultural Heritage." The Company's main products include the "National Cellar 1573" and "Luzhou Laojiao" series of baijiu, with key performance indicators ranking among the top in the baijiu industry.

As part of its long-term commitment to sustainability, Luzhou Laojiao actively aligns with China's "dual carbon" strategy. The Company operates with a strong focus on regulatory compliance, clean production, energy efficiency, and continuous improvement. By upholding this guiding principle, it strives to build a green industry and promote a circular economy. Emphasizing product quality and safety, Luzhou Laojiao practices the philosophy of "making the quality of Chinese Baijiu visible." It has established a comprehensive quality control system across the entire industry chain, plays a key role in setting industry standards, and continues to drive the advancement of high-quality baijiu production. At the same time, Luzhou Laojiao is modernizing its supply chain, standardizing supplier admission, evaluation, exit, and other management mechanisms, and integrating digital technologies to enhance intelligence and upstream and downstream resource efficiency. While embracing innovation, the Company also preserves traditional distilling techniques. Luzhou Laojiao's 1573 National Treasure Cellars, built during the Wanli period of the Ming Dynasty, and its traditional distilling techniques, passed down for over 700 years, are unique and invaluable assets to the industry. The Company continues to invest in its brand culture, upholding the corporate philosophy of "co-distilling with nature, coexisting in harmony". As a state-owned enterprise, it takes its social responsibilities seriously, fostering a strong business ecosystem.



Luzhou Laojiao has been making steady strides in high-quality development. In recent years, it has experienced consistent growth, strengthening both its market position, and making it a leading Chinese baijiu brand. In 2024, the Company recorded a total revenue of RMB 31.196billion and a net income attributable to the parent company of RMB 13.473billion. As Luzhou Laojiao continues to expand its global presence and strengthen its brand value, it was listed among China's 500 Most Valuable Brands in 2024. Additionally, it ranked third in the Brand Finance Alcoholic Drinks 2024, with a brand value of USD 8.2 billion, further cementing its leadership in the global spirits industry.

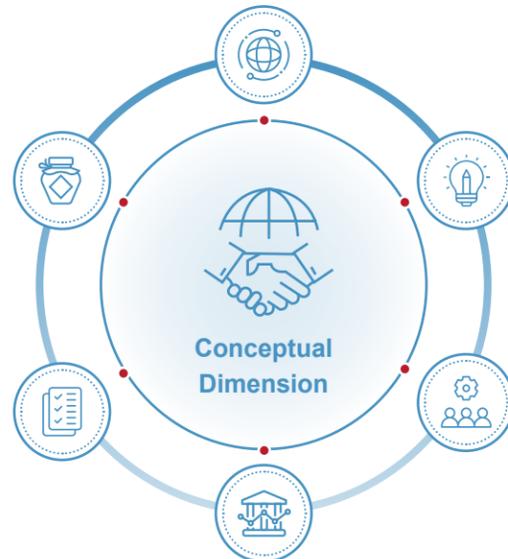


Corporate Culture

Conceptual Dimension

Corporate Philosophy Slogan

Growing with society
Thriving with nature
Coexisting with humanity



Corporate Philosophy

Co-distilling with nature
Coexisting in harmony

Corporate Mission

Wherever Chinese people go,
let them savor Luzhou Laojiao

Corporate Spirit

Respect and dedication
Innovation and excellence

Core Values

Inherit culture Continuously innovate
Focus on customers Create wealth

Corporate Vision

Be a giant in the Chinese Baijiu industry
Be a flagbearer of Chinese Baijiu culture

Operational Dimension

"Three Unswerving Commitments"

- Commitment to a competitive marketing strategy
- Commitment to the belief that "sales come first"
- Commitment to the core value of creating and sharing prosperity

"Four Requirements"

- Fostering shared growth with the industry
- Aligning with customers
- Win-win partnerships with customers
- Keeping pace with the market

"Three Stabilities"

- Prince stability
- Team stability
- Policy stability

"Five Implementations"

- Implementation of organizational structure construction
- Implementation of distribution network expansion
- Implementation of brand focus and positioning
- Implementation of service culture development
- Implementation of corporate efficiency enhancement

Management Dimension

Corporate Management Principles

Integration of people-centered and digital management

Human Resource Management Philosophy

Talent is the foundation of success
Performance earns recognition

Marketing Management Philosophy

Customer-centric approach

R&D Management Philosophy

Market-oriented development
Realize Four "First-Class"
Build four core strengths
Achieve a transformation

Production Management Philosophy

Preserving ancestral distilling techniques
Mastering the art of distillation

Quality Management Philosophy

Making the quality of Chinese Baijiu visible

Environmental Management Philosophy

Happy life originates from green production

Safety Management Philosophy

Safety, Health, Happiness

Social Responsibility Philosophy

Culture creates value
Harmony drives sustainable growth

Company Products



National Cellar 1573 • Classic

National Cellar 1573 • Classic originates from the "National Treasure Cellars" built during the Wanli period of the Ming Dynasty (1573 AD). Crafted using the traditional baijiu-making techniques of Luzhou Laojiao, this premium baijiu is crystal-clear, with an elegant cellar aroma, a smooth and mellow taste, balanced sweetness, and a clean, lingering finish, embodying the authentic essence of Chinese baijiu.



Luzhou Laojiao Tequ 60s Tribute Edition

The Luzhou Laojiao Tequ 60s Tribute Edition is a flagship heritage product of Luzhou Laojiao. In the 1960s, due to its limited production, it was only available with special purchase permits issued by county-level or higher authorities. As a result, it was affectionately known as "Old County Magistrate", a highly sought-after baijiu that was nearly impossible to obtain in the early years of the People's Republic of China. In 2014, this iconic edition was revived, meticulously preserving the original 1960s Tequ packaging and craftsmanship, while featuring Luzhou Laojiao's premium aged liquor. It faithfully recreates the classic taste of the era. The product is exclusively available through group-purchase channels, with a limited allocation system to maintain its exclusivity, rarity, and prestige.



National Cellar 1573 • Spirit of China

National Cellar 1573 • Spirit of China is a tribute to both China's tangible and intangible cultural heritage. This special edition commemorates the inclusion of the 1573 National Treasure Cellars and Luzhou Laojiao's traditional baijiu-making craftsmanship in the major historical and cultural sites protected at the national level (1996) and the National List of Intangible Cultural Heritage of China (2006). This exquisite baijiu is crystal-clear, with a refined cellar fragrance, delicate aged aroma, rich and mellow taste, smooth texture, and a lingering, clean finish, embodying the authentic essence of Chinese baijiu.



Centennial Luzhou Laojiao Jiaoling Baijiu

In 2011, Luzhou Laojiao pioneered the concept of cellar-aged baijiu, leveraging its historic cellar resources to introduce a grading system based on the actual age of fermentation cellars. It carefully selected cellars aged 30, 60, and even over 90 years to craft China's first baijiu named after its cellar age—Centennial Luzhou Laojiao Jiaoling Baijiu. This product series includes 30-year, 60-year, and 90-year cellar-aged baijiu. As the first authentic cellar-aged baijiu in China, it filled a market gap and established itself as the pioneer and leader of the Jiaoling baijiu category, marking the beginning of the "Jiaoling Era" in China's baijiu industry.



Luzhou Laojiao 1952

Luzhou Laojiao 1952 is a flagship product within Luzhou Laojiao portfolio. It pays tribute to the brand's recognition as one of China's first "Famous Chinese Baijiu" winners in 1952, incorporating the essence of five consecutive awards to create an outstanding high-end strong-aroma baijiu. It stands as a benchmark for the value of premium Chinese baijiu.



Luzhou Laojiao Touqu

Luzhou Laojiao Touqu is one of Luzhou Laojiao's core heritage products. Since its debut in the 1950s, it has been widely recognized for its exceptional quality, earning multiple prestigious awards, including the Grand Gold Medal at the Moscow International Spirits Exhibition. Renowned for its rich, mellow, and well-balanced profile, it embodies the classic strong-aroma baijiu style, delivering a harmonious fusion of deep aroma, smooth texture, and a long-lasting aftertaste. For over 70 years, Luzhou Laojiao Touqu has remained one of China's most beloved and widely enjoyed baijiu brands.



Luzhou Laojiao Tequ

Luzhou Laojiao Tequ is regarded as the benchmark of strong-aroma baijiu. Its distinctive bottle design is inspired by the knife-shaped money used as standardized currency after the unification of China under the Qin Dynasty. Recognized as the authentic representation of strong-aroma baijiu, Luzhou Laojiao Tequ holds four prestigious honors: The first strong-aroma baijiu to win an international gold medal; the only strong-aroma baijiu to win the "Famous Chinese Baijiu" title across multiple generations; a key contributor to the establishment of strong-aroma baijiu standards; and the pioneer of the Tequ baijiu category. This baijiu is world-renowned for its crystal-clear appearance, rich and mellow aroma, smooth yet vibrant taste, long-lasting aftertaste, and lingering fragrance, making it a beloved choice among consumers.



Luzhou Laojiao Black Cap

Luzhou Laojiao Black Cap is a key strategic product, crafted using fermentation cellars that account for 91.3% of all heritage-protected cellars in the Chinese baijiu industry. Adhering to traditional solid-state grain fermentation and an eco-friendly, minimalist distilling philosophy, this baijiu is produced using the industry's pioneering "cellar mud inheritance technology". Its quality has been rigorously evaluated by experts from the Chinese Academy of Engineering and the China Alcoholic Drinks Association, meeting the standards of baijiu aged in cellars over 30 years old. With its rich grain aroma, smooth and full-bodied texture, and lingering sweetness, Luzhou Laojiao Black Cap sets a new benchmark for high-quality, simply packaged, value-driven baijiu.

Luzhou Laojiao Health Care Baijiu-Mingniang



Mingniang is an innovative herbal tea-infused baijiu, developed under the Healthy China Initiative. Inspired by the distilling traditions of Su Dongpo from the Northern Song Dynasty, it harmoniously blends two of China's most iconic beverages—tea-infused baijiu—through modern biotechnology. The result is a smooth, aromatic, and well-balanced drinking experience, featuring a gentle entrance, effortless swallow, distinctive tea fragrance, slow intoxication, and quick recovery. Mingniang follows four core brand values: technology, fashion, health, and happiness. It's crafted under the leadership of Shen Caihong, Chief Engineer of Luzhou Laojiao, a Chinese Baijiu Master, and one of the first National Intangible Cultural Heritage Inheritors. It is made using high-quality Luzhou Laojiao base liquor and premium high-mountain ecological black tea, supported by five professional platforms, including the National Engineering Research Center of Solid-State Brewing. By overcoming the technical challenges of integrating tea and baijiu, Mingniang activates natural plant bioactive compounds, reduces metabolic strain, and offers a refined drinking experience characterized by a light, pleasant buzz that allows for full enjoyment.

Luzhou Laojiao Whitail Craft Beer 980



Luzhou Laojiao Whitail Craft Beer 980 is brewed using imported Australian malt, exclusive yeast, and premium imported hops, ensuring exceptional quality from the source. It follows the traditional German ale fermentation method, using top-fermenting ale yeast, and incorporates a unique "double yeast" fermentation technique. By selecting high-aroma, high-quality fermentation strains, this beer undergoes a slow, 35-day brewing process, allowing flavors to fully develop. The brewing process adheres to a zero-additive, zero-filtration, and zero-dilution standard, ensuring a pure, full-bodied, and rich malt taste. With its golden hue, creamy and delicate foam, and classic German flavor profile, the product delivers a truly exceptional and authentic craft beer experience.

Customized Baijiu-National Cellar 1573 Auspicious Snake



The National Cellar 1573 Auspicious Snake is a special edition baijiu, designed by internationally renowned designer Zhang Chaoyang as part of Luzhou Laojiao's Spring Festival tribute series. The bottle's graceful, flowing form reflects a decade of continuous innovation, elegantly capturing the auspicious imagery of the snake. Rooted in Chinese zodiac tradition, the snake embodies the essence of Chinese civilization, symbolizing smooth progress and good fortune. This edition celebrates the Year of Yisi, extending blessings for prosperity and success in the journey ahead.

2024 Performance Highlights



Operate with integrity and uphold shared responsibility

- The Board of Directors held a total of **9** meetings, with a **100%** attendance rate;
- The Company responded to **100%** of investor inquiries via the Shenzhen Stock Exchange investor interaction platform, answered over **600** investor inquiries by phone, participated in **73** securities strategy meetings, organized **67** investor exchange meetings, and hosted **2** online earnings briefings;
- A total of **118** periodic and interim reports were issued, and the Company has consistently received a Class **A** rating (highest level) for information disclosure from the Shenzhen Stock Exchange for multiple years;
- **No** corruption-related lawsuits occurred;
- **100%** of the Company's suppliers and distributors signed the *Agreement on Joint Integrity Building*;
- Conducted business ethics and anti-corruption training for directors, management, and all employees, achieving **100%** coverage;
- Organized **6** cybersecurity training sessions, with **1,523** employees participating in online information security awareness programs, and **1,469** completing the training assessments;
- **No** privacy security breaches occurred.



Produce greenly in harmony with the environment

- Calculated the carbon footprint for **14** products;
- Invested RMB **58.01** million in environmental management, including RMB **34.20** million for energy conservation and efficiency upgrades, and RMB **23.81** million for other environmental initiatives;
- Conducted **14** environmental training sessions, with **14,450** participants;
- Energy consumption intensity per unit of raw liquor dropped by **6.44%**, achieving the target of a **0.43%** year-over-year reduction in base liquor production energy intensity;
- Purchased **5,944** MWh of green electricity, recycled **3,599,200** cubic meters of biogas, reducing carbon dioxide emissions by **58,808** tonnes;

- The Company's compliant disposal volume of hazardous waste reached **28.12** tonnes, and solid waste reached **395,040** tonnes, achieving a **97.9%** resource utilization rate;
- Implemented water-saving measures: **61,100** tonnes of water saved in water production; **2,367,100** tonnes through the recycling of brewing cooling water; **1,346** tonnes of water saved in baijiu production; **97,000** tonnes of water saved in product packaging;
- Hosted nearly **150** biodiversity-related training sessions, with over **10,000** participants annually.



Craft with excellence and grow together with customers

- **No** product recall occurred;
- **No** food safety incidents occurred;
- Conducted **24** quality training sessions, engaging nearly **1,000** employees;
- Achieved a **100%** response rate to customer feedback and a **97.30%** resolution rate for customer complaints;
- Conducted **4** dealership customer surveys, covering **1,879** dealers, with a **99.70%** customer satisfaction rate;
- Provided **2** responsible marketing training sessions, ensuring **100%** participation of employees in the Brand Center and Planning Department.



Foster diversity and thrive alongside employees

- **No** cases of child labor, forced labor, or discrimination were identified;
- The Company employs **269** evaluators, including **15** expert-level, **173** intermediate-level, and **81** junior-level evaluators;
- RMB **13.88** million was invested in employee training, totaling **297,378.88** hours, with an average of **88.90** training hours per employee;

- Achieved **100%** employee satisfaction rate;
- Provided **1,876** instances of financial assistance, supported **13** employees' children with education subsidies, and allocated RMB **871,800** for employees in financial hardship;
- Achieved **100%** health check-up coverage, with **no** suspected occupational disease cases.



Create value and drive progress with the industry

- **51** suppliers obtained the ISO 45001 certification for occupational health and safety, **56** obtained the ISO 14001 certification for environmental management, and **65** obtained the ISO 9001 certification for quality management;
- Organized **46** hours of ESG-related training for suppliers, covering workplace safety, resource conservation, and anti-corruption, with **48** suppliers participating;
- **60%** of suppliers are based in Luzhou City, contributing to over **90%** of the total annual procurement amount, while suppliers in the Baijiu Industry Park accounted for over **85%** of annual procurement;
- Secured approval for three provincial-level projects, with a total funding of RMB **2.40** million;
- The postdoctoral research station welcomed **40** new postdoctoral researchers, **17** PhD candidates, and **37** master's degree students.



Preserve cultural heritage and advance with society

- Invested RMB **3.54** million in rural revitalization, benefiting over **4,460** villagers;
- **2,664** employees participated in **120** volunteer activities, contributing over **1,200** service hours;
- RMB **11.49** million was invested in philanthropy.

2024 Awards and Honors

<p>National Safety Culture Construction Demonstration Enterprise</p> <p>China Association of Work Safety</p>	<p>Provincial Safety Culture Construction Demonstration Enterprise</p> <p>Office of Sichuan Work Safety Committee</p>
<p>Advanced Enterprise Full-time Fire Brigade of Sichuan Province</p> <p>Fire and Rescue Department of Sichuan Province</p>	<p>Excellent Organizer of the Luzhou Work Safety Emergency Science Popularization Scene Drama Competition</p> <p>Office of Luzhou Work Safety Committee</p>
<p>Contact Point for Female Workers of the All-China Federation of Trade Unions</p> <p>Women Workers Committee of the All-China Federation of Trade Unions</p>	<p>Selected as one of the first batch of on-site teaching sites for key work innovation cases of the All-China Federation of Trade Unions</p> <p>All-China Federation of Trade Unions</p>
<p>Executive Director Unite of Enterprise Anti-Fraud Alliance</p> <p>Enterprise Anti-Fraud Alliance</p>	<p>Intelligent Manufacturing Benchmark Enterprise</p> <p>Secretariat of the China Intelligent Manufacturing System Integrator Consortium</p>
<p>"Pacemaker" in China's Industrial Data Governance</p> <p>China Federation of Industrial Economics</p>	<p>2024 "Pacemaker" Case of Digital Transformation in China's Light Industry</p> <p>China Light Industry Information Center</p>
<p>Environmental Integrity Enterprise</p> <p>Department of Ecology and Environment of Sichuan Province</p>	<p>Golden Bull Awards for Most Valuable Investment and Best Disclosure Practice</p> <p>China Securities Journal</p>
<p>Top 100 of the 18th Awards of the Value of Listed Companies in China</p> <p>Securities Times</p>	<p>Best Practice in Board Governance for Listed Companies</p> <p>China Association for Public Companies</p>
<p>Best Practice in Investor Relations Management for Listed Companies</p> <p>China Association for Public Companies</p>	<p>Grade A (Excellent) in Information Disclosure Assessment</p> <p>Shenzhen Stock Exchange</p>
<p>Top 10 of the Hurun Most Valuable China Brands 2023</p> <p>Hurun Brands List</p>	<p>2024 Special Award for Scientific and Technological Invention</p> <p>China General Chamber of Commerce</p>

ESG Governance

Luzhou Laojiao actively upholds its social responsibility philosophy of "growing with society, thriving with nature, coexisting with humanity." The Company continuously refines its ESG management system, strengthens ESG issue governance, and upholds environmental protection, social responsibility, and corporate governance as the three pillars of its long-term development. By working closely with stakeholders, the Company strives to create a greener, more socially responsible industry and drive sustainable progress.

ESG Governance Framework

Luzhou Laojiao places great emphasis on ESG governance, continuously optimizing its ESG governance framework and improving governance effectiveness. In 2024, the Company issued the *Rules of Procedure of the Strategy and ESG Committee of the Board of Directors*¹. The Board of Directors is the highest governing body for ESG matters and oversees the Strategy and ESG Committee, which includes three directors, including the Chairman. This committee guides long-term strategy, investment decisions, sustainable development and ESG efforts while providing regular updates to the Board. Additionally, the Strategy and ESG Committee establishes an ESG Working Group as needed to collect information, coordinate meetings, and ensure the execution of ESG-related decisions.

ESG governance framework of Luzhou Laojiao

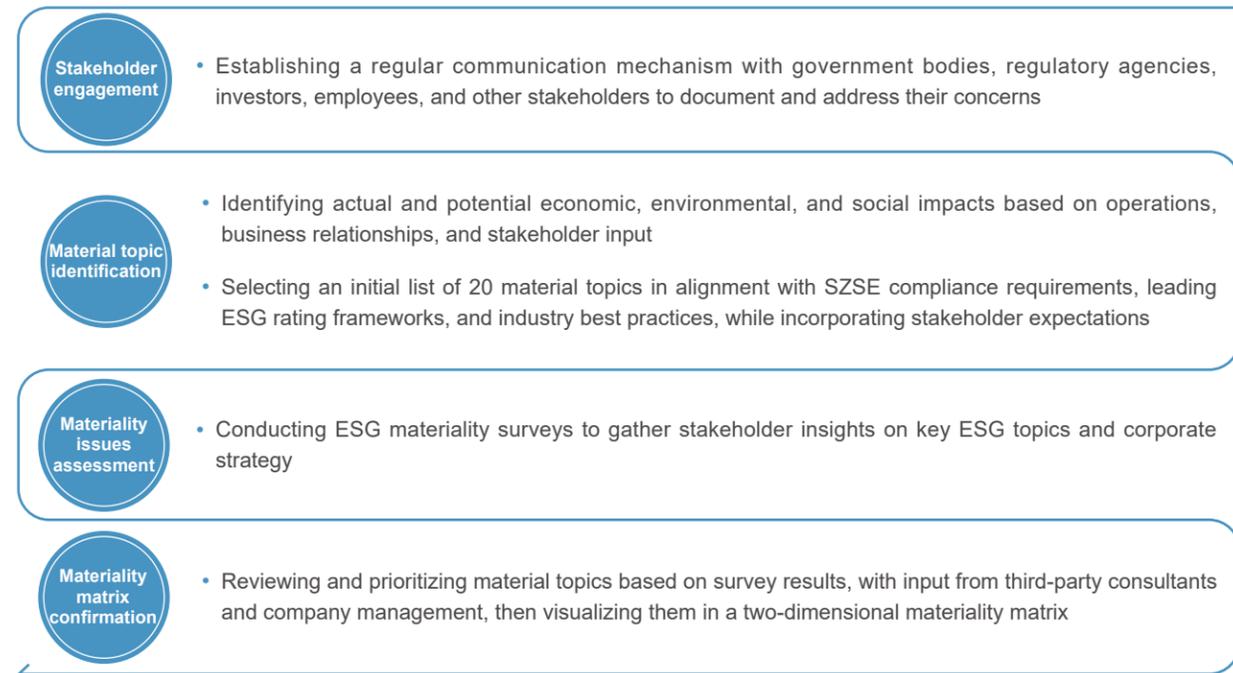


¹ <https://www.szse.cn/disclosure/listed/bulletinDetail/index.html?64f41c0e-1ef8-492f-9078-c4966a07a9ed>

Materiality Issues Assessment

In 2024, Luzhou Laojiao conducted a materiality assessment based on the compliance requirements of the Shenzhen Stock Exchange, leading ESG rating frameworks, and industry best practices. The process incorporated stakeholder expectations and concerns, identifying 20 key material topics and updating the company's materiality matrix. Luzhou Laojiao bases its response to stakeholder concerns on these findings and provides relevant disclosures in this report.

Materiality issues assessment process of Luzhou Laojiao



Luzhou Laojiao 2024 ESG materiality matrix



Stakeholder Communication

Luzhou Laojiao actively engages with stakeholders, closely monitoring their expectations and concerns. By maintaining effective, ongoing communication and using diverse engagement channels, the Company ensures timely responses to stakeholder needs and incorporates their insights into its sustainability strategy.

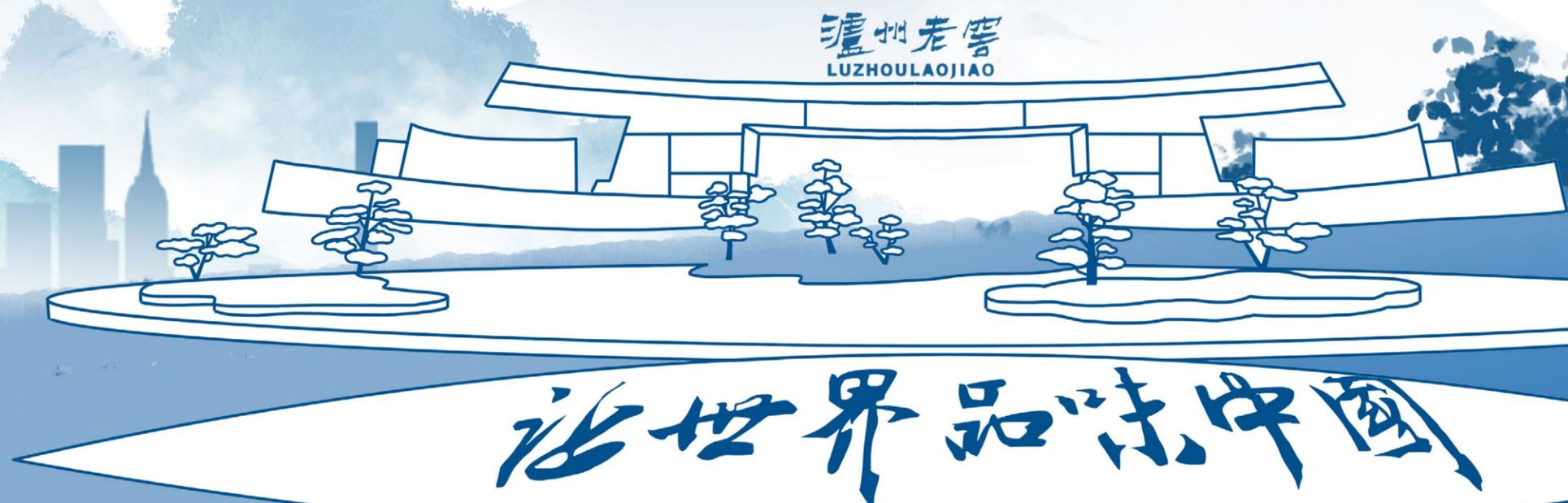
Luzhou Laojiao's stakeholders and communication channels

Stakeholders	Expectations and Concerns	Communication and Response Measures
Government and Regulatory Authorities	<ul style="list-style-type: none"> Compliance with laws and regulations Business ethics Supporting local economic development 	<ul style="list-style-type: none"> Ensuring legal and compliant operations Aligning with national policies Fulfilling corporate social responsibilities Strengthening governance mechanisms
Shareholders and Investors	<ul style="list-style-type: none"> Economic and market performance Risk management Information disclosure 	<ul style="list-style-type: none"> Maintaining prudent business operation Enhancing information disclosure Ensuring fair profit distribution Organizing investor meetings
Employees	<ul style="list-style-type: none"> Competitive compensation and benefits Occupational health and safety Career development and training 	<ul style="list-style-type: none"> Improving training and promotion systems Enhancing employee welfare programs Strengthening employee health management Holding employee representative meetings
Consumers/ Clients	<ul style="list-style-type: none"> Product quality and safety Customer service Responsible marketing Promoting responsible drinking 	<ul style="list-style-type: none"> Strengthening quality control Enhancing customer service Standardizing marketing communications Advocating responsible drinking Conducting customer satisfaction surveys
Partners and Supply Chain	<ul style="list-style-type: none"> Business ethics Supply chain management Industry exchanges 	<ul style="list-style-type: none"> Establishing a robust supply chain management system Disclosing procurement information Providing supplier training Hosting distributor conferences
Environment	<ul style="list-style-type: none"> Environmental protection Climate change mitigation 	<ul style="list-style-type: none"> Implementing green production initiatives Practicing sustainable operations
Community	<ul style="list-style-type: none"> Community engagement Public welfare initiatives Rural revitalization 	<ul style="list-style-type: none"> Participating in public welfare programs Supporting rural revitalization Organizing volunteer activities

01 Operate with Integrity and Uphold Shared Responsibility

Sustained growth relies on strong corporate governance. Luzhou Laojiao strengthens the foundation of compliance, upholds business ethics and anti-corruption principles, and establishes a comprehensive risk management framework to proactively identify and mitigate risks. Simultaneously, the Company continues to advance its "Digital and Intelligent Luzhou Laojiao" initiative, enhancing information security and privacy protection while promoting high-quality, sustainable development across the industry.

- Corporate Governance
- Business Ethics and Anti-corruption
- Information Security and Privacy Protection
- Digital and Intelligent Luzhou Laojiao



Corporate Governance

Luzhou Laojiao strictly adheres to all applicable laws, regulations, departmental rules, and corporate governance standards, including the *Company Law*, the *Securities Law of the People's Republic of China*, and the *Guidelines for the Articles of Association of Listed Companies*. In compliance with these legal and regulatory requirements, the Company has formulated governance policies such as the *Articles of Association* and the *Rules of Procedure for the General Meeting of Shareholders*, ensuring a robust corporate governance framework. The Company's governance structure is built on clear rights, responsibilities, and a system of checks and balances. It includes the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors (collectively referred to as the "Three Boards"), and the Executive Management Team. The Board of Directors oversees four specialized committees: the Strategy and ESG Committee, the Nomination Committee, the Audit Committee, and the Remuneration and Appraisal Committee. Focusing on the operation of the Three Boards, the Company continuously enhances and refines its governance system, formulates comprehensive rules of procedure, and clearly defines the rights and responsibilities of all parties. These efforts strengthen the independent operation and oversight of the Three Boards, ensuring sound governance and safeguarding shareholders' rights and interests.



Governance framework and responsibilities of Luzhou Laojiao

- General Meeting of Shareholders**

The General Meeting of Shareholders is Luzhou Laojiao's highest decision-making body, with its resolutions shaping the Company's development. To safeguard shareholder rights, the Company has established the *Rules of Procedure for the General Meeting of Shareholders* in line with legal requirements. These rules define key processes, ensuring standardized operations and promoting an open, fair, and transparent environment. Shareholders are guaranteed the right to access information, participate in decisions, and exercise their voting rights.
- Board of Directors**

The Board of Directors reports to the General Meeting of Shareholders and operates under the *Articles of Association*, the *Rules of Procedure for the Board of Directors*, and the rules governing its specialized committees. It carefully evaluates internal and external factors, deliberates on major strategic and business decisions, and exercises its authority with diligence, ensuring the Company's stable and sustainable growth.
- Board of Supervisors**

The Board of Supervisors performs its duties in accordance with the *Articles of Association* and the *Rules of Procedure for the Board of Supervisors*. It oversees the Company's financial and business activities and monitors the performance of directors and senior executives to ensure regulatory compliance. By safeguarding the interests of the Company and its shareholders, the Board of Supervisors plays a key role in promoting stable development.

Luzhou Laojiao prioritizes building a professional, independent, and diverse Board of Directors. The Company follows a structured diversity framework when selecting board members, considering factors such as gender, age, cultural and educational background, professional experience, skills, knowledge, and tenure. By optimizing the Board's composition and introducing specialized talent, the Company ensures a well-structured governance system that supports the Board's efficient and strategic operations. Board members bring expertise from various sectors, including accounting, finance, engineering, and the food industry. As of December 31, 2024, the Board comprised 11 members, including four independent directors. During the reporting period, the Board held nine meetings, achieving a 100% attendance rate.

During the reporting period,

the Board held **9** meetings

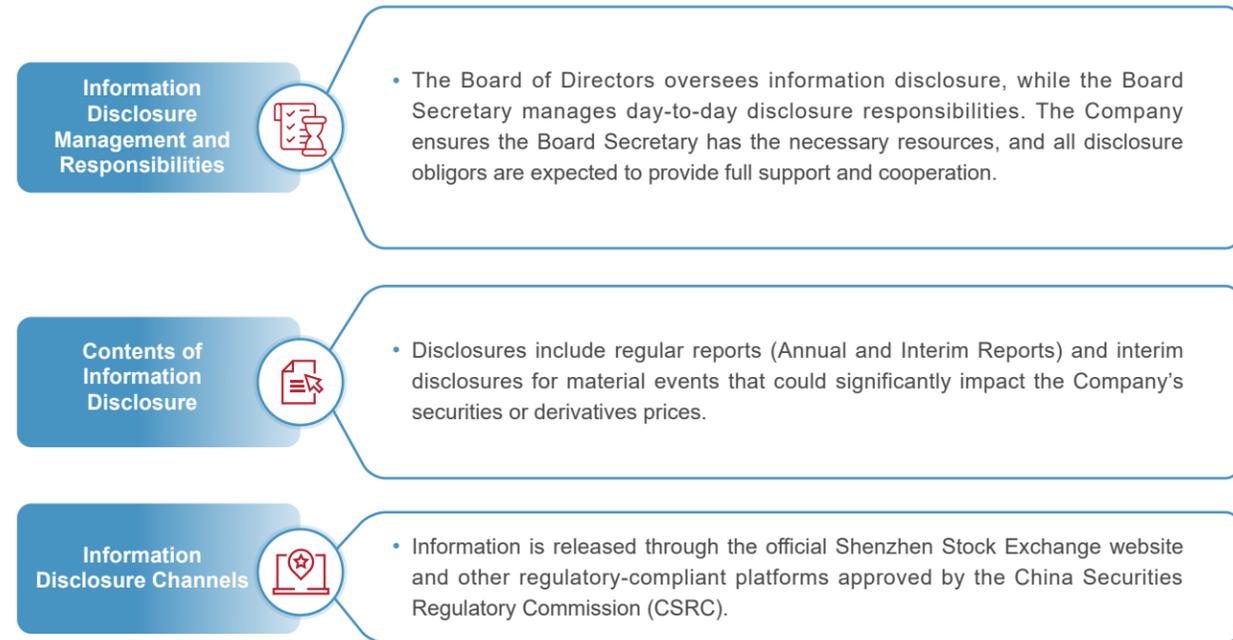
achieved a **100%** attendance rate

Professionalism, independence and diversity of Luzhou Laojiao's Board of Directors

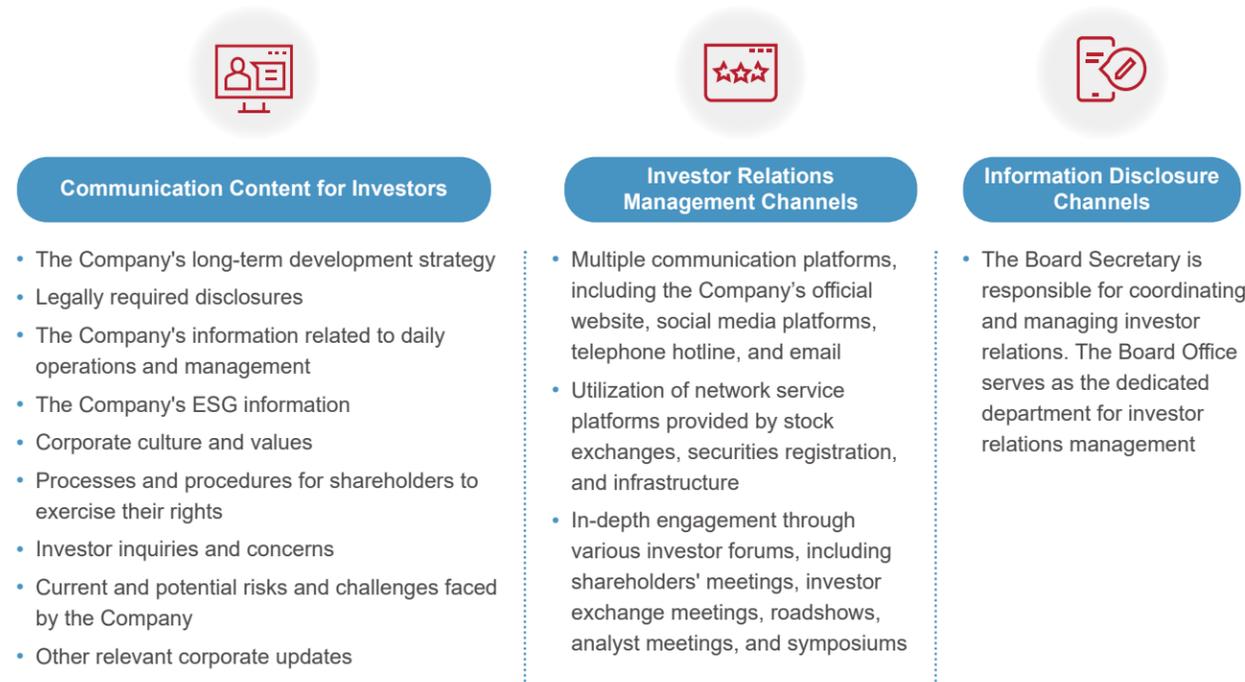
- Professionalism**
 - The Board has four specialized committees: the Nomination Committee, Remuneration and Appraisal Committee, Strategy and ESG Committee, and Audit Committee;
 - All 11 directors hold a master's degree or higher;
 - Board members possess expertise across various professional fields, with some directors recognized as industry experts.
- Independence**
 - Among the 11 directors, four are independent directors, accounting for 36.4% of the Board;
 - Independent directors serve as chairpersons of the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee, and constitute the majority of members in these committees;
 - The Company enforces a separation of roles between the Chairman and the General Manager, ensuring that these positions are not held by the same person.
- Diversity**
 - The Board includes one female director;
 - Board members represent a diverse age range.

We are committed to fostering transparent and effective communication with investors, safeguarding the rights and interests of all shareholders, particularly minority investors. The Company has established and implemented internal governance policies, including the *Information Disclosure Management System* and the *Investor Relations Management System*, to enhance transparency and engagement. By utilizing various communication channels and platforms, we strengthen investor relations, build market confidence, and work to maximize corporate value and shareholder returns.

Information disclosure management mechanism



Investor relations management mechanism



In 2024,

- the Company maintained a **100%** response rate to investor inquiries through the Shenzhen Stock Exchange's investor interaction platform
- addressed over **600** investor inquiries by telephone
- the Company actively engaged with the capital market by participating in **73** securities strategy meetings
- organized **67** investor exchange meetings
- hosted **2** online earnings briefings
- the Company prepared and published **118** periodic and interim reports
- the Company had consistently received an **"A"** rating—the highest level—for information disclosure from the Shenzhen Stock Exchange for multiple consecutive years

Compliance Management

Luzhou Laojiao prioritizes corporate compliance and is committed to building a comprehensive management system that ensures stable operations within legal and regulatory frameworks, industry standards, and internal policies. The Compliance Committee serves as the central body for oversight, ensuring adherence to best practices and long-term sustainable development.

Compliance management framework of Luzhou Laojiao

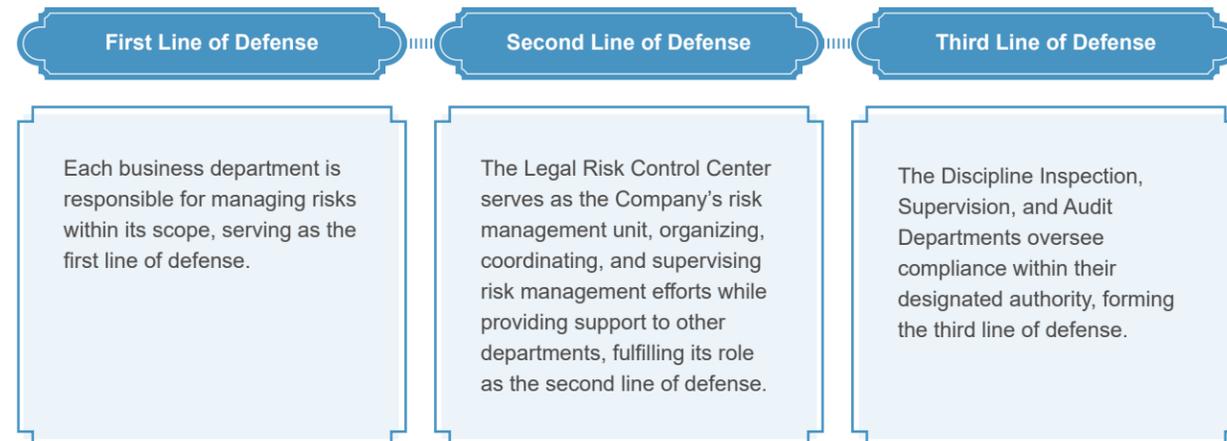
Institution Name	Functional Scope
Compliance Committee	The Compliance Committee is composed of various functional departments and subsidiary companies, and is responsible for providing guidance, supervision, and assessment of compliance management.
Compliance Office	The Legal and Risk Control Center is responsible for the daily management of compliance-related tasks.

The Company has established a comprehensive compliance and internal control system by formulating the *Compliance Management Measures* and the *Basic Standards for Enterprise Internal Control*. To mitigate legal risks, the Company continuously strengthens risk monitoring and early warning mechanisms across key areas, including capital operations, project execution, major asset acquisitions, significant loan transactions, contract review, and employment practices. Legal support is integrated into decision-making processes to safeguard corporate interests. Additionally, the Company conducts systematic reviews of past case studies and offers compliance training across all business units to enhance awareness and ensure adherence to compliance protocols.

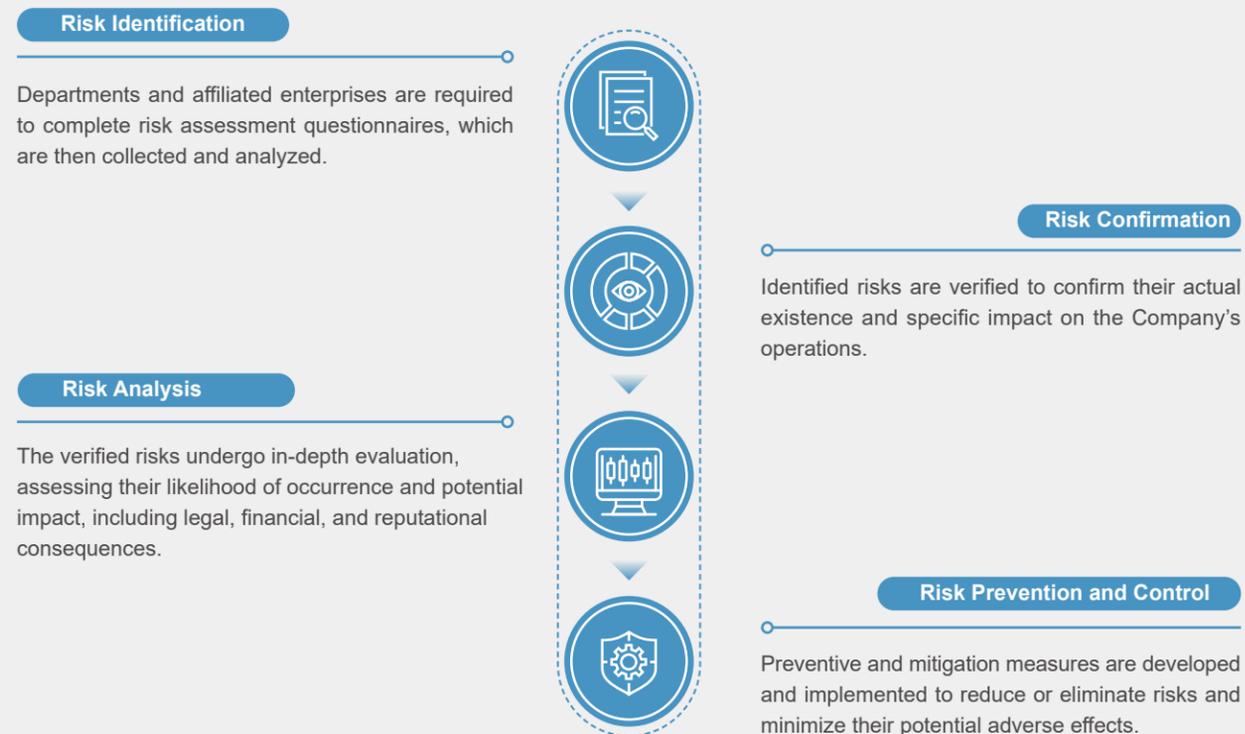
Risk Management

Luzhou Laojiao continuously improves its internal control system, guided by laws and regulations and anchored in compliance management. The Company implements a comprehensive risk management framework and has established a "Three Lines of Defense" mechanism to assess, monitor, and mitigate various risks, ensuring legal and regulatory compliance in all business activities.

"Three Lines of Defense" risk management mechanism



Risk management process



Business Ethics and Anti-corruption

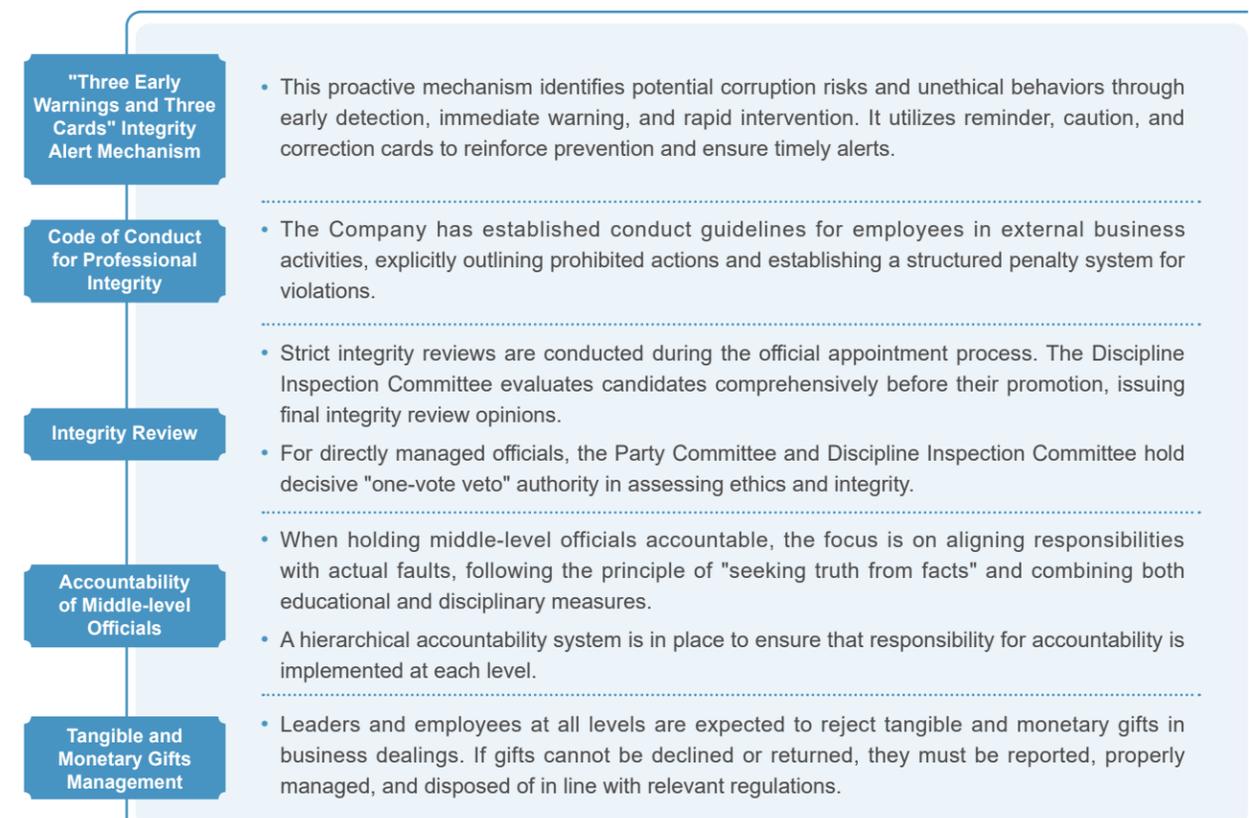
Luzhou Laojiao firmly opposes corruption, bribery, extortion, fraud, monopoly, money laundering, and unfair competition. The Company continuously strengthens its supervision system, ensures open and unobstructed reporting channels, safeguards whistleblower confidentiality, and actively fosters a transparent and ethical business environment.

Anti-Bribery and Anti-corruption

Luzhou Laojiao strictly complies with the *Supervision Law* and other applicable laws and regulations. The Company has established a robust internal governance framework, which includes policies such as the "Three Early Warnings and Three Cards" Integrity Alert Mechanism, the *Regulations on Employee Integrity Compliance*, the *Measures for Integrity Review in Official Selection and Appointment*, the *Interim Provisions on Middle-Level Official Accountability*, the *Several Provisions on Middle-Level Official Integrity Compliance*, and the *Official Management Measures*. During the reporting period, the Company revised several internal policies, including the *Administrative Measures for Tangible and Monetary Gifts*, the *Administrative Measures for Integrity Supervisors (Trial)*, and the *Detailed Rules for the Supervision of the Discipline Inspection Committees of Primary-Level Party Organizations (Trial)*, explicitly reinforcing a "zero-tolerance" policy toward any form of corruption or bribery.

The Company has established a stringent discipline inspection and supervision framework, with the Discipline Inspection Committee overseeing the daily management of business ethics issues. Luzhou Laojiao Co., Ltd., Luzhou Laojiao Distillery Co., Ltd., and Luzhou Laojiao Sales Co., Ltd. have established Discipline Inspection Committees with subordinate offices. All primary-level Party branches appointed dedicated discipline inspection commissioners, enabling comprehensive disciplinary oversight across all business operations. In 2024, no corruption-related litigation cases were reported.

Key integrity management mechanisms



Luzhou Laojiao prioritizes integrity in its partnerships, promoting ethical collaboration through the *Agreement on Joint Integrity Building* and the issuance of integrity supervision cards. These measures clarify business ethics requirements, including anti-corruption and anti-bribery standards, and outline penalties such as liquidated damages deductions and disqualification from cooperation. In procurement management, the Company works with multiple departments to rigorously review supplier qualifications, ensuring compliance across the supply chain. During the reporting period, 100% of suppliers and distributors signed the *Agreement on Joint Integrity Building*.



Ceremony for signing the Agreement on Joint Integrity Building

The Company integrates business ethics audits into its overall audit process annually, with a focus on anti-corruption and business ethics. In 2024, the Company enhanced governance by incorporating daily supervision into project management, procurement, and key business oversight. It also improved the "1+5+N" supervision system² to integrate various supervisory measures more effectively. Key actions included, conducting eight risk analyses and evaluations, identifying and rectifying multiple risks, employing 42 integrity supervisors and clearly defining the roles and responsibilities of Discipline Inspection Committee members, strengthening joint supervision through five special initiatives across multiple departments to eliminate risks and enhance management processes, and deepening on-site inspections in sales regions such as Shijiazhuang, Tianjin, and Chengdu, leading to the identification and rectification of several issues.

The Company continues to promote business ethics and anti-corruption training and awareness campaigns. Integrity education is provided to the Board of Directors, management, and all employees in various formats. In 2024, the Company achieved 100% training coverage for directors, management, and employees.

During the reporting period,

100% of suppliers and distributors signed the *Agreement on Joint Integrity Building*

the Company achieved **100%** training coverage for directors, management, and employees

² "1" refers to the specialized supervision by the Company's Discipline Inspection Commission; "5" refers to the supervision by the Party organization, functional departments, employees, partners, and third-party professional institutions; and "N" refers to the joint supervision by multiple departments within the Company, including finance, auditing, legal affairs, human resources, enterprise management, safety, environmental protection, and others. This supervision system covers all categories across the entire chain of the Company and applies to all employees.

Case • Business ethics and anti-corruption training series activities •

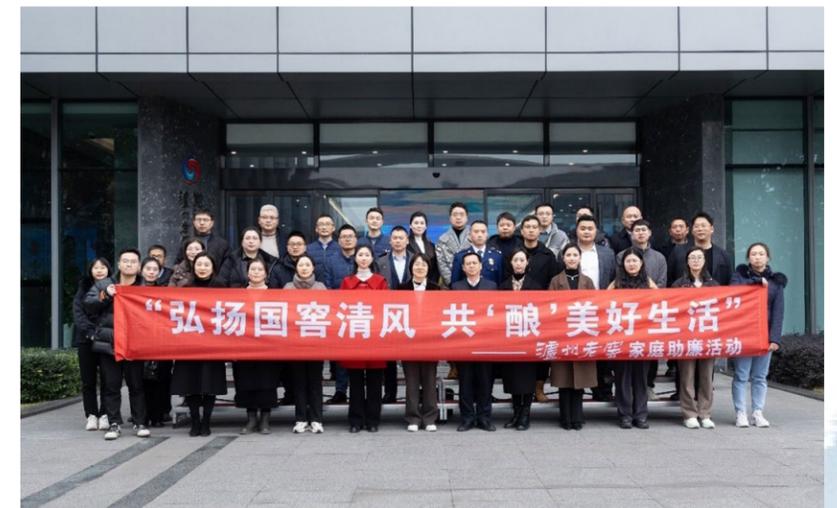
To enhance employees' awareness of integrity, the Company has taken a range of measures to cultivate a culture of integrity:

- By combining comprehensive coverage and personalized approaches, we have developed a series of integrity education courses, with **372** sessions for all employees. Additionally, key personnel have received personalized education, including **132** specialized sessions and **43** unique activities. We have developed **79** distinctive courses, covering over **16,000** participants.
- Integrating a commitment to core values with a focus on warning education, we have strengthened thematic education by conducting **30** discipline education sessions and implementing **55** "Four Ones" warning education activities, reaching more than **3,000** participants.
- Integrating cultural leadership with clean governance initiatives, we have deepened the significance of our "Pure Spirit National Cellar · Eternal Prosperity Through Excellence" campaign. We have guided **35** primary-level party organizations in building their unique brands, upgraded online education platforms, published **287** articles on our public accounts, which received over **80,000** clicks and shares. Additionally, we organized **6** themed events, covering more than **5,000** people, trained **83** lecturers, and created **25** pieces of content.

Case • Anti-corruption theme activity for families •

The Company focuses on key groups, such as young and newly promoted officials, conducting family-based anti-corruption visits under the theme "Bringing Integrity and Warmth to Families: Promoting Clean Family Values." These visits cover all employees at different levels, using discussions, risk reminders, and "Family Integrity Support Packs" to clarify integrity requirements and risks in the workplace for employees and their families, while inviting them to jointly safeguard good family traditions.

In 2024, the Company will develop the "Four Ones" family tradition activity brand and organize the theme event "Fostering the Integrity Culture of National Cellar and Cultivating a Better Life Together." This will involve primary-level party organizations conducting 16 activities, including on-site education at family tradition education bases and distinctive family tradition-themed activities. We will create family tradition classrooms to reinforce family values, select the "Top Ten 'Incorruptible' Domestic Assistants" and 2024 Exemplary Family, and actively promote family role models. Additionally, we will host the "Big Hands, Little Hands, Practicing Good Family Tradition" themed study activities on June 1st, organizing employees and their children to participate, further fostering parent-child integrity.



Family integrity support initiative

Anti-monopoly and Anti-unfair Competition

Luzhou Laojiao strictly adheres to the *Anti-Monopoly Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China* and has formulated the *Employee Code of Conduct and Labor Discipline Management Measures*, which clarify the handling of trade secrets and rights protection cases, reinforcing awareness of fair competition.

During the reporting period, the Company received no complaints or reports regarding unfair competition. A total of 90 cases of unfair competition disputes were handled, including cases involving the infringement of Luzhou Laojiao's intellectual property. Notable cases included the "The Shaanxi Baishui Dukang Distillery Co., Ltd. case involving trademark infringement and unfair competition", "The Zhu Yu case related to trademark infringement and unfair competition", and "The Luzhou Shikefu Daqu Distillery Co., Ltd. case involving trademark infringement and unfair competition." These cases were recognized as top-ten typical intellectual property cases in Sichuan Province, Gansu Province, and Wuxi City.

During the reporting period,

the Company received **NO** complaints or reports regarding unfair competition



Letter and visit reporting mechanism

Anti-money Laundering

Luzhou Laojiao strictly complies with the *Anti-Money Laundering Law of the People's Republic of China* and the *Measures for the Administration of RMB Current Accounts with Banks*. The Company has established internal systems, including the *Monetary Fund Management Measures* and the *Bank Deposit Management Measures*, which regulate the opening, usage, and cancellation of RMB bank settlement accounts to effectively mitigate money laundering risks. In collaboration with financial institutions, Luzhou Laojiao conducts client identification and due diligence in line with anti-money laundering practices. It has also established a robust monetary fund management system and promotes the effective management of financial information. To strengthen internal awareness, the Company conducts periodic training and awareness campaigns to enhance employees' understanding of anti-money laundering practices.

Whistleblower Protection

The Company has developed the *Administrative Measures for Letters and Visits Reporting* to encourage employee supervision, ensure efficient issue handling, and protect whistleblower rights. A dedicated post has been established to manage various types of reports, ensuring they are processed, approved, and addressed following proper procedures. Confidentiality measures are strictly enforced to protect the identity of whistleblowers and the content of their reports. Any form of retaliation against whistleblowers is strictly prohibited. In 2024, the Company accepted and resolved 13 petition reports, ensuring compliance with corporate discipline and safeguarding employees' rights and interests.

During the reporting period,

the Company accepted and resolved **13** petition reports

Scope of Letter and Visit Reporting

- Embezzlement, misappropriation or deliberate damage to the Company's assets;
- Causing significant losses to the Company due to dereliction of duty or abuse of powers;
- Soliciting or accepting bribes or kickbacks in any form;
- Malicious disclosure of the Company's core secrets for personal gain;
- Damaging the Company's interests through fraudulent reporting, impersonation, jobbery, or internal-external collusion;
- Other actions that violate Company regulations and harm the rights and interests of the Company and its employees.

Ways of Petition Reporting

- Report hotline: 0830-2398612;
- E-mail: jiwei@zlj.com;
- Address for letter or on-site reporting: Discipline Inspection Commission Office, Luzhou Laojiao Command Center, Nanguang Road, Longmatan District, Luzhou City, Sichuan Province;
- Online reporting: "Supervision and Reporting" section on the WeChat official account "Integrity Luzhou Laojiao."

Protection and Reward

- The legitimate rights and interests of whistleblowers are protected by law. The Discipline Inspection Commission Office ensures the confidentiality of the whistleblower's personal information and report details and provides necessary protective measures to guarantee their safety;
- If the reported matters are verified to be true, resulting in disciplinary action or legal penalties for wrongdoers and successful recovery or reduction of economic losses for the Company, the whistleblower will be rewarded accordingly to commend their contribution to the Company's compliance operations.



Information Security and Privacy Protection

Luzhou Laojiao strictly adheres to laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. The Company has developed various internal management systems, including the *Network and Information Security Management System (Trial)*, the *Internet Access Behavior Management Specification*, the *Detailed Rules for the Use and Management of IT Terminal Equipment*, the *Domain Name Management Regulations*, the *Computer Room Management Rules*, the *Administrative Measures for System Data Backup*, and the *Detailed Rules for Handling Information Security Vulnerabilities*. These procedures are designed to mitigate operational risks, prevent security incidents, and ensure the safe and stable operation of the Company's networks and information systems.

The Company has established a Network and Information Security Committee with a dedicated office to enhance information protection. In 2024, the Company also formed a Data Management Committee at the corporate level, chaired by the General Manager, with business area leaders as deputy directors and the Chief Digital Officer as Secretary-General. This committee ensures comprehensive coordination and guidance of data management efforts.



Data management committee structure and responsibilities



Focusing on safety management, security technology, and secure operation, the Company has developed a security management plan and implemented a series of security measures to ensure the smooth execution of the digital transformation during the 14th Five-Year Plan period.

Information security management structure and responsibilities



To further strengthen and standardize data management and improve data quality, the Company has implemented a top-down three-tier management structure with the Data Management Committee as the core, ensuring the unity and standardization of data.

Safety management and control blueprint



To ensure business continuity and enhance emergency response capabilities, the Company actively participated in attack and defense drills. In 2024, the Company was awarded "Outstanding Defensive Unit" in the Luzhou-Yongchuan-Jiangjin "Luyouqi" Cup Cybersecurity Drill organized by the Luzhou Cyberspace Affairs Administration and Public Security Bureau.

Case • Luzhou Laojiao participated in the "2024 Sichuan-Chongqing-Yunnan-Guizhou-Guangxi Network Security Attack and Defense Drill" •

Luzhou Laojiao participated in the "2024 Sichuan-Chongqing-Yunnan-Guizhou-Guangxi Network Security Attack and Defense Drill". As one of the defense teams, it competed alongside 440 defense units and 33 attack teams under the organization of the Office of the Cyberspace Affairs Commission of the CPC Sichuan Provincial Committee, and the corresponding authorities from Chongqing, Yunnan, Guizhou, and Guangxi. During the drill, Luzhou Laojiao successfully completed its defense task through measures such as surface convergence, enhanced security checks, and continuous 24/7 monitoring. This drill effectively improved the Company's emergency protection capabilities and strengthened its security strategy.



Network security attack and defense drill

The Company regularly engages qualified third-party institutions to conduct audit certifications and security assessments. During the reporting period, the Company's portal website, enterprise mailbox, and paperless office system obtained Level II certificates for national information system security protection.

To enhance employee awareness of network security and information protection, the Company conducted six cybersecurity training sessions and promoted online to 1,523 employees to participate in online "Information Security" awareness training. Of these, 1,469 employees successfully completed the training assessment.

During the reporting period,

the Company conducted

6 cybersecurity training sessions

and promoted online to

1,523 employees to participate in online "Information Security" awareness training

1,469 employees successfully completed the training assessment

Case • Luzhou Laojiao launched cybersecurity publicity week •

The Company is committed to building a secure network environment, safeguarding information assets, ensuring stable business operations, and collectively maintaining national network security. Luzhou Laojiao held a Cybersecurity Publicity Week from September 9 to September 15, 2024, aimed at enhancing the cybersecurity awareness and skills of all employees through internal training and practical drills. During the event, the Company focused on promoting network security laws, regulations, and protective knowledge, while strengthening employees' ability to identify and respond to cybersecurity risks.



Cybersecurity publicity week

The Company enforces strict regulations on internal data usage and processing while prioritizing customer privacy protection. The Luzhou Laojiao App's mini-program clearly outlines privacy protection terms, requiring customers to read and acknowledge them before any information is collected. Data collection only occurs after customers provide informed consent. During the reporting period, no privacy breaches occurred.

During the reporting period,

no privacy breaches occurred



Digital and Intelligent Luzhou Laojiao

Luzhou Laojiao is driving the digital and intelligent transformation of traditional industries through technological innovation. As part of its 14th Five-Year Plan, the Company outlined the strategic vision of building a "Digital and Intelligent Luzhou Laojiao." This strategy integrates key business systems using digital technologies, connecting value chains across management, procurement, production, quality inspection, marketing, and service. Concurrently, the Company has accelerated the integration of intelligent equipment and systems across its entire industry chain to reduce costs and enhance efficiency. Its goal is to become a leader in intelligent technology and a model for industrial innovation and upgrading. By the end of 2024, Luzhou Laojiao had essentially completed the comprehensive digitalization of its business and is progressing toward full intelligence.

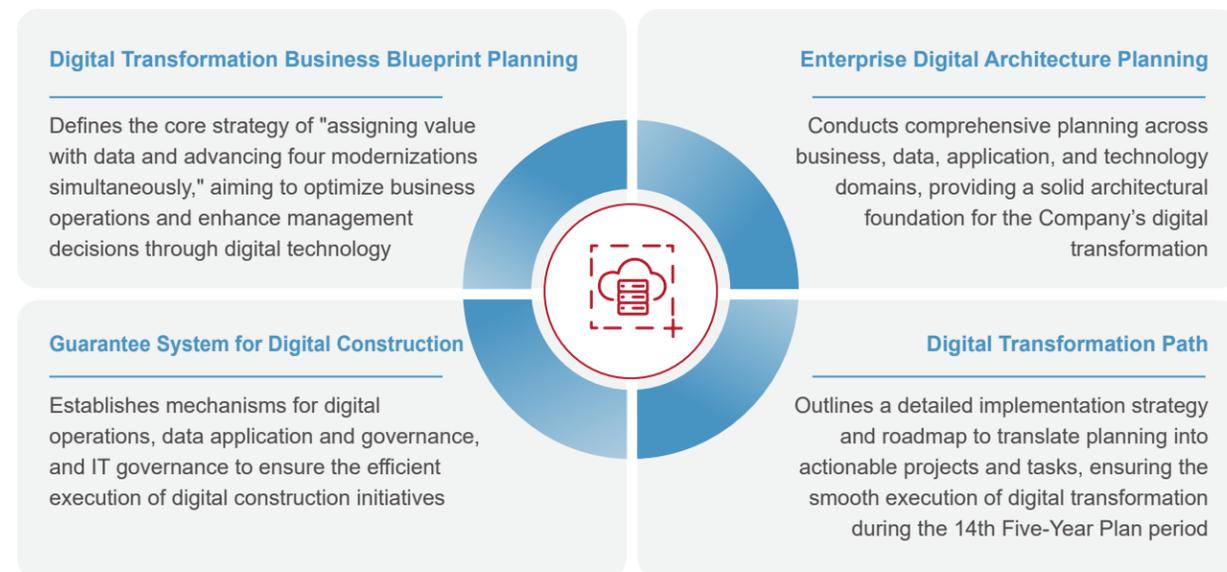
In 2024, Luzhou Laojiao was successfully selected as one of the Pacemakers in China's Industrial Data Governance due to its solid efforts and excellent performance in industrial data ecosystem development and business digital transformation. The Company was also included in the "Intelligent Manufacturing Benchmark Enterprises (9th Batch)" list issued by the China Electronics Standardization Institute under the Ministry of Industry and Information Technology, becoming the first national-level intelligent manufacturing benchmark enterprise in the baijiu industry.

Digital Transformation

Luzhou Laojiao has established a comprehensive digital support system, which includes the establishment of a Digital Transformation Steering Committee and a Network and Information Security Committee, both chaired by the Chairman and General Manager. A Digital Transformation Executive Office has also been set up, comprising business area leaders and IT department heads, ensuring the efficient promotion of the transformation process.

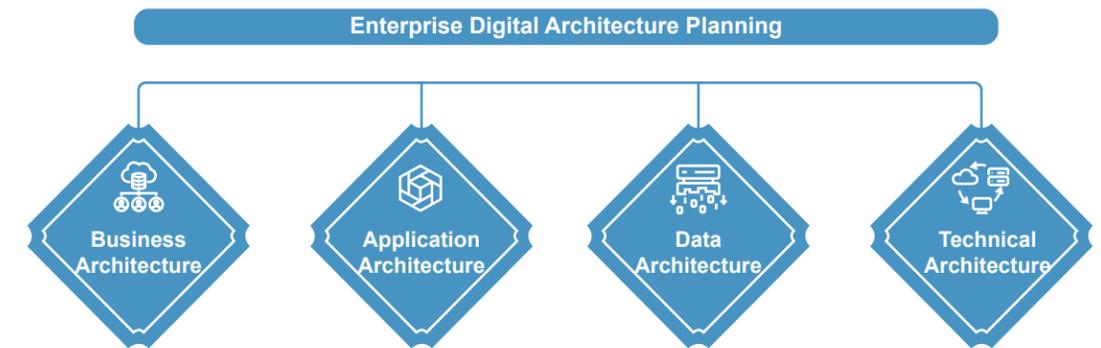
To achieve the strategic goal of "Building a Digital and Intelligent Luzhou Laojiao", the Digital Transformation Steering Committee has developed a top-level planning scheme for the 14th Five-Year Plan period. This plan outlines the Company's digital transformation blueprint, defines its enterprise-level digital architecture, and establishes a construction guarantee system. It also clearly defines the implementation path for the digital transformation process.

Digital transformation business blueprint under the 14th Five-Year Plan



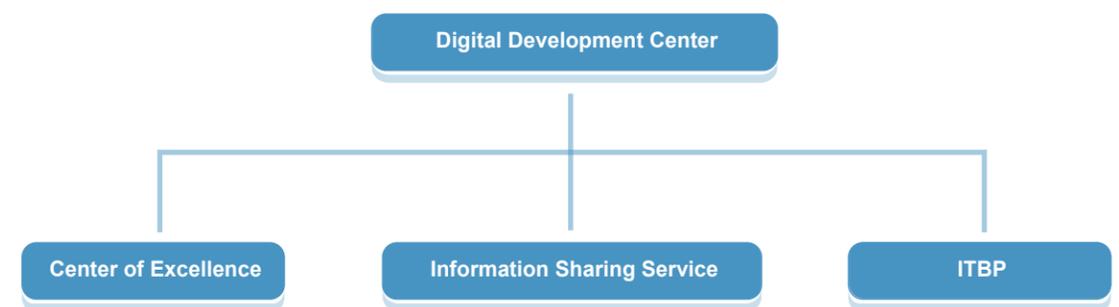
Enterprise Digital Architecture Planning

Luzhou Laojiao is advancing its digital transformation by optimizing business architecture, enhancing the innovation capacity of its application architecture, and building a robust data architecture to support precision marketing and intelligent production. These efforts improve product quality and production efficiency while strengthening consumer engagement and deepening recognition of the Luzhou Laojiao brand culture.



Digital Construction Guarantee System Architecture

Luzhou Laojiao has established an internal "Digital Construction Guarantee System Architecture", reflecting the Company's commitment and strategic direction toward digital transformation. The system is structured into three core segments, namely the "Center of Excellence", "Information Sharing Services", and "ITBP"³. These components form a collaborative and well-structured digital operational system that accelerates the implementation of Luzhou Laojiao's digital transformation initiatives.



³ ITBP (IT Business Partner) refers to a team within the IT department that works closely with business departments as strategic partners. They focus on exploring and implementing ways to leverage technology for business empowerment. ITBP collaborates deeply with business teams, thoroughly understanding their needs, and transforming those needs into practical and feasible IT solutions. Their role is to act as a "technology bridge, driving business forward."

Achievements in Digital Intelligence

Luzhou Laojiao has made significant strides in digital and intelligent technologies. Key initiatives include the construction of a smart distillery, the application of big data analytics, the implementation of digital financial shared services, and the development of an intelligent packaging center. These efforts have enhanced production efficiency, strengthened market competitiveness, and fostered innovation, achieving a harmonious balance between traditional craftsmanship and digital-intelligence-driven processes.

Case • Smart park platform construction •

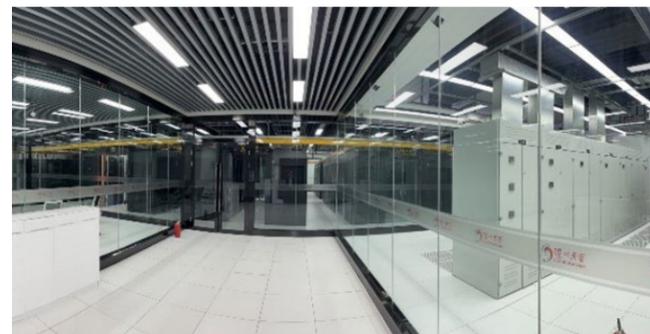
Luzhou Laojiao has reconstructed over 3,000 mu (approximately 200 hectares) of its park into digital space, integrating 14 business systems and completing over 60,000 equipment governance projects using digital twin technology. The park prioritizes security by building a dual prevention system to accurately detect intrusions. In terms of personnel management, the Company has established a unified face recognition database for precise authority management. The management of production vehicles is centralized, with full-process online circulation to improve logistics efficiency. Fire management integrates more than 30,000 sensors, enabling remote video review and linkage. AI technology is deployed to cover key areas and automatically identify hidden risks. The digital operation system creates a situational awareness view and an AR-based safety and environmental diagram to visually display security information. The executive-level workbench ensures smooth communication and rapid response to commands.



Smart park platform

Case • Intelligent computing center construction •

Luzhou Laojiao is committed to technological innovation. It has established an Intelligent Computing Center, which significantly improves heat dissipation efficiency and reduces energy consumption through row-level precision air conditioning and cold aisle containment technologies. The center adopts virtualization and containerization architecture to flexibly adapt to multi-scenario computing needs, meeting the requirements of the entire process from model training to application reasoning. The Intelligent Computing Center provides Luzhou Laojiao with comprehensive computing power services—high density, high performance, and high stability—supporting diversified intelligent scenarios.



Intelligent computing center

Case • Intelligent distillation-Huangyi distilling ecological park •

Luzhou Laojiao has built the first smart distillation base in the industry. It inherits 700 years of intangible cultural heritage distillation techniques and combines modern industrial bionic distillation processes with "intelligent and interconnected" technologies. The Huangyi Distilling Ecological Park is currently the largest technological transformation project in the baijiu industry, characterized by low consumption, high efficiency, and circular development. It has won several prestigious awards, including the China Construction Engineering Luban Prize (National Quality Project), CIIF Green Energy Saving Award, and China Installation Engineering Quality Award (China Installation Star) issued by China Installation Association, and the Tianfu Cup Gold Medal. The park has secured 41 invention patents and 29 utility model patents, with one scientific achievement reaching internationally advanced standards. This project has effectively driven the transformation and upgrading of the traditional distillation industry and promoted the efficient and green development of the baijiu industry.

Luzhou Laojiao Huangyi Distilling Ecological Park is also the largest green and low-carbon distilling ecological park in the industry, with the highest scale of solid liquor distillation, the largest production capacity of distiller's yeast, and the highest degree of automation and intelligence. Luzhou Laojiao has successfully developed the industry-leading automatic baijiu distillation equipment, realizing fully automated operation across the entire liquor production process. This has increased labor efficiency by about 75%, improved liquor yield by 5%-10%, increased the rate of high-quality products by 10%, reduced water consumption per tonne of liquor by 50%, and lowered the comprehensive energy consumption per tonne of liquor by 35%. The digital and intelligent level of baijiu distillation production has reached internationally leading standards, and it was awarded the "Demonstration Case of Intelligent Manufacturing in China's Light Industry."

Case • The first "Lighthouse Factory" standard smart packaging center of Luzhou Laojiao has started trial production •

In 2024, the Luzhou Laojiao Intelligent Packaging Center was completed and put into operation, achieving the "five industry-leading achievements"—fastest filling speed, most rigorous quality inspection, highest level of intelligence, most advanced digitization, and the greatest number of independent technological innovations—leading the Chinese baijiu industry into a new era of digitization and intelligence.

The Luzhou Laojiao Intelligent Packaging Center Project covers a planned land area of 304 mu (approximately 202.6 acres) with a total construction area of 181,300 square meters. It includes an intelligent packaging material center, an intelligent packaging center, an intelligent logistics center, and a supply chain dispatching center. Currently, the center has 5 high-speed automated filling production lines, 20,000 storage spaces for packaging materials, and 120,000 storage spaces for finished products. It boasts an annual packaging capacity of 100,000 tonnes and a storage capacity of over 5 million bottles of finished baijiu. The level of digitization and intelligence at the center is unparalleled in the industry.

The project utilizes new-generation intelligent manufacturing technologies, such as AI intelligence, digital twinning, edge computing, and the Industrial Internet of Things (IIoT), integrating six major information systems, including production control, procurement management, and logistics management. The five filling lines achieve an average production speed of 15,000 bottles per hour, doubling production efficiency. Automation, informatization, digitization, and intelligence levels have reached the highest industry standards, greatly enhancing Luzhou Laojiao's supply chain digitization.

By implementing the intelligent packaging center featuring "intelligent equipment, standardized management, first-class quality, and digital operation," together with the Huangyi Brewing Ecological Park, which was established in 2019 with a focus on "inheriting ancient methods, pure grain distillation, innovation grounded in integrity, and driven by digital intelligence," Luzhou Laojiao has built an intensive and digitally intelligent production system, offering a comprehensive solution to lead China's baijiu industry into the digital intelligence era.



Intelligent packaging center

Intelligent packaging workshop

02 Produce Greenly in Harmony with the Environment

Luzhou Laojiao attaches great importance to environmental protection, and actively responds to the national "dual carbon" strategy. The Company implements measures to reduce pollution and carbon emissions, collaborates in resource and energy management, enhances adaptability to climate change, and promotes the development of a circular economy.

- ⦿ Responding to Climate Change
- ⦿ Green Operation
- ⦿ Management of Three Wastes and Noise
- ⦿ Energy Management
- ⦿ Water Resources Management
- ⦿ Packaging Material Management
- ⦿ Sustainable Agriculture



Responding to Climate Change

Following the guidelines of the International Sustainability Standards Board (ISSB) and regulatory frameworks, Luzhou Laojiao has developed a climate change management strategy based on four key pillars: governance, strategy, risk management, and key indicators. We systematically promote the development of a greenhouse gas management system, including carbon inventories, and conducts in-depth research and innovation on climate change response strategies. Additionally, through a coordinated industry chain mechanism, the Company works with partners to explore low-carbon development pathways for the industry. We are committed to actively addressing climate change challenges and contributing to the creation of a harmonious coexistence between humanity and nature.

Governance

Luzhou Laojiao has established a three-tier environmental management framework, with the Ecological Environment Protection Committee serving as the decision-making body. Climate change-related supervision, management, and implementation responsibilities have been integrated into this framework, with the Chairman holding the highest leadership responsibility for climate-related matters.

Luzhou Laojiao climate change management organization

Ecological Environment Protection Committee

- Strategy Planning:** Formulate the overall climate change strategy for the Company to align with long-term development goals
- Policy Formulation:** Develop and approve the climate change management policy to ensure compliance with relevant laws, regulations, and international standards
- Supervision and Evaluation:** Oversee the implementation of climate change management measures, regularly assess their effectiveness, and make adjustments as needed
- Risk Management:** Identify and evaluate potential risks associated with climate change and formulate corresponding risk management strategies

Office of the Ecological Environment Protection Committee (Ecological Environment Protection Center)

- Implementation and Coordination:** Responsible for executing the climate change management policies and strategies formulated by the Ecological Environment Protection Committee
- Objective Setting:** Develop specific climate change management goals and action plans in line with the Company's strategy
- Cross-departmental Collaboration:** Facilitate cooperation across departments to ensure comprehensive implementation of climate change management measures within the Company
- Data Management:** Responsible for collecting, sorting, and analyzing climate change-related data and providing decision-making support to the governance layer
- Training and Awareness:** Organize employee training to enhance awareness of climate change and improve the ability to respond to such challenges

Committee Member Units (Departments (Units) of the Company)

- Implementation Planning:** Carry out specific action plans and ensure that various measures are implemented in daily operations
- Daily Monitoring:** Monitor the implementation of climate change management measures to detect and resolve issues in a timely manner
- Data Collection:** Gather and organize climate change-related data to ensure its accuracy and completeness
- Reporting and Feedback:** Regularly report the progress of climate change management to the Ecological Environment Protection Center and provide feedback and suggestions

Strategy

Luzhou Laojiao considers climate change a critical part of its corporate strategy. The Company has established the *Ecological Environment Protection Management System* and the *Carbon Emissions Management System*, along with an annual action plan to achieve peak carbon emissions. It has also launched various climate-related initiatives, including the development of carbon emission management systems, the creation of carbon inventories, the calculation of product carbon footprints, and the implementation of green and low-carbon measures.

Luzhou Laojiao's strategy to address climate change



The Company has established a three-tier organizational structure to manage carbon emissions. It has developed management systems, manuals, and procedural guidelines to strengthen the top-level framework for controlling carbon emissions.



The Company has thoroughly assessed its foundation for green and low-carbon development, covering areas like management systems, infrastructure, green supply chains, resource use, energy structure adjustments, and digital innovation. By exploring advanced technologies relevant to the sustainable development of the baijiu industry and analyzing the benefits and economic impact of emission reduction, the Company has outlined clear pathways for carbon peaking and developed actionable plans.



In accordance with the international standard ISO 14064, the Company completed a verified inventory of its annual Scope 1, Scope 2, and Scope 3 GHG emissions.



Aligned with the international standard ISO 14067, the Company conducted full life cycle carbon footprint assessments for fourteen products. These assessments identified carbon emissions at each stage of the product lifecycle, resulting in fourteen *Product Carbon Footprint Assessment Reports*.



The Company conducted specialized training sessions on carbon emission management, including the 2024 Essential Training on Ecological and Environmental Protection. Employees were organized to study materials such as the Ecological Civilization Story Series Short Videos and Understanding the Carbon Inclusion Mechanism and Practicing a Low-carbon Lifestyle. The Company also promoted the *Ecological, Environmental Protection, Green and Low-carbon Work Report* to deepen employees' understanding of green and low-carbon principles, thereby advancing the Company's green and high-quality development.

Risk Management

Luzhou Laojiao identifies climate change risks and has built a structured mechanism for climate risk management. We conduct thorough risk assessments using climate scenario analysis models, aligning them with our strategic plans and business operations to identify physical risks, transition risks, and climate-related opportunities. To strengthen our approach, we have improved monitoring systems to track both short-term shocks and long-term climate impacts. This provides a solid scientific foundation for informed decision-making and effective mitigation strategies.

Climate risk identification and mitigation of Luzhou Laojiao

Risk Type	Risk Description	Mitigation Strategies
Physical risks	Acute risk (Extreme weather events such as floods, hurricanes and heatwaves) <ul style="list-style-type: none"> Damaging distillation facilities, warehouses, and supply chain infrastructure may lead to production disruptions and revenue loss Impacting raw material supply, such as flooding of industry parks or reduced grain yields due to extreme heat Disruptions in logistics and transportation may delay product delivery to the market Power outages caused by extreme heat may lead to operational shutdowns and impact employee health, equipment performance, and workplace safety 	<ul style="list-style-type: none"> Facility reinforcement: Enhancing the disaster resilience of key infrastructure such as distilleries and warehouses by implementing flood barriers, wind-resistant structures, and other protective measures Diversification of supply chain: Establishing multiple raw material supply channels to mitigate risks Emergency preparedness: Developing comprehensive contingency plans, including post-disaster recovery and business continuity strategies Insurance coverage: Securing sufficient property and business interruption insurance to mitigate financial losses Employee protection: Implementing cooling measures and regulate working hours for employees exposed to high temperatures, while providing necessary protective equipment
	Chronic risk (Rise in temperature, rise in sea level, etc.) <ul style="list-style-type: none"> Rising temperatures may alter the growth cycle and quality of key distillation raw materials (e.g., sorghum, wheat), and rising sea levels can lead to soil salinization, impacting the quality of raw materials for distillation, and subsequently affecting the flavor profile of products Rising temperatures will increase cooling requirements in the distillation process, leading to higher energy costs Changes in storage conditions may increase the risk of product deterioration, affecting productivity and revenue 	<ul style="list-style-type: none"> Varietal improvement: Developing climate-adaptive distillation raw material varieties, including high-temperature, drought-resistant, and salt-tolerant sorghum and wheat varieties, to improve resilience and ensure stable production under changing climatic conditions. Technical optimization: Establishing climate-smart predictive models to adjust sowing times and planting areas in real-time, enhancing raw material quality through precise nitrogen fertilizer application and pest and disease management. Process optimization: Optimizing equipment and technology to adapt to the impacts of climate change, while ensuring the process requirements are met and maintaining stable production. Energy-efficient cooling: Optimizing operational methods and fine-tuning management to reduce energy consumption in the cooling water circulation system. Intelligent warehousing: Developing intelligent storage facilities with precise temperature and humidity control to ensure optimal storage conditions for raw materials.
Transition risks	Policy and legal risk <ul style="list-style-type: none"> Raising the cost of emissions reduction for enterprises due to stricter government carbon emission policies Increasing regulatory requirements for high-energy-consuming and high-emission-intensive processes such as distillation in baijiu production 	<ul style="list-style-type: none"> Clean production: Implementing energy-efficient distillation technologies, waste heat recovery systems, and expand the use of renewable energy to lower energy consumption and carbon emissions Carbon footprint management: Establishing a product carbon footprint accounting system and explore pathways to carbon neutrality Policy monitoring: Tracking regulatory developments closely, formulate carbon peaking action plans, and proactively implement emissions reduction strategies
	Technological risk <ul style="list-style-type: none"> Making it difficult to meet emissions reduction targets due to the lack of mature clean production technologies Hindering precise process control, efficiency optimization, and emissions reduction due to low levels of digitization 	<ul style="list-style-type: none"> Technology R&D: Increasing investment in cleaner distillation technologies and collaborate with research institutions to drive innovation Digital factory development: Advancing intelligent manufacturing by upgrading production equipment and building digital distilleries Technology tracking: Staying informed about emerging technologies and assess their impact on the industry
	Market risk <ul style="list-style-type: none"> Prioritizing environmental protection and sustainability by consumers, favoring greener products 	<ul style="list-style-type: none"> Green marketing: Promoting eco-friendly production practices and strengthening the Company's green brand image
	Reputation risk <ul style="list-style-type: none"> Failing to meet stakeholder expectations regarding climate action could negatively impact corporate reputation 	<ul style="list-style-type: none"> Strengthening communication: Increasing engagement with stakeholders and enhance transparency in green initiatives Information disclosure: Proactively communicating the Company's sustainability strategies, energy conservation efforts, and achievements in low-carbon development

Climate change opportunity identification and response of Luzhou Laojiao

Opportunity Type	Opportunity Description	Countermeasure
Resource efficiency improvement	<ul style="list-style-type: none"> Developing a circular economy to maximize resource efficiency and repurpose waste 	<ul style="list-style-type: none"> Technological collaboration: Partnering with research institutions to develop waste recycling and utilization technologies Industry chain expansion: Working with upstream and downstream enterprises to build a circular economy supply chain
R&D and innovation for low-carbon products	<ul style="list-style-type: none"> Aligning with the consumer trend of "drinking less but drinking better" by developing low-alcohol, low-sugar, and functional ingredient-enriched alcoholic beverages to enhance market competitiveness 	<ul style="list-style-type: none"> R&D innovation: Increasing investment in the development of low-alcohol and health-focused liquor products, creating new offerings that cater to consumer demand Technology upgrades: Utilizing bioengineering and enzyme engineering to improve product quality and enhance health benefits

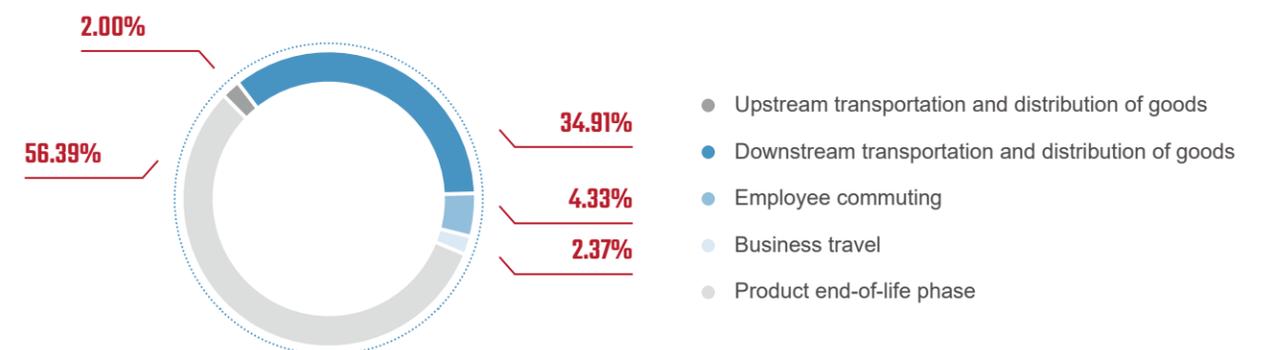
Indicators and Targets

In alignment with the *Action Plan for Carbon Dioxide Peaking Before 2030* issued by the Chinese government and the company's *Action Plan for Carbon Dioxide Peaking*, Luzhou Laojiao will continue conducting carbon footprint assessments and set phased targets for emissions reduction.

Greenhouse gas emission (scope 1&2) data of Luzhou Laojiao in 2024

Category	Unit	Data of 2024
Direct GHG emissions (Scope 1)	tCO ₂ e	126,172
Indirect GHG emissions (Scope 2)	tCO ₂ e	24,829
Total GHG emissions (Scope 1 & 2)	tCO ₂ e	151,001
GHG emission intensity (Scope 1 & 2)	tCO ₂ e/million gross industrial output value	4.15

Carbon emission data of Scope 3 of Luzhou Laojiao in 2024





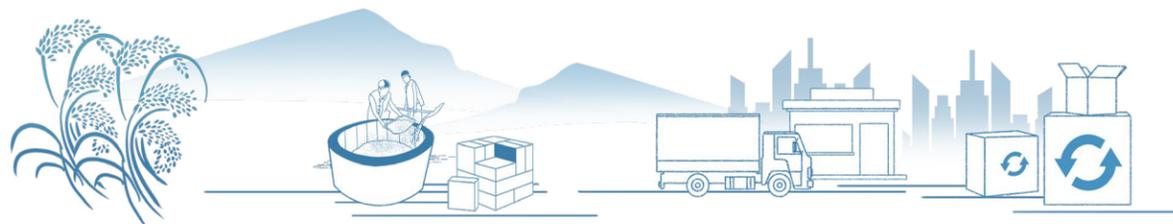
Product Carbon Footprint

The Company has implemented various carbon reduction initiatives, including product carbon footprint (PCF) accounting and broader decarbonization efforts. Using the Life Cycle Assessment (LCA) methodology and ISO 14067:2018 Greenhouse Gases — Carbon Footprint of Products — Requirements and Guidelines for Quantification, we systematically measure emissions throughout the entire product lifecycle—from raw material extraction and manufacturing to transportation, usage, and disposal. Concurrently, the Company collaborates with upstream and downstream supply chain partners to optimize procurement, improve energy efficiency, and adopt renewable energy solutions, reducing carbon intensity across the value chain. As of the reporting period, PCF assessments have been completed for 14 products.

As of the reporting period,

PCF assessments have been completed for **14** products

Carbon footprint of 52°National Cellar 1573 (2010 Edition)



Raw material production and acquisition stage	Product manufacturing stage	Product distribution stage	Product waste treatment stage
71.23%	14.10%	2.05%	12.62%

Note: Functional unit is 1 bottle (500 mL); System boundary follows "cradle-to-grave" approach with percentages representing each stage's contribution to total carbon footprint.

Carbon Reduction Initiative

By accounting carbon emissions at both organizational and product levels, Luzhou Laojiao establishes carbon reduction pathways from a life cycle perspective, systematically reducing emissions across all processes to drive green, low-carbon, high-quality development.

Production and Manufacturing

The Company has implemented energy-saving and carbon reduction measures across key production processes, including spreading, bran steaming, and distillation. By adopting advanced equipment and upgrading production techniques, it has significantly reduced carbon emissions during manufacturing.

Carbon reduction practices of Luzhou Laojiao

- Implemented waste heat recovery during the bran steaming process, saving 1.24 million cubic meters of natural gas and reducing over 2,700 tonnes of carbon dioxide emissions annually;
- Upgraded the biogas desulfurization process at the distilling wastewater treatment facility in Luohan Distilling Ecological Park, increasing biogas supply by 144% compared to previous years;
- Recovered and utilized biogas, achieving an annual recovery of 3,599,200 cubic meters.
- Optimized the Huangyi rice husk spreading and drying process, saving 46,464 kWh of electricity annually, reducing energy consumption by 50%, and cutting 26 tonnes of carbon dioxide emissions;
- Enhanced energy efficiency in sorghum cleaning and impurity removal equipment at Huangyi Phase I project, reducing power consumption by 4.06 kWh/tonne, saving 35,100 kWh of electricity annually, and lowering carbon dioxide emissions by 20 tonnes;
- Operated a cogeneration system, generating 23.84 million kWh of electricity in 2024, saving 4,200 tonnes of standard coal.

To enhance energy efficiency, targeted measures were implemented across production, logistics, and retail operations. These included waste heat recovery, process optimization, adoption of renewable energy, and biogas recycling. In 2024, the Company purchased 5,944 MWh of green electricity and recovered 3,599,200 cubic meters of biogas, achieving a total carbon dioxide emissions reduction of 58,808 tonnes.

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Logistics and Transportation

The Company is committed to low-carbon transportation, systematically optimizing logistics routes, modernizing transportation fleets, and ensuring efficient and eco-friendly freight operations.



Case • Diesel forklift replacement project in Luohan Distilling Ecological Park •

To eliminate outdated non-road mobile machinery, the Company initiated a diesel forklift replacement project in Luohan Distilling Ecological Park, improving the environmental performance of its fleet.

In 2024, seven diesel forklifts were upgraded, saving 3.64 tonnes of standard coal annually and significantly reducing total pollutant emissions.

Distribution Center and Store Operations

The Company has integrated green technologies into its distribution centers and retail stores, launching innovative environmental projects to enhance operational efficiency and reduce carbon footprints.



Case • Autonomous vehicle delivery service project •

In September 2024, the Company launched a green autonomous vehicle leasing and logistics operation project. This initiative optimized product distribution within the liquor industry park, establishing a fully autonomous logistics system from packaging material supply to the filling production line. The project features a fully digitized logistics management system, which automates task reception, dispatches autonomous vehicles for transport, and coordinates packaging material unloading at the filling line. This significantly enhances logistics efficiency while dramatically reducing carbon emissions at distribution centers.

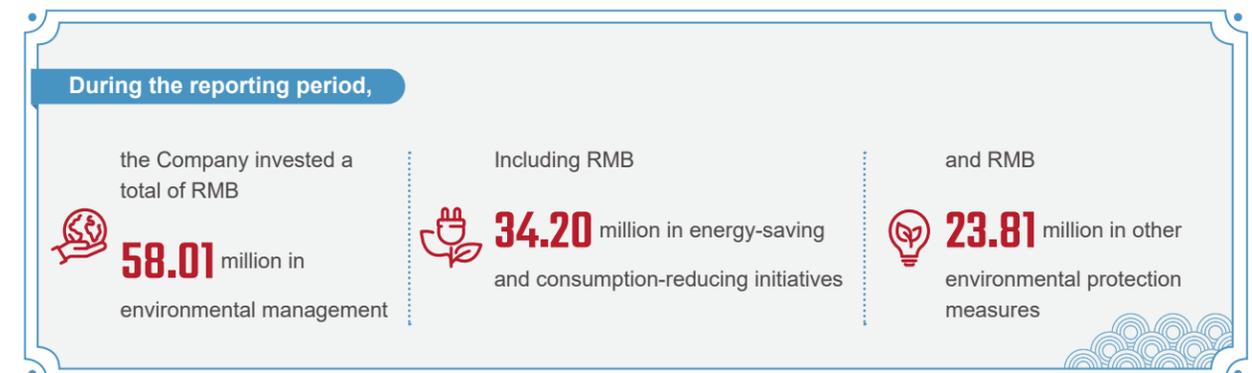
Green Operation

As a global leader in the baijiu industry, Luzhou Laojiao has consistently adhered to the principles of "legal compliance, cleaner production, energy efficiency, and continuous improvement." The Company has built and refined its environmental management system, strengthened resource and energy management, and actively promoted waste reduction, recycling, and safe disposal. By integrating business operations with environmental protection, Luzhou Laojiao is driving the low-carbon transformation of the food and beverage industry.

Environmental Management Philosophy

Luzhou Laojiao regards environmental management as a strategic priority, continuously improving its governance structure and risk prevention mechanisms in line with its environmental philosophy and policies. Through initiatives focused on clean production, energy conservation, emission reduction, and pollution control, the Company has established a strong foundation for sustainable development. In 2024, the Company did not experience any violations of environmental laws or regulations.

The Concept, Principle and Policy of environmental protection management at Luzhou Laojiao



Environmental Management System

The Company strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Regulations of Sichuan Province on Environmental Protection*, and other relevant laws and regulations. It has established 19 internal environmental management policies, including the *Environmental Management Manual*, the *Collection of Environmental Protection Management Systems*, and the *Environmental Protection Responsibility System and Assessment Management System*, to fully implement environmental management requirements.

Environmental governance is led by the Ecological Environment Protection Committee, the highest decision-making body for environmental responsibility, chaired by the Chairman of the Board. Under this committee, the Office of the Ecological Environment Protection Committee (Ecological Environment Protection Center) is the dedicated management unit, coordinating environmental efforts across the Company. Every functional department and production unit has dedicated environmental protection staff to ensure full implementation of responsibilities.

The Company has also established a target-oriented responsibility system for environmental protection. The Office of the Ecological Environment Protection Committee sets annual environmental objectives, signs responsibility agreements with departments and units, and oversees their implementation through regular supervision and assessment.



Environmental Risk Prevention and Control

Luzhou Laojiao strictly complies with national and local environmental protection regulations and has established comprehensive environmental risk prevention systems, including the *Management System for Laws and Regulations on Ecological Environmental Protection and Evaluation of Environmental Factors*, the *Information Reporting and Emergency Management System for Environmental Emergencies*, and the *Management System for Investigation and Control of Potential Environmental Hazards*. The Company has also developed an environmental monitoring and evaluation system covering its entire industry chain, continuously improving emergency response plans and enhancing its capacity to manage environmental risks effectively.



- Established a dual-prevention system, integrating risk classification control with hazard identification and mitigation;
- Implemented a three-tier hazard detection approach combining comprehensive inspections, specialized inspections, and routine inspections to ensure continuous risk identification and management efficiency improvement;
- Conducted real-time pollutant discharge monitoring through automated, third-party, and internal manual monitoring systems, ensuring a continuous and stable 100% compliance rate for all emissions.



- Developed the *Compliance Identification and Evaluation List for Ecological Environmental Protection* to guide in conducting compliance assessments. Regular on-site inspections and evaluation reports ensure adherence to environmental regulations;
- Based on assessment results, develop improvement measures to enhance localized environmental management, optimize the Company's environmental management system, and ensure ongoing compliance with national and local laws.



- Conducted environmental emergency risk assessments to determine risk levels;
- Prepared and filed environmental risk assessment reports and emergency resource investigation reports with regulatory authorities;
- Carried out regular environmental emergency drills to enhance preparedness and response capabilities.

Case • "Promoting Prevention through Drills, Strengthening Protection through Training" comprehensive environmental emergency drill •

On November 27, 2024, Luzhou Laojiao organized a comprehensive emergency drill for environmental incidents (response to severe pollution weather) at the Information Center of the Huangji Distilling Ecological Park. The drill followed a yellow warning for severe pollution weather by Luzhou Municipal Government, the Company has activated its emergency emission reduction implementation plan.

The drill provided a thorough evaluation of the Company's emergency response capabilities for severe pollution weather from multiple angles, including information reporting, organizational command, communication and coordination, on-site control, and emergency management. The drill achieved its objectives of testing the emergency plan, enhancing preparedness, training teams, optimizing operational mechanisms, and raising public awareness. It significantly strengthened the Company's ability to respond to and manage emergencies through collaborative defense, control, and treatment, thus laying a strong foundation for reinforcing ecological environmental safeguards and supporting the Company's green and high-quality development.

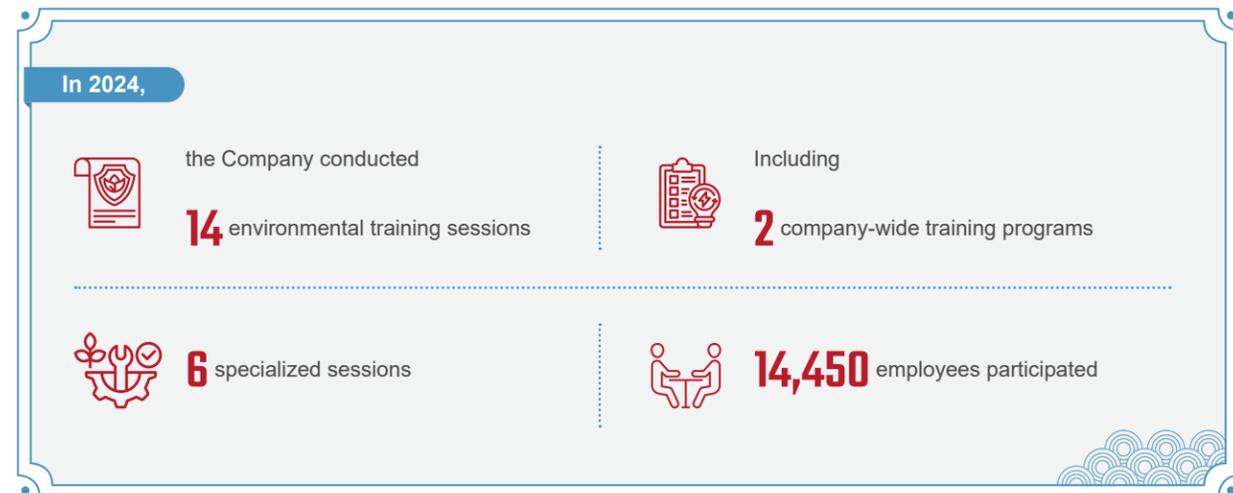


Comprehensive environmental emergency drill



Environmental Protection Capacity Building

Luzhou Laojiao regards environmental protection culture as essential for sustainable development. The Company promotes environmental awareness through a multi-dimensional approach, regularly organizing specialized training sessions and awareness campaigns to foster a strong sense of environmental responsibility. We also exchange with upstream and downstream partners, communities, industry associations, and other stakeholders to promote green development and raise environmental standards across the industry.



Case • Special environmental protection training for stakeholders to strengthen environmental protection measures •

To enhance environmental protection management among stakeholders, the Company tailored a systematic training program covering five key areas: general environmental protection requirements for stakeholders, environmental management of bulk brewing wastewater transportation, environmental management of base liquor transportation, environmental management of engineering and construction projects. The training helped participants enhance their on-site environmental management capabilities while ensuring compliance with relevant environmental laws and regulations.

This initiative further reinforced the importance of proper environmental management among stakeholders, significantly improving the Company's overall environmental risk prevention and control capabilities.



Training site

Case • Environmental risk training for baijiu enterprises and strengthening emergency response teams •

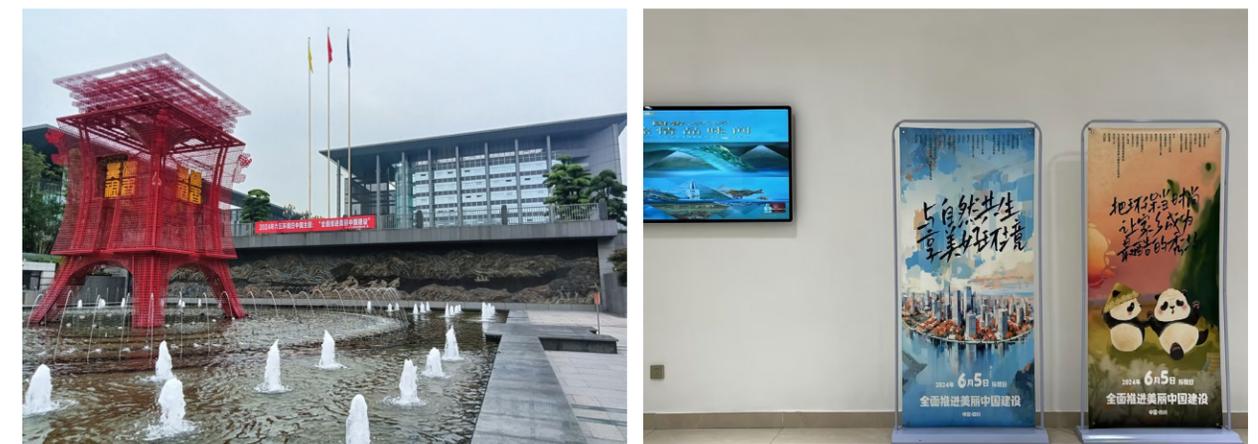
In October 2024, to enhance the Company's ecological and environmental risk prevention efforts, Luzhou Laojiao provided emergency response capacity-building training for middle management and environmental protection personnel from various departments and units. The training aimed to clarify the key aspects of environmental risk prevention, control, and emergency management specific to the baijiu industry.

The training covered three key areas: risk management theory, hazard identification and rectification, and environmental emergency response. It provided a comprehensive review of environmental risk management and emergency handling within the baijiu industry, supplemented by multiple case studies from the liquor sector. Additionally, experts analyzed the Company's environmental risk emergency response plan, offering targeted recommendations and improvement measures to further optimize the Company's environmental risk management and emergency response framework.



Training site

For several consecutive years, we have actively organized initiatives to celebrate World Environment Day, actively promoting the concept of green development through diverse outreach methods including poster and banner displays, as well as continuous looping of promotional videos on digital screens. The Company also leverages social media platforms, such as WeChat official accounts and short video platforms, to create and share environmental protection content. These efforts expand public engagement, raise awareness, and foster a culture where all employees actively participate in environmental protection.



World Environment Day banners and posters

“Promoting Ecological and Environmental Culture, Building a Clean and Beautiful Luzhou Laojiao Together” Environmental Awareness Campaign

“Clean Your Plate, Low-Carbon Travel”

Employees are engaged to earn low-carbon action points through the “Luzhou Green Sprout Points” mini-program. As of the end of the reporting period, employees have collectively accumulated more than 140,000 Green Sprout Points.

Golden idea of “I Contribute to Green Development”

Employees are encouraged to propose suggestions and improvement measures for energy conservation, emission reduction, ecological brewing, pollution prevention, and environmental protection management.

“Combat Pollution, Honor Nature”

Employees are encouraged to explore and appreciate the beauty of the ecological environment by creating themed works such as calligraphy, paintings, photography, and posters to document the progress of ecological civilization.



Case • Environment Day initiatives to foster a culture of environmental responsibility •

In July 2024, the Company launched a company-wide ecological and environmental protection knowledge competition on its knowledge management platform. Employees participated in learning sessions covering topics such as pollution prevention, green and low-carbon development, and ecological civilization. The initiative covered all employees, with more than 2,700 participants, over 600 of whom achieved excellent results, greatly enhancing engagement and enthusiasm for environmental protection.

Additionally, the Company organized an environmental emergency drill competition. A total of 22 teams participated, producing full-process drill videos based on assigned themes. After four months of rigorous preparation, the teams competed through a “scenario preview + live commentary” micro-lecture format. In a highly competitive contest, the Supply Chain Management Center and the Packaging Production Department secured the first-place award.



Awarding ceremony of the competition

Case • “Driving Innovation in Energy Conservation, Pioneering the Green Economy” — Energy Conservation Knowledge Competition •

In November 2024, the company organized the “Driving Innovation in Energy Conservation, Pioneering the Green Economy” Energy Knowledge Competition. Nearly 40 energy management participants from various departments took part in the event. Amidst fierce competition, 6 teams and 24 individuals were honored with awards.



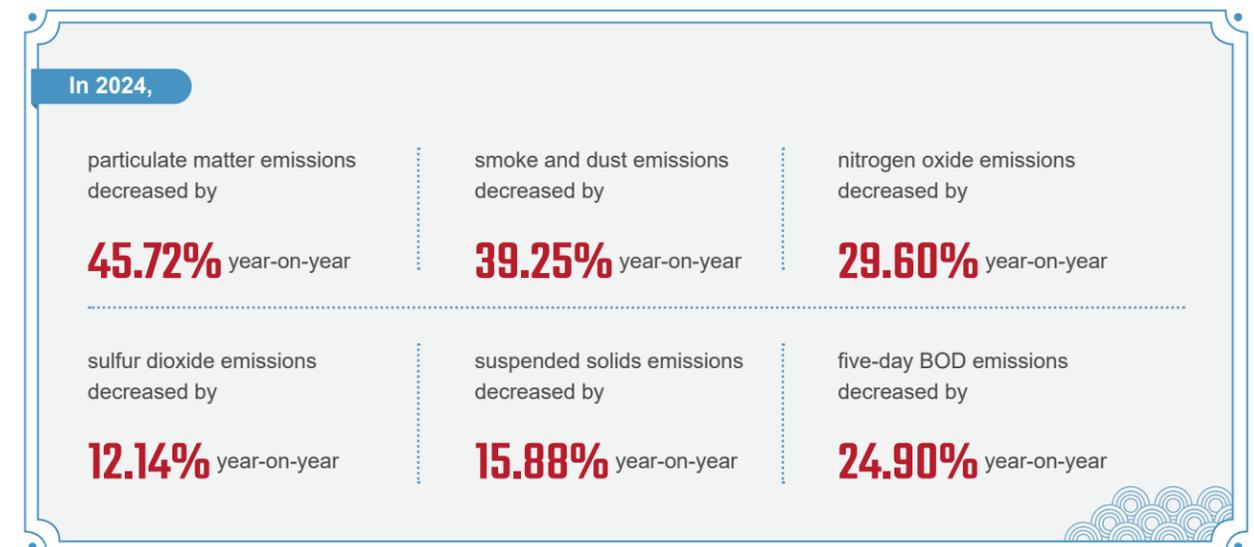
Energy Conservation Knowledge Competition

Management of Three Wastes and Noise

Luzhou Laojiao strictly adheres to national and local waste management standards, establishing a full-process pollution prevention and control system based on “source reduction, process control, and end treatment.” This system enhances environmental governance and ensures compliance with regulations for wastewater, exhaust gas, solid waste, and noise emissions.

In 2024, through systematic measures such as cleaner production, resource optimization, and enhanced end-of-pipe treatment, the Company achieved significant progress in waste reduction.

Luzhou Laojiao per unit of product waste reduction performance in 2024



Wastewater

The Company has formulated the *Water Pollution Prevention and Control Management System*, reinforcing its commitment to environmental protection and pollution prevention. The Ecological Environment Protection Center oversees water pollution control efforts. Wastewater treatment stations have been set up at both the Huangyi and Luohan Distilling Ecological Parks to ensure compliance with discharge standards.

The Company's wastewater treatment plant employs "pre-treatment + anaerobic treatment + aerobic treatment + advanced treatment" processes, with effluent meeting the *GB 27631-2011: Discharge Standard of Water Pollutants for Fermented Alcohol and Distilled Spirits Industry*. The facility is equipped with complementary biogas utilization, odor control, sludge treatment, and central control systems

In 2024, the Company partnered with downstream enterprises to reuse distilling wastewater as a supplementary carbon source for municipal wastewater treatment, promoting wastewater "reutilization."

Case • Exploring new approaches to wastewater treatment and advancing green development •

In compliance with the *Discharge Standard of Water Pollutants for Fermentation Alcohol and Distilled Spirits Industry (GB 27631-2011)*, and under regulatory guidance, Luzhou Laojiao collaborated with Luzhou Xinglu Water (Group) Co., Ltd. to explore innovative wastewater discharge solutions for distilling and municipal wastewater.

Through negotiated discharge agreements, both parties achieve significant environmental and economic benefits through resource sharing and complementary advantages. This simplifies the Company's wastewater treatment process while reducing operational pressure and costs. Downstream municipal treatment plants receive high-concentration organic wastewater as premium carbon source supplementation, minimizing external carbon source purchases. This innovative approach realizes resource utilization of distilling wastewater, creating a win-win scenario where downstream plants essentially receive "strong-aroma baijiu".



Cooperation signing ceremony

Wastewater discharge performance of Luzhou Laojiao in 2024

Indicator	Unit	Data of 2024
Total wastewater discharge	Tonne	1,300,200.68
Ammonia nitrogen	Tonne	0.94
Phosphorus	Tonne	0.58
COD	Tonne	29.90

Waste Gas

Luzhou Laojiao strictly follows national and provincial air pollution control standards, including the *Emission Standard for Air Pollutants for Boilers*, the *Emission Standard for Air Pollutants for Thermal Power Plants*, and the *Integrated Emission Standard of Air Pollutants*. The Company has also developed an internal Air Pollution Prevention and Control Management System, overseen by the Ecological Environment Protection Center, which is responsible for monitoring and implementing air pollution control measures.

Luzhou Laojiao has established a waste gas prevention system that ensures stable, efficient operation of treatment facilities, keeping emissions consistently below national standards. The Company uses low-nitrogen combustion technology and a flue gas recirculation system to reduce nitrogen oxide emissions. It has also adopted a closed spreading process to minimize fugitive emissions and eliminate dispersed steam discharge.

Waste gas discharge performance of Luzhou Laojiao in 2024

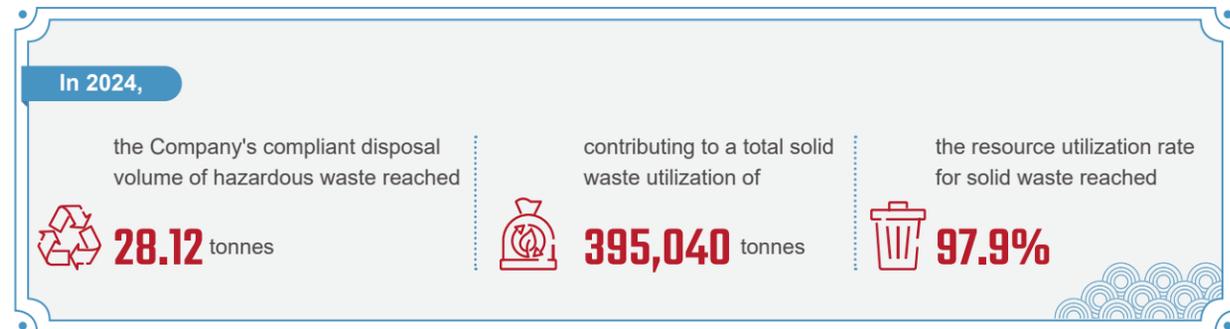
Indicator	Unit	Data of 2024
Total waste gas emissions	Cubic meter	799,468,961.90
Particulate matter emissions	Tonne	0.12
Sulfur oxides emissions	Tonne	0.46
Nitrogen oxides emissions	Tonne	22.82
Smoke and dust emissions	Tonne	0.46



Waste Management

Luzhou Laojiao strictly complies with national and provincial solid waste management regulations, including the *Management System for Transfer Manifests of Hazardous Waste*, the *Standard for Pollution Control on Hazardous Waste Storage*, the *Regulations of Sichuan Province on Prevention and Control of Environmental Pollution by Solid Waste*, and the *Notice on Enabling Electronic Management Ledger for General Industrial Solid Waste*. In alignment with these regulations, the Company has developed a comprehensive solid waste management framework, which includes the *Standardized Management System for General Solid Waste*, the *Standardized Management System for Hazardous Waste*, and the *Operation Management System for Pollution Prevention and Control Facilities*. This ensures a standardized approach to collecting, storing, transferring, and disposing of solid and hazardous waste.

Luzhou Laojiao has implemented a waste classification system to ensure efficient collection, proper storage, and professional disposal. The Company uses a solid waste management information system to digitally track waste generation, transfer, and disposal. Hazardous waste is managed under a strict transfer manifest system and handled by certified third-party providers to ensure traceability and compliance. For general industrial waste, Luzhou Laojiao promotes recycling initiatives, such as reusing spent grain and recycling waste pit mud. In 2024, the Company's compliant disposal volume of hazardous waste reached 28.12 tonnes, and comprehensive utilization volume of general solid waste reached 395,040 tonnes. The resource utilization rate for solid waste reached 97.9%.



Waste discharge performance of Luzhou Laojiao in 2024

Indicator	Unit	Data of 2024
Total waste discharged	Tonne	403,645.46
Waste discharge density	Tonne/million gross industrial output value	11.08

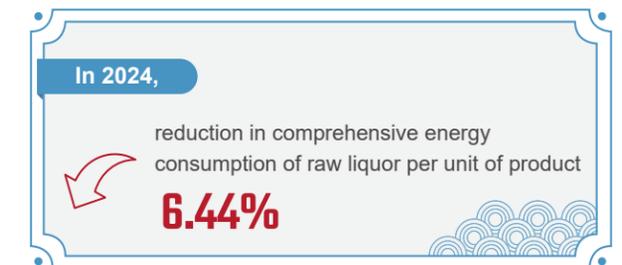
Control of Noise and Other Pollutants

The Company has made the prevention and control of noise, odors, and other pollutants a key part of its environmental management. It strictly follows national environmental standards and has established internal policies, including the *Management System for Prevention and Control of Environmental Noise Pollution*, to guide pollution control efforts. In terms of noise control, the Company fully complies with the *Law on Noise Pollution Prevention and Control of the People's Republic of China*. Measures include using low-noise equipment, installing shock absorbers, and enhancing equipment maintenance and management. As a result, factory boundary noise levels are consistently below national standards. To control odors, the Company uses sealed collection systems and biofilters to minimize odor generation at the source. As of the end of the reporting period, the Company's noise and odor emissions have remained 100% compliant with national standards for consecutive years.

Energy Management

Luzhou Laojiao has built a comprehensive energy management framework with a systematic energy assessment mechanism. The *Measures for Energy Management Assessment* set clear energy efficiency targets and consumption evaluation indicators. A quarterly review process tracks and evaluates energy use, while energy consumption targets are integrated into the distillery's salary and performance system, directly linking achievements to employee performance. This approach motivates active participation in energy-saving initiatives and supports sustainable development.

In 2024, the Luzhou municipal government set a target for energy consumption intensity, requiring a reduction of no less than 0.43% in the comprehensive energy consumption of raw liquor per unit of product. The Company exceeded this target with a 6.44% reduction. As of 2024, the company has consecutively passed the GB/T 23331-2020 Energy Management System certification for 14 years.



Case • Implementing WSR energy-saving technology in bran steaming to advance green distillation

To advance green production, the Company conducted an energy-efficient transformation of the WSR bran steaming system in Huangyi Park. Through lean innovation and extensive testing, the project integrated waste heat steam purification, pressurization recovery, and smokeless emission technology. By automating the entire energy recovery process, the system recaptures and reuses waste steam while ensuring cleaner emissions. In 2024, this initiative resulted in 14,561 tonnes of steam savings and 1,485 tonnes of standard coal savings.



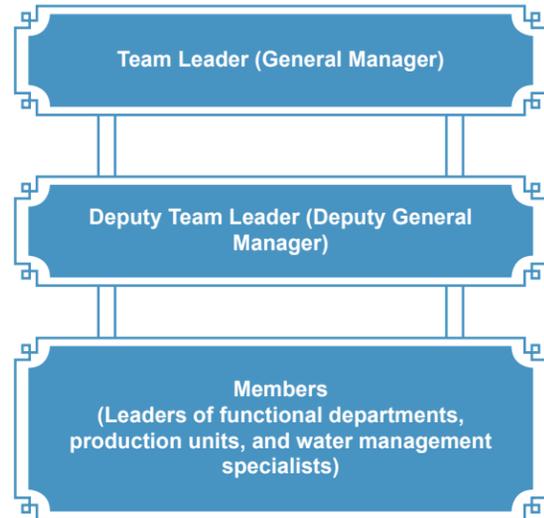
Energy performance of Luzhou Laojiao in 2024

Indicator	Unit	Data of 2024
Non-renewable energy consumption	Tonne of standard coal	72,336.20
Renewable energy consumption	Tonne of standard coal	730.52
Comprehensive energy consumption ⁴	Tonne of standard coal	73,066.72
Comprehensive energy consumption intensity	Tonne of standard coal/million gross industrial output value	2.01

⁴ Total energy consumption includes gasoline, diesel, natural gas, purchased electricity, and the energy conversion factor is based on the values specified in GB/T 2589-2020 *General Rules for Calculation of the Comprehensive Energy Consumption*.

Water Resources Management

Luzhou Laojiao strictly adheres to the *Water Law of the People's Republic of China* and has formulated an internal *Energy Management System* that clearly defines requirements for water supply and usage. The Company has also established a structured water management framework, with the General Manager serving as the highest authority. A dedicated water management department, staffed by professionals, ensures a top-down approach to managing responsibilities.



Water resources management structure of Luzhou Laojiao

The Company prioritizes water conservation and has made efficient water use a key part of its sustainable development strategy. By adopting advanced water-saving technologies, implementing intelligent monitoring systems, and optimizing water use in production, it has built a comprehensive water recycling system that spans the entire industry chain

During the reporting period, the Company's water-saving initiatives resulted in 61,100 tonnes of water savings in the water production process, 2,367,100 tonnes through the recycling of brewing cooling water, 1,346 tonnes in brewing production, and 97,000 tonnes in product packaging.



In 2024, the Company's water-saving initiatives resulted in

61,100 tonnes of water savings in the water production process

2,367,100 tonnes through the recycling of brewing cooling water

1,346 tonnes in brewing production

97,000 tonnes in product packaging

Water saving practices in different production stages of Luzhou Laojiao

- Water production

- Optimization and graded utilization of water treatment systems have increased water recovery rate by approximately 2%, saving 27,800 tonnes annually.

- Circulating water

- Reused the water discharge from the water treatment system for road cleaning, landscaping, and equipment washing, saving 33,300 tonnes of water per year;
 - The Luohan 7 Center implemented the reuse of distilling cooling water for the boiler system, achieving reclaimed water usage, saving 31,000 tonnes of water per year;
 - The distilling cooling water process used a closed-loop water system, saving 2,367,100 tonnes of water per year.

- Production

- Optimized the bottom pot water usage in the bran steaming process at Huangyi, resulting in an annual water saving of at least 1,346 tonnes.

- Packaging

- The bottle washing machines in the Huangjie South District first cleans the inside of the bottles, then reuses the water for cleaning the exterior. After cleaning, the wastewater is further reused in the spray tower. In 2024, a total of 97,000 tonnes of water was reused.

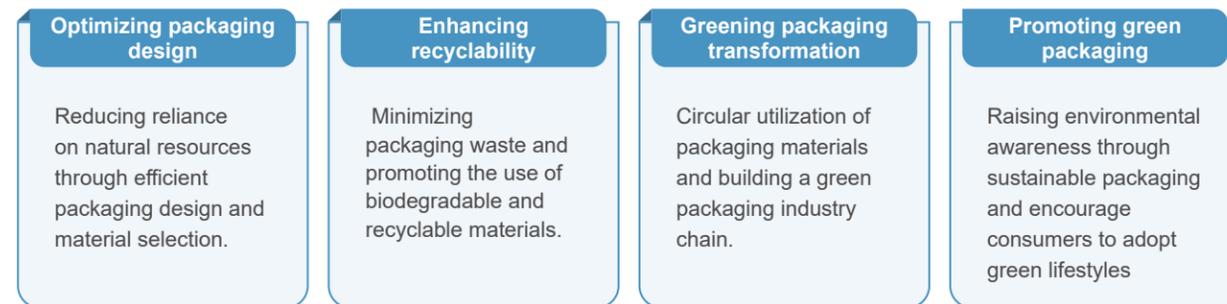
Water resources use performance of Luzhou Laojiao in 2024

Indicator	Unit	Data of 2024
Reuse of reclaimed water	Tonne	376,775
Circulating water consumption	Tonne	2,705,482
Total freshwater intake	Tonne	3,151,865
Total water consumption	Tonne	3,151,865
Water consumption intensity	Tonne/million gross industrial output value	86.54

Packaging Material Management

Luzhou Laojiao is committed to eco-friendly packaging and integrates green principles into its design process. *The Design Standard for Non-Woven Handbags* sets clear requirements for material selection, quality control, and inspection, ensuring sustainability without compromising product quality. At the company level, our Green Packaging Strategy aims to reduce resource consumption, minimize environmental pollution, and enhance recyclability—balancing both economic and ecological benefits.

Green Packaging Strategy



Sustainability principles guide every stage of our packaging process, from raw material selection and design to recycling. It actively promotes lightweight packaging, material reduction, and eco-friendly design to reduce environmental impact.

Management measures for packaging materials of Luzhou Laojiao

- Prioritizing the use of degradable and recyclable environmentally friendly materials, reducing the use of PE film for gift boxes, and minimizing the environmental impact of packaging, saving 1,156 tonnes of PE plastic bags annually;
- Utilizing anti-counterfeit labels made of polymer materials to extend their service life, with RFID⁵ (Radio Frequency Identification) chips embedded in the core to facilitate intelligent inventory management and distribution tracking, effectively preventing the loss of anti-counterfeit packaging materials and supporting recycling efforts. Additionally, recycling sealing rubber cores, reducing solid waste by 3.5 tonnes per year;
- Introducing standardized recyclable carriers for packaging materials such as bottles, crates, boxes, caps, handbags, anti-counterfeit labels, and sealing glue, standardizing the dimensions of incoming materials. These carriers enable the reuse of outer packaging, improving transportation efficiency and reducing solid waste generation.

The Company is committed to building a green industry chain, requiring all suppliers and partners to follow its packaging material management standards, invest in green packaging R&D, and support a full-process environmental protection system covering procurement, production, and logistics. To ensure compliance, the Company has established 11 evaluation indicators for safety and environmental management and works with third-party audit institutions to assess suppliers' production processes, raw material use, and environmental risks. The findings are compiled into the *Report on Proposals for Environmental Protection Production of Packaging Materials*.

As of the end of the reporting period, the Company obtained the ISO/TS 22002-4 Food Packaging Manufacturing, and the supplier of the 2010 version 500ml handbag for National Cellar 1573 passed the product carbon footprint certification.

⁵ Radio Frequency Identification.

Case • Green packaging training for suppliers to promote the development of the company's green supply chain •

In May 2024, to enhance the green and low-carbon awareness of packaging material suppliers, the Company organized a supplier training session on green packaging. This training, based on the national "dual carbon" strategy, introduced certification requirements and incentive policies for green and low-carbon packaging materials. It also provided a detailed explanation of green indicators and standards for packaging materials, such as bottles, crates, boxes, and caps, supplied to the Company.

Additionally, the training shared best practices from the food and beverage industry, showcasing leading examples of green product implementation and green procurement. Suppliers were encouraged to take proactive measures to reduce pollution and carbon emissions.



Green packaging training site

Packaging materials consumption of Luzhou Laojiao in 2024

Indicator	Unit	Data of 2024
Glass consumption	Tonne	13,769.41
Metal consumption	Tonne	4,657.25
Ceramic consumption	Tonne	841.95
Wood and paper consumption	Tonne	8,279.45
Plastic consumption	Tonne	3,219.76
Other packaging materials	Tonne	2,873.06
Total packaging materials consumption	Tonne	33,640.88

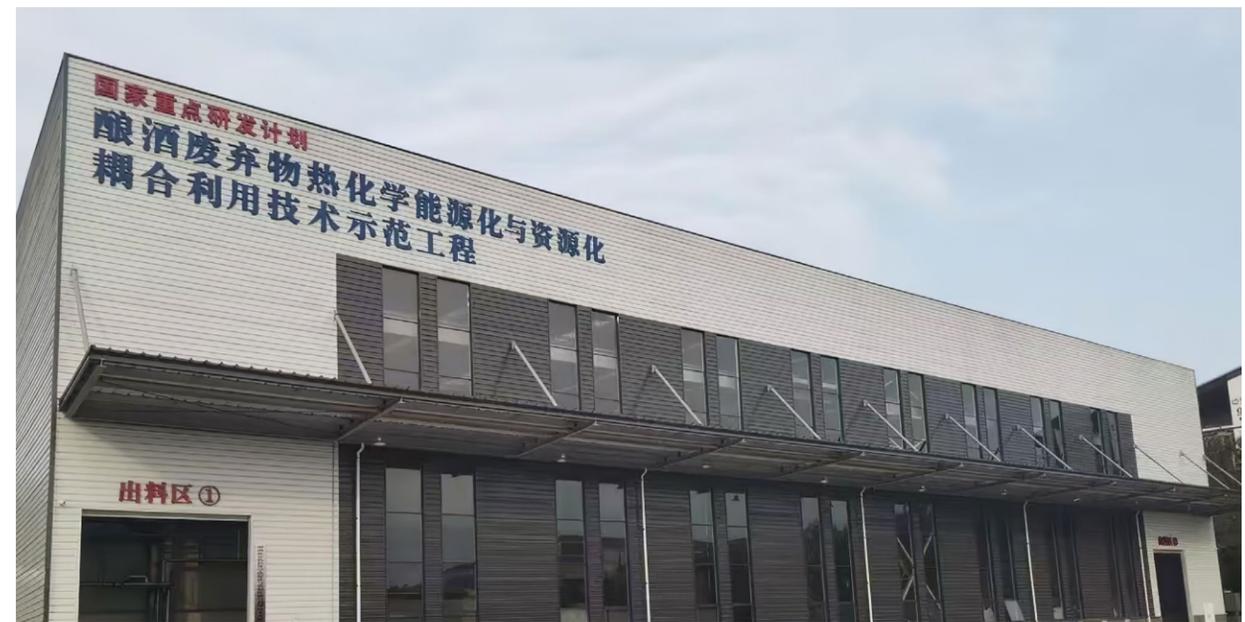
Sustainable Agriculture

Luzhou Laojiao recognizes the critical role of sustainable agriculture in ensuring food security and ecological protection. The Company has introduced initiatives such as waste recycling, reducing chemical inputs, and promoting the use of organic fertilizers.

Case  • Create a vinasse recycling project to drive industrial transformation • 

The Company has developed a demonstration project for the thermochemical energy conversion and resource utilization of distilling waste, with an annual vinasse treatment capacity of 100,000 tonnes. This project employs advanced processes such as impurity removal, drying, screening, and pyrolysis to enable large-scale treatment and high-efficiency utilization of vinasse. Each year, the project yields 15,000 tonnes of feed protein and 4,000 tonnes of biochar from the treated vinasse. The feed protein enhances the nutritional value of biological feed, while the biochar improves soil quality for sorghum cultivation. Additionally, the pyrolysis gas generated during treatment is combusted to produce heat for preheating boiler water, replacing approximately 3 million Nm³ of natural gas annually and reducing carbon dioxide emissions by over 10,000 tonnes.

By implementing this project, the Company has eliminated the environmental risks associated with vinasse disposal and facilitated the sustainable transformation and upgrading of the baijiu industry.



Demonstration project of thermochemical energy and resource utilization of distilling waste

Biodiversity Conservation

As China's baijiu industry leader, Luzhou Laojiao deeply implements its "co-distilling with nature, coexisting in harmony" philosophy, integrating biodiversity conservation into its sustainable development strategy.

The Company has established organic sorghum cultivation bases and implemented comprehensive organic farming protocols. We have developed standardized documentation including the *Organic Management Manual* and the *Organic Production Technical Procedures*, effectively combining traditional distillery crop cultivation with ecological preservation. This initiative has created an exemplary sustainable agricultural model for the industry that actively protects regional biodiversity. Through scientific planning and precision management, we have optimized operational schedules, upgraded production methods, and implemented strategic fallow periods to continuously improve soil fertility and enhance the stability of farmland ecosystems.

Biodiversity conservation measures of Luzhou Laojiao Organic Sorghum Base

- Promoting organic fertilizers and bio-agents as eco-friendly agricultural inputs effectively reduces ecological pollution from traditional farming while protecting soil biodiversity and maintaining subterranean ecosystem balance. The base's soil shows 2-3 times higher earthworm density and more active microbial communities than conventional farmland;
- The base employs agricultural/physical controls, manual weeding, and biological methods utilizing natural predators (parasitic wasps, ladybugs, trichogramma) to manage pests/weeds, increasing populations of both phytophagous insects and their natural enemies;
- Crop rotation, intercropping, and relay intercropping diversify vegetation, providing habitats and food sources for various species;
- Winter fallowing and minimum tillage effectively protect topsoil. Organic cultivation prevents land degradation and reduces groundwater/surface water pollution, significantly restoring benthic organisms (e.g., snails) in adjacent water bodies;
- The base mandates protection of natural vegetation adjacent to farmland, establishing ecological buffer zones that enhance biodiversity within the cultivation area. This conservation measure promotes population growth of beneficial birds and other wildlife, thereby maintaining agro-ecosystem equilibrium. Our monitoring data demonstrates significant ecological improvements, with observed avian species increasing from 15 in 2015 to 28 in 2023, including nationally protected Class II species such as the gray crane.

The Company prioritizes ecological awareness development for both employees and contracted growers, implementing regular biodiversity conservation training programs. These include specialized seminars on biological pest control delivered by industry experts. As of the reporting period, we have conducted over 150 biodiversity-focused training sessions, reaching over 10,000 annual training attendances.

In 2024,

 we have conducted over **150** biodiversity-related training sessions

 reaching over **10,000** annual training attendances

03 Craft with Excellence and Grow Together with Customers

Luzhou Laojiao considers product safety as the lifeline of its corporate development. The Company has established a full-industry-chain quality control system and a customer-focused service system to enhance brand reputation. It also actively participates in industry collaborations, leading the development of baijiu quality standards, sharing technological innovations, and promoting high-quality industry growth.

- Product Quality and Safety
- Food Safety Assurance
- Excellent Customer Service
- Responsible Marketing
- Intellectual Property Protection



Product Quality and Safety

The Company strictly adheres to national quality management laws and standards, and has developed a series of internal systems and strategies. It has also established a comprehensive management framework that covers raw material cultivation, brewing, warehousing, logistics, and terminal sales, ensuring stable and reliable product quality.

Quality Strategy

Guided by the philosophy of "making the quality of Chinese baijiu visible," the Company has implemented the "Luzhou Laojiao Intelligent Distilling 4.0" strategy. This approach leverages digitalization and intelligent technologies to upgrade equipment, develop talent, and optimize management, strengthening the Company's leadership in total quality management within the baijiu industry.

Quality strategic objectives and implementation of Luzhou Laojiao

- Equipment upgrade**
 - Intelligent transformation and upgrading of distilling processes, with notable improvements in capacity expansion, quality enhancement, and efficiency
 - Officially launched the baijiu industry's first intelligent packaging center built to "Lighthouse Factory" standards, promoting industrial linkage across the entire value chain
 - Replacing manual labor with instruments, offline with online processes, and conventional methods with faster ones
- Technology Upgrade**
 - Fostering deeper integration of production, academia, research, and application
 - Reinforcing the stabilizing role of industry chain standards
 - Promoting the widespread application of industrial measurement
- Management upgrade**
 - Integrating information systems to achieve full coordination from research and development, design to after-sales service
 - Applying quality data throughout the product lifecycle, driving decision-making
 - Optimizing the quality inspection model
- Talent upgrading**
 - Optimizing the talent structure for quality within the industry chain
 - Pioneering the industry chain's first grid-based chief quality officer system
 - Introducing the first industry-wide qualification certification system for quality professionals in the industry chain

Quality Management Mechanism

The Company has established a comprehensive quality management system that rigorously monitors raw materials, packaging, production, and logistics. This end-to-end approach ensures consistent quality control and strengthens overall product quality management.

Quality management mechanism of Luzhou Laojiao

Quality control of raw grains for distillation

Luzhou Laojiao pioneered the "organic" concept in the baijiu industry and established organic sorghum production bases in more than ten townships across four districts and counties of Luzhou City. Since 2008, the Company has maintained organic certification for 17 consecutive years. "National Cellar 1573" became the first Luzhou-flavor baijiu to obtain organic certification. Through years of continuous innovation and exploration, the Company has developed a complete green, organic industry chain that spans from "raw materials—distilling—by-products—organic fertilizers—planting—tourism." "Luzhou Glutinous Red Sorghum" received geographical indication protection from the former Ministry of Agriculture. The Company's "Research and Integrated Demonstration of Key Technologies for Standardized Planting of Distilling Sorghum" won third prize for technological invention from the China Alcoholic Drinks Association. The Company has been recognized as a "National Key Leading Enterprise in Agricultural Industrialization," a "National Standardized Demonstration Area for Organic Sorghum Planting," and has received the "National Agricultural, Animal Husbandry, and Fishery Harvest Award."

Packaging material quality control

The Company strengthens the quality and safety control of packaging materials, conducting risk assessments on the materials, structure, and processes of "new products, new technologies, and new suppliers." Simulations of production, storage, and transportation conditions are performed to test the materials, effectively controlling the external quality of products from the source.

Transportation quality control

The Company is advancing the construction of an information management platform that integrates the entire production and logistics chain—from raw grain planting and procurement to production, logistics, distribution, and terminal sales. This full-chain approach ensures better risk control and supports the implementation of quality and safety responsibilities throughout the process. The Company has implemented a third-party specialized warehousing and logistics management model and formulated the *Quality Manual for Logistics Enterprises*, which sets standards for product protection and service requirements for logistics partners, including China Logistics, COSCO Logistics, and China Postal Express & Logistics. By strengthening warehousing and transport capabilities and improving the efficiency of distribution services, the Company ensures product quality and safety are maintained right up to the final delivery.

Product Recall Management

Luzhou Laojiao has established a comprehensive product recall management system and developed plans such as the *2024 Food Safety Emergency Drill and Food Safety Recall Drill Plan* to ensure a rapid and effective response to potential product quality issues. These measures aim to minimize impacts on consumers and the Company. In 2024, no product recalls occurred in the Company.

Case • Product recall drill •

In March 2024, the Company organized a recall drill for the 2010 version of 52°National Cellar 1573, simulating a scenario in which excessive iron ion precipitation in the glass bottle caused product discoloration. The Company has established a recall drill team to review product complaints, strictly following the corresponding procedures, steps, and timelines for recall activities. Through these drills, the effectiveness of the Company's recall system has been verified, ensuring that the Company can respond quickly to potential product quality issues and handle them correctly.

Quality Culture Construction

The Company continues to promote the construction of quality culture and strengthen quality awareness across all staff. An expert team, consisting of universities, research institutes, and benchmark enterprises in the industry chain, has been formed. Through activities such as "Quality Month", "Industry Chain Quality Lectures", "Continuing Education for Quality Professionals", "Benchmark Learning", and "Quality Salons", the Company continuously enhances quality awareness, improves quality business skills, and strengthens the foundation of quality. In 2024, the Company conducted 24 quality training sessions, engaging nearly 1,000 employees.



Training on product quality of Luzhou Laojiao in 2024



Case • Luzhou baijiu industry chain quality improvement pilot: Implementing cross-boundary management for cluster-based development •

The State Administration for Market Regulation, the National Development and Reform Commission, and four other ministries jointly issued the *Opinions on Quality Infrastructure Facilitating the Linkage Improvement of Industrial and Supply Chains*, launching pilot projects for supply chain quality linkage improvement. As the leader of the Baijiu Industry Chain in Luzhou City, the Company leverages the cluster development model of the baijiu industry in Huangyi Park to implement cross-boundary quality management. Through this systematic quality enhancement program addressing common industry challenges, we have established a comprehensive quality mapping framework while identifying 32 key research projects and 10 quality policy tools. The quality improvement drive has enabled us to diagnose 12 critical quality issues, implement targeted solutions for baijiu bottle and gift packaging quality enhancements, and conduct 25 professional training sessions achieving over 1,000 attendances. These coordinated efforts have significantly raised overall supply chain quality standards. Recognized as an industry benchmark, the pilot's achievements were presented as a case study at Sichuan Province's Quality Development Conference, receiving high-level recognition.



Scene from the Provincial Quality Excellence Conference

The Company is committed to building a skilled quality talent team to support the strategic objectives of the 14th Five-Year Plan. In 2024, it will continue enhancing its quality training system, which includes nine key modules covering general quality knowledge, professional training, advanced quality management, and specialized food safety programs. The curriculum features over 60 specialized courses, such as "Fundamentals of Quality Management and Food Safety," "Risk Analysis and Control of Baijiu Quality and Safety," and "Theoretical Knowledge and Practical Application of Baijiu Tasting Skills." This structured approach ensures a strong pipeline of quality professionals to support long-term quality management strategies.

Furthermore, the Company actively promotes talent development across the industry chain by offering supplementary certification, re-certification programs for quality inspectors, and continuing education for chief quality officers. In 2024, 130 professionals from 61 enterprises successfully obtained quality inspector qualifications under the Company's quality management system.



Industry Chain Quality Management

Luzhou Laojiao has developed a cross-border quality management model based on the concept of "from the field to the tip of the tongue." Guided by consumer experience, the Company leverages its industrial cluster model to enhance quality and safety management across the entire value chain. This approach extends quality control both upstream—covering raw grain planting and packaging material production—and downstream, ensuring quality in logistics, warehousing, distribution, and consumer-end management. Traceability and control systems are also in place to safeguard product safety throughout the baijiu industry chain.

To enhance quality management, the Company has established comprehensive regulations, including the *Quality Manual of Packaging Material Suppliers*, the *Quality Manual of Distilling Raw and Auxiliary Materials Suppliers*, the *Quality Manual of Logistics Enterprises*, and the *Quality Manual of Product Distribution Enterprises*. These manuals set "red line" requirements and operational guidelines for every stage, including packaging material production, raw grain management, logistics, and distribution, ensuring strict compliance with quality and safety standards. In addition, the Company has implemented a "three-level five-law" supervision mechanism, deploying quality supervision personnel, conducting audits and inspections, managing targets, and performing performance assessments to uphold quality management and standards. These measures have significantly improved quality management efficiency and strengthened assurance practices across the entire industry chain.

In 2024, the Company completed 4,030 supplier pre-inspection tasks and conducted 3,778 quality patrol inspections of supplier production processes. The Company also optimized over 10 process systems, including the Manufacturing Execution System (MES⁶) and Supplier Relationship Management (SRM⁷) processes, improving pre-inspection efficiency, digitalizing abnormality management, and enhancing traceability.

To continuously improve the quality level across various links of the industry chain, in recent years, the Company has organized 42 special quality improvement initiatives related to issues such as the peeling of floral patterns on glass bottles and mold growth on gift boxes. In addition, 76 standards and regulatory documents have been formulated or revised, effectively increasing product pass rates.

⁶ MES: Manufacturing Execution System.

⁷ SRM: Supplier Relationship Management.

Quality-related honors obtained by Luzhou Laojiao

"Sichuan Famous Brands" in 2024

Stable and Qualified Products in National Quality Inspection

National Advanced Quality and Integrity Enterprise

National Product and Service Quality Integrity Demonstration Enterprise

2024 National "Quality Month" Quality Integrity Initiative Enterprise

Recognized as a Leading Enterprise in the Provincial Quality Excellence Program

Craftsmanship Enterprise · Quality Pioneer

National Model Case of "Integrity Prospering Business"

Star Enterprise of Quality Management in Sichuan Province

2024 Outstanding Contribution Award to the Industry

Pioneer Practice Award for Food Authenticity



2024 Craftsmanship Inheritance Achievement Award

Excellent Cases of Food Safety Management Innovation in 2024

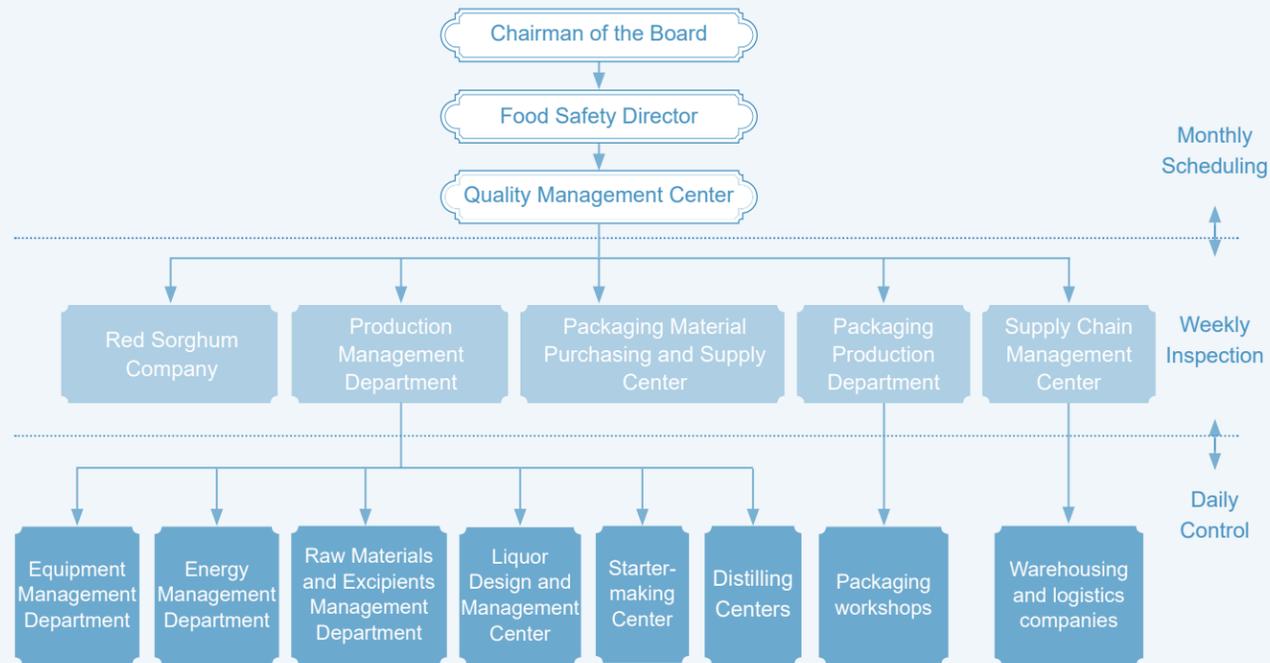


Food Safety Assurance

Luzhou Laojiao strictly adheres to the *Food Safety Law of the People's Republic of China*, the *Administrative Measures for Food Recall*, and the ISO 9001 Quality Management System and the ISO 22000 Food Safety Management System, ensuring food safety responsibilities are fully implemented. The Company has established a grid-based quality coordination mechanism covering both internal (horizontal) and industry chain (vertical) levels. To ensure comprehensive food safety governance, the Company has developed over 400 internal quality and safety assurance systems, including the HACCP⁸ Plan, the Food Safety Protection Plan, and the Measures for Food Safety Risk Assessment. These systems cover all production and functional departments, ensuring product quality is safeguarded, and consumer rights are protected.

Food Safety Management System

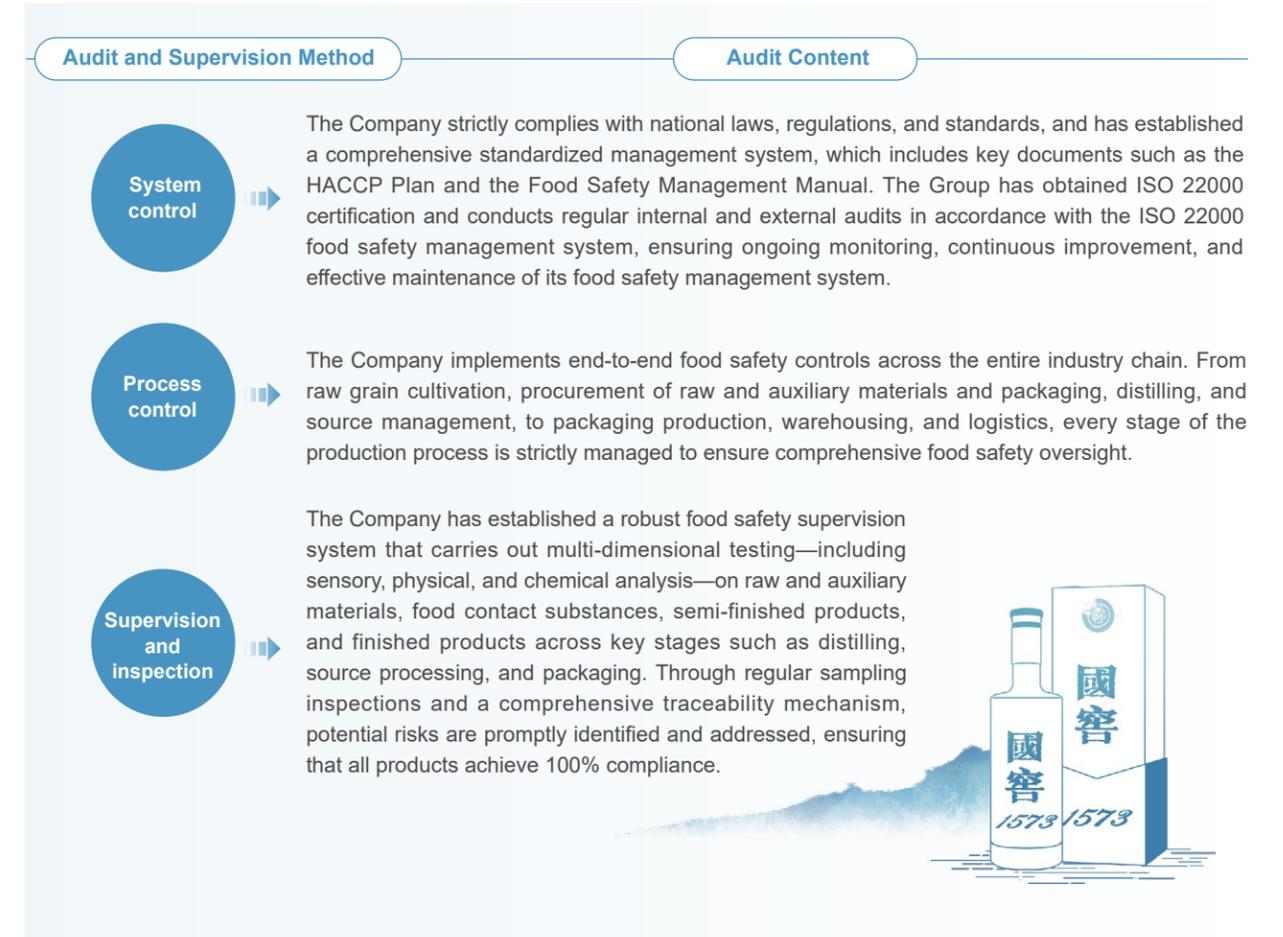
Luzhou Laojiao has established a systematic and comprehensive food safety responsibility framework characterized by "leadership accountability, full staff participation, and stakeholder co-governance". By operating a "daily control, weekly inspection, and monthly scheduling" mechanism, the Group has defined critical control points, key processes, and inspection criteria, further reinforcing its food safety defenses. Adhering to the food safety policy of "prevention first, eliminating hazards, continuous improvement, and ensuring safety", the Group set a goal of "zero food safety incidents", which was successfully achieved in 2024. During the reporting period, the Company has not experienced any food safety incidents.



Working mechanism of "daily control, weekly investigation and monthly scheduling"

The Company conducts system control, process control, supervision and inspection. This multi-tiered supervision system ensures comprehensive oversight and effective management of food safety.

Food safety supervision and inspection system of Luzhou Laojiao



In 2024,

the Company has obtained the ISO 9001 Quality Management System Certification, the ISO 10012 Measurement Management System Certification, and ISO 22000 Food Safety Management System Certification, successfully achieving the annual target of "100% pass rate for external audits."





System certifications achieved

⁸ Hazard Analysis and Critical Control Point.

Food Safety Risk Prevention and Control

The Company adheres to the principle of "prevention first, systematic risk control," continuously enhancing its food safety management system. A food safety risk monitoring system has been established to enable real-time monitoring across the entire industry chain. The Company has also developed a risk review mechanism to standardize temporary mitigation measures and integrate routine risk management across product R&D, distillation production, liquor design, and packaging, reinforcing its quality and safety defenses.

Furthermore, the Company has implemented a digital traceability system, integrating three core modules—"Enterprise Internal Management Platform," "Warehousing and Logistics Management Platform," and "Consumption Management Platform." This system ensures seamless information flow across the supply chain, records end-to-end product quality and safety data, and enables efficient traceability throughout the product lifecycle.

Digital traceability system of Luzhou Laojiao

Enterprise internal management platform plays a key role in information traceability on the production side

This platform traceability during production by enabling supervision, verification, and tracking across the entire process—from procurement and brewing to packaging operations. It enhances production efficiency and strengthens quality control.

Warehousing and logistics management platform helps with information tracking on the sales side

This platform supports traceability during the sales stage by integrating product coding data with traceability records. It ensures seamless linkage between production and sales, tracking batch details, quantities, and warehouse movement. By reducing human error, it helps prevent missed or incorrect shipments and optimizes inventory management.

Consumption management platform plays a role in backend data mining and analysis

Leveraging big data analytics, this platform supports market-driven strategies. By integrating anti-counterfeiting scan data, it enables early warnings and trend analysis in high-risk areas, improving the precision of counterfeit prevention efforts.



Excellent Customer Service

Luzhou Laojiao upholds a "customer-centered" philosophy, continuously refining its customer service framework by strengthening complaint resolution and feedback mechanisms. Through service upgrades and intelligent solutions, the Company meets diverse customer needs while enhancing overall satisfaction.

Customer Service System

Customer service philosophy of Luzhou Laojiao

Classified guidance for "precise policy implementation"

The Company tailors customer service standards based on regional characteristics and customer concerns, aligning with market dynamics to improve frontline service efficiency.

Information exchange to develop service standards

By fostering collaboration among business departments, the Company establishes unified customer service standards. Leveraging departmental strengths and promoting a "co-construction, co-governance, and shared responsibility" approach enhances information sharing, optimizes internal workflows, and improves external service efficiency.

Innovative thinking to optimize customer experience

The Company has established efficient channels for information collection and feedback. Through innovation-driven strategies, it identifies real customer needs, improves product and service quality, enhances customer experience, and strengthens brand loyalty.

The Company integrates its service philosophy across the entire service process, adhering to the principle of "Customer First, Reputation Supreme." It has established the *Management Measures for After-Sales Service* to create a compliant and systematic customer service framework. Our *Grading Emergency Plan for Abnormal Market Information* enables accurate identification and hierarchical management of market demands, improving service response efficiency. To expand consumer feedback channels, the Company has proactively integrated with the National Administration for Market Regulation's ODR⁹ (Online Dispute Resolution) system. Dedicated personnel monitors the platform in real time, ensuring critical feedback is promptly addressed and managed within a closed-loop system.

⁹ Online Dispute Resolution.

The Company follows a three-step process—information collection, verification and handling, and customer follow-up—to ensure timely responses, clear resolutions, and seamless service experiences.

Customer complaint resolution process of Luzhou Laojiao



- Information Collection:**
 - Categorizing complaints: product complaints, service quality issues, and complaints referred by law enforcement agencies
 - If a complaint does not fall into these three categories, it must be reviewed by the customer service supervisor
- Verification and Handling:**
 - Providing direct Interpretation
 - Verifying complaint details and offering a resolution plan agencies
- Customer Follow-up:**
 - Contacting customers to confirm whether they accept the proposed resolutions

In 2024, the Company handled 2,400 customer complaints, achieving a 100% response rate, and a 97.30% overall complaint resolution rate, meeting all established service targets.

Luzhou Laojiao Customer Service Goals and Progress

Target	2024 Target Completion
Complaint resolution rate ≥ 90%	2,400 market complaints received, 2,300 complaints resolved, achieving a completion rate of 97.30%
One-time resolution rate for market inquiries ≥ 60%	90,400 market inquiries received 71,800 resolved in a single response, achieving a one-time resolution rate of 79.42%

The Company has strengthened key customer service roles and enhanced staff expertise through targeted training, continuously improving service quality to deliver a better customer experience. In 2024, we held 15 specialized training sessions for market personnel with over 600 participants, covering complaint handling, operational procedures, and effective communication.

Customer Satisfaction

To better understand distributor and end-customer evaluations of products and services, the Company has established a comprehensive research system, combining annual surveys, quarterly assessments, and ongoing feedback collection. In 2024, it conducted four distributor satisfaction surveys involving 1,879 customers, achieving a customer satisfaction rate of 99.70%.

In March 2024, at the launching ceremony of the 2024 Luzhou International Consumer Rights and Interests Day, the Company was honored as a "Luzhou 2023 Outstanding Consumer Recognition ODR Unit."



Honorary certificate of "2023 Outstanding Consumer Recognition ODR Unit"

Upholding the principle of "Promoting, Supporting, and Protecting Business Partners," the Company conducts various customer support initiatives, offering targeted assistance and integrating resources to help customers strengthen competitiveness and resilience. In 2024, the Company conducted 66 consumer engagement activities, reaching 305,032 consumers.

Case • Provide customer assistance and showcase corporate responsibility •

From August 24 to 27, the Customer Service Department collaborated with the Market Supervision Department to assist a customer in Tangshan City in managing post-fire inventory recovery. The team sorted and salvaged 1,913 National Cellar products that met quality standards, which were then reworked according to the Quality Management Center's guidelines, helping the customer restore confidence in business operations.

Due to severe weather conditions, some distributors in Hangzhou and Changsha suffered flood damage to their inventory. The Customer Service Department, in coordination with the Market Supervision Department, conducted on-site assessments and inventory verification to account for damaged products, demonstrating the Company's rapid emergency response capabilities and strong commitment to corporate social responsibility.



Inventory check of affected distributor customers

Advancing Digital and Intelligent Customer Service

The Company has strengthened cross-departmental collaboration, enhanced information sharing, and optimized resource allocation to develop an integrated customer service center. By implementing an end-to-end service system "that combines AI-powered bots, human agents, and automated work order management", alongside a dual-channel "hotline + online" service system, the Company has enhanced customer engagement and strengthened long-term relationships.

Integrated customer service center of Luzhou Laojiao

Multi-channel integration and unified response

- Supporting online service access across multiple platforms and multi-service channels
- Accessing third-party platforms for multi-terminal unified response and information integration

Intelligent man-machine collaborative reception

- Providing self-service voice service
- Offering 7×24-hour intelligent response, supporting the seamless transfer of unresolved problems to manual work or automatic generation of work orders by leaving messages
- Assisting with manual intervention and efficient collaboration, realizing the preliminary screening of customer intentions for accurate distribution

Intelligent AI outbound call

- Realizing multi-scenario customer clue cleaning such as invitation notification, private domain diversion, frequent customer recall, and survey return visits to achieve accurate customer contact

Digital intelligent operation mechanism

- Multi-dimensional data board;
- Full-link operation monitoring;
- Real-time quality inspection/offline quality inspection;
- Intelligent dialog analysis

Intelligent service support

- Deploying online robots to improve the internal service efficiency of enterprises
- Providing multi-channel online consultation portals such as enterprise website, enterprise App and social media App

Responsible Marketing

At Luzhou Laojiao, we take social responsibility seriously. We actively promote responsible marketing, advocate for mindful drinking, and collaborate with industry and social groups to encourage healthier drinking habits. Our goal is to shape a new culture that values responsible alcohol consumption.

We strictly follow the *Advertisement Law of the People's Republic of China*, the *Law on the Protection of Consumer Rights and Interests*, the *Interim Measures for the Administration of Internet Advertising*, and other relevant regulations. To ensure compliance, we have established clear guidelines under our *Brand Asset Management Measures*, outlining standards for advertising and marketing practices.

With a strong commitment to consumer trust, we maintain a rigorous content review system. Every aspect of our advertising, including product labels, promotional materials, and marketing placements, undergoes thorough scrutiny to prevent misleading claims and ensure accuracy. We prohibit exaggerated messaging and false advertising, making sure all information we share is truthful, precise, and legally compliant. In addition, we conduct responsible marketing audits in line with national policies and Company regulations. These audits assess and optimize marketing and promotional activities to ensure that external communications are truthful, accurate, and complete, effectively conveying reliable information to consumers.

Training is a key part of our responsible marketing efforts. We require all relevant employees to participate in specialized training sessions to reinforce these principles. In 2024, we conducted two training sessions on responsible marketing, achieving 100% participation from employees in the Brand Center and Planning Department.



Case • Responsible marketing training •

In 2024, the Company organized the study of responsible marketing-related systems such as the *Civil Code of the People's Republic of China*, the *Advertisement Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and the *Anti-Unfair Competition Law of the People's Republic of China*. A total of more than 40 employees participated in the study, greatly improving their awareness of compliance marketing.



Training and learning site



Responsible Drinking Advocate

We actively promote a culture of responsible drinking by clearly displaying messages like "Drink Responsibly" and "No Sales to Minors" in our advertisements. Through both online and offline initiatives, we educate the public on healthy drinking habits, helping to foster a more informed and responsible drinking culture. Our goal is to contribute to a healthier, more harmonious society.

Case • National Rational Drinking Publicity Week •



On October 21, 2024, the launching ceremony of the "2024 National Rational Drinking Publicity Week Chongqing Parallel Session", co-organized by Luzhou Laojiao, was held at the News Media Building of Chongqing Daily News Group. The activity was carried out around three themes: no drinking and driving, prevention of underage drinking, and healthy drinking, advocating rational and responsible drinking.



Activity site

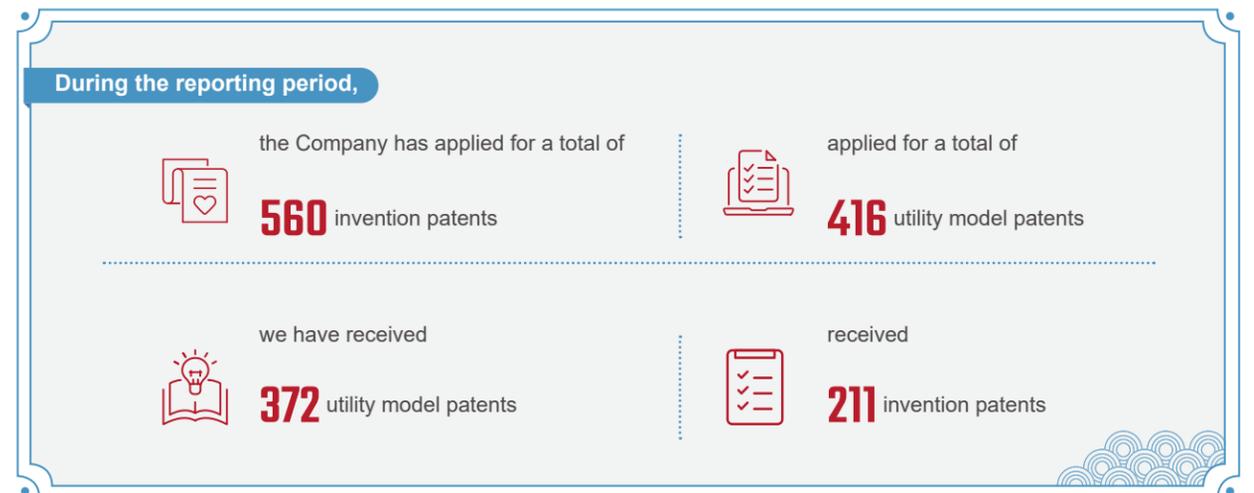
Intellectual Property Protection

Luzhou Laojiao has built a standardized and full-chain intellectual property management system to protect core technological innovations, drive technology advancements, standardize business cooperation modes, and continuously enhance the core competitiveness of enterprises.

The Company has introduced core systems such as the *Intellectual Property Management Manual* and the *Patent Management Measures*, and combined with supporting rules such as the *Administrative Measures for the Protection of Trade Secrets*, these frameworks help streamline processes for managing patents, trademarks, and trade secrets. We also use structured control procedures and documentation tools to provide clear guidance, ensuring efficient intellectual property management and supporting the transition of innovations into market value.

Encouraging scientific and technological progress is a priority. To inspire innovation among employees and accelerate the practical application of research, we have introduced the, the *Measures for the Implementation of Policy Research and Management (Trial)* and the *Measures for the Implementation of Science and Technology Awards*. These initiatives offer structured incentives for achievements in patents, product innovation, academic research, and industry standards. Each category of achievement has a designated reward structure, ensuring that contributions to technological advancement are acknowledged. Additionally, government-supported research projects, influential platforms, and prestigious honors that receive official recognition are also eligible for rewards.

During the reporting period, the Company has applied for a total of 560 invention patents and 416 utility model patents. We have received 211 invention patents and 372¹⁰ utility model patents, bringing our total patent holdings to 583.



¹⁰ As of December 31, 2024, 165 patents have expired. Since the protection period for utility model patents is 10 years, as of December 31, 2024, 165 utility model patents have expired.

New patent performance of Luzhou Laojiao from 2022 to 2024

Indicator	Unit	2024	2023	2022
New invention patent applications in the year	Piece	127	90	49
New utility model patent applications in the year	Piece	50	50	83
New invention patents granted in the year	Piece	25	19	14
New utility model patents granted in the year	Piece	33	67	66

Luzhou Laojiao actively educates employees on intellectual property risks and patent preparation to strengthen awareness and compliance. In 2024, we conducted 2 Intellectual Property Training sessions with 100 participants.

In 2024, we conducted **2** Intellectual Property Training sessions with **100** participants.

Case • Training on patent basics and writing practice •

In January 2024, the Company conducted training on patent basics and writing practice, with a total of 60 participants. The training aims to strengthen the standardized management of the Company's invention and utility model patent applications, and to enhance the awareness of patent creation and protection among the Company's scientific and technical staff.



Training site

Case • Training on protection of intellectual property achievements in technical cooperation (entrustment) development •

In September 2024, the Company organized a training session on the protection of intellectual property achievements in technical cooperation (entrustment) development with 40 participants. The purpose of this training was to enhance the practical ability of employees in protecting intellectual property achievements and to improve the protection level of intellectual property in technical cooperation (entrustment) development within the Company.



Training site

04 Foster Diversity and Thrive Alongside Employees

Employees are the backbone of our success. At Luzhou Laojiao, we are committed to improving our employment policies, salary structures, and benefits to safeguard employee rights and support career growth. We also prioritize workplace safety and strive to build an equitable, diverse, and healthy work environment—ensuring our employees feel valued, supported, and fulfilled in their roles.

Employee Hiring

Employee Training and Development

Employee Care

Health and Safety



Employee Hiring

Luzhou Laojiao strictly adheres to the *Labor Law*, the *Labor Contract Law*, the *Social Insurance Law of the People's Republic of China* and other relevant laws and regulations. To maintain compliant employment practices, we have established internal policies such as the *Recruitment Management Measures* and the *Employee Code of Conduct and Labor Discipline Management Measures*. We are committed to diversity, equality, and non-discrimination, treating employees fairly regardless of race, gender, religion, or cultural background. We strictly prohibit child labor and any form of forced labor. To prevent labor violations, we outline work conditions, including hours and related terms, clearly in employment and collective contracts. In 2024, our labor contract signing rate reached 100%, with no incidents of child labor, forced labor, or workplace discrimination.

We also uphold equal pay for equal work and actively promote employment opportunities for vulnerable groups, including women and individuals with disabilities. This year, we employed 52 individuals from disadvantaged backgrounds¹¹.

To support our strategic growth and address talent needs, Luzhou Laojiao actively recruits through campus hiring, social recruitment, and internal promotions. We also run specialized programs like "Baijiu Scholars," "Cellar Newcomers," and "Elite Cellar Talents."

Talent recruitment projects of Luzhou Laojiao

"Elite Cellar Talents" recruitment project

- This is a new sub-project under the Company's 2024 national campus recruitment brand "Refreshing Youth and Promising Future". It primarily targets high-level talent with master's or doctoral degrees, specializing in technological innovation, aimed at helping the Company achieve breakthroughs and upgrades. The focus is on recruiting talent in the fields of digitalization and liquor-making technology, continuously improving the quality of the Company's talent pool and maintaining a long-term competitive advantage in talent.
- Upon joining, "Elite Cellar Talents" will undergo a 3-year systematic training program. A 2-to-1 mentorship team consisting of senior executives and technical experts will provide exclusive guidance. They will be given the opportunity to participate as core project members in critical initiatives such as digital transformation and production technology advancements to accelerate their growth.
- In 2024, the Company conducted 2 campus recruitment sessions, collected 183 resumes, and interviewed 21 candidates. A follow-up assessment in the form of a "National Cellar Trip" was also held, where 10 candidates underwent evaluations and participated in an enterprise visit.

"Cellar Newcomers" recruitment program

- Rooted in the front line of professional expertise, this program actively recruits "reserve troops" for the baijiu industry. Through multi-disciplinary training, these individuals are cultivated into well-rounded talents who are familiar with the core value chain of the Company and drive operational efficiency.

Recruitment program of "Freshmen in Cellars"

- This program is rooted in the market front line and focuses on recruiting the "new generation" of talent to spread the culture of Luzhou Laojiao baijiu. By undergoing market experience in various regions, these recruits are gradually trained to become leading marketing experts and senior management professionals within the industry.

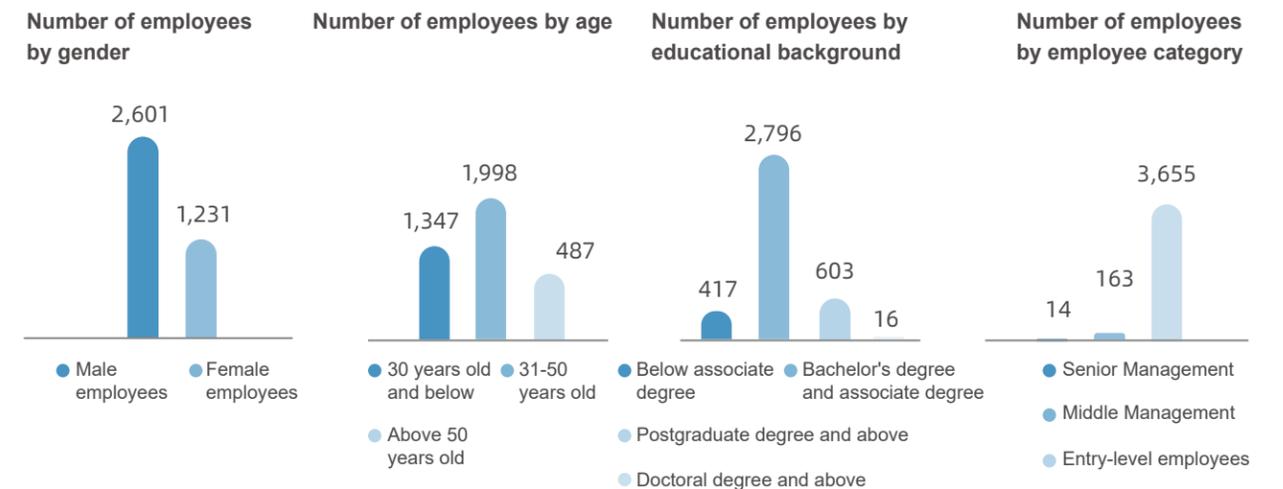
¹¹ Including migrant workers, disabled individuals and demobilized soldiers.

Luzhou Laojiao leverages digital technology to enhance its recruitment process. Using an AI-driven recruitment system, we streamline candidate screening by analyzing key resume attributes and conducting online evaluations. In 2024, we introduced AI interview technology for campus recruitment, enabling faster and more efficient candidate assessments. To further improve talent selection, we have established a dedicated recruitment evaluation team that provides expert insights based on standardized assessment criteria. This year, we focused on strengthening internal expertise by training 22 new junior evaluators. As of the end of the reporting period, the Company had 269 evaluators, including 15 expert-level evaluators, 173 intermediate evaluators, and 81 junior evaluators. In 2024, the evaluation team participated in 115 campus recruitment and talent review project evaluation activities, completing over 3,500 evaluations.

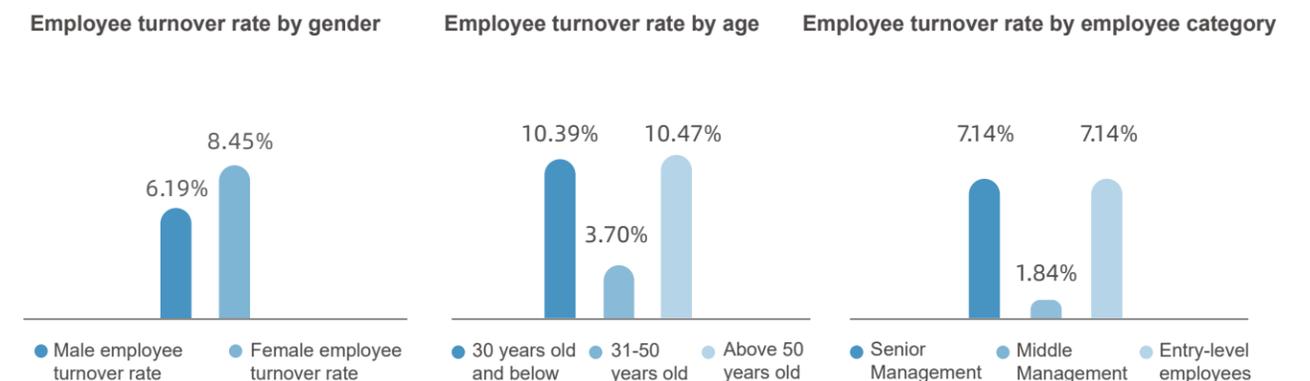
During the reporting period, Luzhou Laojiao had 3,832¹² employees, with 58 female employees holding middle and senior management positions.



Number of employees of Luzhou Laojiao in 2024



Employee turnover rate of Luzhou Laojiao in 2024

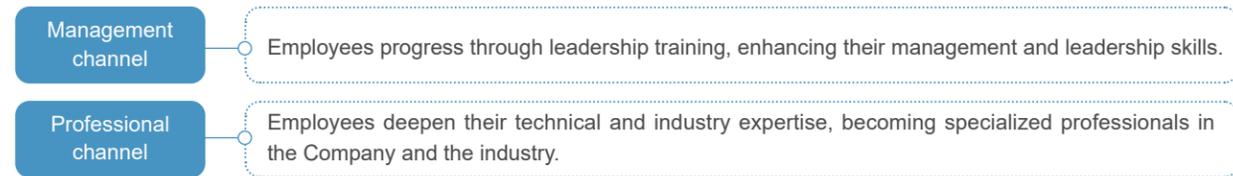


¹² Refers to the total number of employees in Chinese mainland, excluding employees from Hong Kong, Macao, Taiwan, and overseas.

Employee Training and Development

Luzhou Laojiao has consistently upheld the guiding principles of "political assurance, institutional implementation, capabilities enhancement, and rights protection," dedicating itself to advancing the reform of the workforce and actively supporting the growth and development of its employees. Luzhou Laojiao has established a structured career development system with dual career pathways for "professional + management" roles. Through internal policies such as the *Promotion Management Measures* and *Training Management Measures*, we provide clear opportunities for career advancement, allowing employees to grow based on their expertise and leadership abilities. To support skill development, we introduced the "intangible cultural heritage craftsmen" position group and established the "Sail Plan" talent growth platform. These initiatives encourage frontline employees to transition into areas like scientific research, technological innovation, and project development. Each year, we conduct multi-level promotion assessments, including qualification reviews, written exams, online evaluations, and Comprehensive Personality Inventory (CPI) personality tests. In 2024, more than 700 industrial workers transitioned from frontline roles to key technical experts, department specialists, and middle management positions.

Dual-channel career development



Luzhou Laojiao remains committed to an employee-centered approach, building a structured career development system with clear qualification standards. To support employees at different career stages and across various roles, we introduced the "Sailing Plan" training system. This program provides tiered and specialized training, ensuring employees develop well-rounded skills while fostering mutual growth between individuals and the Company.

During the reporting period, The Company invested RMB 13,881,500 in training. Our workforce collectively completed 297,378.88 training hours, with an average of 88.90 hours per employee.



"Sailing Plan" training system

- Sailing Start Plan – New Employee Training**
 - Targeting new employees recruited from campuses and experienced hires, this plan helps participants quickly integrate into the Company, adapt effectively to their roles, and become job-ready. In 2024, the Company optimized the training content and formats for new campus recruits and experienced hires, conducting 17 sessions of the Sailing Start Plan, with 874 trainee participations.
- Submersible Voyage Plan – P1/O3 Level Employee Training**
 - Designed for P1 and O3 level employees, this training strengthens corporate culture integration and job role awareness, enabling participants to quickly understand their responsibilities and operational standards, improve work efficiency, and enhance their ability to work independently. In 2024, based on the competency requirements for P1 employees, the Company developed an online learning roadmap for P1 staff and conducted P1 public training camps. A total of 16 sessions of the Sailing Start Plan were held, with 610 trainee participations.
- Fast-track Plan**
 - Focuses on enhancing the core skills and competencies of P2 and O4 employees, conducted six intensive training camps for over 200 employees, improving productivity through courses like "Seven Disciplines for High-Efficiency Personnel";
 - In 2024, 13 Fast-Track Plan training sessions were conducted, with 522 employees participating.
- Voyage Plan**
 - Provides specialized training in communication, teamwork, project management, and replay technology to strengthen key employees' skills to continuously improve core capabilities and broaden professional expertise;
 - In 2024, eight Voyage Plan training sessions were conducted, reaching over 160 core employees.
- Leadership Plan**
 - Provides special MTP¹³ management training for new middle-level managers focusing on the Company's short-, medium-, and long-term development goals;
 - Expands leadership development through the "Management Selection Program," offering access to top external training resources. In 2024, over 130 middle-level managers and P4 employees participated in these programs to strengthen their leadership skills and overall professional capabilities

¹³ MTP: Management Training Program.

Diversified training activities in 2024

"Elite Plan" professional training



In 2024, Luzhou Laojiao launched the "Elite Plan" to provide a structured approach to talent development. The program covered key areas such as digitalization, human resources, and public relations, while also strengthening expertise in production, energy, equipment, and brewing. To build a skilled workforce, we established a core position talent profile and certification system, ensuring a clear path for professional growth. Additionally, we conducted company-wide grading assessments and specialized training, enhancing employees' baijiu-tasting skills.



Elite Plan training

Sales system training



In 2024, conducted a training session for middle-level managers in the sales system, focusing on the "3+1" capability model (systematic thinking, effective communication, collaborative promotion + professional skills). A three-year training plan was developed for functional teams, with structured batch training for functional personnel; To enhance professional skills, each specialized department designed targeted training programs. In total, 13 sessions of professional skills training, brainstorming workshops, and bi-monthly knowledge-sharing meetings were held across five key areas, including digitalization, brand promotion, and public relations;

The sales system introduced a specialized digital training program, targeting digital leadership, application specialists, and marketing professionals, and carried out one marketing digitization seminar and two functional line digitization seminars on functional line digitization; The Company two field visits on "Genes and Innovation" and two study sessions on "Systems and Tools" to drive digital capability enhancement and support the Company's digital transformation goals.

Management personnel training



In 2024, Luzhou Laojiao focused on digital capability development for management teams, expanding their perspectives. We combined "online learning map + offline professional training + visits to benchmarking enterprises" to encourage new ways of thinking. Through the "Genetic Learning" project, managers gained insights from industry leaders, learning best practices firsthand. We also hosted knowledge-sharing sessions on human resources, intelligent manufacturing, and intellectual property protection to deepen our expertise. During the reporting period, we conducted 194 external training sessions with 755 participants, supporting continuous learning and innovation.



"Genetic Learning" project

Employee training performance of Luzhou Laojiao in 2024



Number of employees trained by gender



Number of employees trained by rank



MTP management talent development training



In 2024, the Company focused on strengthening leadership across all management levels. We organized MTP management talent development training for middle-level managers, incorporating external expertise to enhance comprehensive management skills. To support grassroots leadership, we launched a specialized training camp for production system managers. Through phased training programs, we addressed different levels of management needs, helping over 100 grassroots managers improve their self-management, team leadership, and other abilities.



MTP management talent development training

Luzhou Laojiao actively encourages employees to enhance their professional and technical skills by supporting them in obtaining certifications for titles such as baijiu tasters and brewers. To facilitate this, we provide certification plans, consulting services, and financial incentives, including allowances for professional titles and partial reimbursement for transportation and information costs. In 2024, four employees earned senior professional titles, 22 achieved deputy senior titles, 31 obtained intermediate titles, and 111 received junior titles. Additionally, 241 skilled workers were certified through our vocational skill level evaluation program, covering all levels from senior technicians to junior workers. This initiative has strengthened the overall skills and expertise of our workforce.

Employee Care

Luzhou Laojiao is committed to improving employee compensation, benefits, and workplace satisfaction. We maintain open communication channels and organize various employee support initiatives to enhance overall well-being and job fulfillment.

Employee Compensation and Benefits

We implement a post-grade, performance-based salary system that includes basic salary, post-grade salary, and performance-based earnings. Compensation is determined by individual performance, contributions to key business areas, and assessment results. To promote sustainability and responsibility, some ESG-related indicators, such as environmental management, occupational health, and R&D innovation, are integrated into performance evaluations. At the same time, the Company strives to maintain a fair and market-driven compensation system based on the principles of "performance co-creation, risk sharing, and achievement sharing." Our "sharing benefits and bearing losses" strategy ensures that individual performance is closely tied to the Company's overall success. By leveraging digital performance management, we strengthen the connection between employee contributions and organizational growth.

Welfare system of the Company

Statutory Benefits

- Endowment insurance, medical insurance, unemployment insurance, maternity insurance, employment injury insurance and housing provident fund

Corporate Benefits

- Holiday condolences, birthday greetings, employee physical examination, distribution of sanitary products for female employees, distribution of wedding souvenirs, distribution of child souvenirs, model worker therapy and recuperation, condolences and other inclusive benefits;
- Enterprise annuity, multiple supplementary medical insurance, and multi-level supplementary benefits;
- Housing allowance, rental allowance, work allowance, transportation allowance, summer and winter allowance;
- Marketing training subsidies, learning organization rewards and more.

To foster engagement and innovation among key talent, Luzhou Laojiao has introduced a restricted stock incentive plan. This program targets directors, senior executives, middle managers, and core business leaders, ensuring that those in pivotal roles are motivated to contribute to the Company's long-term success.

Employee Communication and Care

Luzhou Laojiao prioritizes employee rights, workplace harmony, and open communication. Through a structured trade union system, we safeguard employee interests and maintain stable labor relations. By organizing workers' congresses, we foster democratic management, encourage dialogue, and ensure employees' voices are heard.

To strengthen communication, we provide multiple feedback channels, including employee dialogue platforms, a complaint mechanism, and labor dispute mediation teams. We also invite external experts to conduct mental health lectures. In 2024, we received 228 employee feedback submissions through the chairman and general manager hotline as well as other channels, all of which were promptly addressed. We also engage employees through collective consultation meetings, ensuring that workplace concerns are discussed openly. As a result, employee satisfaction reached 100% in 2024. In addition, we conducted specialized surveys in collaboration with the Sichuan Federation of Trade Unions to assess workplace support for female employees in Sichuan Province in the new era. These surveys covered topics such as "Women's Participation in Enterprise Decision-Making," with 100% satisfaction reported among all female employees.

During the reporting period,



the Company conducted surveys covering 100% of female employees, with

100% satisfaction rate

In addition, Luzhou Laojiao is committed to supporting employees facing difficulties by providing financial assistance and welfare programs. During the reporting period, we issued 1,876 assistance subsidies, including fixed financial aid for employees in need. Additionally, we provided education subsidies to the children of 13 employees, totaling RMB 871,800.

Luzhou Laojiao focuses on employee well-being and team cohesion by organizing cultural and sports activities. We have established six staff clubs, including football, drama, and dance, and host various recreational events such as exercise tournaments, fishing competitions, and "The Dream of China, the Beauty of Labor" activities, helping employees maintain a healthy work-life balance.

During the reporting period,



substantial assistance and fixed-amount hardship subsidies to

1,876 individuals



assistance for employees in difficulty totaled

RMB **871,800**

Case • Carrying out diversified employee care activities •

Luzhou Laojiao has always been committed to building a warm and harmonious corporate culture, paying attention to the growth and well-being of each employee, and creating a positive working atmosphere through colorful activities and considerate welfare policies. The Company has taken the following positive measures to celebrate important festivals, promote employee exchanges, enhance parent-child relations, and care for the health of female employees:

- On March 8, 2024, the Company held a commemorative and commendation meeting on "Joining Hands for a New Journey, Women Chasing Dreams for the Future", which commended 196 outstanding female employees and 302 families, hosted festival condolence activities, sent sincere holiday greetings to female employees, and praised their contributions to the development of the Company;
- On May 22, 2024, the Company and Luzhou Laojiao Qiankun Jiubao held a collective customized wedding activity of "A Lifetime Commitment, Brewing Happiness Together," providing a romantic and unforgettable wedding experience for 19 couples from the company;
- On June 1, 2024, the Company held a parent-child study activity, so that children could walk into their parents' work scenes, experience their work contents, and enhance understanding and respect between parents and children;
- On August 9, 2024, the Youth League Committee and Trade Union of the Company jointly organized the "2024·Have We Met Before" Qixi Friendship Gathering, providing a platform for young employees from Luzhou Laojiao, Bank of Luzhou, Sichuan Police College, Luzhou Xinglu Investment Group Co., Ltd., and other units to make friends.

In addition, we also solicited opinions and suggestions from female employees through meeting discussions, face-to-face communications, online collection, and other means to formulate a hygiene package. In 2024, more than 2,400 hygienic products were distributed to on-the-job female employees, with an investment of RMB 320,000; the rehabilitation budget for female employees was increased to RMB 425/person, with an annual investment of RMB 695,000. Many new gynecological examination sites have been added, such as the Affiliated Hospital of Southwest Medical University and Sichuan Provincial People's Hospital, aiming to bring a better gynecological examination experience to female employees.



Home visit by the Chairman of the Trade Union



Psychological care activities for female employees



International Women's Day activities on March 8

Honorary awards for employees of the Company in 2024

- Contact point for female employees of the All-China Federation of Trade Unions
- Excellent Organization Award in the Baijiu Analysis and Testing Skills Competition of the 19th Luzhou Staff Vocational Skills Competition
- Best Organization Award in the First "Red Flag Cup" Team Leader Competition
- Excellent Organization Award in the Baijiu Enterprise Limited Space Operation Skills Competition of the 19th Luzhou Staff Vocational Skills Competition
- Excellent Organization Unit in the Light Industry Group of the First "Red Flag Cup" Team Leader Competition
- First place in "The Dream of China, the Beauty of Labor" online fitness activities for employees in Sichuan Province in 2024
- Special Contribution Award in the light industry group semi-final of the first "Red Flag Cup" Team Leader Competition
- Selected as one of the first batch of on-site teaching sites for key work innovation cases by the All-China Federation of Trade Unions

Health and Safety

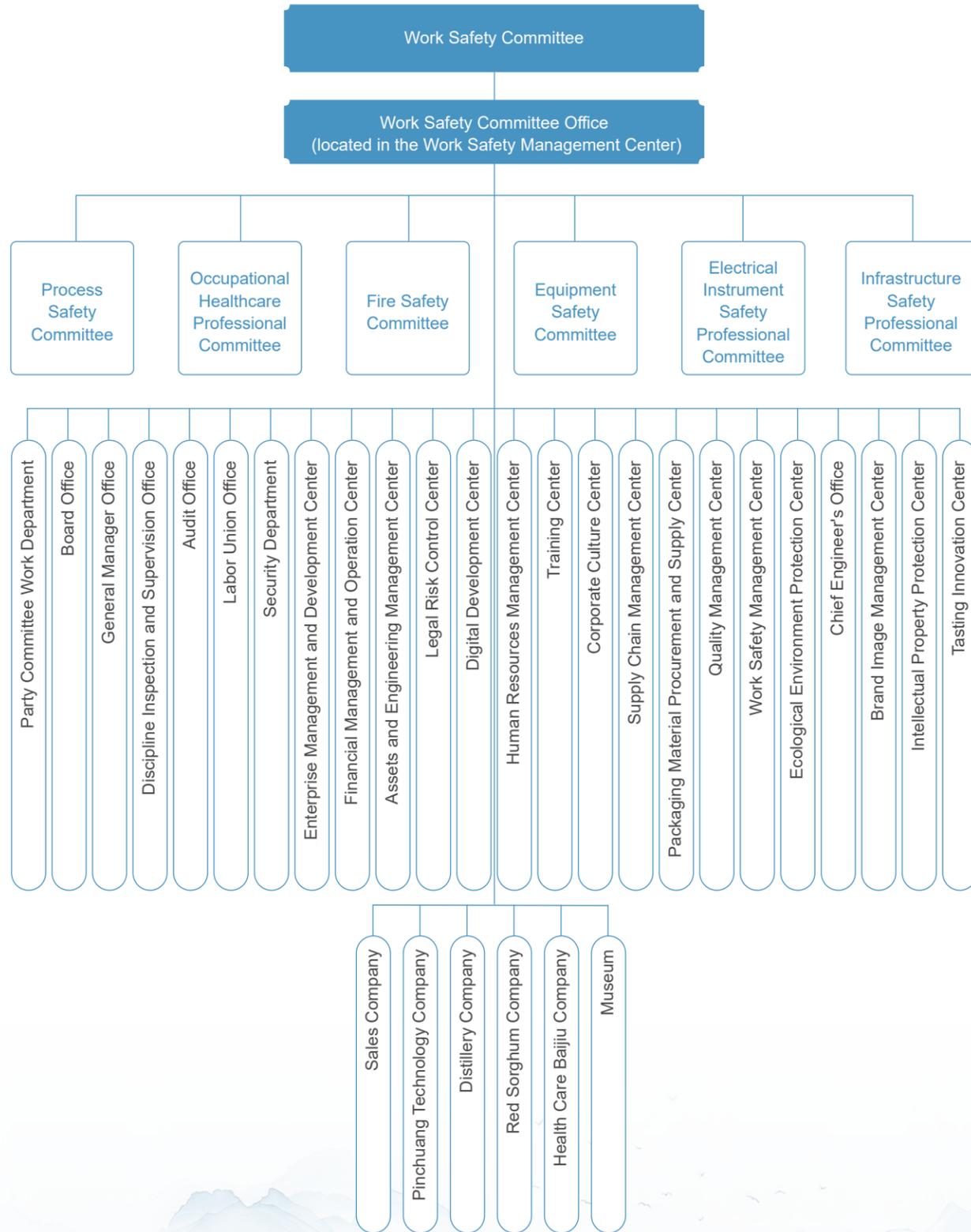
Luzhou Laojiao continuously improves its occupational health and safety management system, ensuring a safe and healthy work environment for employees. We take proactive measures to protect employee health, raise safety awareness, and minimize workplace risks.

Occupational Health and Safety Management System

Health and safety are a top priority in our business operations. We strictly comply with the *Work Safety Law of the People's Republic of China* and the requirements of the ISO 45001 Occupational Health and Safety Management System. To reinforce workplace safety, we have developed internal policies such as the *Work Safety Responsibility System*, the *Work Safety Commitment Management System*, and the *Safety Management System for Related Parties*. These frameworks guide our daily supervision and inspection processes, fostering a culture of safety and health.

The Company continues to optimize its standardized occupational health and safety management system. It has invited experts at various levels to review the system and established a review team led by the chairman in 2024 to conduct self-assessments, with results publicly disclosed. The Company has established a Work Safety Committee, led by the Secretary of the Party Committee and Chairman, with the Deputy Secretary of the Party Committee and General Manager serving as executive deputy directors. The committee includes leaders in charge and department heads, who are responsible for reviewing and auditing the annual work plans and long-term occupational health strategies and occupational disease prevention, and reporting on safety matters to the Board of Directors and performance appraisal department.

Safety Management Organization Structure of Luzhou Laojiao



Safety management organizational structure

The Company has established a safety responsibility system, ensuring 100% implementation of the *List of Responsibilities for Work Safety Management* and the *List of Responsibilities for Safety Production Posts* by having teams at all levels sign safety target liability statements. We require teams at all levels to sign safety target liability statements, every year, our assessment team evaluates how well departments meet their safety goals. In 2024, all departments (units) successfully achieved their safety targets.

Objectives and progress of work safety management

Objective	Progress in 2024
The minor injury rate per 1,000 people is less than 2‰	Achieved
No serious injury or above safety accident	Achieved
No fire liability accident	Achieved
100% pass rate of safety education and training	Achieved
100% special operation and special equipment operators working with certificates	Achieved

During the reporting period, we have **obtained** the GB/T 45001-2020/ISO 45001 Occupational Health and Safety Management System Certification.



Safety Risk Management

Luzhou Laojiao has strengthened its safety management by implementing a dual prevention mechanism, ensuring effective hazard identification and risk control. We have compiled 1,371 safety management checklists across nine key areas, including legal responsibilities, safety operations, and risk mitigation. The Company also developed the Work Safety Digital Management Platform, which includes 14 standardized management modules and 98 application functions. In 2024, we enhanced safety inspections by introducing a three-level QR code system, tracking responsibilities at "regional," "departmental," and "individual" levels. With monthly or weekly safety checks, we conducted 399,320 patrol inspections throughout the year. All identified risks were addressed using a closed-loop management system, ensuring clear accountability and continuous risk control.

Employees play a key role in identifying and reporting safety risks. Through the "Safety Management Digital Platform—Quick Reporting of Hidden Dangers," they can submit hazards internally. Once verified, safety teams assign corrective actions to responsible personnel, ensuring timely resolution. In 2024, employees reported 5,029 safety hazards, all of which were resolved, maintaining a 100% rectification rate. To encourage proactive reporting, 508 employees received a total of RMB 252,150 in cash rewards.

In addition, Luzhou Laojiao continues to strengthen emergency planning, expand response training, and build full-time firefighting teams to minimize safety management risks. In 2024, we conducted one comprehensive drill for disaster prevention and mitigation, one drill for work safety accidents and stability, 72 emergency response training sessions (covering poisoning, suffocation, fire response, flood control, etc.), 128 on-site drills for specific emergency handling, and 81 tabletop drills. These initiatives covered all employees, with more than 6,500 participants.

Safety management measures

Work safety

- Implemented the "Six Major Actions" to improve the safety quality of all employees. During the reporting period, the Company carried out 97 safety training and legal learning sessions, improved governance processes to prevent risks, and organized 211 emergency plan drills;
- Installed various safety devices in baijiu warehouses, filling rooms, and other areas to ensure explosion-proof, lightning protection, and leakage prevention. Emergency rescue equipment is provided and regularly tested and maintained;
- Operators of special operations and special equipment are required to work with certificates, with strict approval processes for operations and emergency disposal plans. A safety management system for relevant parties is in place to standardize the management of contractors and lessees.

Fire control management

- The merging, transformation and upgrading of fire control rooms have been completed. The linkage control, manual control, alarm signal display and other functions of a total of 9 fire control rooms in each area are integrated into 3 general fire control centers. 44 full-time on-duty personnel in the fire control room have been reduced, and firefighting facilities and equipment have been connected through the Internet of Things for information sharing. Improve the intelligence level of fire alarm system, and realize functions such as remote control of fire extinguishing system, remote monitoring of on-site status, analysis of fire facilities and alarm information data;
- During the reporting period, the Company carried out specialized fire prevention and control work, established fire rescue teams and micro fire stations, implemented 144 joint fire control inspections and 33 abnormal weather patrols, provided 26 emergency drill guidance services, participated in 39 internal and external emergency rescues, and regularly maintained firefighting facilities.

Occupational health

- The Company organized health promotion activities such as the "Mini Marathon" and mobile health stations, implemented regular employee health examinations, distributed protective equipment based on identified hazard factors, and set up on-site warning signs.

Safety Culture Development

Luzhou Laojiao places significant emphasis on work safety training, regularly conducting sessions on general safety and fire prevention for all employees. To further raise awareness, we also organize Work Safety Month and other safety initiatives.

Case • Carrying out a series of activities in the "Work Safety Month" •

In 2024, Luzhou Laojiao organized a series of activities for "Work Safety Month", aimed at enhancing safety awareness and management capabilities across all employees. The activities included "Leadership Team Model Learning", "Specialized Training for All Employees", and "Team Sharing and Presentation", attracting 4,922 participants for learning and 4,427 participants in a competition. More than 70 team lectures were held, and the Company implemented 8 emergency drills (with more than 250 participants) and 31 special plan drills (with over 1,000 participants).



Emergency drill of "unblocking life passage"



Sharing session of "Safety Production Talk"

Case • Special safety training on "Implementing Safety Responsibilities and Escorting Enterprise Development" •

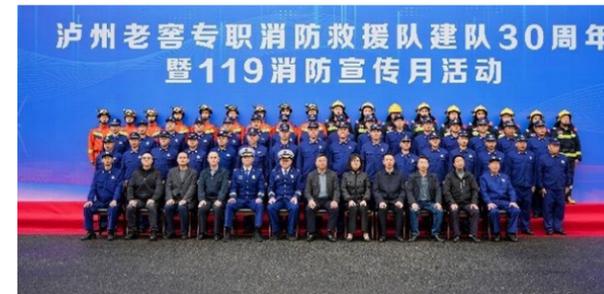
On July 1, 2024, the Company invited experts from the Department of Emergency Management of Sichuan Province to conduct a special training session on "Implementing Safety Responsibilities and Escorting Enterprise Development." Over 160 participants attended the session in person, and more than 300 grassroots employees participated online. The training covered General Secretary Xi Jinping's important views on work safety, the reasons behind China's focus on safety, the current safety situation, and countermeasures, helping attendees understand their work safety responsibilities and improve safety management practices.



Special safety training on "Implementing Safety Responsibilities and Escorting Enterprise Development"

Case • Activities of 119 Fire Publicity Month •

On November 19, 2024, Luzhou Laojiao held a commemorative event for the 30th anniversary of the establishment of its full-time fire rescue team and the 119 Fire Publicity Month at the fire station in Huang'ai Distilling Ecological Park, with approximately 200 employee representatives attending. Following the ceremony, the Company organized safety management personnel and volunteer firefighters for post-skill competitions and a public awareness campaign under the theme "Fire Safety for All, Life Above All," reaching all employees and improving their fire safety awareness and skills.



Launching ceremony of 119 Fire Publicity Month

At the same time, the Company ensures that contractors follow the same health and safety standards as employees. Contractors are required to comply with national and local safety regulations and participate in specialized health and safety training.

Case • Contractor safety training •

On July 12, 2024, the Company invited Jin Zhengping, an expert from the China Chemical Safety Association, to conduct special safety management training for contractor management personnel, handlers, contractors' unit leaders, and safety management personnel. A total of 170 participants attended the training. Through on-site Q&A and training simulations, the session helped contractors understand safety legal requirements, management essentials, and performance obligations, assisting them in managing safety for the Company's contractors.

Luzhou Laojiao safety and health-related honor awards in 2024

In January 2024, the Company passed the reassessment as a "Provincial-Level Safety Culture Demonstration Enterprise"



"Provincial Safety Culture Construction Demonstration Enterprise" award

Recognized as a "National Safety Culture Construction Demonstration Enterprise" in March 2024



"National Safety Culture Construction Demonstration Enterprise" award

Work safety of Luzhou Laojiao in 2024

Indicator	Unit	Data of 2024
Number of work-related deaths-employees	Person	0
Number of work-related deaths-contractors	Person	0
Proportion of work-related death rate-employees	%	0
Proportion of work-related death rate-contractors	%	0
Days lost due to work-related injuries-employees	Day	320
Days lost due to work-related injuries-contractors	Day	30

Safety investment of Luzhou Laojiao in 2024

Indicator	Unit	Data of 2024
Work safety input	RMB 10,000	1,273.26
Invested amount of workplace safety and health Insurance	RMB 10,000	2,462,641
Coverage rate of employees with workplace safety and health Insurance	%	100
Invested amount of work safety liability insurance	RMB 10,000	20
Coverage rate of work safety liability insurance	%	100

Safety training of Luzhou Laojiao in 2024

Indicator	Unit	Data of 2024
Number of participants in safety drills	/	6,500
Number of safety drills-employees	/	211
Number of safety drills-contractors	/	41
Total safety training hours-employees	Hour	85,356
Total safety training hours-contractors	Hour	7,034
Safety training coverage rate-employees	%	100
Safety training coverage rate-contractors	%	100

Occupational Health and Safety

The Company strictly adheres to the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, the Occupational Health and Safety Management System Certification, and other laws and regulations, establishing comprehensive management systems for employee health and safety. We provide annual health check-ups for all employees, manage occupational health records, and conduct regular safety training to raise awareness and prevent occupational diseases. In 2024, health examinations covered 100% of employees, with no suspected occupational disease cases reported.

In 2024,



health examinations covered
100% of employees

with



no suspected occupational disease cases reported

Employee occupational health management measures

Occupational health archives management

- The Company has established comprehensive occupational health records for employers and employee health monitoring files, covering all aspects of occupational health. Through pilot programs, specialized training, and intelligent management upgrades, it has achieved one-stop management for occupational disease prevention.

Occupational health examination and protection

- Reassigned employees with occupational contraindications to suitable roles. Distributed personal protective equipment. Ensured 100% coverage of occupational health examinations in 2024, including 138 pre-job employees, 2,032 on-duty employees, and 22 off-duty employees;
- Equipped workshops with emergency medical kits for immediate medical support;

Occupational health training

- The Company implements the principle of "prevention first, combining prevention and control" throughout the occupational disease prevention process. It strictly enforces the "Three Simultaneities" requirement for occupational hazard protection facilities, adopting new technologies, processes, equipment, and materials that benefit occupational health and worker safety. The Company prioritizes source control in occupational disease prevention by innovatively applying advanced technologies such as simulation, automation, and online monitoring, thereby improving working conditions, reducing labor intensity, and minimizing exposure to occupational hazards.
- Organized a series of occupational health training sessions, including those organized by superior administrative departments. Provided specialized training on workplace injury prevention, file management, and occupational health in production processes. Offered on-the-job education programs, strengthening employees' awareness and skills in maintaining a safe and healthy work environment.

05 Create Value and Drive Progress with the Industry

On the path of pursuing enterprise growth and industry progress, Luzhou Laojiao has continuously deepened its supply chain management. Through digital transformation, intelligent upgrades, and distilling technology innovation, we collaborate closely with industry partners to explore new opportunities for development.

- Supply Chain Management
- Industry Leadership



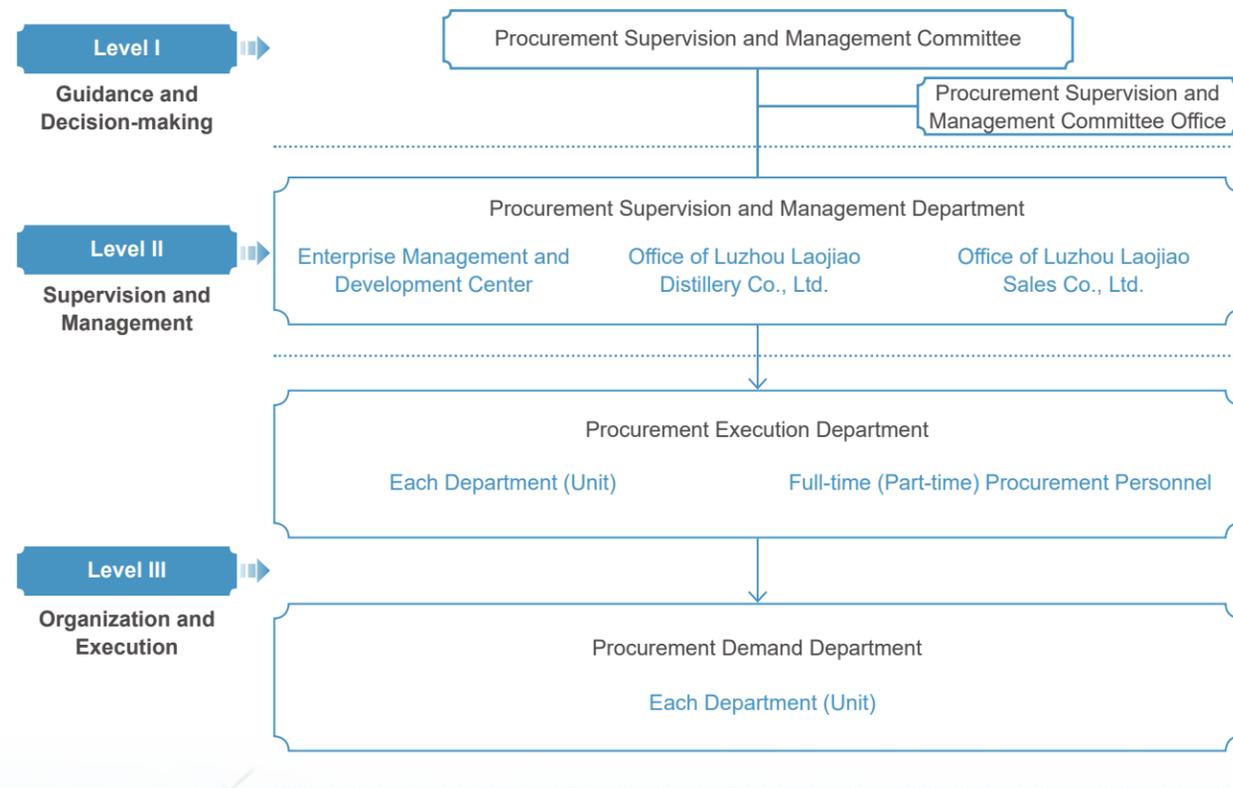
Supply Chain Management

A stable supply chain is essential for sustainable business growth. Luzhou Laojiao focuses on enhancing supply chain efficiency, strengthening supplier collaboration, and leveraging digital solutions to integrate resources across the entire supply network. Our goal is to build a flexible, responsive, and well-connected supply chain that meets evolving market demands.

Supply Chain Management System

Luzhou Laojiao has formulated various management systems, including the *Procurement Management Measures (Trial)*, the *Detailed Rules for Supply Chain Collaborative Purchasing Management (Trial)*, the *Detailed Rules for Supplier Database (Trial)*, the *Administrative Measures for Packaging Material Supplier Database*, and the *Detailed Rules for Product Sales and Logistics Third-party Operation*. By continuously refining our supply chain framework, we standardize supplier management processes, promote efficiency and transparency, and work toward a transparent, collaborative and sustainable supply chain system.

Supply chain management structure of Luzhou Laojiao



Supplier management process of Luzhou Laojiao in the full life cycle

- Supplier access**
 - Conducting comprehensive evaluations of suppliers' production capacity, quality control, cost management, R&D capability, financial health, industry position, willingness to collaborate, and commitment to sustainability. Assessing alignment with the Company's strategic culture to collaborate;
 - Requiring packaging material suppliers to hold quality management system certification. Suppliers handling food-contact materials must provide a food safety certificate and a third-party inspection report compliant with GB 4806 national standards¹⁴.
- Supplier evaluation**
 - Combining monthly KPI assessments with annual performance reviews to assess suppliers on quality, service, and innovation. Adjusting order allocation for the next cycle based on evaluation results;
 - Continuously monitoring risk management, integrity, quality safety, and environmental performance, integrating sustainability metrics into the annual supplier assessment.
- Supplier risk management**
 - Identifying risks related to quality, health, and environmental impact through internal audits and third-party testing, as well as classifying and monitoring ESG risks;
 - Encouraging suppliers to invest in environmental initiatives to minimize the supply chain's carbon footprint.
- Supplier withdrawal**
 - Triggering exit conditions if a supplier fails to meet performance standards or is involved in major safety violations, quality issues, illegal activities, financial instability, or security risks. Assessing and confirming these issues by relevant departments before instructing business units to terminate the supplier relationship, and handling the necessary termination procedures.

Supplier management and certifications of Luzhou Laojiao in 2024

Indicator	Unit	Data of 2024
Total number of suppliers in the year	/	100
Number of suppliers certified by the ISO 45001 occupational health and safety management system	/	51
Number of suppliers certified by the ISO 14001 environmental management system	/	56
Number of suppliers certified by the ISO 9001 quality management system	/	65

Luzhou Laojiao pays close attention to building an integrity culture with its suppliers and actively promotes integrity-building activities. In 2024, we conducted four anti-corruption training and awareness sessions, ensuring 100% supplier participation. Additionally, all suppliers signed the *integrity agreement*.

¹⁴ GB 4806 national standards: It is a series of national food safety standards issued by the National Health Commission, which are mandatory regulations governing the production and use of food contact materials and products.

Supply Chain Risk Management

Maintaining a stable and resilient supply chain is essential for operational continuity and competitiveness. Led by the Supply Chain Management Center, we have established a comprehensive risk management system that addresses: procurement contract risks, inventory risks, stockout risks, information risks, and emergency planning. The Company continuously optimizes the level of supply chain risk management.

Supply chain risk management mechanism of Luzhou Laojiao

Risk management of bidding and procurement contracts

- Luzhou Laojiao strictly follows the *Procurement Management Measures (Trial)* to ensure clear procurement standards and standardized processes. In bidding and procurement contracts, we explicitly define supplier responsibilities, including product quality, delivery timelines, after-sales services, and liability for contract breaches and compensation mechanisms to protect the legitimate interests of the Company.

Inventory risk management

- **Inventory counting:** Routine inventory checks help maintain accurate records, detect discrepancies early, and prevent errors in decision-making caused by incorrect data.
- **Inventory monitoring and early warning:** The EWM¹⁵ system tracks real-time inventory movements, storage locations, and quantity changes. Key indicators such as inventory levels, turnover rates, and quality are continuously monitored. If inventory levels exceed or drop below preset thresholds, the system sends alerts to business managers, ensuring timely intervention and risk mitigation.

Out-of-stock risk management

- **Sales demand planning:** By leveraging big data analysis and market research, Luzhou Laojiao forecasts market demand for the next two cycles, adjusting production and supply plans to minimize stock shortages.
- **Planning and scheduling optimization:** The Company employs both MTO¹⁶ and MTS¹⁷ production models to ensure timely market demand fulfillment and the continuous supply of core products. Production processes and scheduling are optimized based on sales demand and production capacity, enhancing responsiveness and production efficiency.
- **Production capacity guarantee:** We continuously enhance automation and intelligent manufacturing, increase capacity reserves, and improve equipment maintenance and management to maintain stable production.
- **Diversified logistics supplier cooperation:** We collaborate with multiple logistics providers to utilize road, rail, water, and air transport, ensuring flexible resource allocation based on regional needs, product types, and delivery timelines. This approach reduces reliance on a single supplier and helps mitigate transportation risks effectively.

Information risk management

- **Data collection integration:** Achieve real-time data collection, transmission, and sharing through systems like MES¹⁸, the production exception management platform, EWM system for warehousing and OTB¹⁹ system for logistics and transportation, ensuring accurate and timely supply chain information.
- **Information authority management:** Clearly defining the permissions and responsibilities of different users within each information management system in the supply chain domain, ensuring that only authorized personnel can access and operate relevant information, thus preventing information leakage and misuse. At the same time, classifying and categorizing the data in the supply chain information management system, setting access permissions based on data sensitivity and importance, to ensure information security.

Emergency plan

- To address potential supply chain risks, detailed emergency plans should be developed, with clearly defined emergency response processes and measures, ensuring a rapid and effective response when risks occur. In 2024, we introduced the *Emergency Plan for Peak Season Supply Chain Development* ahead of the sales peak, securing production and logistics support to maintain a stable product supply.

¹⁵ EWM: Extended Warehouse Management.

¹⁶ MTO order-based production: Make to Order refers to the production model in which enterprises begin manufacturing products only after receiving customer orders.

¹⁷ MTS reserve production: Make to Stock refers to the production model where enterprises manufacture products in advance based on market demand forecasts, store them in warehouses, and deliver goods directly from inventory upon receiving customer orders.

¹⁸ MES: Manufacturing Execution System.

¹⁹ OTB: The integration of the three modules—OMS (Order Management System), TMS (Transportation Management System), and BMS (Billing and management system).

Digital and Intelligent Supply Chain

Luzhou Laojiao attaches great importance to supply chain digitalization and has set clear strategic goals in its 14th Five-Year Plan. Guided by the principles of "online, data-driven, intelligent, and ecological" development, we drive digital transformation across upstream and downstream industry chains, ensuring logistics visibility and intelligent operations. Through initiatives such as digital production lines, information platforms, intelligent packaging centers, and the "one product, one code" management system, we have significantly improved production efficiency, enhanced transparency, and strengthened traceability at every stage of the supply chain. In 2024, Luzhou Laojiao was recognized as an "Intelligent Manufacturing Benchmark Enterprise" by the China Electronics Standardization Institute under the Ministry of Industry and Information Technology.

Digital and intelligent supply chain process of Luzhou Laojiao



Case • Luzhou Laojiao Intelligent Packaging Center •

Luzhou Laojiao Intelligent Packaging Center, the industry's first "Lighthouse Factory"—standard facility, was established with an investment of RMB 2.136 billion. The center uses AI technology for quality inspection, introduces digital twin technology to simulate real-world operations and optimize design, and employs cloud computing for data storage, analysis, and sharing. Additionally, the center leverages the Industrial Internet of Things (IIoT) for equipment interconnectivity.

In terms of production processes, the Intelligent Packaging Center implements digital intelligence in key stages such as material loading, filling, boxing, coding, and quality inspection. This has greatly improved both production efficiency and product quality, and has enabled the integration, intelligence, and informatization of baijiu production, packaging, warehousing, and logistics distribution. Furthermore, the center supports enterprise decision-making by using big data analysis, predictive maintenance, and intelligent decision support, setting a new benchmark for the intelligent transformation of the baijiu industry.



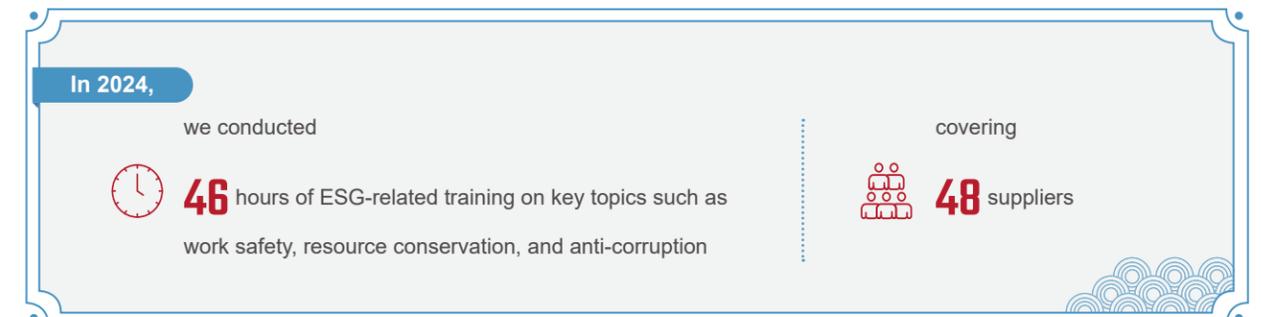
Luzhou Laojiao Intelligent Packaging Center

Case • Luzhou Laojiao's "Code System" •

In 2018, Luzhou Laojiao officially adopted the "One Product, One Code" system and initiated the integration of three codes. This allowed for direct communication with terminals and consumers, enabling real-time tracking of sales data and scanning results. In 2023, to respond to increasing market competition, Luzhou Laojiao undertook a digital system reform for all products, upgrading the three-in-one system to a five-in-one system. This included associating the pallet code, box code, bottle code, and inner cap code with the product, thus enabling comprehensive digital management of the supply chain and significantly improving management efficiency. In 2024, the Company empowered its factory to establish a closed-loop data security management system using the "One Product, One Code" system, eliminating data security risks and enhancing the management of code lifecycle data security.

Supply Chain Empowerment

Luzhou Laojiao is committed to strengthening its supply chain capabilities through active collaboration with suppliers. We provide platforms for knowledge sharing and technical exchanges by hosting regular logistics performance meetings, peak season guarantee kick-off meetings, inventory check meetings, special training sessions, technical exchange meetings, and supplier conferences. These initiatives allow suppliers to showcase products, exchange experiences, and share industry insights, fostering mutual growth across the supply chain. In 2024, we conducted 46 hours of ESG-related training, covering 48 suppliers on key topics such as work safety, resource conservation, and anti-corruption.



Relevant measures of the Company to enhance suppliers' capability

- Organizing supplier visits to leading enterprises to learn best practices and improve operational management.
- Inviting top industry experts to provide training and case studies, offering insights into delivery management and process optimization.
- Recommending advanced equipment manufacturers and providing suppliers with more reference and guidance for improving their own equipment.
- Sharing management experience and using practical case studies to address product quality issues, fostering continuous improvement.
- Assisting suppliers in implementing visual inspection automation and intelligent packaging equipment, reducing manual labor, improve product quality, and enhancing delivery quality, ultimately raising industry-wide packaging standards in the baijiu sector.

Case • Luzhou Laojiao Packaging Material Supplier Conference in 2024-lighthouse leads the future of manufacturing •

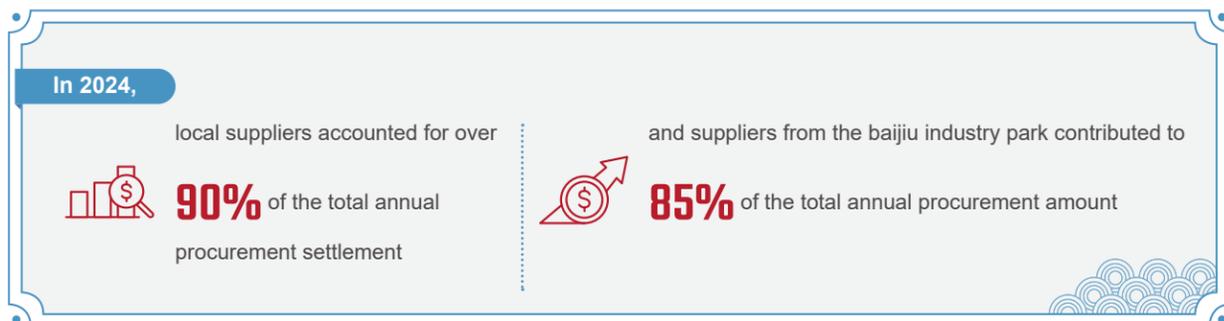
In 2024, Luzhou Laojiao held its annual Packaging Material Supplier Conference, where the Company shared with suppliers the current state of development, innovative practices, best experiences, challenges, and future trends in the alcoholic beverage packaging industry. The conference also aimed to explore how to achieve innovation-driven development, digital intelligence-powered manufacturing, and lean quality assurance.

The conference emphasized that in 2024, the Company conducted joint commissioning and testing of the intelligent packaging center and introduced new requirements for various nodes in the supply chain. The Company urged packaging material suppliers to increase investments in product research and development, production management, and quality inspection based on lessons learned from the test line's filling production. The goal is to align with the Company's intelligent manufacturing development, building an integrated, end-to-end supply chain ecosystem. The conference also shared and discussed topics such as packaging material guarantees, informatization implementation, progress on intelligent packaging centers, and packaging material automation achievements, making further strides in the exploration and systematic planning for the harmonious development of both suppliers and the Company.



Luzhou Laojiao Packaging Material Suppliers Conference in 2024

In addition, Luzhou Laojiao actively implements a "localized procurement" strategy, leveraging regional resources to support local economic growth. In 2024, 60% of the Company's suppliers were Luzhou City (local), and local suppliers accounted for over 90% of the total annual procurement settlement, and suppliers from the baijiu industry park contributed to 85% of the total annual procurement amount.



Industry Leadership

As a leader and innovator in the baijiu industry, Luzhou Laojiao promotes standardization and sustainable growth by contributing to the formulation of national and industry standards, exploring the boundaries of baijiu distilling techniques, participating in scientific research and development projects, engaging in industry-academia-research cooperation, and facilitating the conversion of scientific and technological achievements.

Luzhou Laojiao's participation in the formulation of industry and national standards

National/Local standards	<ul style="list-style-type: none"> Liquor Quality Requirements-Part 4: Sauce-flavored Baijiu (GB/T 10781.4-2024) Implementation Guide for Green Supply Chain Management of Green Manufacturing Enterprises (GB/T 43902-2024) General Rules for Restricting Overpackaging of Commodities (GB/T 31268-2024) Industrial Water Quota Part 15: Baijiu (GB/T 18916.15-2024) General Technical Requirements for Bottled Baijiu Filling Line (GB/T 44832-2024) Guidelines for Material Labelling in Food Production (GB/T 44135-2024) Technical Specification for Product Carbon Footprint Assessment of Strong-aroma Baijiu (DB51/T 3209-2024)
Association standards	<ul style="list-style-type: none"> Greenhouse Gas Emissions Accounting and Reporting Requirements for Baijiu Enterprises (T/CBJ 2206-2024) Specification for Carbon Footprint Assessment of Baijiu Products (T/CBJ 2207-2024)
Industry standards	<ul style="list-style-type: none"> Production Process Control Requirements for Flexible Packaging Printed Products of Green Printing Foods (CY/T 274-2024) Green Factory Evaluation Requirements for Baijiu Industry (QB/T 5935-2024)

Project approval of Luzhou Laojiao provincial-level projects in 2024

Project Name	Project Type	Special Funds
Study on the Structure and Metabolic Function of High-Temperature Daqu Fermentation Flora Based on Multiomics	Second batch of provincial projects in 2024	RMB 200,000
Development and Efficient Utilization Technology of Microbial Germplasm Resources for Solid Distilling	2024 local fund project guided by the central government	RMB 2 million
Study on Environmental Factors and Influencing Mechanism of Construction of Functional Microbial Community in Cellar Mud	First batch of provincial science and technology plans in 2025	RMB 200,000

Luzhou Laojiao project acceptance in 2024

Project Name	Project Type
Coupling Utilization Technology of Thermochemical Energy and Recycling of Brewing Waste	National Key R&D Program
Study on the Expression Regulation of Key Genes of Characteristic Microorganisms in Chinese and Japanese Distilled Yeast and Its Quality Improvement in China	Sub-topics of National Key R&D Program
Construction of Sichuan Solid Distilling Technology Innovation Center	Special funds for local science and technology development guided by the central government

Industry-university-research cooperation of Luzhou Laojiao

Jointly building a joint research center

The Company has carried out university-enterprise strategic cooperation with Tsinghua University and other universities. Eight joint research centers have been established, focusing on cutting-edge technologies such as intelligent distilling and green distilling. This collaboration has effectively promoted the application of technologies in related fields.

Cooperating to cultivate high-end talents

Luzhou Laojiao has deepened its cooperation with universities in joint training for master's and doctoral degrees. It has hired 17 part-time tutors from universities and trained 88 postdoctoral fellows, 32 doctoral students, and over 200 master's students, thereby advancing the cultivation of high-level, interdisciplinary talents. In 2024, 40 new postdoctoral fellows joined the Company's postdoctoral research workstation, and there are currently 17 doctoral candidates and 37 master's students enrolled.

Amid a new wave of technological advancement and industrial transformation, Luzhou Laojiao has made major breakthroughs in intelligent production, solidifying its leading position in smart distilling within the baijiu industry. This year, Luzhou Laojiao announced its "Top Ten Scientific and Technological Innovation Achievements from 2015 to 2024."

Top Ten Scientific and Technological Innovation Achievements from 2015 to 2024

Research and Application of Brewing Microorganisms	Development and Application of Key Technologies for High-Comfort Tea-Infused Baijiu
R&D and Application of Cellar Mud Replication Technology	R&D and Application of Sauce-Aroma Baijiu Technology
R&D and Application of Intelligent Distilling Technology	Coupled Utilization Technology for Thermochemical Energy Conversion and Resource Recovery from Distilling Waste
R&D and Application of Intelligent Baijiu Yeast Production Technology	Research and Application of Baijiu Science Popularization Culture
Research and Application of Intelligent Packaging Technology	R&D and Application of Supply Chain Technology Based on Digital RMB

Among these achievements, three key innovations have tackled major technological challenges in precise baijiu production. These breakthroughs have filled the gap in fully automated production technology and equipment in the distilling industry. They also set a new standard for intelligent and precise distillation of strong-flavored baijiu, driving technological advancement and industry transformation.

<p>"R&D and Application of Intelligent Distilling Technology"</p> <p>This breakthrough marks the first achievement in full-process precision distilling technology. The complete set of intelligent distilling equipment developed has been successfully implemented at a 100,000-tonne per year distilling base, setting an industry benchmark for intelligent distilling.</p> 	<p>"R&D and Application of Intelligent Baijiu Yeast Production Technology"</p> <p>Pioneering the three-dimensional fermentation mode of Daqu, Luzhou Laojiao has independently developed 8 intelligent systems, automating the entire baijiu yeast production process. The Company has established the largest and most intelligent Daqu production line in the industry.</p> 	<p>"Research and Application of Intelligent Packaging Technology"</p> <p>The Company pioneered a high-speed rotary, precision-positioning, fully automated baijiu boxing system and launched a supplier digital twin platform. In a landmark development, the industry's first smart packaging center built to the "Lighthouse Factory" standard officially commenced operations.</p> 
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Case • "Coupled Utilization Technology for Thermochemical Energy Conversion and Resource Recovery from Distilling Waste" project successfully passed the national acceptance •

In 2024, Luzhou Laojiao, in collaboration with Tsinghua University, Sichuan University, Harbin Institute of Technology, China Agricultural University, Southwest University, and other institutions, successfully passed the national acceptance for the key R&D project "Coupled Utilization Technology for Thermochemical Energy Conversion and Resource Recovery from Distilling Waste," under the Ministry of Science and Technology. This project is the first national key R&D initiative in the liquor industry led by an enterprise.

The project has successfully overcome two key technologies: coupling thermochemical energy with drying and the distillation process, as well as coupling thermochemical soil improvement materials with green planting. It has developed equipment for the coupled utilization of thermochemical energy and resources from distilling waste, contributing 13 invention patent applications, 20 high-quality academic papers, and 5 enterprise standards and 3 local standards to the industry.

The project team has built the industry's first "Demonstration Project for Coupled Utilization of Energy and Resources from Distilling Waste" with an annual processing capacity of 100,000 tonnes. The project achieved a recycling rate of over 90% for distilling waste and more than 95% for gas energy, thus filling a technical gap in the thermochemical treatment of distilling waste. This project has realized a material cycle of "distilling waste - biochar - sorghum planting - distillation production," promoting the sustainable development of industrial and agricultural cycles and accelerating the green transformation of the entire distilling industry.

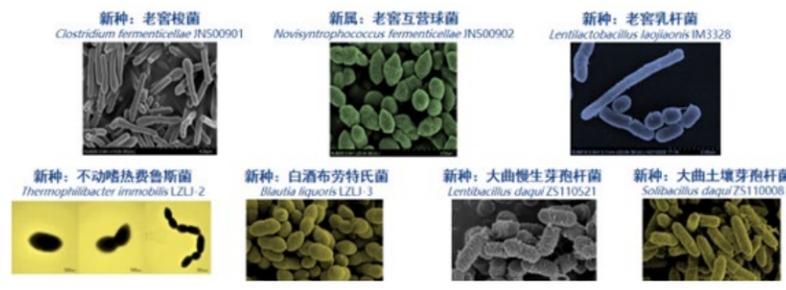


Waste resource recovery and circular utilization

Case • Distilling microbial strain resource bank •

Luzhou Laojiao, in collaboration with the Institute of Microbiology, Chinese Academy of Sciences, Jiangnan University, and other leading institutions, utilized modern molecular microecology, metabolomics, and biomics culture technologies to systematically analyze the microecological characteristics of distilling in 1573 national treasure cellar groups. By establishing an industry-leading resource library of distilling microbial strains, the research team successfully discovered seven new microbial species, conducted systematic identification and flavor analysis of thousands of strains, completed whole-genome sequencing of 210 strains, and performed diversity analysis of thousands of distilling samples. The research first revealed the microbial fermentation law of "zoned co-fermentation and synergistic aroma production" and clarified for the first time the microecological mechanisms of "mud cellar fragrance" and "old cellars produce high-quality baijiu." Based on this, the "multi-bacterial co-fermentation" cellar mud cultivation technology was developed, allowing for the precise replication of distilling microecology.

These innovations have been successfully applied in the 20,000 cellars at the Huangqi Distilling Ecological Park. The base liquor quality is comparable to that produced in cellars over 30 years old, and the results were recognized as being at the "internationally leading level" by the expert group of the China National Light Industry Council. Luzhou Laojiao won the first prize at the 2023 Sichuan Patent Award and the Excellence Award at the 2024 China Patent Award.



New microbial species

06 Preserve Cultural Heritage and Advance with Society

Luzhou Laojiao plays an active role in social responsibility, making meaningful contributions through practical actions. While preserving and passing down its brand heritage, the Company works closely with various sectors to promote cultural development and social harmony.

- Community Engagement
- Inheriting Baijiu Culture

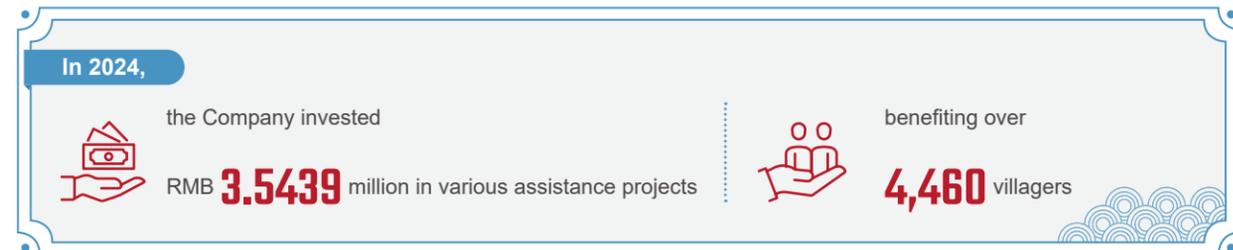


Community Engagement

While pursuing excellence in baijiu production, Luzhou Laojiao remains committed to corporate social responsibility. Through initiatives in rural revitalization, environmental protection, and cultural preservation, the Company contributes to social stability and development while enriching its own brand identity and cultural value.

Rural Revitalization

In 2024, Luzhou Laojiao resolutely implemented the national rural revitalization strategy and followed directives from the provincial and municipal party committees and governments regarding foundational and targeted assistance. Leveraging its financial, technical, talent, and management advantages, the Company invested RMB 3.5439 million in various assistance projects, and carried out more than 10 high-quality programs in terms of industrial, educational, employment, consumption, talent support, and rural cultural development, benefiting over 4,460 villagers. The Company focused on consolidating poverty alleviation achievements and effectively connecting them with rural revitalization efforts.



Luzhou Laojiao rural revitalization support activities

Industry Assistance

The Company invested RMB 1.065 million to assist Hongyuan County in establishing the "Yak Grassland Enterprise Store" on the Douyin live streaming platform. During the live broadcast, sales exceeded RMB 1 million, effectively boosting the county's yak industry. Additionally, the Company proactively engaged in "bulk group purchases" and "buy-to-donate programs", spending RMB 1.7606 million on local specialty products such as yak milk powder and jerky, and RMB 220,000 on highland specialty rice from Xiangtian Village. These actions strengthened production-to-sales partnerships in rural revitalization, strengthened the collective economy, and increased farmers' incomes. The Company expanded its sustainable empowerment model, distributing 5,000 chicks in Xiangtian Village and helping 294 households generate approximately RMB 500,000 in additional income.

Talent Assistance

To encourage rural students to pursue their studies, the Company provided RMB 160,000 in scholarships to 32 college freshmen from Guntang and Xiangtian villages in 2024, helping these students realize their university aspirations. In Xiangtian Village, a "charitable teaching" activity was launched, offering school uniforms and support to underprivileged students, aiming to break the cycle of intergenerational poverty. Committed to the critical task of "combating school dropout rates and ensuring education equity," the Company invested RMB 266,700 to organize summer camp activities for 32 teachers and students from Hongyuan County. An investment of RMB 100,000 was made to implement a youth talent training program in Hongyuan County, where experts conducted e-commerce training and practical sessions for over 50 entrepreneurial youths, cultivating a skilled, locally rooted workforce.

Ecological Assistance

In November 2024, the Company allocated RMB 70,000 to add nine 2.5-cubic-meter detachable garbage trucks in Hongyuan County, establishing a comprehensive village-wide waste collection and transportation network. This effort aimed to create a clean, beautiful, and comfortable living environment for the villagers.

Cultural Assistance

The Company also invested RMB 95,000 to support festival and cultural activities in Guntang Village, Hongyuan County, promoting the widespread dissemination and orderly inheritance of intangible cultural heritage such as Baiwang Folk Singing and Instrumental Performance and Tibetan opera. These efforts actively promoted traditional local and Tibetan cultures, enriching the spiritual and cultural lives of the herders.



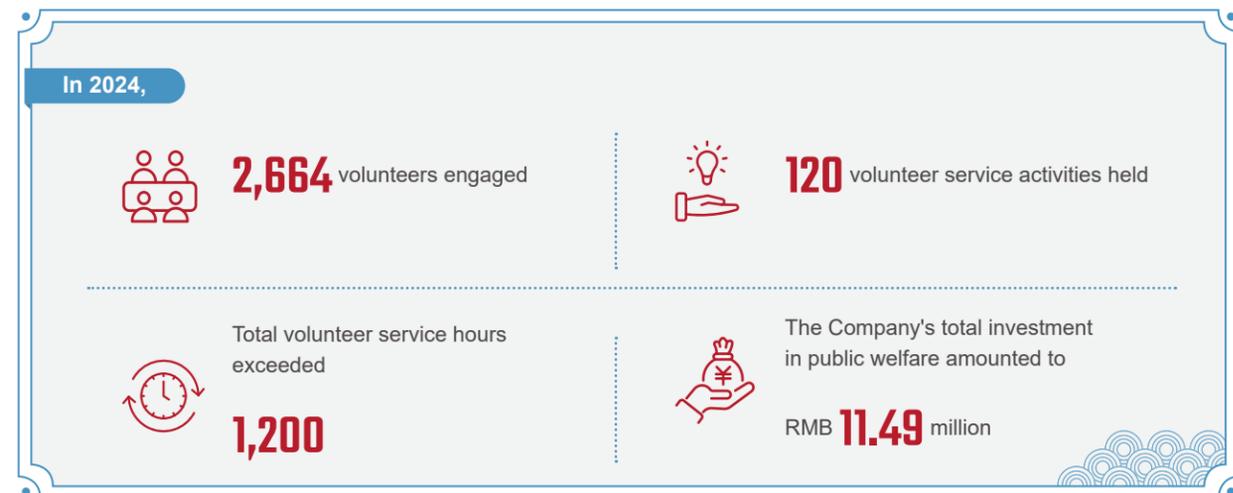
Rural Cultural Festival in Guntang Village, Hongyuan County

Public Welfare Assistance

Upholding the principle of "doing practical things for the people," the Company addressed over 20 urgent issues, including medical care and removal of frozen soil for villagers in assisted areas. An investment of RMB 50,000 was made to purchase quality coal for 100 impoverished families, and over RMB 100,000 was spent on New Year gifts for more than 400 households, ensuring villagers had a warm winter. Furthermore, the village work team actively fulfilled its duties, completing safety inspections for all impoverished households, assisting village committees in winterizing water pipes, and supporting the consolidation of the "Three Guarantees" (housing, education, and healthcare) and drinking water safety, effectively implementing various people-friendly measures.

Public Welfare Initiatives

In 2024, the Company demonstrated its commitment as a state-owned enterprise by actively engaging in public welfare efforts, including donation initiatives such as “Small Backpacks, Big Love” and the “Pillar Project,” as well as programs like the “Luzhou Laojiao Scholarship,” the “Luzhou Laojiao Golden Chalk Award,” and the “Luzhou Laojiao & University of Electronic Science and Technology of China Education Development Fund.” These efforts aim to recognize outstanding educators and support the growth of promising students. The Company also organized a wide range of volunteer activities, including charity sales, voluntary blood donations, and tree planting. Over the year, 2,664 employees participated in 120 volunteer events, contributing more than 1,200 service hours in total. During the reporting period, the Company’s total charitable investment amounted to RMB 11.49 million.



Case • Supporting Luzhou’s “Small Backpacks, Big Love” public welfare initiative •

In response to Luzhou’s “Small Backpacks, Big Love” initiative, the Company supported children from underprivileged families who demonstrate academic motivation, resilience, and confidence by donating RMB 100,000 in January 2024 to the Luzhou Branch of the Sichuan Poverty Alleviation Foundation, a legally registered public welfare organization.

Case • Donation to the University of Electronic Science and Technology of China Education Development Foundation •

To foster collaborative development and mutual benefit between the Company and academia, Luzhou Laojiao entered into a donation agreement with the University of Electronic Science and Technology of China in 2023 to establish the “Luzhou Laojiao & University of Electronic Science and Technology of China Education Development Fund.” In accordance with the agreement, the Company donated RMB 2 million to the University’s Foundation in 2024 to reward exceptional teachers and students.

Case • Donation to the “Luzhou Laojiao Hongzhang Teaching and Scholarship Fund” at Luzhou High School •

To advance education in Luzhou and embody its corporate social responsibility of “funding education and giving back to the community,” the Company donated RMB 810,000 to Luzhou High School in 2024 under the “Luzhou Laojiao Hongzhang Teaching and Scholarship Fund” agreement signed in 2021.

Case • “Charity Bazaar to Deliver Love and Help the Disabled” volunteer service activity •

From October 16 to 17, 2024, the Luzhou Laojiao Youth League Committee, in collaboration with the Jiangyang Xiangyang Comprehensive Service Center for the Disabled, jointly organized a volunteer service activity titled “Charity Bazaar to Deliver Love and Helping the Disabled.” A total of more than 360 handcrafted items were sold, raising over RMB 7,300. Additionally, more than 200 pieces of clothing and over 60 books were donated. After the event, all proceeds and donations were handed over to the Xiangyang Comprehensive Service Center for the Disabled, providing tangible assistance to the disabled community, improving their quality of life, and promoting broader societal attention and support for the cause of people with disabilities.



Volunteer service activity for charity sale

Case • Meeting in Spring to Contribute to the National Ecological Garden City by Planting Trees •

On March 12, 2024, Luzhou Laojiao organized over 50 young volunteers for a tree planting activity, “Meeting in Spring to Contribute to the National Ecological Garden City by Planting Trees,” effectively promoting ecological civilization and contributing the youthful energy of Luzhou Laojiao to the comprehensive development of the National Ecological Garden City in Luzhou.



Volunteer tree planting activity





Inheriting Baijiu Culture

Luzhou Laojiao, as an outstanding inheritor of Chinese liquor culture, blends ancient distilling techniques with modern innovation, ensuring the legacy of baijiu culture thrives. Beyond preserving traditional craftsmanship, the Company actively engages the public through cultural festivals, craft exhibitions, and tasting events, making baijiu culture more appreciated. By using baijiu as a cultural bridge, Luzhou Laojiao connects past and future, tradition and innovation, sharing the richness of Chinese culture with the world.

Shaping Brand Culture

Guided by the corporate philosophy of "co-distilling with nature, coexisting in harmony," the Luzhou Laojiao brand is deeply rooted in its cultural heritage. From the historic 1573 National Treasure Cellars to its corporate spirit of "respect, dedication, innovation and excellence," Luzhou Laojiao integrates tradition with innovation. Dedicated to creating a unique and unparalleled brand culture, Luzhou Laojiao continuously refines its brand identity and remains committed to preserving and sharing the essence of Chinese baijiu culture globally.

Corporate Philosophy Slogan

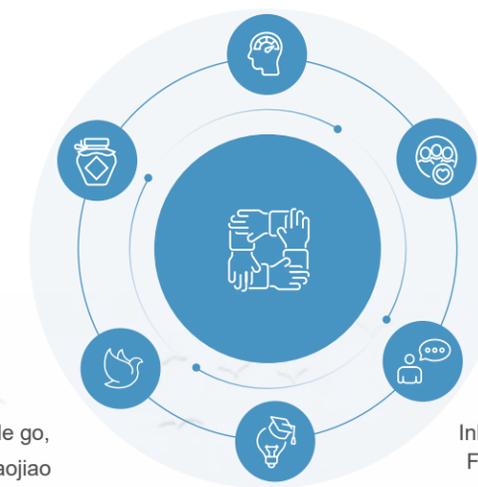
Growing with society
Thriving with nature
Coexisting with humanity

Corporate Philosophy
Co-distilling with nature
Coexisting in harmony

Corporate Spirit
Respect and dedication
Innovation and excellence

Corporate Mission
Wherever Chinese people go,
let them savor Luzhou Laojiao

Core Values
Inherit culture Continuously innovate
Focus on customers Create wealth



Corporate Vision
Be a giant in the Chinese Baijiu industry
Be a flagbearer of Chinese Baijiu culture

Case • Luzhou Laojiao Storage Ceremony in 2024 •

On March 11, 2024, in Fenghuang Mountain, Luzhou City, Sichuan Province, the senior management team of Luzhou Laojiao, together with Cultural Ambassador Jackie Chan and over 1,000 guests, as well as millions of online viewers, jointly held the Storage Ceremony for National Cellar 1573. This ceremony celebrates the 700-year milestone of the uninterrupted transmission of traditional distilling techniques in Luzhou Laojiao. Through sacrificial rituals, sealing, and other activities, it inherits and continues the traditional wine culture of Luzhou, showcasing Chinese wine rituals. The ceremony not only reinforced the brand image of Luzhou Laojiao as "the originator of strong aroma, enduring through time," but also launched two commemorative limited-edition products—Qilin Qi and Strong Aroma 700 Years, representing the innovative IP of China's strong aroma baijiu culture. Additionally, through multi-angle and multi-channel communication strategies, and with the support of influential guests such as Jackie Chan, the ceremony generated over 440 million impressions. It dominated trending topics on Weibo, topped Douyin's recommendation list, and reached 9.6 million people through live streaming, achieving outstanding cultural communication results and social influence.



Luzhou Laojiao Storage Ceremony in 2024

Case • The 8th China Liquor City · Luzhou Laojiao Culture and Art Week at the 2024 International Poetry & Liquor Culture Conference •

From September 11 to 17, 2024, the 8th China Liquor City · Luzhou Laojiao Culture and Art Week was grandly held in Luzhou, Shanghai, and other locations. The event brought together over 300 domestic and international guests from fields such as poetry, prose, novels, painting, and music, including renowned writers like Jidi Majia and Alai, as well as literary representatives from South Africa, France, and other countries. Through a series of vibrant literary and cultural exchange activities, including poetry recitations, theme painting exhibitions, and symphony concerts, the Art Week not only showcased Luzhou's profound historical and cultural heritage but also promoted dialogue between Chinese and international poetry cultures, further enhancing the global influence of the Luzhou Laojiao brand. The event attracted thousands of participants both online and offline, with over 47 million news exposures, successfully establishing Luzhou as a city renowned for poetry and liquor culture, achieving a multifaceted impact on cultural inheritance, brand enhancement, and social resonance.



Luzhou Laojiao Culture and Art Week in 2024

Case • Luzhou Laojiao Floating Museum •

In 2024, Luzhou Laojiao launched the innovative cultural project "Floating Museum." Leveraging the brand resources of the Luzhou Laojiao Museum, the Company held 86 colorful cultural events in 25 major cities across China, featuring four core activities: museum exhibitions, lecture halls, cultural interactions, and banquets. The initiative successfully showcased the brand's cultural resources and historical legacy, facilitated culture-driven sales, promoted product sales across the entire range, attracted large numbers of consumers, and significantly boosted brand influence and loyalty.



Luzhou Laojiao Floating Museum

Case • 2024 Luzhou Laojiao "Cellar Master Festival" activity •

In 2024, Luzhou Laojiao successfully held the "Cellar Master Festival" in Chengdu, Xi'an, Qingdao, Guangzhou, and other cities. The event featured an intangible cultural heritage fair, sports interaction zones, immersive experiences such as the 700-year hand-painted scroll and 360° panoramic screen performances, effectively combining entertainment with cultural engagement. The festival attracted a large number of consumers, deepening their understanding of the "Cellar Master Festival" IP and the identity of the cellar masters, fostering greater interaction and harmony between the brand and consumers. Furthermore, leveraging celebrity influence, regional opportunities, and the company's extensive membership base and media presence, each "Cellar Master Festival" event attracted over 12,000 participants on average, with more than 8,000 new members. The total online exposure and views surpassed 100 million and 119 million, respectively, while the overall communication reach exceeded 219 million. The event garnered numerous awards in the advertising industry, achieving both increased brand visibility and positive word-of-mouth.



"Cellar Master Festival" activity of Luzhou Laojiao

Inheriting Cultural Heritage

Luzhou Laojiao carries forward a profound and unique cultural legacy. The "1573 National Treasure Cellars," which have been operational for 451 years, and the "Traditional Distilling Techniques of Luzhou Laojiao," passed down for over 700 years, represent the Company's "two living national treasures."

<p>"1573 National Treasure Cellars"</p>	<ul style="list-style-type: none"> In 1996, the State Council designated the "1573 National Treasure Cellars" as a "National Key Cultural Relics Protection Unit," earning it the title of "National Cellars". In 2006, the National Cultural Heritage Administration of the People's Republic of China included the Luzhou Laojiao "1573 National Treasure Cellars" in the <i>Tentative List of World Cultural Heritage Sites</i> as a "living cultural relic" for baijiu distilling. In 2013, Luzhou Laojiao's Old Cellars, with more than 100 years of history, along with 16 ancient distilling workshops from the Ming and Qing Dynasties, and three natural liquor storage caves (Chunyang Cave, Longquan Cave, and Zuiweng Cave), were included as "National Key Cultural Relics Protection Units".
<p>"Traditional Distilling Techniques of Luzhou Laojiao"</p>	<ul style="list-style-type: none"> The "Traditional Distilling Techniques of Luzhou Laojiao" originated in the Qin and Han Dynasties and were refined and perfected across the Yuan, Ming, and Qing Dynasties. Passed down through 24 generations, these techniques have been continuously inherited for 700 years and are known as "living skills" in the distilling industry. In May 2006, as a representative of strong-aroma baijiu, the technique was included in the first batch of National Representative Works of Intangible Cultural Heritage.

Case • "Moonlight of Spring River" China Liquor City · Intangible Cultural Heritage Night •

In 2024, celebrating the 700th anniversary of the uninterrupted inheritance of traditional distilling techniques, Luzhou Laojiao held the "Moonlight of Spring River" China Liquor City · Intangible Cultural Heritage Night in Luzhou, a city of baijiu. This event featured five first-batch national intangible cultural heritage techniques, including the traditional distilling techniques of Luzhou Laojiao, Peking Opera, Huizhou ink, Jingdezhen porcelain making, and Wudang martial arts. Through immersive interactive experiences and exhibitions at the intangible cultural heritage fair, alongside performances blending classic Chinese culture with contemporary trends, the event vividly showcased the depth and rejuvenation of intangible cultural heritage. It successfully established Luzhou Laojiao as a cultural hub for displaying China's baijiu intangible cultural heritage techniques, bringing the enduring legacy of China's intangible cultural heritage into the modern era.



"Moonlight of Spring River" China Liquor City · Intangible Cultural Heritage Night

Case • Luzhou Laojiao joins hands again with "China's Intangible Cultural Heritage" program •

On August 10, 2024, the second season of "China's Intangible Cultural Heritage," a cultural program exclusively sponsored by Luzhou Laojiao, was launched. The program, following the creative concept of "ideology + art + technology," showcases the inheritance and innovative development of intangible cultural heritage projects in the new era. In the first Sichuan episode of the program, the traditional distilling techniques of Luzhou Laojiao were featured alongside Emei martial arts, Sichuan figured satin, Daoming bamboo weaving, and other ICH projects, allowing audiences to experience the vibrant charm of intangible cultural heritage through the camera.



Luzhou Laojiao joins hands again with "China's Intangible Cultural Heritage" program

As a prominent representative of intangible cultural heritage in the baijiu industry, Luzhou Laojiao once again joined forces with "China's Intangible Cultural Heritage" Season 2 to promote the unique charm and deep roots of traditional Chinese culture. The program wonderfully narrates the stories of the inheritance and innovation of various ICH projects, allowing the audience to deeply experience the enduring vitality and time-honored renewal of intangible cultural heritage while enjoying the cultural feast.

Honors of Luzhou Laojiao cultural heritage inheritance in 2024

<p>"National Treasure Journey: Experiencing Living Intangible Cultural Heritage" won the title of "Outstanding Case of Integration of Intangible Cultural Heritage and Tourism"</p>	<p>Awarded as the "National Intangible Cultural Heritage Productive Protection Demonstration Base (2023 to 2025)"</p>
<p>"Living Two National Treasure: The Strong Fragrance of Chinese Liquor Culture" won the nomination for "Top Ten Cultural Brands of State-owned Enterprises in Sichuan Province"</p>	<p>Included in the "Double Pilot" List for Cultural Heritages in Sichuan Province</p>
<p>Officially certified as the "Origin of China's Strong-aroma Baijiu"</p>	<p>Rated as "Excellent" in the re-evaluation of Sichuan's Intangible Cultural Heritage Protection and Inheritance Bases</p>



Completion of the stone tablet "Origin of China's Strong-aroma Baijiu" at the Guojiao Plaza

Appendices

List of ESG Policies and Regulations Followed

Sections	Laws and Regulations	Internal Systems
Operate with Integrity and Uphold Shared Responsibility		
Corporate Governance	Company Law of the People's Republic of China Securities Law of the People's Republic of China Guidelines for the Articles of Association of Listed Companies	Articles of Association Rules of Procedure for General Meeting of Shareholders Rules of Procedure for the Board of Directors Rules of Procedure for the Board of Supervisors Information Disclosure Management System Investor Relations Management System <i>Compliance Management Measures</i>
Business Ethics and Anti-corruption		"Three Early Warnings and Three Cards" Integrity Alert Mechanism Regulations on Management of Employee Integrity Measures for Integrity Review in Official Selection and Appointment Interim Provisions on Middle-Level Official Accountability Several Provisions on Middle-Level Official Integrity Compliance Official Management Measures Administrative Measures for Tangible and Monetary Gifts Administrative Measures for Integrity Supervisors (Trial) Detailed Rules for the Supervision of the Discipline Inspection Committees of Primary-Level Party Organizations (Trial) Administrative Measures for Letters and Visits Reporting Basic Standards for Enterprise Internal Control Guidelines for Evaluation of Enterprise Internal Control Guidelines for Audit of Enterprise Internal Control
Information Security and Privacy Protection		Network and Information Security Management System (Trial) Internet Access Behavior Management Specification Detailed Rules for the Use and Management of IT Terminal Equipment Domain Name Management Regulations Computer Room Management Rules Administrative Measures for System Data Backup Detailed Rules for Handling Information Security Vulnerabilities

Sections	Laws and Regulations	Internal Systems
Produce greenly in harmony with the environment		
Responding to Climate Change		Ecological Environment Protection Management System Carbon Emission Management System
Green Operation	Environmental Protection Law of the People's Republic of China Regulations of Sichuan Province on Environmental Protection	Environmental Management Manual Collection of Environmental Protection Management Systems Environmental Protection Responsibility System and Assessment Management System
Water Resources Management	Water Law of the People's Republic of China	Energy Management System
Packaging Material Management		Design Standard for Non-Woven Handbags
Sustainable Agriculture		Organic Production Manual Technical Manual for Identification, Prevention and Control of Major Diseases in Organic Sorghum Bases
Craft with excellence and grow together with customers		
Product Quality and Safety		Metrological Inspection Specifications for Net Content of Packaged Finished Spirits Chief Quality Officer System for Gridding of Industry Chain Qualification Certification System for Quality Practitioners in the Industry Chain Logistics Enterprise Quality Manual Opinions on Quality Infrastructure Facilitating the Linkage Improvement of Industrial and Supply Chains Quality Manual of Packaging Material Suppliers Quality Manual of Distilling Raw and Auxiliary Materials Suppliers Quality Manual of Packaging Enterprises Quality Manual of Logistics Enterprises Quality Manual of Product Distribution Enterprises
Food Safety Assurance	Food Safety Law of the People's Republic of China Administrative Measures for Food Recall	HACCP Plan Food Safety Protection Plan Measures for Food Safety Risk Assessment
Excellent Customer Service		After-sales Service Management Measures Emergency Plan for Market Abnormal Information Classification

SZSE ESG Indicator Index

Sections	Laws and Regulations	Internal Systems
Responsible Marketing	Advertisement Law of the People's Republic of China Law of the People's Republic of China on the Protection of Consumer Rights and Interests Interim Measures for the Administration of Internet Advertising Civil Code of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China	Measures for Brand Assets Management
Intellectual Property Protection		Intellectual Property Management Manual Patent Management Measures Administrative Measures for the Protection of Trade Secrets Implementation Measures for Policy Research and Management (Trial) Implementation Measures for Science and Technology Awards
Foster diversity and thrive alongside employees		
Employee Hiring	Labour Law Labor Contract Law Social Insurance Law	
Employee Training and Development		Promotion Management Measures Training Management Measures
Health and Safety	Work Safety Law of the People's Republic of China	Work Safety Responsibility System Work Safety Commitment Management System
Create value and drive progress with the industry		
Supply Chain Management		Procurement Management Measures (Trial) Detailed Rules for Supply Chain Collaborative Purchasing Management (Trial) Detailed Rules for Supplier Database (Trial) Administrative Measures for Packaging Material Supplier Database Detailed Rules for Product Sales and Logistics Third-party Operation Emergency Response Plan for Peak Season of Supply Chain Development in 2024

Dimension	No.	Topic	Corresponding Clause (s)	Corresponding Chapter
Environmental	1	Responding to Climate Change	Articles 21-28	Responding to Climate Change
	2	Pollutant Emissions	Article 30	Green Operation
	3	Waste Management	Article 31	Management of Three Wastes and Noise
	4	Ecosystem and Biodiversity Protection	Article 32	Sustainable Agriculture
	5	Environmental Compliance Management	Article 33	Green Operation
	6	Energy Utilization	Article 35	Energy Management
	7	Water Resource Utilization	Article 36	Water Resources Management
	8	Circular Economy	Article 37	Packaging Material Management
Social	9	Rural Revitalization	Article 39	Community Engagement
	10	Social Contribution	Article 40	Community Engagement
	11	Innovation-driven Development	Article 42	Digital and Intelligent Luzhou Laojiao
	12	Technology Ethics	Article 43	NA
	13	Supply Chain Security	Article 45	Supply Chain Management
	14	Equal Treatment of SMEs	Article 46	NA
	15	Product and Service Safety and Quality	Article 47	Product Quality and Safety, Food Safety Assurance, Excellent Customer Service
	16	Data Security and Customer Privacy Protection	Article 48	Information Security and Privacy Protection
	17	Employees	Article 50	Employee Hiring, Employee Training and Development, Employee Care, Health and Safety
Sustainability-Related Governance	18	Due Diligence	Article 52	Business Ethics and Anti-corruption
	19	Stakeholder Communication	Article 53	Stakeholder Communication
	20	Anti-Bribery and Anti-Corruption	Article 55	Business Ethics and Anti-corruption
	21	Anti-Unfair Competition	Article 56	Business Ethics and Anti-corruption

