



Honworld Group Limited

老恒和釀造有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 2226

老
恒
和

Environmental, Social and Governance Report

環境、社會及管治報告

2017

* For identification purposes only 僅供識別

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PERSEVERANCE COMBINED WITH HARMONY AND INNOVATION

恒以持之，和以創之

PERSEVERANCE (SELF-DISCIPLINE, MUTUAL TRUST AND BREWING QUALITY) COMBINED WITH HARMONY AND INNOVATION (HARMONY WITH THE NATURE AND CRAFTSMANSHIP)

Despite soy sauce industry only counts as one of the various industries, it plays an important role in people's daily life. Any dishes without soy sauce will have poor presentation and lose their delicious odour. Soy sauce is time-honored for its history for over a millennium. Although it is not as complicated as other Chinese classic arts, one needs to steadfastly delve into it to become an expert in the field. Its nuance of wonder is worthwhile for lifelong perseverance. To induce patronage, it is essential for the business entity to have good-naturedness which leads to propitiousness and, in turn, century-long prosperity. We regard everlasting propitiousness as the fundamental of establishing a successful business. This is where Lao Heng He's long-standing motto of "Perseverance combined with good-naturedness and creditworthiness (恒以持之、和信為本)" is based.

Based on its long-standing motto, Lao Heng He holds the same attitude in assuming its corporate social responsibilities in modern days.

Perseverance: Adhering to tradition and staying gold in modern days, Lao Heng He endeavors to achieve good corporate governance and abides by its bottomlines that offers its partners with substantial confidence and consumers with brewing products of best quality.

Harmony with Innovation: Promoting innovation and environmental protection through management and technological upgrade. Lao Heng He aims to apply scientific management of talents to integrate craftsmanship and technologies, as well as to bring returns for the community with benevolence and create harmonious society in modern times.

恒以持之(律己 互信 釀質)，
和以創之(自然 匠心 共融)

醬業位列三百六十行，開門七件事有其二，缺之百肴無色珍饈無味，其由來已越千年，雖非六藝難學，欲求其精，尚待專研，畢生持之以恆，方解其妙。開店迎客以和為貴，和能致祥，方求得百年興旺。恒和乃立業之本。——這就是老恒和祖訓「恒以持之，和信為本」的由來。

依託於百年祖訓，老恒和在新時代的企業社會責任理念亦是如此。

恒以持之：堅持傳統，在新時代依舊不忘初心，保證良好的企業治理，堅守底線，給予合作夥伴以足夠的信任，為消費者釀造最優質的產品。

和以創之：鼓勵創新，通過管理和技術的升級實現對於自然的保護，以科學的人才管理實現工匠精神 and 創新能力的結合，用善意回報社區，共創新時代的和諧社會。

ABOUT THIS REPORT

關於本報告

OVERVIEW

This is the second Environmental, Social and Governance (“ESG”) Report issued by Honworld Group Limited for the purpose of providing information about the Company’s products, social and environmental performances as well as our efforts in social responsibilities. It is expected that through this report you will have a better understanding of what we have done in achieving a sustainable development and revert to us your feedback.

BASIS OF PREPARATION

This report is prepared in accordance with the revised Environmental, Social and Governance Reporting Guide (“ESG Guide”) issued by Hong Kong Stock Exchange in December 2016. The preparation of this report is to include the identification and enumeration of key stakeholders and important ESG topics, determination of the scope of this ESG Report, collection of relevant materials and evidence on which the information of this report is based, and review of the data contained herein.

INTERPRETATION

This report is issued on a yearly basis covering the period from 1 January 2017 to 31 December 2017. For interpretation purpose, “Lao Heng He (老恒和)”, the “Company” and “we” used herein shall refer to Honworld Group Limited. The scope of this report is the same as that of the 2017 Annual Report of the Company.

RELIABILITY GUARANTEE

The Company guarantees that there is no false statement, misleading representation or material omission. We undertake to be responsible for the truthfulness, accuracy and completeness of this report.

AVAILABILITY OF THIS REPORT

This report is prepared both in Chinese and English. In case of inconsistency, the Chinese version shall prevail over the English version. Electronic version of this report is available for downloading from the website of Honworld Group Limited at <http://www.hzlaohenghe.com/>. If you have any enquiry or suggestion regarding this report, please feel free to contact us at:

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概覽

本報告是老恒和釀造有限公司發佈的第二份環境、社會及管治 (ESG) 報告，重點披露本公司在產品、社會和環境等方面表現的相關信息，以及我們在社會責任上的努力。希望本報告能使您更加瞭解我們的可持續發展之路，同時也希望能收到您對於本報告的反饋。

編制依據

本報告主要參考香港聯交所於二零一六年十二月公佈經修訂的《環境、社會及管治報告指引》(簡稱 ESG 指引)。報告內容的編寫程序包括：識別和排列重要的利益相關方、識別和排列 ESG 相關重要議題、決定 ESG 報告的界限、收集相關材料和收據、根據資料編制數據、對報告中的數據進行檢視等。

報告說明

本報告為年度報告，時間跨度為二零一七年一月一日至二零一七年十二月三十一日。為便於表述，報告中「老恒和」、「公司」、「我們」均指代「老恒和釀造有限公司」。報告覆蓋範圍與本公司二零一七年年報報告相同。

可靠性保證

公司保證本報告內容不存在任何虛假記載、誤導性陳述或重大遺漏。我們承諾對報告內容的真實性、準確性和完整性負責。

報告索取

本報告以中英文兩種語言編製。如中英文版本有任何差異，請以中文版為準。本報告電子版本可在老恒和釀造有限公司官網 <http://www.hzlaohenghe.com/> 下載。若您對本報告內容有任何疑問或建議，歡迎來電或來函詢問，我們的聯繫方式如下：

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CHAIRMAN'S MESSAGE

主席致辭

To induce patronage, it is essential for the business entity to have good-naturedness which leads to propitiousness and, in turn, century-long prosperity. We regard everlasting propitiousness as the fundamental of establishing a successful business. Adhering to its long-standing motto of "Perseverance combined with good-naturedness and creditworthiness (恒以持之，和信為本)", Lao Heng He aims at brewing healthy and green condiments and makes it a mission to safeguard food safety, contribute to environmental protection and hold consumers' health in high regard. As one of the enterprises enjoying a status of "China Time-honored Brand (中華老字號)" within the condiment industry, Lao Heng He inherits the century-old brewing methods and at the same time actively pursues innovation, working towards a bicentenary with tireless efforts.

In 2017, we continued to provide consumers with quality and healthy cooking wine as well as other condiments, including soy sauce, vinegar, soybean paste and fermented bean curd. As at the end of 2017, the Group recorded a revenue of RMB803.1 million, representing a decrease of approximately 3.4% as compared to 2016.

In 2017, we participated in formulating the production and quality standards for the second batch of brewed cooking wine made in Zhejiang in 2017. Lao Heng He was recognised as "China Century-old Brand (中華百年傳承品牌)" and its brewing techniques were inscribed onto the provincial intangible cultural heritage representative list. We collaborated with Jiangnan University in setting up the Biological Engineering Joint R&D Centre and was recognised for various scientific and technological achievements. We were also selected as the designated condiment supplier for 2017 BRICS Summit held in Xiamen.

Meanwhile, as a responsible corporate citizen, Lao Heng He actively performs its social responsibilities by adhering to its philosophy of sustainable development in management and operation so as to promote sustainable development in terms of the economy, environment and society.

Tightening Quality Control, Ensuring Food Safety. As a leading condiment manufacturer in the People's Republic of China, we always pay great emphasis on food safety and regard it as "lifeline" and the fundamental of its business. In 2017, we actively adhered to the food safety strategies promulgated by the 19th National Congress to provide safe food for all people. We have established comprehensive and strict control standards and procedures for the selection of raw materials and suppliers, quality control of production processes, packaging and storage management and after-sales services. An internal inspection team for food safety has also been set up to conduct comprehensive internal inspection of the Company's food safety on a regular basis. In 2017, there were no food safety incidents involved the Company.

「開店迎客以和為貴，和能致祥，方求得百年興旺，恒和乃立業之本。」老恒和始終秉承「恒以持之，和信為本」的祖訓，致力於釀造健康、綠色的調味品，並以保障食品安全、助力環境保護和關注消費者健康為己任。作為調味品行業的一家「中華老字號」企業，老恒和在傳承古法釀造的同時銳意創新，以不斷進取的姿態邁向第二個百年夢。

二零一七年，我們持續向消費者提供優質、健康的料酒以及其他調味品，包括醬油、醋、黃豆醬、腐乳等。截至二零一七年末，本集團實現收入803.1百萬元，較二零一六年下降約3.4%。

二零一七年，我們參與制定了二零一七年第二批「浙江製造」中釀造料酒的製造和質量標準；老恒和被評為中華百年傳承品牌，老恒和釀造技藝被納入省級非物質文化遺產代表作名錄；我們與江南大學聯合設立了生物工程聯合研發中心，並獲得多項科學技術成果鑒定；我們還入選為二零一七年廈門金磚會議指定調味品供應商。

與此同時，作為負責任的企業公民，老恒和也積極履行社會責任，在企業管理和業務運營過程中貫徹可持續發展的理念，致力於推動經濟、環境與社會的可持續發展。

嚴控產品品質，保障食品安全。公司作為中華人民共和國領先的調味品製造商，一直將食品安全視為生命線，作為企業的立命之本。二零一七年，我們積極響應「十九大」食品安全戰略，讓人民吃的放心。我們對原材料及供應商甄選、生產過程質量控制、包裝及儲運管理、售後服務等各個方面均制定了全面嚴格的管控標準和流程。還設立了食品安全自查小組，定期對公司的食品安全進行全面的自我檢查。二零一七年公司未發生食品安全事故。

CHAIRMAN'S MESSAGE (CONTINUED)

主席致辭(續)

Protecting Environment, Developing Circular Economy. The Company always upholds its social philosophy of focusing on both operational efficiency and environmental protection. The Company has not only adopted effective harmless disposal of the residue of soya, vinegar residue, bean dregs, vinasse and liquid waste in the brewing process, but also instilled the concept of sustainable development into the manufacturing and enterprise operation to enhance the utilisation efficiency of resources and energy and reduce the emission to the environment. For example, the Company has reused the vinegar dregs (i.e. the major by-product produced in brewing vinegar) in the water absorption process of brewing vinegar after steaming of dregs, which improved the utilisation efficiency of raw materials, and also reduced waste. Meanwhile, the Company fully utilised renewable energy and reduced greenhouse gas emissions.

Caring for Employees, Promoting Culture of Harmony. While growing persistently, Lao Heng He also actively shows concern for the well-being of its staff. We strive to raise the living standards of our staff on one hand and cater to their spiritual and cultural needs on the other hand. The Company organises various staff caring exercises every year such as health check-up, leisure trips and birthday parties. The Company has also set up a "Green Passage (綠色通道)" to provide assistance for staff in need. In addition, the Company implemented various working standards for employees' performance appraisal, management recruitment and promotion, as well as internal promotion. The Company has also in place a comprehensive training mechanism, providing a platform for every talented and capable staff.

Emphasising Shared Value, Contributing to Win-Win Scenario. We attach great importance to the value jointly created by stakeholders, such as investors, customers, suppliers and the community, towards a common corporate goal, promoting a win-win scenario through mutual cooperation. The steps we have taken are for the purpose of safeguarding the interests of stakeholders, such as investors, customers and suppliers, protecting intellectual property rights, guarding against corruption, and supporting community and charity causes.

Looking ahead, we will, as always, uphold the spirit of "craftsmanship" to continue to offer naturally-brewed condiment products of higher quality, safer and healthier for the consumers and contribute to a sustainable development of the economy, environment and society.

保護生態環境，發展循環經濟。公司始終秉承企業效益與環境保護並重的社會理念，不僅採取了有效措施對釀造所產生的醬渣、醋渣、豆渣、酒糟、廢液等進行無害化處理，亦注重將可持續發展的理念融入產品製造及企業運營的過程中，提升對資源、能源的利用效率，同時減少對環境的排放。例如，公司對醋釀造過程中產生的主要副產物醋糟進行二次開發利用，在蒸糟後將其循環利用於釀醋的潤料當中，既提高了對生產原料的利用效率，也減少了對環境的廢棄物排放；同時，公司充分利用可再生能源，減少溫室氣體排放。

關注員工幸福，營造和諧文化。老恒和在持續發展壯大的同時，亦積極關注員工幸福指數的提升，一方面致力於提高職工的物質生活水平，另一方面也大力滿足其精神文化方面的需求。公司每年組織職工體檢、旅遊、生日會等多種形式的員工關愛活動，還設立了困難職工「綠色通道」，幫助困難職工解決問題。此外，公司實施工績評級、管理層聘任辦法、職級晉升辦法等工作標準，向員工提供內部晉升的標準，設置了完善的人才培訓機制，讓每個有才華、有能力的職工都能找到自己的舞臺。

注重價值共享，致力合作共贏。我們注重與投資者、客戶、供應商、社區公眾等利益相關方共享企業發展所創造的價值，推動互相間的合作共贏。這些舉措即包括對投資者、客戶、供應商等利益相關方的合法權益保護，也包括保護知識產權，防範貪腐現象，以及支持社會公益慈善事業等。

展望未來，我們將一如既往地堅持「工匠精神」，繼續為消費者提供更優質、更安全和更健康的天然釀造的調味品，同時也為經濟、環境和社會的可持續發展繼續貢獻力量。

Chen Weizhong
Chairman of the Board and CEO
8 June 2018

董事會主席兼首席執行官
陳衛忠
二零一八年六月八日

ABOUT LAO HENG HE

走進老恒和

INTRODUCTION TO THE ENTERPRISE

As one of the leading condiment manufacturers in China, Honworld Group Limited offers mainly quality condiments, including cooking wine, soy sauce, vinegar, soybean paste and fermented bean curd, to the market. "Lao Heng He (老恒和)", formerly known as "Lao Yuan Da (老元大)", was established during the Qing Dynasty under the reign of Emperor Xianfeng (咸豐帝), and adopted its existing name later in the 19th year of the Republic of China (民國十九年). It has established itself as a century-old Chinese cooking wine brand and was recognised as China Time-honored Brand (中華老字號) by the Ministry of Commerce in 2010. In 2014, the Company was successfully listed on the Hong Kong Stock Exchange.

企業簡介

作為中國市場領先的調味品生產商之一，老恒和釀造有限公司主要向市場供應優質、健康的料酒、醬油、醋、黃豆醬、腐乳等調味品。「老恒和」原名「老元大」，創立於清咸豐年間，後於民國十九年正式更名。老恒和是具有百年歷史的中國料酒品牌，於二零一零年被商務部認定為「中華老字號」。二零一四年，公司在港交所成功掛牌上市。

INTRODUCTION TO OUR PRODUCTS

Cook Wine Series

Ingredients of Lao Heng He's cook wine include Huzhou's high-quality rice and wheat and Huzhou's high-quality water is used. It follows the official Chinese herbal and yeast recipe (官藥曲方) inherited from Song Dynasty. First, the wine should be brewed into yellow rice wine (加飯黃酒) followed by a 5-year aging. After that, dozens of herbal spices will be added into the wine while no alcohol will be added. Lao Heng He's cook wine not only remove any gamy smell of food, but also enriches aroma of dishes. It is also rich in amino acids, vitamins, and beyond, which are healthy to the body.

產品系列介紹

料酒系列

老恒和料酒用湖州的優質大米、小麥為原料，汲取湖州優質水源，採用宋代官藥曲方，先釀成加飯黃酒，經過封壇陳釀五年以上，再配以十幾種植物香辛料釀造而成，不添加一滴酒精，不僅能給菜品祛膻除腥、增香添味，而且富含氨基酸、維生素等，有益身體。



ABOUT LAO HENG HE (CONTINUED) 走進老恒和（續）

Rose Rice Vinegar Series

Lao Heng He's rose rice vinegar is one of the most famous vinegars in China. Lao Heng He starts its brewing of rose rice vinegar in the beginning of the rainy season in Jiangnan every year. With carefully selected indica rice from Suzhou and Huzhou and the unique climatic conditions of Jiangnan's rainy seasons, Lao Heng He ages its wine by natural fermentation without adding any bacteria before the wine is finally processed and bottled.

玫瑰米醋系列

老恒和玫瑰米醋是中國名醋之一。老恒和在每年江南入梅時做玫瑰米醋，精選蘇湖粳米，利用江南梅雨季節獨特的氣候條件，不添加任何菌種，經過數月自然發酵，再裝壇陳釀精製而成。



Rose Fermented Bean Curd Series

Rose fermented bean curd offers the fragrance of rose and pleasantly sweet taste. Its appropriate saltiness, gentle texture and tastiness contribute to its distinctive flavor. As our rose fermented bean curd is in good quality and can be stored for long time without deterioration, we have received several awards.

玫瑰腐乳系列

玫瑰腐乳具有玫瑰的芳香，入口以後，味道香甜，鹹度適當，質地細膩，鮮美可口，別有風味。由於玫瑰腐乳質量好，風味獨特，且久藏不易變質，曾多次獲獎。



ABOUT LAO HENG HE (CONTINUED)

走進老恒和（續）

Soy Sauce Series

Lao Heng He produces six to seven types of soy sauce, including selected northern-style (特 曬) soy sauce and surface soy sauce (面 油). Our customers are attracted by the rich and natural sauce flavors of Lao Heng He's soy sauce, which is the essence of the soy sauce fragrance. Those containing such kind of fragrance are called "Shuangshui Soy Sauce (雙水醬油)".

醬油系列

「老恒和」生產的醬油名種有特曬、面油等六、七種，顧客認為「老恒和」醬油具有濃郁的天然醬酯香味，此乃醬香之精華，被稱為「雙水醬油」。

醬油系列

雙晒釀造工藝

拌 蘸 蒸 炒 燒
樣樣都精彩！

氨基酸态氮： $\geq 1.3\text{g}/100\text{ml}$ **特級醬油**

ABOUT LAO HENG HE (CONTINUED)

走進老恒和（續）

Lao Heng He's brand from the perspective of its branding partner:

Narrator: Tang Qiaoqiao (唐巧巧) from Zhejiang Hesheng Media Co., Ltd. (浙江和盛傳媒有限公司)

China is known as a gastronomic country for long and Chinese have their unique perspective and needs in pursuit for the taste of food. Condiments play a very important role in the aroma of food. Accordingly, condiment industry is prospering in Mainland China nowadays. As a branding partner of Lao Heng He, Zhejiang Hesheng Media Co., Ltd. (浙江和盛傳媒有限公司) believes that Lao Heng He should forge its own path and take the advantages of product differentiation, so as to secure its market shares in the condiment industry in the face of competition from various leading enterprises.

To start with, we decide to position cooking wine as the core product of Lao Heng He. As compared with other products in the current condiment market which are dominated by certain leading brands, there are only few leading brands in the market of cooking wine, which happens to be the specialised product of Lao Heng He with the potentials to become the market leader.

Apart from that, as an enterprise with century-long history, Lao Heng He aims to promote itself as a "time-honored" brand. As consumers are becoming more aware of food safety, Lao Heng He also introduces "Pure-brewing (純釀造)" as its core healthy concept so as to create a brand that is credible to the consumers.

We have deepened our knowledge about Lao Heng He and built our confidence to its brand in the process of formulating its branding strategies. We witnessed how Lao Heng He has always put priority on product safety. For instance, at a meeting held at Lao Heng He on a rainy day, an employee reported to the Chairman that there were a few raindrops accidentally fell into certain brewing containers and the Chairman immediately instructed that such batch of products shall be discarded entirely. This surprising encounter strengthens our faith and confidence in our brand planning and promotion for Lao Heng He.

As an enterprise with a strong sense of social responsibility, Lao Heng He positions itself as a leader to enhance the compliance and safety standards for the whole industry together with other condiment enterprises nationwide, which includes promoting national standards about the quality of condiments, so as to offer healthier condiment products with premium quality for the consumers.

Working with Lao Heng He, we profoundly feel that Lao Heng He is an enterprise with a strong sense of responsibility, which can be reflected from its production of healthy products and active assumption of social responsibilities. Lao Heng He truly and persistently follows its long-standing motto of "Perseverance combined with good-naturedness and creditworthiness (恒以持之，和信為本)".

品牌合作方眼中的老恒和品牌觀：

講述者：浙江和盛傳媒有限公司唐巧巧

自古以來中國就是美食的國度，中國人對食物的味道有著他們獨特的見解和要求，調味品為食物口感的貢獻不容小覷，因此調味品行業在中國內陸的發展也是一片欣欣向榮。浙江和盛傳媒有限公司作為老恒和的品牌合作方，為了能讓老恒和在已有眾多龍頭企業的調味品行業中佔有一席之地，必須另闢蹊徑，打出產品差異化的優勢。

首先，我們決定將料酒作為老恒和的主打品牌產品。因為當前調味品市場的產品已經非常豐富，大多數品類也已經有了市場主導品牌，而料酒這個品類還比較薄弱，也恰好是老恒和極為擅長、足以成為市場「老大」的品類。

其次，作為一家有百年歷史的百年企業，老恒和希望傳遞其作為「百年老字號」的品牌底蘊。同時在廣大消費者越來越注重食品安全的背景下，老恒和也希望推出「純釀造」為主打的健康概念，塑造讓消費者信任的責任品牌。

在為老恒和制定品牌策略的過程中，我們也對老恒和有了更深的瞭解，從而也對老恒和的品牌建設有了更強的信心。我們確實是親眼看到，老恒和如何始終如一地將產品安全擺在最重要的地位，有一次，我們到老恒和開會，當時天正下著雨，恰好有一名工廠負責人向董事長彙報說有雨滴不慎滴入了一部分釀缸中，董事長當即責令放棄那一批次的產品，重新做。這無意間聽到的小故事也讓我們更加有底氣和信心為老恒和進行品牌規劃和傳播。

作為一家有強烈社會責任感的企業，老恒和的責任品牌定位是希望在未來引領國內的調味品公司共同提升整個行業的合規和安全水準，包括推動提升國家對調味品質量的相關標準等，讓消費者享用到更加優質、健康的調味品。

通過與老恒和的合作，我們可以非常深地感受到老恒和是一家有責任心的企業，從生產健康有保障的產品到積極承擔社會責任，老恒和一直無愧於「恒以持之，和信為本」的初心。

LIST OF LAO HENG HE'S AWARDS OBTAINED IN 2017

二零一七年老恒和獲獎清單

- Lao Heng He was recognised as “China Century-old Brand (中華百年傳承品牌)” by China National Food Industry Association (中國食品工業協會);
- Lao Heng He's brewing techniques were inscribed onto the provincial intangible cultural heritage representative list;
- Lao Heng He's soy sauce won the “2017 Zhejiang Agricultural Expo Golden Award (二零一七浙江農業博覽會金獎)”, and its cooking wine, rose rice vinegar and rose fermented bean curd won the “Merit Award (優質獎)” from Zhejiang Agricultural Expo Committee (浙江農業博覽會組織委員會);
- Huzhou Lao Heng He Brewery Co., Ltd. was awarded AAA credit rating (AAA級「守合同重信用」) among the industrial enterprises in Zhejiang Province by Zhejiang Administration for Industry and Commerce;
- Huzhou Lao Heng He Brewery Co., Ltd. was awarded with the “Huzhou Municipal Government Quality Award (湖州市政府質量獎)” by the People's Government of Huzhou City;
- Huzhou Lao Heng He Brewery Co., Ltd. was selected as the “2016 6S Management Demonstration Enterprise in Wuxing District (二零一六年度吳興區6S管理示範企業)” by the People's Government of Wuxing District, Huzhou City;
- Huzhou Lao Heng He Brewery Co., Ltd. was selected as the “Credit Management Demonstration Enterprise in Zhejiang Province (浙江省信用管理示範企業)” by ZheJiang Enterprise Credit Promotion Association (浙江省企業信用促進會).
- 老恒和被中國食品工業協會評為中華百年傳承品牌；
- 老恒和釀造技藝被納入省級非物質文化遺產代表作名錄；
- 老恒和醬油被浙江農業博覽會組織委員會評為二零一七浙江農業博覽會金獎，老恒和料酒、玫瑰米醋、玫瑰腐乳被評為優質獎；
- 湖州老恒和釀造有限公司被浙江省工商行政管理局評為浙江省工業企業信用AAA級「守合同重信用」單位；
- 湖州老恒和釀造有限公司被湖州市人民政府授予湖州市政府質量獎；
- 湖州老恒和釀造有限公司被湖州市吳興區人民政府評為二零一六年度吳興區6S管理示範企業；
- 湖州老恒和釀造有限公司被浙江省企業信用促進會評為浙江省信用管理示範企業。

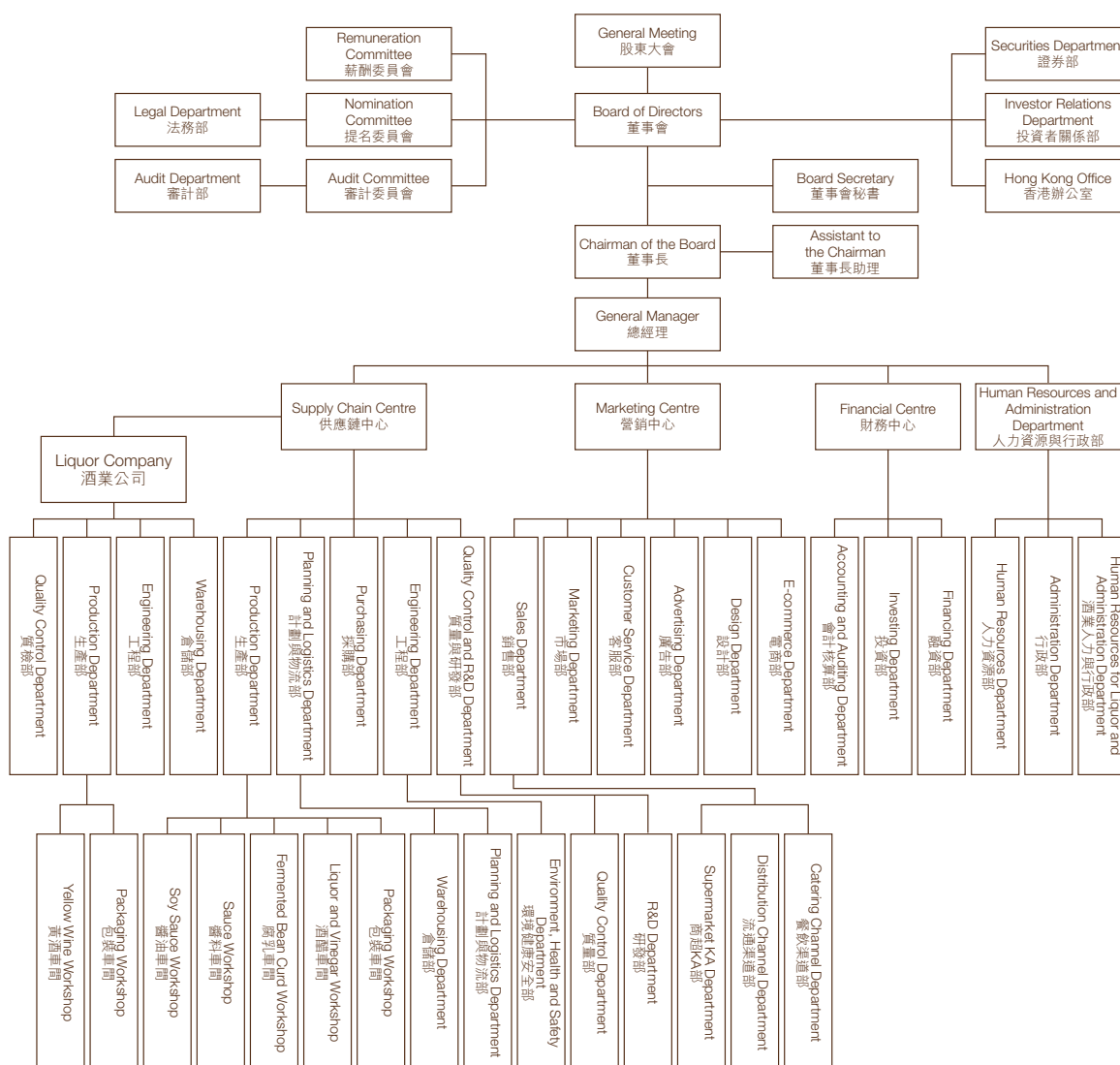
第一章 恒於律己 加強企業管治

Adhering to its long-standing motto of “Perseverance combined with good-naturedness and creditworthiness (恒以持之，和信為本)”, Lao Heng He is committed to strictly discipline itself and enhance its corporate governance. The Company has adopted the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “Governance Code”) as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the “Listing Rules”) as its corporate governance practices. At the same time, to ensure effectiveness of internal governance of the Company, we have established a corporate governance structure involving various parties. The internal governance structure comprises general meetings with shareholders, the board of directors, management and employees.

老恆和秉持「恆以持之，和信為本」的祖訓，嚴於律己，不斷加強企業管治。本公司已採納香港聯合交易所有限公司證券上市規則（經不時修訂）（「上市規則」）附錄十四所載企業管治守則及企業管治報告（「管治守則」）所載的守則條文作為企業管治常規守則。同時，為了保證公司內部治理的有效性，我們構建了多方參與的企業管治架構。內部治理結構主要由股東大會、董事會、管理層及僱員組成。

CORPORATE STRUCTURE

公司組織構架圖

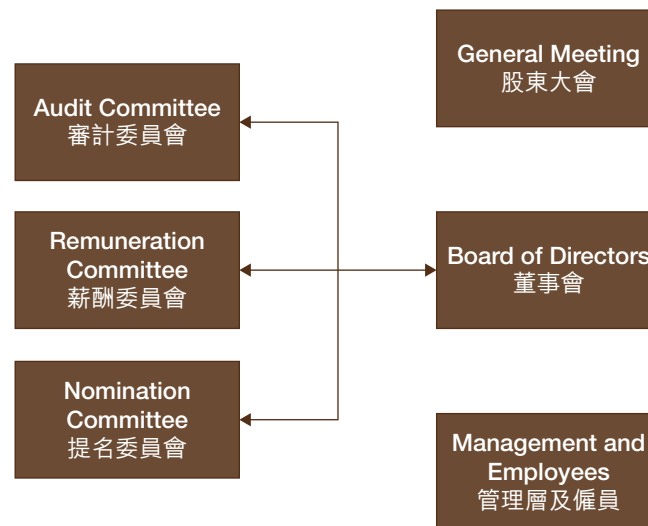


CHAPTER 1 STRENGTHENING CORPORATE GOVERNANCE (CONTINUED)

第一章 恒於律己 加強企業管治(續)

Structure of Corporate Governance

企業管治構架



Executive Directors 執行董事	Non-Executive Director 非執行董事	Independent Non-executive Directors 獨立非執行董事
Mr. Chen Weizhong (Chairman and Chief Executive Officer) 陳衛忠先生(主席兼首席執行官)	Ms. Qian Yinglan 錢英嵐女士	Mr. Shen Zhenchang 沈振昌先生
Mr. Sheng Mingjian 盛明健先生		Mr. Ng Wing Fai 吳榮輝先生
Mr. Wang Chao 王超先生		Mr. Sun Jiong 孫頌先生

* Mr. Ma Chaosong and Mr. Lei Jiasu resigned as independent non-executive Directors on 29 June 2017

* 馬朝松先生及雷家驊先生於二零一七年六月二十九日辭任獨立非執行董事

* Mr. Sun Qingdong resigned as non-executive Director on 12 September 2017

* 孫卿東先生於二零一七年九月十二日辭任非執行董事

CHAPTER 1 STRENGTHENING CORPORATE GOVERNANCE (CONTINUED)

第一章 恒於律己 加強企業管治(續)

1.1 RISK MANAGEMENT

In 2017, Lao Heng He comprehensively analyzed the internal and external environment for the Company's operations and the various processes implemented to identify existing and potential risks, and evaluated its risks and developed appropriate control measures based on the causes and consequences of such risks. The Company is committed to analyzing and enhancing its performance of social responsibilities in food safety, labour relations, safety production and supply chain management so as to lay a solid foundation for the sustainable development of the Company.

In order to promote the implementation of risk management, the Company established a risk management system covering from the board of directors to its business departments, reasonably allocated the risk responsibilities to be assumed by each business department, and established risk reporting channels to implement risk management measures effectively.

1.1 風險管理

二零一七年，老恒和全面分析公司運行的內外部環境以及所執行的各個過程，識別現存及潛在的風險，結合風險產生的原因及後果，對風險進行評級，並制定相應的管控措施，在食品安全、勞工關係、安全生產及供應鏈管理等社會責任相關方面著力分析和完善，為企業可持續發展夯實基礎。

為推進風險管理工作，公司建立了從董事會直至業務部門的風險管理體系，合理劃分各業務部門的風險職責，明確風險報告渠道，使風險管理的措施得到高效落實。

Institution/Department 機構／部門	Functions on Risk Management 風險管理職責	Description 工作內容
Board of directors and Audit Committee 董事會及審核委員會	Decision-making 決策機構	<ul style="list-style-type: none"> Assessing the risks the board of directors is willing to take in order to achieve business goals; Ensuring the establishment of effective risk management and internal control systems; Reviewing internal audit reports and risk management reports and issuing guidance on risk management; and Adopting new recommended best practices and disclosing in the corporate governance report that the Board has obtained management's confirmation of the effectiveness of risk management and internal control systems.
Chief Executive Officer 總裁	Standard formulation and assessment 標準制定和審核	<ul style="list-style-type: none"> Reviewing and approving the basic systems of corporate risk management; and Approving risk management-related work practices, implementation rules and evaluation criteria.

CHAPTER 1 STRENGTHENING CORPORATE GOVERNANCE (CONTINUED)

第一章 恒於律己 加強企業管治(續)

Institution/Department 機構／部門	Functions on Risk Management 風險管理職責	Description 工作內容
Auditing centre 審計中心	Supervision of risk management tasks 監督風險管理工作	<ul style="list-style-type: none"> • Providing support to the board of directors and the management, and evaluating whether the risk management and internal control systems are adequate and effective; • Conducting analysis and independent assessment. • 向董事會和管理層提供支持，並對風險管理及內部監控系統是否足夠和有效； • 作出分析及獨立評估。
Risk management group 風險管理工作小組	Arranging, organising and coordinating risk management tasks 統籌、組織及協調風險管理工作	<ul style="list-style-type: none"> • Arranging, organising, coordinating, and guiding all departments in carrying out risk management tasks (such as risk control self-evaluation); and • Organising risk identification and assessment tasks, and regularly reviewing and reporting to the Company the risk management of various departments. • 統籌、組織、協調和引導各部門開展風險管理工作(如風險控制自我評價)；及 • 組織風險識別和評估工作，定期回顧和報告公司各部門的風險管理情況。
Various business departments 各業務部門	Primary responsible person in risk management 風險管理的第一責任部門	<ul style="list-style-type: none"> • Being responsible for designing and implementing risk management and internal control systems; • Identifying and evaluating business risks, establishing effective risk management measures and specifically following up on improvement of risk management; • Being responsible for specific tasks such as risk identification, assessment and risk prevention on departmental/corporate level; • Assisting risk management group in collecting risk information, implementing risk management measures and regular reporting; and • Providing the board of directors with confirmation of the effectiveness of the system. • 負責設計、實施風險管理和內部控制系統； • 識別和評估業務風險，建立有效管理風險措施，具體跟進風險管理工作改進情況； • 負責本部門／企業的風險識別、評估及風險防範等具體工作； • 協助風險管理工作小組進行風險信息收集和執行風險管理措施和定期報告工作；及 • 向董事會提供有關係統有效性的確認。

CHAPTER 1 STRENGTHENING CORPORATE GOVERNANCE (CONTINUED)

第一章 恒於律己 加強企業管治(續)

1.2 PROMOTION OF INTEGRITY AND SOUND GOVERNANCE

Lao Heng He has been adhering to lawful operation. Through establishing relevant systems and culture, Lao Heng He actively promotes integrity and good governance with a view to being a corporate citizen that “knows, understands and abides by the laws (知法、懂法、守法)”. In 2013, we set up the “Anti-corruption and whistle-blowing system (反貪污與舉報制度)” to enhance governance and internal control of the Company and to protect legal interests of the Company and shareholders. In 2017, there was no corruption lawsuit filed against the Company or its employees.

Lao Heng He's Specific Scope and Measures for Anti-Corruption

- The board of directors supervises the management in the cultivation of anti-fraud culture within the Company and setting up comprehensive sound internal control systems for preventing frauds and other issues.
- The management has established good internal control systems and set up whistle-blowing channels while proper and effective rectification measures have been adopted for fraud practices.
- All employees are subject to the code of conduct of the Company, ethical requirements as well as laws and regulations applicable to the country and the industry. In the event of any fraud, they should be reported to the audit department of the Company through proper channels.
- Administration department of the Company is responsible for handling hotlines and e-mail boxes for receiving fraud reports and complaints with senders' name or anonymous reports from employees and external third parties, preparing written records accordingly and reporting to the management or the board of directors in a timely manner.
- The Company will inflict disciplinary actions on employees proved guilty of fraud according to relevant requirements. Those who violate the criminal laws will be referred to judicial authorities for handling in accordance with the law.

1.2 倡廉善治

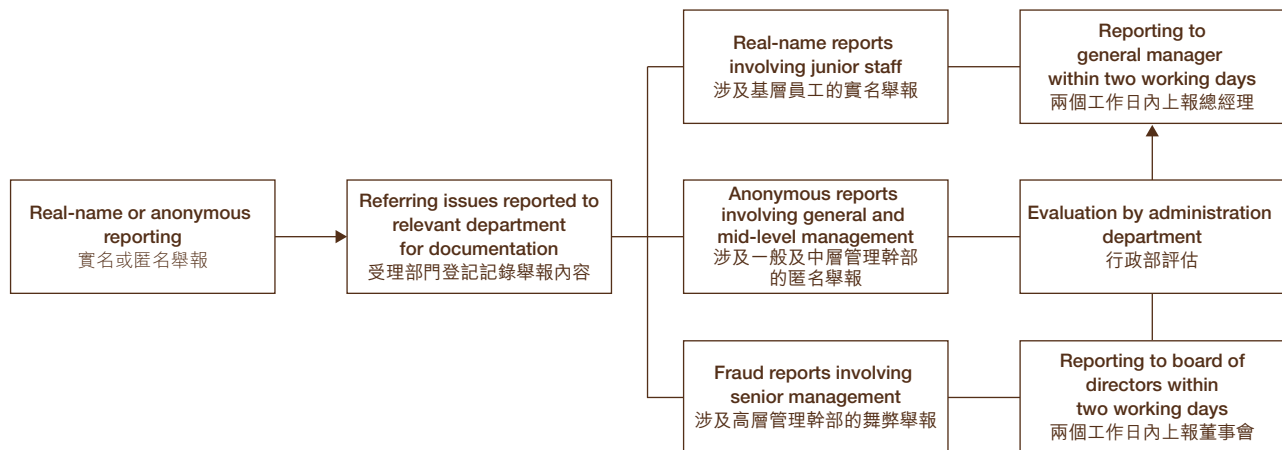
老恒和堅持合法經營，以制度建設和文化建設為抓手，積極推進倡廉善治工作，做「知法、懂法、守法」的企業公民。我們於二零一三年制定了《反貪污與舉報制度》，以加強公司治理和內部控制，維護公司和股東的合法權益。二零一七年，未發生對公司或僱員提出的貪污訴訟案件。

老恒和反貪腐工作具體職責和措施

- 董事會督促管理層建立公司範圍內的反舞弊文化環境，建立健全預防舞弊在內的內部控制體系。
- 管理層建立良好的內控機制，設立舉報投訴渠道，並對舞弊行為採取適當且有效的補救措施。
- 全體僱員遵守公司行為準則、道德規範及國家、行業所涉及法律法規。如發現任何舞弊情況，應通過正當渠道向公司審計部進行舉報。
- 公司行政部負責管理舞弊案件的舉報電話熱線、電子郵箱，接收僱員實名或匿名、外部第三方實名或匿名舉報，留下書面記錄並及時向管理層或董事會報告。
- 對證實有舞弊行為的僱員，公司按相關規定予以相應的行政紀律處分；行為觸犯刑法的，移送司法機關依法處理。

CHAPTER 1 STRENGTHENING CORPORATE GOVERNANCE (CONTINUED)

第一章 恒於律己 加強企業管治(續)



Workflow for Handling Complaints and Reports
投訴舉報處理流程

1.3 ESG MANAGEMENT

Concept of Responsibilities

Lao Heng He is committed to maintaining high standard of corporate governance to safeguard the interests of shareholders and enhance corporate value. The Company adopted the Corporate Governance Code as set out in Appendix 14 to the Listing Rules as its own standard of corporate governance and conducted business in compliance with the requirements of the code.

At the same time, Lao Heng He also actively undertaken the mission of a responsible corporate citizen. To pursue comprehensive sustainable development, Lao Heng He consciously integrated the concepts of environment, society and governance into the Company's mission, values, business and system, as well as our day-to-day operation and risk management.

1.3 ESG 治理

責任理念

老恒和致力於維持高水平的企業管治，以保障股東權益，提升企業價值。公司已採納上市規則附錄十四所載的企業管治守則作為其企業管治準則，並根據該守則的要求進行業務營運。

與此同時，老恒和主動承擔負責任的企業公民的使命，追求全面的可持續發展，自覺地將環境、社會及管治理念融入公司的使命、價值觀、業務、制度，以及日常營運和風險管理的過程中。

CHAPTER 1 STRENGTHENING CORPORATE GOVERNANCE (CONTINUED)

第一章 恒於律己 加強企業管治(續)

Scope of Social Responsibility of Lao Heng He 老恒和的社會責任構成



Food Safety Responsibility

Ensuring food safety for the benefit of public health

食品安全責任

確保食品安全，增益大眾健康

Product Responsibility

Safeguarding product quality and serving customers attentively

產品責任

保障產品質量，悉心服務客戶

Compliance Responsibility

Operating in compliance with laws and regulations and upholding anti-corruption and integrity

合規責任

合法合規經營，堅守廉潔誠信

Environmental Responsibility

Saving energy and reducing waste and emissions to protect the ecological environment

環境責任

節能降污減排，保護生態環境

Community Responsibility

Concerning for the development of the community and participating in public welfare and charity

社區責任

關注社區發展，參與公益慈善

Employment Responsibility

Protecting employees' interests and facilitating their development

僱傭責任

保護員工權益，促進員工發展

Management of Responsibility

According to the requirements relating to the Environmental, Social and Governance Reporting Guide of the Stock Exchange, the board of directors of the Group is fully responsible for the strategy and reporting functions in respect of environment, society and governance of the Company. The board of directors is responsible for evaluating the risks of the Company regarding environment, society and governance aspects, ensuring effective risk management and internal control systems on environment, society and governance established in the Company and monitoring the implementation thereof by respective departments and subsidiaries.

In order to better integrate the concept of sustainable development into the strategies and decision-making process of the Company and effectively implement the Company's sustainable development work, Lao Heng He established an ESG work leading group led by the management team, constituting a top-down multi-level ESG management body. Through the establishment of an environmental and social work management system that is in line with its own business development, all levels and departments of the Company perform their own duties with defined responsibilities, and jointly promote the development of sustainable development practices.

責任管理

根據聯交所《環境、社會及管治報告指引》，本集團董事會肩負著公司有關環境、社會及管治策略及彙報方面的全部責任。董事會負責評定本公司在環境、社會及管治方面的風險，確保公司制訂有效的環境、社會及管治風險管理及內部監控制度，並督促公司各相關部門、分子公司進行貫徹落實。

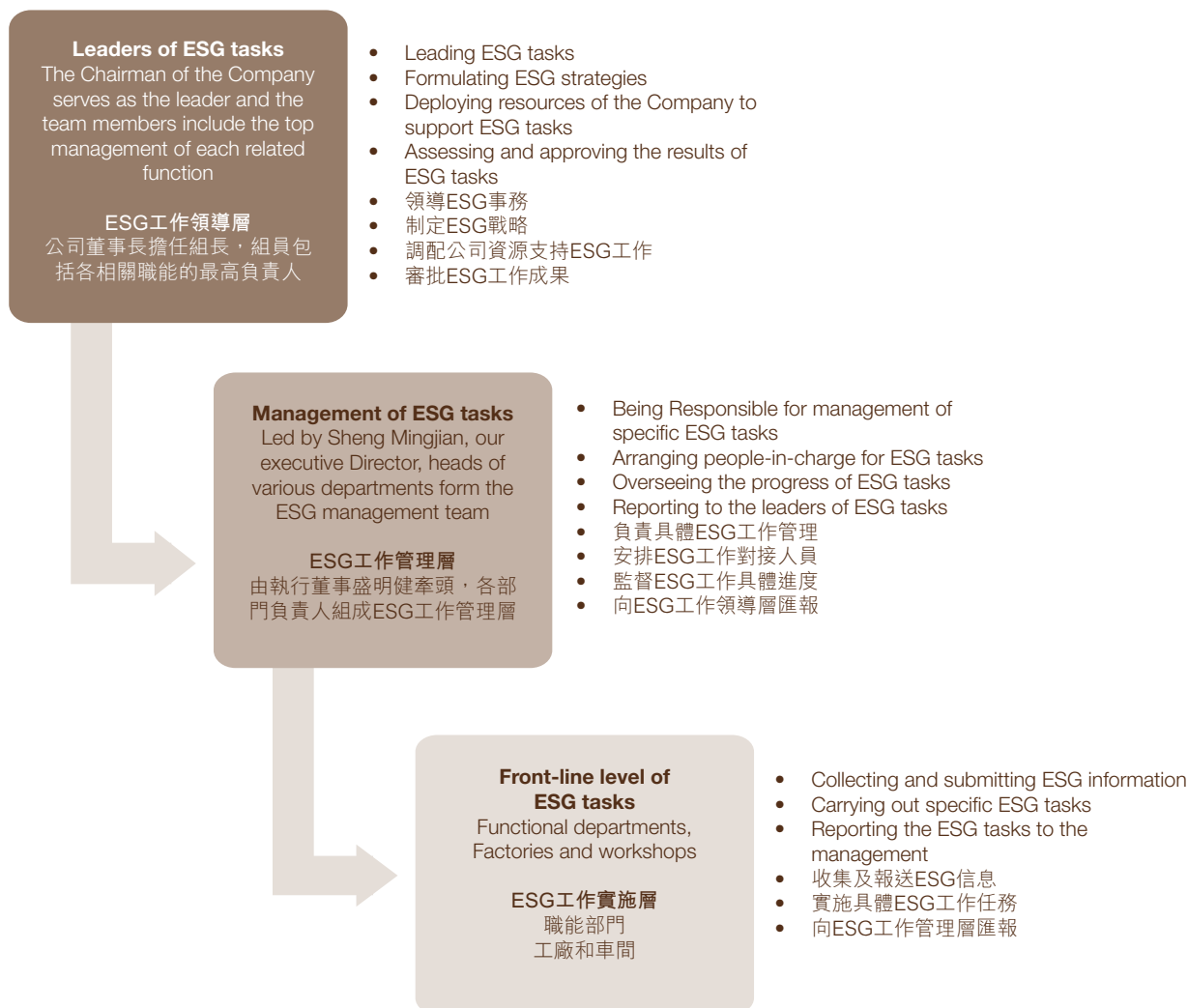
為了更好地將可持續發展理念融入公司戰略與決策，有效落實公司的可持續發展工作，老恒和設立了由管理層牽頭的ESG工作領導小組，自上而下構建起多層次的ESG管理機構。通過建立符合自身業務發展的環境、社會工作管理體系，公司各層級及各部門明確職責、各司其職，共同推動可持續發展實踐工作的開展。

CHAPTER 1 STRENGTHENING CORPORATE GOVERNANCE (CONTINUED)

第一章 恒於律己 加強企業管治(續)

Framework of ESG Management of Lao Heng He

老恒和 ESG 管治架構



Communication with Stakeholders

We attach great importance to the communication with stakeholders, and consider the feedbacks received as an important reference for formulating the Company's future development strategies and policies. Through hiring third-party professional agencies to conduct face-to-face communication, telephone interviews and site visits, the Company conducted comprehensive communication with various stakeholders in various aspects, and finally selected and disclosed in this report those that were most concerned by the stakeholders.

權益人溝通

我們非常重視與權益人的溝通，並將溝通結果作為公司未來發展策略與政策制定的重要參考。通過聘請第三方專業機構，以面對面溝通、電話訪談、實地走訪等多種形式，從各個維度與各權益人群體進行全面溝通，最終選取了權益人最為關注的議題，在本次的報告中進行披露。

CHAPTER 1 STRENGTHENING CORPORATE GOVERNANCE (CONTINUED)

第一章 恒於律己 加強企業管治(續)

Identification of stakeholders 權益人識別	Objectives of communication 溝通目標	Means of communication 溝通渠道
Government departments and regulatory authorities 政府部門與監管機構	<ul style="list-style-type: none"> Complying with laws and regulations of places of operation Paying taxes in accordance with laws Maintaining good relationship with local government Supporting governance of local government in accordance with law Meeting compliance requirements of regulatory authorities 	<ul style="list-style-type: none"> Understanding latest laws and regulations Understanding compliance requirements of regulatory authorities Active communication to promote mutual understanding
Shareholders and investors 股東及投資者	<ul style="list-style-type: none"> Updating investors on the latest development of the Company Gaining trust from investors Gaining investors' support to management decisions Maximising investment returns to investors 	<ul style="list-style-type: none"> Regular announcement of financial and operational information and data General meetings with shareholders Active communication and answering queries
Employees 企業僱員	<ul style="list-style-type: none"> Understanding employees' opinion on development of the Company Collecting suggestions from employees on enhancement Understanding employees' needs Informing employees of direction of the Company Enhancing team spirit throughout the Company Providing good working environment to employees 	<ul style="list-style-type: none"> Trainings for employees on occupation, health and safety Caring for employees Public recruitment Worker union in the enterprise Organising cultural and recreational activities for employees Providing channels for feedbacks

CHAPTER 1 STRENGTHENING CORPORATE GOVERNANCE (CONTINUED)

第一章 恒於律己 加強企業管治(續)

Identification of stakeholders 權益人識別	Objectives of communication 溝通目標	Means of communication 溝通渠道
Consumers 消費者	<ul style="list-style-type: none"> Understanding comments of consumers towards products of the Company Offering products meeting consumers' needs Providing more attentive services to consumers Safeguarding personal information of consumers Setting up marketing strategies in compliance with business ethics 	<ul style="list-style-type: none"> Marketing and communication in compliance with requirements Disclosure of corporate information Disclosure of product information Channels for consumer complaints and feedbacks
Business partners and suppliers 商業合作夥伴與供應商	<ul style="list-style-type: none"> Developing long-term and good cooperation Creating win-win situation Creating cooperative atmosphere with mutual trust Jointly handling environmental and social issues 	<ul style="list-style-type: none"> On-going communication mechanism Responsible purchasing policy Fair and open purchasing principles
Local community 當地社區	<ul style="list-style-type: none"> Creating social values at the places of operation Enhancing economic development at the places of operation Protecting interests of local residents Protecting local environment 	<ul style="list-style-type: none"> Organising social and charitable activities In-depth communication with the community Integrating environmental-friendly elements in site design Active communication with local government authorities
	<ul style="list-style-type: none"> 為運營所在地創造社會價值 促進運營所在地經濟發展 保障當地居民的權益 保護當地環境 	<ul style="list-style-type: none"> 舉辦社會公益活動 深入社區溝通 在場地設計過程中融入環保元素 和當地政府機構積極交流

CHAPTER 1 STRENGTHENING CORPORATE GOVERNANCE (CONTINUED)

第一章 恒於律己 加強企業管治(續)

Analysis on Material ESG Topics

In 2017, there was no significant change in Lao Heng He's principal activities. We continued to conduct in-depth communication with stakeholders to understand the opinions and expectations of stakeholders from different fields on Lao Heng He's response to environmental, social, and governance issues in order to provide strong support for long-term strategy formulation for the Company.

1. *Identifying potential material topics*

After detailed reviews on internal publications, media analysis, peer-to-peer analysis and other relevant documents, the Company will identify the impacts of Lao Heng He's businesses on the economy, environment and society, or those potential key topics that affect stakeholders' assessment and decision-making process about Lao Heng He.

2. *Prioritising potential material topics*

A plan for communication with stakeholders has been formulated, and comprehensive and in-depth interviews have been conducted to understand the priorities of stakeholders and review the matrix of importance.

3. *Reviewing the contents of the report*

After the report is finalised, its content will be checked to confirm a reasonable description of the development performance and major issues of Lao Heng He is provided, and the process of preparing the report is reviewed to ensure objectives of the report is reflected. We will invite feedback from stakeholders in this regard.

ESG 重大議題分析

二零一七年，老恒和主要業務沒有重大變化，我們仍通過深入的權益人溝通，瞭解各層面的權益人對老恒和應對環境、社會及管治議題的意見及期望，為公司制定長遠戰略提供有力依據。

1. 識別潛在重要議題

透過詳細檢閱包括內部刊物、媒體分析、同行對標分析及其他相關文件後，識別能夠反映老恒和業務對經濟、環境和社會的影響，或影響權益人對老恒和評估和決策的潛在重要議題。

2. 對潛在重要議題進行排序

制定了權益人溝通計劃，並進行全面深入的訪談，瞭解各權益人所關注的優先議題，重新審閱重大性矩陣。

3. 針對報告內容進行回顧

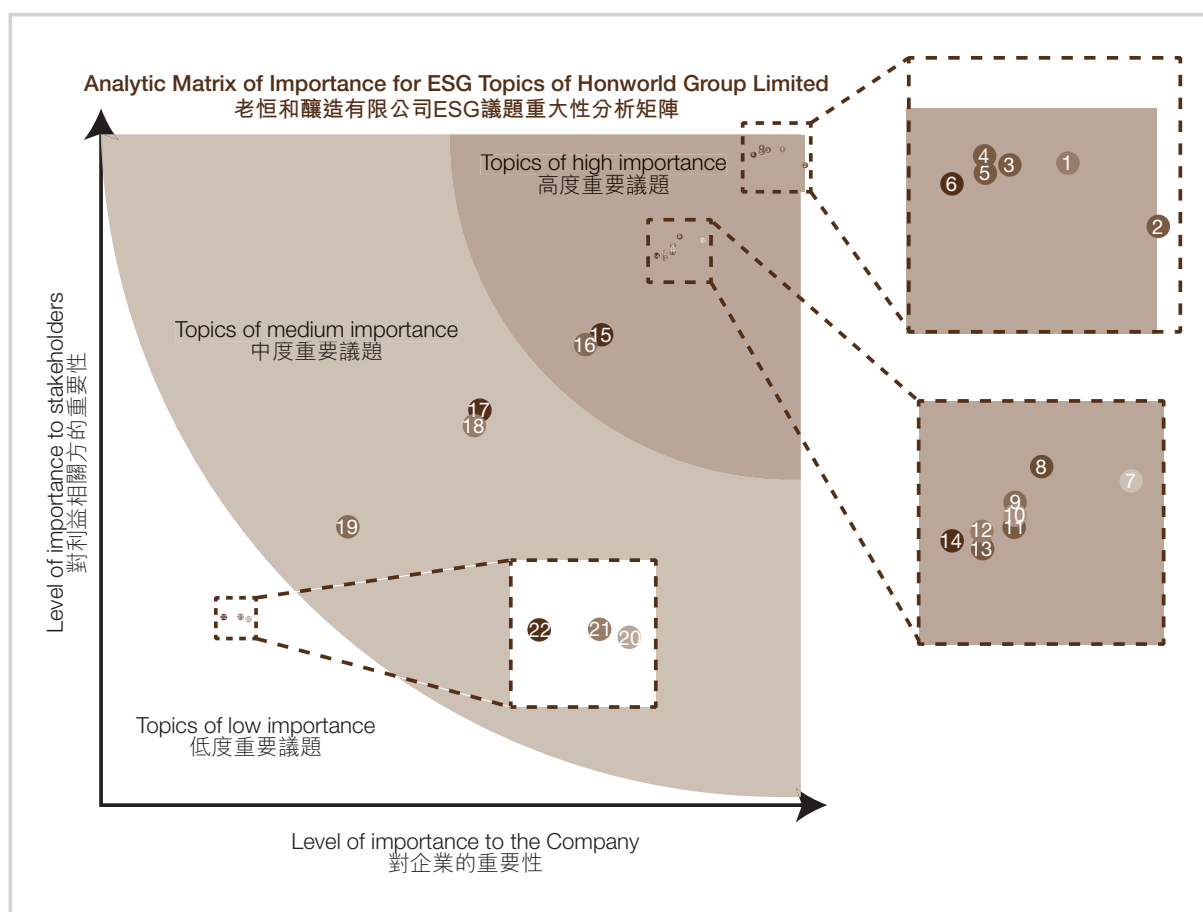
報告定稿之後，檢查報告內容是否提供了老恒和ESG發展表現和重大性議題的合理描述，以及編制報告的流程是否反映了報告原則的意圖。我們會邀請各權益人就這方面提供意見。

CHAPTER 1 STRENGTHENING CORPORATE GOVERNANCE (CONTINUED)

第一章 恒於律己 加強企業管治(續)

Based on the above evaluation, the material ESG issues for Lao Heng He have been identified which constitute the key content of this report. We will disclose the relevant contents in detail in this report.

基於以上評估過程識別出對於老恒和重要的ESG議題，構成本報告內容的重點部分，我們將會在本報告內詳細披露有關內容。



CHAPTER 1 STRENGTHENING CORPORATE GOVERNANCE (CONTINUED)

第一章 恒於律己 加強企業管治(續)

Topics of high importance	高度重要議題	1	Declining to child labour and forced labour	避免使用童工及強迫勞動
		2	Business operation in compliance with laws and regulations and anti-corruption	合法合規經營及反貪腐
		3	Health and safety issues of products	產品健康與安全
		4	Intellectual property protection	知識產權保護
		5	Complaints against products and services	產品及服務投訴
		6	Personal safety of employees	僱員人身安全
		7	Emissions management	排放物管理
		8	Quality control and recall of products	產品質量檢測和回收
		9	Occupational health and safety measures	職業健康與安全措施
		10	Use and management of water resources	水資源使用管理
		11	Employment	僱傭情況
		12	Participation and investment in social issues	參與的社會議題類型及其投入
		13	Management of use of energy	能源使用管理
		14	Principles for engaging suppliers	供應商聘用原則
		15	Employee training and related commitments	僱員培訓及其投入
		16	Suppliers	供應商情況
Topics of medium importance	中度重要議題	17	Information safety and privacy of consumers	消費者信息安全及隱私
		18	Waste management	廢棄物管理
		19	Employee turnover rate	僱員流失率
Topics of low importance	低度重要議題	20	Environment and natural resources	環境及天然資源
		21	Management of packaging materials for products	產品包裝材料管理
		22	Management of greenhouse gases	溫室氣體管理

CHAPTER 2 UPHOLDING QUALITY AND INNOVATION

第二章 恒以釀質 堅持百年創新

2.1 INHERITANCE OF TIME-HONORED TECHNOLOGY

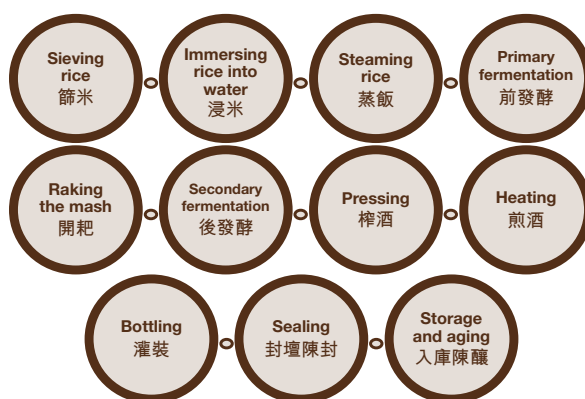
Lao Heng He's brewing techniques originated since the period of the reign of Emperor Xianfeng in the Qing Dynasty, which has been passed down for more than 160 years. During the one-and-a-half centuries, Lao Heng He always upholds the long-standing motto of "Perseverance combined with good-naturedness and creditworthiness (恒以持之、和信為本)" and has been using time-honored brewing formulas and techniques. Today, Lao Heng He still adopts the method of pure handmade brewing, and strictly controls the four elements of "appropriate season, suitable lands, great materials and excellent techniques (天有時、地有氣、材有美、工有巧)", to undergo the brewing process. Lao Heng He brews its products in the best brewing season with selected raw materials and excellent techniques, in order to preserve the traditional flavors and nutritional values of the products. Lao Heng He's brewing techniques exclusively adopt the bacteria optimization technology on the basis of modern science, and make use of microorganisms for natural fermentation. This is the secret of Lao Heng He to maintain its stable product quality and consistent flavors for more than one hundred years.

2.1 傳承古法工藝

老恒和釀造技藝始創於清咸豐年間，距今已傳承160多年。在這一個半世紀中老恒和始終秉承「恒以持之、和信為本」的祖訓，一直沿用古法釀造配方和工藝。至今還是採用純手工釀造，嚴格遵循「天有時、地有氣、材有美、工有巧」這四要素進行，掌握最佳釀造時節，精選原料，考究工藝，應時而作，保證產品的傳統風味和營養價值。老恒和釀造技藝還是獨家採用具有現代科學依據的菌種優選技術，同時懂得利用自然界微生物天然發酵，這是老恒和一百多年來能保持產品質量穩定、口味一致的秘訣。

Flowchart of Lao Heng He's Time-honored Brewing Method

老恒和古法釀造流程圖



CHAPTER 2 UPHOLDING QUALITY AND INNOVATION (CONTINUED)

第二章 恒以釀質 堅持百年創新(續)

Case: Lao Heng He's brewing techniques were inscribed onto the provincial intangible cultural heritage representative list

In 2017, rose rice vinegar, product of ancient techniques, was inscribed onto the provincial intangible cultural heritage list by virtue of its unique fermentation and brewing techniques. Rose rice vinegar, which is named after its beautiful rose-like color, is one of the traditional famous products in Jiangnan Region, China. It is also known as "the four famous vinegars in China" together with Shanxi aged vinegar, Zhenjiang balsamic vinegar, and Sichuan Baoning vinegar. Lao Heng He's rose rice vinegar brewing techniques have been passing down for more than 160 years. Lao Heng He produces its rose rice vinegar only once a year and the process starts in early May and being completed at the end of October. Rose rice vinegar, which is made of rice as its raw material, makes use of the unique climatic conditions of the local rainy season and microorganisms for natural fermentation without adding any bacteria, so as to develop a taste of softness, freshness and slight sweetness that will not mask the original flavor of food. That flavor is the biggest feature of rose rice vinegar. In order to maintain its traditional flavor, even now, we still adhere to the labour-intensive handmade operation of single-container tapping (單缸拍板), single-container fermentation (單缸育花) and single-container storage for vinegar (單缸養醋) by completely following the traditional production process.

Li Shuirong (李水榮), aged 67, is the inheritor of this rose rice vinegar brewing technique. He joined the vinegar factory in 1980. He was an apprentice of Master Shen Hongxiang (沈洪祥) and mastered the brewing techniques of Lao Heng He. Until his retirement, Li Shuirong never walked away from the vinegar pot. To pass down the ancient techniques, Li Shuirong will do his best to teach any youngsters who is willing to learn and never gives up on the pursuit of craftsmanship. In 2017, Li Shuirong was selected as the representative inheritor of "Lao Heng He's brewing techniques" under the fifth list of intangible cultural heritage in Huzhou. He currently serves as a technical consultant for the Company and personally teaches his apprentices Lao Heng He's brewing techniques.

案例：老恒和釀造技藝被納入省級非物質文化遺產代表作名錄

二零一七年，由古法工藝釀造的玫瑰米醋，由於其獨特的發酵和釀造技藝，被列入省級非物質文化遺產。玫瑰米醋因為色澤豔麗似玫瑰而得名，是我國江南地區傳統名品，與山西老陳醋、鎮江香醋、四川保寧醋合稱「中國四大名醋」。老恒和玫瑰米醋釀造技藝已傳承160多年，五月初投料，十月底出醋，一年只生產一次。玫瑰米醋以大米為原料，利用當地梅雨季節獨特的氣候條件，不添加任何菌種，利用自然界中的微生物純天然發酵而成。醋香柔和，鮮而微甜，不會掩蓋菜肴原本的香味和鮮味，這是玫瑰米醋最大的特點。為保持傳統風味，時至今日依然堅持單缸拍板、單缸育花、單缸養醋的強勞力手工操作，百分之百的保持了傳統生產工藝。

今年67歲的李水榮就是這項玫瑰米醋釀造技藝的傳承人。從一九八零年進廠做醋，師從沈洪祥老師傅，熟練掌握老恒和釀造技藝，直到退休，李水榮始終沒有離開過醋罈子。而為了使古法技藝得以傳承，只要年輕人願意學，李水榮都會手把手傳授，惟獨對工藝的苛求一刻也沒有放鬆。二零一七年，李水榮同志被評定為第五批湖州市非物質文化遺產「老恒和釀造技藝」代表性傳承人。現擔任公司技術顧問，親自傳授徒弟老恒和釀造技藝。



CHAPTER 2 UPHOLDING QUALITY AND INNOVATION (CONTINUED)

第二章 恒以釀質 堅持百年創新(續)

2.2 GUARANTEE OF FOOD SAFETY

Lao Heng He regards product quality as its core, strictly implements the Food Safety Law of the People's Republic of China (中華人民共和國食品安全法) and related laws and regulations, takes active and prudent attitude towards the food safety works, and thereby fulfills its responsibility as a food enterprise.

In order to provide healthy food for the consumers, we have established a comprehensive quality management system and acquired ISO9001 quality management system certification and ISO22000 food safety management system certification, so as to ensure that all relevant risks of food safety, such as raw materials inspection, product production, product delivery and transportation, are identified and controlled.

Choosing Natural Ingredients

As a brewing company that has inherited time-honored techniques for more than 160 years, the quality of materials is critical to us. For the selection of raw materials and ingredients, we established a sound management process to implement the supplier selection system and the evaluation procedures of existing suppliers. In addition, we control food safety from the source according to internal standards such as the "Procurement Management System (採購管理制度)", "Standards for Raw Material and Ingredient Inspections (原輔料驗收標準)" and "Standards for Inspection and Acceptance of Packaging Materials (包裝材料驗收標準)".

2.2 保證食品安全

老恒和視產品質量為生命，嚴格執行《中華人民共和國食品安全法》以及相關的法律法規，以積極、嚴謹的態度做好食品安全工作，承擔作為食品企業肩負的責任。

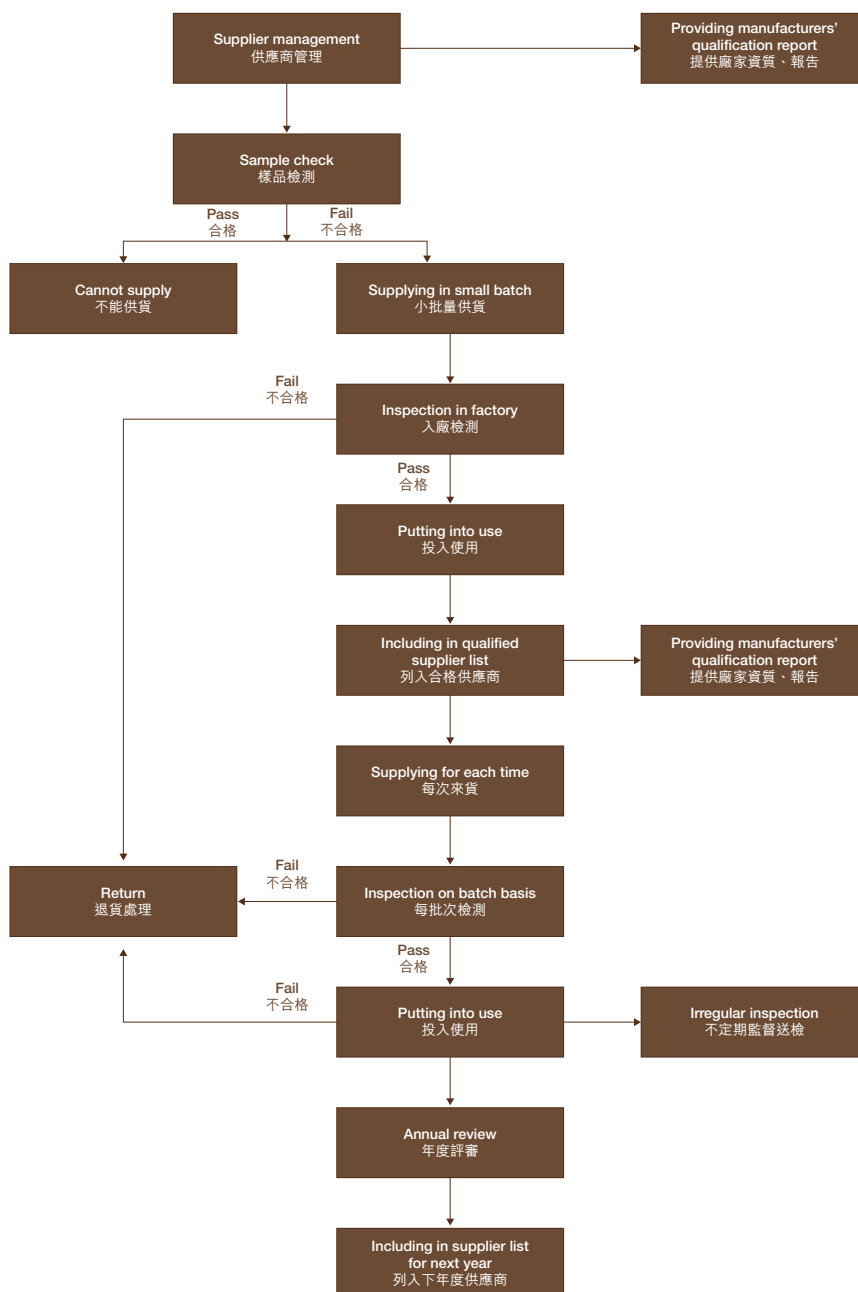
為保障消費者的健康飲食，我們建立了完善的質量管理體系，已通過ISO9001質量管理體系認證及ISO22000食品安全管理體系認證，確保我們在包括原料驗收、產品生產、產品交付運輸各個環節過程所有相關的食品安全危害得到確認和控制。

精選天然材料

作為一家傳承古法技藝160餘年的釀造企業，材料的品質對我們至關重要。針對原輔材料的選取，我們建立了完善的管理流程，落實供應商准入制度及現有供應商的評價程序。另外，我們依照《採購管理制度》、《原輔料驗收標準》及《包裝材料驗收標準》等內部標準，從源頭上把控食品安全。

CHAPTER 2 UPHOLDING QUALITY AND INNOVATION (CONTINUED)

第二章 恒以釀質 堅持百年創新(續)



In today's food industry, overuse of artificial additives becomes a threat to public health. In order to ensure the outstanding quality of our products, which are made by Lao Heng He's ancient brewing techniques, we insist on selecting natural, healthy raw materials and ingredients as our undertaking for the safety of the food we served to consumers.

現今的食品行業，人工添加劑的過分使用成為了影響人類身體健康的很大的問題，為了保證老恒和古法釀造工藝，確保產品的匠心品質，我們堅持精選天然健康的原輔料對消費者餐桌上的食品安全負責。

CHAPTER 2 UPHOLDING QUALITY AND INNOVATION (CONTINUED)

第二章 恒以釀質 堅持百年創新(續)

Case: “Health tips” of Lao Heng He’s traditionally-brewed soy sauce

In 2017, Consumer Reports (消費者報導), a domestic media, reported that, 11 out of 21 soy sauces were detected traces of carcinogens (4-methylimidazole) in a test conducted by a third-party testing agency. People were disturbed by the news.

4-Methylimidazole is identified by the World Health Organization’s International Agency for Research on Cancer (WHO-IARC) as a Group 2B carcinogen, which has a clear carcinogenicity to animals and is possibly carcinogenic to human being.

Due to the pursuit of production volume, modern technology shortens brewing time of soy sauce, and the viscosity and color of soy sauce are basically achieved by caramel color. The caramel color is mainly produced by common method (普通法), ammonia addition method (加氨法) and ammonia sulfite method (亞硫酸氨法), and the ammonia addition method and the ammonium sulfite method will produce 4-methylimidazole, the hazardous substance. Although national standards stipulate that the content of 4-methylimidazole in caramel color should not exceed 200mg/kg, it is still a hidden danger to human health.

Lao Heng He Super Fresh Premium Soy Sauce (老恒和鮮上鮮特級醬油) is made by ancient brewing techniques. The brewing period lasts for at least six months. Not only no caramel color is added, its color and nutrition are also excellent. We also pay attention to the selection of raw materials of soy sauce. We have selected non-genetically modified soybeans and refined edible salt and used “natural drying (天然曬製)” and “double drying (雙曬工藝)” techniques for naturally dry for at least 6 months. These techniques make use of natural brewing to produce the flavor and color of the soy sauce. It is guaranteed that no coloring will be added in Lao Heng He Super Fresh (老恒和鮮上鮮).

案例：老恒和古法釀造醬油的「健康秘訣」

二零一七年，國內媒體《消費者報導》發聲：經過第三方檢測機構檢測，21款醬油中有11款檢出微量可能致癌物(4-甲基咪唑)，這條新聞足以讓人坐立不安。

4-甲基咪唑被世界衛生組織旗下的國際癌症研究機構(WHO-IARC)確定為第2B類致癌物質，即對動物有明確的致癌性，並可能令人類致癌。

現代化工藝生產的醬油由於追求產量，釀造時間較短，醬油的濃稠度及色澤基本都是需要靠焦糖色素來調節的。而焦糖色素主要是通過「普通法、加氨法、亞硫酸氨法」來生產的，其中加氨法和亞硫酸氨法則會產生風險物質4-甲基咪唑。雖然國家標準規定焦糖色素中4-甲基咪唑的含量不得超過200mg/kg，但是存在即是隱患，何況是關乎人身健康的大事。

老恒和鮮上鮮特級醬油採用古法釀造，釀造周期長達六個月以上，不僅不添加焦糖色，而且產品成色和營養方面也都很出色。醬油原料也必須考究，我們精選非轉基因大豆及精製食用鹽，採用「天然曬製」、「雙曬工藝」自然曬製6個月以上而成，這樣利用自然釀造造就產品本身的醬香和顏色，所以老恒和鮮上鮮才能保證產品的無色素添加。



CHAPTER 2 UPHOLDING QUALITY AND INNOVATION (CONTINUED)

第二章 恒以釀質 堅持百年創新(續)

Brewing Quality

We have been firmly convinced that “safe foods are produced, not tested”, and pay close attention to all aspects of the production process. We are committed to raising employees’ awareness towards food safety, ensuring that the production environment and equipment and facilities meet food safety standards, and effectively control product quality with quality parameters. At the same time, we continue to improve the monitoring methods and test the effectiveness of monitoring measures in real time.

Lao Heng He has formed an inspection team for food safety and regularly conduct comprehensive inspections of the Company’s food safety, including raw material storage, production environment, product shelf life, product labelling, product traceability, and the effectiveness of product recall. If non-compliance is identified, the inspection team will immediately contact the relevant department head for rectification, so as to ensure effective implementation of the Company’s quality and safety management policies.

釀造匠心品質

我們一直堅信「安全的食品是生產出來的，不是檢驗出來的」，密切關注生產過程的各個環節，致力於提升員工的食品安全意識，保證生產環境及設備設施符合食品安全標準，利用質量參數有效掌控產品質量，同時，我們持續完善監控方法，並實時檢驗監控措施的實施效果。

老恒和組建食品安全自查小組，定期對公司的食品安全進行全面自我檢查，包括原材料的貯存、生產環境、成品保質期、產品標籤、產品追溯及召回流程的有效性驗證等。一旦發現不合規的現象，自查小組立即聯繫相關部門負責人進行整改，確保公司的質量安全管理政策得到有效落實。

Controlled by our personnel

人員控制



- Effectively monitoring employees’ medical certificates of good health, hygiene status and food safety-related operating practices; and rectifying and correcting any non-compliance in a timely manner;
- 有效監控員工健康證明、衛生狀況及食品安全相關操作規範並及時整改糾偏；
- Conducting job training and food safety training regularly to ensure that employees can acquire job skills and to enhance their food safety awareness.
- 定期開展崗位培訓和食品安全培訓，確保員工掌握崗位技能，提升食品安全意識。

Production environment and equipment and facility control

生產環境及設備設施管控



- Ensuring the design of the production environment and equipment and facilities is in compliance with relevant laws, regulations and production requirements;
- 生產環境和設備設施的設計符合相關法律規範和生產要求；
- Monitoring the process of cleaning and disinfecting the production environment and equipment and facilities to avoid cross-contamination;
- 監控生產環境和設備設施的清潔消毒流程，避免交叉污染；
- Monitoring and measuring the controllability of equipment; preparing verification plan for monitoring and measuring equipment (i.e. measuring instruments) regularly; and optimising its implementation;
- 監視和測量設備的控制，編制監視和測量設備(計量器具)周期檢定計劃和實施校準；
- Orderly conducting pest and rodent control.
- 蟲鼠害防治工作有序進行。

CHAPTER 2 UPHOLDING QUALITY AND INNOVATION (CONTINUED)

第二章 恒以釀質 堅持百年創新(續)

Critical process control
關鍵工序控制



- Formulating and strictly implementing "Production Process Quality Management System (生產過程質量管理制度)"
- 制定《生產過程質量管理制度》並嚴格執行
- Monitoring food safety practices in the production process; and actively reviewing, correcting and identifying abnormal conditions.
- 監控生產過程中的食品安全操作規範，對異常情況積極評審、糾偏及驗證。
- For key quality control points in the production process, determining the requirements and process parameters; controlling and recording the parameters of the production process; and monitoring the production process by inspection personnel.
- 針對生產過程關鍵質量控制點，確定控制要求和工藝參數，對生產過程參數進行控制和記錄，由檢驗人員對生產過程實施監控。

Raw material and ingredient and product inspection
原輔料和產品檢測



To ensure the product quality of Lao Heng He, we continuously improve our detection capability, set up physical and chemical laboratories, instrument rooms, microbiological laboratory, sample storage rooms, precision instrument rooms, etc. The testing environment meets the standards with dozens of testing equipment of various types equipped.

為確保老恒和的產品品質，我們不斷提升檢測能力，設置理化室、儀器室、微生物室、產品留樣室及精密儀器室等，檢測環境符合標準要求，各類檢測設備數十台。

In 2017, a number of testing equipment and instruments were added, and various testing methods were continuously improved. The testing and analysis capabilities of the Company for various products have been fully developed.

二零一七年，新增一系列的檢測設備和儀器，並不斷完善各項檢測手段，已完全具備公司各類產品的檢測與分析能力。

CHAPTER 2 UPHOLDING QUALITY AND INNOVATION (CONTINUED)

第二章 恒以釀質 堅持百年創新(續)

Case: Lao Heng He's quality products glorified BRICS international conference

On 3 September 2017, the 9th BRICS Summit was held in Xiamen. Since the first meeting of BRICS Ministers of Foreign Affairs in 2006, the BRICS cooperation mechanism has been in place for eleven years. Looking back, the world witnessed the transformation of "BRICS" from concept to practice, and it has gradually become one of the key elements in the multipolar world.

Lao Heng He proudly presented its non-preservative cooking wine, scallion & ginger cooking wine and cooking yellow rice wine to the world as designated condiments at BRICS Summit after Lao Heng He's rose rice vinegar being served at G20 banquet, which demonstrates that Lao Heng He's products have been favored by heads of state and its quality has once again been received global recognition.

Adapting the traditional Chinese herbal recipe, Lao Heng He's non-preservative cooking wine is hand-brewed with selected quality JinYe glutinous rice (金釵糯) of Taihu without adding any alcohol and preservatives according to our secret Chinese herbal recipe. Our cooking wine is brewed with yellow rice wine aged for over 3 years as its base wine.

Since the period of the reign of Emperor Xianfeng in the Qing Dynasty, Lao Heng He upholds the long-standing motto of "Perseverance combined with good-naturedness and creditworthiness (恒以持之，和信為本)". Such long-standing motto is now the core of Lao Heng He's corporate culture after three eras. Today, Lao Heng He encapsulates the essence of the sauce industry for hundreds of years in Jiangsu, Zhejiang and Shanghai regions, and mainly produces brewed cooking wine, yellow rice wine, soy sauce, rose rice vinegar, fermented bean curd, sauce, marinated cooking wine, etc. Sailing through prosperity and adversity, tortuousness and revitalization, we remain resilient and will continue to move towards the next century.

案例：老恒和匠心品質助力金磚國際會議

二零一七年九月三日，金磚國家領導人第九次會晤於廈門正式啓幕，從二零零六年首次金磚國家外長會議至今，金磚合作機制已經進入第十一個年頭。回首來時路，世界見證了「金磚」從概念到實踐，並一步步成長為多極世界的關鍵因素之一。

值得驕傲的是，老恒和零添加料酒、蔥薑料酒及烹飪黃酒作為金磚會議指定調味品亮相世界，這是繼老恒和玫瑰米醋端上G20國宴之後，老恒和產品再次受到各國首腦的青睞，品質也再次被世界肯定。

老恒和零添加料酒傳承於官藥配方，精選太湖優質金釵糯，老恒和官藥秘方手工釀制而成，不添加酒精及防腐劑。每瓶料酒均以三年以上黃酒為基酒釀造。

從清咸豐年間至今，老恒和本著「恒以持之，和信為本」的祖訓，走過三個時代的更迭，成為了今天老恒和企業文化的精髓。如今的老恒和，濃縮了江浙滬地區醬缸產業數百年的精華，以生產釀造料酒、黃酒、醬油、玫瑰米醋、腐乳、醬料、糟鹵等產品為主，在經歷了興盛和低谷，曲折和振興的道路之後，仍然歷久而彌堅，繼續走向下一個百年歷程。



CHAPTER 2 UPHOLDING QUALITY AND INNOVATION (CONTINUED)

第二章 恒以釀質 堅持百年創新(續)

2.3 CONTINUOUS TECHNOLOGICAL INNOVATION

To effectively protect intellectual property rights of the Company, motivate its employees for active invention and intellectual creation, enhance management of research and development results and promote technology innovation, Lao Heng He established “General Rules for Management of Intellectual Property Rights (企業知識產權管理總則)” pursuant to relevant national laws and regulations on intellectual property rights applicable to the industry to specify requirements on the management of the Company’s intellectual property rights. Meanwhile, Lao Heng He has also established “Management System for Patents (專利管理制度)”, “Management System for Trademarks (商標管理制度)”, “Management System for Copyrights (著作權管理制度)” and “Management System for Business Secrets (商業秘密管理制度)” to refine maintenance and protection of specific intellectual property rights. Detailed management control procedures for intellectual property rights were also established in four aspects, namely purchasing, research and development, production and sales, to implement our intellectual property management system throughout each process of production and operation.

Patent Protection

The intellectual property rights department of the Company is responsible for patent-related affairs. Its main duties include establishing annual plan for patents of the Company, handling patent applications of the Company, building up database and dealing with legal affairs relating to patent disputes. Management system for patents clearly specifies requirements for application for patents, licensing of patents, protection of patents and reward and punishment, with a view to making patent system a key driving force and protection mechanism of technology innovation, maximising operational values of patents and enhancing competitiveness and economic efficiency of the Company.

Trademark Protection

To raise creditworthiness of Lao Heng He’s trademarks, the Company established “Management System for Trademarks (商標管理制度)” to clearly specify requirements for trademark registration, printing of trademarks, use of trademarks and licensing and assignment of trademarks, so as to ensure legal and proper use of trademarks of the Company and maximise its commercial values.

Copyright Protection

To enhance protection for copyrights and related interests, Lao Heng He established “Management System for Copyrights (著作權管理制度)” to protect works including engineering designs, drawings and description of product design, computer programmes and database, product advertisements and package designs. The system clearly specifies requirements for activities including creation and operation of works, filing registration for computer softwares, appraisal and evaluation of works, assignment of works and pledge of copyrights, effectively avoiding situations like unknown attribution of copyrights and copyright infringement.

2.3 持續技術創新

為了有效保護公司知識產權，激勵僱員發明創造和智力創作的積極性，加強研究開發成果管理，促進技術創新活動，老恒和依據國家和行業有關的知識產權法律法規，制定了《企業知識產權管理總則》，對公司知識產權的管理做出了明確的規定。同時，老恒和還制定了《專利管理制度》《商標管理制度》《著作權管理制度》《商業秘密管理制度》等文件對具體知識產權的維護與保障進行了細化，並在採購、研發、生產及銷售四個環節制定了詳細的知識產權管理控制流程，將公司的知識產權管理制度落實到生產運營的各個環節中。

專利保護

公司的知識產權部是專利管理的主管部門，主要負責制定公司專利年度計劃，辦理公司專利申請、數據庫建立以及有關專利糾紛的法律事務等。專利管理制度對專利申請、專利的許可使用、專利的保護及獎懲有明確規定，務求使專利制度成為公司技術创新的主要動力和保護機制，以充分發揮專利運營價值，提高公司市場競爭力和經濟效益。

商標保護

為了不斷提高老恒和商標的信譽價值，公司特制定《商標管理制度》，對商標註冊、商標印製、商標使用、商標的許可與受讓使用等事項作出了明確的規定，務求確保公司的商標依法正確使用，並發揮最大的商業價值。

著作權保護

為了加強對著作權及與著作權有關權益的保護，老恒和制定了《著作權管理制度》，對工程設計、產品設計圖紙及其說明、計算機程序及數據庫、公司產品廣告、包裝設計等作品進行保護。該制度對作品創作及實施、計算機軟件作品的備案登記、作品評價及評估、作品轉讓、著作權質押等活動做出了明確的規定，有效避免了著作權歸屬不明、著作權侵犯等現象。

CHAPTER 2 UPHOLDING QUALITY AND INNOVATION (CONTINUED)

第二章 恒以釀質 堅持百年創新(續)

Business Secret Protection

To reasonably and effectively use and manage business secrets of Lao Heng He, prevent employees or third parties from stealing, using without authorization or revealing the Company's business secrets, we have established "Management System for Business Secrets (商業秘密管理制度)" to identify head of each department to be the primary responsible person of business secrets for determining and amending issues and scope of business secrets of the department and implementing effective management. At the same time, each department enhances education to employees on confidentiality. Active promotion of the purposes and effects of protection of business secrets is conducted through publications, broadcasting, conferences and trainings to enhance employees' awareness of confidentiality.

Patent Applications in 2017

- A method for extracting tyrosinase inhibitor from distillers grains of yellow rice wine
- An integrated control method for preventing rancidity of yellow rice wine during storage
- A preparation method of functional fermented bean curd
- A clean brewing method for production of yellow rice wine
- A lactobacillus acidophilus resistant to ethanol and high-yield lactic acid, and its application

Case: Making the traditional yellow rice wine more concentrated with modern technology

In 2017, Lao Heng He collaborated with Jiangnan University in the project of "Development of storage technology for yellow rice wine barrels (黃酒大罐貯存技術開發)". The project used modern molecular biology techniques to analyze the microbial species structure in rancid yellow rice wine, and developed a culturable method for rancid microorganisms in yellow rice wine. The physiological and biochemical characteristics of key rancid microorganisms in yellow rice wine were systematically analyzed for the first time, providing a theoretical basis for the effective control of rancid microorganisms. At the same time, the project also developed the prediction method for the risk of rancidity in large barrels of yellow rice wine for the first time, analyzed the differences between the main aroma substances of newly brewed yellow rice wine and aged yellow rice wine, and laid a theoretical basis for the regulation of the flavor and quality of yellow rice wine during storage in barrels.

商業秘密保護

為了合理使用、有效管理老恒和的商業秘密，防止企業僱員或第三人違法竊取、使用和泄露公司的商業秘密，我們制定了《商業秘密管理制度》，確定各部門負責人為商業秘密保護的第一責任人，負責確定和修改該部門商業秘密的事項和範圍，並實施有效的管理。同時，各部門加強對僱員的保密教育，充分利用報刊、廣播、會議、培訓等形式，大力宣傳商業秘密保護的意義、作用，增強全員的保密意識。

二零一七年專利申報項目

- 一種從黃酒糟中提取酪氨酸酶抑制劑的方法
- 一種防止黃酒在貯存過程中酸敗的集成控制方法
- 一種功能性腐乳的製備方法
- 一種清潔生產的黃酒釀造方法
- 一種耐乙醇及高產乳酸的耐酸乳桿菌及其應用

案例：用現代科技讓傳統黃酒風味更濃

二零一七年，老恒和與江南大學合作研發了項目《黃酒大罐貯存技術開發》。項目採用現代分子生物學技術解析了酸敗黃酒中微生物群種結構，並開發出黃酒中酸敗微生物的可培養方法，首次系統分析了黃酒關鍵酸敗微生物的生理生化特徵，為有效控制酸敗微生物提供了理論依據。同時，項目還首次建立了大罐黃酒酸敗風險預測方法，分析了新釀黃酒與陳釀黃酒的主要香氣物質的差異，為黃酒大罐貯存過程風味質量的提高奠定了調控理論基礎。

CHAPTER 2 UPHOLDING QUALITY AND INNOVATION (CONTINUED)

第二章 恒以釀質 堅持百年創新(續)

In addition, Lao Heng He developed a new technology with proprietary intellectual property regarding microbiological control and flavor and quality enhancement during storage of yellow rice wine in 320 m³ barrel. The storage of yellow rice wine in barrels has reached 40,000 tons annually, achieving the goal of storage of yellow rice wine with controllable rancid microorganisms and adjustable flavor and quality in barrels. The new technology has derived significant economic and social benefits, and has the potential for extensive applications in the yellow rice wine industry.

此外，老恒和通過項目研發了一套具有自主知識產權的320m³大罐黃酒貯存微生物控制及風味品質提升新技術，並完成了年產四萬噸大罐黃酒貯存應用，實現了大罐黃酒貯存酸敗微生物可控、風味品質可調節的目標，取得了明顯的經濟效益和社會效益，在黃酒行業具有廣泛的應用前景。



Commencement ceremony of Jiangnan University — Lao Heng He Biological Engineering Joint R&D Centre
江南大學 — 老恒和生物工程聯合研發中心揭牌儀式

CHAPTER 3 STRIVING FOR MUTUAL TRUST AND WIN-WIN PARTNERSHIP

第三章 恒以互信 實現夥伴共贏

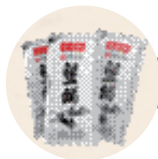
3.1 CONSUMER FIRST APPROACH

People-oriented Management

In the first half of 2017, Lao Heng He performed well in the cooking wine market and took the top spot on the “2017 Mid-term Offline TOP Gold Product List (2017中期線下TOP金品榜)” again. In 2017, while enriching product portfolio and improving product quality, we take consumer demand as the starting point to improve product packaging and enhance the overall user experience.

We not only pay attention to respect and protect consumers from the perspective of product quality, but also adhere to the principles of being people-oriented and user-friendly in product packaging and other aspects.

Detailed and User-Friendly Design



Changing the size of induction seals for 50ml special crab vinegar (特製蟹醋): enlarge the induction seals to avoid leakage
50ml特製蟹醋的膜尺寸更改：避免封口滲漏，將膜的尺寸改大，不會產生滲漏現象



Changing to pearlised vinyl trademark labels for 1.9L superior soy sauce (一品鮮): improving the production efficiency by using such strong adhesive and tear resistance labels
1.9L一品鮮商標改珠光膜：此舉有利於生產效率的提升、標籤的可黏性強，不容易掉標。



Adding plastic shock absorbers in 285g of fermented bean curd bottles: protecting the fermented bean curd from slackening during transportation
285克腐乳瓶內加塑料押扣：不讓腐乳鬆動，在物流途中不予震碎。

3.1 消費者至上

以人為本

二零一七上半年，老恒和在料酒市場表現出色，在「二零一七中期線下TOP金品榜」蟬聯榜首。二零一七年，我們在豐富產品種類與提高產品質量的同時，以消費者需求為出發點，改善產品包裝，提高整體用戶體驗。

我們不僅注重從商品的品質上實現對消費者的尊重和保護，在產品包裝等細節中也一直堅持著以人為本使用友善的原則。

細節設計 貼心使用

CHAPTER 3 STRIVING FOR MUTUAL TRUST AND WIN-WIN PARTNERSHIP (CONTINUED)

第三章 恒以互信 實現夥伴共贏(續)

As for consumer privacy, Lao Heng He strictly complied with the Consumer Protection Law of the People's Republic of China (中華人民共和國消費者權益保護法). While gradually tapping into each major e-commerce platform, we pay great attention to the protection of consumer privacy and information security. In particular, we formulated management measures to protect consumer privacy:

- Only disclosing certain necessary information to the merchants on the platform with consumer personal information hidden;
- Executing consumer privacy and confidentiality agreements with the partners;
- Restricting access to real customer information.

消費者隱私方面，老恒和一直嚴格遵守《中華人民共和國消費者權益保護法》。在逐步進軍各大電商平台的同時，我們十分注重保護消費的隱私及信息安全，特別制定了關於保護消費者隱私的管理辦法：

- 平台對於消費者個人信息做遮蓋處理，僅部分必要信息對商家展現；
- 與合作方簽訂消費者隱私保密條款；
- 對於客戶真實信息的獲得權限進行限制。

CHAPTER 3 STRIVING FOR MUTUAL TRUST AND WIN-WIN PARTNERSHIP (CONTINUED)

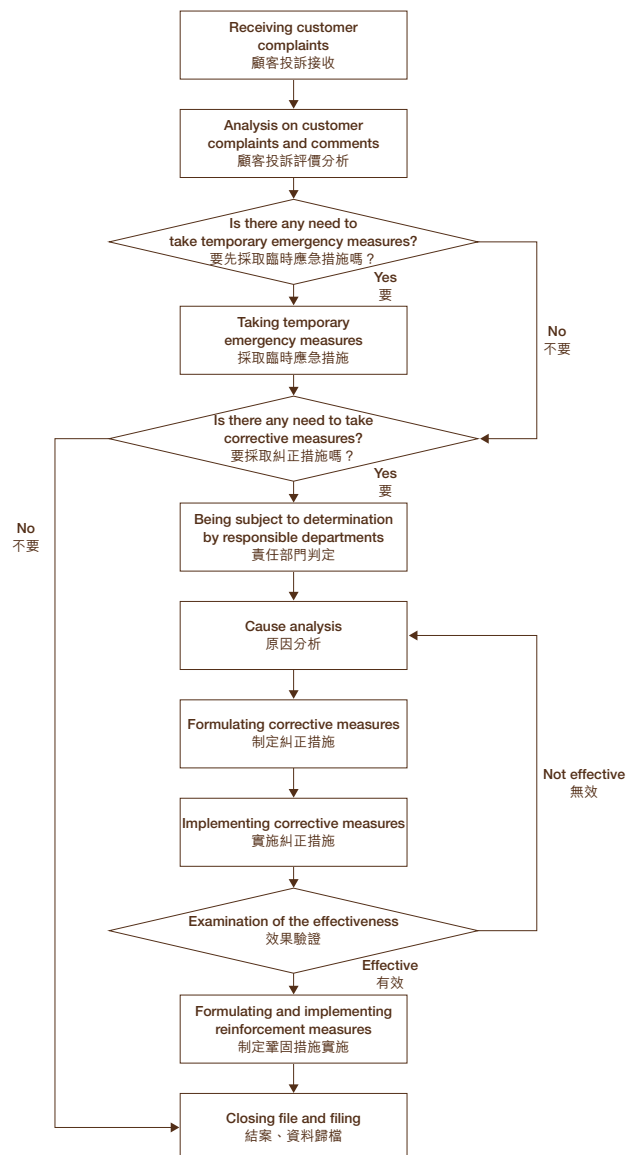
第三章 恒以互信 實現夥伴共贏(續)

After-sales Services

To realise the objective of the Company's "Service Quality of Handling 100% Feedbacks from Customers and Consumers (客戶及消費者信息反饋處理率100%的服務質量)" consistently and build up our responsible product image, we have established "Acceptance System for Consumer Complaints (消費者投訴受理制度)" which details the procedures and methods for handling complaints from customers and consumers, with an aim to provide satisfactory after-sales services for our customers.

售後服務

為貫徹執行公司「客戶及消費者信息反饋處理率100%的服務質量」的目標，樹立負責任的產品形象，我們制定了《消費者投訴受理制度》，詳細規定了客戶及消費者投訴的處理流程及方法，為客戶提供滿意的售後服務。



Workflow for Handling Complaints from Consumers
消費者投訴處理流程

CHAPTER 3 STRIVING FOR MUTUAL TRUST AND WIN-WIN PARTNERSHIP (CONTINUED)

第三章 恒以互信 實現夥伴共贏(續)

In 2017, Lao Heng He received a total of 9 consumer complaints, including bottle leakage, no production date labelling, etc. Immediately after receiving the complaints, we promptly investigated and actively dealt with the relevant department heads. All complaints have been properly handled according to the return and replacement process or service management process. We concluded that the complaints mainly involved issues arising from packaging. In order to enhance the sense of responsibility of our employees, we have intensified the special training for employees regarding the packaging process to ensure that no happening of similar incidents.

二零一七年，老恒和共接收了9起消費者投訴事件，內容包括瓶口滲漏、無生產日期等問題。我們接到之後立即組織相關部門負責人及時調查與積極處理，所有投訴事件已根據退換貨流程或服務管理流程妥善解決。我們總結發現，投訴的問題主要圍繞外包裝產生的問題。為增強員工的責任心，我們針對包裝工序加強對員工的專項培訓，保證同樣的問題不再出現。

3.2 SUPPLIER MANAGEMENT

Lao Heng He believes that the development of the Company is closely related to its suppliers, and the realization of harmony and win-win partnership will lead to sustained and healthy development. In order to enhance the quality of its products and services, Lao Heng He formulated policies such as “Management Procedures on Suppliers (供應商管理程序)”, “Purchase Contract Management System (採購合同管理制度)” and “Control Procedures on Procurement (採購控制程序)” to specify the procurement procedures, requirements to be fulfilled by suppliers and supervision procedures in cooperation. These policies ensure the satisfaction of the requirements of products and services purchased as well as the effective management of the Company.

Lao Heng He adheres to the principle of “Quality First” to select its suppliers nationwide. In 2017, we had an aggregate of 430 suppliers spreading from the southern, eastern to northern parts of China, among which the suppliers in eastern China accounted for 90% of the total number of suppliers.

According to Lao Heng He’s “supplier management” policy, we mainly take the following measures to manage the Company’s procurement activities in an effective manner:

- All suppliers are required to provide business licenses, production permits, third-party quality inspection reports and other qualification certificates;
- Suppliers are required to provide samples for quality checks and trials;
- Our staff of procurement department, production department and quality control department conduct on-site evaluation of the suppliers’ production capacity, site management, production technology, supply capacity and financial condition;
- Purchase prices for bulk raw materials, packaging materials, equipment and construction projects are determined by inviting tenders or comparing quotations obtained from three or more qualified suppliers;

3.2 供應商管理

老恒和相信，公司的發展與供應商息息相關，實現和諧雙贏才會得以持續健康發展。為提升公司產品與服務的質量，公司制定了《供應商管理程序》、《採購合同管理制度》、《採購控制程序》等政策，對公司的採購程序、供應商應滿足的條件以及合作過程中的監督程序進行了明確的規定，確保所採購的產品和服務符合規定要求，同時滿足公司的有效管理。

老恒和堅持「質量第一」的原則在全國範圍內挑選供應商。二零一七年，我們的供應商總數達到430家，遍佈華南、華東和華北各個區域，其中華東地區的供應商佔比達到90%。

根據老恒和《供應商管理》政策，我們主要採取以下措施對公司的採購行為進行有效管理：

- 要求所有供應商提供營業執照、生產許可證、第三方質檢報告等資質證明文件；
- 要求供應商提供樣品進行質量檢測與試用；
- 組織採購部、生產部、質量部三部門前往供應商現場對其生產能力、現場管理、生產技術、供貨能力、資金狀況等進行現場審核評價；
- 大宗原材料、包裝物、設備、建築工程等採購均要進行招標或尋找三家以上合格供應商進行比價後確定採購價格；

CHAPTER 3 STRIVING FOR MUTUAL TRUST AND WIN-WIN PARTNERSHIP (CONTINUED)

第三章 恒以互信 實現夥伴共贏(續)

- All purchases are subject to internal check upon acceptance;
- Suppliers are subject to annual assessment in terms of degree of accuracy, eligibility and punctuality. Unqualified suppliers who failed to supply in a timely manner and experienced quality problems frequently will be removed annually.

In 2017, the Company continued to improve supplier management in two ways as follows:

- By formulating and improving the “Control Procedures on Procurement (採購控制程序)”, we specified the requirements for establishing strategic partnership with the suppliers. Based on the principle of mutual benefit and by way of execution of technical and quality assurance agreements, we also managed and regulated the products under the cooperation of both parties in terms of the scope, prices, quality requirements, product acceptance, management of technical documents, etc.;
- We classified and managed the Company’s list of qualified suppliers by classification. Each year, the Company assigns its personnel of quality, procurement, production and management to visit qualified suppliers for evaluation and provide technical guidance for its qualified suppliers. They responded to the suppliers’ requests in a timely manner by providing feedback to the Company and making improvements, thus effectively strengthening and enhancing the partnership with the suppliers.

As for the cooperation with suppliers, in order to further improve the strategic partnership with suppliers, Lao Heng He provides a variety of channels for communication and interaction with suppliers. One of the main methods of communication is to conduct consultations with suppliers through integrity survey, so as to understand their comments towards the Company’s integrity management and image to verify the effectiveness of its integrity management system and make continuous improvement. The evaluation of the integrity survey in 2017 included its compliance with laws and regulations, the performance of contracts, the satisfaction of cooperation and the business credibility. The results in 2017 showed that Lao Heng He achieved a 100% satisfaction rate. In the process of cooperation with suppliers, there have been no delays in payment and breaches of contract requirements and credit commitments during the year.

- 所有採購的物資均需要通過內部審計後方可入賬；
- 每年對供應商供貨準確率、合格率、及時率進行考核，針對供應商的供貨不及時、經常出質量問題的供應商每年進行淘汰。

二零一七年，公司通過以下兩種方式持續改進供貨商管理：

- 制定和完善了《採購控制程序》，明確了與供貨方建立戰略夥伴關係的要求，並本著互惠互利的原則，通過技術和質量保證協議的方式對雙方合作產品的範圍、價格、質量要求、產品的驗收、技術文件的管理等事項進行管理和要求；
- 對以已納入公司合格供貨方名錄的單位實行分類管理。公司每年組織質量、採購、生產、管理人員深入合格供方單位進行供方考核和技術指導，對供貨方的要求及時向公司進行反饋和改進，有效加強和提高了與供貨方的夥伴關係。

在與供應商合作上，老恒和為進一步完善與供貨商的戰略夥伴關係，我們提供多種多樣的渠道與供應商進行反饋與交流。主要方式之一為通過誠信調查表的方式進行對供應商徵求意見，瞭解他們對公司誠信管理和誠信形象的評價信息，以驗證誠信管理體系的有效性，並持續改進。二零一七年的誠信調查的評價內容包括執行法律法規情況、合同履行情況、合作愉快程度及交往誠信度。二零一七年的結果顯示，老恒和達到徵信滿意率100%。在與供應商合作過程中，年內亦未有出現任何延期貨款、違背合同要求與信用承諾的行為。

CHAPTER 3 STRIVING FOR MUTUAL TRUST AND WIN-WIN PARTNERSHIP (CONTINUED)

第三章 恒以互信 實現夥伴共贏(續)

3.3 COOPERATION WITH DISTRIBUTORS 3.3 經銷商合作

With the transformation of Lao Heng He's sales strategies, the number of distributors cooperated with Lao Heng He has increased year by year in order to implement the precise positioning strategies of Lao Heng He targeting mid-to-high end market, and shift its focus from supermarkets to distribution channels. To provide more support and effectively deliver Lao Heng He's concept on product quality and sales to our distributors, we gradually expanded our marketing team to achieve the ratio of one Lao Heng He's salesperson for every four distributors. At the same time, we regularly organise specific training for salespersons to enhance their product knowledge and customer communication skills and technique. In order to provide distributors with more in-depth support and maintain good communication with them, Lao Heng He demands its salespersons to personally contact their assigned distributors on weekly basis to enhance understanding.

In addition, by way of cooperation, distributors received various business supports from Lao Heng He. According to the specific products and store conditions, we plan the most effective marketing strategy with distributors, and enhance our exposure and promotional capabilities by setting up end-market display shops, promoting key products, recruiting temporary promotion staff, and increasing the sales of end-market materials, such as tasting counters, sleeves covers and marquees with Lao Heng He's brand name, to strengthen the effectiveness of product display.

At the same time, Lao Heng He adopts a zero-tolerance attitude toward low-price marketing or cross-regional sales and imposes strict punishment in accordance with the agreements to protect the interests of distributors.

In 2017, Lao Heng He conducted a distributors' satisfaction survey which covered four major aspects, including products, sales and services, logistics and finance, and vision and confidence. The results showed that all of our distributors were very satisfied with the product quality and timely provision of promotional guidance materials. 90% or more of our distributors stated that Lao Heng He gave adequate business guidance and laid a solid foundation for its products which showed promising prospects. We also actively review and improve certain aspects showing underperforming indicators.

Lao Heng He actively organises various types of events nationwide every year to showcase our high-quality products, which are considered as an opportunity for our distributors to have an in-depth understanding towards Lao Heng He and be convinced that Lao Heng He is an enterprise that adheres to the time-honored techniques with ingenuity and is worthwhile for in-depth cooperation.

隨著老恒和的銷售戰略轉型，為了實現老恒和中高端的精準定位，從商超轉向流通渠道，近年來與老恒和合作的經銷商數目逐年增加。為了給經銷商提供更多的支持，將老恒和的產品質量和銷售理念更加精準地傳遞給經銷商，我們逐漸壯大營銷隊伍，目前已做到為每四個經銷商配備一名老恒和業務員。同時，我們定期組織對業務員的專項培訓，增強他們對產品的瞭解，提高他們與客戶的溝通能力與技巧。為了給經銷商提供深度協作及保持良好溝通，老恒和規定業務員與其負責的經銷商每周進行一對一交流，瞭解。

另外，老恒和在與經銷商的合作過程中積極提供各種業務支持。根據具體產品及門店情況，我們與經銷商一同策劃最有效的市場建設方式，通過打造終端樣板店、重點產品地堆、招聘臨時促銷人員、加大銷售終端物料（如印有老恒和品牌的試吃台、袖套、活動帳篷等）的投入等方式強化產品陳列效果、提高曝光度與促銷能力。

同時，老恒和對於低價現象或跨區域銷售現象採取零容忍的態度，嚴格按照協議約定處罰，以保護經銷商的利益。

二零一七年，老恒和進行了經銷商滿意度調查，內容涉及產品、銷售與服務、物流配送與財務、願景與信心四個大項。結果顯示，100%經銷商在產品質量與及時提供宣傳指導資料兩個方面表示非常滿意，90%及以上的經銷商表示老恒和給予了足夠的業務指導，並表示產品市場基礎好，有發展前景。我們亦針對表現欠佳的指標進行了積極地反省和改善。

老恒和每年在全國各地都積極舉辦各種類型的活動，展示我們的高質量產品，給予經銷商一個深入瞭解老恒和的機會，讓他們相信老恒和是一個真正堅持古法、保持匠心、值得深入合作的企業。

CHAPTER 3 STRIVING FOR MUTUAL TRUST AND WIN-WIN PARTNERSHIP (CONTINUED)

第三章 恒以互信 實現夥伴共贏(續)

Certain Lao Heng He's product campaigns organised in 2017

二零一七年部分老恒和產品活動



Case: Lao Heng He from the perspective of its distributor: A heart-touching faith to century-old adherence to “harmony (和)” and “creditworthiness (信)”

Narrator: Li Zong (李總) from Henan Jinchuwei Co., Ltd. (河南金厨味有限公司)

We have been working with Lao Heng He as a distributor for a long time. Lao Heng He's products and the company itself are very impressive and even heart-touching. Lao Heng He's corporate philosophy of “harmony (和)” and “creditworthiness (信)” aims to promote the building of a honest society and integrity management nationwide, which Lao Heng He has indeed achieved. For instance, when it comes to the issue of the credit period, Lao Heng He always insists in maintaining harmonious relationship for fruitful results.

In addition, the concept of “Perseverance (恒以持之)” adhered by Lao Heng He also exerted influence on us and our sub-distributors. Its century-long culture even reshaped and produce an effect in the industry.

Products of Lao Heng He successfully differentiate itself from other similar products. Given the increasing consumer awareness of naturalness and health, Lao Heng He's naturally brewed products gained market recognition. I believe such resilient products are conducive to promoting the healthy development of the market, and in turn become a market leader attributed to Lao Heng He's philosophy.

案例：銷商眼中的老恒和：堅持「和」與「信」的百年傳統令人感動

講述者：河南金厨味有限公司

李總

作為經銷商，我們和老恒和合作很久了，老恒和的產品和企業本身都挺讓人印象深刻甚至感動的。老恒和企業理念中的「和」和「信」，就是深度倡導國家的誠信社會和誠信經營，在實際的合作過程中他們也的確做到了這一點，比如賬期的問題，始終堅持以和為貴，和氣成才。

另外，他們「恒以持之」的理念傳承，也滲透到我們和我們下面的經銷商，在行業內也都形成了這種百年文化的渲染和影響。

關於老恒和的產品，在同類商品中是很獨特的。現在消費者更注重天然健康，老恒和的產品純天然釀造，市場接受度很不錯，這種產品生命力也更強更持久，有利於促進市場良性的發展，這就是老恒和的在這種釀造理念上的領導作用。

CHAPTER 4 FULFILLING ENVIRONMENTAL PROTECTION RESPONSIBILITIES

第四章 和以自然 履行環境責任

Lao Heng He shows concern for a balance between its operation and the natural environment. It aims at minimising the impacts of its operation on the ecological environment by formulating certain environment protection policies such as “Regulations on Environmental Protection (環境保護規章制度)”, “Measures on Identification and Evaluation of Environmental Elements (環境因素識別評價辦法)”, “Control Procedures on Environmental Monitoring and Measurement (環境監視和測量控制程序)” and “Clean Production Management System (清潔生產管理制度)”.

We strive to manage the impacts of our production and sales operation on the environment in a responsible manner. We have specific monitoring systems in place for measuring energy consumption and wastewater discharges. At the same time, according to the “Measures on Identification and Evaluation of Environmental Elements (環境因素識別評價辦法)”, in the course of production, the Company must identify and evaluate various environmental elements, including the emission and treatment of wastewater, exhaust gases, noise and solid wastes, the consumption of energy, resources and raw materials and the potential environmental hazards. We have been effectively monitoring the impacts of the Company’s production operation on the ecological environment through identifying and evaluating the above elements by way of the process flow method, questionnaire survey and on-site inspection.

We confirmed that all production activities and facilities were operating in compliance with national and government regulatory requirements and there were no incidents in 2017 which had material effect on the environment and natural resources.

4.1 RESPONSIBLE EMISSION MANAGEMENT

Lao Heng He strictly complies with the relevant national environmental protection laws and regulations, such as the Environmental Protection Law of the People’s Republic of China (中華人民共和國環境保護法), Environmental Impact Assessment Law of the People’s Republic of China (中華人民共和國環境影響評價法) and the requirements of national and local related policies, and formulates the “Regulations on Environmental Protection and Management (環境保護管理規章制度)” correspondingly to strictly enforce the corresponding emission control requirements. During the reporting period, there was no non-compliance in respect of emissions by the Company.

老恒和關注企業運營與自然生態環境之間的平衡，通過制定《環境保護規章制度》《環境因素識別評價辦法》《環境監視和測量控制程序》《清潔生產管理制度》等降低對環境影響的政策，使公司運營活動對生態環境的影響減小到最低程度。

我們承諾負責任地管理生產及銷售業務對環境的影響，我們的能源消耗、污水排放，都有明確的消耗量及排放量監控系統。同時，我們按照《環境因素識別評價辦法》規定在公司生產活動過程中要識別和評價各項環境因素，包括水、氣、聲、固廢等污染物的排放處置，能源、資源、原材料的消耗以及潛在的環境事故等。通過工藝流程法、問卷調查法、現場觀察法等對上述因素進行識別和評價，有效監控公司生產活動對生態環境的影響。

二零一七年，我們確認所有的生產行為及設施的運作均符合國家及政府的監管要求，且沒有發生對環境和天然資源造成重大影響的事件。

4.1 責任管理排放

老恒和嚴格遵守國家環境保護相關法律法規，如《中華人民共和國環境保護法》、《中華人民共和國環境影響評價法》及國家、地方相關政策的要求，並對應制定了《環境保護管理規章制度》，嚴格執行相應的排放物監管要求。報告期內，本公司沒有發生違規排放物的情況。

CHAPTER 4 FULFILLING ENVIRONMENTAL PROTECTION RESPONSIBILITIES (CONTINUED)

第四章 和以自然 履行環境責任(續)

Wastewater Discharge Management

Lao Heng He strictly follows the “Integrated Wastewater Discharge Standard (污水綜合排放標準)” and “Indirect Discharge Limitation of Industrial Wastewater Containing Nitrogen and Phosphorus (工業企業廢水氮、磷污染物間接排放限值)” and formulates the “Wastewater Discharge Control System (廢水排放控制制度)” and “Operation Guidelines on Wastewater Treatment (廢水處理作業指導書)” to standardise the Company’s various types of production and domestic wastewater discharges, and reduce the pollution of the wastewater to the water body.

The wastewater from the production and operation of Lao Heng He mainly includes wastewater from each workshop, wastewater used for cooling, washing and greening, and domestic wastewater used in canteens, washrooms, and toilets, etc. The system stipulates that all of the Company’s wastewater shall be subject to preliminary processing within the Company. The Company’s sewage treatment station adopts biological micro-oxygen-aerobic contact oxidation process. Through partial COD degradation of the organic matter in the wastewater in the biological micro-oxygen reactor, the biodegradability of wastewater will be increased, so as to create favourable conditions for subsequent aerobic biological treatment.

The internally treated wastewater, which meets the discharge standard, will be discharged through the municipal sewage pipeline. The municipal sewage treatment plant concentrates on the secondary treatment to ensure that the final discharge meets the secondary discharge standard stipulated in the national “Integrated Wastewater Discharge Standard (綜合污水排放標準)” (DB44/26-2001). The Company stays connected with the local environmental protection bureau to share data and maintain real-time online monitoring of wastewater discharges. The Company also stipulates that the responsible department shall commission local environmental monitoring agencies for inspection of wastewater discharges on a regular basis. The wastewater monitoring results in 2017 showed that certain indicators of the treated wastewater were far below the national emission standards.

污水排放管理

老恒和嚴格遵循《污水綜合排放標準》和《工業企業廢水氮、磷污染物間接排放限值》，制定了《廢水排放控制制度》與《廢水處理作業指導書》，規範管理公司各類生產與生活污水的排放，減少廢水對水體的污染。

老恒和生產運營中產生的廢水主要包括各車間產生的廢水、冷卻廢水、沖洗廢水、綠化產生的廢水以及食堂用水、洗手間和廁所產生的生活污水等。制度規定，公司的所有污水需要經過本公司內部進行第一步處理。本公司污水處理站採用生物微氧—好氧接觸氧化處理工藝，廢水中的有機物在生物微氧反應器內部分COD降解，同時提高廢水的可生物降解性，為後續好氧生物處理創造有利條件。

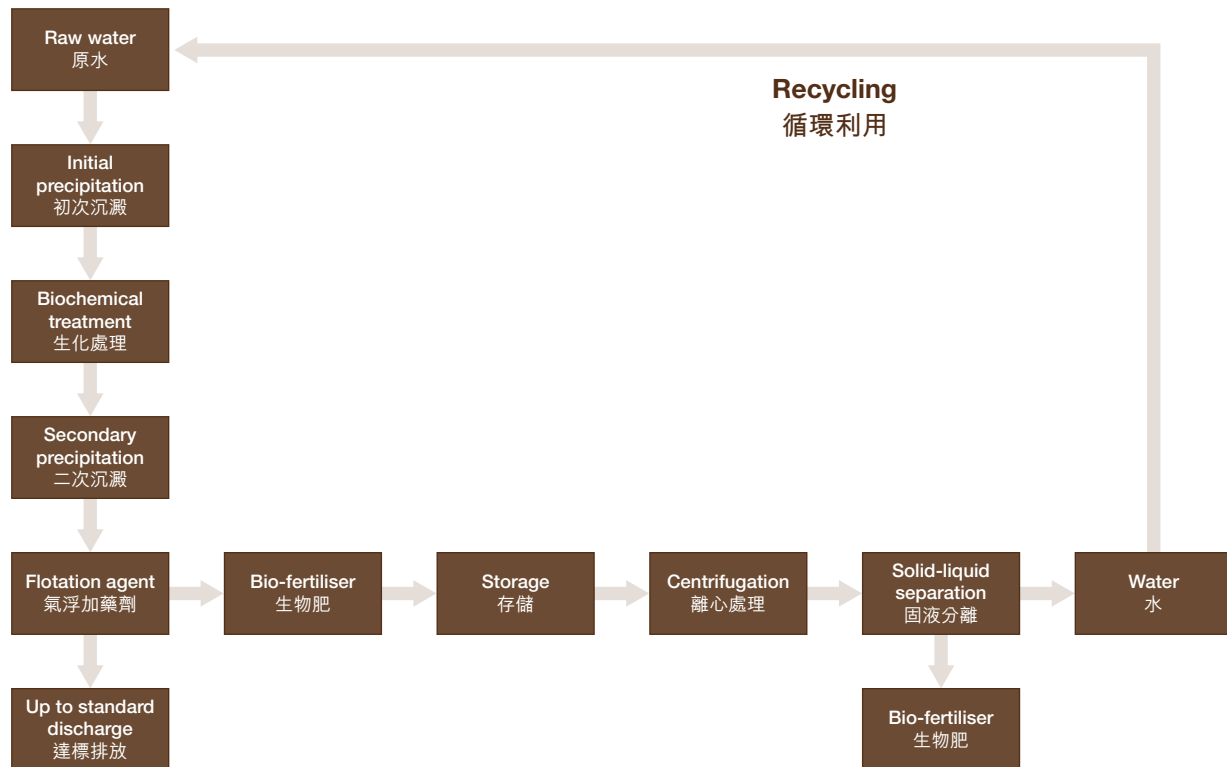
在內部處理達標後，污水與市政排污管路連接進行排放，再由市政污水處理廠集中進行二次處理，確保最終排放達到國家《綜合污水排放標準》(DB44/26-2001)中二級排放標準。公司的污水處理已經實現在線監控，隨時與當地環保局連線，數據共享，保持對排放污水的實時在線監控。公司還規定負責部門定期委託地方環境監測機構對污水排放進行檢測。二零一七年內的廢水監測結果顯示經處理後的污水的各項指標均遠遠低於國家排放標準。

CHAPTER 4 FULFILLING ENVIRONMENTAL PROTECTION RESPONSIBILITIES (CONTINUED)

第四章 和以自然 履行環境責任(續)

Sewage Treatment Flow Chart of the Sewage Station

污水站污水處理流程圖



Wastewater Discharge Data in 2017

二零一七年污水排放數據

Wastewater indicators	污水指標	Value 數值	
Wastewater discharge volume	污水排放量	Discharge	Discharge intensity
		排放量	排放量密度
		153,789 m ³	1.9 m ³ /RMB10,000 revenue
		153,789 立方米	1.9 立方米／萬元收入
COD content (tons)	COD 含量(噸)	181.00	
Ammonia nitrogen content (tons)	氨氮含量(噸)	75.00	
BOD content (tons)	BOD 含量(噸)	17.04	

CHAPTER 4 FULFILLING ENVIRONMENTAL PROTECTION RESPONSIBILITIES (CONTINUED)

第四章 和以自然 履行環境責任(續)

Waste Discharge Management

Lao Heng He is committed to reducing the pollution of the surrounding ecological environment caused by various types of wastes generated in its business and constantly improving the relevant management systems. We formulated and strictly adhered to the “Operation Guidelines on Classification, Collection and Disposal of Wastes (廢棄物分類收集、處理作業指導書)”, “Operation Guidelines on Collection and Disposal of Chemical Wastes and Containers, Waste Oils and Sludge (廢化學品液及容器、廢油及廢泥收集與處理作業指導書)”, “Waste Management System (廢棄物管理制度)” and “Regulations on Classification and Management of Wastes (廢棄物分類及管理規定)” in accordance with the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (固體廢物污染環境防治法), the Directory of National Hazardous Wastes (國家危險廢棄物名錄), the Measures for the Prevention and Control of Environment Pollution by Discarded Dangerous Chemicals (廢棄危險化學品污染環境防治辦法) and the Measures for the Administration of the Transfer of Hazardous Wastes (危險廢棄物轉移聯繫管理辦法) and other related requirements to ensure proper disposal of wastes.

廢棄物排放管理

老恒和致力於減少業務中產生的各類廢棄物對周圍生態環境的污染，並不斷完善相關管理制度。我們已根據《固體廢物污染環境防治法》、《國家危險廢棄物名錄》、《廢棄危險化學品污染環境防治辦法》、《危險廢棄物轉移聯繫管理辦法》等相關要求制定並嚴格遵循《廢棄物分類收集、處理作業指導書》、《廢化學品液及容器、廢油及廢泥收集與處理作業指導書》、《廢棄物管理制度》和《廢棄物分類及管理規定》以確保廢棄物得以妥善處置。

CHAPTER 4 FULFILLING ENVIRONMENTAL PROTECTION RESPONSIBILITIES (CONTINUED)

第四章 和以自然 履行環境責任(續)

In order to ensure proper classification, recycling and disposal of wastes, the regulations for classification and disposal of wastes of the Company are stipulated and listed as follows:

為了保證廢棄物的正確分類、回收及處理，公司對各種廢棄物進行的分類處理方式如下：

Types of Wastes and Collection and Disposal Regulations

廢棄物種類與收集處理規定

Types 類別		Name 名稱	Collection method 收集方式	Disposal method 處理方式
General wastes	Non-recyclable wastes	Domestic wastes like dust, fruit peels, leftover food and glass shards	Deposited at general waste bin in refuse station of the Company	Engaging sanitation department for collection and disposal
一般廢棄物	不可回收廢棄物	塵土、果皮、殘餘食品、玻璃片等生活垃圾	投放到公司垃圾站一般垃圾箱內	委託環衛部門收集處理
	Recyclable wastes	Office wastes	Deposited at waste paper recycling point in the Company or stacked in designated area in the Company	Destroying wastes with trademarks before delivering to paper manufacturers for recycling
	可回收廢棄物	辦公類垃圾	投放到公司廢紙回收站或集中堆放在公司指定位置	有商標的廢棄物經銷毀後，委託造紙廠回收
		Production wastes	Deposited at designated storage area in refuse station	Engaging waste treatment companies for disposal
		生產類垃圾	投放到垃圾站規定的存放處	委託廢品商處理
Hazardous wastes		Waste organic solvents, waste oils, etc.	Collected with packaging containers and deposited at designated storage area in refuse station	Engaging qualified service providers to dispose of the hazardous waste
危險廢棄物		廢有機溶劑、廢油類等	利用包裝容器收集，放置垃圾站規定存放處	委託有危險廢棄物處理資質的服務商處理

CHAPTER 4 FULFILLING ENVIRONMENTAL PROTECTION RESPONSIBILITIES (CONTINUED)

第四章 和以自然 履行環境責任(續)

Waste Disposal Data in 2017

二零一七年廢棄物排放數據

Types of wastes	廢棄物種類	Output (kg)	Intensity
		產生量 (kg)	(kg/RMB10,000 revenue) 密度 (kg/萬元收入)
Soy sauce bean dregs	醬油豆渣	100,000	1.25
Wine vinasse	酒糟	183,000	2.28
Vinegar residue	醋渣	85,000	1.06
Fermented bean curd residue	腐乳渣	500,000	6.23
Sludge	污泥	480,000	5.98
Domestic and office wastes	生活、辦公垃圾	111,232	1.39
Hazardous wastes: waste oils	有害廢棄物：廢機油	30	0.000374

Exhaust Gas Emissions and Noise Management

According to the requirements of the Atmospheric Pollution Prevention and Control Law of the People's Republic of China (中華人民共和國大氣污染防治法), Lao Heng He strictly controls its exhaust gas emissions to ensure that emissions meet the secondary emission standards for atmospheric pollutant emission limits and reduce emissions of exhaust gases, smoke and dust. For the powder storage yard stacked in the open air, the relevant unit must take effective dust prevention measures, such as the use of tarpaulin covering for powder transportation to avoid spillage.

廢氣排放與噪聲管理

根據《中華人民共和國大氣污染防治法》要求，老恒和嚴格管理廢氣排放，確保排放達到大氣污染排放限值二級排放標準，減少廢氣、煙粉塵污染。對露天堆放的粉料堆場，使用單位需採取有效的防塵措施，如在粉料運輸中採取加蓋篷布等措施，禁止灑漏。

CHAPTER 4 FULFILLING ENVIRONMENTAL PROTECTION RESPONSIBILITIES (CONTINUED)

第四章 和以自然 履行環境責任(續)

Case: Changxing plant implemented measures to reduce atmospheric pollutant emissions

Lao Heng He actively reduces atmospheric pollutant emissions and reduces the impacts on the environment through various measures such as source control and process improvement. The boilers of Changxing plant of Lao Heng He are equipped with water curtain dust collectors, which allow the dust-laden gas to come into close contact with liquid (usually water), make use of the inertial collision of water droplets and particles, or the full mixing of water and dust to capture the particles, or enlarge or leave the particles in a fixed container for separating dust from water.

At the same time, the boilers of Changxing plant adopt biomass particles as its fuel. Biomass particles are granular fuels made by crushing and extruding of straw or wood chips. The use of biomass particles instead of conventional coal-fired fuels can achieve zero sulfur dioxide emissions.

As for noise management, Lao Heng He requests that the noise made by the plant shall meet the level 3 standard under the "Noise Standards for Industrial Enterprises and Plants (工業企業廠界噪聲標準)". A third-party monitoring company is hired to measure the noise made by the plant every year according to the "Noise Measurement Methods for Industrial Enterprises (工業企業界噪聲測量方法)". The noise monitoring results in 2017 showed that the sound levels at four points in the plant were all lower than the standard by 3 to 5 dB.

案例：長興工廠採取措施減少大氣污染物排放

老恒和在積極地通過源頭控制、工藝改進等措施不斷減少大氣污染物排放，減少對環境的影響。老恒和長興工廠的鍋爐採用水幕除塵器除塵，這種裝置使含塵氣體與液體（一般為水）密切接觸，利用水滴和顆粒的慣性碰撞，或者利用水和粉塵的充分混合作用捕集顆粒或使顆粒增大或留於固定容器內，以達到水和粉塵分離效果。

同時，長興工廠的鍋爐採用生物質顆粒作為鍋爐的燃料，生物質顆粒是用秸稈或木屑等經過粉碎、擠壓加工形成顆粒狀燃料。以生物質顆粒代替傳統燃煤燃料，可達到零二氧化硫排放的效果。

在噪聲管理方面，老恒和要求廠界噪聲標準達到《工業企業廠界噪聲標準》三類標準，每年聘請第三方監測公司根據《工業企業界噪聲測量方法》對廠界噪聲測量一次。二零一七年的噪聲監測結果顯示在四個廠界測點的聲級均低於標準3到5分貝。

CHAPTER 4 FULFILLING ENVIRONMENTAL PROTECTION RESPONSIBILITIES (CONTINUED)

第四章 和以自然 履行環境責任(續)

4.2 EFFICIENT USE OF RESOURCES

Natural Resource Management

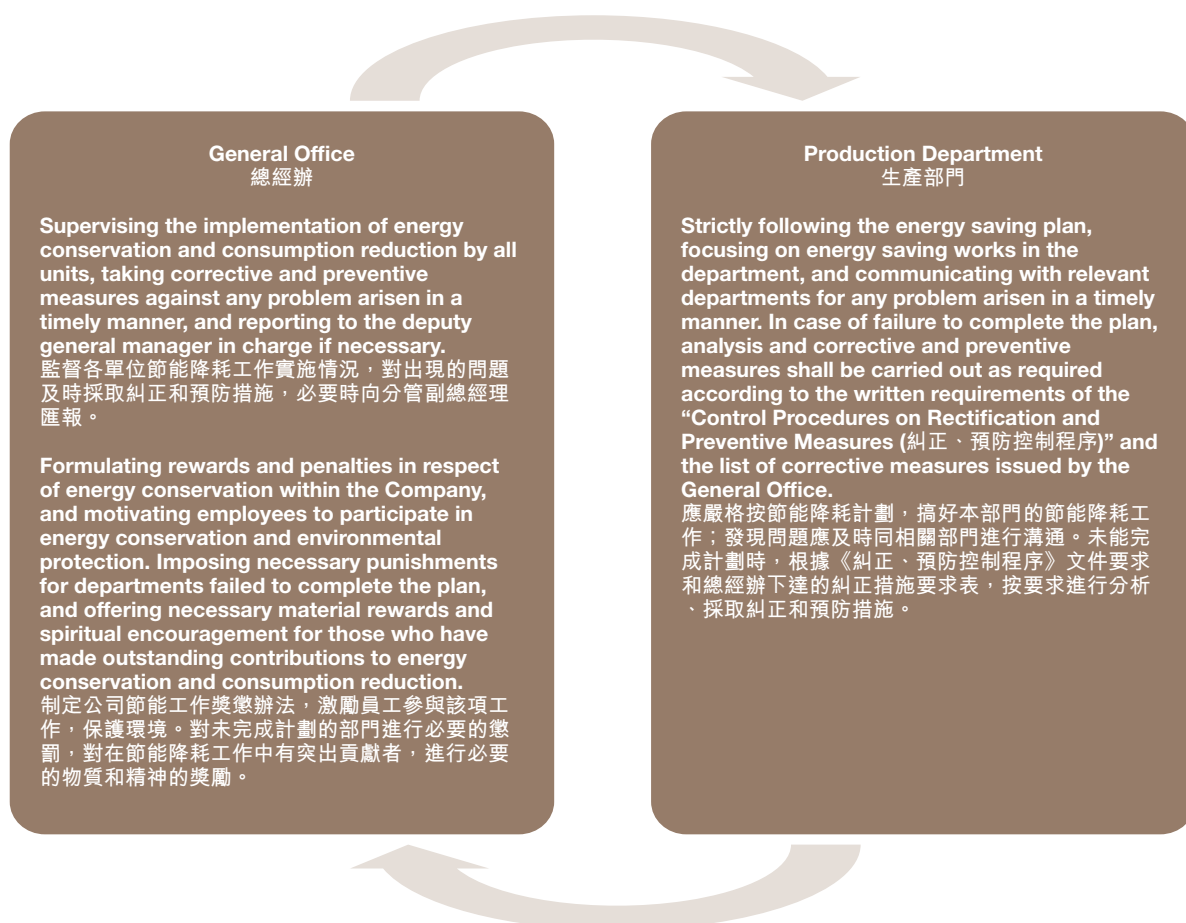
The high-quality products of Lao Heng He are inseparable from natural resources such as high-quality food raw materials, water, etc. We understand that the sustainable development of the Company is closely linked to the maintenance of natural ecological balance. Lao Heng He respects natural resources and attaches great importance to the efficient use of resources, conservation of energy and reduction of emissions by continuously perfecting the relevant system construction and implementing various policies such as "Control Protocol of Resources and Energy (資源能源控制規程)", "Regulations on Water and Electricity Conservation (節約水、電管理規定)" and "Guiding Manual of Energy Conservation and Consumption Reduction (節能降耗管理指導書)" to ensure effective control on the use of the Company's resources.

4.2 高效使用資源

自然資源管理

老恒和高質量的產品離不開高質量的食品原材料、水等自然資源，我們明白公司的可持續發展與保持自然生態平衡息息相關。老恒和尊重自然資源，重視資源使用的效率及節能減排工作，不斷完善相關制度建設，制定並實施《資源能源控制規程》、《節約水、電管理規定》、《節能降耗管理指導書》等政策，對公司資源的使用進行有效控制。

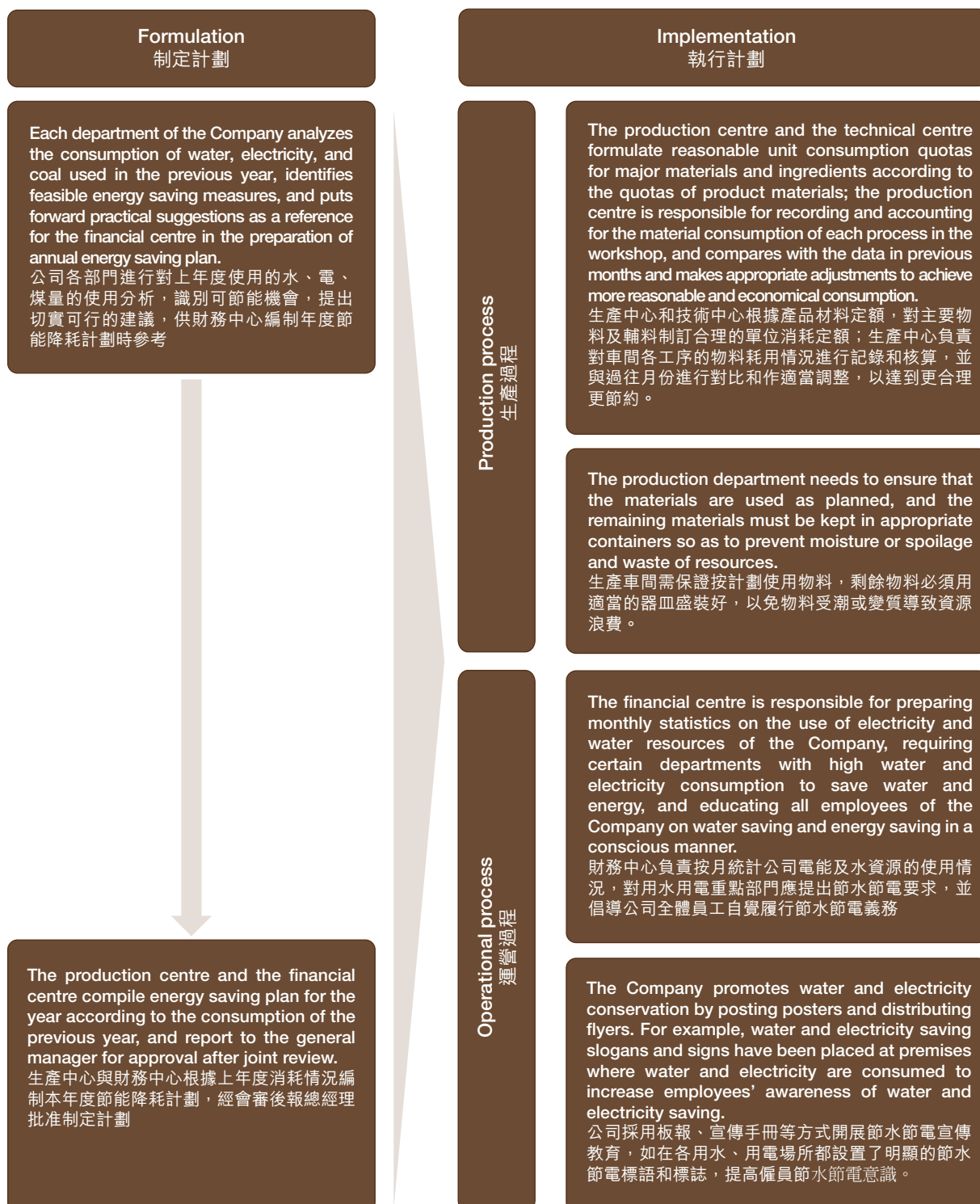
Implementation Measures on Energy Conservation and Consumption Reduction 節能降耗措施實施管理



CHAPTER 4 FULFILLING ENVIRONMENTAL PROTECTION RESPONSIBILITIES (CONTINUED)

第四章 和以自然 履行環境責任(續)

Formulation and Implementation of Annual Energy Saving Plan 制定與實施年度節能降耗計劃



CHAPTER 4 FULFILLING ENVIRONMENTAL PROTECTION RESPONSIBILITIES (CONTINUED)

第四章 和以自然 履行環境責任(續)

In order to increase its energy saving and emission reduction efforts, Lao Heng He cooperated with a third party energy management company in 2017 to set up smart power systems, record the usage of electricity and gases and related energy use data for statistical analysis by a monitoring service platform system, and identify feasible energy saving means and implement corresponding measures. While improving the efficiency of electricity use, Lao Heng He vigorously promoted low-carbon production at Changxing plant, pioneered the use of solar power generation, installed solar photovoltaic systems on the roof of the plant, made full use of sustainable and renewable energy, reduced the use of fossil fuels, and reached the goal of reducing greenhouse emissions.

Regarding the use of water resources, we encourage the Company to make good use of the wastewater treatment equipment and facilities installed within the plant for sewage treatment and introduce a series of new technologies, namely clean production, recycling of cooling water, recycling of pickle brine as well as recycling of soaking soybean wastewater and soaking rice wastewater, the implementation of which achieved satisfactory results with the recycled water resources representing 20% of the total water consumption.

Lao Heng He's Energy and Water Consumption in 2017:

為了加大節能減排力度，老恒和於二零一七年與第三方能源管理公司的合作啟動了智能用電系統，利用監管服務平台系統記錄電氣線路行情況及相關能源使用數據，進行統計和分析，識別可節約耗電的環節並落實相應措施。在提高用電效率的同時，老恒和在長興工廠大力推行低碳生產，率先使用太陽能發電，在廠房屋頂安裝光伏發電裝置，充分利用可持續再生能源，降低對石化能源的使用，達到減少溫室氣體排放的目的。

在水資源使用方面，我們鼓勵公司內部通過生產車間內的污水處理設備設施將生產過程中的污水進行無害化處理，並推行出清潔生產、冷卻水循環再利用、醃漬鹵水回收利用、大豆浸泡、浸米水回收再利用等一系列高新技術，通過這些項目的實施，循環再利用的水資源相當於總用水量的20%，取得了理想的效果。

二零一七年老恒和能源及水消耗情況：



Purchased electricity: 184.1 MWh
外購電力：184.1 兆瓦時



Unleaded petrol: 222,803 liter
無鉛汽油：222,803 公升
Diesel: 214,803 liter
柴油：214,803 公升



Purchased gas: 12,618 tons
外購蒸汽：12,618 噸

Total energy consumption: 17,340.67 MWh
總能耗：17,340.67 兆瓦時
Total energy consumption intensity:
0.216 MWh/RMB10,000 revenue
總能耗密度：
0.216 兆瓦時／萬元收入



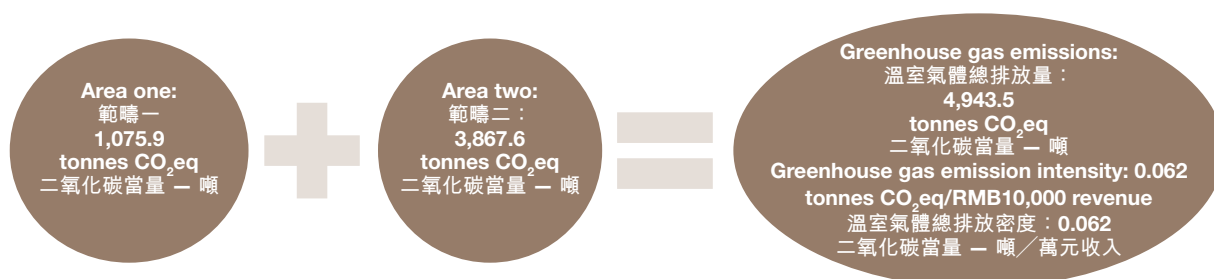
Water consumption: 192,236 m³
用水量：192,236 立方米
Water consumption intensity: 2.39 m³/RMB10,000 revenue
用水量密度：2.39 立方米／萬元收入

CHAPTER 4 FULFILLING ENVIRONMENTAL PROTECTION RESPONSIBILITIES (CONTINUED)

第四章 和以自然 履行環境責任(續)

Lao Heng He's Greenhouse Gas Emissions in 2017:

二零一七年老恒和溫室氣體排放量情況：



Material Resource Management

While working hard to reduce the consumption of natural resources, Lao Heng He also strives to use other material resources efficiently, such as packaging materials and food residues, to maximise the value of materials and reduce waste in every production process. We scientifically plan the use of packaging materials and focus on avoiding damage to packaging during transportation. If the outer package is damaged before the product leaves the factory, we will recycle all recyclable materials such as cartons and contact a third party company for recycling.

物料資源管理

老恒和在努力減少對自然資源消耗的同時，亦力爭做到高效使用其他物料資源，如包裝材料與食物渣滓，在每一個生產環節最大化發揮物料的價值，減少浪費。我們通過科學方式規劃包裝材料的使用量，並注重在運輸過程中避免對包裝的損耗。若在產品出廠前發生外包裝破損，我們則會回收紙箱等可回收材料，聯繫第三方公司進行回收利用。

Packaging Material Usage in 2017

二零一七年包裝材料使用數據

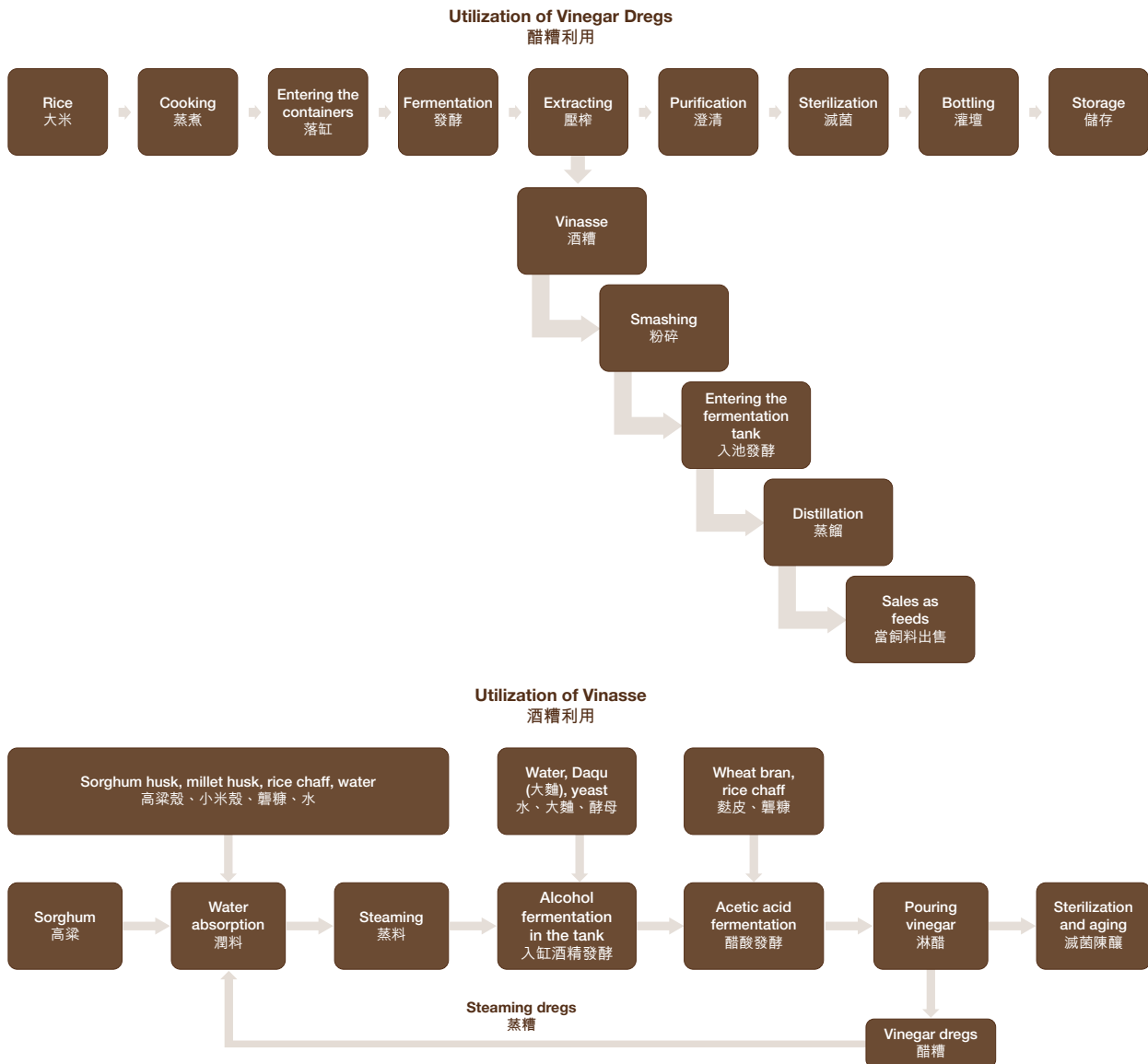
Types of packaging materials	包裝材料種類	Usage (kg) 使用量 (kg)
Paper	紙質	7,430,377
Glass	玻璃	60,006,449
Plastic	塑料	429,084

In addition, Lao Heng He also explored the possibility of recycling of a variety of food residues through technological development, so as to turn wastes, such as vinasse, vinegar dregs, etc. into useful products. For example, vinasse is further processed into animal feeds and vinegar dregs are fully recycled in the production process to achieve a closed-loop system for material usage, and thereby reducing the demand for new raw materials.

此外，老恒和還通過技術開發，探索多種食物渣滓循環利用的可能性，讓酒糟、醋糟等變廢為寶。例如，我們通過對酒糟的進一步處理得到了可用於餵養動物的飼料；將醋糟充分循環利用於生產過程中，實現物料閉環使用，減少對新原料的需求。

CHAPTER 4 FULFILLING ENVIRONMENTAL PROTECTION RESPONSIBILITIES (CONTINUED)

第四章 和以自然 履行環境責任(續)



CHAPTER 5 GROWING WITH EMPLOYEES

第五章 和以匠心 攜手員工成長

Lao Heng He regards its employees as a key factor in our sustainable development for years. We consistently integrated the employment philosophy of “people-oriented and respecting talents (以人為本，尊重人才)” into the entire recruitment and management process. Lao Heng He is committed to improving the professionalism of all employees and creating a harmonious and healthy working environment to help employees build self-worth and promote the growth of the Company together with its employees.

5.1 LAO HENG HE AS A FAMILY

Basic System

Lao Heng He strictly abides by the Labour Law of the People's Republic of China (中華人民共和國勞動法), the Regulations on Labour Security Supervision (勞動保障監察條例), the Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法), and the labour laws and regulations of the state, province and city, and has formulated systems such as the “Management System for Human Resources of the Company (公司人力資源管理制度)”, “Corporate Compensation Plan (公司薪酬計劃)”, “Procedures on Recruitment, Employment and Dismissal (招聘、錄用、解聘程序)” and “Employee Performance Management System (員工績效管理制度)” regarding recruitment, employment, promotion, dismissal, code of conduct, working hours, performance assessment, welfare and benefits, diversity and anti-discrimination, etc., and conducted systematic regulations and management to protect the legitimate rights and interests of employees.

Lao Heng He guarantees strict compliance with the prohibition of child labour, respects personal freedom of each employee, and resolutely refuses all forms of forced labour. If employment of any child labour is found, we will instruct relevant departments to send the child labours back to their original place of residence and return to their parents or other guardians within a time limit. At the same time, we are committed to treat our employees with different genders, physical conditions, religions, and marital status as equals, create a friendly, equal, open, fair, and equitable corporate culture and working environment for employees, and attract high calibre talents to develop with Lao Heng He.

The Company has a labour union and a labour dispute mediation committee in place to address various complaints and protect the interests of its employees. In the event of any irregularities such as forced labour, investigation will be conducted into the production process of the plant initially. Certain compensation will be made to the employees in question. Reasonable adjustment will then be made to the manpower deployment of the plant to avoid recurrence of similar incidents.

老恒和多年來視員工為我們可持續發展的關鍵因素，我們堅持把「以人為本，尊重人才」的用人理念融入到員工招聘和管理的全過程。老恒和致力於通過提升全員職業素養，營造和諧健康的工作環境，幫助員工實現自我價值，推動公司和員工的共同成長。

5.1 老恒和一家親

基本制度

老恒和嚴格遵守《中華人民共和國勞動法》、《勞動保障監察條例》、《中華人民共和國勞動合同法》及國家、省、市有關勞動法律法規，並制定了《公司人力資源管理制度》、《公司薪酬計劃》、《招聘、錄用、解聘程序》、《員工績效管理制度》等制度就僱員招聘、錄用、晉升、解僱、行為準則、工作時間、績效考核、福利待遇、多元化與反歧視等方面，進行系統化規範與管理，以保護員工的正當權益。

老恒和保證嚴格遵循禁止使用童工規定，並尊重每位員工的人身自由，堅決拒絕各種形式的強制勞工。如發現使用童工，我們將指示相關部門將限期將童工送回原居住地，交其父母或者其他監護人。同時，我們承諾對不同性別、身體狀況、宗教、婚姻狀況的員工一視同仁，為員工營造一個友善平等、公開、公平、公正的企業文化和工作氛圍，吸引優秀人才，並讓他們有信心與老恒和共同發展。

公司設有工會和勞動糾紛調解委員會，處理各類投訴，保障僱員權益。當發現強制勞工等違規情況時，首先對車間生產情況進行分析，並給予僱員一定補償，其次合理調整車間勞工的配置，以避免此類情況再次發生。

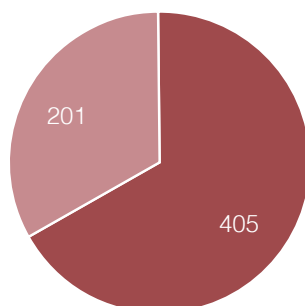
CHAPTER 5 GROWING WITH EMPLOYEES (CONTINUED)

第五章 和以匠心 攜手員工成長(續)

As at 31 December 2017, the Company had a total of 606 employees, and its employees by gender, age and employment type were as follows:

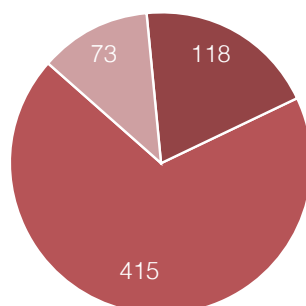
截至二零一七年十二月三十一日，公司共有僱員606人，按性別，年齡，僱員類別劃分的員工情況如下：

按性別分類員工人數
Number of employees by gender



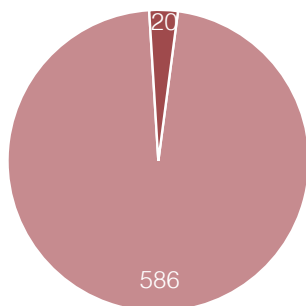
■ Male 男性 ■ Female 女性

按年齡分類員工人數
Number of employees by age



■ <30 Aged <30 ■ 30-50 Aged 30-50 ■ >50 Aged >50

按僱員類別分類人數
Number of employees by function



■ Management 管理層 ■ Staff 普通員工

CHAPTER 5 GROWING WITH EMPLOYEES (CONTINUED)

第五章 和以匠心 攜手員工成長(續)

5.2 PROTECTION OF EMPLOYEES' SAFETY

Production Safety and Management

Lao Heng He is committed to protecting the occupational health and safety of employees, providing a safe working environment and equipment, ensuring safe production and operation, and always focusing on the protection of employees' personal safety and health. We strictly abide by the relevant national laws and regulations on production safety, such as the Production Safety Law (安全生產法) and Regulations on Production Safety in Zhejiang Province (浙江省安全生產條例), and formulated the "Working Environment and Security Management Regulations (工作環境和安全管理條例)". The regulations stipulate that all departments and workshops must strictly implement the Company's management systems, strengthen supervision and inspections, promptly report existing problems and implement corrective measures.

In 2017, in order to implement the responsibility system for production safety, according to the principle of "who is in charge, who is responsible (誰主管·誰負責)", Lao Heng He requested that each person in charge of production workshops and workshops or departments to sign the "Responsibility Pledge for Safety Production Objective (安全生產目標責任書)". The responsibility pledge specifies the annual safe production objectives, frequency of assessments, scoring standards, as well as performance-based reward and punishment for each person in charge. By emphasising on personal responsibilities, we are a step closer to the safety objectives of zero fatalities and zero injuries, and minimum rate of minor injuries.

5.2 保障員工安全

安全生產與管理

老恒和致力於保障員工的職業健康安全，提供安全的工作環境和設備，確保安全生產和運營的工作行為，始終將保護員工生命安全與健康作為公司的重點工作之一。我們嚴格遵守《安全生產法》、《浙江省安全生產條例》等國家安全生產相關法律法規要求，並制定了《工作環境和安全管理條例》。條例規定，各部門、車間要嚴格執行公司各項管理制度，加強監督與檢查，及時通報存在的問題，落實整改措施。

二零一七年，老恒和為了落實安全生產崗位責任制，根據「誰主管，誰負責」的原則，老恒和要求各生產車間及車間或部門負責人簽訂《安全生產目標責任書》。責任書中明細了各負責人的年度安全生產目標、考核頻率、評分標準、及依據考核結果的獎懲規則。通過確保責任落實到個人，我們進一步促進了實現零死亡、零重傷、減少輕傷事故率的安全目標。

CHAPTER 5 GROWING WITH EMPLOYEES (CONTINUED)

第五章 和以匠心 攜手員工成長(續)

Occupational Health and Safety

In order to protect the health of our employees, prevent occupational diseases and enhance working efficiency, the Company adhered to relevant laws and regulations such as Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法), Provisions on the Supervision and Administration of Occupational Health at Work Sites (工作場所職業衛生監督管理規定), etc. and formulated the "Management Regulations on Monitoring and Classification of Occupational Hazards of the Company (公司職業危害因素監測與分級管理規定)" and the "Management System on Employees' Occupational Health Check (職工職業健康體檢管理制度)". The implementation of such measures is overseen by the labour union under the safety and environment department. The system mainly defines the categories, specifics and frequency of health check-up as well as the handling and requirements of the check-up results.

In order to further enhance employees' awareness of safe production, Lao Heng He demands the workshop directors to brief on safety issues in the morning assembly before work, and repeatedly instilled the requirements and importance of safe operations. The EHS department head also conducts safety trainings for all employees and workers of contractors on a monthly and quarterly basis, including identification of sources of hazard and trainings for new equipment operations, to ensure that front-line employees are always vigilant against possible safety risks during operation. In addition, for special jobs, we require that licensed employees must be equipped with safety equipment. During the reporting period, there were 6 work-related injuries, 3 cases fewer than last year, and there was no major work-related fatalities.

Case: Building a small scale fire station to strengthen firefighting capabilities

With the goal of fighting fire as early as possible, putting out small fire and "responding to fire calls within 3 minutes" for incipient fire fighting, Lao Heng He established a small scale fire station in plants in 2017 and regularly provided firefighting knowledge and skill trainings for all employees. We rely on the front-line production personnel and provide them with the necessary fire-fighting equipment, such as rescue cushions, fire protective clothing, fire blankets, etc. In fire drills and trainings, we improved the fire safety awareness and fire prevention and extinguishing capabilities of all employees through the training of use of fire equipment, discovered and eliminated fire hazards in a timely manner, enhanced employees' safety awareness, fire prevention knowledge and responsibility, and improved employees' ability of responding to emergencies.

職業健康安全

為保障僱員的身體健康、預防職業病的發生及提高勞動效率，公司根據《中華人民共和國職業病防治法》、《工作場所職業衛生監督管理規定》等相關法律法規制定了《公司職業危害因素監測與分級管理規定》與《職工職業健康體檢管理制度》，並由安環部工會負責監督僱員體檢管理工作的落實。制度主要內容包括體檢類別、體檢內容與周期和體檢結果處理及要求。

為進一步提高員工安全生產意識，老恒和要求車間主任在每日晨會中進行上崗前的安全講解，反覆灌輸安全作業的要求及重要性。EHS部門負責人每個月和季度亦會對全體員工及外包合同工進行安全培訓，內容包括對危險源的識別及新設備操作的培訓等，保證一線員工時刻警惕操作過程中可能發生的安全風險。此外，對於特殊作業崗位，我們要求員工必須配備安全措施，持證上崗。報告期間內，僱員工傷事件6起，較去年減少3起，沒有發生重大傷亡事件。

案例：興建廠區微型消防站加強消防能力

以救早、減小和「3分鐘到場」撲救初起火災為目標，老恒和於二零一七年在廠區建立了微型消防站，並定期對全體員工進行消防知識技能培訓。我們依託生產一線人員，配備必要的消防器材，如消防軟體、滅火防護服、滅火毯等。在消防演習和培訓中，我們通過消防器材的使用訓練提高全體員工的消防安全意識和防火滅火能力，及時發現和消除火災隱患，增強員工安全意識、消防知識與責任感，提升員工應對突發事件的能力。

CHAPTER 5 GROWING WITH EMPLOYEES (CONTINUED)

第五章 和以匠心 攜手員工成長(續)

5.3 FACILITATING EMPLOYEES' PERSONAL DEVELOPMENT

Lao Heng wishes that all talents who join us will continue to grow together with the Company. It is believed that the enhancement of employees' professional knowledge and skills is indispensable to the future development of the Company. To raise the personal quality, job skills and integrity management standards of the employees, the Company specifically formulated the "Training Management System (公司培訓制度)" which includes the details and relevant requirements of three types of trainings, namely induction training, on-the-job training and professional training.

At the same time, the Company conducts annual appraisals with comprehensive assessments on employees' professional skills and knowledge, work attitudes, personal abilities, and moral qualities, etc. Employees who achieved excellence in appraisal and made special contributions to the Company's technological innovation will be in line for promotion.

Also, the Party Committee of the Company always regards talents as the utmost important resource for the development of enterprises, and resolves the practical difficulties encountered in the development through regular communication with 11 department heads. The Party Branch separately contacts the Company's five production workshops to understand the workshop production, employees' opinions, production capacity and technological transformation on a regular basis. The Party members and employees from all functions work together to help employees to improve their work skills. To this end, the Company's Party Committee formulated and implemented a "three-tier training (三幫)" system and regularly organised apprenticeship activities. At present, there are 110 pairs of apprentices and masters and 180 pairs of new and old employees. Job rotation is designed to enhance their overall capability of employees who have the potential and realise their full potential.

5.3 助力員工成長

老恒和希望加入我們的人才會與公司一起持續成長，明白員工專業知識和技能提升對公司未來發展實屬不可或缺。為提高僱員的自身素質、工作技能和誠信管理水平，公司特制定《公司培訓制度》，細述了職前培訓、在職培訓、專業培訓三種類型培訓的內容及相關要求。

同時，公司每年會對員工進行考核，從專業技能和知識、工作態度、個人能力、品德素質等方面進行綜合測評，對年度績效評估等級並為優秀為公司技術革新做出特殊貢獻的員工，可優先獲得嘉獎晉升機會。

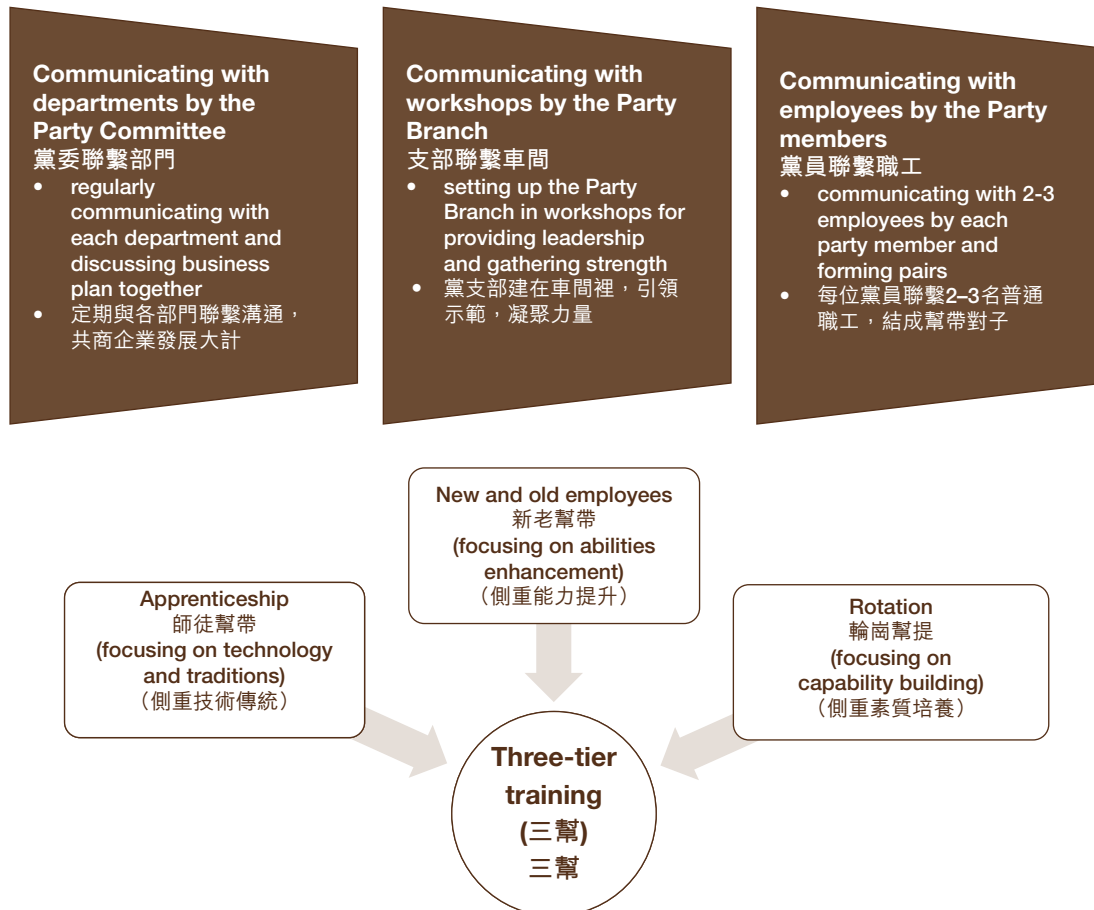
公司黨委也始終把人才作為企業發展的第一資源，通過定期與11個部門的一把手溝通，解決發展中遇到的實際困難。黨支部分別聯繫企業五個生產車間，定期瞭解掌握車間生產情況、職工思想狀況、產能技改情況。黨員職工結合所在崗位，結對普通職工，在工作中幫助他們提升工作技能。為此，公司黨委制定並落實「三幫」制度，定期組織拜師學藝活動，目前已結師徒幫帶對子110個，新老幫扶對子180個；對有培養潛力的員工，有計劃地進行輪崗鍛煉，提升綜合素質，快速成長成材。

CHAPTER 5 GROWING WITH EMPLOYEES (CONTINUED)

第五章 和以匠心 攜手員工成長(續)

Three communications and three-tier training

三聯三幫



In order to continue the tradition of brewing art of Lao Heng He, we hold the "Ceremony for Inheritance of the Time-honored Brewing Method (古法釀造技藝傳承拜師儀式)" every three years, so that each generation of Lao Heng He brewing masters will pay tribute to the previous generation of masters, and at the same time the second-generation and third-generation brewing masters will provide long-term and systematic trainings for potential apprentices. Young craftsmen not only learn ancient brewing skills during the course of their studies, but more importantly, they can experience the down-to-earth approach, the excellence and the perseverance of Lao Heng He spirit.

為了老恒和古法釀造技藝得以世代地傳承下去，我們每三年舉辦一次「古法釀造技藝傳承拜師儀式」，讓每一代老恒和釀造師傅對上一代師傅表示致敬，同時也作為第二代、第三代釀造師傅對有潛力的徒弟進行長期、系統的培養的開始。年輕技工們在從師的過程中，不但能學習到古法釀造技能，更重要的是在經歷過磨練後，得以領悟到腳踏實地、精益求精、持之以恆的老恒和精神。

CHAPTER 5 GROWING WITH EMPLOYEES (CONTINUED)

第五章 和以匠心 攜手員工成長(續)

Lao Heng He from the perspective of its winemaker: only “good personality” and “good technology” can make good wine

Narrator: Wan Peiyao (萬培耀), a winemaker from Lao He Heng

There is an ancient saying: “Seasonal and weather conditions, geographic conditions, quality of materials, and craftsmanship are the four elements of making good products.”

In hot summer days, Wan Peiyao led his apprentices to prepare official Chinese herbs; during the autumn equinox, they started to make wine yeasts; and at the start of winter, they began to brew wine. They selected quality JinYe glutinous rice (金釵糯) from Huzhou and mixed with the spring water of Huzhou’s “Shuangxi Stream (雙溪夾流)”. Through natural fermentation for about one hundred days from soaking, cooking, cooling, adding wine yeast to mixing with official Chinese herbs, Wan Peiyao, together with his apprentices, transferred the fermented base wine into brewing containers for aging in springtime, so as to allow time and nature to give it more mellow quality.

Perceiving the change of seasons, Wan Peiyao has been working in the industry for 22 years. As an inheritor of winemaking techniques, Wan Peiyao has been very cautious about his apprentices. He said, “An apprentice must not only acquires the skills, but also possesses good personality.” Brewing a bottle of high-quality yellow rice wine not only needs to master precise craftsmanship, but also requires the ingenuity of the craftsmen and the idea of “Perseverance combined with good-naturedness and creditworthiness (持之以恆，和信為本)”. During the festive season, Wan Peiyao also visits his master, who is as close as his father, and makes small talk and shares their feelings.

For more than a hundred years, the brewing techniques of Lao Heng He’s yellow rice wine has been passed down with the ingenuity and perseverance of craftsmen generation after generation. In the ordinary and extraordinary time of change, the aroma of wine lingers.

案例：釀酒師傅眼中的老恒和：「好人品」加「好技術」才能釀好酒

講述者：老恒和釀酒師傅

萬培耀

古有云：「天有時，地有氣，材有美，工有巧，合此四者，然後可以為良。」

夏伏天，萬培耀帶領徒弟們製官藥，秋分時節製酒麴，立冬時著手投料，甄選湖州盛產最佳的釀酒糯米「金釵糯」，融合湖州「雙溪夾流」的冽泉，經過浸泡，蒸煮，冷卻，再埋入酒麴，拌入官藥配方，經歷約百天的自然發酵，到來年萬物復蘇的立春時節，萬培耀要與徒弟們一起，將發酵的基酒轉入一個個酒罈中繼續陳釀，讓時間與大自然賦予它更醇香的品質。

感知季節的更替，萬培耀入行已有二十二個春秋，作為釀酒技藝的傳承人，萬培耀對收徒弟的事一直很謹慎，他說：「收徒弟不僅要看技術，更應該看重的是人品。」一壇品質上乘的黃酒不僅需要拿捏精準的技藝，更需要投入匠人的巧思和「持之以恆，和信為本」的意念。每逢佳節，萬培耀也要拜會自己的師傅，拉家常，解困惑，萬培耀對師傅的感情親如父。

一百多年來，老恒和黃酒的釀造工藝就在這一代又一代匠人的巧思和恒心下，源遠傳承。在平凡又不平凡的時節更替裏，醇香四溢。

CHAPTER 5 GROWING WITH EMPLOYEES (CONTINUED)

第五章 和以匠心 攜手員工成長(續)

In 2017, Lao Heng He provided 880.5 hours of training for 1,569 employees. The details were as follows:

二零一七年，老恒和為1,569名員工提供了880.5小時培訓，具體信息如下：

		Total number of employees trained 受訓總人數	Percentage of employees trained 受訓百分比	Total training hours 受訓總時數
By employment type	以僱員類別劃分			
Management	管理層	53	3.4%	10
Staff	普通員工	1,516	96.6%	870.5
By gender	以性別劃分			
Female	女性	549	35.0%	450
Male	男性	1,020	65.0%	672

5.4 CARE FOR EMPLOYEES' BENEFITS

Lao Heng He provides a variety of channels for communication with employees, providing timely assistance to employees in need, organising various cultural and recreational activities, creating a harmonious and warm working atmosphere, allowing employees to feel at home as a family, and improving their happiness index and sense of belonging. We have built well-equipped quarters for our staff and set up a "Home for the Staff (職工之家)" to organise various caring activities for them such as annual health checkup, leisure trips and birthday parties. The Company has also established a "Green Passage (綠色通道)" to provide assistance to staff in need.

5.4 關愛員工福利

老恒和提供多種與員工交流的渠道，及時為有需要的員工提供幫助，組織豐富多彩的文體活動，營造和諧溫暖的工作氛圍，讓員工感受到家的溫暖，提升員工的幸福指數和歸屬感。我們為職工建造了設施齊備的公寓樓，設立了「職工之家」，並每年組織職工體檢、旅游、運動會、生日會等多種形式的員工關愛活動，公司還設置了困難職工「綠色通道」，幫助困難職工解決問題。

CHAPTER 5 GROWING WITH EMPLOYEES (CONTINUED)

第五章 和以匠心 攜手員工成長(續)

Organising Various Cultural and Recreational Activities for Employees

豐富的員工文體活動



Building team spirit by organising dragon boat race
龍舟賽培養團隊精神



Sports gala in Wuxing District
吳興區運動會



Communism tour around
South Lake, Jiaxing
嘉興南湖紅色之旅



Song and Dance Performances held by
Wuxing District labour union
吳興區工會歌舞演出

CHAPTER 6 CONTRIBUTING TO COMMUNITY

第六章 和以共融 惠及美好社區

Giving Back to Neighboring Communities

Lao Heng He is convinced that since its foundation, without local community's long-term support for the development of the Company's business, it cannot truly achieve sustainable development. While providing healthy and delicious products to the public, we continue to practice corporate social responsibility, formulate community investment guidelines, actively carry out community charitable activities, arrange its employees to participate in various voluntary activities, and give back to the community by way of quality products and services.

In 2017, Lao Heng He donated products with an aggregate value of RMB 67,300.

回饋周邊社區

自從創始以來，老恒和一直深信沒有當地社區對公司業務發展的長期支持，並不能真正地做到可持續發展。我們在為民眾提供健康美味的同時，持續不斷地踐行企業社會責任，制定社區投資指引，積極開展社區公益活動，組織員工參與各項志願服務活動，以公司自身的產品與服務特長回饋社區。

二零一七年，老恒和總共捐贈了價值為人民幣6.73萬元的產品物資。



Lao Heng He donated condiments to Huzhou City Charity Centre (Balidian Welfare Agency) on a long-term and irregular basis, offering care for lonely elderly and the disabled. 老恒和長期不定期向湖州市慈愛中心（八里店福利院）進行定向捐贈調味品，為院內孤寡老人、殘疾人送上滿滿的愛心。



Lao Heng He visited Wuxing First Primary School together with Huzhou City Federation of Industry and Commerce and Huzhou Society for Promotion of the Guangcai Program to console and care for "new residents' children" and gave out Lao Heng He's products.

老恒和同湖州市工商聯、湖州光彩事業促進會，共同走進吳興第一小學，慰問和關愛「新居民子弟」，並送上老恒和產品。



Lao Heng He and Haiyan Natural Grain and Oil Co., Ltd. joined hands with Haiyan Department of Civil Affairs and Haiyan Volunteer Association and cared for lonely elderly, the disabled, and families in need.

老恒和、海鹽天然糧油有限公司攜手海鹽民政局、海鹽義工協會共同關注孤寡老人、殘疾人及五包困難家庭，送上溫暖。



Lao Heng He held charitable sales in Jiaxing and attracted hundreds of thousands of citizens to join the activity. Lao Heng He gave back to the community by selling at the minimum price.

老恒和在嘉興開展巡迴義賣公益活動，吸引成千上萬的市民前來購買，老恒和也以最低廉的價格來回饋社會。

POLICY LIST

政策列表

ESG issues ESG 議題	Policies 政策
A1 Emissions	“Regulations on Classification and Management of Wastes” “Waste Management System” “Operation Guidelines on Classification, Collection and Disposal of Wastes” “Disposal and Measurement of Noise, Wastewater, Exhaust Gases” “Operation Guidelines on Collection and Disposal of Chemical Wastes and Containers, Waste Oils and Sludge” “Operation Guidelines on Wastewater Treatment” “Clean Production Management System”
A1 排放物	《廢棄物分類及管理規定》 《廢棄物管理制度》 《廢棄物分類收集、處理作業指導書》 《噪聲、廢水、廢氣排放處理及檢測》 《廢化學品液及容器、廢油及廢泥收集與處理作業指導書》 《廢水處理作業指導書》 《清潔生產管理制度》
A2 Use of Resources	“Control Protocol of Resources and Energy” “Wastewater Discharge Control System” “Operation Guidelines on Management of Water and Electricity Conservation” “Operation Guidelines on Management of Energy Efficiency”
A2 資源使用	《資源能源控制規程》 《廢水排放控制制度》 《節約水、電管理作業指導書》 《節能降耗管理作業指導書》
A3 The Environment and Natural Resources	“Measures on Identification and Evaluation of Environmental Elements” “Evaluation Specifications of Key Environmental Elements” “Control Procedures on Environmental Monitoring and Measurement” “Management System for Environmental Protection”
A3 環境及天然資源	《環境因素識別評價辦法》 《重要環境因素評價規範》 《環境監視和測量控制程序》 《環境保護管理制度》

POLICY LIST (CONTINUED)

政策列表(續)

ESG issues ESG 議題	Policies 政策
B1 Employment	"Remuneration Scheme" "Procedures on Recruitment, Employment and Dismissal" "Human Resources Management System" "Management Procedures on Calculation, Review and Approval of Employees' Salary" "Implementation Measures on Performance Management and Assessment" "Employees' Performance Appraisal System" "Control Procedures on Human Resources"
B1 僱傭	《薪酬計劃》 《招聘、錄用、解聘程序》 《人力資源管理制度》 《僱員工資計算、覆核和審批管理流程》 《績效管理與績效考核實施辦法》 《僱員績效考核制度》 《人力資源控制程序》
B2 Health and Safety of Employees B2 員工安全與健康	"Management Measures on Working Environment and Safety" "Management Regulations on Monitoring and Classification of Occupational Hazards" "Management System on Employees' Occupational Health Check" 《工作環境和安全管理辦法》 《職業危害因素監測與分級管理規定》 《職工職業健康體檢管理制度》
B3 Development and Training of Employees B3 員工培訓與發展	"Training System" 《培訓制度》
B4 Labour Standards B4 勞工準則	"Procedures on Recruitment, Employment and Dismissal" "Human Resources Management System" "Control Procedures on Human Resources" 《招聘、錄用、解聘程序》 《人力資源管理制度》 《人力資源控制程序》
B5 Supply Chain Management B5 供應鏈管理	"Supplier Management" "Management Procedures on Suppliers" "Control Procedures on Procurement" "Management System on Procurement Centre" 《供應商管理》 《供應商管理程序》 《採購控制程序》 《採購中心管理制度》

POLICY LIST (CONTINUED)

政策列表 (續)

ESG issues ESG 議題	Policies 政策
B6 Product Responsibility	“Standards for Inspection and Acceptance of Packaging Materials” “Control Procedures on Procurement” “Control Procedures on Labelling, Tracking and Recall of Products” “Control Procedures on Planning, Implementation and Evaluation of Product Verification” “Control Procedures on Assessment Measures of Food Hazards” “Control Procedures on Substandard Products and Potentially Substandard Products” “Control Procedures on Rectification and Preventive Measures on Non-compliance” “Standards for Inspection and Acceptance of Raw Materials” “Food Quality and Safety Management System” “General Management Principles of Enterprise Intellectual Property Rights” “Management System for Patents” “Management System for Trademarks” “Management System for Copyrights” “Management System for Business Secrets” “Control Procedures on Evaluation of Intellectual Property Rights”, etc
B6 產品責任	《包裝材料驗收標準》 《採購控制程序》 《標識 — 追溯 — 撤回控制程序》 《驗證活動策劃、實施、評價控制程序》 《食品危害評估辦法控制程序》 《不合格品和潛在不合格品控制程序》 《不符合、糾正和預防措施控制程序》 《原材料驗收標準》 《食品質量安全管理制度》 《企業知識產權管理總則》 《專利管理制度》 《商標管理制度》 《著作權管理制度》 《商業秘密管理制度》 《知識產權評估控制程序》等
B7 Anti-corruption	“Anti-fraud and Whistle-blowing System”
B7 反貪腐	《反舞弊與舉報制度》
B8 Community Investment	N/A
B8 社區投資	無

INDEX 指標索引

This reporting guide illustrates the Company's compliance with provisions of each indicator of "comply or explain" and disclosure requirements of indicators regarding "recommended disclosures" set out in the Environmental, Social and Governance Reporting Guide during the reporting period.

本指標索引說明了公司於報告期間遵守《環境、社會及管治報告指引》的每一項「不遵守即解釋」指標及披露「建議披露」指標的情況。

	ESG issues ESG 議題	Disclosure 披露情況	Section 對應章節	Page 頁數
A. Environment				
A. 環境				
A1 Emissions 排放物	General disclosure: policies relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 一般披露： 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的政策。	●	Responsible Emission Management 責任管理排放	42
A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	●	Responsible Emission Management 責任管理排放	42
A1.2	Greenhouse gas emissions in total and intensity. 溫室氣體總排放量及密度。	●	Efficient Use of Resources 高效使用資源	49
A1.3	Total hazardous waste produced and intensity. 有害廢棄物總量及密度。	●	Responsible Emission Management 責任管理排放	42
A1.4	Total non-hazardous waste produced and intensity. 無害廢棄物總量及密度。	●	Responsible Emission Management 責任管理排放	42
A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	●	Efficient Use of Resources 高效使用資源	49
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	●	Efficient Use of Resources 高效使用資源	49

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指標索引(續)

	ESG issues ESG 議題	Disclosure 披露情況	Section 對應章節	Page 頁數
A2 Use of Resources 資源使用	General disclosure: policies on the efficient use of resources, including energy, water and other raw materials. 一般披露： 有效使用資源(包括能源、水及其他原材料)的政策。	●	Efficient Use of Resources 高效使用資源	49
A2.1	Energy consumption in total and intensity. 能源總耗量及密度。	●	Efficient Use of Resources 高效使用資源	49
A2.2	Water consumption in total and intensity. 總耗水量及密度。	●	Efficient Use of Resources 高效使用資源	49
A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	●	Efficient Use of Resources 高效使用資源	49
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	●	Efficient Use of Resources 高效使用資源	49
A2.5	Total packaging material used for finished products and with reference to per unit produced. 製成品所用包材料的總量及每生產單位佔量。	●	Efficient Use of Resources 高效使用資源	49
A3 The Environment and Natural Resources 環境及天然 資源	General Disclosure: policies on minimising the issuer's significant impact on the environment and natural resources. 一般披露： 減低發行人對環境及天然資源造成重大影響的政策。	●	Fulfilling Environmental Protection Responsibilities 和以自然 履行環境責任	42
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	●	Fulfilling Environmental Protection Responsibilities 和以自然 履行環境責任	42

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指標索引(續)

	ESG issues ESG 議題	Disclosure 披露情況	Section 對應章節	Page 頁數
B. Social				
B. 社會				
B1 Employment	General Disclosure: policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, and information on compliance with relevant laws and regulations that have a significant impact on the issuer. 一般披露： 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的政策及遵守對發行人有重大影響的相關法律及規例的資料。	●	Lao Heng He as a Family	54
僱傭			老恒和一家親	
B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	●	Lao Heng He as a Family	54
			老恒和一家親	
B1.2*	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	◐	Lao Heng He as a Family	54
			老恒和一家親	
B2 Health and Safety of Employees	General Disclosure: policies relating to providing a safe working environment and protecting employees from occupational hazards, and information on compliance with relevant laws and regulations that have a significant impact on the issuer. 一般披露： 有關提供安全工作環境及保障僱員避免職業性危害的政策及遵守對發行人有重大影響的相關法律及規例的資料。	●	Protection of Employees' Safety	56
員工安全 與健康			保障員工安全	
B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	●	Protection of Employees' Safety	56
			保障員工安全	
B2.2	Lost days due to work injury. 因工傷損失工作日數。	●	Protection of Employees' Safety	56
			保障員工安全	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	●	Protection of Employees' Safety	56
			保障員工安全	

* Remarks: By pushing forward lean management in the future, Lao Heng He will enhance its data disclosure.

* 註：老恒和會在未來進行精細化管理，完善數據披露。

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指標索引(續)

	ESG issues ESG 議題	Disclosure 披露情況	Section 對應章節	Page 頁數
B3 Development and Training of Employees 員工培訓與發展	General Disclosure: policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 一般披露： 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	●	Facilitating Employees' Personal Development 助力員工成長	58
B3.1	The percentage of employees trained by gender and employee category. 按性別及僱員類別劃分的受訓僱員百分比。	●	Facilitating Employees' Personal Development 助力員工成長	58
B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	●	Facilitating Employees' Personal Development 助力員工成長	58
B4 Labour Standards 勞工準則	General Disclosure: policies relating to preventing child and forced labour, and information on compliance with relevant laws and regulations that have a significant impact on the issuer. 一般披露： 有關防止童工或強制勞工的政策及遵守對發行人有重大影響的相關法律及規例的資料。	●	Lao Heng He as a Family 老恒和一家親	54
B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	●	Lao Heng He as a Family 老恒和一家親	54
B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	●	Lao Heng He as a Family 老恒和一家親	54
B5 Supply Chain Management 供應鏈管理	General Disclosure: policies on managing environmental and social risks of the supply chain. 一般披露： 管理供應鏈的環境及社會風險政策。	●	Supply Chain Management 供應鏈管理	38
B5.1	Number of suppliers by geographical region. 按地區劃分的供貨商數目。	●	Supply Chain Management 供應鏈管理	38
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供貨商的慣例，向其執行有關慣例的供貨商數目、以及有關慣例的執行及監察方法。	●	Supply Chain Management 供應鏈管理	38

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指標索引(續)

	ESG issues ESG 議題	Disclosure 披露情況	Section 對應章節	Page 頁數
B6 Product Responsibility	General Disclosure: policies relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress, and information on compliance with relevant laws and regulations that have a significant impact on the issuer. 一般披露: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的政策及遵守對發行人有重大影響的相關法律及規例的資料。	●	Consumer First Approach 消費者至上	35
產品責任				
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送總數中因安全與健康理由而須回收的百分比。	●	Consumer First Approach 消費者至上	35
B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	●	Consumer First Approach 消費者至上	35
B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	●	Continuous Technological Innovation 持續技術創新	32
B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	●	Guarantee of Food Safety 保證食品安全	26
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者數據保障及私隱政策，及相關執行及監察方法。	●	Consumer First Approach 消費者至上	35
B7 Anti-corruption	General Disclosure: policies relating to bribery, extortion, fraud and money laundering, and information on compliance with relevant laws and regulations that have a significant impact on the issuer. 一般披露: 有關防止賄賂、勒索、欺詐及洗黑錢的政策及遵守對發行人有重大影響的相關法律及規例的資料。	●	Promotion of Integrity and Sound Governance 倡廉善治	15
反貪腐				
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於彙報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	●	Promotion of Integrity and Sound Governance 倡廉善治	15
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	●	Promotion of Integrity and Sound Governance 倡廉善治	15

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指標索引(續)

	ESG issues ESG 議題	Disclosure 披露情況	Section 對應章節	Page 頁數
B8 Community Investment 社區投資	General Disclosure: policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 一般披露： 有關以社區參與來瞭解營運所在社區需要和確保其業務活動考慮社區利益的政策。	●	Contributing to Community 和以共融 惠及美好社區	63
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	●	Contributing to Community 和以共融 惠及美好社區	63
B8.2	Resources contributed (e.g. money or time) to the focus area. 在專注範疇所動用資源(如金錢或時間)。	●	Contributing to Community 和以共融 惠及美好社區	63

Note: ● — disclosed in the report; ● — not fully disclosed; ○ — not disclosed;
N/A — indicators not applicable to the Company.

註：●表示已在報告中披露；●表示不完全披露；○表示未披露；N/A表示該指標不適用於本公司。

FEEDBACK QUESTIONNAIRE

意見反饋表

Dear Readers,
尊敬的讀者：

Thank you for reading our second Environmental, Social and Governance (ESG) Report. We appreciate if you would give us your invaluable comments and opinions on this report. It will help us improve the reporting on an on-going basis.

感謝您閱讀本報告！這是我們發佈的第二份環境、社會及管治(ESG)報告，我們非常希望您能夠對本報告進行評價，並提出您的寶貴意見，幫助我們對報告進行持續改進。

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“Feedback Questionnaire regarding 2017 Environmental, Social and Governance Report of Honworld Group Limited”

《老恒和釀造有限公司二零一七年度環境、社會及管治報告意見反饋表》

Name

姓名

Department in

the Company

工作單位

Responsibility

職務

Telephone

聯繫電話

Email

電子郵箱

FEEDBACK QUESTIONNAIRE (CONTINUED)

意見反饋表(續)

Opinions on this report: (please tick the appropriate boxes)

您對本報告的評價：(請在相應位置打✓)

	Very good 很好	Good 較好	Fair 一般	Poor 較差	Very poor 很差
Does the report fully reflect the material information on environmental, social and governance issues of the Company? 您認為本報告是否突出反映公司在環境、社會及管治方面的重要信息？	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the information and indexes disclosed in the report clear, accurate and complete? 您認為本報告披露的信息、指標是否清晰、準確、完整？	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you think the content and layout design of the report easy to read? 您認為本報告的內容編排和風格設計是否便於閱讀？	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Which parts of the report are you most concerned about? 您對報告哪一部分內容最感興趣？					
<hr/> Is there any other information you wish to know but not reflected in the report? 您認為還有哪些需要瞭解的信息沒有在本報告中反映？					
<hr/> What suggestions do you have for our future Environmental, Social and Governance Report? 您對我們今後發佈環境、社會及管治報告有什麼建議？					
<hr/>					



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