



**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**

**2019**

\* For identification purposes only 僅供識別

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# ABOUT THIS REPORT

## 關於本報告

### OVERVIEW

This is the fourth Environmental, Social and Governance (“ESG”) Report issued by Honworld Group Limited for the purpose of providing information about Honworld’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 Environmental, Social and Governance Reporting Guide (“ESG Guide”) as contained in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange”).

The contents of this report are determined based on a set of systematic procedures, including 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 2019 to 31 December 2019 (hereinafter referred to as the “reporting period”), while certain information relates to previous years or 2020. 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 2019 Annual Report of the Company. Unless otherwise indicated, all amounts presented in this report are dominated in Renminbi.

### RELIABILITY GUARANTEE

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

### 概覽

本報告是老恒和釀造有限公司發佈的第四份環境、社會及管治(ESG)報告，重點披露老恒和在環境、社會、經濟等方面績效表現的相關信息，以及我們在社會責任上的努力。希望本報告能使您更加了解我們的可持續發展之路，同時也希望收到您對於本報告的反饋。

### 編製依據

本報告參照香港聯合交易所有限公司(以下簡稱「聯交所」)《證券上市規則》附錄二十七之《環境、社會及管治報告指引》(以下簡稱「《ESG指引》」)編製。

本報告內容按照一套有系統的程序而釐定。有關程序包括：識別和排列重要的權益人、識別和排列ESG相關重要議題、決定ESG報告的邊界、收集相關材料和數據、根據資料編製報告和對報告中的資料進行檢視等。

### 報告說明

本報告為年度報告，時間跨度為二零一九年一月一日至二零一九年十二月三十一日(以下簡稱「報告期」)，部分信息涉及以往年份或二零二零年。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」。報告覆蓋範圍與公司二零一九年報相同。若無特別說明，本報告中所有涉及資金貨幣種類均指人民幣(元)。

### 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。

# ABOUT THIS REPORT (CONTINUED)

## 關於本報告(續)

### CONFIRMATION AND APPROVAL

This report was approved and authorised by the board of directors on 14 August 2020 upon confirmation by the management.

### 確認及批准

本報告經管理層確認後，於二零二零年八月十四日獲董事會審批通過。

### AVAILABILITY OF THIS REPORT AND FEEDBACKS

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 on the page “Financial Statements/ESG Information” on the website of the Stock Exchange. If you have any enquiry or suggestion regarding this report, please feel free to contact us at:

### 獲取及回應本報告

本報告以中文以及英文兩種語言編製。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聯交所網站「財務報表／環境、社會及管治資料」類別內獲取。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

Strictly follow the “Comply with the weather, adapt to the earth's atmosphere, use materials cleverly, make with skills” (天有時、地有氣、材有美、工有巧), Lao Heng He adheres to the motto of “Perseverance combined with good-naturedness and creditworthiness” (恆以持之，和信為本) and continues to establish itself as a diversified condiment manufacturer with cooking wine as a dominant product by pursuing in-depth development for the industry chain of condiment. As a China Time-honored Brand (中華老字號) over a century, Lao Heng He is committed to enhance product quality with its ancient secret recipe, brewing recipe and craftsmanship to further consolidate the market position of its brands. After years of effort in consolidating its own development channels, our sales in 2019 increased from RMB 874.4 million in 2018 to RMB 915.2 million, representing a year-on-year increase of 4.7%. Furthermore, as guided by the spirit of national culture, Lao Heng He continues to establish a sound internal management system and regards the practice of sustainable development and the promotion of consumers' health as its own responsibility, so as to usher in another century of development with progress.

**Self-discipline and responsibility as our first priority.** As a company listed on the Stock Exchange, Lao Heng He actively undertakes the responsibilities with respect to environment, society and governance in addition to providing high-quality products. Lao Heng He ensures the operation compliance and sustainable development through the top-down management and the bottom-up feedback ESG governance structure. In 2019, we actively enhanced management's awareness of integrity and self-discipline to prevent corruption. Meanwhile, we maintain communication with all stakeholders to transform our commitment to stakeholders into action.

**Upholding quality and crafting excellence.** As always, Lao Heng He is motivated by the goal of “ensuring food safety, promoting environmental protection and enhancing consumers' health”. With quality products and naturally-brewed cooking wine with no additives, we strive to set up an exemplar for the industry. Lao Heng He updates and improves internal management standards with reference to requirements higher than national standards. We also take initiative to improve the control of key internal control indicators and are committed to provide customers with better quality, healthy and safe natural brewing condiment products. We uphold the flavor and quality of our products as well as actively promote the formulation of industry standards for the healthy development of the industry, so that consumers can enjoy without worrying.

「天有時、地有氣、材有美、工有巧」，老恆和秉承著「恆以持之，和信為本」的祖訓通過深度開發調味品產業鏈，不斷向以料酒為主導產品的多元化調味品製造商邁進。作為百年「中華老字號」，老恆和憑藉世代傳承的秘方、配方和工藝，銳意持續提高產品的素質，以進一步提升品牌的市場地位。經過多年以來對自身發展渠道的調整，老恆和二零一九年的銷售額由二零一八年的874.4百萬元增至915.2百萬元，同比上漲4.7%。不僅如此，老恆和更以民族文化精神作為指引，不斷建立健全內部體制管理，將踐行可持續發展、促進消費者健康視為己任，為迎接下一個百年歷程而不斷進取。

**恆於律己，責任先行。**作為聯交所上市公司，老恆和在提供優質產品的基礎上，積極承擔環境、社會及管治的責任，通過構建自上而下管理、自下而上反饋的ESG管治架構，在確保合規運營的同時注重可持續發展。二零一九年，我們積極提升管理層廉潔自律意識，預防貪污腐敗問題的發生；同時，主動與各權益方展開溝通，將對權益方的承諾轉化為實際行動。

**恆以釀質，誠品匠造。**老恆和始終將「保障食品安全、推動環境保護及促進消費者健康」視為驅動力。憑藉高質量的產品，以零添加原釀料酒為突破口，力求成為行業的風向標。老恆和參照高於國家標準的要求，更新並完善內部管理標準，主動提升對關鍵內控指標的管控，致力於為消費者提供更為優質、健康、安全的天然釀造調味品。我們在確保產品風味和品質的同時，積極推動產品行業標準制定，帶動行業健康發展，讓更多消費者吃的安心、放心。

# CHAIRMAN'S MESSAGE (CONTINUED)

## 主席致辭(續)

**Striving for mutual development and achieving the same goal.** Lao Heng He always insists on being customer-oriented. In 2019, we improved the e-commerce service system to enhance the overall ability to respond to consumer needs and to offer customers with diversified and new retail experience. Meanwhile, we focus on working with upstream and downstream partners in the supply chain to create a fair, transparent and mutually beneficial environment for industry development. We select quality distributors in a rigorous manner, establish a reasonable assessment method and discuss improvement plan together with distributors for joint development promotion. Lao Heng He established a mechanism for following-up, assessment and evaluation of suppliers to implement management of suppliers by ratings and categorises. We also provide suppliers with guidance and support, while supervising and continuously improving the supply chain management with an aim to create a healthy, win-win and responsible supply chain.

**Gathering talents with recommendation and promotion mechanism.** Adhering to the philosophy of “people-oriented”, Lao Heng He continues to uphold the spirit of “craftsmanship” and work together with our employees. In 2019, Lao Heng He adhered to the principle of openness and fairness which aims to select the “best person for the job”. We passed the OHSAS 18001 Occupational Health and Safety Management System Certification to fully protect employees' occupational health and safety. By increasing investment in team building and employee training, we provide employees with competitive remuneration packages and social security. We also continuously improve employee communication and transparent promotion mechanism to provide employees with a fair working environment while enhancing employees' sense of belonging. Meanwhile, we adopt the “three-tier training (三幫)” system, which creates a comprehensive development of “Lao Heng He's person (老恒和人)” through three aspects, i.e. inheritance of technology and tradition, abilities enhancement and quality training with an ultimate aim of promoting the joint development of employees and the Company.

**Pursuing environmental harmony and green development.** Lao Heng He is well aware of the positive impact of environmental protection on sustainable development of the corporate. We obtained ISO 14001 Environmental Management System Certification. Through process optimization, technological innovation, equipment transformation and other measures, we implemented and followed up the energy saving and consumption reduction target, promoted green plant and lean management. We also adopted intelligent online monitoring system to control energy and resource consumption and strived to improve resource and energy efficiency and reduce the impact of operations on the environment. In 2019, Lao Heng He further underwent lightweight transformation of glass bottle packaging. On top of package strength, the weight-to-volume ratio of glass bottles was reduced to enhance eco-friendliness and economical efficiency of packaging, thus reducing carbon emissions arisen from the supply chain to a certain extent.

恒以共進，同道致遠。老恒和堅持以消費者為中心，二零一九年，我們完善了電商服務體系，全面提升響應消費者需求的能力，為消費者提供多元的新零售體驗。同時，我們注重與供應鏈上下游伙伴共同打造公平、透明、互利的行業發展環境。我們嚴格篩選優質經銷商，設定合理的考核方式，並共同探討提升方案，促進經銷商與我們共同發展。老恒和已建立了一套供應商跟蹤與考核評價機制，對供應商進行分級分類管理，同時給予其輔導與支持，監督並不斷完善供應鏈管理，致力打造健康共贏的責任供應鏈。

和以聚力，採擷薦進。老恒和恪守「以人為本」的理念，通過不斷發揮匠人精神，與員工攜手共進。二零一九年，老恒和依舊秉承「公平公開、唯才是用」的原則挑選適宜的人才。我們已經通過了OHSAS 18001職業健康安全管理体系認證，全面保障員工職業健康安全；通過增加對團隊建設的投入和員工培訓，為僱員提供在同行中具備競爭力的薪酬福利和社會保障；不斷完善員工溝通和透明的晉升渠道，為員工提供公平工作環境的同時增強員工歸屬感。同時，我們還通過「三幫」機制從技術傳承、能力提升以及素質培養三方面全面打造「老恒和人」，以最終促進員工與企業的共同成長。

和以自然，綠色發展。老恒和深知環境保護對於企業可持續發展的積極影響。我們已獲得ISO 14001環境管理体系認證證書，並通過流程優化、技術創新、設備改造等舉措，落實和跟進節能降耗目標，推進綠色工廠及精細化管理，採用智能在線監測系統對能源、資源消耗進行管控，努力提高資源、能源利用率，降低運營對環境造成的影響。二零一九年，老恒和進一步對玻璃瓶產品包裝進行輕量化改造，在保證包裝強度基礎上，降低玻璃瓶的重容比，提高包裝的綠色性與經濟性，在一定程度上降低供應鏈的碳排放。

# CHAIRMAN'S MESSAGE (CONTINUED)

## 主席致辭(續)

**Performing good deeds with passion and righteousness.** Lao Heng He regards sustainable development of the society as its responsibility. While making progress, we support historical and cultural heritage and commit to fulfil social responsibilities as a corporate citizen. In 2019, Lao Heng He was invited to participate in the exhibition themed “China Time-honored Brand — Celebrating the Spring Festival at the Palace Museum (中華老字號，故宮過大年)” in Beijing. We are committed to the inheritance and transmission of Chinese culture as well as using condiments and cuisine as a carrier.

The outbreak of COVID-19 in early 2020 posed great challenges to every Lao Heng He people. While guarding employees' health and safety, we resumed operation and production in a steady and orderly manner. We also took initiative to offer support and assistance in terms of manpower, financial means and materials to Wuhan City, Hubei Province and other regions. In the future, Lao Heng He will, as always, offer safer, healthier naturally-brewed green condiment products with higher quality, and make greater contributions to the economy, environment and society together with all stakeholders.

和以歸善，恆情有義。老恆和視助力社會的可持續發展為己任，在不斷進取的同時，支持並傳承歷史文化，踐行企業公民的社會責任。二零一九年，老恆和受邀至北京故宮博物院慈寧宮花園廣場參加「中華老字號，故宮過大年」會展，在將調味品中深厚的文化韻味和優良品質帶給消費者的同時，以調味品和食物為載體，傳承和傳播中華文化。

二零二零年初的新型冠狀病毒肺炎疫情牽動著老恆和人的心，我們在保障員工健康安全、穩步有序復工復產的同時，也積極為湖北省武漢市等多個地區從人、財、物等方面提供支援與幫助，以盡綿薄之力。未來，老恆和將一如既往為消費者提供更安全優質、更健康天然的綠色釀造調味品，攜手各利益相關方在經濟、環境、社會等方面做出更大的貢獻。

**Chen Weizhong**  
*Chairman of the Board*

**陳衛忠**  
董事會主席

# PERFORMANCE HIGHLIGHTS IN 2019

## 2019 年亮點績效

### OPERATING RESULTS

- Sales amounted to RMB **915.2 million**, representing an increase of **4.7%** as compared to that of 2018
- Sales from New Sales Channels<sup>1</sup> amounted to RMB **450.6 million**, representing an increase of **6.5%** as compared to that of 2018
- Sales from supermarket channels amounted to RMB **464.6 million**, representing an increase of **3.0%** as compared to that of 2018
- Our New Sales Channels have successfully covered **30 provinces, autonomous regions and municipalities** across **1,321 distributors**
- **0 lawsuits** relating to corruption

### WIN-WIN SITUATION FOR THE INDUSTRY

- **100%** processing rate of customers' and consumers' feedback
- Satisfaction survey and evaluation was conducted, targeting **40-50 distributors**, covering aspects such as products, cooperation pattern and brand market, and overall satisfaction rate of the distributors reached **98.77 points**
- Actively participate in formulation of **Standards for Cereal-Based Brewed Cooking Wine** with China Alcoholic Drinks Association. On 1 April 2019, we assisted the official promulgation of Standards for Cereal-Based Brewed Cooking Wine

### STAFF SUPPORT

- A total of **2,852** trainings arranged for employees and total training hours were **3,307 hours**
- Obtained the **OHSAS 18001 Occupational Health and Safety Management System** Certification
- A total of **0** work-related injuries

### 經營績效

- 銷售額為人民幣**915.2**百萬元，較二零一八年增長**4.7%**
- 新銷售渠道<sup>1</sup>的銷售額為人民幣**450.6**百萬元，較二零一八年增加**6.5%**
- 商超渠道的銷售額為人民幣**464.6**百萬元，較二零一八年增加**3.0%**
- 我們的新銷售渠道已經成功覆蓋全國**30**個省、自治區及直轄市，並擁有**1,321**家經銷商
- 貪污腐敗訴訟案件為**0**起

### 產業共贏

- 客戶及消費者信息反饋處理率 **100%**
- 對**40-50**家經銷商進行了滿意度調研評估，評估包括產品、合作形式以及品牌市場等方面，經銷商綜合滿意度達到**98.77**分
- 積極參與中國酒業協會《谷物釀造料酒》團體標準的制定，二零一九年四月一日，助力《谷物釀造料酒》團體標準正式發佈

### 員工支持

- 受訓員工人次數達**2,852**人次，培訓總時數達**3,307**小時
- 通過了**OHSAS 18001**職業健康安全管理體系認證
- 共發生工傷事件**0**起

<sup>1</sup> New Sales Channels refer to distribution channel, catering channel and e-commerce channel

<sup>1</sup> 新銷售渠道指代流通渠道、餐飲渠道及電商渠道。

# PERFORMANCE HIGHLIGHTS IN 2019 (CONTINUED)

## 2019 年亮點績效 (續)

### ENVIRONMENTAL PROTECTION

- Comprehensive consumption amounted to **16,457MWh**, representing a decrease of **12.7%** as compared to that of 2018
- Total greenhouse gas emissions (Scope 1, 2) amounted to **4,630 tonnes CO<sub>2</sub> eq**, representing a decrease of **12.6%** as compared to that of 2018
- Total water consumption amounted to **319,489 m<sup>3</sup>**, representing a decrease of **1.69%** as compared to that of 2018
- Wastewater discharge amounted to **150,527 m<sup>3</sup>**, representing a decrease of **9.97%** as compared to that of 2018

### 環境保護

- 綜合能耗 **16,457 兆瓦時**，較二零一八年下降 **12.7%**
- 溫室氣體排放總量(僅包括範疇一及範疇二) **4,630 噸二氧化碳**，較二零一八年下降 **12.6%**
- 總用水量 **319,489 立方米**，較二零一八年下降 **1.69%**
- 污水排放量 **150,527 立方米**，較二零一八年下降 **9.97%**

### COMMUNITY INVOLVEMENT

- In early 2020, we were in support of personnel access restriction and control in surrounding communities and donated more than 10,000 disposable masks to local government in Lincheng County together with over **30** companies
- In early 2020, we donated materials worth of **RMB 6,720** to Huzhou Charity Federation (湖州市慈善總會) and **RMB 50,000** to Red Cross in Changxing County

### 社區公益

- 二零二零年初，支持周邊社區開展人員限制管控，並與約**30**家企業共同向臨城鎮政府捐贈了萬余只一次性口罩
- 二零二零年初，向湖州市慈善總會捐贈價值人民幣**6,720**元的物資，向長興縣紅十字會捐款人民幣**5**萬元

# ABOUT LAO HENG HE

## 關於老恒和

### COMPANY OVERVIEW

As one of the leading condiment manufacturers in China, Honworld Group Limited always adheres to its long-standing motto “Perseverance combined with good-naturedness and creditworthiness (恆以持之，和信為本)” since its establishment. With brewing experience of over hundreds of years in northern Zhejiang, we are committed to offer our customers with high quality and healthy brewed cooking wine, naturally-brewed soy sauce, naturally-brewed vinegar, soybean paste and fermented bean curd. In 2014, the Company was successfully listed on the Stock Exchange (stock code: 2226), and we strive to pass on and develop craftsmanship based on our rich cultural heritage.

### PRODUCT SERIES

Strictly follow the “Comply with the weather, adapt to the earth’s atmosphere, use materials cleverly, make with skills” (天有時、地有氣、材有美、工有巧), Lao Heng He continues to establish itself as a diversified condiment manufacturer with cooking wine as a dominant product by pursuing in-depth development for the industry chain of condiment.

#### Brewing with traditional Chinese herbal recipe

- Adapting ancient skills as well as traditional Chinese herbal recipe, Lao Heng He’s cooking wine is hand-brewed and fermented in earthenware with selected quality Jin Chai Nuo (金釵糯) of Tai Lake and 15 natural spices.

#### Brewing with drying and dewing

- Adapting unique double-drying<sup>2</sup> and dewing techniques, Lao Heng He’s soy sauce is double-brewed from early July to early October according to the seasonal and weather conditions.

### 公司概況

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自成立以來始終遵從「恆以持之，和信為本」的祖訓，濃縮浙北地區醬缸產業數百年的精華，致力於為消費者提供優質、健康的釀造料酒以及原釀醬油、原釀醋、黃豆醬、腐乳等產品。二零一四年，老恒和在聯交所成功掛牌上市（股票代號「2226」），通過深厚文化底蘊的積累傳承和發揚匠造品質。

### 產品系列

老恒和認為「天有時、地有氣、材有美、工有巧」，通過深度開發調味品產業鏈，不斷向以料酒為主導產品的多元化調味品製造商邁進。

#### 官藥秘方，陳年釀造

- 老恒和承襲古法，以官藥秘方，精選太湖優質金釵糯，配以十五種天然香辛料，手工釀制、陶壇發酵而成

#### 日曬夜露，陳年釀造

- 老恒和遵循節氣，小暑投料，寒露出油。通過特有的雙曬工藝<sup>2</sup>，兩次套釀經日曬夜露而得。



<sup>2</sup> Double drying: means naturally dry the soy source generated from the techniques of “natural drying” for the second time.

<sup>2</sup> 雙曬工藝：指將通過天然生曬出的醬油再進行生曬。

## ABOUT LAO HENG HE (CONTINUED)

### 關於老恒和(續)

#### Naturally brewed from rice

- With the unique climatic conditions of Huzhou, Jiangnan's rainy seasons, Lao Heng He's rose rice vinegar is brewed and naturally fermented once only during the rainy season every year.

#### 大自然發酵，大米釀造

- 老恒和地處江南湖州，梅雨季節氣候獨特。老恒和的釀醋，每年只在這個時節釀制，一年只產一季，利用天然菌種自然生長發酵而成。

#### Hand-brewed in pursuant to traditional craftsmanship

- With over 160 years history of unique production craftsmanship, Lao Heng He's fermented bean curd is hand-brewed with a delicate and rigorous manner by steps like grinding, filtering, moulding, pressing and fermenting.

#### 傳統工藝，手工制作

- 老恒和有一百六十多年的獨特的腐乳生產工藝，制作工藝細膩嚴謹，通過磨漿、過濾、定型、壓干、霉化手工操作而成。



# ABOUT LAO HENG HE (CONTINUED)

## 關於老恒和(續)

### OPERATING RESULTS AND SOCIAL RECOGNITION

After the establishment of “New Sales Channels” over the years and timely adjustment of its own development channels, Lao Heng He's sales channels have successfully covered 30 provinces, autonomous regions and municipalities across the country with 1,321 distributors. In 2019, with the successful transformation of our New Sales Channels, marketing resources were more evenly allocated, while synergies between the New Sales Channels and the existing supermarket channels brought a significant increase in operating results for Lao Heng He.

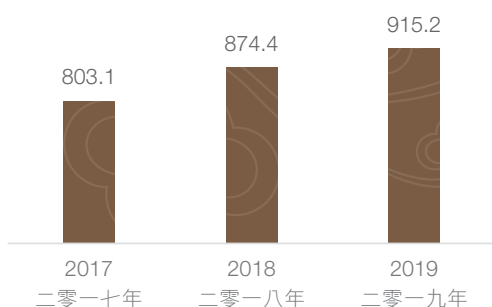
### 經營績效與社會認可

經過多年以來對新零售渠道的建設，及時調整自身發展渠道，老恒和的新銷售渠道已成功覆蓋全國三十個省、自治區和直轄市，同時擁有1,321家經銷商。二零一九年，隨著我們新銷售渠道轉型的成功，營銷資源更均衡地分配，新銷售渠道與原有商超渠道的協同發展為老恒和帶來了經營績效上的顯著增長。

Changes in sales volume in 2017–2019

二零一七至二零一九年銷售額變化情況

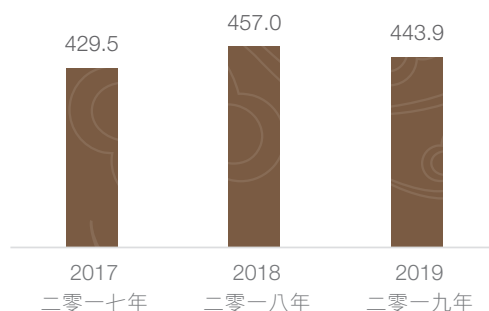
(unit: RMB million)  
(單位：百萬元)



Changes in gross profit in 2017–2019

二零一七至二零一九年毛利變化情況

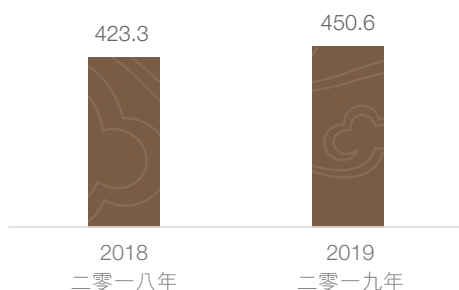
(unit: RMB million)  
(單位：百萬元)



Changes in sales volume of New Sales Channels in 2018–2019

二零一八至二零一九年新銷售渠道銷售額變化情況

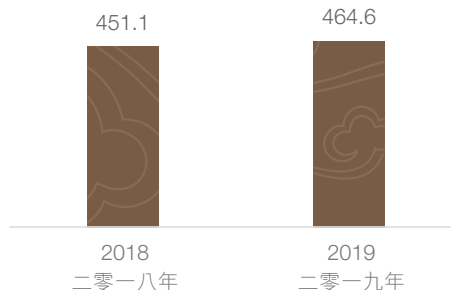
(unit: RMB million)  
(單位：百萬元)



Changes in sales volume of supermarket channels in 2018–2019

二零一八至二零一九年商超渠道銷售額變化情況

(unit: RMB million)  
(單位：百萬元)



# ABOUT LAO HENG HE (CONTINUED)

## 關於老恒和(續)

### SOCIAL RECOGNITION

In 2019, Lao Heng He received the following major recognition:

- Lao Heng He was awarded the title of "Top 50 Enterprises in China's Light Industry Food Industry (中國輕工業食品行業五十強)" by the China National Light Industry Council (中國輕工業聯合會) and "Top 30 Culturally Influential Enterprises of 2018 (2018老字號文化影響力企業30強)" in the 8th Global Overall Rating List (環球總評榜);
- In the "13th China International Alcoholic Drinks Expo Evaluation Campaign (第十三屆中國國際酒業博覽會評價活動)", Lao Heng He's "30-year old yellow wine brewed from a recipe dated back to the Song dynasty (宋方30年陳黃酒)" was awarded the title of "Qingzhuo Awards" for New Alcoholic Product (yellow wine) of 2018 (二零一八年度「清酌獎」酒類新品(黃酒類));
- In the "13th China International Alcoholic Drinks Expo Evaluation Campaign (第十三屆中國國際酒業博覽會評價活動)", Lao Heng He's "15% Cooking Wine (15度料酒)" was awarded the title of "Gold Award for Cooking Wine (釀造料酒金獎)";
- Lao Heng He's "Rosy Wine Vinegar (玫瑰米醋)" was listed in the first batch of "Outstanding Intangible Cultural Heritage Tourism-related Products in Zhejiang Province (浙江省優秀非遺旅遊商品名單)";
- Lao Heng He was listed in the 9th batch of High-skilled Talents (Model Workers) Innovation Studio of Zhejiang Province (浙江省第九批高技能人才(勞模)創新工作室) by Zhejiang Federation of Trade Union (浙江省工會) and Science Technology Department (科學技術廳);
- Lao Heng He ranked as Grade 3A "Enterprise of Honouring Contracts and Keeping Promise" (「守合同重信用」企業) by Zhejiang Administration for Market Regulation (浙江省市場監督管理局);

### 社會認可

二零一九年，老恒和主要獲得以下認可：

- 老恒和被中國輕工業聯合會授予「中國輕工業食品行業五十強」的稱號及在第八屆「環球總評榜」中榮獲「2018老字號文化影響力企業30強」獎；
- 在「第十三屆中國國際酒業博覽會評價活動」中，老恒和的「宋方30年陳黃酒」產品榮獲「二零一八年度「清酌獎」酒類新品(黃酒類)」的稱號；
- 在「第十三屆中國國際酒業博覽會評價活動」中，老恒和的「15度料酒」產品榮獲「釀造料酒金獎」的稱號；
- 老恒和的「玫瑰米醋」入選首批浙江省優秀非遺旅遊商品名單；
- 老恒和被浙江省工會及科學技術廳命名為浙江省第九批高技能人才(勞模)創新工作室；
- 老恒和浙江省市場監督管理局評為3A級「守合同重信用」企業；



**"Qingzhuo Awards" for new alcoholic product (yellow wine) of 2018**  
二零一八年度「清酌獎」酒類新品(黃酒類)



**"Gold Award for Cooking Wine"**  
「釀造料酒金獎」

# 1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY

## 1. 恆於律己，責任先行

Adhering to its longstanding motto of “Perseverance combined with good-naturedness and creditworthiness (恆以持之，和信為本)”，Lao Heng He has been dedicating to the quality of brewing and inheriting the craftsmanship of brewing, in order to continuously contribute to the development of the industry and optimise its operations in terms of responsible governance, quality and inheritance, win-win cooperation, employee unity, green development, and returning to the society. In the attitude of “self-discipline and self-improvement”, we will transform environmental, social and governance requirements into endogenous motivations to create value for government departments and regulatory authority, shareholders and investors, corporate employees, customers and consumers, business partners and communities.

### CORPORATE GOVERNANCE

Over the years, Lao Heng He always believes that a good corporate governance can effectively support internal management, corporate culture development, sustainable business growth and long-term value creation for shareholders. We continuously improve and optimise an effective accountability mechanism, comprehensively implements compliance activities such as anti-corruption, anti-monopoly and anti-unfair competition, and conducts business in a transparent and responsible manner and maintain high standard of corporate governance practices to increase accountability and transparency of the Company, with a view to protecting the long-term interests of the Company, customers and shareholders.

#### Governance Framework

The Company strictly complies with the requirements of the “Company Law of the People’s Republic of China (中華人民共和國公司法)”, the “Securities Law of the People’s Republic of China (中華人民共和國證券法)”, the “Code of Corporate Governance for Listed Companies (上市公司治理準則)” and a listed corporate governance structure established in accordance with the regulatory requirements of the Hong Kong Stock Exchange. The board of directors is the Company’s highest governance body consisting of the audit committee, the nomination committee and the remuneration committee, which is responsible for overseeing and regularly reviewing the Company’s overall governance performance and bringing long-term benefits to the Company and stakeholders.

老恆和秉持「恆以持之，和信為本」的祖訓，深耕釀造品質，傳承釀造之藝，不斷助力行業發展，並在運營過程中圍繞責任管治、品質與傳承、合作共贏、聚力員工、綠色發展以及回報社會等方面不斷優化，以「律己、力行」的姿態將環境、社會及管治要求轉化為內生動力，為政府部門及監管機構、股東及投資者、企業僱員、客戶與消費者、商業合作伙伴及社區創造價值。

### 企業管治

多年來，老恆和堅信良好企業管治能有效支持內部管理、企業文化發展、可持續業務增長以及股東長遠價值創造。我們不斷完善和健全權責機制，全面執行反貪腐、反不正當競爭以及商業信息保護等合規工作，以高標準的企業管治常規提高公司問責性及透明度，保障公司、客戶和股東的長遠權益。

#### 治理框架

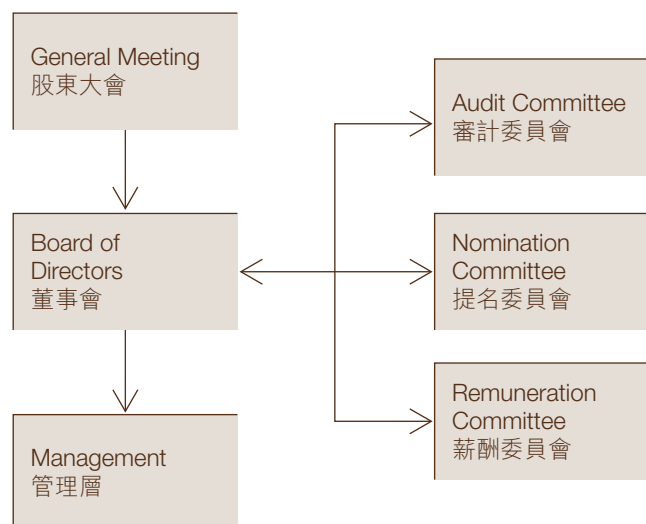
老恆和嚴格按照《中華人民共和國公司法》《中華人民共和國證券法》《上市公司治理準則》及香港聯交所監管要求建立了上市企業管治架構。董事會是公司的最高管治機構，由審核委員會、提名委員會及薪酬委員會組成，負責監督和定期檢討公司整體管治表現，為公司和權益人帶來長遠利益。

# 1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY (CONTINUED)

## 1. 恆於律己，責任先行 (續)

### Structure of Corporate Governance

#### 企業管治構架



For more information on the corporate governance, please refer to the section headed “CORPORATE GOVERNANCE REPORT” of the 2019 Annual Report of Lao Heng He.

更多企業管治信息，請參閱老恆和二零一九年年報「企業管治報告」章節。

# 1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY (CONTINUED)

## 1. 恆於律己，責任先行(續)

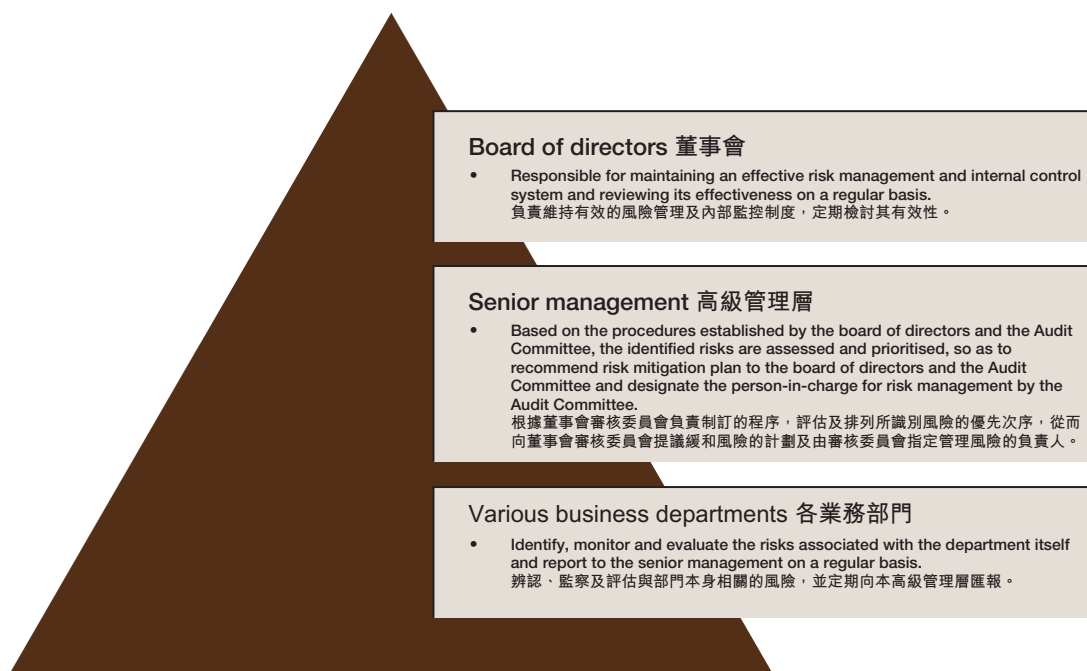
### Risk Management And Control

Lao Heng He follows the guidelines on risk management and control set out in the “Corporate Governance Code” of the Stock Exchange and regularly completes and discloses the annual internal control and evaluation report of the Company in accordance with the requirements of the regulatory authorities and the board of directors. The board of directors is responsible for maintaining effective risk management and internal control systems and reviewing the effectiveness of the Company’s risk management and internal control systems on a regular basis. The Company has established a set of procedures to identify, evaluate and manage the Company’s major risks.

### 風險管控

老恆和遵循聯交所《企業管治守則》有關風險管控的指引，按照監管機構和董事會要求定期完成並披露公司的年度內部控制評價報告。董事會負責維持有效的風險管理及內部監控制度及定期檢討公司風險管理及內部監控制度的有效性。公司已制訂一套供以辨認、評估及管理本公司的重大風險的程序。

### Risk Management System 風險管理體系



Lao Heng He actively establishes an Internet platform and embraces “New Retail”. During the reporting period, we continued to strengthen the risk management and control of the e-commerce business. In view of the possible risks of the Company’s current e-commerce business, the Huzhou High-tech Zone Administration for Industry and Commerce and the Market Supervision Bureau are invited to pre-assess the e-commerce department of Lao Heng He and formulate effective risk measures. If relevant risk issues arise, we will promptly communicate with the Administration for Industry and Commerce and the Market Supervision to consolidate risk prevention measures.

老恆和積極建設互聯網平台，擁抱新零售。報告期內，我們持續加強對電商業務方面的風險管控，針對公司現階段的電商業務可能存在的風險，邀請湖州市高新區工商管理及市場監督管理局對老恆和電商部門進行預先評估並制定有效的風險措施。若出現相關風險問題，我們將及時與工商及市場監督管理部門對接處理，鞏固風險防範措施。

# 1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY (CONTINUED)

## 1. 恆於律己，責任先行 (續)

### Anti-Corruption Management

Lao Heng He strictly complies with laws and regulations such as the “The Criminal Law of the People’s Republic of China (中華人民共和國刑法)” and formulated the “Anti-corruption and whistle-blowing system (反舞弊與舉報制度)”, which sets out a clear definition of malpractices and responsibilities so as to and continuously regulate anti-fraud management and further prevent bribery, blackmail, fraud and money laundering.

In order to create an integrity, honest, transparent and visionable operation, we have established a variety of whistle-blowing channels. Meanwhile, Lao Heng He is committed to protecting employees who assist in the investigation and avoiding discrimination, retaliation or hostile behavior. Those who violate the rules and disclose the information of the informer or take revenge against the reporting personnel will be dismissed and the employment contract will be terminated. In case of law-breaking behaviors, those involved will be transferred to judicial departments for handling in accordance with laws.

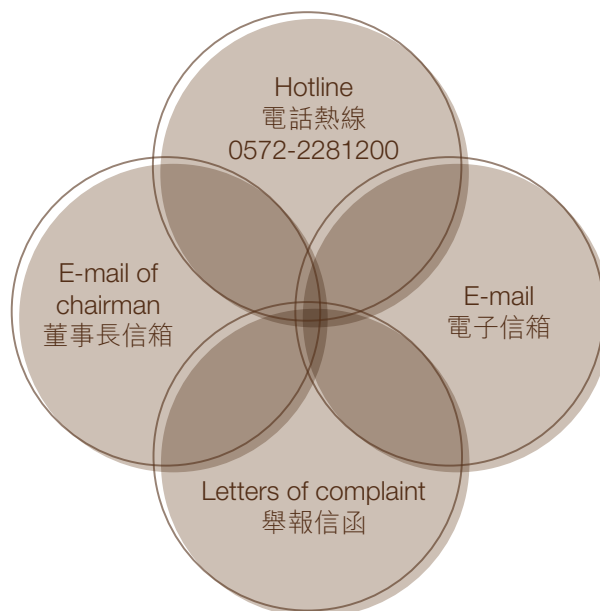
### 反貪腐管理

老恆和嚴格遵守《中華人民共和國刑法》等法律法規，並制定了《反舞弊與舉報制度》，對違規行為和職責歸屬作出界定，不斷規範反舞弊管理，進一步防止賄賂、勒索、欺詐及洗黑錢等行為的發生。

為了打造廉潔、誠信、透明、陽光的運營氛圍，我們設立了多種投訴舉報渠道。同時，老恆和致力保護協助調查的員工，避免歧視、報復或敵對行為的發生。對違規洩露檢舉人員信息或對舉報人員採取打擊報復的人員，將予以撤職和解除勞動合同；觸犯法律的，移送司法機關依法處理。

### Whistle-blowing channels

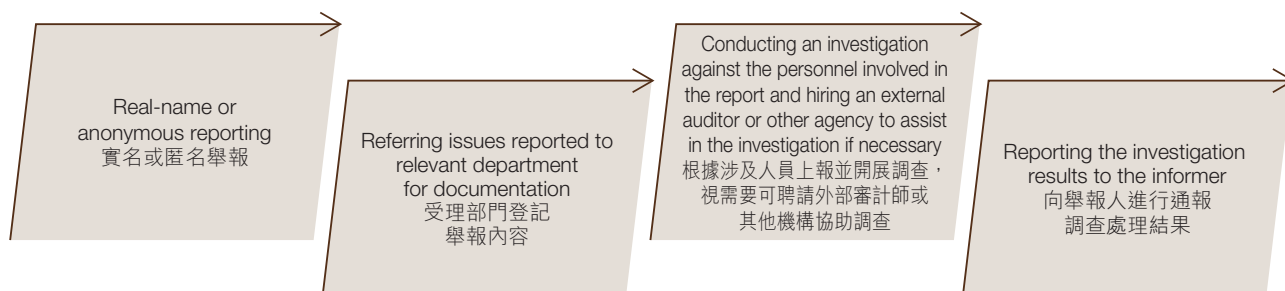
#### 投訴舉報渠道



# 1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY (CONTINUED)

## 1. 恆於律己，責任先行(續)

### Complaints and Reports Handling Procedure 投訴舉報處理流程



During the reporting period, Lao Heng He regarded anti-corruption propaganda as one of the basic work in respect of building an integrity and anti-corruption governance and applied corruption cases in the community to the actual situation of Lao Heng He, so as to strengthen anti-corruption advocacy and supervision, enhance management's awareness of integrity and self-discipline, and prevent corruption. During the reporting period, Lao Heng He did not involve in any lawsuits relating to corruption.

報告期內，老恆和將廉政宣傳教育作為廉政建設與反腐敗的基礎性工作之一，以社會貪污事件作為案例，延伸至老恆和實際情況，強化反貪腐宣導與監督，提升管理層廉潔自律意識，預防貪污腐敗問題的發生。報告期內，老恆和未發生貪污腐敗訴訟案件。



**Anti-corruption training**  
反貪腐培訓

During the reporting period, Lao Heng He comprehensively strengthened the implementation of anti-corruption measures from procurement, administration, and sales to prevent violations of regulations and disciplines to conduct day-to-day business operation in compliance with laws and regulations.

報告期內，為了在日常運營中合法合規地開展業務，老恆和從採購、行政以及銷售等運營環節，全面加強反貪腐舉措落實，防止違規違紀行為的發生。

# 1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY (CONTINUED)

## 1. 恆於律己，責任先行 (續)

### Procurement process 採購環節

- A new clause was added while drafting contracts: "It is forbidden to directly or indirectly provide any form of personal benefits such as money, property etc., to any employee of either party. Once discovered, the innocent party has the right to terminate the contract and the guilty party shall be imposed penalties for breach of contract."  
在合同擬寫過程新增條款：「不得向任何一方員工直接或間接提供任何形式的金錢、財物等個人利益，一經發現無責任方有權解除合同，並處罰責任方作為違約金賠償。」
- Before signing the purchase contract, the internal audit department will conduct online inquiries on the prices involved and compare prices in the contracts with those in previous years. If there is a difference, the procurement will be suspended and not proceed to next step until explanation of such differences obtained  
在採購合同簽字前，與內審部協同對合同涉及的價格進行網上查詢及往年價格對比，如有差異則會停止採購，待差異情況說明完成確定後再進行下一步流程

### Administration process 行政環節

- While reimbursement being process, we determine whether there is any violation of regulations based on the reimbursement system and the corresponding cost and route query methods  
在報銷過程中依據報銷制度及相應費用與路線查詢的方式，確定是否存在違規行為
- For reimbursement of accommodation expenses, payment on account is strictly prohibited in order to prevent violations under the name of the Company by anonymous persons  
住宿費報銷過程中，杜絕掛賬行為，防止不明人員以公司名義進行相關違規行為

### Sales process 銷售環節

- As for the related expenses of supermarkets, we assign supervisors to conduct unannounced on-site investigation and deal with the disputed prices properly  
針對商超系統的相關費用，派督導人員進行實地暗訪。針對異議價格妥善處置
- When the salesmen tendered their resignation, we will assign supervisors to carry out work inspections, and conduct interviews with distributors and other partners they have contacted to ensure that there are no violations and other circumstances before handing over  
在業務員離職過程中，派督導進行工作核查，針對所接觸的經銷商及其他合作伙伴進行訪談，確定無違規及其他情形後再進行交接

### Anti-Unfair Competition

Lao Heng He strictly complies with laws and regulations such as the "The Anti-Unfair Competition Law of the People's Republic of China (中華人民共和國反不正當競爭法)", and monitor infringements in the market in all aspects and resist unfair competition that disrupts the market. During the reporting period, we strengthened our internal supervision mechanisms over unfair competition in the market, and established the bottom-up monitoring mechanisms for full supervision of market infringements by salesmen, regional manager (managers at city level), employees from various departments and management members. Employees at all levels are required to always pay attention to and monitor infringements in the market and respond to infringements in a timely manner. If infringement is found, we will submit relevant infringement evidence and materials to the Administration for Industry and Commerce for processing or to the court for prosecution for unfair competition/patent infringement, and promote the rapid development of the entire industry in a fair and transparent market environment.

### 反不正當競爭

老恆和嚴格遵守《中華人民共和國反不正當競爭法》等法律及相關規定，全方位監控市場上的侵權行為，抵制擾亂市場的不正當競爭行為。報告期內，我們加強內部市場不正當競爭監督機制，形成從業務員、大區經理（城市經理）、部門經理到管理層的全員監督機制，要求各層級員工時刻關注並監測市場上的侵權行為，及時對侵權行為作出反應。若發現侵權情況，我們將提交相關侵權證據及材料至工商管理局處理或提交至法院起訴其不正當競爭／專利侵犯行為，推動整體行業在公平、透明的市場環境中快速發展。

# 1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY (CONTINUED)

## 1. 恆於律己，責任先行(續)

### Protection of Business Secret and Intellectual Property

Lao Heng He established the “Management System for Business Secrets (商業秘密管理制度)” and the “Management System for Secret Protection (保密工作管理制度)” and resolutely opposes stealing, using without authorisation or revealing the Company’s business secrets by employees from any enterprises or third parties. The heads of each department are the primary responsible person for the protection of trade secrets. Each department designates a confidentiality officer to supervise the confidentiality measures, and the intellectual property department will investigate the cases of stealing, revealing and leaking of secrets, and penalise the personnel involved. During the reporting period, we made new additions to the contents of confidential information, including the Company’s major business decisions, business plans, business projects, production processes and procedure etc. Meanwhile, we introduced confidentiality agreements to be executed by relevant personnel and signed the competition agreements with resigned personnel to strengthen the Company’s business information protection in all aspects.

Lao Heng He believes that protecting intellectual property rights shows respect to R&D achievements and employee innovation, and establishes and continuously improves the internal “Management System for Patents (專利管理制度)” in accordance with the “Patent Law of the People’s Republic of China (中華人民共和國專利法)”. Provisions on patent management duties, approval of application, licensing, protection and rewards and punishments were formulated, so as to protect R&D and innovation systematically.

### 商業秘密及知識產權保護

老恆和制定了《商業秘密管理制度》及《保密工作管理制度》，堅決反對任何企業僱員或第三方違法竊取、使用和洩露公司的商業秘密。各部門負責人為商業秘密保護的第一責任人，並在各部門設立一名保密員對保密措施進行督查，由知識產權部對竊密、洩密、失密事件進行查處。報告期內，我們對於保密信息內容進行新增，包括公司的重大經營決策、經營規劃、經營項目、生產工藝及流程等，同時新增相關人員的保密協議及離職人員的競業協議的簽訂，從各環節加強公司商業信息保護。

老恆和認為對知識產權的保護是對研發成果和員工創新的尊重，通過嚴格遵守《中華人民共和國專利法》，制定並不斷完善內部《專利管理制度》，對專利管理職責、申請審批、許可使用、保護及獎懲等方面的內容進行規定，從制度上為研發創新保駕護航。

# 1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY (CONTINUED)

## 1. 恆於律己，責任先行 (續)

### ESG MANAGEMENT

#### Concept and Structure of Responsibility

Lao Heng He identifies its own sustainable development strategic direction as taking responsibility towards each ESG dimension involved in its operation, and actively assuming social environmental responsibility. In 2019, Lao Heng He stuck with its sustainable development responsibility system in the following six areas: food safety, compliance, community, environment, employment and product, and improved governance measures to fulfill its responsibility and commitments.

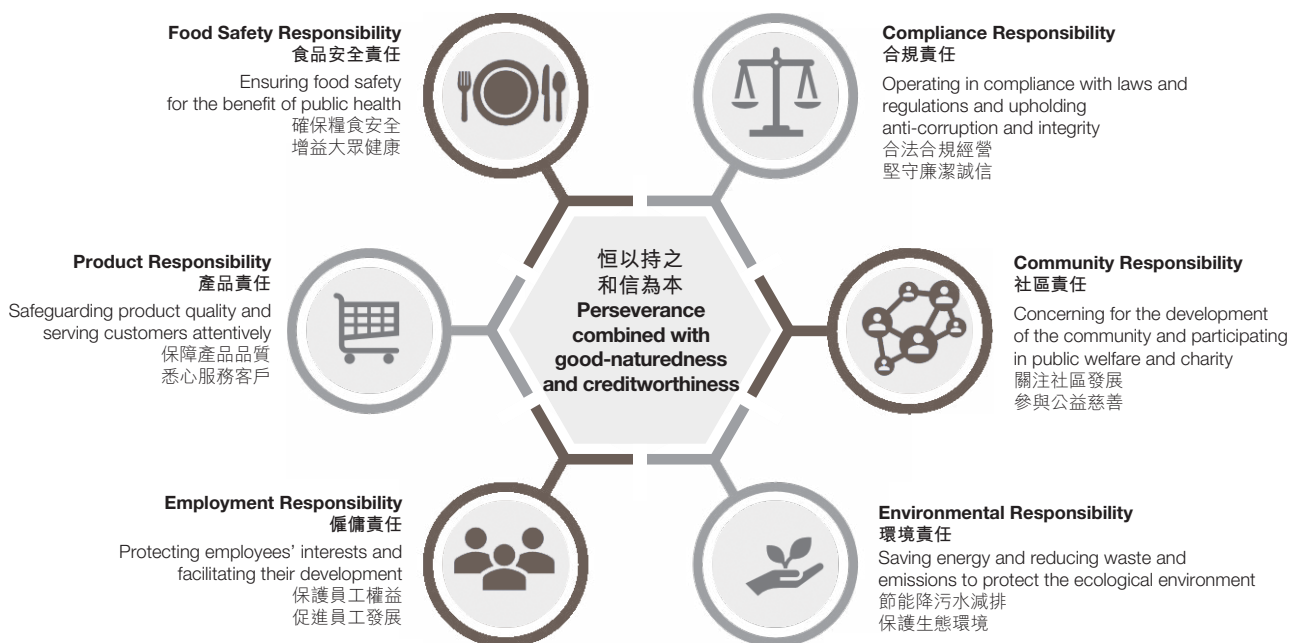
### ESG 管理

#### 責任理念與架構

老恆和通過對運營過程中涉及到的各ESG維度責任明確自身的可持續發展戰略方向，主動承擔社會環境責任。二零一九年，老恆和延續在食品安全、合規、社區、環境、僱傭、產品六大領域的可持續發展責任體系，並不斷完善管治措施，履行責任承諾。

#### Scope of Sustainable Development Responsibility of Lao Heng He

##### 老恆和可持續發展責任組成圖



By establishing an ESG working mechanism, Lao Heng He transforms its commitment to stakeholders into concrete actions. We built a top-down ESG management structure in accordance with the requirements of "ESG Guidelines" issued by the Stock Exchange and clearly prescribed the authorities and responsibilities of ESG tasks at all levels. The board of directors of Lao Heng He is responsible for the strategy and reporting functions in respect of ESG of the Company, monitoring the implementation of ESG tasks by all levels of staff within the Company.

老恆和通過構建ESG工作機制，將對權益人的承諾轉化為具體行動。我們依據聯交所《ESG指引》的要求自上而下建立ESG管理架構，明確各層級ESG工作權責。其中，老恆和董事會肩負公司ESG策略及匯報相關責任，並敦促公司各層級對ESG工作進行貫徹落實。

# 1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY (CONTINUED)

## 1. 恆於律己，責任先行(續)

### Communication with Stakeholders

By establishing a normalised communication mechanism with stakeholders who have significant impact on the Company's sustainable development, Lao Heng He deeply understands the demands, opinions and suggestions of all parties, integrates the stakeholders and their concerns into the Company's operation and decision-making process, realises the integration of ESG management and the Company's daily operations, and drives the Company's long-term sustainable development. During the reporting period, Lao Heng He engaged third-party professional agencies to conduct comprehensive communication with various stakeholders through diversified channels including live interviews, telephone interviews and site visits, so as to understand the overall development and ESG management of Lao Heng He that were most concerned by the stakeholders.

### 權益人溝通

老恆和通過與對公司可持續發展有重要影響的權益人建立常態化溝通機制，深入了解各方訴求、意見和建議，將權益人及其關注點融入公司的運營和決策過程，實現ESG管理與公司日常運營相結合，驅動公司的長遠可持續發展。報告期內，老恆和聘請第三方專業機構，通過現場訪談、實地走訪等多樣化渠道與各權益人展開全方位溝通，以了解各方對老恆和整體發展及ESG管理最為關注的議題。

#### 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

- 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

政府部門與監管機構

- 遵守運營地法律法規
- 依法繳納稅款
- 與當地政府保持良好關係
- 支持當地政府依法治理
- 滿足監管機構的合規要求

- Understanding latest laws and regulations
- Understanding compliance requirements of regulatory authorities
- Active communication to promote mutual understanding

- 了解最新法律法規
- 了解各監管機構的合規要求
- 積極溝通、促進雙方了解

Shareholders and investors

- Updating investors on the latest development of the Company
- Gaining trust from investors
- Gaining investors' support to management decisions
- Maximising investment returns to investors
- 讓投資者了解公司發展情況
- 獲取投資者信任
- 獲取投資者對管理層決策的支持
- 為投資者帶來最大的投資回報

股東及投資者

- Regular announcement of financial and operational information and data
- General meetings with shareholders
- Active communication and answering queries

- 定期發佈財務和經營信息、數據
- 股東大會
- 主動溝通答疑

# 1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY (CONTINUED)

## 1. 恆於律己，責任先行 (續)

Identification of stakeholders 權益人識別	Objectives of communication 溝通目標	Means of communication 溝通渠道
Employees	<ul style="list-style-type: none"> <li>Understanding employees' opinion on development of the Company</li> <li>Collecting suggestions from employees on enhancement</li> <li>Understanding employees' needs</li> <li>Informing employees of direction of the Company</li> <li>Enhancing team spirit throughout the Company</li> <li>Providing good working environment to employees</li> </ul>	<ul style="list-style-type: none"> <li>Trainings for employees on occupation, health and safety</li> <li>Caring for employees</li> <li>Public recruitment</li> <li>Worker union in the enterprise</li> <li>Organising cultural and recreational activities for employees</li> <li>Providing channels for feedbacks</li> </ul>
企業僱員	<ul style="list-style-type: none"> <li>了解僱員對公司發展的意見</li> <li>收集僱員的改善建議</li> <li>了解僱員的需求</li> <li>讓僱員了解公司發展方向</li> <li>增強公司團隊向心力</li> <li>為僱員提供一個適合自身發展的工作環境</li> </ul>	<ul style="list-style-type: none"> <li>僱員職業、健康、安全培訓</li> <li>僱員關懷</li> <li>公開招聘</li> <li>企業工會</li> <li>僱員文體活動</li> <li>意見反映平台</li> </ul>
Consumers	<ul style="list-style-type: none"> <li>Understanding comments of consumers towards products of the Company</li> <li>Offering products meeting consumers' needs</li> <li>Providing more attentive services to consumers</li> <li>Safeguarding personal information of consumers</li> <li>Setting up marketing strategies in compliance with business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Marketing and communication in compliance with requirements</li> <li>Disclosure of corporate information</li> <li>Disclosure of product information</li> <li>Channels for consumer complaints and feedbacks</li> </ul>
客戶／消費者	<ul style="list-style-type: none"> <li>了解消費者對公司產品的意見</li> <li>提供貼合消費者需求的產品</li> <li>為消費者提供更貼心的服務</li> <li>保障消費者的個人信息安全</li> <li>制定更符合商業道德的營銷策略</li> </ul>	<ul style="list-style-type: none"> <li>合規營銷溝通</li> <li>企業信息披露</li> <li>產品信息公開</li> <li>消費者投訴及意見反饋渠道</li> </ul>

# 1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY (CONTINUED)

## 1. 恆於律己，責任先行 (續)

Identification of stakeholders 權益人識別	Objectives of communication 溝通目標	Means of communication 溝通渠道
Business partners (including suppliers and distributors)	<ul style="list-style-type: none"> <li>Developing long — term and good cooperation</li> <li>Creating win-win situation</li> <li>Creating cooperative atmosphere with mutual trust</li> <li>Jointly handling environmental and social issues</li> </ul>	<ul style="list-style-type: none"> <li>On-going communication mechanism</li> <li>Responsible purchasing policy</li> <li>Fair and open purchasing principles</li> <li>Assessment and training for distributors</li> </ul>
商業合作伙伴 (含供應商、經銷商)	<ul style="list-style-type: none"> <li>建立長期的穩定合作關係</li> <li>創造共贏的局面</li> <li>營造互信的合作氛圍</li> <li>共同治理環境、社會問題</li> </ul>	<ul style="list-style-type: none"> <li>持續溝通機制</li> <li>負責任的採購政策</li> <li>公平公開的採購原則</li> <li>經銷商評估與培訓</li> </ul>
Local community	<ul style="list-style-type: none"> <li>Creating social values at the places of operation</li> <li>Enhancing economic development at the places of operation</li> <li>Protecting interests of local residents</li> <li>Protecting local environment</li> </ul>	<ul style="list-style-type: none"> <li>Organising social and charitable activities</li> <li>In — depth communication with the community</li> <li>Active communication with local government authorities</li> </ul>
當地社區	<ul style="list-style-type: none"> <li>為運營所在地創造社會價值</li> <li>促進運營所在地經濟發展</li> <li>保障當地居民的權益</li> <li>保護當地環境</li> </ul>	<ul style="list-style-type: none"> <li>舉辦社會公益活動</li> <li>深入社區溝通</li> <li>和當地政府機構積極交流</li> </ul>

# 1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY (CONTINUED)

## 1. 恆於律己，責任先行 (續)

### Analysis on Material Topics

During the reporting period, in order to better respond to the demands and expectations of stakeholders, Lao Heng He carried out the identification of important issues. We conducted media analysis, industry benchmarking, and 10 in-depth interviews with stakeholders to collect, sort out, analyse and summarise the issues of concern to major stakeholders. During the reporting period, we evaluated and analysed material issues by the following evaluation process:

#### Identifying potential material topics

After 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 operations on the economy, environment and society, or those potential key topics that affect stakeholders' assessment and decision-making process about Lao Heng He;

#### Prioritising potential material topics

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

#### Reviewing the contents of the report

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

### 重大性議題分析

報告期內，為更好回應權益人的訴求與期望，老恆和開展了重要性議題的識別工作。我們開展了媒體分析、行業對標以及10場權益人深度訪談，收集、整理、分析及歸納主要權益人關切的議題。報告期內，我們通過以下評估過程對重要性議題進行評估與分析：

#### 識別潛在重要議題

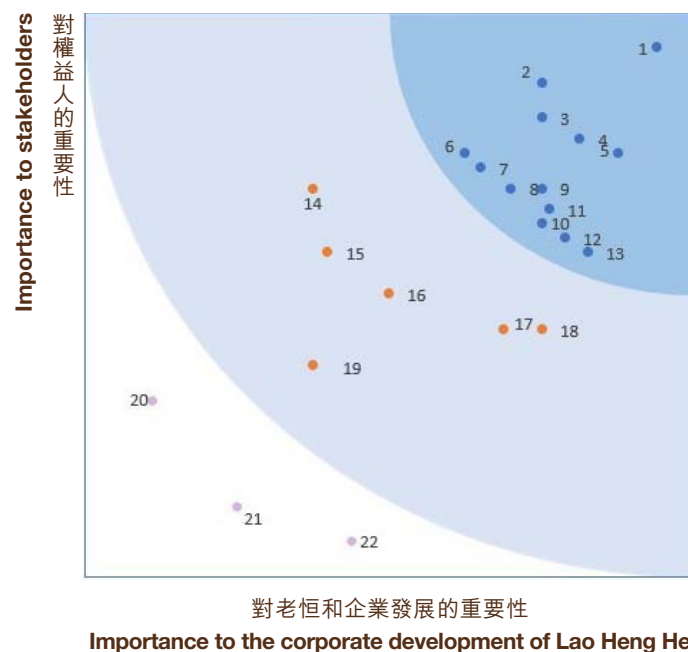
通過檢閱內部刊物、媒體分析、同行對標分析及其他相關文件後，識別能夠反映老恆和運營對經濟、環境和社會的影響，或影響權益人對老恆和評估和決策的潛在重要議題；

#### 對潛在重要議題進行排序

制定權益人溝通計劃，通過深入訪談了解各權益人所關注的優先議題，更新重大性矩陣；

#### 針對報告內容進行回顧

在報告定稿之後，檢查報告內容是否提供老恆和 ESG 發展表現和重大性議題的合理描述，以及編製報告流程是否反映報告原則的意圖，並邀請各權益人就此方面提供意見。



# 1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY (CONTINUED)

## 1. 恆於律己，責任先行(續)

In 2019, the identified important issues are as follows:

二零一九年，我們識別出的重要性議題如下：

Topics of high importance	高度重要議題	1	Health and safety issues of products	產品健康與安全
		2	Quality and safety inspection and recall of products	產品質量安全檢測和召回
		3	Complaints against products and services	產品及服務投訴
		4	Use and management of water resources	水資源使用管理
		5	Intellectual property protection	知識產權保護
		6	Occupational health and safety measures	職業健康與安全措施
		7	Emissions management	排放物管理
		8	Employment	僱傭情況
		9	Business operation in compliance with laws and regulations and anti-corruption	合法合規經營及反貪腐
		10	Management of use of energy	能源使用管理
		11	Management of suppliers	供應商管理
		12	Management of distributors	經銷商管理
		13	Employee training and commitments	僱員培訓及投入
Topics of medium importance	中度重要議題	14	Management of use of energy	能源使用管理
		15	Waste management	廢棄物管理
		16	Information safety and privacy of consumers	消費者信息安全及隱私
		17	Protection of human rights for employees	僱員人權保障
		18	Participation in and contribution to the community	社區參與與貢獻
		19	Management of packaging materials for products	產品包裝材料管理
Topics of low importance	低度重要議題	20	Declining to child labour and forced labour	避免使用童工及強迫勞動
		21	Management of greenhouse gases	溫室氣體管理
		22	Environment and natural resources	環境及天然資源

## 2. UPHOLDING QUALITY AND CRAFTING EXCELLENCE

## 2. 恆以釀質，誠品匠造

For Lao Heng He, brewing is not only a kind of craftsmanship, but also a kind of healthiness and affection. Lao Heng He has always relied on high-quality products with zero-addition raw cooking wine as a turning point, aiming to become the vane of the industry. Lao Heng He also actively explores and innovates, so that the products can meet the needs of modern people in terms of diversification and health on the basis of maintaining the natural taste while inheriting the ancient recipe.

### OPTIMIZING QUALITY WITH INGENUITY

Practicing the quality concept of "justice, precision, timeliness, responsibility and innovation", Lao Heng He has incorporated quality and safety into the Company's strategy, and strictly complies with relevant requirements of laws and regulations such as "The Food Safety Law of the People's Republic of China (中華人民共和國食品安全法)". The quality and safety of products are controlled from system certification, management structure, equipment and environmental control, internal audit and non-conforming product management, and quality control measures are implemented in multiple dimensions.

### System Certification

In order to ensure food quality and safety, Lao Heng He has formulated more than 200 management documents. By including the quality and safety performance in the assessment indicators, the responsibility for the control of the raw and auxiliary materials acceptance standards, the processing process and the inspection procedures will be dismantled to each functional department to fully control the product quality and safety. During the reporting period, Lao Heng He passed the ISO 22000 Food Safety Management System Certification and the ISO 9001 Quality Management System Certification.

對老恆和而言，釀造是一種工藝，是一份健康，更是一種情懷。老恆和始終依靠高質量的產品，以零添加原釀料酒為突破口，旨在成為行業的風向標。老恆和亦積極探索創新，致力於在傳承古法同時保持自然之味的基礎上，滿足現代消費者多樣化、健康化的需求。

### 匠心品質

老恆和踐行「公正、精準、及時、責任、創新」的質量觀，將質量安全納入公司戰略，嚴格遵守《中華人民共和國食品安全法》及相關法律法規的要求，從體系認證、管理架構、設備及環境控制、內部審核及不合格品管理等方面對產品的質量與安全進行控制，多維度落實品質管控措施。

### 體系認證

為保障食品質量與安全，老恆和制定了200多份管理文件，通過將質量安全績效列入考核指標，將對原輔材料驗收標準的把控、加工過程以及各道檢驗程序的責任拆解落實到各職能部門，全面管控產品質量安全。報告期內，老恆和通過了ISO 22000食品安全管理體系認證和ISO 9001質量管理體系認證。



ISO 22000 Food Safety Management System Certification  
ISO 22000 食品安全管理體系認證



ISO 9001 Quality Management System Certification  
ISO 9001 質量管理體系認證

## 2. UPHOLDING QUALITY AND CRAFTING EXCELLENCE (CONTINUED)

### 2. 恆以釀質，誠品匠造（續）

With reference to the requirements of the group standard of T/ZJFIA 002 “Zhejiang Rosy Rice Vinegar (浙江玫瑰米醋)” which is higher than the national standard, Lao Heng He passed the revision other internal management standards such as “Yellow Wine Product Testing Internal Control Standard (黃酒類產品檢測內控標準)”, “Soy Sauce Product Testing Internal Control Standard (醬油類產品檢測內控標準)”, “Rice Vinegar Product Testing Internal Control Standard (米醋類產品檢測內控標準)” and “Microbial Control Requirements (微生物控制要求)” to actively improve key internal control indicators and improve product quality.

老恆和參照高於國家標準的T/ZJFIA 002《浙江玫瑰米醋》團體標準等要求，通過修訂《黃酒類產品檢測內控標準》《醬油類產品檢測內控標準》《米醋類產品檢測內控標準》《微生物控制要求》等內部管理標準，主動提升關鍵內控指標、提升產品品質。

#### Management Structure

Lao Heng He has established a self-inspection team for food safety with the chairman of the board of directors as the primary responsible person. Based on the “Position Responsibility System (崗位責任制度)”, we strictly carry out dynamic management of “publicity, measurement, analysis, decision-making and implementation”.

#### 管理架構

老恆和建立了以董事長為第一責任人的食品安全自查小組，通過各層級的管理架構，以《崗位責任制度》為基礎，嚴格開展「宣貫、測量、分析、決策及實施」的動態管理。

#### Management Organisation and Structure for Food Quality and Safety of Lao Heng He

##### 老恆和食品質量安全管理組織架構



## 2. UPHOLDING QUALITY AND CRAFTING EXCELLENCE (CONTINUED)

### 2. 恆以釀質，誠品匠造 (續)

Lao Heng He set up 6S management dashboard in each production workshop to record the personnel sorting, rectification, clearing, cleaning, and quality and safety performance during the production process, and provided an objective basis for the subsequent correction measures on behavior through filing of quality records. Furthermore, Lao Heng He introduced the Sustaining Competitive and Responsible Enterprises (SCORE) Project of the International Labour Organisation (ILO), so as to improve the Company's management of workplaces. By referencing the project team meeting mode, we analyse, evaluate and adopt reasonable suggestions and proposals put forward by employees in the workplace to improve the management of product quality.

#### Control of Equipment and Environmental

A clean production environment is an essential factor to ensure food safety. Lao Heng He strictly complies with regulations on production environment such as the "Hygiene Management System (衛生管理制度)", "Pest Control System (蟲害控制制度)" and "System for Utilisation of Toxic and Hazardous Chemicals (有毒有害化學品使用制度)". We conduct regular supervision and inspections on production environment hygiene, hygiene of tool and equipment as well as employees' personal hygiene so as to ensure the food safety. Meanwhile, Lao Heng He assigns the responsibility of cleaning the work environment to employees, and penalises those involve in negligence of duty in accordance with internal and external regulations and rules.

Good operation of equipment is one of the prerequisites to ensure product quality and safety. Based on the "Equipment Management System (設備管理制度)", the "Infrastructure Management Procedures (基礎設施管理程序)" and the "Equipment Overhaul Procedures (檢修設備程序)", Lao Heng He conducts repair, maintenance and overhaul testing of production equipment to guarantee the precision and safety of equipment operations. Meanwhile, Lao Heng He requires equipment operators and maintenance personnel to maintain "three conditions (三好)" (optimal, usable and repaired), acquire "four abilities (四會)" (able to use, able to maintain, able to check and able to troubleshoot) and exercise "three rights (三項權利)" (the rights to stop running equipment that is not prepared nor approved for overload operation; the rights to stop running equipment that is not checked and reported within the stipulated period; and the rights to carry out lubrication management of equipment), with a view to fundamentally ensuring food quality and safety.

老恆和在各生產車間設立6S管理看板，記錄生產過程中的人員整理、整頓、清掃、清潔、素養及安全表現，並通過質量記錄歸檔為後期行為糾偏措施提供客觀依據。此外，老恆和引入ILO SCORE項目(國際勞工組織企業可持續發展項目)，促進公司對工作場所的管理趨向完善化，通過引用項目小組會議模式，對員工在工作場所中提出的合理化建議及提案進行分析評估及採納，從而提升對產品品質的管理。

#### 設備及環境控制

潔淨的生產環境是保障食品安全的必要因素，老恆和嚴格執行《衛生管理制度》《蟲害控制制度》《有毒有害化學品使用制度》等生產環境相關的內部規定，對生產環境衛生、工器具與設備衛生、員工個人衛生等方面進行定期督導和檢查，為食品安全保駕護航。同時，老恆和將工作環境的清潔責任落實到人，並按相關內外部法規條例處置生產環境中的失職對象。

設備的良好運作是保障產品質量和安全的先決條件之一，老恆和基於《設備管理制度》《基礎設施管理程序》《檢修設備程序》對生產設備進行維護、保養和檢修測試，為設備運行的精度和安全性提供保障。同時，老恆和要求設備操作及維修人員做到「三好」(最好、用好、修好)、「四會」(會使用、會保養、會檢查、會排除故障)以及行使「三項權利」(有權停止使用未採取措施或未經審批超負荷運轉的設備、有權停止使用逾期不檢查但未上報的設備、有權對企業設備進行潤滑管理)，從根本上保障食品質量安全。

## 2. UPHOLDING QUALITY AND CRAFTING EXCELLENCE (CONTINUED)

### 2. 恆以釀質，誠品匠造（續）

#### Internal Review

Lao Heng He actively carries out internal reviews and improvement actions of product quality and food safety management systems, aiming to ensure that the Company's product quality and food safety policies are implemented and achieve the goals of product quality and food safety. Lao Heng He conducts potential hazards analysis from three aspects of biology, chemistry and physics in each production link. By identifying critical control points, formulating critical limits, and clarifying monitoring objects, methods, frequencies, personnel, and corrective actions, we organise and implement the construction of quality and food safety management system to strengthen internal review and continuous improvement.

#### 內部審核

老恆和積極開展產品質量、食品安全管理體系的內部審核及改進行動，旨在確保公司產品質量和食品安全方針得到貫徹落實，實現產品質量和食品安全目標。老恆和在每個生產環節從生物、化學、物理三方面進行潛在危害分析，通過確定關鍵控制點，制定關鍵限值，明確監控對象、方法、頻率、人員、糾偏行動內容等途徑，組織落實質量、食品安全管理體系建設工作，以強化內審和持續改進。

#### Food Quality and Safety Objectives of Lao Heng He 老恆和食品質量安全目標



## 2. UPHOLDING QUALITY AND CRAFTING EXCELLENCE (CONTINUED)

### 2. 恆以釀質，誠品匠造 (續)

Meanwhile, Lao Heng He also streamlines and inspects the Company's food quality and safety on a regular basis to identify the risks of non-compliance arising from the storage of raw materials, the production environment, the shelf life of finished products, the product label, the product traceability and the recall process, and coordinates the relevant responsible persons to carry out timely rectification. During the reporting period, Lao Heng He carried out training programs to improve inspection capabilities, and conducted 12 training activities on testing through internal training and external training programs, including the study and assessment of corresponding test standards such as benzoic acid,  $\beta$ -phenylethanol, fat, and microorganisms. During the reporting period, Lao Heng He further improved the accuracy of product testing data, and had not found any abnormalities in the testing data.

#### Management of non-conforming product

In order to determine the causes of non-conforming products, reduce the frequency of non-conforming products, and ensure the correct disposal and management of non-conforming products, Lao Heng He has formulated the "Management System for Non-conforming Product (不合格品管理制度)". According to this system, Lao Heng He detailed the reasons for the unintended use and delivery of non-conforming products such as materials, semi-finished products, finished products and products returned by customers. In the event that the raw materials are unqualified, or that safety problems are discovered during the production process, or that the whole batch of products is unqualified, we will immediately activate the "Control Procedures for Corrective and Preventive Measures (糾正與預防措施控制程序)" to take corrective measures and follow-up verifications according to the regulation. Furthermore, Lao Heng He implements a "one-vote veto" mechanism for major quality and safety issues. During the reporting period, Lao Heng He had not found the non-conforming product in large quantities.

同時，老恆和亦定期對公司的食品質量安全情況進行全方位梳理和檢查，鑒別原材料存儲、生產環境、成品保質期情況、產品標籤、產品追溯及召回過程中存在的風險，協調相關負責人及時整改。報告期內，老恆和開展了檢驗能力提升培訓項目，通過內部培訓和外部培訓計劃開展檢測方面培訓活動12次，內容包括苯甲酸、 $\beta$ -苯乙醇、脂肪、微生物等相應檢測標準的學習及考核。報告期內，老恆和進一步提高了產品檢測數據的準確率，且尚未發現檢測數據異常的情況。

#### 不合格品管理

為確定不合格品產生的原因，降低不合格品的出現頻率，確保正確處置、管理不合格品，老恆和制定了《不合格品管理制度》。依據該制度，老恆和細化了物料、半成品、成品及客戶所退貨品等不合格品中非預期使用和交付的原因。如果發生因來料不合格、生產過程中發現安全危害或整批次產品出現不合格等情況，我們將立即啟動《糾正與預防措施控制程序》，根據規定採取糾正措施並進行跟蹤驗證。此外，老恆和對重大質量安全問題實施「一票否決」制度，報告期內，老恆和未發生大批量產品不合格的情況。

#### Management process of non-conforming product

##### 不合格品管理流程



## 2. UPHOLDING QUALITY AND CRAFTING EXCELLENCE (CONTINUED)

### 2. 恆以釀質，誠品匠造(續)

#### Industry Contribution

In the development process of the industry, unclear industry standards and consumers' low awareness of the industry will cause industry price wars and make inferior products spread all over the market. Lao Heng He concerns about the development of the cooking wine industry. By introducing the standards for brewed cooking wine, we distinguish between "brewed cooking wine" and "formulated cooking wine" to further promote the standardisation of the cooking wine market and increase the share of pure brewing cooking wine products in the cooking wine market.

Since 2018, Lao Heng He has actively participated in the formulation of the association standards for "Cereal-based Brewed Cooking Wine (谷物釀造料酒)" of the China Alcoholic Drinks Association. Previously, configuring cooking wine can be made at low production threshold with only edible alcohol, salt, MSG and caramel colorant, resulting in a large number of low-quality, cheap and alcohol-based synthetic products on the market with low minimum threshold. On 1 April 2019, the association standards for "Cereal-based Brewed Cooking Wine (谷物釀造料酒)" were officially released. The promulgation of such standards can distinguish brewed cooking wine and formulated cooking wine from the standard and label. Therefore, in addition to protecting the development of high-quality brands in the industry, accelerating the development of the brewing wine industry, and promoting the cooking wine industry from price competition to quality competition, it will also promote the transformation of brewed cooking wine production enterprises to produce cereal brewed cooking wine, and also lead the industry to develop towards high quality and meet consumer demand for high-quality health products.

#### 行業貢獻

在行業的發展進程中，行業標準不明確，消費者對行業的認知度不高，將會造成行業價格戰、劣品差品遍布市場的狀況發生。老恆和心系料酒行業的發展，通過推動釀造料酒標準的出台，將「釀造型料酒」和「配制型料酒」進行區分，進一步促進料酒市場的規範化，提升純釀造料酒產品在料酒市場的佔有率。

二零一八年，老恆和積極參與中國酒業協會《谷物釀造料酒》團體標準的制定。此前，僅以食用酒精、食用鹽、味精、焦糖色就能完成配置料酒的最低門檻要求，使得市場上大量存在劣質平價及酒精勾兌而成的合成品。二零一九年四月一日，《谷物釀造料酒》團體標準正式發佈。該標準的出台，使得釀造料酒與配制料酒可以從標準及標識上進行區分。此舉不僅保護行業優質品牌發展，加快釀造料酒行業發展速度，促進料酒行業從價格競爭到品質競爭，而且還將促進配制料酒生產企業轉型生產谷物釀造料酒，引領行業向高品質發展，滿足消費者對優質健康產品的需求。



Press Conference of association standards for Cereal-based Brewed Cooking Wine of China  
中國谷物釀造料酒團體標準新聞發佈會

## 2. UPHOLDING QUALITY AND CRAFTING EXCELLENCE (CONTINUED)

### 2. 恆以釀質，誠品匠造 (續)

#### INHERITANCE OF HEALTH

##### Promoting Healthy Lifestyle

Nowadays, as consumers are paying more attention to nutrition and healthy diet, brewed products are more favored by the market. Lao Heng He has inherited its brewing skills for more than 160 years and strictly follows four fundamental elements of “Comply with the weather, adapt to the earth’s atmosphere, use material cleverly, make with skills” (天有時、地有氣、材有美、工有巧)” for brewing. In the process of continuing the traditional craftsmanship, we continue to improve the craftsmanship to create healthy and delicious high-quality condiments.

#### 健康傳承

##### 引領健康

在消費者日益注重營養健康飲食的今天，釀造產品得到了市場更多的青睞。老恆和釀造技藝已傳承160多年，嚴格遵循「天有時、地有氣、材有美、工有巧」四要素進行釀造，在延續傳統工藝的過程中，不斷對工藝進行改良，打造健康、美味的優質調味品。

#### Ancient soy sauce brewing process of Lao Heng He

##### 老恆和醬油古法釀造工藝

The soy sauce brewed by ancient brewing process of Lao Heng He combines the high-salt dilute state process with ancient brewing techniques. As for raw materials, we select non-GMO soybeans and refined edible salt; as for crafts, we carry out natural drying by using the techniques of “natural drying” and “double drying” for more than 6 months. Compared with similar products, the content of amino acid nitrogen is higher.

老恆和古法釀造工藝釀制的醬油，將高鹽稀態工藝與古法釀造手法相結合。在原料上，精選非轉基因大豆及精制食用鹽；在工藝上，採用「天然曬制」和「雙曬工藝」進行6個多月的自然曬制，相比同類產品氨基酸態氮含量高。



## 2. UPHOLDING QUALITY AND CRAFTING EXCELLENCE (CONTINUED)

## 2. 恆以釀質，誠品匠造(續)

In order to ensure the health, safety and nutrition of Lao Heng He's products, Lao Heng He invited a third-party testing enterprise to conduct an annual review of organic products in September 2019. All of the organic soy sauce, organic rice vinegar, organic fermented bean curd and organic yellow wine passed certification.

為確保老恆和產品的健康、安全、營養，老恆和於二零一九年九月邀請第三方檢測公司對有機產品進行了年度復審。有機醬油、有機米醋、有機腐乳、有機黃酒均獲得認證。



**Certification of Organic Product of Yellow Wine**  
黃酒有機產品認證證書



**Certification of Organic Product of Soy Sauce, Rice Vinegar and Fermented Bean Curd**  
醬油、米醋、腐乳有機產品認證證書

# 3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL

## 3. 恆以共進，同道致遠

Under the fierce competition and vigorous development of the condiment market, we insist on being consumer-centric, focusing on providing healthier and safer products and better quality services, and strive to continuously improve customer satisfaction. We continue to expand channels in diversified development, so as to strengthen supplier management and communication, strengthen cooperation with powerful distributors and work together to promote the healthy development of the industry.

### CUSTOMER-ORIENTED

Lao Heng He strictly complies with relevant requirements of laws and regulations such as “The Law of the People’s Republic of China on the Protection of Consumer Rights and Interests (中華人民共和國消費者權益保護法)”, “The E-Commerce Law of the People’s Republic of China (中華人民共和國電子商務法)” and “The Advertising Law of the People’s Republic of China (中華人民共和國廣告法)” so as to safeguard consumer rights and provide “reliable and healthy” products to the customer with the aim of implementing the Company’s service quality targets of “100% processing rate of customers’ and consumers’ feedback”.

#### Membership System Update

During the reporting period, Lao Heng He officially converted all of its e-commerce to self-operating model in a comprehensive manner, which widely enhanced the ability to immediately respond to consumer needs. Meanwhile, we have improved the membership system of e-commerce and divided it into four levels, i.e. ordinary members, senior members, VIP members and supreme VIP members. Member consumers of each level enjoy differentiated rights. In addition, we actively held interesting events for customers to increase interaction with consumers and provide them with diverse and interesting new retail experiences on the basis of improving consumer stickiness.

在調味品市場競爭激烈而又蓬勃發展的背景下，我們堅持以消費者為中心，專注於提供更健康安全的产品和更優質完善的服務，致力不斷提升客戶的滿意度。我們在多元化發展中不斷拓展渠道，加強供貨商管理與交流，與有實力的經銷商加強合作，攜手推進行業的健康發展。

### 客戶為先

老恆和嚴格遵守《中華人民共和國消費者權益保護法》《中華人民共和國電子商務法》《中華人民共和國廣告法》等法律法規的相關要求，保障消費者權益，始終將「放心健康」的產品提供給客戶，貫徹執行公司「客戶及消費者信息反饋處理率100%」的服務質量目標。

#### 更新會員體系

報告期內，老恆和電商全業務正式轉為全自營運作，全面提升了第一時間響應消費者需求的能力。同時，我們完善電商會員體系，將其劃分為普通會員、高級會員、VIP會員以及至尊VIP會員四個等級，每個等級的會員消費者享受差異化的權益。此外，我們積極開展趣味消費者參與活動，增加與消費者的互動，在提高消費者粘性的基礎上，為消費者提供多元有趣的新零售體驗。

### 3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL (CONTINUED)

### 3. 恆以共進，同道致遠(續)

#### *Differentiated Benefits for New and Senior Members*

During the reporting period, we adopted differentiated benefits for new and senior members, and provided consumers with a better consumer experience by issuing gift packages, exclusive coupons and exclusive customer service channels.

- As for new members: We distributed welcome gift packs, great value coupons and penny redemption in our stores to encourage customers to buy a variety of products; and launched online free trial program to enhance the interaction between new members and senior members.
- As for senior members: Members can earn bonus points through shopping and fun interactions with exclusive coupons so as to promote consumption and redemption of new products. Meanwhile, senior members can subscribe to the exclusive customer service channel to enjoy one-on-one consultation and exclusive reminders for large-scale events so as to enhance their experience.

During the reporting period, Lao Heng He continued to pursue the strategy of “diversification” to provide consumers with products with high cost performance, diverse combinations. By aiming subject industry products, analyzing customer needs and tracking market feedback, we carry out a series of product innovation and marketing activities, and strive to provide more consumers with products that meet their individual needs with the aim of being the first choice of consumers.

#### *新老會員差異化福利*

報告期內，我們針對新會員和老會員採取差異化的福利，通過發放禮包、專享優惠券、專享客服通道等舉措為消費者提供更優質的消費體驗。

- 針對新會員，我們發放店鋪新粉禮包，大額優惠券和一分錢換購，促進客戶嘗試購買多樣產品；同時上線0元試用，提升新粉和老恆和的互動。
- 針對老會員，通過購物和趣味性互動獲得積分，獲取會員專享優惠券，促進消費和兌換新品嘗鮮。同時，老客戶可訂閱專享客服通道，獲得一對一諮詢和大型活動專屬提醒，提升體驗度。

報告期內，老恆和繼續奉行「多元化」策略，為消費者提供高性價比、多樣性組合的產品。我們對標行業產品、分析客戶需求、追蹤市場反饋，開展系列產品創新和營銷活動，著力為更多消費者提供滿足其個性化需求的產品，矢志成為消費者的首選。

### 3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL (CONTINUED)

### 3. 恆以共進，同道致遠 (續)

#### Measures and Feedback to Improve Consumer Service

#### 提升消費者服務舉措及反饋



### 3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL (CONTINUED)

### 3. 恆以共進，同道致遠(續)

#### Customer Feedback

The establishment of communication channels is the key to ensure that Lao Heng He timely obtains consumer feedback. We have connected different types of communication, including hotline, online channels (e.g. email, SNS), offline channels (e.g. interview) etc. to keep abreast of consumer suggestions and demands, and improve service procedures. Meanwhile, we actively carry out offline activities with consumers, invite consumers to visit on-site and conduct face-to-face communication.

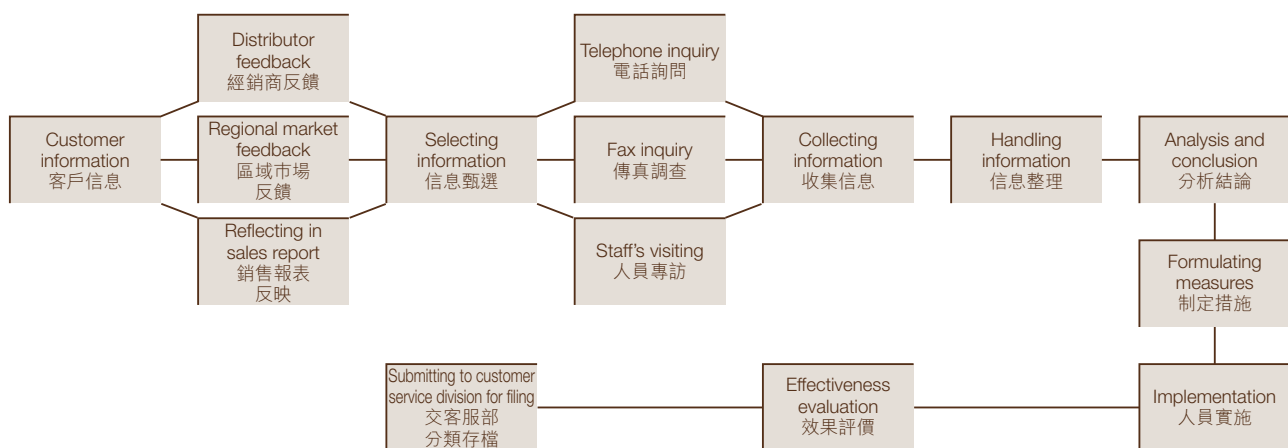
In order to achieve the Company's service quality targets of "100% processing rate of customers' and consumers' feedback", we continue to implement the "Customer Complaint Handling Procedures (客戶投訴處理程序)", which are used for information feedback and complaint handling of various products and services of the Company, and stipulate the principal duty and responsibility of each staff at all levels so as to ensure that customer complaints are dealt with end-to-end process on a timely, effective and standardised basis.

#### 客戶溝通反饋

溝通渠道的搭建是保證老恆和及時獲取消費者反饋的關鍵。我們開放了豐富的溝通形式，包括熱線電話、線上渠道(電子郵件、社交媒體)、線下方式(拜訪)等，及時了解消費者的建議及訴求，完善服務流程。同時，我們積極開展與消費者的線下活動，邀請消費者實地訪問，進行面對面交流。

為了貫徹執行公司「客戶及消費者信息反饋處理率100%」的服務質量目標，我們延續執行《客戶投訴處理程序》，該制度文件適用於公司的各類產品和服務的信息反饋及投訴處理，並明確各職位員工的職責主要工作內容，確保客戶反饋的投訴得到端到端的及時、有效、規範的閉環處理。

#### Consumer Feedback Handling Procedures 消費者信息反饋流程



### 3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL (CONTINUED)

#### 3. 恆以共進，同道致遠(續)

We categorise the feedback information from customers in order to process customer feedback in an efficient and orderly manner. We select and organise customer information from telephone inquiries, faxes or on-site interviews, and formulate targeted measures based on the conclusions of customer feedback. In the process of implementing corrective measures, we require relevant internal departments to carry out supervision and inspection work and provide timely training to employees with dissemination of useful experience and measures so as to improve their practical abilities and avoid the frequency of the occurrence of similar situations. During the reporting period, we received 8 complaints which had been properly handled with 100% processing rate. We did not involve in any recall incidents.

#### Privacy Protection

As for protection of consumers' personal privacy, Lao Heng He strictly protects the legitimate rights and interests of consumers according to "The Law of the People's Republic of China on the Protection of Consumer Rights and Interests (中華人民共和國消費者權益保護法)". We have formulated the "Commercial Confidentiality Management System (商業秘密管理制度)" which strictly regulates the confidentiality of customer information involved in the business service process and fully protects customer privacy rights.

我們將接收到的客戶反饋信息進行分類以便後期高效有序的處理客戶反饋信息。通過電話詢問、傳真或人員實地專訪等方式進行客戶信息的甄選和整理，並根據客戶反饋信息的結論制定針對性舉措。在糾正措施實施過程中，我們要求內部相關部門進行督促檢查工作，並適時對員工進行培訓，把有用的經驗和措施普及到相關員工，提升員工實踐能力，避免類似情況再次發生的頻率。報告期內，我們共收到8起投訴，均已妥善處理，投訴處理率100%，未發生任何產品召回事件。

#### 隱私保護

在消費者隱私保護方面，老恆和嚴格依照《中華人民共和國消費者權益保護法》等法律法規保障消費者的合法權益，制定了《商業秘密管理制度》，對經營服務過程中涉及到的客戶信息保密環節進行了嚴格規範，充分保障客戶隱私權利。

#### Measures for Privacy Protection

##### 隱私保護舉措

##### Standards for Employees 員工規範

- In order to safeguard personal information of our consumers, we regulate employees according to the system and require our employees to sign the confidentiality agreement upon their induction  
為保護客戶的信息安全，我們從制度上對員工進行約束，要求員工在入職時簽訂相關保密條款

##### Standards for Third Party Partnerships 第三方合作伙伴規範

- For the necessary customer information required for third-party business, we have signed relevant customer confidentiality agreements with third-party research companies to strictly regulate the third party's access to customer information and ensure the maximum security of customer information  
對於第三方業務需求所需要使用到的客戶信息，我們與第三方調研公司簽署相關客戶保密協議，嚴格規範第三方對客戶信息的取用，最大程度保障客戶信息安全

##### Standards for E-commerce Platform 電商平台規範

- We strictly comply with the privacy rules of third-party online platforms such as JD.com and Tmall, and do our best to ensure the safety of consumers' personal information  
我們嚴格遵守第三方網絡平台如京東、天貓等客戶隱私規則，盡最大努力保證消費者的個人信息安全

### 3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL (CONTINUED)

### 3. 恆以共進，同道致遠(續)

#### CHANNELS FOR MUTUAL SUCCESS

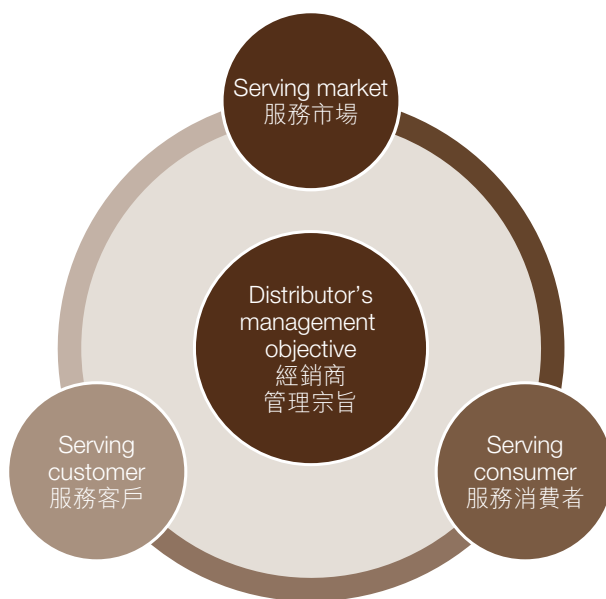
The distributor is an important partner of Lao Heng He. In order to improve the overall quality of the distribution team and regional market expansion capabilities, and guarantee the level and ability of Lao Heng He in serving consumers, we continued to implement the system documents such as "Distributor Management Manual (經銷商管理手冊)" during the reporting period, which provides detailed regulations on the aspects of sales, inventory and regional brand maintenance of distributors to improve their management level.

#### 渠道共贏

經銷商是老恆和的重要合作伙伴。為提升經銷商隊伍的整體素質和區域市場拓展能力，保障老恆和服務消費者的水平和能力，報告期內，我們延續執行《經銷商管理手冊》等制度文件，對經銷商銷售、經銷商庫存及區域品牌維護等方面進行詳細規定，提升經銷商管理水平。

#### Management Purposes of Distributor

#### 經銷商管理宗旨



### 3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL (CONTINUED)

### 3. 恆以共進，同道致遠 (續)

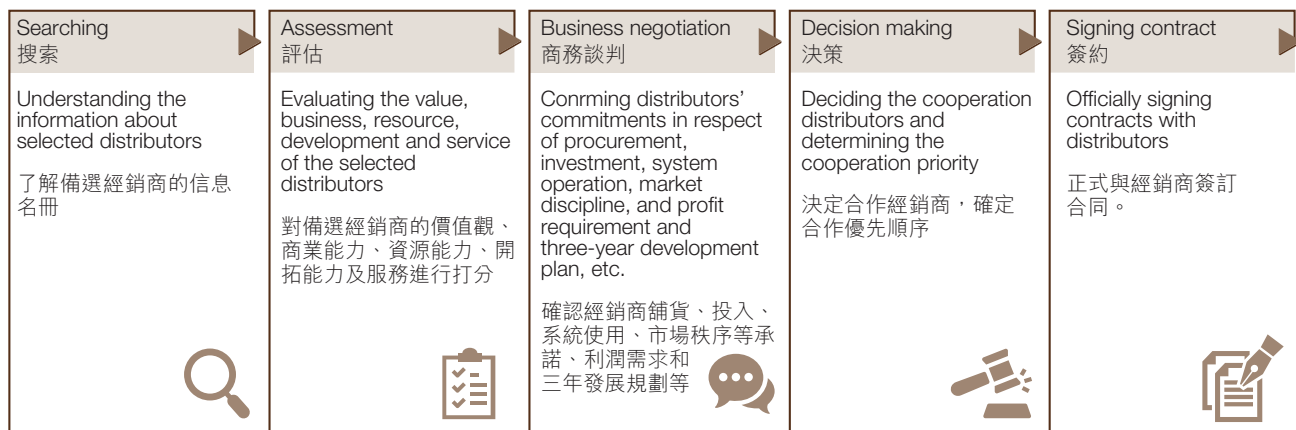
#### Management and Assessment

Lao Heng He formulated and implemented "Specific Indicators and Assessment Methods for Selection of Distributors (經銷商入選具體指標及考核方式)". We strictly select qualified and high-quality distributors in accordance with the five major steps, and work together to promote the healthy development of the industry by assessment and screening of distributors' business capabilities and market order maintenance.

#### 管理與考核

老恆和制定並執行《經銷商入選具體指標及考核方式》，嚴格按照五大步驟篩選合格優質的經銷商，通過對經銷商的業務能力、市場秩序維護等方面進行考核篩選，攜手推進行業的健康發展。

#### Methods to Assess the Distributors 經銷商考核方式



During the reporting period, we engaged third-party marketing experts to conduct research on the Shanghai market and related distributors, including on-site visits and analysis on market circulation, distributor business, distributor salespersons, and distribution processes. We explained the issue found after investigation and assessment so as to assist distributors on improving the salary system, evaluation system and business development system, and discuss the improvement plan with distributors which aim to grow together with distributors.

報告期內，我們聘請第三方營銷專家對上海市場及相關經銷商進行調研，針對市場流通狀況、經銷商業務、經銷商業務員及經銷流程等方面進行實地走訪分析，並向經銷商講解調研考核後的問題，幫助經銷商改善提升薪酬體系、考核體系及業務發展體系，與經銷商共同討論提升修改方案，致力於與經銷商共同成長。

### 3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL (CONTINUED)

### 3. 恆以共進，同道致遠(續)

#### Communication with Distributors

Distributors' satisfaction has a vital guiding value for marketing strategy and operation of Lao Heng He. During the reporting period, we conducted a satisfaction survey and evaluation of 40-50 distributors including the evaluation on products, approaches to cooperation and brand market. The distributors' overall satisfaction level scored 98.77 points.

Lao Heng He jointly held various types of activities with distributors to support the business promotion of distributors. By holding various connoisseur sessions, such as Huzhou Culinary Exchange Conference for SME Chefs (湖州中小餐飲廚師交流會) and National Distributor Conference of Catering Products (餐飲產品全國經銷商大會), more chefs will be able to understand and recognise our products, thereby expanding our catering channels and promoting the sales of our catering products. Meanwhile, we have actively set up a sales team for catering channels, developed specialised catering distributors on our own, and organised interactive marketing activities targeting catering outlets in several cities to fully support distributors and achieve a win-win situation.

#### 經銷商溝通

經銷商滿意度對老恆和的營銷策略及經營有著至關重要的指導價值。報告期內，我們對40-50家經銷商進行了滿意度調研評估，評估包括產品、合作形式以及品牌市場等方面，經銷商綜合滿意度達到98.77分。

老恆和攜手經銷商共同舉辦多種類型的活動，全力助推經銷商的業務推廣。我們通過舉辦各類餐飲品鑒會，比如湖州中小餐飲廚師交流會、餐飲產品全國經銷商大會等，讓更多廚師了解並認可我們的產品，拓展餐飲渠道，促進餐飲類產品的銷售。同時，我們積極組建餐飲銷售團隊，單獨開發專業餐飲經銷商，在多個城市組織開展餐飲終端聯動鋪市活動，為經銷商提供充分支持，實現共贏。

#### 2019 Anji Culinary Exchange Conference for SME Chefs

#### 2019 安吉中小餐飲廚師交流會

On 20 March 2019, Lao Heng He jointly held "2019 Anji Culinary Exchange Conference for SME Chefs (2019 安吉中小餐飲廚師交流會)" at Weisheng Xiangyi Hotel in Anji, Zhejiang with Anji Shengtong Grain and Oil (吉盛通糧油), which invited more than 160 SME Chefs in Anji to taste and exchange cooking recipes with Lao Heng He's products. Premium Flavored Soy Sauce, rosy rice vinegar, cooking wine, soybean paste, premium chili sauce of Lao Heng He have received a lot of praise.

二零一九年三月二十日，老恆和聯合安吉盛通糧油在浙江安吉維笙香溢大酒店隆重舉辦「2019 安吉中小餐飲廚師交流會」，活動邀請160多名安吉中小餐飲的廚師共同品嘗與交流用老恆和產品燒制菜譜。老恆和的鮮上鮮醬油、玫瑰米醋、料酒、黃豆醬、金辣醬等產品受到大家的一致好評。



### 3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL (CONTINUED)

### 3. 恆以共進，同道致遠(續)

#### 2019 National Distributor Conference of Catering Products of Lao Heng He 2019老恆和餐飲產品全國經銷商大會

On 2 April 2019, Lao Heng He jointly held “2019 National Distributor Conference of Catering Products of Lao Heng He (2019 老恆和餐飲產品全國經銷商大會)” at Crowne Plaza Huzhou with Consumption Daily, which introduced new catering channels by taking advantage of the press conference of Group Standards for China’s Cereal-based Brewed Cooking Wine (中國谷物釀造料酒團體標準). More than 500 people from various such as well-known media agencies of the PRC, catering, finance, Fast-moving consumer goods (FMCG) and education participated in conference and representatives of outstanding distributors are invited to share their views on the stage.

二零一九年四月二日，老恆和聯合《消費日報》在湖州國際皇冠大酒店舉辦「2019老恆和餐飲產品全國經銷商大會」，借中國谷物釀造料酒團體標準新聞發佈會之勢，重磅推出餐飲渠道新品。活動邀請全國知名媒體行業、餐飲行業、金融行業、快消品行業、教育行業等500多人參加會議，並邀請優秀經銷商代表上台訪談交流。



### 3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL (CONTINUED)

### 3. 恆以共進，同道致遠(續)

#### RESPONSIBLE SUPPLIES

Stable and high-quality supplier resources are able to assist Lao Heng He to ensure the safety and quality of products from the source. We continue to improve supply chain management with execution of the management systems such as “Supplier Management Procedure (供貨商管理程序)”, “Procurement Contract Management (採購合同管理)” and “Procurement Control Procedure (採購控制程序)”, so as to implement the Company’s procurement procedures, supplier assessment methods and the monitoring procedures in the process of cooperation, striving to create a high-quality responsible supply chain.

#### Supply Chain Management

During the reporting period, we classified suppliers according to the importance of purchased materials (i.e. Category A important materials, Category B general materials and Category C auxiliary materials), and adopted differentiated management strategies for different types of suppliers to optimise supplier resources and structure.

As at 31 December 2019, Lao Heng He had an aggregate of 434 suppliers spreading from the southern, eastern to northern parts of China. Meanwhile, Lao Heng He actively supports the development of local supply chains and creates employment opportunities. During the reporting period, the suppliers in eastern China accounted for 89% of the total number of suppliers.

#### 責任供應

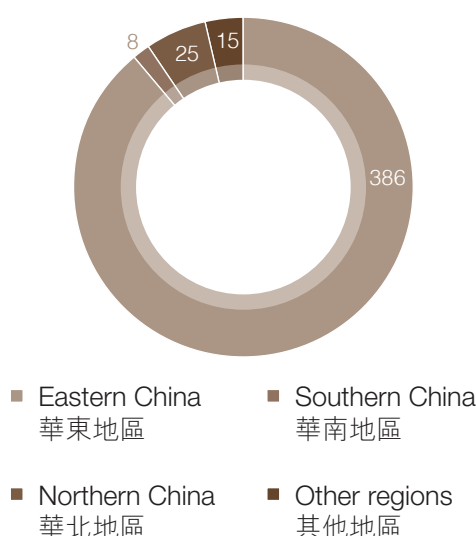
穩定且優質的供應商資源能夠助力老恆和從源頭保障產品的安全及質量，我們不斷完善供應鏈管理，延續執行《供貨商管理程序》《採購合同管理》及《採購控制程序》等管理制度，落實公司的採購程序、供貨商考核方式以及合作過程中的監督程序，致力打造高質量的責任供應鏈。

#### 供應鏈管理

報告期內，我們根據採購物資的重要性對供應商進行分類(重要物資A類、一般物資B類、輔助物資C類)，針對不同類型的供應商分別採取差異化的管理策略，優化供應商資源和結構。

截至二零一九年十二月三十一日，老恆和供應商總數達434家，遍布華南、華東和華北等區域。同時，老恆和積極支持本地供應鏈發展，創造就業機會。報告期內，華東地區的供應商佔比高達89%。

供應商分佈(家)  
Distribution of Suppliers



# 3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL (CONTINUED)

## 3. 恆以共進，同道致遠(續)

### Supplier evaluation and communication

In order to monitor the supply chain risks, Lao Heng He has established a set of mechanisms on supplier tracking and evaluation. During the reporting period, the internal procurement specialists tracked each purchase order in real time with the evaluation dimensions in terms of delivery time, delivery quality after arrival, punctuality of delivery and consistency of delivery type, and adopted different supplier management measures in a timely manner according to the real-time assessment situation. Meanwhile, the Company personnel with qualifications of internal auditors of relevant management systems conduct on-site verification or program reviews of major suppliers every year.

### Issues concerning the quality of supplied products

- “Supplier’s Incoming Material Quality Feedback List (供方來料品質不良反饋單)” is issued by the quality inspection department of the Company’s with the descriptions on defective products made by the production department, quality inspection department and purchasing department. Supplier will formulate and amend the rectification measures, which will be finally verified by the production and quality inspection departments upon amendment to ensure that the product quality meets the requirements before repeated purchasing.
- For suppliers who have been found defective products 3 times or more in their monthly supply, they will be reduced the purchase quantity and observed if defective products were found in the following month. If the product quality can be improved later, they can continue to serve as a qualified supplier. Otherwise, their qualifications as qualified suppliers will be terminated.

### Return supplied products due to substantial non-conforming

- Suppliers who have been returned their supplied products due to substantial non-conforming for 3 times or more, their qualifications as qualified suppliers will be terminated.

### 供應商評估及交流

為監控供應鏈風險，老恆和建立了一套供應商跟蹤與考核評價機制。報告期內，採購內勤專員對每個採購訂單進行實時跟蹤，考核維度包括供貨時間、到庫後送貨質量、送貨及時度、送貨品種是否相符，並根據實時考核情況及時採取不同的供應商管理舉措。同時，公司持有相關管理體系內審員資質的人員每年對主要供應商進行現場驗證或程序審核。

### 供貨產品質量問題

- 由公司質檢部門出具《供方來料品質不良反饋單》，生產部門、質檢部門、採購部門均對出現不良品進行描述，最終由供應商制定整改措施並進行整改，整改後由生產、質檢部門進行驗證，確保產品質量符合要求後方可再次採購。
- 對於月度供貨出現不良品現象3次及以上次數的供應商，次月再次出現供貨不良品情況則採取縮減採購數量，對其進行觀察。若後期能夠提高產品品質方可繼續作為合格供方，否則取消其合格供方資格。

### 供貨有重大不合格發生退貨的情況

- 每年出現3次及以上供貨有重大不合格發生退貨情況的供應商，取消合格供方資格。

### 3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL (CONTINUED)

### 3. 恆以共進，同道致遠(續)

#### Management Measures after Supplier Evaluation

It is very important for Lao Heng He to maintain good and effective daily communication with suppliers. During the reporting period, we provided external help and support to our suppliers to jointly discover and solve problems together, striving to create a win-win collaborative ecosystem.

#### 供應商評估後管理舉措

與供應商保持良好、有效的日常溝通對老恆和來說至關重要。報告期內，我們為供應商給予外部幫助與支持，與其共同發現問題、解決問題，努力打造共贏的協作生態。

##### Assist suppliers in solving technical problems 幫助供應商解決技術難題

- During the reporting period, Lao Heng He assisted in contacting two industry peers to a supplier's factory for on-site production technology exchanges, and arranged the manufacturer to carry out labeling guidance to solve the issues of labeling defective products.  
報告期內，老恆和協助聯繫兩家同行至一家供應商工廠進行實地生產技術交流，並安排廠家前往進行貼標指導，解決了其貼標次品問題。

##### Assist suppliers in establishing a standardised management model 幫助供應商建立標準化管理模式

- During the reporting period, Lao Heng He assisted suppliers in establishing the on-site visual management and on-site identification management standards, which promoted the standardisation of documents and on-site management, and realise the label number and revision record.  
報告期內，老恆和幫助供應商建立現場的目視化管理和現場標識管理規範，推進了文件和現場管理的標準化，實現標籤定稿有編號，改版有記錄。

##### Establish a quality improvement team with suppliers 聯合供應商建立品質改善小組

- During the reporting period, Lao Heng He jointly solved the problem caused by leakage of bottle cap and glass bottle with suppliers and manufacturers, and improved product quality by identifying the key points.  
報告期內，老恆和聯合供應商廠家共同解決瓶蓋和玻璃瓶滲漏的不配套問題，找出問題關鍵點，提升產品質量。

## 4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM

### 4. 和以聚力，採擢薦進

Lao Heng He adheres to the philosophy of “people-oriented” and regards employees as family and one of the most valuable assets for enterprise development. By constantly exerting the spirit of craftsmanship, we join hands and move forward with employees. Lao Heng He continues to increase investment in team building and employee training, provides employees with competitive salaries and benefits and social security among peers, enhances employee communication and promotion prospects, and is committed to providing employees with a fair working environment while enhancing their sense of belonging.

#### EMPLOYMENT OVERVIEW

Lao Heng He strictly complies with the requirements of laws and regulations, such as “The Labour Law of the People’s Republic of China (中華人民共和國勞動法)”, “The Employment Promotion Law of the People’s Republic of China (中華人民共和國就業促進法)”, “The Labour Dispute Mediation and Arbitration Law of the People’s Republic of China (中華人民共和國勞動爭議調解仲裁法)” and “Regulations on Labour Security Supervision (勞動保障監察條例)”, and continuously improves internal policies, such as “Regulations on management of Human Resources (人力資源管理規定)”, “Control Procedures on Human Resources (人力資源控制程序)”, “Procedures on Recruitment, Employment and Dismissal (招聘、錄用、解聘程序)”, “Remuneration plan of the company (公司薪酬計劃)” and “Employee Performance Management System (員工績效管理制度)”, and also systematically regulates and manages various aspects regarding recruitment, employment, promotion, dismissal, code of conduct, working hours, performance assessment, welfare and benefits, diversity and anti-discrimination, to protect the legitimate rights and interests of employees.

Lao Heng He strictly prohibits the employment of child labour, forced labour and any other illegal employment behaviors. If we find any employee employment situations that violate relevant national or local laws and regulations, we will take immediate measures to protect the legitimate rights and interests of employees: for the employment of child labour, we will require the relevant department to send the child labour back to their original places of residence within the specified time limit and the person in charge of the department involved shall receive severe punishments; for forced labour, we will handle the case according to the specific circumstances in accordance with laws and regulations through the labour union and labour dispute mediation committee. During the reporting period, Lao Heng He had not committed any illegal acts including the employment of child labour and forced labour.

老恆和恪守「以人為本」的理念，視員工為家人和企業發展最寶貴的財富之一。通過不斷發揮匠人精神，與員工攜手共進。老恆和不斷增加對團隊建設的投入和員工培訓投入，為員工提供在同行中具備競爭力的薪酬福利和社會保障，完善員工溝通和晉升渠道，致力於在為員工提供公平工作環境的同時增強員工歸屬感。

#### 僱傭概況

老恆和嚴格遵守《中華人民共和國勞動法》《中華人民共和國就業促進法》《中華人民共和國勞動爭議調解仲裁法》《勞動保障監察條例》等法律法規的要求，並不斷完善《人力資源管理規定》《人力資源控制程序》《招聘、錄用、解聘程序》《公司薪酬計劃》《員工績效管理制度》等內部政策，就員工招聘、錄用、晉升、解雇、行為準則、工作時間、績效考核、福利待遇、多元文化與反歧視等方面進行了系統的規範與管理，以維護員工的正當權益。

老恆和嚴厲禁止僱傭童工、強制勞動等不合法的僱傭行為發生。如若發現任何違反國家或地方相關法律法規的員工僱傭情況，我們將立即採取措施，以保障員工合法權益：對於僱傭童工行為，我們將強制要求涉事部門在規定期限內將童工送回原居住地並對涉事部門負責人進行嚴懲；對於強制勞動的行為，我們通過工會和勞動糾紛調節委員會，根據事件具體情況依法依規處理。報告期內，老恆和未發生任何包括僱傭童工和強制勞動在內的違法行為。

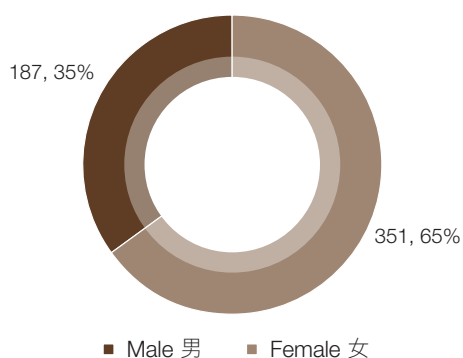
## 4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM (CONTINUED)

### 4. 和以聚力，採擢薦進(續)

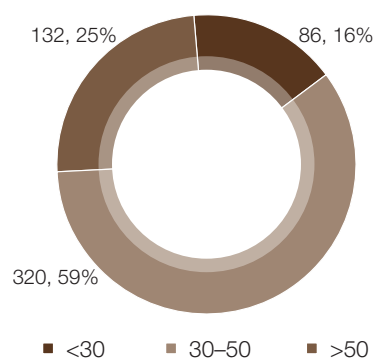
For staff recruitment, Lao Heng He adheres to the principle of "Fairness, Openness, and Meritocracy" to select the most suitable talent for the job. Lao Heng He respects employees' gender, age, national culture, marriage and family conditions, and religious beliefs with an aim to create a fair, healthy, enterprising, and warm working atmosphere for employees. During the reporting period, Lao Heng He had a total of 538 employees and according to gender, age and employment type were as follows:

在員工招聘上，老恆和秉承「公平公開、唯才是用」的原則為崗位挑選最適宜的人才。老恆和尊重員工的性別、年齡、民族文化、婚姻及家庭情況、宗教信仰，致力於為員工打造公正、健康、進取、溫暖的工作氛圍。報告期內，老恆和共有全職員工538人，按性別、年齡、僱員類型劃分的員工情況如下：

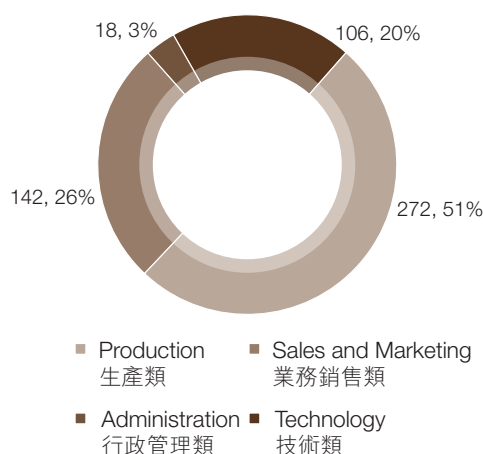
Proportion of employees by gender (person, %)  
按性別劃分的員工情況 (人, %)



Proportion of employees by age (person, %)  
按年齡劃分的員工情況 (人, %)



Proportion of employees by function (person, %)  
按僱員類型劃分的員工情況 (人, %)



## 4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM (CONTINUED)

### 4. 和以聚力，採擢薦進(續)

#### HEALTH AND SAFETY

Lao Heng He strictly complies with related laws and regulations and local regulations, such as “The Work Safety Law of the People’s Republic of China (中華人民共和國安全生產法)”, “Occupational Disease Prevention and Control Law of the People’s Republic of China (中華人民共和國職業病防治法)”, “Provisions on the Supervision and Administration of Occupational Health in the Workplace (工作場所職業衛生監督管理規定)”, “Occupational Disease Diagnosis and Identification Management Measures (職業病診斷及鑒定管理辦法)”, “Regulation on Work-Related Injury Insurance (工商保險條例)” and “Regulations on Safety Production in Zhejiang Province (浙江省安全生產條例)”, formulates and continuously improves internal systems such as the “Occupational Hazard Factor Monitoring and Classification Management Regulations for Companies (公司職業危害因素監測及分級管理規定)”, “Employee Occupational Health Examination Management System (職工職業健康體檢管理制度)”, and passed the OHSAS 18001 Certification of the Occupational Health and Safety Management System to fully safeguard the occupational health and safety of employees.

#### 健康安全

老恆和嚴格遵守《中華人民共和國安全生產法》《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》《職業病診斷及鑒定管理辦法》《工商保險條例》《浙江省安全生產條例》等相關法律法規和地方管理辦法，制定並不斷完善《公司職業危害因素監測及分級管理規定》《職工職業健康體檢管理制度》等內部制度，並通過了OHSAS 18001職業健康安全管理体系認證，全面保障員工職業健康安全。



OHSAS 18001 職業健康安全管理体系認證

OHSAS 18001 Certification of the Occupational Health and Safety Management System

## 4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM (CONTINUED)

### 4. 和以聚力，採擢薦進(續)

#### Safety Production

Lao Heng He implements routine safety management measures, carries out regular hazard source screening, identifies hazard sources in each production stage, and carries out rectification and follow-up work in a timely manner to ensure employees' safety. Lao Heng He encourages employees to take initiatives to identify and raise concerns about safety risks and hazards found during the working process and report them in time. Through the implementation of the ILO SCORE project and the establishment of EIP (Enterprise Improvement Team), Lao Heng He considers reasonable suggestions raised by employees according to modules, and rectifies and implements the recommendations for rectification raised by employees in accordance with the "Occupational Health and Safety" module, resulting in a significant reduction in safety risks brought to employees and enterprises at key production stages.

Every year, we set safety management performance appraisal indicators for each workshop and include them in the performance appraisal, and achieve safe production by combining the occupational health and safety of employees with the vital interests of employees in various positions. We formulate various occupational safety knowledge topics for employees and explain to them in morning meetings and trainings. We require that every workshop must hold a regular safety meeting every Friday to summarize the existing safety hazards and the rectification period and strengthen the "prevention" mechanism. In addition, by signing the "Fire Responsibility Letter" with employees, we actively respond to the government's fire drills, continuously expand the scale of fire drill training, improve the authenticity of fire drills and increase employees' awareness of safety responsibility.

#### 安全生產

老恆和推進常規安全管理舉措，定期開展危險源篩查，對每一個生產環節中的危險源進行識別，並及時進行整改和跟進，以保障員工安全。老恆和鼓勵員工主動識別並提出在工作過程中發現的安全風險及危險源，並及時上報。通過施行ILO SCORE項目，設置EIP (Enterprise Improvement Team，企業改進團隊)，老恆和按模塊組織員工提出合理化建議，並依據在「職業健康與安全」模塊對員工提出的整改建議進行整改和落實，大幅度降低關鍵生產環節給員工和企業帶來的安全風險。

每一年度，我們為各車間設定安全管理績效考核指標並列入績效考核，通過將員工的職業健康安全與各崗位員工的切身利益結合，助力企業安全生產。我們為員工制定各類職業安全知識專題並以晨會、培訓等形式進行宣貫。我們要求每一車間每周五必須舉行安全例會，總結存在的安全隱患及整改期限，強化「事前預防」機制。此外，我們通過與員工簽訂《消防責任書》，積極響應政府消防演練，不斷擴大消防演練受訓規模，提高消防演練的真實程度，增加員工安全責任意識。

#### Key Points for Safety Management of Lao Heng He 老恆和安全管理重點舉措



## 4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM (CONTINUED)

### 4. 和以聚力，採擢薦進(續)

During the reporting period, Lao Heng He had no major work-related fatalities.

#### Protection of Health

The health of employees is one of the foundations for the steady operation of Lao Heng He. By defining occupational disease hazard factors and monitoring procedures, as well as clarifying the types of health check, content periods, and processing of health check results, Lao Heng He carries out employee occupational health management from the two dimensions, "control of harmful factors" and "tracking of health status". If an employee is diagnosed with an occupational disease in the occupational disease hazard test, Lao Heng He will compensate the employee who is diagnosed with the occupational disease, and conduct a comprehensive investigation and rectification of the employee's working environment. During the reporting period, Lao Heng He had not found any significant cases of occupational diseases.

Since the end of 2019, the outbreak of COVID-19 has been affecting people in China and all over the world. Since the "battle against the epidemic" began, Lao Heng He has responded quickly and has done its best to carry out epidemic prevention and control work. Lao Heng He formulated emergency response plans and implemented a linkage investigation mechanism at all levels, using its own strength to fight against the "silent epidemic".

#### SUPPORT AND DEVELOPMENT

Lao Heng He recognizes that talents are the cornerstone of long-term development of an enterprise. By focusing on the cultivation of core talents, Lao Heng He provides training opportunities and fair promotion channels for every employee with inclusive minds, and continuously cultivates high-quality management talent echelons.

報告期內，老恆和未發生因工作導致的重大傷亡事件。

#### 健康保障

員工的健康是老恆和得以穩健運行的基礎之一。通過對職業病危害因素界定、監測程序做出規定，以及明確體檢類別、內容周期、體檢結果處理等內容，老恆和從「有害因素管控」和「健康狀態跟蹤」兩個維度開展員工職業健康管理工作。如有員工在職業病危害檢測中確診，老恆和將對確診職業病的員工進行補償，並對該員工的工作環境進行全面排查和整改。報告期內，老恆和暫未發現顯著的職業病個例。

二零一九年年末，一場新型冠狀病毒感染的肺炎疫情牽動中國乃至全球的人心，自這場「戰疫」打響以來，老恆和迅速響應，全力以赴開展疫情防控工作。老恆和在第一時間制定應急響應預案並實施各級組織聯動排查機制，用自身力量全力助陣這場無聲的戰「疫」。

#### 助力成長

老恆和深知人才是企業長期發展的基石，通過聚焦核心人才培養，以包容之心為每一位員工提供培訓機會和公平的晉升渠道，不斷培養高素質經營人才梯隊。

## 4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM (CONTINUED)

### 4. 和以聚力，採擢薦進(續)

#### Empowered training

Lao Heng He provides employees with diversified training, aiming to improve the quality of employees in terms of professionalism and work skills. Lao Heng He has formulated and continuously improved the “Company Training System”, which provides targeted training content for employees at different levels by clarifying the training content and scope of pre-employment training, on-the-job training, and professional training.

#### 培訓賦能

老恆和為員工提供多樣化的員工培訓，旨在從專業素養、工作技能水平等方面提高員工素質。老恆和制定並不斷完善《公司培訓制度》，通過明確職前培訓、在職培訓、專業培訓的培訓內容和培訓範圍，為不同層級的員工提供針對性的培訓內容。



To preserve and pass on Lao Heng He's ancestral motto of “Perseverance combined with good-naturedness and creditworthiness” and ancient brewing skills, our winemakers and wine tasters will receive regular wine culture training and skills training from the Wine Industry Association (酒業協會). Meanwhile, Lao Heng He also implies the “three-tier training (三幫)” system, namely “apprenticeship, new and old employees, rotation (師徒幫帶、新老幫帶、輪崗幫提)”, to develop “Lao Heng He's person (老恆和人)” through three aspects, namely inheritance of technology and tradition, abilities enhancement and quality training, and achieves the common development of employees and the enterprise. We hold the “Ancient Brewing Technique Inheritance Ceremony” every three years to express our respect and gratitude to the Lao Heng He's previous generation of brewers, and also to start the long-term and systematic training of the next generation of brewers. During the process of learning in Lao Heng He, young brewers can learn not only the Lao Heng He's ancient brewing skills, but also the spirit of being down-to-earth, striving for perfection and perseverance.

為不斷傳承並弘揚老恆和「恆以持之，和信為本」的祖訓以及古法釀造的技藝，我們的釀酒師和品酒師會定期接受酒文化培訓和酒業協會技能職稱培訓。同時，老恆和還通過「師徒幫帶、新老幫帶、輪崗幫提」的「三幫」機制從技術傳承、能力提升以及素質培養三方面全面打造「老恆和人」，實現員工與企業的共同發展。我們每三年舉辦一次「古法釀造技藝傳承拜師儀式」，在對上一代老恆和釀造師表達敬意和謝意的同時開啟對下一代釀造師的長期、系統的培養。在老恆和，年輕技工們在從師學藝的過程中，學到的不僅僅是老恆和古法釀造的技藝，更是老恆和腳踏實地、精益求精、持之以恆的精神。

## 4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM (CONTINUED)

### 4. 和以聚力，採擢薦進(續)

#### Vocational skill training provided by China Alcoholic Drinks Association

##### 酒業協會的技能職稱培訓

In August 2019, Lao Heng He arranged a total of 5 winemakers and sommeliers to attend the vocational skill training provided by China Alcoholic Drinks Association. Our staff are encouraged to keep learning wine-related skills, thereby taking their own and Lao Heng He's brewing skills to the next level.

二零一九年八月，老恆和的釀酒師和品酒師共5人參加了酒業協會的技能職稱培訓，我們鼓勵員工不斷學習酒類技能，以提高自身和老恆和的釀造水平。



During the reporting period, Lao Heng He provided staff training to 2,852 employees, with total training hours of 3,307 hours and average training hours of 6 hours, details of which were as follows:

報告期內，老恆和為2,852人次提供了員工培訓，提供培訓總時長為3,307小時，平均受訓時數達6小時，具體員工受訓情況如下：

				Total number of trainees in 2019 二零一九年 受訓總人次	Total training hours in 2019 二零一九年 受訓總時長	Average training hours in 2019 二零一九年 平均受訓時長
By gender	以性別劃分	Units	單位			
Female	女性	person	人次	950	1,102	5.89
Male	男性	person	人次	1,902	2,205	6.28

				Total number of trainees in 2019 二零一九年 受訓總人次	Total training hours in 2019 二零一九年 受訓總時長	Average training hours in 2019 二零一九年 平均受訓時長
By employment type	以僱員類別劃分	Units	單位			
Production	生產類	hours	小時	1,632	1,360	5.00
Sales and Marketing	業務銷售類	hours	小時	142	284	2.00
Technology	技術類	hours	小時	318	447	4.22
Administration	行政管理類	hours	小時	760	1,216	67.56

## 4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM (CONTINUED)

### 4. 和以聚力，採擢薦進(續)

#### Promotion and development

To enhance the vocational and professional levels of our team, Lao Heng He not only implements a strict gate-keeping system for talent recruitment and provides systematic training to improve their skills, but also promotes the continuing development of talents by developing a multi-dimensional appraisal system and fair and impartial evaluation and motivation system. We continue to improve our internal management system, such as the “Employee Performance Management System (員工績效管理制度)” and the “Management Measures on Incentive Promotion (激勵晉升管理辦法)”, to examine, analyze and evaluate the performance of our employees in terms of work results, behavioral issues, work attitude and overall quality, so as to improve the quality of our employees and unlock their potential.

Lao Heng He has established transparent promotion channels for its employees. Employees are constantly promoted for self-improvement, and a comprehensive performance appraisal is conducted every year. According to the “Management Measures on Incentive Promotion (激勵晉升管理辦法)”, Lao Heng He classifies its employees into A+/A/B/C/D/E grades based on their comprehensive appraisal results and provides them with performance rewards according to different grades. For those employees who have outstanding performance in the comprehensive appraisal and made great contributions to the technical/management innovation of the Company, Lao Heng He will give awards and offer promotion opportunities. For those employees with poor performance, Lao Heng He requires the department heads to arrange a performance review within one week after the appraisal to review, analyze and improve their performance, and to copy and retain the original review record within 10 days after the appraisal as the basis for the next year’s appraisal and performance review.

#### 晉升發展

為提升員工團隊的職業化和專業化，老恆和除了在引進人才時嚴格把關、通過系統化培訓提升能力外，亦通過立體多維的考核、公平公正的評估激勵體系，促進人才的不斷成長。我們不斷完善《員工績效管理制度》《激勵晉升管理辦法》等內部管理制度，從員工工作結果、行為表現、工作態度以及綜合素質等各方面對員工的表現進行檢測、分析和評價，從而提高員工素質，挖掘員工潛力。

老恆和為員工打造透明晉升渠道，不斷促進員工進行自我提升，並於每年對員工進行綜合績效測評。老恆和根據《激勵晉升管理辦法》以及員工的綜合績效考評結果將員工分為A+/A/B/C/D/E等級，並根據不同等級提供績效獎勵。對於綜合績效考評結果優秀且對企業技術／管理革新做出重大貢獻的員工，老恆和將給予嘉獎並提供晉升機會。而對於表現較差的員工，老恆和要求各部門主管在考核結束後一星期內安排績效面談，進行回顧、分析和提升，並在考核結束後的十日內將面談記錄原件復印留存，作為下一年績效考核及績效面談的依據。

## 4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM (CONTINUED)

### 4. 和以聚力，採擢薦進(續)

#### COMMUNICATION WITH CARING

Lao Heng He respects the contributions of its employees to the Company and spares no efforts in providing competitive staff welfares that are comparable to market terms. We have formulated and continuously modified the “Remuneration Plan (薪酬計劃)” and established a remuneration committee that is responsible for managing remuneration-related matters, so as to continuously improve the remuneration system for our employees. Lao Heng He provides employees with medical insurance, pension insurance, unemployment insurance, work-related injury insurance and housing provident fund, as well as other related expenses in accordance with the laws. Employees are also provided with a basic salary, post allowance, performance bonus, seniority allowance and other allowances. In order to ensure equal pay for equal work and fair and reasonable allowance, Lao Heng He has set up 4 major indicators and 29 indicators for the provision of job allowance to employees.

As for welfare, Lao Heng He strives to create a home-like atmosphere for its staff. Family rooms and couple rooms are provided to cater to the special needs of our employees and their families. As a leader in the seasoning industry, Lao Heng He regularly customizes and updates the canteen menu to meet the diverse eating habits of its staff and to allow them enjoy a better quality of life brought by excellent seasonings.

Lao Heng He cares for the mental health of our employees. A “Staff Home (職工之家)” has been established to manage the living-related matters of employees, including birthday meals, group travel, employee sports competitions, summer festival activities and a series of employee caring and interactive activities, and extends the employee caring activities to interns. Meanwhile, Lao Heng He proactively gives a helping hand to our staff who encounters financial, living or work difficulties by exclusively setting up a “Green Channel (綠色通道)”. In the future, we will continue to show our love and care for our employees by standing in their shoes and meeting their needs, as if they were our family members.

#### 溝通關愛

老恆和尊重員工為企業的付出，致力於為員工提供與市場標準相比具備競爭性的員工福利，通過制定並不斷完善《薪酬計劃》，成立薪酬委員會負責管理薪酬相關事項，持續完善員工薪酬福利制度。老恆和為員工依法繳納醫療保險、養老保險、失業保險、工傷保險及住房公積金以及支付相關費用，並為員工提供基本工資、崗位補貼、績效獎金、工齡補貼以及其他補貼。其中，為保障同工同酬以及補貼的公平合理性，老恆和為員工提供的崗位補貼一項便設置了4大指標29項指標。

在福利方面，老恆和致力於為員工營造「家」的氛圍，根據員工特殊需求提供母子房、夫妻房等，為員工及其家屬創造方便。作為調味品行業的領導者，老恆和亦定期定制和更換食堂菜單，在滿足員工飲食習慣差異的同時，讓員工體驗優質調味品帶來的生活之美。

老恆和關愛員工的心理健康，創建「職工之家」負責員工生活事宜，包括生日餐、集體旅遊、員工運動比賽、降暑節活動等一系列員工關愛互動活動，並將員工關愛延伸到實習生。同時，老恆和積極主動幫助在經濟、生活或工作遇到困難的員工，特別成立了「綠色通道」。未來，我們將延續並發揚對員工的關愛，做到如家人般「想員工之所想，急員工之所急」。



Table tennis competition for high-tech district staff  
高新區職工乒乓球比賽



Internship outing  
實習生出游

## 5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT

### 5. 和以自然，綠色發展

Lao Heng He strictly complies with the relevant national and local environmental 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)”, “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)” and “The Water Pollution Prevention and Control Law of the People’s Republic of China (中華人民共和國水污染防治法)”, and continuously improves the internal systems, such as “Regulations on Environmental Protection and Management (環境保護管理規章制度)” and “Control Protocol of Resources and Energy (資源能源控制規程)” to enhance our green production and operation. Through the identification and evaluation of environmental factors, we evaluate the energy use and emission management in all aspects of production and operation, effectively improving the energy efficiency in the operation and production process and minimizing the impact on the ecological environment. Based on the identification and evaluation of environmental elements, we evaluate the energy use and emission management in the entire production and operation process, effectively improving the energy efficiency in the operation and production process and minimizing the impact on the ecological environment.

老恆和嚴格遵守《中華人民共和國環境保護法》《中華人民共和國大氣污染防治法》《中華人民共和國水污染防治法》等國家和地區環境相關法律法規，持續完善內部《環境保護管理規章制度》《資源能源控制規程》等內部制度，提升綠色生產運營水準。我們通過環境因素識別評價生產運營全環節的能源使用和排放管理，有效提升運營生產過程中的能源使用效率，最大程度降低對生態環境的影響。

#### Identification and Evaluation of Environmental Elements 環境因素識別評價



Identification and evaluation of the discharge of pollutants,  
the consumption of energy, resources and raw materials,  
potential environmental accidents, etc.

識別和評價污染物的排放處置，能源、資源、  
原材料的消耗，以及潛在的環境事故等

## 5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT (CONTINUED)

### 5. 和以自然，綠色發展(續)

#### RESOURCE OPTIMIZATION

Lao Heng He has formulated and implemented several policies, such as “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 integrate environmental protection into our daily operation. Starting from the details and management of each energy-using process, the Company keeps resources such as electricity, steam, water, and packaging materials in the production process under effective control, improves resource efficiency through equipment renovation, and continues to adopt lightweight packaging, so as to minimize the impact of our production and operation activities on the environment.

##### Energy management

As for energy usage management, we improve the efficiency of electricity usage with the aid of an intelligent platform and improve our equipment to reduce energy consumption. By means of the intelligent electricity usage system in cooperation with a third-party energy management company, we use the system to record and analyze the condition of electrical circuits and relevant energy usage data, formulate the annual energy saving and consumption reduction plan based on operating conditions, and develop initiatives to achieve the annual plan. During the reporting period, Lao Heng He Changxing Wine carried out equipment improvement by making use of the wine to be heated and sterilized for cooling to reduce the consumption of natural water, and waste heat for preheating to reduce its energy consumption. It is calculated that the production of each ton of yellow wine could save about 0.8 tons of natural water and 40% of steam per month after the improvement.

During the reporting period, Lao Heng He's energy consumption was as follows:

#### 資源優化

老恆和制定並實施《節約水、電管理規定》《節能降耗管理指導書》等政策，將環保理念貫穿於日常運營之中。公司從各能源使用的工藝細節及管理層面入手，對生產過程中的電力、蒸汽、水、包裝材料等資源進行有效控制，通過設備改造等提升資源使用效率，並持續採用輕量化包裝，最大程度減少生產經營活動對環境的影響。

##### 能源管理

在能源使用管理方面，我們借助智能化平台提升電力使用效率，並改造設備降低能耗使用。通過與第三方能源管理公司合作的智能用電系統，我們利用該系統記錄和分析電氣線路情況及相關能源使用數據，並結合運營情況制定年度節能降耗計劃，制定相關舉措以達成年度計劃。報告期內，老恆和長興酒業通過對設備進行改造，用待加溫滅菌的酒液來冷卻，減少自然水的耗用，並利用余熱進行預熱降低能耗。經測算，改造後每噸黃酒月節約自然用水約0.8噸、節約蒸汽40%。

報告期內，老恆和能源使用情況如下：

Types of energy	能源種類	Units	單位	2018	2019
				二零一八年	二零一九年
Unleaded petrol	無鉛汽油	liter	公升	210,678	196,354
Diesel	柴油	liter	公升	229,407	218,073
Electricity	電力	MWh	兆瓦時	200	199
Purchased steam	外購蒸汽	tons	噸	13,886	11,833

Energy consumption	能耗	Units	單位	2018	2019
				二零一八年	二零一九年
Direct consumption	直接能耗	MWh	兆瓦時	4,113	3,876
Indirect consumption	間接能耗	MWh	兆瓦時	14,730	12,581
Comprehensive consumption	綜合能耗	MWh	兆瓦時	18,843	16,457
Energy consumption intensity	能耗密度	MWh/10,000 RMB of revenue	兆瓦時／萬元收入	0.22	0.18

## 5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT (CONTINUED)

### 5. 和以自然，綠色發展(續)

#### Water Management

Lao Heng He mainly manages domestic water and production water. It has established a strict water management system based on the production process and relevant local laws, regulations and standards to ensure the scientific, rational and efficient use of water resources. During the reporting period, Lao Heng He continued to promote water optimization projects and modify the cleaning process, so as to enhance the efficiency of water consumption.

During the reporting period, Lao Heng He's water consumption was as follows:

#### 水資源管理

老恆和主要涉及生活用水以及生產用水，並結合生產工藝情況和當地相關法律法規及標準建立了嚴格的水資源管理制度，確保水資源使用的科學性、合理性和高效性。報告期內，老恆和持續推動水資源優化項目，優化改造清洗流程，提升了水資源的利用效率。

報告期內，老恆和水資源使用情況如下：

Water consumption	水資源	Units	單位	2018 二零一八年	2019 二零一九年
Municipal water consumption	市政用水量	m <sup>3</sup>	立方米	324,976	319,489
Water consumption intensity	密度	m <sup>3</sup> /10,000 RMB of revenue	立方米／ 萬元收入	3.72	3.49

#### Packaging Materials

The packaging materials used by Lao Heng He in the production process are mainly paper, glass and plastic. During the reporting period, Lao Heng He has been working with two glass manufacturers on lightweighting bottles, including cooking wine bottles, Premium Flavored (鮮上鮮) product bottles and other glass bottles. The lightweighting of glass packaging means reducing the weight-to-volume ratio of glass bottles while maintaining their strength, with the aim of improving the environmental friendliness and cost-effectiveness of glass packaging and, to a certain extent, reducing carbon emissions in the supply chain.

Meanwhile, we actively promote the recycling of packaging materials. Part of the recyclable packaging materials shall be recycled in a unified manner, stored at a fixed point in the warehouse, recycled or disposed by the suppliers.

#### 包裝材料

老恆和在生產過程中使用的包裝材料主要為紙類、玻璃以及塑料等。報告期內，老恆和已和兩家玻璃廠在輕量化瓶上進行合作，覆蓋產品包括料酒瓶、鮮上鮮瓶等玻璃瓶。玻璃包裝的輕量化即在保證強度條件下，降低玻璃瓶的重容比，目的是提高玻璃包裝的綠色性與經濟性，一定程度上也降低了供應鏈的碳排放。

同時，我們積極推行包材回收利用，將部分可回收包材統一進行回收，定點存放至倉庫，循環使用或由供應商統一回收處理。

## 5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT (CONTINUED)

### 5. 和以自然，綠色發展(續)

During the reporting period, packaging materials of the most typical 500ml cooking wine bottles used by Lao Heng He were as follows:

報告期內，老恆和產品所使用的最典型500ml料酒玻璃瓶包裝材料使用情況如下：

Packaging Materials <sup>3</sup>	包裝材料 <sup>3</sup>	Usage (tons) 使用量(噸)		Intensity (tons/million bottles) 密度(噸/百萬件)	
		2018	2019	2018	2019
		二零一八年	二零一九年	二零一八年	二零一九年
Glass	玻璃	44,813.4	38,065.2	420.2	341.2
Metal	金屬	300.9	259.0	2.8	2.32
Paper	紙質	2,464.7	1,880.4	23.1	16.9

## DISCHARGE MANAGEMENT

Lao Heng He strictly complies with the relevant laws, local regulations and rules such as “The Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法)”, “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環境防治法)” and “Regulation on the Safety Management of Hazardous Chemicals (危險化學品安全管理條例)”. We closely monitor and record pollutant discharge to minimize pollution to the environment.

## 排放管理

老恆和嚴格遵守《中華人民共和國固體廢物污染環境防治法》《中華人民共和國大氣污染環境防治法》《危險化學品安全管理條例》等法律和地方法規、規章，嚴格執行污染物排放的監測和記錄，最大程度的降低對環境的污染。

## Wastewater Discharge Management

Lao Heng He strictly follows “The Water Pollution Prevention and Control Law of the People’s Republic of China (中華人民共和國水污染環境防治法)” and “The 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)”. We have established internal management systems such as the Wastewater Discharge Control System (廢水排放控制制度) and the Operation Guidelines on Wastewater Treatment (廢水處理作業指導書). The Company regulates the discharge management of wastewater generated from production and operation, such as wastewater from each workshop, wastewater used for cooling, washing and greening, and domestic wastewater used in canteens, washrooms, and toilets, etc.

## 污水排放管理

老恆和嚴格遵循《中華人民共和國水污染環境防治法》《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》等內部管理制度。公司對生產運營中產生的廢水如車間廢水、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進行規範排放管理。

<sup>3</sup> The packaging material data only includes 500ml glass bottle packaging for all kinds of cooking wine products

<sup>3</sup> 包裝材料數據範圍僅包括500ml玻璃瓶包裝的各類料酒產品

## 5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT (CONTINUED)

### 5. 和以自然，綠色發展(續)

During the reporting period, Lao Heng He's wastewater discharge was as follows:

報告期內，老恆和廢水排放情況如下：

Types of wastewater discharge	廢水排放類別	Units	單位	2019
				二零一九年
<b>Total discharge of wastewater</b>	<b>廢水排放總量</b>	m <sup>3</sup>	立方米	150,527
<b>Total discharge of COD</b>	<b>COD 排放濃度</b>	mg/liter	毫克／升	33.5
<b>Total discharge of ammonia-nitrogen</b>	<b>氨氮排放濃度</b>	mg/liter	毫克／升	6.95
<b>Total discharge of BOD</b>	<b>BOD 排放濃度</b>	mg/liter	毫克／升	2.33

#### Solid Waste Management

Lao Heng He strictly complies with relevant laws, regulations and management measures such as “The Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法)”, “The National Hazardous Waste List (國家危險廢物名錄)”, “The Measures for the Prevention and Control of Environmental 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 (危險廢物轉移聯繫管理辦法)”, as well as internal systems such as the Waste Management System (廢棄物管理制度) and the Regulations on Classification and Management of Wastes (廢棄物分類及管理規定), which ensure proper disposal of wastes.

We divide wastes generated from production and operation into production wastes, domestic and office wastes, and hazardous wastes, and strictly enforce the internal guidelines such as the Operation Guidelines on Classification, Collection and Disposal of Wastes (廢棄物分類收集、處理作業指導書) and the 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). We segregate, store, transport and dispose of wastes according to their nature in accordance with the laws. Hazardous wastes, mainly including waste organic solvents, waste oils, etc., will be disposed of at designated storage sites in refuse collection points and entrusted to a service provider with hazardous waste treatment qualifications for disposal.

#### 固體廢棄物管理

老恆和嚴格遵守《中華人民共和國固體廢物污染環境防治法》《國家危險廢物名錄》《廢棄危險化學品污染環境防治辦法》《危險廢物轉移聯繫管理辦法》等相關法律法規及管理辦法，並嚴格遵循《廢棄物管理制度》和《廢棄物分類及管理規定》等內部制度，確保廢棄物得以妥善處置。

我們將生產運營中產生的廢棄物分為生產廢棄物、生活及辦公廢棄物和危險廢棄物，並嚴格執行內部《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》等指導政策。我們根據廢棄物的性質合規地實施分類投放、儲存、搬運以及處置，其中對於危險廢棄物主要包括廢有機溶劑、廢油類等，放置在垃圾站規定存放處，並委託有危險廢棄物處理資質的服務商處理。

## 5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT (CONTINUED)

### 5. 和以自然，綠色發展(續)

During the reporting period, Lao Heng He's solid waste discharge was as follows:

報告期內，老恆和固體廢棄物排放情況如下：

				2018	2019
Production wastes	生產廢棄物	Units	單位	二零一八年	二零一九年
Soy sauce bean dregs	醬油豆渣	tons	噸	465	470
Wine vinasse/Vinegar residue	酒糟／醋渣	tons	噸	7,981	7,815
Fermented bean curd residue	腐乳渣	tons	噸	234	240
Sludge	污泥	tons	噸	510	576
Total	總量	tons	噸	9,190	9,101
Intensity	密度	tons/million RMB of revenue	噸／百萬元收入	10.51	9.94

				2018	2019
Domestic and office wastes	生活及辦公廢棄物	Units	單位	二零一八年	二零一九年
Total	總量	tons	噸	357	351
Intensity	密度	tons/million RMB of revenue	噸／百萬元收入	0.41	0.38

				2018	2019
Hazardous wastes	危險廢棄物	Units	單位	二零一八年	二零一九年
Total	總量	Kg	千克	31	40
Intensity	密度	Kg/million RMB of revenue	千克／百萬元收入	0.04	0.04

#### Exhaust Gas Management

The exhaust gas generated from production and operation of Lao Heng He is mainly attributable to the boiler emissions and the cooking fume emissions from canteens. We strictly enforce "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)" and comply with regulatory requirements in our production and operation, so as to control total emissions and ensure compliance with emission standards.

#### 廢氣管理

老恆和在生產經營過程中產生的廢氣主要來自鍋爐的排放以及食堂產生的油煙排放。我們嚴格執行《中華人民共和國大氣污染防治法》，在生產運營過程中，嚴格遵守監管要求，控制廢氣排放總量，確保排放達標。

## 5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT (CONTINUED)

### 5. 和以自然，綠色發展(續)

During the reporting period, Lao Heng He's greenhouse gas emissions were as follows:

報告期內，老恆和溫室氣體排放情況如下：

Greenhouse gas emissions	溫室氣體排放	Units	單位	2018 二零一八年	2019 二零一九年
Greenhouse gas emissions (Scope 1)	溫室氣體排放 (範疇一) <sup>4</sup>	tonnes CO <sub>2</sub> eq	噸二氧化碳	1,044	984
Greenhouse gas emissions (Scope 2)	溫室氣體排放 (範疇二) <sup>5</sup>	tonnes CO <sub>2</sub> eq	噸二氧化碳	4,254	3,646
Total greenhouse gas emissions (Scope 1, 2)	排放總量 (僅包括範疇一及範疇二)	tonnes CO <sub>2</sub> eq	噸二氧化碳	5,298	4,630
Greenhouse gas emissions intensity	排放密度	tonnes CO <sub>2</sub> eq/10,000 RMB of revenue	噸二氧化碳／萬元收入	0.06	0.05

#### Noise Management

As a manufacturer, we strictly comply with the “The Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise (中華人民共和國環境噪聲污染防治法)”, and actively take corresponding measures to further reduce the noise at our factory boundaries, so as to reduce the impact of the noise generated by our increasing production projects on the surrounding residents. During the reporting period, the Company required that the noise made by the plants 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)” to protect the occupational health of employees and reduce the impact on the surrounding environment.

#### 噪聲管理

作為生產製造廠商，我們嚴格遵循《中華人民共和國環境噪聲污染防治法》，積極地開展相應舉措進一步降低廠界噪聲，以減少生產項目逐漸疊加產生的噪聲對周邊居民的影響。報告期內，公司要求自身廠界噪聲達到《工業企業廠界噪聲標準》三類標準，保障員工的職業健康，降低對周邊環境的影響。

<sup>4</sup> Greenhouse gas emissions (scope 1): Covering greenhouse gas emissions from unleaded gasoline and diesel combustion

<sup>5</sup> Greenhouse gas emissions (scope 2): Covering indirect greenhouse gas emissions from the use of purchased electricity and purchased steam

<sup>4</sup> 溫室氣體排放(範疇一)：涵蓋無鉛汽油和柴油燃燒產生的溫室氣體排放

<sup>5</sup> 溫室氣體排放(範疇二)：涵蓋因使用外購電力和外購蒸汽而間接產生的溫室氣體排放

## 6. PERFORMING GOOD DEEDS WITH PASSION AND RIGHTEOUSNESS

### 6. 和以歸善，恆情有義

While seizing opportunities as they arise and keep moving forward, Lao Heng He also supports the inheritance of history and culture. Lao Heng He regards promoting sustainable development as its own responsibility and fulfills its social responsibility as a corporate citizen.

#### CULTURAL HERITAGE

Lao Heng He abides by its ancestral precepts, follows the ancient method, and absorbs different natural strains at different temperatures and times with the techniques passed down over a century to brew high quality condiments with excellent color, smell, and taste. As one of the leading condiment manufacturers in China, Lao Heng He not only brings the profound cultural flavor and excellent quality of condiments to consumers, but is also committed to the inheritance and spreading of Chinese culture with condiments and food as carriers.

老恆和在緊抓時代機遇，不斷進取的同時，支持並傳承歷史文化。老恆和視助力可持續發展為己任，踐行企業公民的社會責任。

#### 文化傳承

老恆和恪守祖訓，沿襲古法，憑藉百年傳承的技藝用不同的溫度、不同的時間吸收不同的自然菌種，釀造出色、香、味俱佳的優質調味品。作為中國市場領先的調味品生產商之一，老恆和不僅將調味品中深厚的文化韻味和優良品質帶給消費者，更致力於以調味品和食物為載體，傳承和傳播中華文化。

#### Lao Heng He was invited to participate in the “Chinese Time-honored Brands celebrate New Year at the Palace Museum” exhibition

老恆和受邀參加「中華老字號，故宮過大年」會展

From 28 January 2019 to 10 February 2019, Lao Heng He was invited to participate in the “Chinese Time-honored Brands celebrate New Year at the Palace Museum” exhibition held in the Ci Ning Palace Garden Square at the Beijing Palace Museum. This exhibition combined the cultural heritage of the Palace Museum and the Chinese time-honored enterprises with the pursuit of perfection in craftsmanship, giving full play to the museum’s advantages in cultural resources and promoting exchanges between consumers and time-honored enterprises in the fields of “food, clothing, housing, transportation” and other areas.

二零一九年一月二十八日至二零一九年二月十日，老恆和受邀至北京故宮博物院慈寧宮花園廣場參加「中華老字號，故宮過大年」會展。本次會展將故宮博物院和中華老字號企業雙方共有的文化底蘊以及追求完美的工匠精神結合，發揮了博物館在文化資源方面的優勢，並促進消費者與老字號企業在「衣食住行」等領域的交流。



## 6.PERFORMING GOOD DEEDS WITH PASSION AND RIGHTEOUSNESS (CONTINUED)

### 6. 和以歸善，恆情有義(續)

Besides, through the WeChat public platform, Lao Heng He plays a proactive role in sharing traditional festival allusions and traditional food cooking techniques while promoting the brand and is committed to conveying the cultural connotation of the Chinese nation to younger consumers.

此外，老恆和通過微信公眾平台，在品牌推廣的同時，主動作為傳統節日典故、傳統食物做法的傳播載體，致力將中華民族的文化內涵，傳達給新時代的消費者。

#### Lao Heng He promoted the traditional festival culture 老恆和傳統節日文化推廣

On 21 December 2019, the eve of the winter solstice, Lao Heng He introduced the “Origin of Winter Solstice” and “Customs of Winter Solstice” to consumers who follow Lao Heng He through articles on WeChat public account, and taught young consumers how to make dumplings with step-by-step photos and texts and the reason why dumplings are usually served with vinegar. While promoting rose rice vinegar, Lao Heng He also conveyed national culture to young consumers.

二零一九年十二月二十一日，在冬至來臨前夕，老恆和通過微信公眾號文章向關注老恆和的消費者介紹「冬至起源」與「冬至習俗」，並通過圖文手把手地向年輕消費者傳授包餃子的方法以及介紹餃子需要搭配醋食用的緣由。在推廣玫瑰米醋的同時，向年輕消費者傳遞民族文化。

We also share information about traditional festivals and festival customs with consumers through the WeChat public account during traditional solar terms and festivals such as Lesser Cold, Dragon Boat Festival and the Beginning of Summer.

此外，我們亦在小寒、端午節、立夏等傳統節氣、節日中，通過微信公眾號為消費者帶來與傳統節日、節日習俗相關的知識。



## 6.PERFORMING GOOD DEEDS WITH PASSION AND RIGHTEOUSNESS (CONTINUED)

### 6.和以歸善，恆情有義(續)

#### CONTRIBUTION TO SOCIETY

Lao Heng He understands that the development of an enterprise is closely related to the connection and interaction of the surrounding communities and helps the surrounding communities to the best of its ability. We cooperate with surrounding schools to carry out factory visits and learning activities and take the lead to act as a disseminator of Chinese culture. In 2019, Lao Heng He successively invited students from Xingfuli Campus of Huzhou University Affiliated Primary School and Yujiayang Campus of Huzhou University Affiliated Primary School in Huzhou and student reporters from Huzhou Evening News of Huzhou Wenyuan Primary School to visit its production base.

#### 回報社會

老恆和深知企業的發展與周邊社區的聯繫和互動息息相關，為周邊社區提供力所能及的幫助。我們與周邊學校合作開展訪廠參觀學習活動，主動擔任中華文化傳播者的角色。二零一九年，老恆和先後邀請湖州市湖師附小幸福裡校區及湖師附小余家漾校區學生、湖州文苑小學湖州晚報學生記者到老恆和生產基地參觀。



Visit by students from Xingfuli Campus of Huzhou University Affiliated Primary School  
湖師附小幸福裡校區學生參觀



Students from Yujiayang Campus of Huzhou University Affiliated Primary School  
湖師附小余家漾校區學生



Student reporters from Huzhou Evening News of Huzhou Wenyuan Primary School  
湖州文苑小學湖州晚報學生記者

In response to the outbreak of COVID-19 in Wuhan, Hubei Province, and other areas in 2020, Lao Heng He has tried its best to help employees and communities in terms of human, financial and material resources. Since the outbreak of the epidemic, Lao Heng He's employees have supported the surrounding communities to carry out personnel restrictions and control and have donated over 10,000 disposable masks to the Lincheng Town government together with about 30 companies. In early 2020, Huzhou Lao Heng He donated RMB 6,720 worth of materials to the Huzhou Charity Federation and RMB 50,000 to the Red Cross of Changxing County.

針對二零二零年湖北省武漢市等多個地區發生新型冠狀病毒感染的肺炎疫情，老恆和從人、財、物等方面竭盡所能地為員工和社區提供幫助。疫情發生以來，老恆和員工支持周邊社區開展人員限制管控，並與約30家企業共同向臨城鎮政府捐贈了萬余只一次性口罩；二零二零年年初，湖州老恆和向湖州市慈善總會捐贈價格6,720元的物資，向長興縣紅十字會捐款5萬元。

# LIST OF LAWS AND REGULATIONS

## 法律法規遵守列表

### External laws and regulations

The Company Law of the People's Republic of China  
The Securities Law of the People's Republic of China  
The Criminal Law of the People's Republic of China  
The Anti-Unfair Competition Law of the People's Republic of China  
The Law of the People's Republic of China on the Protection of Consumer Rights and Interests  
The E-Commerce Law of the People's Republic of China  
The Advertising Law of the People's Republic of China  
The Law of the People's Republic of China on the Protection of Consumer Rights and Interests  
The Food Safety Law of the People's Republic of China  
The Labor Law of the People's Republic of China  
The Employment Promotion Law of the People's Republic of China  
The Labor Dispute Mediation and Arbitration Law of the People's Republic of China  
The Labor Security Monitoring Regulations  
The Work Safety Law of the People's Republic of China  
The Law of the People's Republic of China on the Prevention and Control of Occupational Diseases  
The Provisions on the Supervision and Administration of Occupational Health in the Workplace  
The Management Measures for Diagnosis and Identification of Occupational Diseases  
The Regulations of Insurance for Labor Injury  
The Production Safety Regulations of Zhejiang Province  
The Environmental Protection Law of the People's Republic of China  
The Atmospheric Pollution Prevention and Control Law of the People's Republic of China  
The Water Pollution Prevention and Control Law of the People's Republic of China  
The Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes  
The Regulations on the Safety Administration of Hazardous Chemicals  
The Integrated Wastewater Discharge Standards  
The Indirect Discharge Limitation of Industrial Wastewater Containing Nitrogen and Phosphorus  
The National Hazardous Waste List  
The Measures for the Prevention and Control of Environmental Pollution by Discarded Dangerous Chemicals  
The Measures for the Administration of the Transfer of Hazardous Wastes  
The Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise

### 外部法律法規：

《中華人民共和國公司法》  
《中華人民共和國證券法》  
《中華人民共和國刑法》  
《中華人民共和國反不正當競爭法》  
《中華人民共和國消費者權益保護法》  
《中華人民共和國電子商務法》  
《中華人民共和國廣告法》  
《中華人民共和國消費者權益保護法》  
《中華人民共和國食品安全法》  
《中華人民共和國勞動法》  
《中華人民共和國就業促進法》  
《中華人民共和國勞動爭議調解仲裁法》  
《勞動保障監察條例》  
《中華人民共和國安全生產法》  
《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》  
《職業病診斷及鑒定管理辦法》  
《工商保險條例》  
《浙江省安全生產條例》  
《中華人民共和國環境保護法》  
《中華人民共和國大氣污染防治法》  
《中華人民共和國水污染防治法》  
《中華人民共和國固體廢物污染環境防治法》  
《危險化學品安全管理條例》  
《污水綜合排放標準》  
《工業企業廢水氮、磷污染物間接排放限值》  
《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》  
《中華人民共和國環境噪聲污染防治法》

# LIST OF LAWS AND REGULATIONS (CONTINUED)

## 法律法規遵守列表(續)

### Internal policy:

Anti-corruption and Whistle-blowing System  
 Management System for Business Secrets  
 Management System for Secret Protection  
 Customer Complaint Handling Procedures  
 Management System for Business Secrets  
 Zhejiang Rose Rice Vinegar  
 Internal Control Standards for Yellow Wine Products  
 Internal Control Standards for Soy Sauce Products  
 Internal Control Standards for Rice Vinegar Products  
 Microbial Control Requirements  
 Position Responsibility System  
 Hygiene Management System  
 Pest Control System  
 System for Utilization of Toxic and Hazardous Chemicals  
 Equipment Management System  
 Infrastructure Management Procedures  
 Equipment Overhaul Procedures  
 Management System for Non-conforming Products  
 Control Procedures for Corrective and Preventive Measures  
 Cereal-based Brewed Cooking Wine  
 Regulations on Management of Human Resources  
 Control Procedures on Human Resources  
 Procedures on Recruitment, Employment and Dismissal  
 Corporate Remuneration Plan  
 Employee Performance Management System  
 Regulations on Monitoring and Classification of Occupational Hazards  
 of the Company  
 Management System of Occupational Health Examination for Employees  
 Training Management System  
 Management Measures on Incentive Promotion  
 Remuneration Plan  
 Distributor Management Manual  
 Specific Criteria and Assessment Method for Distributor Selection  
 Supplier Management Procedures  
 Procurement Contract Management  
 Procurement Control Procedures  
 Regulatory Regime for Environmental Protection Management  
 Control Protocol of Resources and Energy  
 Regulations on Water and Electricity Conservation  
 Guiding Manual of Energy Conservation and Consumption Reduction  
 Wastewater Discharge Control System  
 Operation Guidelines on Wastewater Treatment  
 Waste Management System  
 Regulations on Classification and Management of Wastes  
 Operation Guidelines on Classification, Collection and Disposal of Wastes  
 Operation Guidelines on Collection and Disposal of Chemical Wastes and  
 Containers, Waste Oils and Sludge

### 內部政策：

《反舞弊與舉報制度》  
 《商業秘密管理制度》  
 《保密工作管理制度》  
 《客戶投訴處理程序》  
 《商業秘密管理制度》  
 《浙江玫瑰米醋》  
 《黃酒類產品檢測內控標準》  
 《醬油類產品檢測內控標準》  
 《米醋類產品檢測內控標準》  
 《微生物控制要求》  
 《崗位責任制度》  
 《衛生管理制度》  
 《蟲害控制制度》  
 《有毒有害化學品使用制度》  
 《設備管理制度》  
 《基礎設施管理程序》  
 《檢修設備程序》  
 《不合格品管理制度》  
 《糾正與預防措施控制程序》  
 《谷物釀造料酒》  
 《人力資源管理規定》  
 《人力資源控制程序》  
 《招聘、錄用、解聘程序》  
 《公司薪酬計劃》  
 《員工績效管理制度》  
 《公司職業危害因素監測及分級管理規定》  
 《職工職業健康體檢管理制度》  
 《公司培訓制度》  
 《激勵晉升管理辦法》  
 《薪酬計劃》  
 《經銷商管理手冊》  
 《經銷商入選具體指標及考核方式》  
 《供貨商管理程序》  
 《採購合同管理》  
 《採購控制程序》  
 《環境保護管理規章制度》  
 《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》  
 《廢水排放控制制度》  
 《廢水處理作業指導書》  
 《廢棄物管理制度》  
 《廢棄物分類及管理規定》  
 《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》

# CONTENT INDEX OF “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE”

## 《環境、社會及管治報告指引》內容索引

Key Performance Indicators		Environmental, Social and Governance Report 2019
關鍵績效指標		2019 環境、社會及管治報告
<b>A. Environment</b> <b>A. 環境</b>		
Aspect A1 層面 A1	Emissions 排放物	
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 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： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT — DISCHARGE MANAGEMENT 5. 和以自然，綠色發展 — 排放管理
A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT — DISCHARGE MANAGEMENT 5. 和以自然，綠色發展 — 排放管理
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity. 溫室氣體總排放量（以噸計算）及（如適用）密度。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT — DISCHARGE MANAGEMENT 5. 和以自然，綠色發展 — 排放管理
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity. 所產生有害廢棄物總量（以噸計算）及（如適用）密度。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT — DISCHARGE MANAGEMENT 5. 和以自然，綠色發展 — 排放管理

# CONTENT INDEX OF “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” (CONTINUED)

## 《環境、社會及管治報告指引》內容索引(續)

Key Performance Indicators		Environmental, Social and Governance Report 2019
關鍵績效指標		2019 環境、社會及管治報告
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity. 所產生無害廢棄物總量(以噸計算)及(如適用)密度。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT — DISCHARGE MANAGEMENT 5. 和以自然，綠色發展 — 排放管理
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。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT — DISCHARGE MANAGEMENT 5. 和以自然，綠色發展 — 排放管理
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。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT — DISCHARGE MANAGEMENT 5. 和以自然，綠色發展 — 排放管理
<b>Aspect A2</b> <b>層面 A2</b>	<b>Use of Resources</b> <b>資源使用</b>	
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc. 有效使用資源(包括能源、水及其他原材料)的政策。 資源可用於生產、儲存、運輸、樓宇、電子設備等。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT — RESOURCE OPTIMIZATION 5. 和以自然，綠色發展 — 資源優化
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT — RESOURCE OPTIMIZATION 5. 和以自然，綠色發展 — 資源優化

# CONTENT INDEX OF “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” (CONTINUED)

## 《環境、社會及管治報告指引》內容索引(續)

Key Performance Indicators		Environmental, Social and Governance Report 2019
關鍵績效指標		2019 環境、社會及管治報告
A2.2	Water consumption in total and intensity. 總耗水量及密度。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT — RESOURCE OPTIMIZATION 5. 和以自然，綠色發展 — 資源優化
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。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT — RESOURCE OPTIMIZATION 5. 和以自然，綠色發展 — 資源優化
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。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT — RESOURCE OPTIMIZATION 5. 和以自然，綠色發展 — 資源優化
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 制成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位估量。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT — RESOURCE OPTIMIZATION 5. 和以自然，綠色發展 — 資源優化
<b>Aspect A3 層面 A3</b>	<b>The Environment and Natural Resources 環境及天然資源</b>	
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT 5. 和以自然，綠色發展
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。	5. PURSUING ENVIRONMENTAL HARMONY AND GREEN DEVELOPMENT 5. 和以自然，綠色發展

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## 《環境、社會及管治報告指引》內容索引(續)

Key Performance Indicators		Environmental, Social and Governance Report 2019
關鍵績效指標		2019 環境、社會及管治報告
<b>B. Social</b> <b>B. 社會</b>		
<b>Employment and Labour Practices</b> <b>僱傭及勞工常規</b>		
Aspect B1 層面 B1	Employment 僱傭	
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 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： (a) 政策；及 (b) 對發行人有重大影響的相關法律及規例的資料。	4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM 4. 和以聚力，採擢薦進
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。	4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM — EMPLOYMENT OVERVIEW 4. 和以聚力，採擢薦進 — 僱傭概況
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。	We plan to carry out refined management in the future 計劃未來進行精細化管理

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## 《環境、社會及管治報告指引》內容索引(續)

Key Performance Indicators		Environmental, Social and Governance Report 2019
關鍵績效指標		2019 環境、社會及管治報告
Aspect B2 層面 B2	Health and Safety 健康與安全	
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM – HEALTH AND SAFETY 4. 和以聚力，採擢薦進 — 健康安全
B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM – HEALTH AND SAFETY 4. 和以聚力，採擢薦進 — 健康安全
B2.2	Lost days due to work injury. 因工傷損失工作日數。	4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM – HEALTH AND SAFETY 4. 和以聚力，採擢薦進 — 健康安全
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。	4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM – HEALTH AND SAFETY 4. 和以聚力，採擢薦進 — 健康安全

# CONTENT INDEX OF “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” (CONTINUED)

## 《環境、社會及管治報告指引》內容索引(續)

Key Performance Indicators		Environmental, Social and Governance Report 2019
關鍵績效指標		2019 環境、社會及管治報告
Aspect B3 層面 B3	Development and Training 發展及培訓	
General Disclosure 一般披露	<p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>Training refers to vocational training. It may include internal and external courses paid by the employer. 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。</p> <p>培訓指職業培訓，可包括由僱主付費的內外部課程。</p>	<p>4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM — SUPPORT AND DEVELOPMENT</p> <p>4. 和以聚力，採擷薦進 — 助力成長</p>
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別（如高級管理層、中級管理層等）劃分的受訓僱員百分比。	We plan to carry out refined management in the future 計劃未來進行精細化管理
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。	<p>4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM — SUPPORT AND DEVELOPMENT</p> <p>4. 和以聚力，採擷薦進 — 助力成長</p>
Aspect B4 層面 B4	Labour Standards 勞工準則	
General Disclosure 一般披露	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p> <p>有關防止童工或強制勞工的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	<p>4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM — EMPLOYMENT OVERVIEW</p> <p>4. 和以聚力，採擷薦進 — 僱傭概況</p>
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。	<p>4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM — EMPLOYMENT OVERVIEW</p> <p>4. 和以聚力，採擷薦進 — 僱傭概況</p>

# CONTENT INDEX OF “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” (CONTINUED)

## 《環境、社會及管治報告指引》內容索引(續)

Key Performance Indicators		Environmental, Social and Governance Report 2019
關鍵績效指標		2019 環境、社會及管治報告
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。	4. GATHERING TALENTS WITH RECOMMENDATION AND PROMOTION MECHANISM – EMPLOYMENT OVERVIEW 4. 和以聚力，採擢薦進 – 僱傭概況
<b>Aspect B5</b> <b>層面 B5</b>	<b>Supply Chain Management</b> <b>供應鏈管理</b>	
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL – RESPONSIBLE SUPPLIES 3. 恆以共進，同道致遠 – 責任供應
B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL – RESPONSIBLE SUPPLIES 3. 恆以共進，同道致遠 – 責任供應
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL – RESPONSIBLE SUPPLIES 3. 恆以共進，同道致遠 – 責任供應

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## 《環境、社會及管治報告指引》內容索引(續)

Key Performance Indicators		Environmental, Social and Governance Report 2019
關鍵績效指標		2019 環境、社會及管治報告
Aspect B6 層面 B6	Product Responsibility 產品責任	
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤、私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	2. UPHOLDING QUALITY AND CRAFTING EXCELLENCE 2. 恆以釀質，誠品匠造
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	2. UPHOLDING QUALITY AND CRAFTING EXCELLENCE — OPTIMIZING QUALITY WITH INGENUITY 2. 恆以釀質，誠品匠造 — 匠心品質
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。	3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL — CUSTOMER-ORIENTED 3. 恆以共進，同道致遠 — 客戶為先
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。	1. SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY — CORPORATE GOVERNANCE 1. 恆於律己，責任先行 — 企業管治
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。	2. UPHOLDING QUALITY AND CRAFTING EXCELLENCE — OPTIMIZING QUALITY WITH INGENUITY 2. 恆以釀質，誠品匠造 — 匠心品質
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，以及相關執行及監察方法。	3. STRIVING FOR MUTUAL DEVELOPMENT AND ACHIEVING THE SAME GOAL — CUSTOMER-ORIENTED 3. 恆以共進，同道致遠 — 客戶為先

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## 《環境、社會及管治報告指引》內容索引(續)

Key Performance Indicators		Environmental, Social and Governance Report 2019
關鍵績效指標		2019 環境、社會及管治報告
Aspect B7 層面 B7	Anti-corruption 反貪污	
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY — CORPORATE GOVERNANCE 恆於律己，責任先行 — 企業管治
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. 於匯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。	SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY — CORPORATE GOVERNANCE 恆於律己，責任先行 — 企業管治
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。	SELF-DISCIPLINE AND RESPONSIBILITY AS OUR FIRST PRIORITY — CORPORATE GOVERNANCE 恆於律己，責任先行 — 企業管治

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## 《環境、社會及管治報告指引》內容索引(續)

Key Performance Indicators		Environmental, Social and Governance Report 2019
關鍵績效指標		2019 環境、社會及管治報告
<b>Community</b> 社區		
<b>Aspect B8</b> 層面 B8	<b>Community Investment</b> 社區投資	
General Disclosure 一般披露	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. 有關以參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	6. PERFORMING GOOD DEEDS WITH PASSION AND RIGHTEOUSNESS 6. 和以歸善，恆情有義
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)。	6. PERFORMING GOOD DEEDS WITH PASSION AND RIGHTEOUSNESS — CULTURAL HERITAGE, CONTRIBUTION TO SOCIETY 6. 和以歸善，恆情有義 — 文化傳承、回報社會
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)。	6. PERFORMING GOOD DEEDS WITH PASSION AND RIGHTEOUSNESS — CONTRIBUTION TO SOCIETY 6. 和以歸善，恆情有義 — 回報社會



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