

**winner**  
稳健医疗

Purcotton  
全棉时代

Stock code: 300888

2024

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Winner Medical Co., Ltd.

Cotton Thrives, Deserts Retreat.

# About This Report

## Overview

This is the third environmental, social and governance (ESG) report and also the fifth corporate social responsibility (CSR) report of Winner Medical Co., Ltd.. This report truly and objectively discloses the efforts of Winner Medical and its subsidiaries to perform its corporate social responsibilities in 2024, and focuses mainly on the disclosure of the Company's ESG performance.

## Reporting Scope

"Winner Medical Co., Ltd.", including its subsidiaries and joint ventures, is the reporting entity. The reporting scope is consistent with the Company's annual report unless otherwise stated. The time span for this report is from January 1, 2024 to December 31, 2024 (hereinafter referred to as the "Reporting Period"). Unless otherwise specified, this report is prepared on an annual basis.

## Abbreviations

For better expression and readability, the entities involved in the report are referred to by their abbreviations. Winner Medical Co., Ltd. is referred to as "Winner Group", "the Company", or "we". "Winner Medical" refers to the Group's operations in the medical sector, which includes both serious medical care and consumer healthcare businesses. Shenzhen Purcotton Technology Co., Ltd. is referred to as "Purcotton". Winner Medical (Huanggang) Co. Ltd. is referred to as "Huanggang Winner". Jingmen Winner Medical Textile Co., Ltd. is referred to as "Jingmen Winner". Winner Medical (Jiayu) Co. Ltd. is referred to as "Jiayu Winner". Winner Medical (Wuhan) Co. Ltd. is referred to as "Wuhan Winner". Winner Medical (Chongyang) Co. Ltd. is referred to as "Chongyang Winner". Winner Medical (Tianmen) Co., Ltd. is referred to as "Tianmen Winner". Winner Medical Co., Ltd. Shenzhen Branch is referred to as "Shenzhen Winner". Winner (Guilin) Latex Products Co., Ltd. is referred to as "Guilin Latex". Winner Pingan Medical (Hunan) Co., Ltd. is referred to as "Winner Pingan". Global Resources International, Inc. is referred to as "GRI".

## Basis of Preparation

This report is prepared in accordance with the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange—Sustainability Reporting Preparation* and related documents of Shenzhen Stock Exchange. It also refers to the following standards and guidelines: *GRI Sustainability Reporting Standards (GRI Standards)*, *The United Nations Sustainable Development Goals (UN SDGs)*, *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*, *IFRS S2 Climate-related Disclosures*.

## Data Sources and Reliability

The data and cases used in this report come from the official company documents, statistical reports and annual financial statements. The Company assures that the report is free of false records and misleading statements. It is liable for the authenticity, accuracy, and completeness of the content.

## Confirmation and Approval

This report has been approved by the Board of Directors on April 27, 2025 after being confirmed by the management.

## Report Access

The simplified Chinese version of this report is available for readers to reference. The electronic version of this report can be downloaded from our official website ([www.winnermedical.cn](http://www.winnermedical.cn)). If you have any question about or comment on this Report, please send an e-mail to [investor@winnermedical.com](mailto:investor@winnermedical.com) or call 0755-2806685.



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# Message from Chairman

2024 marked a pivotal year for Winner Group—one in which we demonstrated resilience amid market headwinds and advanced with strategic momentum. In the face of an increasingly complex and dynamic external environment, our three guiding principles remained deeply rooted in everything we do: Quality over the profit, Brand over the speed, Social value over the corporate value. These principles have not only defined our culture but also sustained Winner Group through multiple economic cycles over the past 34 years, keeping us aligned with the pulse of the times. “Brand Advancement” is the unwavering compass of our Centennial Visionary Winner journey and the central thread of Winner Group’s strategic plan. By adhering to a brand-centric development philosophy and deploying initiatives on multiple fronts, we drive Brand Advancement and lay a solid foundation for the goal of Centennial Visionary Winner.

## Robustness – fueling development with reliable governance

We have cultivated a top-down culture of respect for the rule of law, for market forces, for the rule of law, for professionalism and for risks our investors. By continuously strengthening corporate governance and standardizing the governance structure incorporating the General Meeting Shareholders, Board of Directors, Board of Supervisors and the management, we are building a benchmark enterprise grounded in transparency, discipline, and trust. In line with our commitment to “delivering both quality and value” through action, we have launched the mid-term dividend for the first time in 2024, with an annual dividend rate of 54% (proposed). Since our listing, we have distributed cash dividends of RMB 2.61 billion (including the proposed dividend amount for 2024) and repurchased shares of RMB 690 million cumulatively, with cash dividends and share buybacks accounting for a total of 93.0% of the initial proceeds, which highlights the Company’s responsibility to investors. We also deepened our work in compliance, information disclosure, investor relations, shareholder returns, and ESG governance. These efforts have earned us broad recognition, including being awarded “Best Practice Award for Board Office of Listed Companies” by China Association for Public Companies for three consecutive years and “Excellent ESG Case Study of Listed Companies” by China Association for Public Companies for four consecutive years. As a signatory member of the United Nations Global Compact, we were awarded the “Best Practice Cases of Chinese Enterprises in the United Nations Global Compact” in 2021. In terms of high-quality information disclosure, we were rated as Class A on information disclosure by the Shenzhen Stock Exchange for three consecutive years.

## Resilience – Expanding global reach through robust planning

We actively tap into global resources to strengthen the resilience of our domestic and international supply chains, continuously innovating with high-quality cotton products and expanding our product and business footprint. We participated in the 2nd China International Supply Chain Expo, contributing insights to support China’s supply chain development while further deepening international collaboration. We acquired U.S.-based medical consumables company GRI to meet global supply demands, expand into international markets, and accelerate Winner Medical’s global journey toward becoming a leader in the global healthcare industry. Through our proprietary Cotton Tech, we’ve continued to push cotton innovation forward. One highlight is our upgraded Cotton Lining Mask, reflecting that we focus on 100% cotton and unlock its full potential to develop the high standard with the best quality of cotton products. Our hope is that more consumers will enjoy Purcotton products that embody our comfort commitment and health assurance in their everyday lives.

## Green – Driving environmental progress through innovation

We remain committed to sustainable development and continue to enhance the use of eco-friendly materials across our product portfolio, offering consumers a more comfortable and reassuring experience. We actively promote the research, development, and adoption of green products by managing carbon emissions throughout the entire product life cycle—from material sourcing and manufacturing to packaging, transport, use, and recycling. By conducting product carbon footprint certifications, we ensure our products are not only reliable in quality but also low-carbon and environmentally responsible, helping inspire healthier and more sustainable lifestyles. We’ve also launched a variety of environmental initiatives, including public awareness lectures, packaging design competitions, themed cotton color painting contests, charity walks, donations, and clothing recycling programs. Through these efforts, we express our love for the planet and advocate for sustainable philosophy and lifestyle.

## Goodwill – Embracing Social Responsibility Through Public Welfare

We actively fulfill our corporate social responsibilities by responding to emergencies, supporting vulnerable groups, and helping people in need through concrete actions. In June 2024, following severe flooding in Meizhou, we answered the government’s call and joined hands with businesses and organizations across Guangdong to pool resources and support disaster relief efforts—demonstrating unity and solidarity during times of crisis. To address the physical and mental health needs of middle and primary school girls in underprivileged regions, we partnered with the China Women’s Development Foundation to launch the “NicePrincess – A Better Period for Her” initiative. We donated menstrual care kits to 12,000 girls, organized menstrual health education classes, and released the short public-interest film “Letters from the Mountain Town” to shine a light on the challenges faced by girls in remote areas—amplifying the power of a single cotton bloom for social good.

As momentum builds, 2025 is set to lift us to new heights, bringing both opportunities and challenges. Winner Group will stay firmly anchored to its strategic blueprint—“Centennial Visionary Winner, Brand Advancement”. We will continue to advance our vision – Product leadership, Operational excellence, Global vision,1 remaining steadfast in high-quality growth. With the wind at our back and a firm eye on the future, we are committed to delivering greater value for our users, contributing more to society, and fulfilling our mission to drive the sustainable development of healthcare around the globe.

Li Jianquan  
Chairman and General Manager



# About Us

## Company Profile

Winner Group, founded in 1991, was listed on the Shenzhen Stock Exchange in September 2020 (300888.SZ). Today, the Company operates as a holistic health enterprise, synergistically converging medical innovation and consumer wellness ecosystems. Guided by the vision of "Caring health, cherishing life, and protecting the environment for a better world".The Group operates two major brands, "Winner Medical" and "Purcotton", with product offerings spanning wound care, infection prevention, surgical consumables, personal care, home care, maternal and infant care, home textiles, and apparel.

Over the past three decades, Winner Medical has built a whole industry chain covering raw material procurement, core material R&D, product manufacturing, and end-point sales. Its portfolio includes traditional wound care and bandages, advanced wound dressings, surgical consumables, infection prevention products, and health & personal care items. With production facilities across China, the United States, Vietnam, and the Dominican Republic,etc., we serve global markets through OEM, ODM, and proprietary brands, reaching customers in over 110 countries and regions.

In 2009, the Group pioneered the use of medical-grade standards in the manufacturing of consumer goods made from pure cotton and launched the Purcotton brand. We introduced over a dozen new product categories such as cotton soft towels, pure cotton top-sheet sanitary napkins, and cotton top-sheet baby diapers. Today, Purcotton operates hundreds of branded stores in more than 100 cities across China, supported by an omnichannel sales network that spans major e-commerce platforms, social commerce, and leading national supermarket chains.





# 2024 Awards

Three Purcotton products were recognized among the “Top Ten Innovative Textile Products of 2024” by the Productivity Promotion Department of the China National Textile and Apparel Council.

Winner Medical was recognized in the “List of Health Industry Brands in 2024” at the 16 CPEO, winning the “CPEO” Gold Award.

Winner Medical won the “Best Practice Award for Board Office of Listed Companies” by China Association For Public Companies for three consecutive years.

Winner Medical was recognized with the “2024 GoldenBee ·Excellent Sustainability Report” and “2024 GoldenBee ·Excellent Sustainability Report by Listed Company in the Greater Bay Area ”.

Winner Medical (Tianmen) won the title of “National Green Plant”.

Winner Medical (Chongyang) earned Bronze medal from EcoVadis, a globally recognized sustainability ratings provider.

Purcotton was named a “2024 Leading Brand in Consumption” by InSpur New Consumption.

Purcotton's hanging baby cotton soft towel won the “Innovation Star Hygiene and Care” award at the Children, Baby and Maternity Products Expo, China (CBME).

Winner Medical was rated as “2024 Outstanding Sustainability Practice Case Study of Listed Companies” by China Association For Public Companies.

Winner Medical won the “Best Practices for Investor Relations Management by Listed Companies” by China Association for Public Companies for two consecutive years.

Winner Medical was rated as Class A on information disclosure assessment by the Shenzhen Stock Exchange for three consecutive years after going public.

Winner Medical was certified under the *Advanced Certified Enterprise (AEO) standards* by Shenzhen Customs.

Winner Medical (Tianmen) and Winner Medical (Wuhan) both received the highest AAA certification for its integration of informization and industrialization.

Purcotton received the “2024 Low-Carbon Case Award” by China News Service · China Newsweek.

Purcotton was awarded the “Global No. 1 in the Cotton Tissue / Facial Towel Industry” by Euromonitor International.

Purcotton's baby cotton soft towel also won the “Environmental Protection Star” award at CBME.





# ESG Management

## SDGs Response

While boosting its globalization progress, Winner Group has never lost sight of global sustainable development. We actively align our business and value chain with the UN SDGs, and fully integrate the sustainability philosophy into our corporate strategy and operation. Together with our customers, supply chain partners and other business players, we strive to make progress in global sustainability.

### SDG 1 No Poverty

Adopt a contract farming model to address challenges such as stagnation in farmer income and inefficient industrial development.

### SDG 2 No Hunger

Support regional development by donating supplies and engaging in philanthropic initiatives.

### SDG 3 Good Health and Well-being

Develop healthcare and lifestyle products; donate health supplies to vulnerable groups, expand product coverage, and promote health education to enhance medical accessibility; regularly monitor and assess safety factors in production facilities.

### SDG 4 Quality Education

Enhance the talent development system to support employees in continuously improving their overall capabilities and achieving personal growth; conduct health education classes for female students in primary and secondary schools in underprivileged areas.

### SDG 5 Gender Equality

Ensure equal pay for equal work for male and female employees, and promote gender equality; support woman employment programs to empower female workforce.

### SDG 6 Clean Water and Sanitation

Implement continuous water conservation management by optimizing water use processes in production and improving recycling for higher water resource efficiency.

### SDG 7 Affordable and Clean Energy

Respond to China's 30·60 decarbonization goal by adopting photovoltaic power generation to reduce non-renewable energy consumption; promoting energy-saving and technological transformation projects, and optimizing and upgrading equipment to improve energy efficiency.

### SDG 8 Decent Work and Economic Growth

Uphold open, fair and equal employment policies, provide equal job opportunities for all employees, establish a science-based talent management system, offer competitive compensation, and ensure occupational health and safety.

### SDG 9 Industry, Innovation and Infrastructure

Commit to implementing the core strategy of "Product Leadership and Operational Excellence", uphold basic material innovation, follow the "246+6" innovation principle, increase spending on R&D and equipment, and enhance product innovation capability.



In November 2020, Winner Medical became a signatory member of the United Nations Global Compact.



### SDG 10 Reduced Inequalities

Create a diverse and equal work environment, provide equal employment opportunities for all, and eliminate any discrimination based on ethnicity, race, nationality, religion, gender, age, disability, marital status or any other factors; care for girls in remote mountainous areas.

### SDG 11 Sustainable Cities and Communities

Ensure compliance with emission standards for waste gases during the production process and reduce any form of unorganized emissions; strengthen waste management by minimizing environmental impact through legal disposal and recycling; engage in community volunteer services to contribute to sustainable cities and communities.

### SDG 12 Responsible Consumption And Production

Build green intelligent plants, promote green production, and enhance the efficient use of resources and energy; increase the proportion of renewable energy in production and operation; improve internal energy efficiency; strictly adhere to national and regional emission standards to reduce waste emissions.

### SDG 13 Climate Action

Incorporate the "Carbon Strategy" into the Company's overall strategy, and set carbon peaking and carbon neutrality goals; publish and implement the *Carbon Inventory Management Manual* to effectively manage greenhouse gases and continuously track reduction performance; restore desert ecosystems and regulate regional microclimates.

### SDG 14 Life Below Water

Develop green, biodegradable products to reduce water pollution, protect water environment, and provide habitats for aquatic life; support ocean plastic reduction initiatives.

### SDG 15 Life On Land

Comply with local environmental protection policies to prevent land-use changes harmful to biodiversity; engage in environmental public welfare activities such as waste cleaning, and advocate for the protection of endangered species.

### SDG 16 Peace Justice and Strong Institutions

Uphold the principles of integrity and lawful operation, establish a sound legal and compliance system in such areas as clean business practices, fair competition, labor protection, environmental protection, information security and intellectual property rights protection, and enhance corporate governance to consolidate management.

### SDG 17 Partnerships for The Goals

Partner with domestic and international associations to exchange industry achievements; engage with stakeholders through communication and release annual ESG reports; form a community of interest with governments, financial institutions, social organizations, community residents and industry partners.

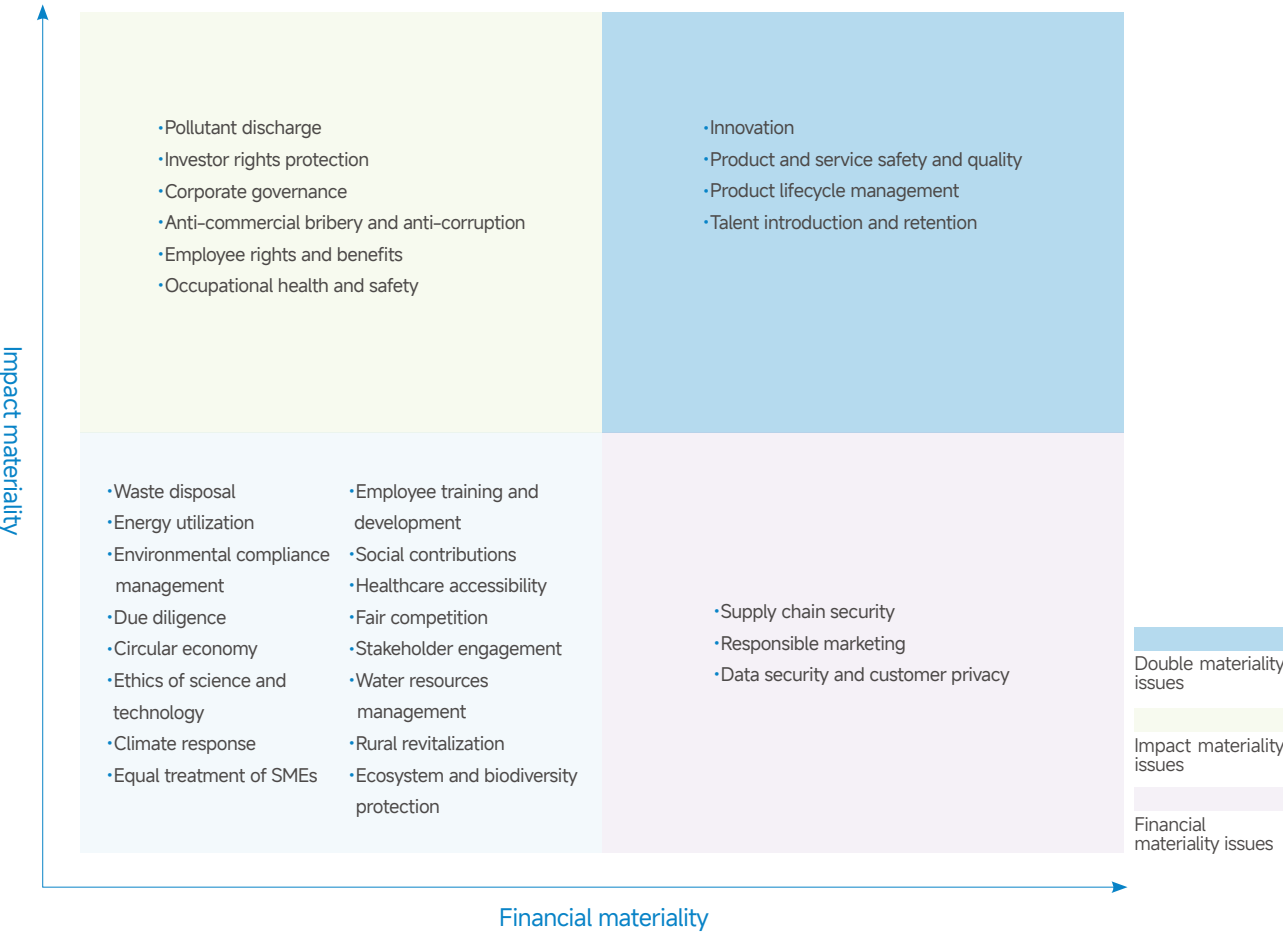
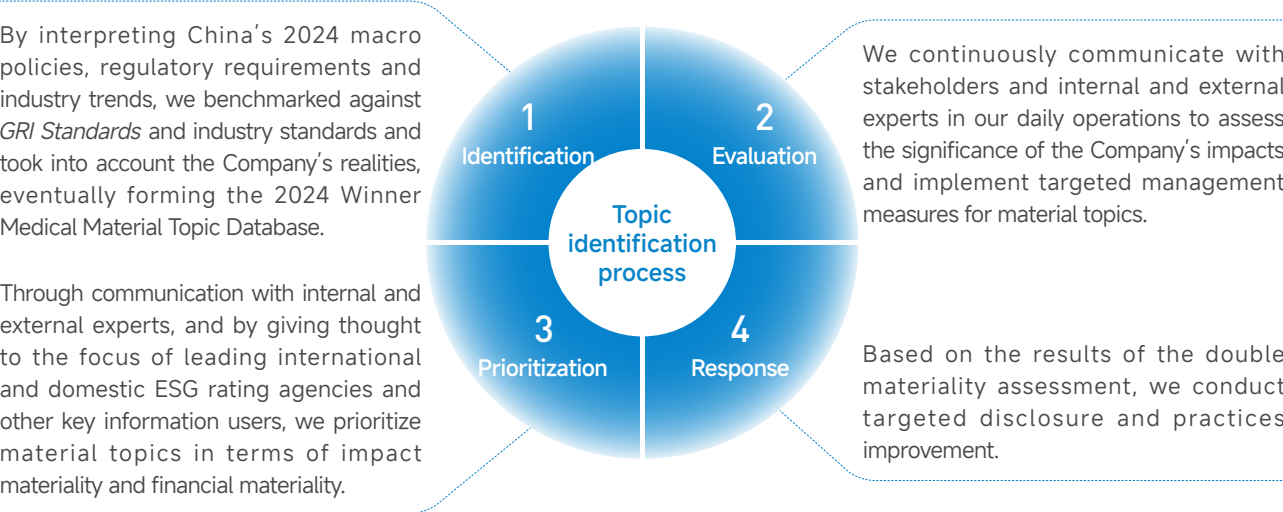
Stakeholder Communication

Valuing the corporate social responsibility work, the Company fully considers the demands of stakeholders, and makes responses through channels and means such as websites, meetings, reports, events and media based on regular communication.

Key stakeholders	Topics of concern	Communication and response
 Shareholders and senior management	Corporate governance Stakeholder communication Investor rights protection Anti-commercial bribery and anti-corruption Due diligence	·General Meeting of Shareholders ·Board of Directors ·Financial reports ·Business reports ·Roadshows and communication with the Company
 Customer/Consumer	Product and service safety and quality Responsible marketing Product lifecycle management Medical accessibility Data security and customer Privacy protection	·On-site communication ·Market research ·Customer satisfaction survey
 Employees	Talent introduction and retention Employee rights and benefits Employee training and development Occupational health and safety	·Employee activities ·Employee training ·Corporate intranet ·Employee handbook
 Government and regulators	Corporate governance Anti-commercial bribery and anti-corruption Environmental compliance management Waste disposal, Pollutant discharge, Circular economy Equal treatment of SMEs,Fair competition Rural vitalization,Innovation Technology ethics	·Regular communication and reporting ·Institutional research ·Policy implementation ·Information disclosure
 Partners	Fair competition Supply chain security Equal treatment of SMEs Technology ethics Product and service safety and quality	·Industry conferences ·Strategic cooperation ·Exchange and visits
 Communities, the public and media	Ecosystem and biodiversity conservation Community contribution Medical accessibility Responsible marketing	·Community-based volunteer activities ·Social welfare projects ·Social undertaking supportive projects

Material Topics Identification

The Company follows the materiality analysis process where we first conduct survey through various channel and then perform a double materiality assessment of 29 material topics in terms of impact materiality and financial materiality, and eventually identify and select highly material topics for key disclosure.





Impact, Risk and Opportunity Management

For identified impact material and financially material topics, the Company conducts ESG risk and opportunity analysis and formulates corresponding action plans and management approaches.

△ refers to impact material topic □ refers to financially material topic

Dimension	ESG topic	Description of risks and opportunities	Winner Group's actions
Environmental	Product lifecycle management △□	Failure to prioritize green production and product lifecycle management may lead to decline in market demand, damage to corporate reputation and increased production costs. By launching eco-friendly and sustainable green products, the Company can attract environmentally conscious consumers, create new market opportunities, and enhance their CSR images.	The sustainability principles are integrated into every stage, including material use, manufacturing, packaging and transportation, use and recycling, to manage carbon emissions throughout product lifecycle. We conduct product carbon footprint certification, achieve full-process carbon reduction, and continuously provide environmentally friendly products to the society. <a href="#">For more details, see "Developing Green Products" section.</a>
	Pollutant discharge △	Violations of emissions management laws may lead to regulatory risks, fines, operational disruptions, and damage to the Company's reputation and image. Improving pollutant and waste management helps reduce environmental impact, ensure compliance with relevant laws, and strengthen our reputation.	We prioritize pollutant discharge management by establishing a "Three Wastes" management system and continuously implement pollution prevention measures to minimize emissions. All subsidiaries and branches have obtained pollutant discharge permits and registration forms, ensuring pollutants are emitted and monitored in accordance with relevant requirements. Pollutant discharge permit reports are submitted as required. <a href="#">For more details, see "Environmental impact mitigation" section.</a>
Social	Product and service safety and quality △□	Failing to meet established safety standards may result in product recalls, fines or lawsuits. If safety or quality issues arise with products and services, consumer trust will be severely damaged. By following high standards of product safety and quality, the Company can build strong brand images and market reputations, attract more loyal consumers and partners, and enhance consumer trust. High-quality products and services help strengthen market reputation, increase brand loyalty, and boost market share.	The Company strictly controls product quality and has established a comprehensive quality management system to ensure effective quality control throughout all stages, from R&D, manufacturing to market launch. The Company has upgraded its customer complaint management system, and established a special risk and public opinion handling process. For potential risks, feedback is promptly escalated and returned, ensuring a closed-loop tracking of complaint resolution. Catering to customer needs, the Company has overcome challenges in the customer experience, optimized communication skills, and provided premium service and care to comprehensively enhance customer service experience, and continuously improve their satisfaction. <a href="#">For more details, see the "Product quality and safety" and "Better customer service" sections.</a>
	Innovation △□	Technological innovation and intellectual property rights protection may bring higher financial and human resource costs. Long-term technological innovation will enhance our competitiveness and leadership within the industry.	The Company is committed to basic material innovation, and follows the "246+6" innovation principle. We have increased spending on R&D and equipment, enhanced product innovation capability, and continue to build differentiated competitive advantages. <a href="#">For more details, see "Fueling the Future with Innovation" section.</a>
	Employee rights and benefits △	If we fail to provide satisfactory employee benefits and welfare, employees may be disappointed or even resign. Providing comprehensive benefits, health insurance and career development support can enhance employee job satisfaction and loyalty, attracting more talents.	The Company strictly complies with national laws and regulations to protect employee rights, and has established a comprehensive benefits system, and consistently improves employee satisfaction. <a href="#">For more details, see "Empowering Employee Development" section.</a>
	Occupational health and safety △	Failing to comply with occupational health and safety laws may result in work-related injuries, health issues and legal risks, including lawsuits and fines. It may also trigger negative public opinions. By strengthening occupational health and safety management, providing health protection plans, and ensuring a safe work environment, the Company can improve employee job satisfaction and productivity.	The Company has built a comprehensive safety management system, and established a safety responsibility system and internal management policies that cover all employees, thus ensuring comprehensive occupational health protection for all staff. We pay attention to employees' physical and mental well-being, and are making every effort to create a safe and healthy work environment. <a href="#">For more details, see "Securing Occupational Health and Safety" section.</a>

△ refers to impact material topic □ refers to financially material topic

Dimension	ESG topic	Description of risks and opportunities	Winner Group's actions
Social	Talent introduction and retention △□	Talent shortages may reduce our core competitiveness, delay project progress, reduce operational efficiency, increase costs, and impact long-term development. By optimizing the recruitment process, offering attractive compensation and benefits, and providing career development opportunities, we can attract and retain high-performing talents, and enhance innovation capability and market competitiveness.	The Company has established a competitive compensation system and implements the performance-based bonus-sharing mechanism to stimulate employees' enthusiasm and creativity. We implement an equity incentive plan to attract, motivate and retain outstanding managers and key personnel. <a href="#">For more details, see "Empowering Employee Development" section.</a>
	Supply chain security □	ESG risks in the supply chain (such as environmental violations, corruption, human rights issues, etc.) may lead to instability in the supply of products and services, thereby affecting our normal business operations. Building a sustainable supply chain helps enhance the stability of product and service supply and promotes the healthy development of supply chain businesses.	Continuously optimizing and upgrading supplier management, strengthening cooperation and collaboration with suppliers, and ensuring the safe and stable operation of the supply chain. Strengthening ESG risk management and conducting environmental and social impact assessments on suppliers. <a href="#">For more details, see the "Building a Responsible Supply Chain" section.</a>
	Data security and customer privacy protection □	Data and customer privacy breaches may violate relevant laws and regulations, leading to compliance risks, financial losses such as fines, and negatively impacting customer personal rights, eventually reducing customer trust. Complying with relevant laws to protect customer rights helps maintain mutual trust.	The Company has established a three-tier information security management system and the Information Security Management Committee, as well as an Information Security Project Management Office under it to ensure data and information security in business activities. <a href="#">For more details, see "Ensuring Information Security" section.</a>
	Responsible marketing □	Misleading, false or irresponsible marketing practices may lead to consumer complaints, legal actions or a crisis of market trust. A positive brand image and ethical marketing can enhance customer trust, strengthen market competitiveness, and expand the customer base.	The Company has formulated such internal policies as the Content Review Policy and the Purcotton Advertising and Promotional Guidelines Manual, which strictly prohibit the release of exaggerated, deceptive or false marketing contents. <a href="#">For more details, see "Responsible marketing" section.</a>
Governance	Corporate governance △	An inadequate corporate governance structure, with concentrated power and disorganized management, may lead to decision-making errors, weak internal controls and other issues, ultimately jeopardizing the long-term development of the Company. Improving corporate governance structure and enhancing transparency and compliance can help strengthen trust from shareholders, employees and customers and optimize decision-making efficiency.	The Company continuously consolidates corporate governance, standardizes the governance structure incorporating the General Meeting Shareholders, Board of Directors, Board of Supervisors and the management. We give full play to the roles of the General Meeting Shareholders as the highest authority, the Board of Directors for major decisions, the management for execution, the Board of Supervisors for supervision, and specialized committees to provide professional guidance on major Board decisions. At large, we have created an open, transparent and effective atmosphere for the governance structure. <a href="#">For more details, see "Improving Corporate Governance" section.</a>
	Investor Rights Protection △	Failure to protect investor rights may lead to shareholder dissatisfaction and stock price volatility, potentially affecting the company's ability to attract investment and its reputation. Active investor relations can increase the company's transparency, enhance investor trust, stabilize stock prices, and promote profit growth.	The Company values investor relations management, establishes comprehensive channels for investor communication, and protects shareholder rights. The Company implements cash dividends and share repurchases to enhance investor returns. <a href="#">For more details, see "IR Management" section.</a>
	Anti-commercial bribery and anti-corruption △	Violating business ethics and compliance requirements may lead to legal issues, sanctions, financial losses, damage to reputation or the loss of customers and investors. Maintaining high levels of business ethics and compliance can increase customer and investor trust, enhance reputation, and reduce legal and financial risks.	The Company strictly adheres to business ethics standards. We are accelerating the revision and improvement of internal systems and requirements, and continuously build a more robust anti-commercial bribery and anti-corruption system. <a href="#">For more details, see "Upholding Business Ethics" section.</a>

# Spotlight

## The Power of Responsibility in a Blooming Cotton Flower



At Winner Group, our story begins—and grows—with cotton at its heart. Fifteen years ago, we planted the seeds of a bold vision: “Close to medical science with pure cotton care.” Since then, Purcotton has poured unwavering focus and passion into elevating a single cotton flower to its highest potential. With relentless innovation, we’ve continually reimagined what cotton can be—reviving it again and again through cutting-edge breakthroughs. We believe in the power of one cotton flower to reshape the world. By choosing to focus on 100% cotton and unlock its full potential to develop the high standard with the best quality of cotton products, we are bringing more pure cotton offerings—embodying our Comfort Commitment; Health Assurance—into people’s everyday lives, turning the vast Gobi into a blooming oasis.



### Where cotton blooms

Case

In September 2024, during the golden days of autumn, Purcotton celebrated its 15th anniversary in the very place where it all began—the cotton fields of Xinjiang. With the theme “Where Cotton Blooms,” we hosted a grand cotton field showcase to trace the brand’s journey and spotlight our latest achievements in cotton innovation. Through this celebration, we brought “Purcotton Changes the World” to life—transforming it from a slogan into a growing global movement. We hope more places on Earth will become “where cotton blooms.”

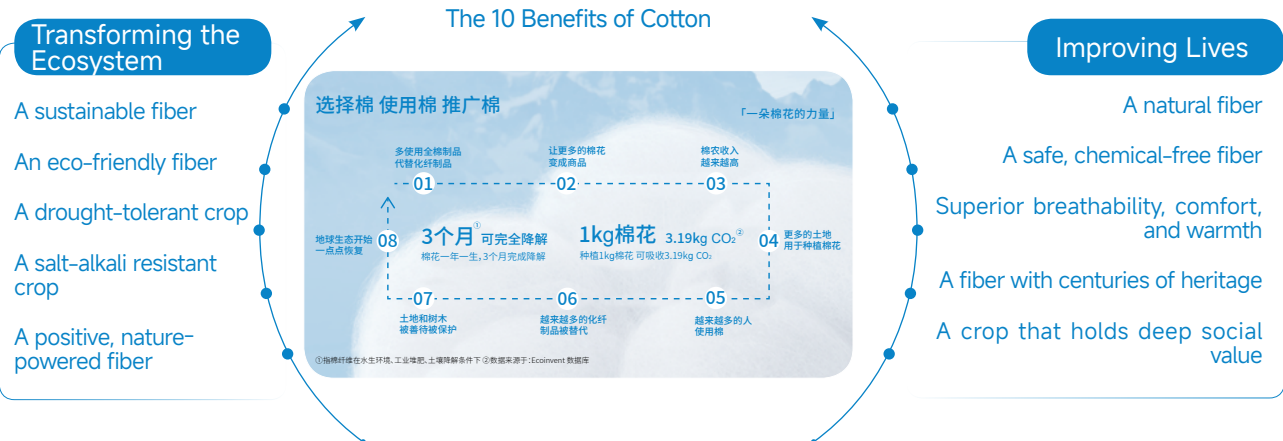
“Standing here among vast fields of cotton, I truly felt the power of turning desert into green. When I touched the soft cotton with my own hands, then wore clothes made from it, I felt a deep sense of comfort and peace of mind.”

—Guo Jingjing



## Cotton with Purpose: How Purcotton Changes the World

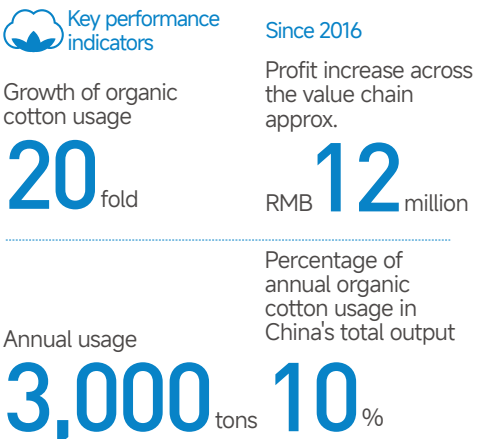
“Purcotton changes the world” is the founding vision of Winner Medical’s Chairman Li Jianquan. Since its inception, Purcotton has steadfastly dedicated itself to perfecting every cotton fiber. We strive to educate more users on the benefits of cotton while using a contract farming model to boost both quality and yield. Our mission is to share a natural, healthy, and eco-friendly lifestyle with consumers.



## Advancing cotton quality

**Research-driven breeding innovation:** Purcotton partnered with the National Key Laboratory of Crop Genetic Improvement at Huazhong Agricultural University to establish the Cotton Research Institute. We appointed Academician Zhang Xianlong from the Chinese Academy of Engineering as our Chief Cotton Scientist. Through gene editing and sea-land hybrid technologies, we’ve cultivated and expanded Purcotton No.1 and a high-lint cotton variety specifically for spunlace production. By starting with cotton seeds, we apply advanced breeding technologies to unlock greater potential in cotton itself.

**Promoting organic cotton:** Starting from the very first step—cultivation—Purcotton strictly limits pesticide and fertilizer use, promoting organic cotton farming across its supply chain. By expanding the use of organic cotton, we aim to reduce pollution of land and water, encourage harmony between humans and nature, and foster a healthy, sustainable ecological cycle.

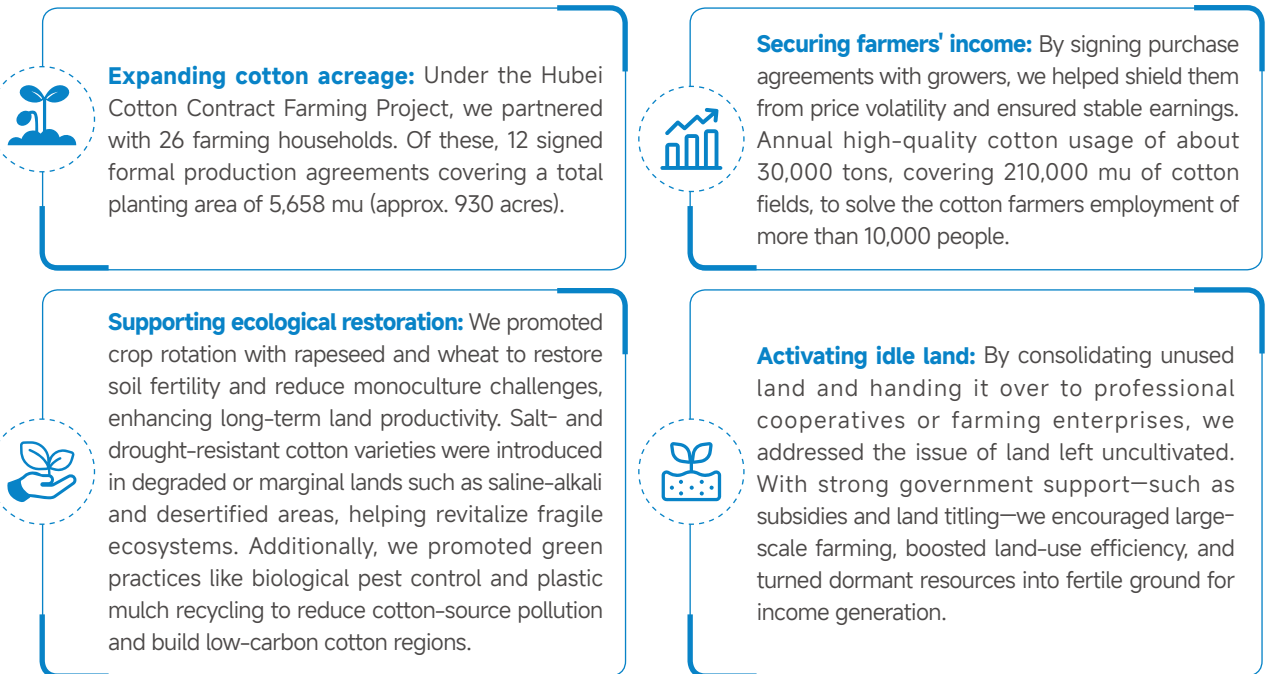


## Scaling up cotton farming

Through a contract farming model that links companies, cooperatives, and farmers, we’ve built a system for precise alignment between production and market demand. This approach has expanded planting areas, boosted yields, and addressed key rural challenges—idle land, low farmer income, and inefficient agriculture. It has also injected fresh momentum into rural vitalization and modern agriculture. In 2024, Purcotton Agricultural Technology (Wuhan) Co., Ltd. led the Hubei Cotton Contract Farming Project, marking the province’s first large-scale, mechanized cotton harvesting over 100 mu (approx. 16 acres). This milestone has truly launched Hubei’s era of mechanized cotton production.



### Impact of contract farming







Case Purcotton makes history with Hubei's first large-scale machine-harvested cotton

On November 6, 2024, Purcotton Agricultural Technology (Wuhan) Co., Ltd., in collaboration with the Huanggang Academy of Agricultural Sciences, celebrated the harvest at its machine-harvested cotton base. By introducing three-row self-propelled baling cotton pickers, we successfully completed large-scale mechanical harvesting in Huangjinhe Village, Huilongshan Town, Tuanfeng County—marking a first for Hubei. This milestone broke new ground in the province's cotton farming. Looking ahead to 2025, Purcotton plans to sign with 3 to 5 major growers in Huanggang and expand the machine-harvested cotton area to 10,000 mu (approx. 1,650 acres). This will further stabilize cotton cultivation across Hubei and fuel local agricultural modernization.

Cotton Reimagined: Innovation Giving Cotton a Second Life

At Purcotton, we never stop exploring the limitless potential of a single cotton flower. Through continuous R&D, we've pioneered Cotton Tech—our proprietary cotton innovation system. By selecting premium cotton with bright color, long fibers, and minimal impurities, we maximize cotton's natural strengths—its softness, breathability, and warmth—infusing these qualities into products that enhance consumers' everyday life.

COTTON BREATHABLE 1

Ventilation holes for enhanced breathability

- ① Gauze breathability technology
- ② Airy crinkle yarn breathability technology
- ③ Naturally breathable cotton

COTTON COOL 2

Instant cool touch, long-lasting chill\*

- ① Aqua-cotton cooling technology
- ② PCM (Phase Change Material) cooling technology
- ③ Menthol-based cooling technology
- ④ Ice-spun yarn cooling technology

COTTON DRY 3

Instant sweat absorption for a fresh and non-sticky feel

- ① Pure cotton sweat-absorbing and fast-drying technology

COTTON ANTI BACTERIAL 4

Physical antibacterial protection for enhanced peace of mind

- ① Pure100 proprietary antibacterial technology
- ② Probiotic antibacterial technology
- ③ Biowave antibacterial technology

COTTON ANTI UV 5

Breathable pure cotton\* sun-protective clothing

- ① Long-lasting SPF sun protection technology

COTTON SOFT 6

Physical softening for increased softness with every wash.

- ① Air bath softening technology
- ② Bio-enzyme wash softening technology
- ③ Comfortable stretch and softening technology
- ④ Seamless pure cotton softening technology

COTTON FILLER 7

Pure cotton inside and out, with high-efficiency heat retention

- ① 3D mesh technology for heat and cotton retention
- ② Washable pure cotton needle-punching technology

COTTON WARM 8

Lighter, softer and warmer

- ① Air-soft cotton warming technology
- ② Pure cotton moisture-absorbing heating technology
- ③ Pure cotton far-infrared heating technology

COTTON PREMIUM 9

Rare, premium cotton for a luxurious and skin-friendly feel

- ① Premium long-staple cotton
- ② Rare organic cotton

Cotton Tech



Cotton with Resolve: Growing Together Through Long-Term Partnership

At Winner Group, we live by the belief: "Choose good cotton and make good use of it." We are committed to working hand in hand with partners across the value chain, including leading enterprises in the healthcare industry. Together, we build trust, share success, and drive scale through strategic cooperation—enhancing both the quality and social value of China's cotton.

November 2024  
Deepening strategic partnership with CNCGC: building a green cotton supply chain

Winner Group and China National Cotton Group Corporation are strengthening cooperation across the cotton value chain—from cultivation and variety development to processing and technological innovation. Together, we aim to elevate the quality of China's cotton industry while driving environmental restoration, contributing to green, sustainable growth.



Case

"China Cotton: One Cotton, One World"

From November 26 to 30, 2024, at the 2nd China International Supply Chain Expo (CISCE), Winner Group returned to the global stage under the theme "China Cotton: One Cotton, One World." As a global promoter of health and medical products made from cotton, Winner Group showcased both its core brands—Winner Medical and Purcotton—highlighting its deep commitment to green development, healthy living, and a sustainable future. Through this powerful platform, Winner proudly stood as a brand ambassador for China's cotton.





呵护健康、关爱生命、保护环境，让世界更美好！

# Sound Governance Solid Foundation

Winner Group is committed to continuously enhancing its management capabilities. Through extensive learning and exploration in areas such as compliance governance, information disclosure, investor relations and returns, and business ethics, we have gradually established a comprehensive management system, which ensures our sustainable development and paves the way for a Centennial Visionary Winner.

01

## Key ESG Topics Addressed in This Chapter:

- Corporate governance
- Investor rights and interests
- Anti-commercial bribery and anti-corruption
- Fair competition
- Stakeholder communication



# Improving Corporate Governance

As a council member of the China Association for Public Companies(CAPCO) and the Shenzhen Public Companies Association, Winner Group continuously better its corporate governance structure, internal control systems and risk management to improve its decision-making capabilities. While ensuring our sustainable development, we maintain timely and genuine communication with our investors.

## Corporate governance structure

The Company continuously strengthens its corporate governance foundation by standardizing the governance mechanism of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors and the management("Three Meetings and the Management") and giving full play to its role. We ensure that they can exercise their powers of the supreme authority, decision-making, execution and supervision, respectively, making specialized committees provide professional review for major decisions of the Board. In such way, we strive to create an "open, transparent, and effective" governance atmosphere for the three meetings.

Continuously standardize the rights and obligations of the Company and its shareholders to prevent the abuse of shareholder rights or the management's dominant position at the expense of rights and interests of small-and medium-sized investors.

Establish pre-meeting communication and pre-review mechanisms for significant matters.

Arrange and invite independent directors to participate in corporate activities and research, supporting them to fully understand the Company and effectively fulfill their supervision duties.

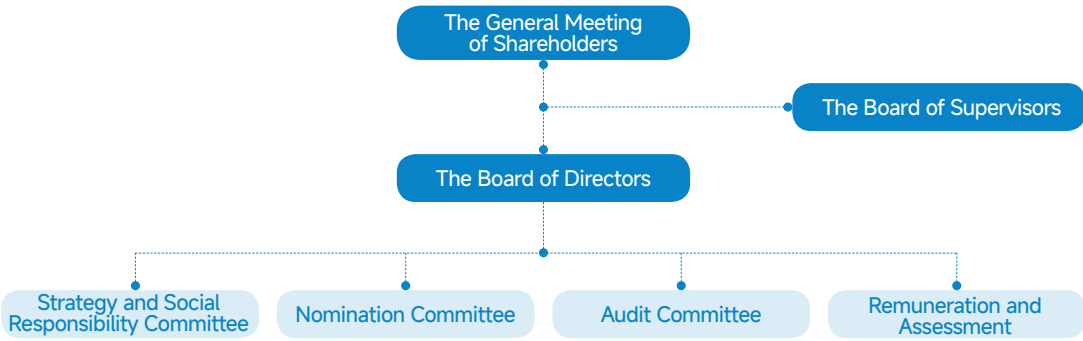


Independent directors conduct research at the subsidiaries in Wuhan and Huanggang



Independent directors attends the strategy publicity session.

## Operations of Three Meetings



Relationship of three meetings in the Company

**The General Meeting of Shareholders** is the highest authority of the Company. The Company convenes and holds the General Meeting of Shareholders to ensure that all shareholders, especially small and medium shareholders, enjoy equal status and fully exercise their legitimate rights.

**The Board of Directors** (the Board) is accountable to the General Meeting of Shareholders and has four specialized committees that are accountable to the Board. The membership of these specialized committees is made up entirely of directors, responsible for formulating working procedures and standardizing operations to safeguard the scientific and effective decision-making of the Board.

With respect to board diversity, we strive to promote a board that is diverse in terms of gender, culture, professional skills and other aspects. All members of the Company's Board of Directors have extensive industry experience as well as expertise in consumer, biomedical, business administration, accounting and other fields. As so far, our fourth Board of Directors consists of seven members, including three independent directors, three female directors, and one VP from each of our two major business segments among our internal directors. Our diversified membership reflects the balance of our Board in terms of gender, experience, background and expertise, which is conducive to enhancing the Board's comprehensive governance capabilities as well as its ability to gain insights, which in turn enables it to make sound risk-based decisions and improve its ability to respond to risks.

With regard to the evaluation of the effectiveness of the Board of Directors, in order to create an "open, transparent and effective" atmosphere for the governance of the three boards of directors, the Securities Department has established a mechanism for pre-meeting communication and pre-meeting pre-examination in respect of major matters. Arrangements and invitations have been made for the sole director to participate in company activities and research, to provide the sole director with the facilities to fully understand the company in the performance of his duties, with a view to utilizing the functions of a director and supervisor.

**The Board of Supervisors** supervises the Company's finances and the legality of the duties performed by the Company's directors and senior management to safeguard the rights and interests of the Company and its shareholders.

### Key performance

General Meetings of Shareholders held

5

Meetings of the Board of Supervisors held

10

Board meetings held

10

Meetings of specialized committees held

15



Rated as 5A in the Performance Evaluation of Board Secretary by the CAPCO for three consecutive years



Rated as "Best Practice Award for Board Office of Listed Companies" by the CAPCO for three consecutive years

### Case

## Transition of the Board and the Board of Supervisors

In August 2024, the terms of the Board of Directors and the Board of Supervisors of Winner Group expired. To make this transition more meaningful, the Company meticulously prepared in advance, including customized letters of appreciation and appointment certificates. A special free discussion session was arranged for outgoing and incoming directors, supervisors, and senior management to share governance experience, ensuring continuous improvement in the operations of the "Three Meetings".



The Transition Meeting of the Board and the Board of Supervisors

IR management


The Company values investor relations(IR) management, firmly believing that a sound mechanism serves as the cornerstone of effective communication. Investor communication has been comprehensively deployed, covering modules such as regular report promotion - routine institutional communication - activities of small- and medium-sized investors - internal and external tracking and high-frequency analysis". Additionally, upon invitations from the Shenzhen Stock Exchange(SZSE), local securities regulatory commission, and Shenzhen Public Companies Association, we consistently conduct thematic experience-sharing sessions, establishing an efficient communication mechanism.



Honor


Awarded the "Best Practices for Investor Relations Management by Listed Companies" by the CAPCO for two consecutive years





Honor

Rated as the " Best Practice in Annual Results Briefing Best Practice Award for Performance Briefings" by the CAPCO for four consecutive years



Investor communication

The Company pays attention to opportunities for communication with investors. We reach a wider audience and engage in extensive and in-depth communication with all investors in various forms, including performance briefings, analyst meetings, on-site visits, institutional reverse roadshows, SZSE Easy Interaction platform, and hotline calls.

We engage in persistent, sincere, proactive and in-depth communication with institutional investors, thus gaining recognition from professional investors for our investment value, achieving full coverage of mainstream analysts in the market, and having a far greater number of research reports than our peers.

**Institutional investors**

We facilitate active participation of small- and medium-sized investors in the General Meetings of Shareholders and support all investor entities to engage in major decision-making, thereby strengthening their voices and sense of gain. Dedicated personnel are arranged to promptly respond to the investor hotline and reply questions on the SZSE Easy Interaction platform. We widely track investors' feedback and suggestions with open communication channels.

**Small- and medium-sized investors**

**Case**

**Winner Group proactively holds a performance briefing**

In May 2024, Winner Group held its performance briefing via live streaming at the highest standard, as usual. The Chairman, CFO, Board Secretary, and business leaders attended the briefing and engaged in comprehensive financial interpretation and in-depth communications. They timely disclosed the Company's performance highlights and future development strategic plans to the public, while actively promoting the Company's brand.



2023 Annual & Q1 2024 Performance Briefing

**Key performance**

Large-scale public briefing sessions	Viewers of annual performance briefing on the live-streaming platform	Securities strategy meetings participated	Institutional investors communicating activities attended	Institutional investors in communication	Securities research reports published
7	43,000+	27	120+	1,250+	57

Investor Protection

We actively participated in investor education. In addition to the annual results briefing which was broadcasted live on the Internet, we participated in the "2024 Online Collective Reception Day for Investors of Listed Companies in Shenzhen Jurisdiction" and the "2024 Guoxin Securities Joint Investment Education Activity", and exchanged views with the general public. In addition to the presentation, the Company participated in the "2024 Online Collective Reception Day for Investors of Listed Companies in Shenzhen Area" and "2024 Guosen Securities Joint Investment Education Activity", and exchanged views with the majority of investors in an effort to improve transparency. At the same time, we set up a special person to answer the investor hotline and respond to the questions on the interactive platform of the Stock Exchange in a timely manner, so as to open its arms to the public and listen to the opinions and suggestions of investors extensively.

Investor returns

Centered around improving "sustainable sense of gain" of investors, we actively raise investor returns. In terms of cash dividends and share repurchases, we have been increasing our dividend rate every year since listing, achieving rates of 20%, 30%, 48%, and 50% in 2020, 2021, 2022, and 2023, respectively. In line with the "Improvement of Quality and Return" initiative, we have launched the mid-term dividend for the first time in 2024, with an annual dividend rate of 54% (proposed).

**Key performance** Since our listing,

Cumulative cash dividends *	Shares repurchased	Capital returned (% of net IPO proceeds)
RMB <b>2.61</b> billion	RMB <b>690</b> million	<b>93.0</b> %

\*Note: Including the proposed 2024 dividend amount.

Information disclosure enhancement

We strictly comply with the disclosure requirements under securities laws and regulations including China's *Company Law* and the *Regulations on Information Disclosure of Listed Companies*. We also continuously revise and improve our internal systems such as the *Information Disclosure Management System* and the *Accountability System for Major Errors in Annual Report Information Disclosure*. Adopting an external perspective, we proactively address concerns raised by regulators, investors and media. We strive to improve information disclosure quality in line with the requirements of efficiency and transparency, creating a compliant, professional, and responsible image in the capital market.

**Key performance**

**135** announcements of various types and **8** voluntary information disclosures released Zero corrections or regulations for the announcements

**2.52** million words in announcements accumulated, ranking first among **13** companies in the personal care product industry in Shenwan and ranking **171st** out of **5,452** A-share listed companies

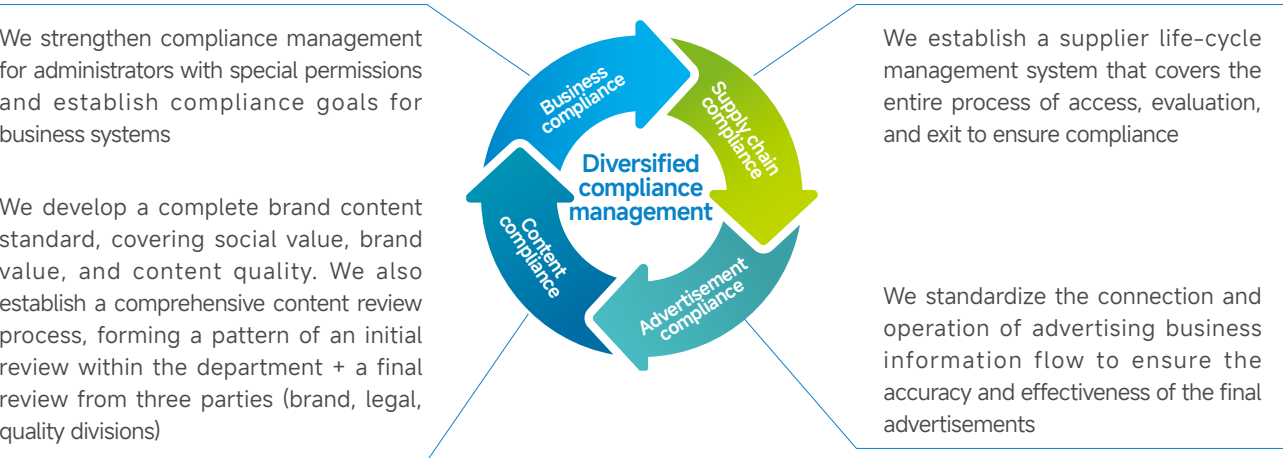
Rated as Class **A** on information disclosure assessment by the Shenzhen Stock Exchange for three consecutive years

Rated as "**2024 Outstanding Sustainability Practice Case Study of Listed Companies**" by the CAPCO for four consecutive years



# Operating in Compliance with Laws and Regulations

Winner Group insists on operating in compliance with laws and regulations by continuously strengthening its risk control and internal governance. We continuously revise and improve risk management related systems and documents such as the *Risk Control and Disposal Mechanism*, the *Mechanism for Risk Accountability*, and the *Comprehensive Risk Management System*, safeguarding our robust development.



Case

## "Judges Visiting Enterprises" Legal Education Event – Winner Group Special Session

In October 2024, Winner Group’s management and headquarters employees participated in a legal seminar titled "What Business Operators Should Know About Enforcement Procedures", conducted by enforcement officers from the Longhua District People’s Court. Through detailed explanations of legal provisions and real-case studies, participants gained an insight into enforcement procedures, including case filing, property investigation, enforcement measures, objection procedures, and legal consequences for non-compliance. This event further strengthened the Company’s commitment to compliant operations.



Key performance

Training sessions on content compliance and public opinions held

4

Compliance training sessions, including

17

Training sessions for directors, supervisors, and senior management

7

Fined in lawsuits or significant administrative penalties arising from violations of marketing compliance regulations

RMB 0

# Upholding Business Ethics

Winner Group strictly abides by Chinese laws, regulations, and industry standards including the *Anti-Monopoly Law*, the *Anti-Money Laundering Law*, and the *Interim Provisions on Prohibiting Commercial Bribery*. We uphold professional ethics of integrity, self-discipline, honesty and trustworthiness, objectivity and fairness, and dedication, as well as the operation principles of voluntary participation, fairness, equal value exchange, honesty and trustworthiness. These values of social responsibility and business ethics are deeply embedded in our daily operations.

## Anti-bribery and anti-corruption

In line with business ethics standards, the Company continuously builds a more sound anti-bribery and anti-corruption management system. For example, we accelerate the revision and improvement of internal policies including the *Red Lines of Winner Medical Group*, the *Management Measures for Non-compliance and Discipline Violations*, and the *Employee Business and Ethical Conduct Code*.

From a supervisory perspective, a Group-wide fraud risk matrix is developed to identify risk exposures from two dimensions – fraud risk levels and fraud susceptibility. Targeted corrective measures are taken for high-risk positions and departments.

We provide anti-bribery and anti-fraud training through multiple channels, including offline sessions, online courses, WeChat official account publicity, and email training, to continuously strengthen our compliance and business ethics training and ethical culture.



Key performance

Articles on law implementation, integrity publicity and case notification released on the Company’s WeChat official accounts

7

Views in total

8,828

## Reporting channels



### Whistleblowers may make a reporting through the following channels:

- Tel: Landline 0755-28018166; Mobile 199251935688
- Email: jubao@winnermedical
- WeChat official account: "Reporting channel" under the Group Risk Control Center
- Letters: Winner Medical Supervision, 43/F, Headquarters Building, HBC Huilong Center, Intersection of Mintang Road and Yulong Road, Longhua District, Shenzhen
- Visiting for reporting

## Fair competition

The Company strictly complies with the *Anti-Unfair Competition Law* and other relevant Chinese laws and regulations. We have gradually integrated anti-unfair competition requirements into our internal work management policies and relevant rules and regulations. We sign the *Compliance Statements on Standardizing Business Conduct* with external suppliers who are prohibited from engaging in any activities that violate the *Anti-Unfair Competition Law*, thereby safeguarding market order and a fair competition environment.



Key performance

Lawsuit or significant administrative penalty resulting from unfair competition practices

0



# Quality Products Healthy Life

At Winner Group, we operate by core business principles: Quality over the profit, Brand over the speed, Social value over the corporate value. In both our medical and consumer businesses, we continue to innovate in products and services, bringing high-quality products into households across the country and safeguarding people's health and wellbeing.

特殊美容后、  
轻中度痤疮适用

## 02

### Key ESG Topics Addressed in This Chapter:

- 🌱 Innovation-driven development
- 🌱 Product and service safety & quality
- 🌱 Responsible marketing
- 🌱 Medical accessibility
- 🌱 Data security and customer privacy protection

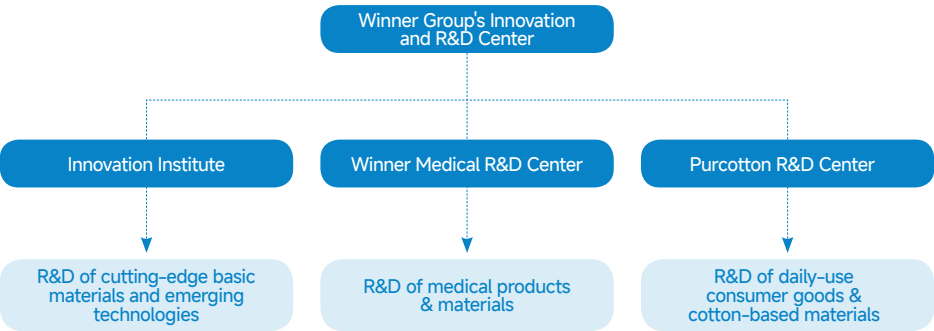


# Fueling the Future with Innovation

Innovation and R&D has always been a priority for Winner Group’s growth strategy. We’ve built a robust R&D system grounded in ethical research practices, strong industry-academia-research collaboration, and a commitment to turning innovation into real-world impact. This approach enhances our core competitiveness and contributes to the sustainable development of the broader healthcare industry.

## Governance structure

Winner Group’s Innovation and R&D Center is composed of three specialized entities: Innovation Institute, Winner Medical R&D Center, and Purcotton R&D Center. Each center has a clear focus: The Innovation Institute drives cutting-edge research in basic materials and emerging technologies, serving as a foundation for long-term technical reserves; the Winner Medical R&D Center focuses on medical product and material development; the Purcotton R&D Center is responsible for R&D related to daily-use consumer goods and cotton-based materials.



## Strategy and management framework

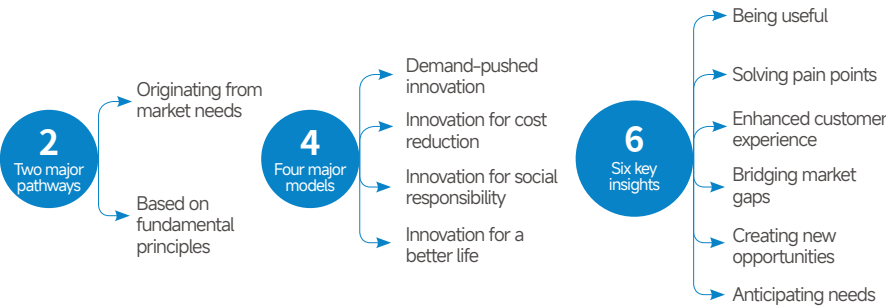
Winner Group is firmly committed to its core strategy of “Product Leadership.” We continue to push the boundaries of material innovation, guided by our proprietary “246+6” Innovation Framework. By increasing investment in R&D and advanced equipment, strengthening user insights, and enhancing product innovation capabilities, we are building a strong foundation for differentiated competitive advantages.

### Innovation in R&D system

Winner Group has built a comprehensive innovation and R&D ecosystem. By refining our innovation strategy, building dynamic R&D platforms, and encouraging a culture of creativity among employees, we continue to sharpen our in-house innovation capabilities and enhance our core competitiveness.

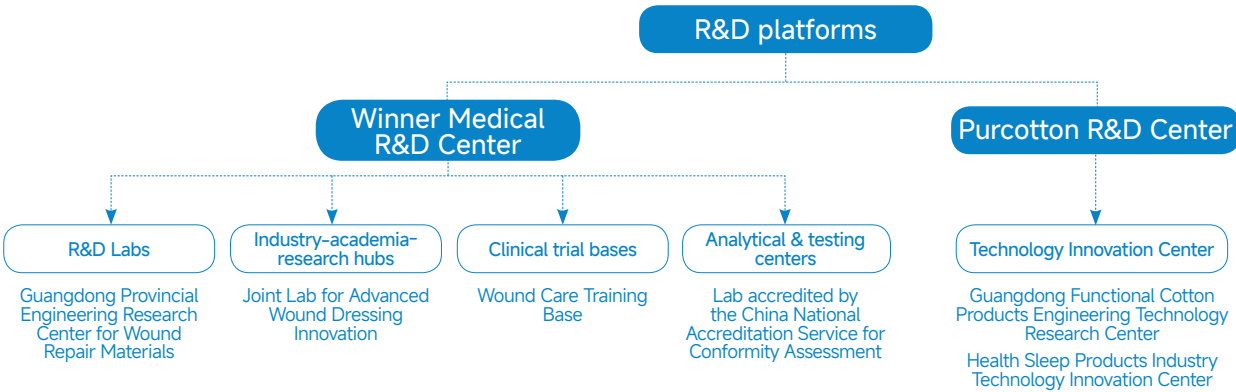
#### • Innovation strategy

At the heart of our innovation model lies the “246+6” Innovation Framework, an approach rooted in market demand and scientific principles. We explore innovation from multiple dimensions and levels, identifying fresh opportunities and strengthening our differentiated edge to drive sustainable growth and high-quality development.



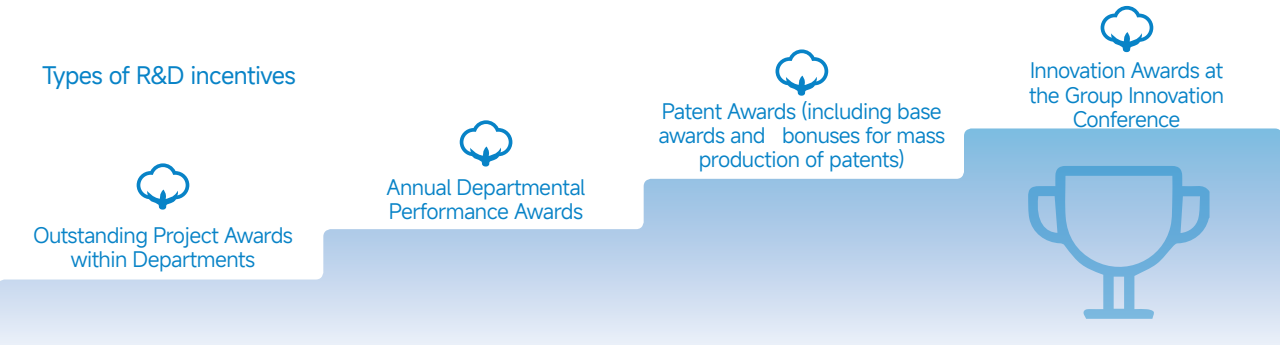
#### • Innovation R&D platforms

Winner Group actively collaborates with leading domestic and international research institutes, hospitals, and universities to build multiple scientific innovation platforms. These partnerships enhance collaborative innovation capabilities and improve the efficiency of transforming research into real-world applications.



#### • Innovation incentives

R&D talent is the cornerstone of Winner Group’s innovation-driven development. To inspire innovation and recognize achievements, we’ve implemented a series of incentive mechanisms—including the *Patent Management Policy for the Innovation Institute* and the *Intellectual Property Management Policy*. By combining financial rewards with recognition-based encouragement, we cultivate an innovation culture that empowers employees to contribute to the Company’s technological breakthroughs.



### Ethical standards in R&D

#### • Animal ethics in experiments

Winner Medical strictly adheres to the *Regulations on the Administration of Laboratory Animals* and follows the 3Rs Principle for lab animals: Replacement, Reduction, and Refinement. We are committed to respecting and treating laboratory animals humanely. By reducing unnecessary suffering, we aim to increase the public acceptance of scientific research outcomes, while also fulfilling our responsibility to protect animals, maintain ecological balance, and contribute to sustainable social development.

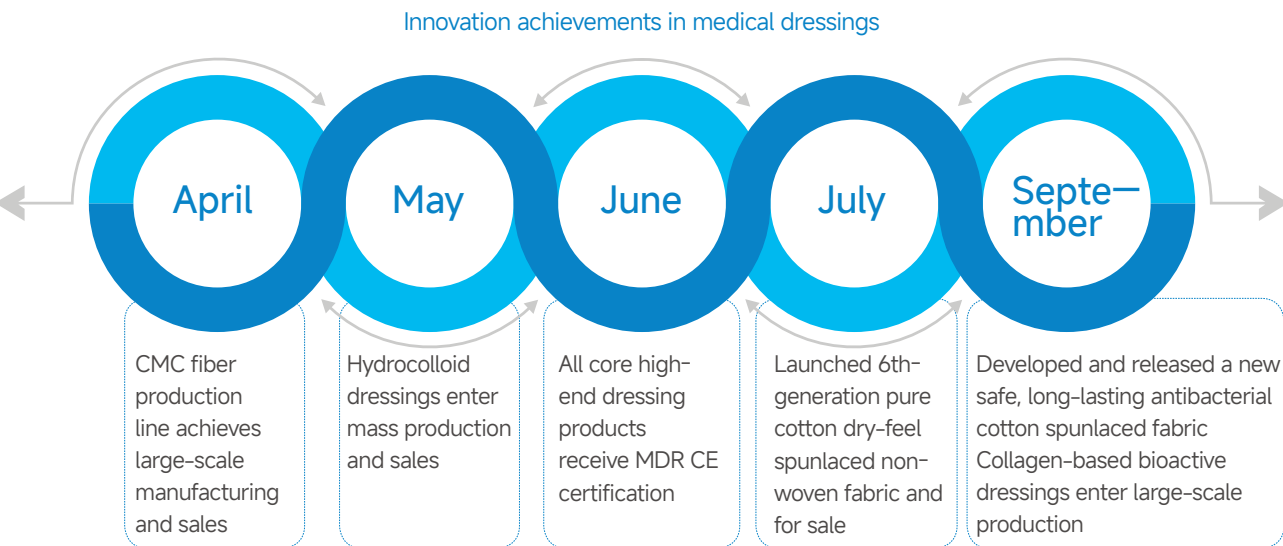
#### • Clinical trial ethics

We also strictly abide by the *Declaration of Helsinki* and the *Quality Control Standard for Medical Device Clinical Trials* (GCP) promulgated by the National Medical Products Administration to protect the rights and interests of subjects. We are required to obtain approval from the ethics committee of the relevant medical institution when conducting clinical studies on the relevant product. The researcher must provide the subject with details of the clinical study, and any subject who is capable of giving informed consent must be fully informed of the purpose of the study, the methods, any possible conflict of interest, the researcher’s affiliation, the expected benefits and potential risks of the study, any discomfort that may be caused by the study, post-study safeguards and any other study-related aspects, and sign an informed consent form for the patient.



From innovation to real-world solutions

Winner Medical actively transforms scientific achievements into market-ready solutions. By continuously advancing technology and innovation, we are delivering high-quality, health-focused, and eco-friendly products—bringing tangible benefits to society.



Case A breath of fresh innovation: “cotton lining” masks redefine protection

Winner Medical has launched an upgraded Cotton Lining Surgical Mask, pioneering the use of pure cotton as the moisture-absorbing layer—a first in the industry. This mask outperforms industry standards in synthetic blood penetration, filtration efficiency, and breathing resistance, while integrating 20,000 micro-ventilation pores to deliver enhanced breathability, dryness, and skin-friendliness. Ideal for children, adults, and healthcare professionals who wear masks for extended periods, the design ensures a softer and more comfortable wearing experience.



Case Zero-lead, non-toxic protective clothing safeguards healthcare workers

Traditional lead-based protective apparel may cause harmful lead buildup in the body over time, posing serious health risks. In collaboration with Wuhan Textile University, Winner Medical developed a zero-lead radiation-resistant protective suit. Compared to other domestic and international non-lead options, this breakthrough solution provides 20% better X-ray shielding, is 30% lighter in weight, and is three times softer. Moreover, it contains no detectable levels of lead, mercury, cadmium, or chromium, successfully achieving an ideal balance of radiation protection, quality comfort, non-toxicity and other key function indicators.

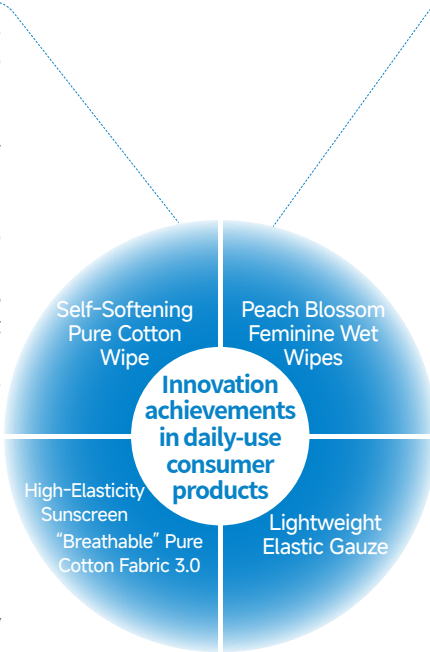


Honor

The project “Standardization and Application of Key Technologies for Emergency Epidemic Textile Protection Products” received the Second Prize in the 2024 Science and Technology Advancement Awards from the China General Chamber of Commerce, recognizing its contribution to innovation in public health protection.

Innovation achievements in daily-use consumer products

We have pioneered the self-softening pure cotton wipe, which utilizes an innovative pre-treatment process combined with pure cotton spunlace nonwoven fabric technology. This approach effectively removes impurities while preserving the cotton fiber's natural waxy coating, resulting in inherent softness, controllable strength, and water absorption properties. Laboratory tests have shown a 45% improvement in softness. The product complies with GB/T 40276 and GB 15979 standards and has received the authoritative BV Mark O certification and an invention patent authorization.



Designed with a focus on women's intimate health, these wipes simulate the natural acidic environment of the intimate area using lactic acid and are enriched with peach leaf extract for gentle antibacterial action. The innovative addition of cotton oligosaccharide prebiotics promotes the growth of beneficial bacteria, forming a microecological barrier through a three-pronged mechanism. The product has undergone multiple safety tests, including irritation-free vaginal mucosa assessments, and leads to the trend of microecological care with biotechnology, embodying the health philosophy of "Reassurance, Wellbeing, Sustainability".

This fabric is crafted from premium long-staple cotton fibers, balancing breathability and lightweight properties. It employs an innovative absorption method to blend UV absorbers with dyes, a technique that has been granted an invention patent. The fabric offers high-efficiency sun protection (UPF >100), exceptional wash durability (maintaining UPF 50+ after 100 washes), moisture-activated sun protection, and a cool-to-the-touch sensation.

We selected cotton yarns with strong adhesion in both warp and weft, and cotton-wrapped spandex yarns with specific elongation ratios. Through structural design and matching different weaving techniques, after multiple experiments, we achieved a lightweight, stretchable elastic gauze with cotton content ≥ 95%, weft-direction elastic elongation ≥ 40%, and seam split extent ≤ 0.6 cm. This solution addresses the issue of non-elasticity in woven gauze and improves the wearing comfort of the fabric.



Honor

Three Purcotton products—“Airy Crinkle Yarn Pure Cotton Loungewear,” “Air-Soft Cotton Baby Tie Romper,” and “Pure Cotton Airy Crinkle Yarn Gauze Blanket”—were named among the “Top Ten Innovative Textile Products of 2024” by the China National Textile and Apparel Council (CNTAC).



Certificate for Air-Soft Cotton Baby Tie Romper



Certificate for Airy Crinkle Yarn Pure Cotton Loungewear



Certificate for Pure Cotton Airy Crinkle Yarn Gauze Blanket



Industry progress through innovation

Winner Group is committed to an innovation-driven development strategy. By strengthening collaborative mechanisms between industry, academia, and research institutions, and actively participating in standard-setting processes, we are empowering the broader industry and injecting fresh momentum into its high-quality development.

· Industry-academia-research collaboration

Winner Group actively partners with leading universities and research institutions—including Huazhong Agricultural University, Soochow University, Huazhong University of Science and Technology, Wuhan Textile University, Southwest University, and Hubei University—to accelerate breakthroughs in core technologies and improve the efficiency of turning research into practical outcomes.



Case

Clinical research on cotton materials with Union Hospital

In partnership with the Dermatology Department of Union Hospital, Tongji Medical College, Huazhong University of Science and Technology, Purcotton conducted a clinical study involving 30 individuals with sensitive skin. The research evaluated how facial towels made from different materials affect facial skin conditions in patients with inflammatory skin disorders. The study provides credible clinical data to support continued exploration into the skin-friendliness of cotton versus non-cotton materials.



Case

Developing ergonomic sleep products with Soochow University

Purcotton and Soochow University have launched a joint research initiative to develop health-focused sleep products based on ergonomics. Together, they completed two key studies and published a white paper summarizing their findings. The collaboration also explores ergonomic pillow design for children and investigates how localized thermal comfort needs vary among different user groups, aiming to support the future of China's healthy sleep industry.



Case

Cotton breeding and spunlace-specific cotton R&D with Huazhong Agricultural University

To enhance product competitiveness from raw materials and deliver better experience to consumers, Purcotton joined forces with Huazhong Agricultural University to breed new cotton varieties and develop cotton optimized for spunlace non-woven fabric production. To date, the project has successfully developed five cotton strains and secured one authorized invention patent, making solid progress in cotton breeding innovation and industrial development.



· Strategic cooperation

The Company forms a strong partnership with leading enterprises in the health and wellness sector, built on mutual trust and win-win collaboration, driving the scale effects of strategic cooperation and working together to promote the long-term development of the industry.

April 2024

Strategic partnership with JD Health: opening a new chapter in healthcare innovation

This cross-sector collaboration brings together a manufacturing entity and a leading e-commerce platform. JD Health supports Winner Medical in logistics, distribution, and e-commerce operations, while leveraging its strengths in data analytics and precision online marketing. The partnership will help Winner Medical deepen market reach and refine its product strategy—advancing in digitalization, connectivity, intelligence, automation, green practices, and operational efficiency. Together, we are accelerating the rise of new quality productive in China's healthcare industry.



April 2024

Strategic partnership with Sinopharm Group: jointly supporting public health advancement

Winner Medical and Sinopharm Group have expanded cooperation across our full product portfolio—deepening collaboration in distribution, logistics, bidding, forecasting, and market access. The two sides complement each other's strengths, achieving mutual benefits through broader and deeper integration. The partnership also focuses on infection control, with joint projects aimed at raising academic standards in disease control and infectious disease research institutions.



· Standard development

During the reporting period, Winner Group actively contributed to the development of seven industry and national standards, with four already released and implemented.

Standard Name	Type	Status
Dyed Cotton Multilayer Fabric	Industry standard	Published
Pure Cotton Knitted Thermal Underwear	Group standard	Published
Product Carbon Footprint – Product Category Rules – Lint	Group standard	Published
Evaluation Method of Textile Washing and Drying Frequency Prompt Function	Group standard	Published
Technical Textiles – Classification	National standard	In development
Scar Dressing	Industry standard	In development
Medical Cyanoacrylate Adhesives	Group standard	In development



IPR protection

Winner Group places strong emphasis on intellectual property rights (IPR) protection and strictly adheres to China's *Patent Law* and *Copyright Law*. To strengthen compliance, we have established a series of internal regulations, including the *Intellectual Property Management System* and the *Management Measures for Intellectual Property Right Protection*, ensuring the proper handling of patent applications and management. While proactively defending our own intellectual property, we also respect the intellectual property and creative contributions of others, ensuring lawful and appropriate use of external information, materials, products, and proprietary content. Our approach aims to foster a sound, innovation-friendly ecosystem.



Purcotton's IPR protection training

Case

As brand recognition and product innovation continue to grow, Purcotton launched a dedicated training series on patent validation analysis, infringement assessment, and risk avoidance. The sessions were designed to empower product development teams and speed up innovation-to-market processes. This initiative has significantly strengthened employees' awareness of intellectual property rights and deepened their understanding of the latest legal policies and IP trends. By building legal literacy within our innovation teams, we're providing stronger professional and regulatory support for our R&D efforts.

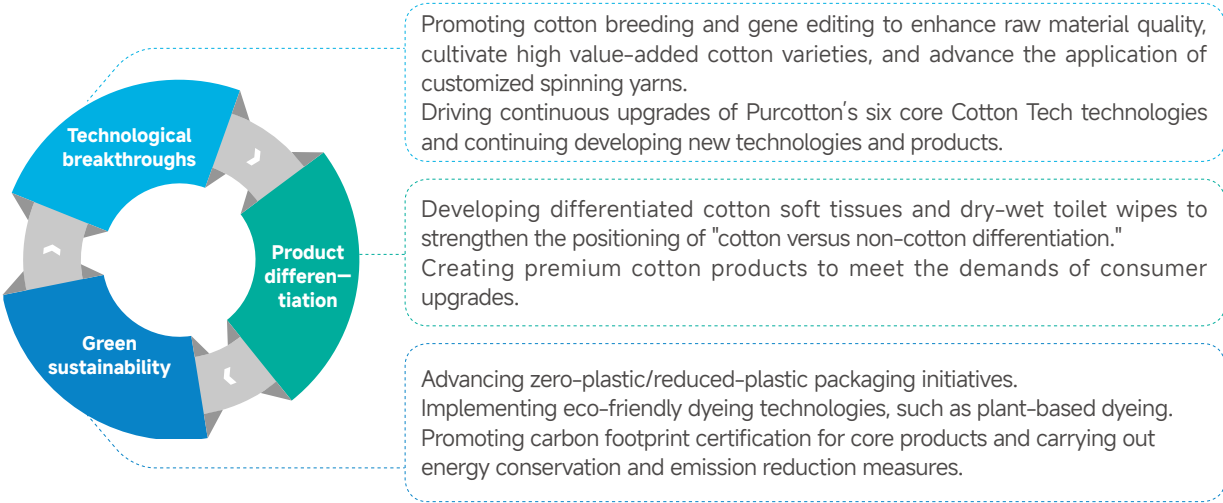


Poster for training sessions on patent validation analysis, infringement assessment, and risk avoidance

Metrics and targets

· R&D and innovation management targets

Guided by the strategic goal of "Product Leadership, materials innovation, and building a pure cotton technology moat," we have defined the key priorities of R&D management at Purcotton, focusing on three core areas of technological innovation, product differentiation, and green sustainability.



· Metrics

KPIs		Unit	2024
R&D investment		million	348
Number of R&D personnel		/	1,199
Percentage of R&D staff		%	7.8
R&D staff by education background	Bachelor's degree	/	324
	Master's degree	/	104
Standard development	Industry standards led by the Company	/	1
	Industry standards participated in	/	4
	National standards participated in	/	3
Accumulated number of patents within the country	Invention patents	/	183
	Utility model patents	/	932
	Design patents	/	442
	Total patents	/	1,557
Accumulated number of patents overseas	Invention patents	/	35
	Utility model patents	/	7
	Design patents	/	1
	Total patents	/	43
Accumulated number of patents obtained		/	1,600



# Delivering Exceptional Quality

Winner Medical upholds the principle of “Quality over the profit” and places product quality at the heart of everything we do. We have developed rigorous and comprehensive quality standards and processes to ensure full participation and full-process quality control, thereby continuously enhancing product quality.

## Product quality and safety

We strictly comply with China’s *Product Quality Law* and the *Consumer Rights Protection Law*, while continuously improving our internal quality and safety control systems. Our goal is to build a traceable, controllable, and reliable production assurance system, ensuring product quality from the source.

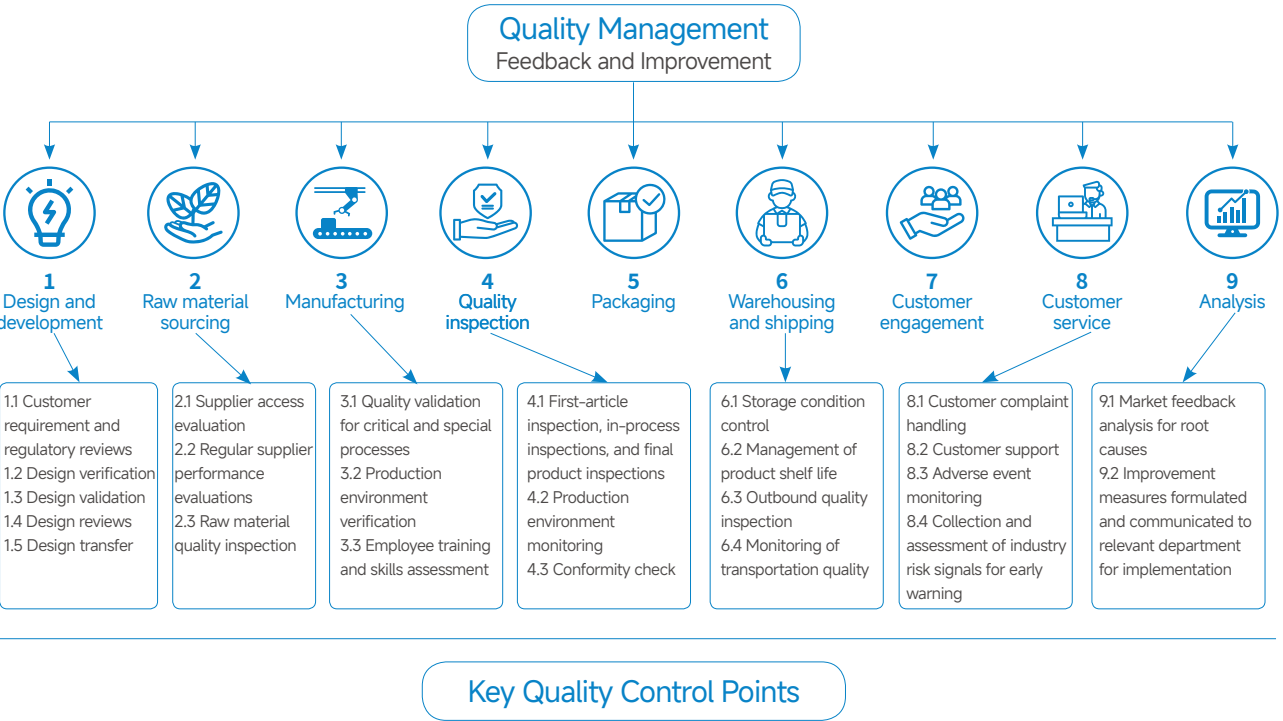
### Governance structure

We have established a comprehensive quality management system and a dedicated quality management department, which oversees the entire product lifecycle—from R&D and production to market launch.

### Strategy and management framework

#### Quality management system

Winner Group adopts a customer-centric approach to quality. We have established end-to-end procedures covering customer needs identification, product design and development, change management, procurement controls, quality control, customer complaint handling, adverse event monitoring, and product recalls, ensuring quality across the entire product lifecycle. Our quality control processes include well-developed protocols for incoming material inspection, in-process inspection, and final product inspection. For critical steps and special processes, we assign dedicated personnel to validate each phase, carrying out strict verification and confirmation to ensure effectiveness and reliability in all key operations.



#### Quality security and training

Winner Group is committed to building a strong quality culture through company-wide participation and continuous improvement. We offer targeted training programs focused on comprehensive quality management, compliance, certification planning, and standards implementation. These initiatives help strengthen the quality system and enhance employee capabilities, effectively driving product quality improvements.



Training on product quality standards

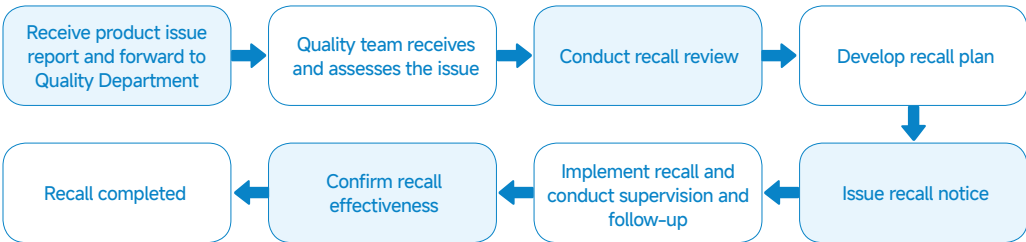


Training on management system certification

#### Product recall management

Winner Group strictly complies with product recall regulations in China, the United States, and other markets. We have established a structured recall management system with defined procedures and a three-level emergency response mechanism. When a product with a quality defect or potential public health safety risk is identified, we act immediately to correct, prevent, and inform relevant stakeholders. If necessary, we initiate a product recall to protect public health and safety to the greatest extent possible. In 2024, Winner Group initiated three product recalls, all of which were voluntary. No serious injuries or fatalities were reported due to product defects.

Product Recall Flowchart



### Metrics and targets

#### Quality management targets

To continuously improve our business operation mechanism and enhance the level of quality control, we have set quality targets and continuously monitor the achievement of these targets each year. During the reporting period, we achieved the goal of a fabric quality pass rate of over 98% for bulk production.

#### Indicators

KPIs	Unit	2024
Coverage of ISO 9001:2015 - Quality management systems certification	%	100
Number of quality training sessions	/	5
Training coverage for quality-related personnel	%	100

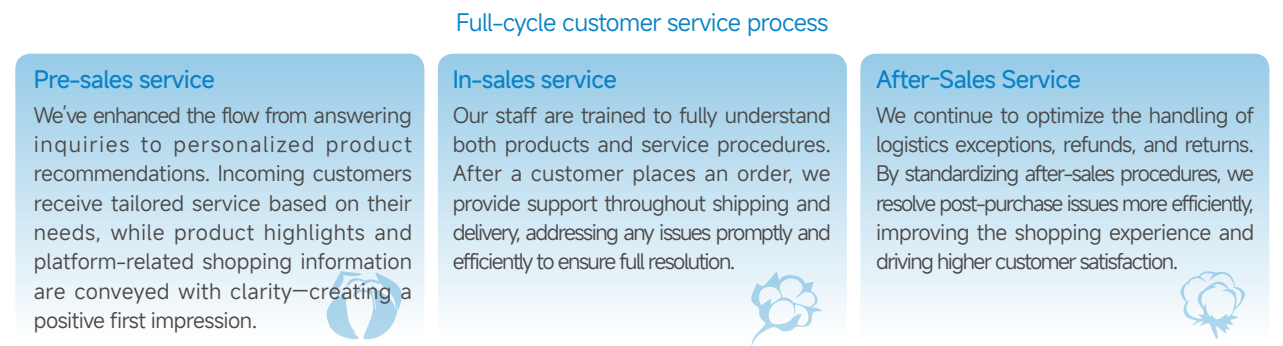


Better customer service

Winner Group upholds a customer-centric service philosophy. By continuously optimizing service processes, refining complaint handling procedures, and enhancing the professional capabilities of our customer service team, we are committed to improving the quality of customer service and the overall shopping experience—with the ultimate goal of increasing customer satisfaction.

Customer service process

Winner Group has established a clear and comprehensive set of *Pre-Sales, In-Sales, and After-Sales Service Procedures*. We continue to refine service reception standards, clarify team responsibilities across each service phase, and streamline 10 key service activities such as inquiry handling, order processing, and returns/exchanges. This full-chain service system ensures traceability from first contact to issue resolution, improving both consistency and service quality.



Customer complaint handling

We have established a formal *Complaint Handling Process*, continuously upgrading complaint tracking and resolution rules. A special escalation and feedback mechanism is in place for special complaints involving risks of arising public opinions, ensuring timely intervention and a complete resolution loop.

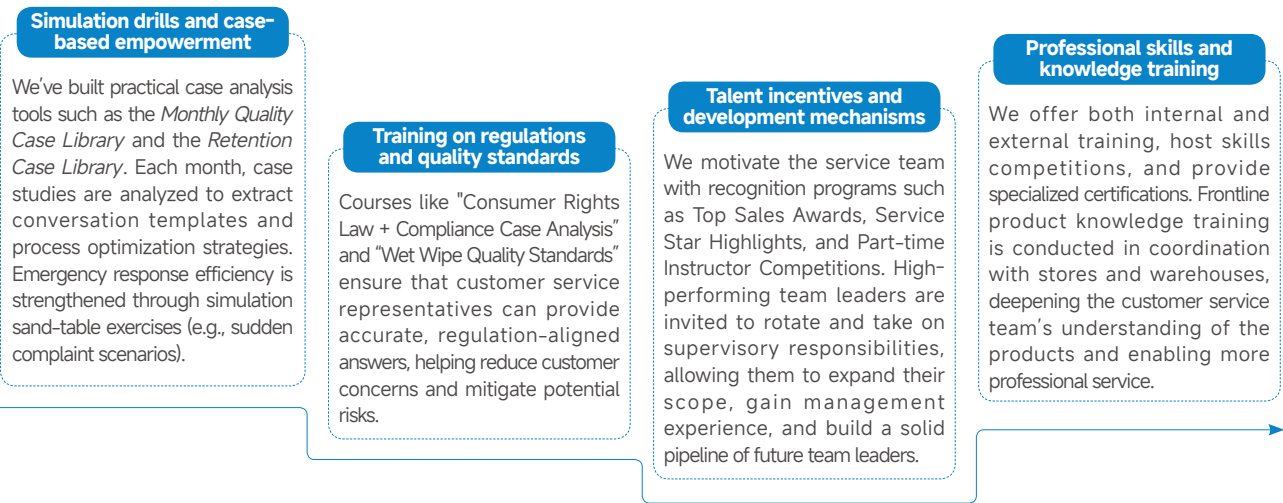


Complaint handling process



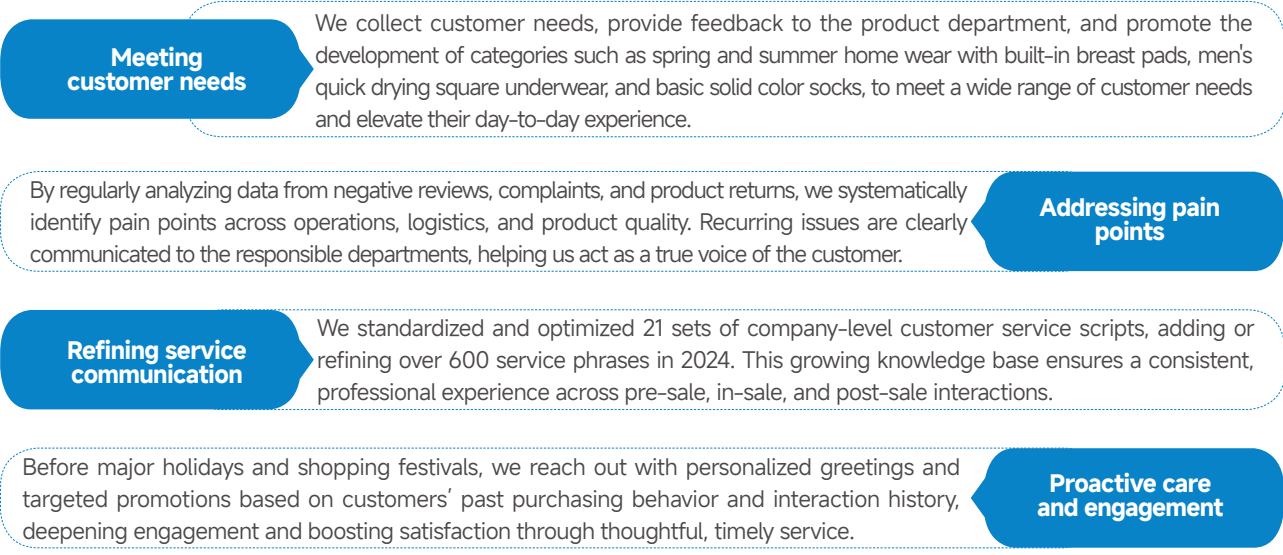
Customer service enhancement

An outstanding customer service team is essential to strengthening corporate competitiveness. Winner Group continues to elevate service quality by improving the professional knowledge and skills of our team through practical simulations, specialized training, and performance-driven programs, delivering a better and more reassuring experience to every customer.



Enhancing customer satisfaction

Winner Group remains firmly committed to its customer-first philosophy. By closely tracking evolving customer needs, addressing service pain points, refining service communication, and offering proactive care, we continue to optimize the customer experience at every touchpoint and steadily improve customer satisfaction.

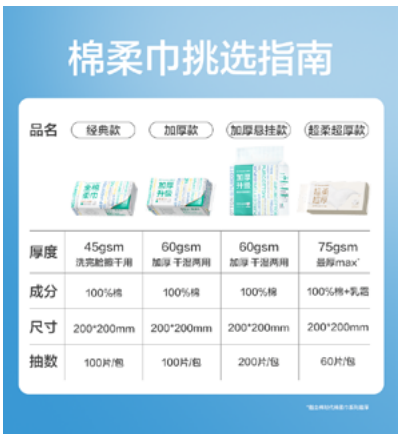






### Enhancing customer experience through product family mapping

To help customers better understand product features and make more informed purchasing decisions, Winner Group introduced visual product family maps that clearly display key attributes, related categories, and usage scenarios. In 2024, we optimized 60 product family diagrams, standardizing labels for product names, specifications, materials, and performance features. These diagrams now cover over 350 products, effectively linking related product lines and improving both decision-making efficiency and brand recognition.



The Cotton Soft Tissue Family Map was upgraded to illustrate the unique use scenarios of each product

### Leveraging AI and RPA to boost customer service efficiency and quality

Customer service center has adopted an AI-driven smart tool matrix to automate core service scenarios—ranging from feedback management and sales support to quality inspection training, public sentiment monitoring, chatbot integration, and data utilization. This has significantly improved both response efficiency and service quality oversight. During major sales campaigns, a recurring challenge was the surge in requests to change default shipping addresses. To address this, we developed a smart system combining AI-generated service tickets and RPA automation, enabling automatic detection and processing of address change requests.



Honors 2024

Received "Silver Bee" and "Bronze Bee" Awards on the *Dian Xiaomi* (Shop Assistant) Double 11 Honor Roll, presented by Taobao and Tmall Group

"Mastermind Award" issued by AI Xiaozhi



Key performance

During the reporting period,

Increase of the proportion of AI-handled customer interactions

17%

Decrease of customer negative review rate

0.14%

## Responsible marketing

Responsible marketing and the delivery of accurate product and service information are essential pillars of Winner Group's long-term, sustainable growth. We embed our values and corporate social responsibility principles into daily marketing practices and business development activities, ensuring that all promotional efforts reflect scientific, objective, and trustworthy communication. We strictly comply with the *Civil Code*, *Consumer Rights Protection Law*, *Anti-Unfair Competition Law*, *Advertising Law*, and other relevant domestic regulations, as well as applicable international standards and codes of conduct.

### Governance structure

Departments including Compliance, Quality, Brand, and E-commerce work collaboratively to review all external promotional materials and are responsible for the results within their responsibility scope.

Reviewer	Scope of review	Reference for review
Compliance Department	Texts, images, videos, and any content involving laws or regulations	<i>T</i> Advertising Law, <i>T</i> rademark Law, <i>C</i> opyright Law, <i>P</i> atent Law, <i>A</i> nti-Unfair Competition Law, <i>C</i> onsumer Rights Protection Law, <i>P</i> ricing Law, <i>P</i> roduct Quality Law, and local regulations
Quality Department	Product quality, certifications, performance claims, indicators, or related quality information	Technical standards and industry regulations
Brand Department	Content, wordings, creative concepts, and overall presentation	Corporate culture, brand values, company vision, and public morality
Securities Department	Financial, listing, and investment-related disclosures	Financial statements, information disclosure guidelines, insider trading prevention protocols
Product Center	Product highlights, brand visuals, logo usage, visual adaptation, and brand elements	Product concept and highlights, technical documentation, and Purcotton's visual identity manual

### Strategy and management framework

To ensure marketing integrity, Winner Group has developed a series of internal policies such as the *Content Review Policy* and the *Purcotton Advertising and Promotional Guidelines Manual*. These policies strictly prohibit exaggerated, misleading, or false advertising claims. To ensure the accuracy, openness and timeliness of information, all external communications must pass a formal review process before being published. Once released, no content may be altered without system-based re-approval, ensuring full compliance with relevant laws and internal policies.

In addition, the Company organizes regular training sessions on responsible marketing to ensure employees clearly understand company standards. Training covers common violations in e-commerce advertising and internal protocols for external communication, helping staff stay compliant and avoid misleading or exaggerated claims. Through these efforts, we protect both our brand reputation and the trust of our customers.



Compliant training

### Metrics and targets



Key performance

During the reporting period,

Violations related to marketing communications reported

0

Responsible marketing training sessions

6

Total training hours on responsible marketing

10



# Enhancing Healthcare Accessibility

Winner Medical is deeply committed to inclusive healthcare. We strive to enhance healthcare accessibility by expanding product reach, addressing diverse population needs, reducing medical costs, and promoting public health education.

## Expanding product reach

Through strategic cooperation with Sinopharm Group, we are deepening our presence in key provincial and city-level markets, jointly advancing the development of public health service networks. We also support public hospitals through comprehensive product replacement programs, and work with e-commerce platforms to offer one-stop solutions that simplify the management of low- and mid-value medical consumables. In the private healthcare sector, we deliver premium, customized product solutions designed to enhance the patient experience. At the retail level, we've partnered with on-demand channels such as Meituan O2O, increasing around-the-clock pharmacy access and coverage through instant delivery services.

## Meeting the needs of specific populations

Upholding the vision of “caring health, cherishing life, and protecting the environment for a better world.”, we develop thoughtful solutions for people across all ages and life stages. We design specialized products for children, addressing pain points in pediatric health management. At the same time, we donate elderly-friendly products to senior care institutions across the country, helping to enhance both quality of life and emotional well-being for older adults.

## Reducing medical costs

By offering single-use surgical kits, standardized surgical gowns, and other product mixes, we help medical institutions streamline procurement and centralize cost control of consumables.

## Promoting healthcare education

Winner Medical launched the “5.5 Health Day” initiative to deliver authoritative, science-based health content through hospital-business collaboration. By integrating content with new media platforms, we ensure accurate health knowledge reaches a broader audience, strengthening public awareness of disease prevention.



### Promoting public awareness of incontinence care through non-profit lectures

Winner Medical launched its family incontinence care brand "Qingfuli", and during World Continence Week, co-hosted a themed salon with medical professionals to raise public awareness. Through knowledge-sharing and hands-on training, the event helped participants better understand incontinence and how to manage it with dignity and care. In collaboration with cross-industry partner Jinxiuer, Winner Medical also launched a hybrid online + offline interactive campaign, deepening public engagement and understanding of incontinence through accessible and inclusive health education.



### Launch of the “May Health Festival” IP: championing health together

Winner Medical unveiled its proprietary “May Health Festival” initiative in partnership with leading institutions such as Southern Medical University and Nanfang Hospital, alongside various corporate collaborators. The campaign rolled out across China through both online and offline channels, delivering a wide range of public welfare activities aimed at enhancing public awareness of health and hygiene and meeting the evolving needs of population-wide healthcare.





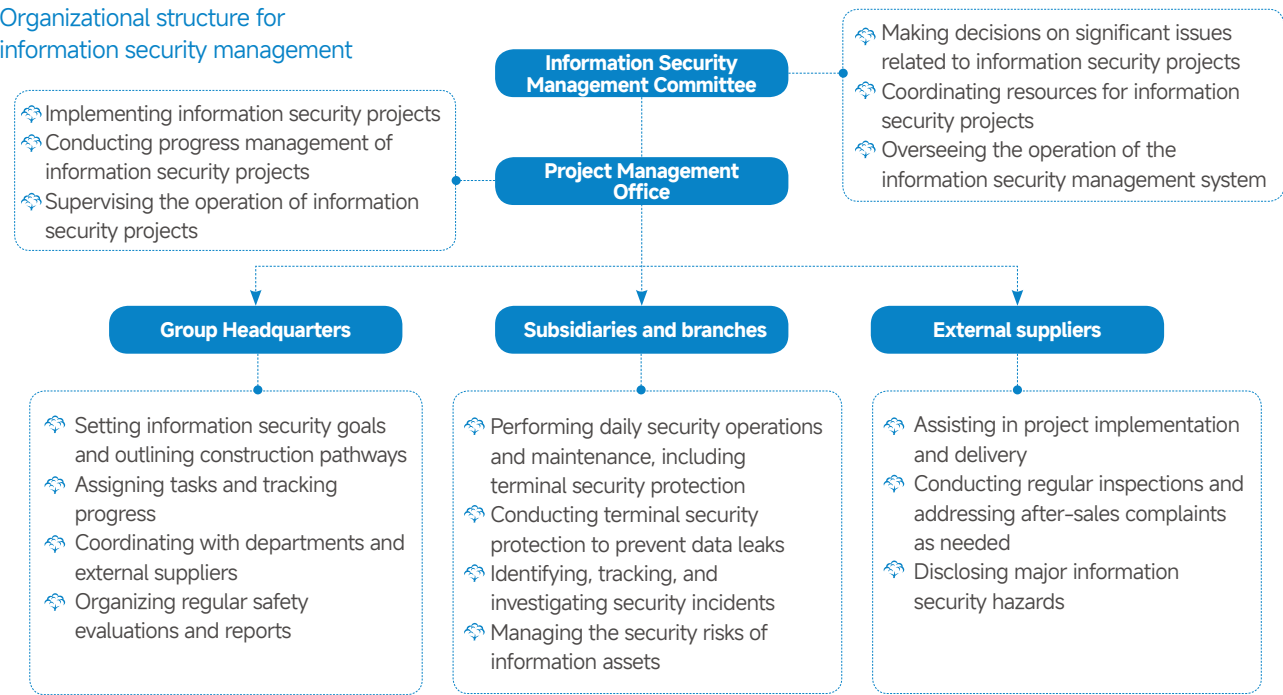
# Ensuring Information Security

Winner Group upholds the principle that there is no such thing as a small matter when it comes to information security. We are committed to strengthening our information security protection capabilities and building a secure digital foundation to support the Company's long-term digital transformation.

## Governance structure

We have developed a three-tier information security management structure, led by an Information Security Management Committee with a Project Management Office under its oversight. Together, the system guarantees robust data and information security throughout all business operations.

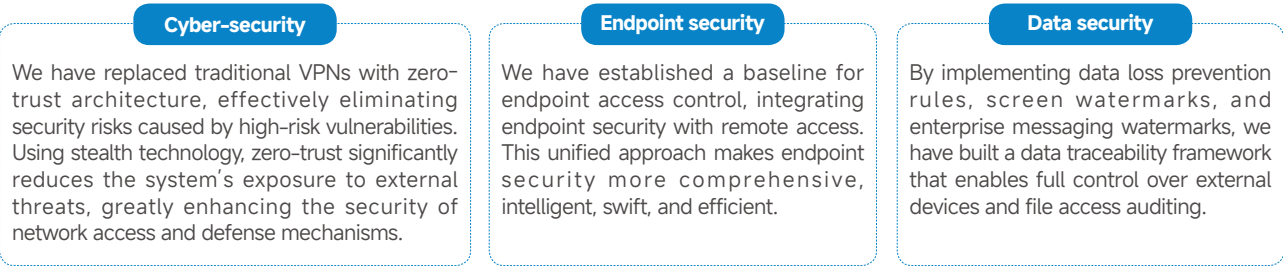
### Organizational structure for information security management



## Strategy and management framework

### Security safeguards

We have partnered with Tencent and Huawei to jointly build a security access architecture centered on our data centers, and a document protection system integrated with instant messaging platforms.



Winner Group passed the Level-3 Classified Protection Evaluation for two consecutive years, significantly enhancing the security and reliability of our information systems. This certification helps prevent malicious attacks, unauthorized access, data leaks, and service disruptions, thereby ensuring business continuity and system integrity.



## Security awareness and education

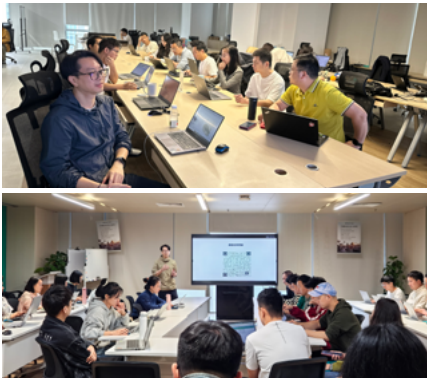
The Company regularly conducts information security training for all employees and IT security management personnel, aiming to strengthen protection from the human side of the cybersecurity chain by enhancing awareness.

Through our official website and social media platforms, we publish a series of educational articles on data security and privacy protection to raise awareness among both employees and customers.



Online education

We also invite external experts to deliver in-person workshops on data security, helping employees better understand its importance and comply with best practices for data handling.



Offline training

## Metrics and targets

### Safety Management Targets

Progress in 2024	
Timely response to security incidents and vulnerabilities: 100%	Achieved
Pass rate for security training and assessments: ≥95%	Achieved
Major or critical information security incident during the year: ≤1	Achieved
Resolution of all high-risk items included in risk mitigation plans: 100%	Achieved

### Metrics

KPIs	Unit	2024
Employee coverage rate for data privacy and security training	%	100
Number of information leakage incidents	/	0



# Low-Carbon Development Green Future

Winner Group remains committed to the business philosophy of environmental protection and sustainable development, striving to create eco-friendly products. By strengthening environmental management, optimizing resource utilization, promoting clean production, and implementing full lifecycle product management, we actively support China's carbon peaking and neutrality strategy. Together with upstream and downstream industry partners, we drive the green transformation of the cotton industry.

# 03

## Key ESG Topics Addressed in This Chapter:

- Environmental compliance management
- Addressing climate change
- Energy utilization
- Water resource utilization
- Circular economy
- Pollutant discharge
- Waste management
- Ecosystem and biodiversity



# Enhancing Environmental Management

A sound environmental management system is fundamental to effective ecological protection. The Company strictly complies with the *Environmental Protection Law* and other relevant Chinese laws and regulations. Upholding the environmental policy of "work safety, green and low-carbon development, and the continuous pursuit of social trust," we continuously improve our environmental management system and enhance environmental awareness.

Key performance

Energy conservation and environmental protection investment

RMB8.3258million

## Management system enhancement

Winner Group strictly follows the ISO 14001 environmental management systems to establish and enhance our management framework. We set environmental objectives, develop an environmental management manual, and implement environmental management procedures, continuously strengthening our environmental management capabilities.

### Environmental management framework

In terms of the organizational structure of environmental protection, the Company has set up a leading group headed by the vice president, which is the supervisory body for our environmental protection initiatives. The general manager of each subsidiary (branch) or the person in charge of the unit is the first person responsible for the company's (unit's) environmental protection initiatives, with a full-time environmental protection agency and full-time personnel.

### Environmental management goals

The Company sets annual environmental goals and strengthens the monitoring of energy consumption, pollutant discharge, and other environmental data throughout production and operations. Based on the monitoring results, we continuously improve environmental management performance and enhance our environmental management capability. In 2024, all environmental management goals were successfully achieved.



### Environmental management system

Winner Group actively implements the green development strategy as well as the policy of green, low-carbon development. In line with national laws and regulations on environmental protection, we have formulated and updated the *EHS Management Manual*, *Environmental Management Standards*, *Environmental Protection Management System*, *Measures on Environmental Management Standards*, *Rewards and Punishment Regulations on Environmental Work Supervision*, and *Regulations on Energy Saving and Consumption Reduction Management*, etc. to strengthen our integrated environmental management capabilities.

Key performance

Coverage rate of ISO 14001 environmental management systems certification

75%

Winner Group and its subsidiaries were not subject to environmental administrative penalties

## Pro-Environmental Mindset Cultivation

The Company actively improves environmental management while continuously strengthening the environmental management awareness and capabilities of our employees and suppliers. Regular specialized training and drills on environmental management are conducted for both employees and suppliers.

### Environmental management training

We have organized various environmental training sessions to optimize our environmental management, and strengthen our emergency response capabilities. These sessions cover key topics such as environmental regulations, compliance training, emergency management, pollutant discharge, and wastewater operations, aiming to raise employees' environmental awareness and sense of responsibility.

Key performance

Number of environmental protection training sessions conducted:

16



Winner Medical (Chongyang) environmental compliance training



"Two Mountains" theory special study on World Environment Day

### Environmental emergency drills

The Company and its subsidiaries have established leading groups for environmental emergencies and developed the *Environmental Emergency Response Plan*. We have enhanced our emergency response systems for environmental pollution accidents, bolstering our ability to manage major environmental pollution accidents and ensuring operational safety. Meanwhile, regular drills for environmental emergencies are carried out to prevent and minimize the occurrence of accidents.

Key performance

Number of environmental emergency drills conducted:

19



The Plant of Winner Medical(Jiayu) conducts environmental emergency drill



# Addressing Climate Change

Global climate change not only threatens human survival and development but also significantly impacts the stable operations of businesses. Actively responding to climate risks has become an essential responsibility for every company. We continuously incorporate climate considerations into our strategic planning, proactively identifying potential risks and opportunities based on our business characteristics and foundations. By doing so, we contribute to global efforts in both mitigating and adapting to climate change.

The Company has joined the SBTi (Science-Based Targets initiative) project and plans to complete key steps such as project initiation, carbon verification, target submission, and review between September 2024 and June 2025, ensuring that the carbon reduction targets are verified by SBTi. In parallel, the Company is advancing supply chain emission reductions by mapping, classifying suppliers, sharing information, integrating procurement practices, internal assessments, and collaborating with suppliers to build a closed-loop management system. Moving forward, the Company will continue to deepen its involvement in the SBTi project and supply chain emission reduction strategy, strengthen collaboration, and continuously address climate change.

## Climate governance

We are deeply concerned about the challenges and opportunities posed by climate change. At all levels, including strategic planning and operational management, we actively embed strategies for addressing climate change. We are building the Company's carbon emission and carbon asset management system, advancing efforts in climate change mitigation, energy conservation, carbon reduction, and the optimization and upgrading of carbon assets. Each branch (subsidiary) is actively implementing the relevant goals and plans in accordance with regulations.

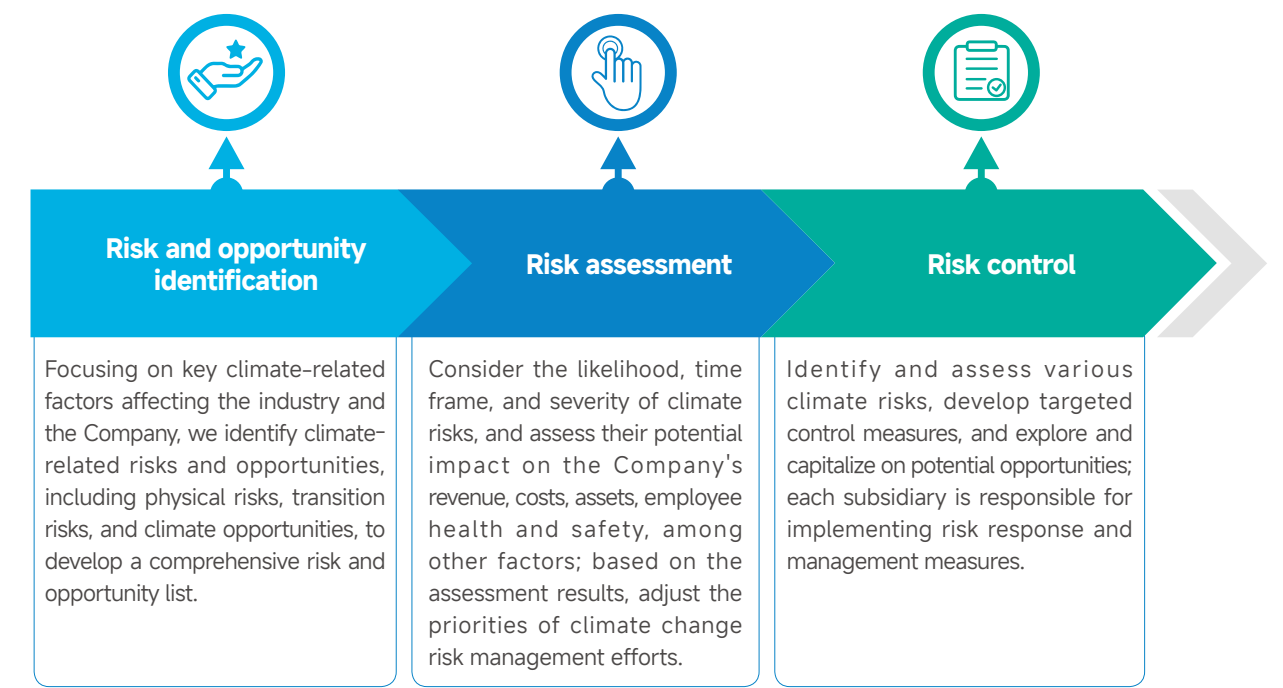
## Climate strategy

To proactively address climate change and enhance our risk prevention and early warning capabilities, we assess the potential impact of climate-related risks and opportunities on our operations based on industry characteristics and actual circumstances.

	Potential impact	Response strategy
Physical risks	Climate change may lead to increasingly severe extreme weather events, such as more frequent storms, typhoons, and floods. These extreme weather conditions could potentially damage a company's production facilities, power supply, or water infrastructure, disrupting its supply chain. As a result, operational costs may rise, along with the expenses required to maintain assets, equipment, and facilities.	<ul style="list-style-type: none"><li>· Identify the climate vulnerabilities of the regions where our production bases are located and gradually enhance the capacity to respond to climate change.</li><li>· Strengthen monitoring and early warning systems for extreme weather, develop emergency response plans for natural disasters, and conduct annual emergency drills and training for environmental incidents to improve resilience against extreme weather.</li><li>· Prioritize climate-resilient infrastructure in construction projects, such as seismic-resistant and flood-proof designs.</li></ul>
Transition risks	<ul style="list-style-type: none"><li>· With China's "30·60" decarbonization goals and the introduction of new policies supporting the low-carbon transition, high-emission economic activities will face increasing pressure, leading to higher R&amp;D costs for green production.</li><li>· As brand clients impose stricter requirements on low-carbon products, we will need to invest more in research, technology, and equipment, which will further drive up costs.</li></ul>	<ul style="list-style-type: none"><li>· Strengthen communication with the government and regulatory authorities, and proactively adjust operations in response to policy changes.</li><li>· Utilize clean energy sources such as natural gas and biomass while increasing the share of renewable energy.</li><li>· Implement multiple environmental technology upgrade projects, replace outdated equipment, and upgrade energy-efficient motors to enhance energy efficiency.</li></ul>

	Potential impact	Response strategy
Opportunities	<ul style="list-style-type: none"><li>· Governments are increasingly promoting technological improvements and innovations that support the transition to a low-carbon economy, leading clients to favor green and low-carbon products and services.</li><li>· By accelerating the development of products and services that align with market demand and expectations, the Company can achieve long-term sustainable business growth and revenue expansion.</li></ul>	<ul style="list-style-type: none"><li>· Develop a digital platform and upgrade the Win+ Energy Management System (EMS) to enhance energy efficiency.</li><li>· Integrate the concept of sustainability into every stage, from material use and manufacturing to packaging, transportation, usage, and recycling, ensuring carbon emissions are managed throughout the product lifecycle.</li><li>· Continuously refine manufacturing processes, conduct product carbon footprint analyses, and create more low-carbon or zero-carbon products across their entire lifecycle.</li></ul>

## Impact, risk, and opportunity management



## Metrics and targets

### · Goals for addressing climate change

Peak carbon dioxide emissions by 2027 and achieve carbon neutrality by 2050

Note: During the reporting period, the Company initiated the process of joining the SBTi and is setting new GHG emission reduction targets in accordance with SBTi requirements. The new targets will be disclosed upon SBTi verification.



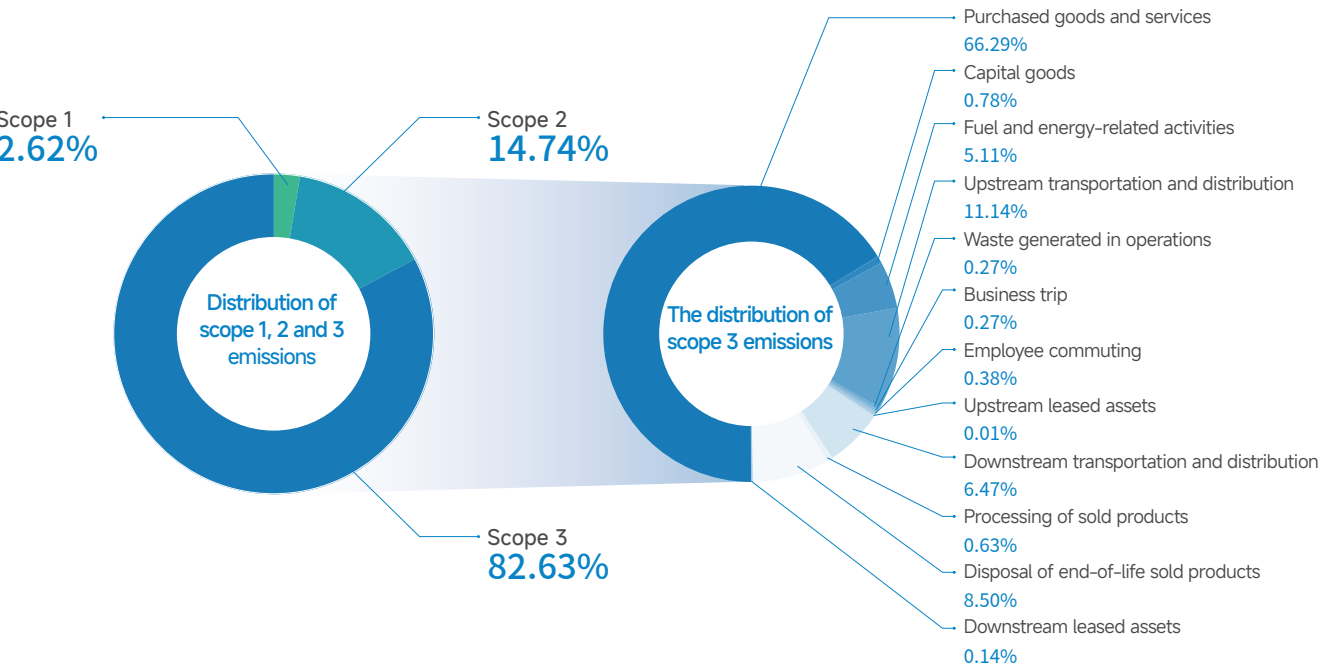


Indicators

In order to clarify the current status of the Company's greenhouse gas emissions and lay the foundation for the formulation of carbon emission reduction strategies and related work, we actively carry out third-party greenhouse gas verification with reference to the *Greenhouse Gas Part 1: Specification With Guidance at the Organization Level For Quantification and Reporting of Greenhouse Gas Emissions and Removals (ISO 14064-1:2018)* and the *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard(Revised) (GHG Protocol)*.

GHG category	Unit	2024
Scope 1 GHG emissions	tCO <sub>2</sub> e	32,222.54
Scope 2 GHG emissions	tCO <sub>2</sub> e	181,006.56
Scope 3 GHG emissions	tCO <sub>2</sub> e	1,014,392.14
Total GHG emissions	tCO <sub>2</sub> e	1,227,621.24
GHG emissions per unit of revenue	tCO <sub>2</sub> e/ RMB 10,000	1.36

Note:①The organizational boundary of the above carbon inventory and carbon accounting is set as wholly-owned subsidiaries and holding subsidiaries with operational control in China, and the organizational boundary setting method is the "operational control method".  
②This inventory covers following types of greenhouse gases: carbon dioxide (CO<sub>2</sub>) methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), nitrogen trifluoride (NF<sub>3</sub>) and sulfur hexafluoride (SF<sub>6</sub>). According to the inventory, four types of greenhouse gases including CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and HFCs, were involved in the reporting period.  
③Greenhouse gas emissions are calculated based on: ISO 14064-1 Greenhouse Gases – Part 1: Specification With Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals, General rules for Calculation of the Comprehensive Energy Consumption; Average CO<sub>2</sub> Emission Factors of Electricity of China in 2021; average emission factor of China's power grid in 2022; IPCC 2021 /Ar6-wg1-errata; Guidelines for the Preparation of Provincial Greenhouse Gas Inventories (Trial); UK Government GHG Conversion Factors for Company Reporting-2024; Ecoinvent database; EEIO database, etc.



Developing Green Products

Committed to the philosophy of environmentally sustainable operations, Winner Group actively promotes the research, development, and promotion of green products. We also advance product carbon footprint certification and vigorously foster the development of a circular economy to achieve environmental sustainability and resource conservation.

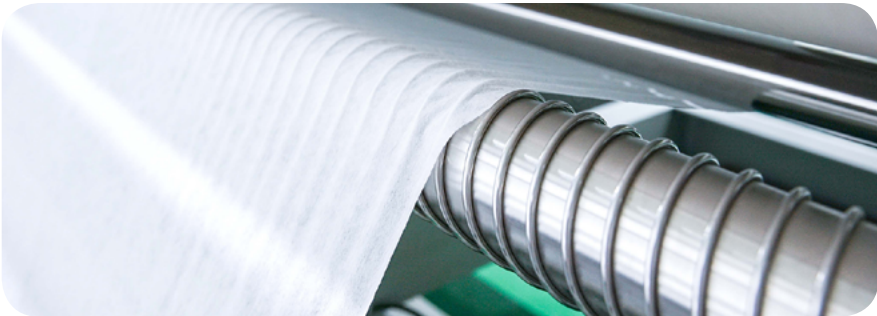
Product lifecycle management

The Company integrates the sustainability philosophy into every stage of the product lifecycle, including material use, manufacturing, packaging, transportation, usage, and recycling. By managing carbon emissions throughout the entire lifecycle, we ensure that our products not only meet high quality standards but also provide environmental and low-carbon benefits. Looking ahead, we will continue to improve our manufacturing processes, optimize product lifecycle management and carbon footprint tracking, and develop more green products with low-carbon or even zero-carbon footprints.



Raw material usage

- We prioritize eco-friendly materials, advocating for "cotton over chemical fibre". Our products use natural, eco-friendly pure cotton fibers, which can decompose into organic fertilizer, leaving no environmental burden.



Manufacturing

- We adopt low-pollution and low-energy-consumption production processes to minimize environmental impact and reduce carbon emissions.







Packaging and transportation

- In the medical business sector, we have pioneered the use of dialysis paper film instead of plastic film in medical product packaging through technological innovation, leading the industry in achieving "paper-paper packaging" and eliminating plastic in packaging.
- In the consumer goods sector, our stores have replaced plastic bags with cotton non-woven shopping bags. Multiple products have transitioned to plastic-free packaging.



Usage and recycling

- We have established durability quality standards, requiring that garments maintain their soft texture, effective antibacterial properties, and stable UV protection even after 100 washes. This significantly extends the lifespan of clothing and reduces resource consumption.
- We are actively exploring the feasibility of applying recycled cotton fibers in the medical consumables sector, transforming waste cotton fibers into tri-resistant medical materials with alcohol-resistant, blood-resistant, and oil-resistant properties, effectively reducing environmental pollution.
- Purcotton stores have launched the "Old Clothes, New Life" initiative, where collected old clothes are sent to factories to be transformed into reusable cotton bags, packaging bags, and other items in the future.



Old clothes recycling bin at Purcotton stores

Product carbon footprint certification

The Company continues to focus on the carbon footprint of our products. We conduct carbon footprint verification for multiple core products to achieve carbon reduction throughout the entire process, and consistently provide environmentally friendly, low-carbon products to society.

The products that have obtained the product carbon footprint certification are as follows:

Daily consumer products

Purcotton soft tissues, women's hyaluronic acid knitted T-shirts, pure cotton children's disposable underwear, pure cotton women's disposable underwear, pure cotton men's disposable underwear, baby long robes and bathrobes, baby cotton wet wipes for hand and mouth, satin beddings four-piece set.

Medical products

- gauze sheets
- gauze balls
- gauze pads



Carbon footprint declaration for gauze sheets, gauze balls, gauze pads and cotton non-woven fabric sheets



# Promoting Green Production

Focusing on optimizing resource utilization and reducing environmental impact, Winner Group implements eco-friendly practices at every stage of the production process to create green plants.

## Resource utilization optimization

The Company continuously enhances our ability to manage and utilize resources such as energy and water, promoting the efficient and circular use of resources. This effort supports the development of a resource-saving and environmentally-friendly society.

### Energy management

In compliance with the *Energy Conservation Law* and other relevant Chinese laws and regulations, we have developed a series of institutional standards, including the *Energy Management Manual*, the *Energy Conservation Operation Control Procedures*, the *Energy Data Collection Plan*, the *Annual Energy Conservation Measures Plan List*, and the *Management Review Plan*. Built on our comprehensive energy management system, we continuously promote energy conservation measures for higher energy efficiency and reduce energy consumption by effective energy conservation and consumption reduction measures.

#### Building a digital platform

We continue to develop and upgrade the Win+ Energy Management Platform (EMS), enabling real-time collection and online monitoring of energy consumption data, as well as energy consumption and efficiency analysis.

#### Upgrading energy-intensive motors

Energy-efficient motor upgrades have been implemented at our four plants in Guilin, Jingmen, Wuhan, and Tianmen, where eight motors have been replaced with variable-frequency drive permanent magnet synchronous motors. With a total power capacity of 2,495 kW, this upgrade has resulted in a 15% energy savings, generating an estimated annual cost reduction of approximately RMB 2.15 million.

#### Optimizing automation control

Automated control of water intake levels has been implemented, enabling automatic start and stop of water pumps, as well as automated material feeding in dryer hoppers. This enhances our efficiency by reducing labor requirements, conserving water and electricity, and minimizing human errors.

#### Constructing a cooling station with a high-efficiency equipment room

The new plant of Winner Medical (Jiayu) has invested RMB 8 million in constructing a 3,300RT central cooling station with a high-efficiency equipment room. The primary and auxiliary equipment use Level 1 energy efficiency, and the facility is equipped with a smart energy-saving control system. The system is expected to achieve an energy efficiency ratio of over 5.1 for the cooling station machinery room.

### Transforming “manufacturing” into “smart manufacturing” –revitalizing new quality Case production forces in the old plant of Winner Medical (Jiayu)

With the Company’s production capacity expanding significantly, the demand for finished product and raw material storage has increased, making traditional manual warehouses inadequate. In response, our plant of Winner Medical(Jiayu) has invested RMB 20.588 million to introduce an automated high-bay warehouse, integrating the warehouse management system(WMS) and the warehouse control system(WCS) to build an intelligent warehousing system. Through automation and smart management, the plant has significantly accelerated the inbound and outbound logistics, boosting logistics efficiency while reducing operational time and costs. Additionally, by incorporating 5G technology, the system enables real-time mobile monitoring, minimizing the risk of goods being lost or damaged. By the end of the reporting period, the plant has successfully realized multiple intelligent management scenarios, covering supply chain management, intelligent warehousing, equipment management, quality control, and environmental management.

#### Honor

Winner Medical (Jiayu) was recognized as one of the first batch of Hubei 5G plants for 2024 and was awarded the title of a **provincial-level green plant for 2024** by the Department of Economy and Information Technology of Hubei Province.

#### Key performance

Winner Medical (Tianmen) was awarded the title of “National Green Plant”.



Coverage of ISO 50001 energy management systems certification

42%

KPIs	Unit	2024
Direct energy consumption	ton of standard coal	18,079.26
Indirect energy consumption	ton of standard coal	37,020.01
Total energy consumption	ton of standard coal	55,099.27
Energy consumption intensity	ton of standard coal/ RMB 10,000 of revenue	0.12
Clean energy consumption	ton of standard coal	17,926.50
Proportion of clean energy	%	32.5

## Water resource management

The Company strictly complies with the *Water Law* and other relevant Chinese regulations, promoting water recycling and reuse. We are committed to fostering awareness of “water is the source of life”, minimizing reducing waste, and continuously improving water efficiency. Our production water sources vary by project location and primarily include municipal water supply, surface water, and recycled process water. For surface water, we obtain the necessary water withdrawal permits in accordance with regulations, ensuring that water sourcing has no significant environmental impact.

#### Key performance 2024

Total water usage

4,512,313 ton

Water resource use intensity

973 Ton/RMB million of revenue

### Process innovation

- We have pioneered the application of waterless pre-treatment technology, replacing water with organic solvents as the processing medium. This breakthrough has resulted in a 60% reduction in chemical additives during the desizing and bleaching stages, while achieving over 70% water savings and more than 70% pollutant reduction.
- We have enhanced the efficiency of the circulating water treatment process by deploying automated dosing systems for precise chemical control and retrofitting sand filter tanks with air-wash technology. These improvements have extended water reuse cycles and significantly reduced fresh water consumption.

### Recycling and reuse

- We have enhanced the recycling of cooling water from high-pressure pumps, vacuum pumps, and other equipment, as well as the tiered reuse of process water in workshops, including overflow water, desizing and bleaching rinse water, and condensate from dehumidifiers.
- Thermal insulation has been applied to dyeing pressure vessels, reducing steam and electricity consumption while recovering and repurposing cooling water for production cycles.
- Our new plant of Winner Medical (Jiayu) has invested over RMB 4 million in constructing a reclaimed water reuse system. This system employs multimedia filtration, ultrafiltration, and reverse osmosis (RO) system to treat reused water, achieving a recycled water reuse rate of over 60%.



Packaging material management

The Company has established the *Logistics Center Packaging Materials Management System*, which encourages the recycling of packaging materials. Through recycling, packaging reduction, and optimizing the system to increase order consolidation, we effectively reduce resource consumption and greenhouse gas emissions, promoting the development of a circular economy. During the reporting period, we successfully achieved the packaging materials management target with a packaging cost rate of less than 0.7%.

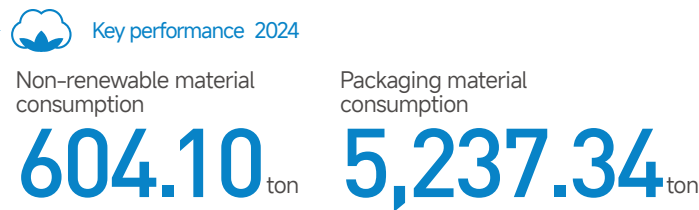


Eliminating the use of individual bag protection for single items



Before optimization

After optimization

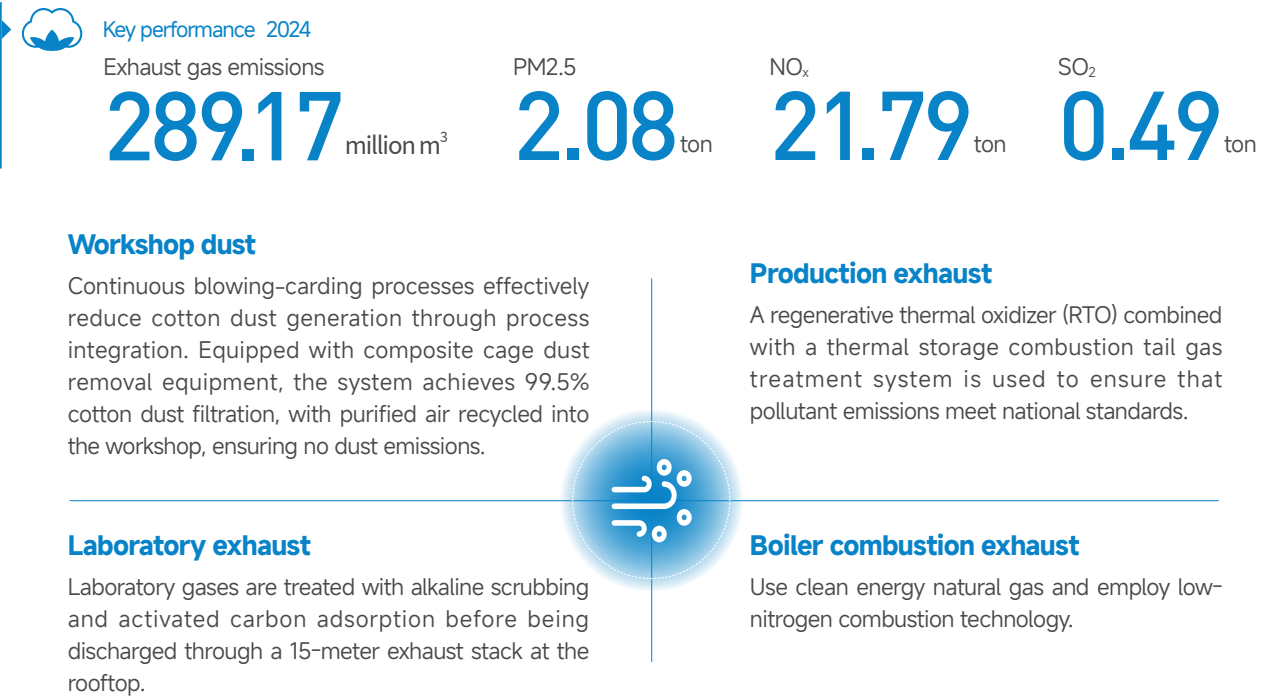


Environmental impact mitigation

In line with the philosophy of green development, the Company places high importance on pollutant emission management. We have established management systems for the “three wastes” (waste gas, wastewater, and solid waste) and continuously implement pollution prevention and control measures to minimize emissions. Each branch (subsidiary) holds an emissions permit and registration form, follows the guidelines in the permit for emissions and monitoring, and submits the required compliance reports. No administrative penalties were imposed during the reporting period due to environmental issues.

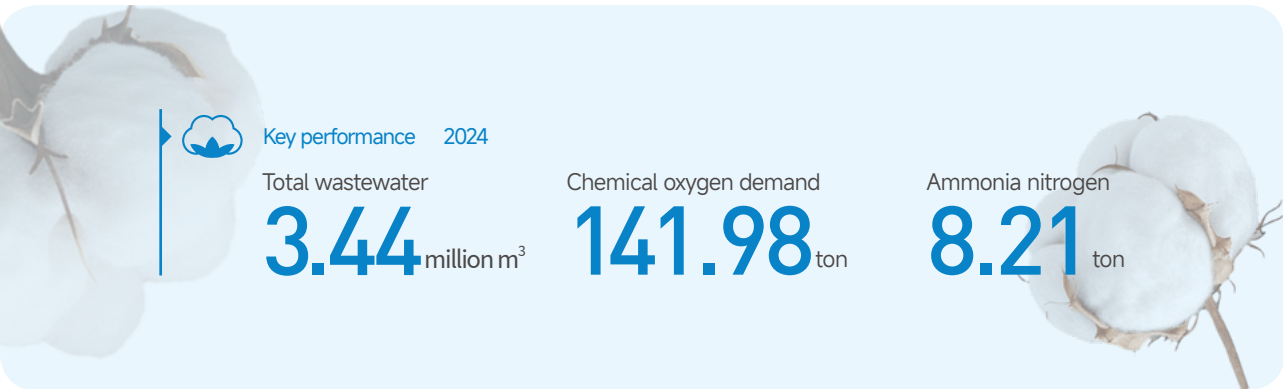
Waste gas management

The Company strictly complies with national and regional emission standards, including the *Integrated Emission Standard of Air Pollutants* (GB16297-1996), the *Emission Standard for Odor Pollutants*(GB14554-1993), and the *Emission Limits of Air Pollutants* (DB44/27-2001) by Guangdong Province. We rigorously control the emission of exhaust gases and dust into the atmosphere, conduct regular third-party monitoring, and ensure compliance with emission standards.



Wastewater management

In accordance with the *Water Pollution Prevention and Control Law* and other relevant Chinese laws and regulations, the Company has developed the *Sewage Treatment Station Process Flow and Operating Standards*, as well as the *Regulations on the Treatment of Exhaust Gas, Wastewater, and Noise*, to enhance the management and control of water pollutant discharge during production, ensuring compliance with discharge standards. The main sources of wastewater include domestic sewage, production wastewater, and laboratory wastewater. After preliminary treatment in an oil separator, canteen wastewater is combined with domestic sewage and treated in a septic tank. Production wastewater is subject to advanced treatment at a sewage treatment plant before being discharged into the municipal sewer system. Laboratory wastewater is handled by a qualified third-party disposal company and is not released into the environment.





Waste management

In accordance with the *Law on the Prevention and Control of Environmental Pollution by Solid Wastes*, the Company has established the *Waste Management System*. Adhering to the principles of "classified recycling, centralized storage, and unified disposal," we aim to minimize the environmental impact of solid waste.

Category	Waste composition	Treatment method
Hazardous waste	Chemical raw material drums, waste engine oil, waste resins, waste chemicals, etc.	A disposal agreement is signed with a qualified third-party company, which is responsible for regularly transporting and disposing of hazardous waste and toxic substances.
Recyclable general industrial waste	Reusable items: turnover boxes/frames, etc.	The Production Management Department arranges timely recycling and reuse.
	Renewable: Waste cardboard, waste plastics, broken glass, torn fabrics, etc.	The Administration Department is responsible for transferring them to waste recycling companies with operational qualifications for processing. (Products and packaging materials need to be crushed or destroyed before being handed over to the recycling companies.)
Non-recyclable general industrial waste	Demolition waste, slag, scraps, wall soil, rags, cotton scraps, and other non-hazardous waste generated during production	The Administration Department regularly transports waste to government-designated waste disposal stations for processing (incineration, landfill, etc.).
Household waste	Leftover food, etc.	Waste is handled by the sanitation department.

Ecosystem and biodiversity conservation

Recognizing the critical importance of protecting natural resources and biodiversity, we strictly adhere to national ecological protection regulations. Our production and operations are planned to avoid key ecological function zones, ecologically sensitive areas, fragile ecosystems, and prohibited development zones. Prior to construction, we prepare environmental impact assessments and soil and water conservation plans, and proceed with our construction and production in accordance with government approvals. Throughout the project development and operational phases, we take effective measures to minimize ecological disruption and protect biodiversity. During the reporting period, no significant incidents impacting biodiversity occurred.



Promoting Green Philosophy

In line with the philosophy of green development, the Company uses cotton as a bond to actively fulfill our social responsibilities. By organizing various green initiatives, we demonstrate our commitment to green development, healthy living, and a sustainable future.



Purcotton launches "Mountain and Sea Healing Project" to advocate green living

On April 22, 2024, to promote the philosophy of environmental protection, Purcotton launched the "Mountain and Sea Healing Project," a public welfare initiative focused on protecting mountain and marine environments. The event brought together Purcotton members, university students, and volunteers, who participated in activities such as recycling old clothes, litter picking, and making charitable donations, all aimed at advocating for a greener, more sustainable lifestyle.



Purcotton "Mountain and Sea Healing Project" poster



Purcotton donates supplies to sanitation workers



"We Eco Muti-purpose Cotton" campus environmental initiative

In April 2024, PurCotton gathered 30 university students for a wilderness cleanup campaign in Dongchong. At the same time, the company visited three universities to host eco-themed flash events, partnering with Generation Z to actively promote and embrace green living and sustainable practices.



Wilderness cleanup campaign



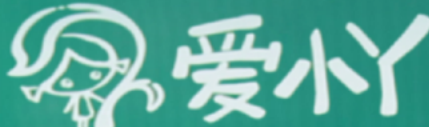
Eco-themed flash events at universities





中国妇女发展基金会  
China Women's Development Foundation

奈丝公主®



# Shared Prosperity Thriving Communities



Winner Group is guided by the belief that social value must take precedence in corporate development. We embed this responsibility into every aspect of our operations, building a responsible supply chain, engaging in charity and social welfare, and enhancing employee management. In this way, we aim to achieve a harmonious balance between corporate value and social value, making contributions to the communities we serve.



# 04

## Key ESG Topics Addressed in This Chapter:

- Supply chain security
- Equal treatment of SMEs
- Social contribution
- Rural vitalization
- Employee rights and benefits
- Talent attraction and retention
- Employee training and development
- Occupational health and safety



# Building a Responsible Supply Chain

As a core part of business operations, supplier management plays a vital role in ensuring product quality, controlling costs, and improving overall operational efficiency. Winner Group continues to optimize and elevate its supplier management practices based on tighter risk control, closer collaboration and coordination, and stronger resilience and security of the supply chain, laying a strong foundation for long-term sustainable growth. During the Reporting Period, there were no overdue payments to small and medium-sized suppliers.



Honor

In December 2024, Winner Medical successfully passed the Authorized Economic Operator (AEO) recertification audit.



Originally obtained AEO certification in January 2020

## Management system optimization

Winner Group has established a clearly defined organizational structure for supply chain management across the full lifecycle of suppliers. We continue to enhance our supplier management system with the goal of building a process that is lawful, compliant, fair, transparent, just, efficient, and visualized. In 2024, we upgraded several key internal regulations, including *Supplier Performance Evaluation Management*, *Supplier Classification and Grading*, and *Supplier Onboarding Review Guidelines*.

We also have launched a best practice sharing mechanism across subsidiaries, selecting those with outstanding supplier management performance as model cases. By analyzing their successful strategies and replicating proven practices, we promote continuous improvement in supplier governance across the entire company.



Key performance 2024

Total suppliers

1,352

New suppliers added

178

Local sourcing rate

Winner Medical

98%

Purcotton

100%

GRI

90%

## Tighter risk management

We continuously enhance supply chain risk controls through a closed-loop management system. Externally, we attach importance to the performance of suppliers in the environmental and social fields, and require suppliers to adhere to our *Supplier Management System* and sign the *Integrity Commitment*. Internally, we build a layered prevention and control system. Winner Group's Supervision/Audit Department is responsible for the strategic compliance review at the company level, and the Supply Chain Internal Control Organization executes the risk control at the business level such as purchasing, production, logistics, etc., and both of them work together to establish a KCP risk map. Relying on the PDCA mechanism, quarterly audits are carried out, and closed-loop risk management is realized through the hierarchical early warning system, forming a dual-track system of "strategic supervision + business prevention and control" to enhance the resilience of the supply chain and the ability of risk control.



Key performance 2024

Suppliers signed the Integrity Commitment

100%

## Closed-Loop risk management

### Risk identification

A dedicated Supply Chain Internal Control Task Force was established to comprehensively assess, categorize, and prioritize potential risks across the supply chain.

### Management plans and targets

A detailed supply chain risk management plan was formulated, setting clear management objectives alongside a mechanism for ongoing improvement.

### Response mechanism

To manage pricing risks in key categories, we have developed a commodity pricing monitoring tool, enabling early warning alerts in response to abnormal price fluctuations.

### Information disclosure and remediation

Risk management progress is regularly reported internally. Targeted rectification initiatives have been implemented for risk-related supplier behaviors, and employee awareness of supply chain risks has been strengthened.

## ESG risk management

### Supplier onboarding

We conduct Corporate Social Responsibility (CSR) and EHS (Environment, Health, Safety) assessments. Key criteria include environmental risk, social risk, use of green energy, and work safety. ESG assessment scores carry a 10% weight in the overall supplier assessment.

### Supplier development and maturity

- Collaborating with suppliers to launch the Science Based Targets initiative (SBTi)
- Collecting carbon data and conducting carbon footprint analysis
- Discussing decarbonization pathways across material categories
- Integrating carbon reduction goals into procurement practices
- Partnering with outstanding suppliers to co-develop and innovate in green material R&D and manufacturing

### Supplier exit

Suppliers who remain non-compliant even after environmental tutoring will be phased out



Key performance

Percentage of new suppliers at Winner Medical that underwent environmental and social impact assessments:

65%

Percentage of new suppliers at Purcotton that underwent environmental and social impact assessments:

100%



Security and stability assurance

Digital development

We continue to introduce advanced digital tools and data analytics to optimize supply chain management systems. Key focus areas include supply chain business intelligence (BI) visualization, launch and optimization of Advanced Planning and Scheduling (APS) systems, and application of Transportation Management Systems (TMS) and Warehouse Management Systems (WMS). These tools drive end-to-end efficiency and visibility, improve delivery performance, reduce costs, and support excellent operations across the entire supply chain.

In terms of internationalization strategy, Winner Group always adheres to the concept of “globalization” and actively expands the international market. Through international mergers and acquisitions and investments, the Group has set up overseas production bases to improve the global supply chain layout. 2024, we successfully acquired GRI, a U.S. medical consumables company, to realize global resource allocation in production, procurement, R&D, and sales. After promoting the overseas strategy, the company’s products have entered the markets of Europe, America, Southeast Asia, the Middle East, Africa and other countries and regions, while enhancing the international influence of the brand and consolidating its leading position in the global medical supplies field.

Global expansion

Building professional capabilities

We focus on three major dimensions to improve professional capabilities. First, the supply chain security training system, for procurement, production and other key positions to carry out supply chain security training, covering risk identification, internal control mechanisms and emergency response processes, focusing on strengthening internal security compliance awareness and crisis response capabilities. Secondly, demand plan synergy, end-to-end supply and demand synergy through the S&OP mechanism, identifying resource gaps in advance and formulating flexible supply solutions, and increasing the delivery rate of customer orders to 98%. Third, digital capacity building, iterating the supply chain visualization platform, building end-to-end data transparency and full chain traceability mechanism, focusing on enhancing the data penetration of demand forecasting, inventory tracking, risk early warning and other modules, supporting real-time decision-making and preplanned rehearsal, and driving the enhancement of operational efficiency.

We provide specialized training for suppliers. For major fabric suppliers, our fabric quality engineers deliver regular quality control (QC) training, combining theoretical knowledge with real-world case studies to enhance product qualification rates. For finished goods suppliers, our quality engineers provide regular on-site training on product quality standards and production techniques. They also advise on production environments, hand movements, workstation layouts, and staff deployment, thereby ensuring consistent quality and reliable delivery timelines.

Supplier empowerment



Case

Integrity in Action: co-creating a high-quality supply chain

We have always attached importance to the ecological construction of the supply chain, through the establishment of the annual supplier conference exchange mechanism, and continue to deepen the collaborative innovation and value creation of the industry chain. On May 24, 2024, Winner Group successfully held its First Supplier Conference themed “Integrity in Action Co-creating a High-quality Supply Chain” in Shenzhen. The conference centers on three core issues: new quality productivity, green supply chain, and integrity advocacy to carry out in-depth discussions and practices. The event brought together suppliers and companies to strengthen mutual understanding and trust. Through exchange and sharing, we work to jointly build a more quality, efficient, and green supply chain, bringing better products and services to consumers around the world.

Spreading Warmth and Positive Energy

Guided by its core principle of “Quality over the profit, Brand over the speed, Social value over the corporate value.” Winner Group actively participates in charity initiatives. By spreading care and compassion, we give back to society while setting an example—not only as a leader in the medical industry but also as a proactive advocate for corporate social responsibility.

Key performance

Total charitable donations in 2024

RMB 5.478 million

For others

While continuing to deepen its focus on healthcare and healthcare, Winner Group also embraces its social responsibility as a private enterprise to serve the greater good—acting as a “fire keeper” in society, bringing light and warmth where it’s most needed.

Supporting public healthcare

In 2024, Winner Group donated medical supplies valued at RMB 660,000 to Guangxi and Heyuan. Through the Longhua District Charity Association, the supplies were distributed to the Rural Vitalization Bureau of Fengshan County, Guangxi, Donglan County People’s Hospital, Guangxi, and Zijin County Government, Heyuan, Guangdong. A total of 1,091 boxes of supplies were donated to support public healthcare efforts in the region.

Caring for emerging employment groups

To support couriers, pick-up and delivery drivers, and food delivery workers across the city and help them stay comfortable during the summer heat, we donated 26,060 cooling vests in 2024, valued at RMB 3.58 million.

Case

Disaster relief for Meizhou floods

From June 16–17, 2024, Meizhou’s Songkou Ancient Town in Guangdong Province was hit by a devastating flood, with water levels peaking at 59 meters. The disaster left many residents without water and electricity, and homes buried in mud. Immediate relief was urgently needed. In partnership with the Meizhou Hakka Chamber of Commerce and local Red Cross, Winner Group responded quickly, and donated RMB 60,000 worth of emergency supplies—including masks, disinfectant wipes, and iodine—based on the relief organization’s priority needs. The donations provided timely support to help the affected communities recover and return to normal lives.



Donation of emergency supplies for Meizhou Red Cross



For her

Winner Group is committed to empowering women and addressing their health and development needs. We strive to support women’s employment, promote public health, and help women in the new era thrive and shine with confidence.

Amplifying her voice

As a partner organization, Winner Group co-produced the short film “My Doctor Friend” with Nanshan People’s Hospital in Shenzhen and *Baixiaoyi* in 2024. The film tells the inspiring story of Dr. Yang Qiong—one of the country’s few top female otologic surgeons—highlighting the positive energy of women in the new era.

Supporting women’s employment

In collaboration with the Longhua District Women and Children Assistance and Development Fund, Winner Group participates in a charity sale event to support the “Employment Support” program. The initiative helps women with entrepreneurial aspirations by offering employment guidance, skills training, and support services, empowering more women to pursue their dreams.

“NicePrincess: A Better Period for Her” – a nationwide menstrual health initiative

In 2024, NicePrincess, Purcotton’s sanitary napkin brand, launched a public welfare campaign in partnership with the China Women’s Development Foundation(CWDF). The “NicePrincess: A Better Period for Her” initiative focuses on the menstrual health of women and girls, particularly young students in under-resourced areas, by providing access to sanitary products and menstrual health education.

Donations

We launched the “You Can Borrow a Pad from Me” peer-support initiative, offering free emergency sanitary pads at hundreds of retail stores across China, shopping malls, airports, and universities, as well as middle and primary schools. Additionally, we partnered with the CWDF to donate 12,000 menstrual health kits to girls in underserved communities.

Public welfare short film

We released the short film “Letters from the Mountain Town”, inspired by letters from 300 girls and messages from 2,000 anonymous female donors. The film tells the story of Yudie, a rural schoolgirl in Chongqing, and her connection with a caring donor sister. The campaign received 480 million views, drawing national attention to the challenges girls face in remote areas.

Public welfare lectures

In collaboration with the CWDF, we offered menstrual health classes to help young girls in under-resourced areas better understand their bodies and menstrual cycles. We also entered university campuses. Partnering with Professor Du Sujuan of Shanghai Jiao Tong University, we hosted a public lecture titled “How Female Friendships Relieve Pain,” aimed at strengthening awareness of health and well-being.



Key performance

RMB 2.5 million  
Total donation value

100+  
rural schools reached

12,000  
Girls benefited

Sanitary pad sharing boxes  
now available at  
approx.

40  
Universities  
approx.

400  
Retail stores

166  
Shopping malls nationwide

For children

The healthy development of children shapes the future of a nation. Securing children’s healthy growth is an important mission in social development. Committed to children’s well-being, Winner Group actively supports child-focused charity programs to address children’s needs, contributing to a better future for the next generation.



Key performance

Winner Yubu sport-style cloud sneakers donated to support the Pink Ribbon Children’s Care Fund, under the Chongqing Children’s Aid Foundation

367 pairs



“Hear What Children Say”

Case

To mark Children’s Day 2024, Purcotton launched the campaign “Hear What Children Say.” The initiative collected authentic voices from 100 children and brought their voices to life through a creative metro station exhibition at Houhai Station, Shenzhen. An online campaign film and an offline children’s fashion show complemented the exhibition. Through these diverse formats, the campaign encouraged parents to reflect on how they communicate with their children, bridging understanding between generations and ensuring that children’s voices are seen, heard, and respected.



Houhai Metro Station Exhibition



Scan the QR code for “Hear What Children Say” campaign film

Purcotton全棉时代





# Empowering Employee Development

Winner Group continues to optimize talent deployment, and foster a positive and high-performing workplace culture, to unleash employee potential. By strengthening team cohesion and encouraging creativity, we strive to grow together with our people and build a future of shared success.

## Governance

Winner Group's employee development strategy is set by the Board of Directors and executed by the Winner Medical's Human Resources Department and Purcotton HR Department. They are jointly responsible for key areas including compliant employment, diverse employment, compensation and benefits, employee training, and other employee-related development initiatives.

## Strategy and management approach

Winner Group supports its strategic goals with an efficient and integrated operating structure, an industry-leading talent team, and a performance-driven corporate culture.

Talent attraction and retention

As a responsible employer, we are committed to building a fair, inclusive, and respectful workplace, where every employee is empowered to reach their full potential. We focus on enhancing employees' sense of well-being, belonging, and security, while ensuring equal opportunities for all.

Honors

Winner Medical awarded "2024 Outstanding Employer" by 51 Job  
Winner Medical awarded "2024 Youth Friendly Employer" by CIWEI  
Purcotton named one of the "Most Influential Employers of 2025" by Liepin AI x Haitou.com  
Purcotton awarded "Outstanding Partner" by CTG Group

### · Compliant employment

Winner Group strictly complies with Chinese laws and regulations, such as the *Labor Law* and *Labor Contract Law*. We have established a detailed *Employee Handbook* accordingly, outlining company policies across recruitment, promotion, compensation, and other key HR modules. It ensures that every stage of hiring, employment, and management adheres to legal requirements—fully protecting employees' lawful rights. We sign legally binding labor contracts with all employees, strictly prohibit child labor, and oppose all forms of forced labor. We are committed to offering equal employment opportunities for all.

Anti-discrimination and fair treatment

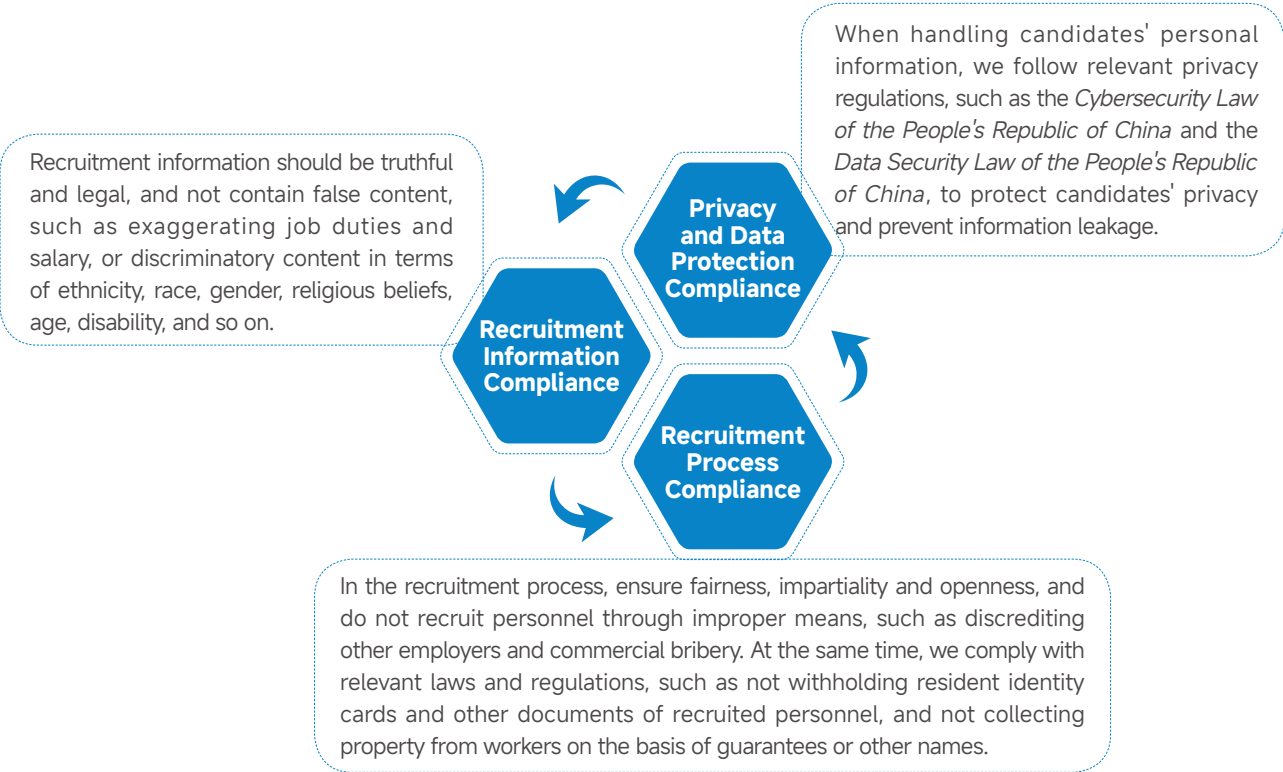
· We have developed the *Winner Group Anti-Discrimination Code of Conduct*, which explicitly prohibits discrimination based on gender, race, marital status, physical attributes, surname, region, or religious beliefs.  
· Our anonymous reporting channels allow employees to report any instances of discrimination or unfair treatment. All complaints are investigated and addressed within a defined time frame to ensure fairness and justice.

Diversity and inclusion

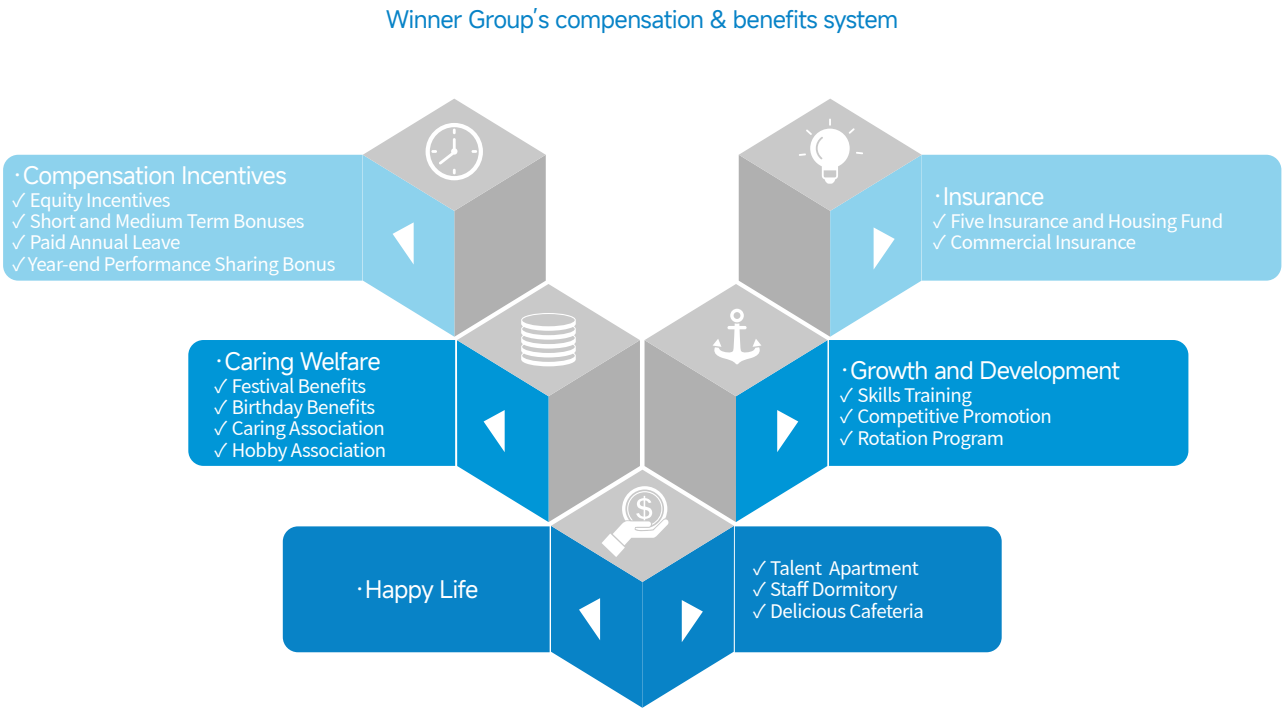
· We set clear diversity hiring targets. By 2024, women accounted for 85% of the workforce.  
· We organize various diversity-themed events to encourage employee participation in interest-based groups, fostering cross-functional and cross-cultural exchange and collaboration.

Anti-forced labor, anti-harassment, and anti-abuse

· Labor contracts clearly stipulate employee rights to rest and paid leave, in accordance with national labor regulations and internal company policies.  
· Employees have the right to refuse unsafe work in situations involving unlawful commands or hazardous assignments. They are also encouraged to raise suggestions, provide feedback, or report violations to protect workplace safety and personal rights.



### · Compensation and benefits





• Compensation and performance management

We have implemented performance-based compensation policies covering all employee pipelines, aligning pay with value creation. Our competitive system offers performance bonuses and incentive schemes to boost staff motivation and creativity. Employees also have access to performance appeals mechanisms to ensure open communication.

Long-term incentives are newly put in place. To further support our “Four-High Talent Strategy”—High personal quality. High Academic Qualifications; High Performance; High Compensation—Winner Group will launch a stock incentive plan from 2025 to 2027. It is designed to attract and retain top-performing managers and key talent, and strengthen corporate governance.

• Democratic management

We foster open communication with employees in various forms, offering them multiple channels to express views and needs. We have created the internal platform “Colleague Bar”, where employees can share experiences, thoughts, and feelings—encouraging interaction and dialogue across departments. We also appoint culture ambassadors and internal trainers, who facilitate communication and training activities to promote a positive, self-sustaining corporate culture at both company and departmental levels.

Employee satisfaction surveys are conducted based on dedication research to listen to employee voices and identify areas for organizational improvement, thereby optimizing a win-win development model between the Company and our employees. In 2024, we conducted our third company-wide survey. The Purcotton business unit received a score of 4.17, while the score for the medical business is 4.15. Based on the results, we focused on improving team atmosphere, enhancing cohesion, and increasing human-centered care, continuously enhancing our employee satisfaction.

• Employee care

Support for employees in need:

We have established the Employee Care Association and issued the *Management System of the Employee Care Association* to ensure its standardized operation. With a mission to serve and support employees, the association provides practical help to staff facing family hardship due to serious illness or major accidents. The initiative is strongly backed by the Company’s Chairman, who not only donated seed capital at the association’s launch but also continues to contribute monthly. Each month, the Chairman’s donation matches the total amount donated by all employees.



Key performance



Tailored support for women employees:

We have set up nursing rooms within the workplace, provided maternity and paternity care packages, rolled out sanitary pad sharing stations to offer timely, discreet support. These measures help create a more considerate and convenient work environment for women.

Cultural and sports activities:

Championing a culture of health and vitality, Winner Group organizes a wide range of athletic and recreational events, including the Spring Fitness Festival, the Ten Peaks Challenge, and the Autumn Wutong Mountain Hiking Event. To enrich employees’ everyday lives and promote balance, we also run six regular clubs focused on badminton, basketball, table tennis, tennis, dance & fitness, and outdoor running.



Autumn Wutong Mountain Hiking Event



Spring Sports Day



Ten Peaks Challenge



Case

Lightning up employees’ wishes

In 2024, Winner Group held its third annual “Lighting Up Wishes” campaign, with 313 employee participants sharing their heartfelt dreams. Among all the wishes submitted, one stood out and resonated with many colleagues: “I wish the company could open a gym—even a small one— for employees to help us stay fit.” After thorough consideration and taking into account the limited space available in our current offices, the Company partnered with a nearby gym to provide free memberships for all employees through a corporate prepayment plan.



Free Fitness Service for Employees



Employee training and development

We work to build a strong platform of career advancement to upskill the workforce and improve their comprehensive capabilities. This approach will help employees grow in step with the Company’s development.

· Employee growth

Seeing talent as a critical asset, we attach great importance to employees’ growth and continued success. We have built a scientific and structured talent development system to help employees achieve their own growth.



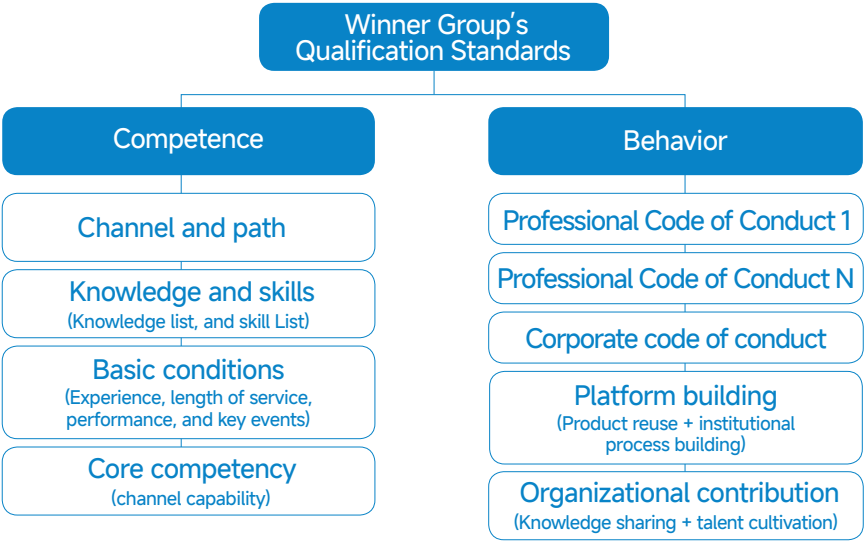
Dual career development pathways

We have established a robust job grade management system and implemented a job-person match initiative. This dual-path framework enables employees to develop along both management and technical/professional tracks, with clearly defined ladders (promotion levels), routes (career trajectories), and benchmarks (evaluation criteria). The goal is to break through the "career ceiling" for core professionals, reward high performers based on value creation, and continuously optimize compensation mechanisms to retain and motivate talents. Purcotton has also upgraded its dual-path system by refining qualification standards and issuing a *Talent Development Manual*, which guides employees through each stage of their career journey.



Position qualification system

We have developed a qualification framework based on capability and behavioral standards to ensure systematic talent management. This system supports the vertical development of technical professionals and enables flexible movement between management and technical roles. In 2024, Purcotton launched a Position Qualification Standards Upgrade Project, drawing on internal and external best practices to empower teams. This initiative is designed to help more employees grow into solution-oriented talents with both technical depth and business acumen.

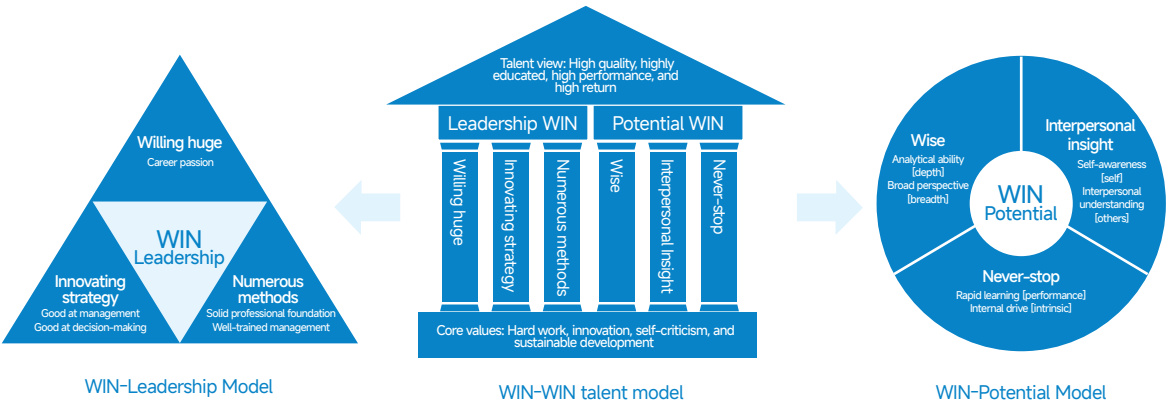


Qualification standards



Talent evaluation system

We have established a standardized talent evaluation framework. Each year, we conduct a company-wide talent review aligned with strategic goals. Employees are evaluated across two key dimensions: performance and potential. The evaluation uses a 9-box talent matrix to classify and map different employee profiles, along with tailored development recommendations and management strategies. The outcomes of this review inform a wide range of talent decisions, including selection, upskilling, promotions, salary adjustments, job rotations, and succession planning. In the meantime, the talent evaluation system has been integrated into our digital talent management platform, empowering workforce management with information technology.



Promotion & advancement framework

We have built a well-defined promotion and advancement management system. Every year, we conduct structured promotion reviews, with advancement decisions based on business performance as the primary driver, supported by evaluations of employees’ qualifications and value contributions. Employees progress step by step, grade by grade, which motivates continuous improvement and high performance. We also offer timely and opportunity-based recognition for high-potential and dual “A-grade” employees, helping outstanding talent stand out and fast-track their career development.

· Employee training

We are committed to building a high-performing workforce. We have created a comprehensive, multi-level training system that delivers structured, professional support tailored to different employee levels and roles. This empowers employee growth, make them stay innovative, and contribute to the Company’s continued progress.

Orientation training

New employees receive onboarding through in-person sessions and online modules, introducing them to the Company’s culture, policies, organizational structure, business segments, strategic direction, and product lines. This ensures a well-rounded understanding of Winner Medical, helping employees quickly adapt, embrace the culture, and gain the essential tools to succeed in their roles.



New hire training

Spring seedling training camp

Designed for fresh graduates, this training camp combines intensive training, one-on-one mentorship, and hands-on projects. It bridges the gap between universities and the workplace, building a strong foundation in corporate culture, organizational structure, and essential work skills—nurturing them as future leaders within the Company.





To build future-ready leadership, we launched the “Leadership Win” Program, designed specifically for managers. The program integrates internal training, expert-led workshops, and action learning projects, all grounded in real-world business scenarios. Course modules cover leadership, people management, marketing, supply chain, finance, and strategy execution, empowering managers with both operational know-how and strategic thinking. It aims to develop a capable, well-trained leadership team with solid expertise, strong execution, and the agility to drive results.



To strengthen functional capabilities across departments, we provide targeted training programs designed around each team’s specific needs. Through in-house sessions and expert lectures, we focus on closing skill gaps, strengthening core capabilities, and building elite, professional teams that support refined business growth.

Specialized Training Programs

Excellence team leader training camp

This program supports plant leaders through a mix of classroom training, on-site simulations, mentorship, and best practice sharing. It focuses on areas such as on-site management, team collaboration, communication, and production efficiency. The goal is to build a high-performing frontline leadership team that ensures efficient, stable plant operations.

Flagship store manager program

To build a talent pipeline for regional manager roles, we identify high-potential store managers and offer them role-based learning assignments. Participants take on flagship store manager responsibilities in simulated environments, mentored by experienced senior or mid-level regional managers. Through project rotations, focused training, and on-the-job coaching, graduates of the program earn eligibility to join our regional manager talent pool.

Strategic supply chain training program

This program targets colleagues across supply chain, operations, product merchandising, planning, R&D, sourcing, quality, and plant production planning teams. It offers a structured curriculum built around four pillars: commodity planning, procurement and production management supplier collaboration, and quality management. By deepening supply chain knowledge across departments, we’re equipping teams to elevate the Company’s planning and execution capabilities.

Winner E-Academy: Our online learning hub

We have developed Winner E-Academy, a digital learning platform offering a wide range of on-demand courses. Topics span marketing, product knowledge, general skills, and corporate culture. Employees can learn anytime, anywhere on their own.

Metrics and targets

• Talent cultivation goal – the “Four-Highs” Talent

High Personal Quality

We value individuals with outstanding character and professional integrity. These qualities form the foundation of all talent development.

High Performance

We emphasize value creation, aligning talent evaluation with outcome-oriented goals.

High Academic Qualifications

We seek people with strong educational backgrounds and exceptional learning abilities—those who can quickly master domain expertise and apply it with agility and depth.

High Compensation

We embrace a “co-entrepreneur” talent development philosophy. We strive for win-win growth between individuals and the organization by offering competitive compensation, equity incentives, and clear career pathways, ensuring both material and emotional rewards for top contributors.

the “Four-Highs” talent model

• Metrics

KPIs		Unit	2024
Total workforce		/	14,811
By gender	Male	/	4,634
	Female	/	10,177
By age group	Under 30	/	2,379
	30-50	/	10,980
	Over 50	/	1,452
By education background	High school or below	/	10,072
	Associate degree	/	2,332
	Bachelor’s degree	/	2,145
	Master’s degree or above	/	262
Training coverage rate	Winner Medical (excl. Longterm Medical and GRI)	%	100
	Purcotton	%	100
	Longterm Medical	%	100
	GRI	%	95.64
Training hours for all employees	Winner Medical (excl. Longterm Medical and GRI)	hours	32,800
	Purcotton	hours	18,543
	Longterm Medical	hours	2,074
	GRI	hours	34,419
Average duration of employee training	Winner Medical (excl. Longterm Medical and GRI)	hours	5.84
	Purcotton	hours	4.86
	Longterm Medical	hours	3.00
	GRI	hours	17.34
Percentage of employees receiving regular performance and career development appraisals	Winner Medical (excl. Longterm Medical and GRI)	%	100
	Purcotton	%	100
	Longterm Medical	%	100
	GRI	%	30.52
Employee turnover rate	Winner Medical (excl. Longterm Medical and GRI)	%	29.47
	Purcotton	%	30.90
	Longterm Medical	%	0.03
	GRI	%	26.54

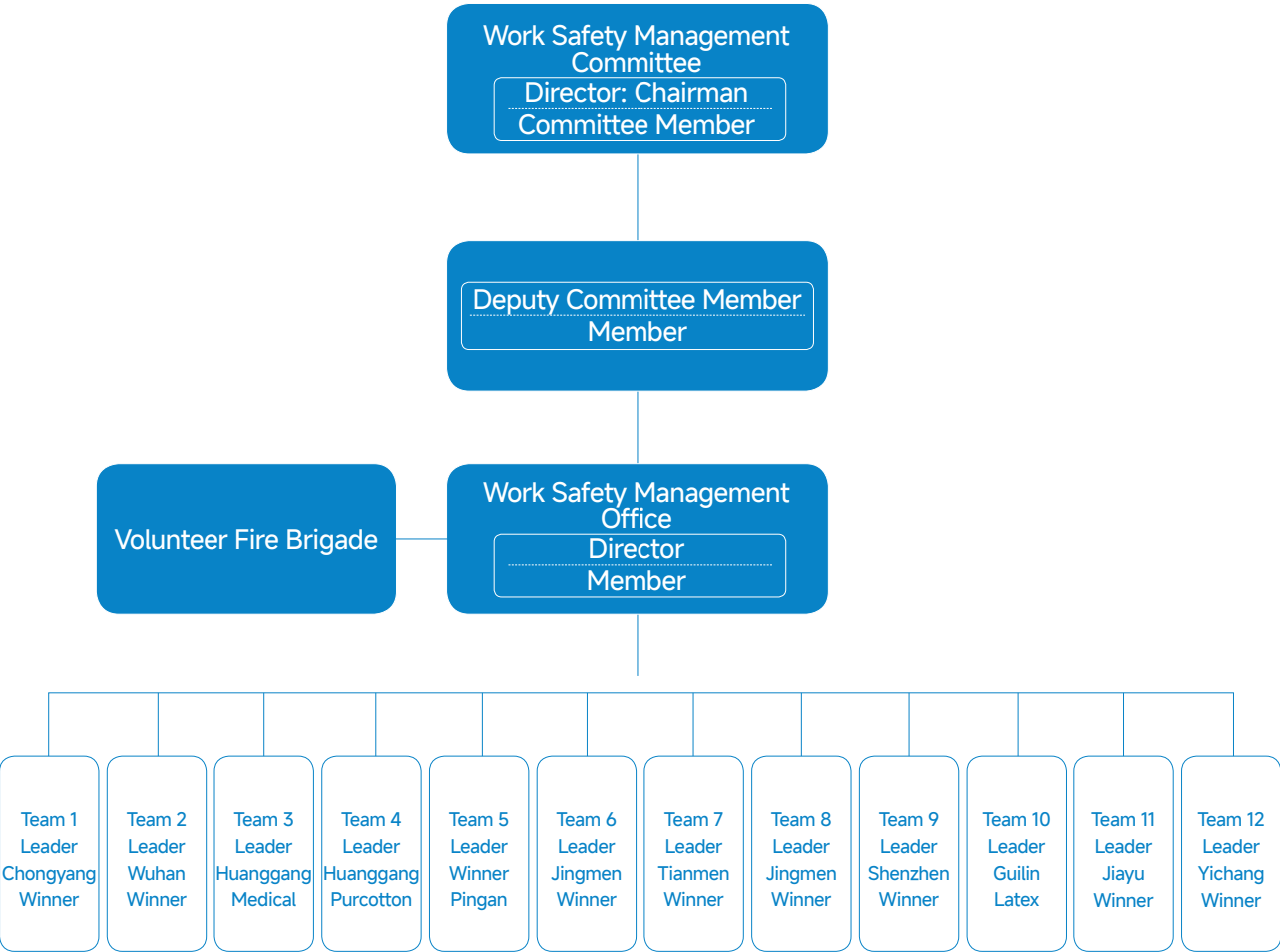
# Securing Occupational Health and Safety

Only with a strong commitment to work safety can Winner Group go further and create greater value for society, shareholders, customers, and employees. We place employee safety and health at the core of our daily management, striving to establish and maintain a risk- controlled, safe, and healthy work environment.

## Governance

In term of governance structure, Winner Group has established a well-defined organizational structure for work safety to ensure clear responsibilities and effective management. The Company’s Chairman serves as the Director of the Work Safety Management Committee ( the "Safety Committee" for short), under which a Work Safety Management Office has been set up. Additionally, each production department has its own work safety team.

In terms of mechanisms, particularly regarding work safety, we have established a series of internal management systems, including the *Responsibility System for Work Safety*, *System Of Work Safety Meeting*, *Safety Education and Training System*, and *Safety Hazard Investigation and Handling Regulations*. These policies ensure that all aspects of work safety are carried out in an orderly manner. Regarding occupational health, we have implemented the *Occupational Health Management System* to safeguard employees from occupational hazards during their work. This system aims to prevent occupational diseases and protect the legal rights of workers affected by such conditions.



Organizational structure for work safety management

## Strategy and management measures

Winner Group places great emphasis on work safety and employees’ occupational health, striving to build a comprehensive safety management system. We have established a safety responsibility system and internal management regulations that cover all employees, ensuring comprehensive occupational health protection and effectively safeguarding employees’ physical and mental well-being.

### Full compliance with work safety requirements

The Company prioritizes the implementation of fundamental safety work by improving work safety management, conducting regular inspections and drills, and actively promoting a safety culture. These efforts ensure a solid foundation for work safety and continuously enhance our intrinsic safety.



Winner Medical (Jiayu) won first place in both the [Fire Emergency Comprehensive Handling Drill](#) and the [Corporate Firefighting Skills Competition](#)( for the team category) at the Jiayu Development Zone.

### · Work safety management

#### Implementation of four-color tiered safety control

The Company classifies safety risks into four levels, ranging from highest to lowest: critical risk, significant risk, moderate risk, and low risk. These are represented by red, orange, yellow, and blue, respectively. By implementing a visual risk management system, we ensure a tiered risk control of work safety while enhancing employees' awareness and understanding of potential hazards.

#### Implementation the mechanism of internal hazard reporting and reward

The Company has established a comprehensive mechanism of internal reporting and reward for identifying safety hazards within production and operational units. Employees are encouraged to report safety hazards through the "Safety Hazard Snapshot" initiative by scanning a WeChat QR code. The Work Safety Management Office monitors and follows up on these reports daily, ensuring a closed-loop process of rectification. Employees who report hazards receive rewards, encouraging frontline staff to get involved. Additionally, we conduct both regular and ad-hoc inspections to eliminate potential hazards, enforce safety regulations, and promptly identify and rectify work safety issues, ensuring a safe and secure workplace.





• Safety inspection and drills

The Work Safety Management Office of each subsidiary conducts weekly safety hazard inspections, generates safety hazard reports, and ensures a closed-loop follow-up process. Our Safety Committee carries out major safety hazard inspections every quarter, evaluating subsidiaries' safety management through work safety competitions. Additionally, emergency drills are carried out every six months, and during the annual Work Safety Month, employees are encouraged to participate in knowledge competitions to promote safety awareness.

Winner Medical (Jiayu) hosts fire safety training and fire drill for industrial and trade enterprises in Jiayu County

On June 19, 2024, the "Fire Safety Training and Fire Drill for Industrial and Trade Enterprises in Jiayu County" was successfully held. The event was organized by the Jiayu County Emergency Management Bureau, co-organized by the Jiayu County Fire and Rescue Brigade, and hosted by Winner Medical (Jiayu), with a total of 500 participants. The event enhanced the fire prevention and firefighting capabilities of local industrial and trade enterprises while fostering a social atmosphere of "Safety for Everyone, Emergency Preparedness for All – Unblocking Emergency Escape Routes." Additionally, it strengthened the safety awareness and emergency response capabilities of Winner Medical (Jiayu) employees.



• Safety culture development

We are committed to promoting a safety culture centered on "work safety and healthy development" by establishing a work safety education and training management mechanism. Each quarter, we develop specialized safety training materials to ensure effective implementation of safety education. By fostering full employee participation, we enhance safety awareness, prevent accidents, and mitigate occupational hazards.



Winner Group's safety culture



Specialized work safety training

Ensuring occupational health

The Company strictly complies with the *Law on Work Safety*, the *Law on Prevention and Control of Occupational Diseases*, and other relevant Chinese laws and regulations. Upholding the principle of "prevention first, combination of control and treatment," we prioritize employees' physical and mental well-being and are committed to creating a safe and healthy work environment.



Winner Group, Shenzhen Winner, Chongyang Winner, Huanggang Winner, Jiayu Winner, Tianmen Winner and Wuhan Winner have all obtained ISO 45001 occupational health and safety management system certification

• Prevention of occupational diseases

The Company closely monitors the distribution, concentration, and intensity of occupational hazards, as well as the occupational health status of workers in operational environments. We diligently fulfill our primary responsibility for occupational disease prevention by implementing effective protective measures. For workplaces involving occupational hazards, we conduct annual health check-ups for employees and monitor working environments. The results are reported to the occupational disease monitoring system.



Collaboration with Shenbei AIER Eye Hospital for free eye clinic

Case

In July 2024, in partnership with Shenbei AIER Eye Hospital, our Party Committee launched the "Party Leadership in Action: Caring for Your Vision" free eye clinic. During the event, professional medical staff provided our employees with comprehensive eye examinations, including vision tests, computerized optometry, slit lamp examinations, presbyopia assessments, and dry eye SPA treatments. Additionally, they offered expert consultations and practical health advice to enhance employees' eye care awareness.

Metrics and targets

• Work safety management goals

Winner Group fully implements the policy of "safety first, prevention foremost" and further enforces the safety management responsibility system, following the principle of "whoever is in charge is responsible." By strengthening our work safety management, we effectively reduce and minimize workplace injuries, ensuring the safety of our employees and the protection of company assets.

• Metrics

KPIs	Unit	2024
Investment in work safety	RMB million	1.6
Number of safety training sessions conducted	/	48
Number of safety training participants	headcount	7,664
Safety training coverage rate	%	99.80
Number of safety drills	/	26
Number of major work safety accidents	/	0
Number of administrative penalties due to work safety issues	/	0
Work-related fatalities	/	0



## Outlook

As the new year begins, everything awakens with renewed vitality. In 2025, Winner Group will continue to uphold our core business principles—quality over profit, brand over speed, and social value over corporate value—while steadfastly observing our brand ethics: integrity in operations, respect for consumers, fair competition, social responsibility, protection of intellectual property rights, and continuous improvement. We will deepen our focus on both medical and consumer segments, stay committed to healthy competition and long-termism, and deliver more comfortable and healthier products to global consumers.

On the business development front, we will remain firmly committed to our strategic pillars: Product Leadership, Operational Excellence, Global Vision. In the field of professional medical care, we will continue to cultivate expertise, pursue breakthroughs in frontier medicine, and lead in the development of high-end medical materials in China. In terms of consumer products, we'll harness ever-evolving technologies to further demonstrate the unmatched advantages of cotton over all other fibers—pushing forward our vision of "Purcotton changes the world." Concerning the global landscape, we will strengthen collaborations with international partners, and work together to address challenges across the value chain, paving the way for mutual benefits and shared success.

In terms of sound governance, we deeply practice the ethical code of honesty and integrity in business, provide true and accurate information about our products and services, consolidate consumer trust, and build the cornerstone of our brand's long-term development. We adhere to healthy competition and long-termism, promote the benign development of the market with healthy business behavior, and respect intellectual property rights to create a good ecology that encourages innovation. We respect the rights and

needs of consumers and protect their privacy and personal information security. We continuously improve our products and services, meet the changing needs and expectations of consumers with innovation, and strive to provide consumers with personalized services and solutions.

On the environmental protection front, we will stay true to our commitment to environmental responsibility and sustainable development. We will drive green product development and respond to China's carbon peaking and neutrality goals through enhanced environmental management, resource optimization, clean production, and full product life cycle management. Together with our upstream and downstream partners, we aim to accelerate the green transformation of the cotton industry and contribute to a healthier planet and a harmonious coexistence between humans and nature.

In terms of social responsibility, we will continue to take responsibility for the well-being of our people and communities. We will further invest in employee development and benefits, enhance workplace conditions and career growth opportunities, and boost overall employee satisfaction. We will strengthen partnerships with healthcare institutions and community organizations to promote health literacy and improve access to healthcare. We'll also deepen our collaboration with governments, NGOs, and public welfare groups to drive social impact and help build a more harmonious society.

Amidst strong winds and rising tides, we are setting sail with purpose. Looking ahead, and standing at a new starting point, Winner Group will remain true to its mission, pushing forward with resilience and determination. Fueled by innovation, grounded in quality, and driven by service, we will continue to pursue excellence and contribute to the long-term success of both our company and the broader society.

# Responsibility Performance Indicators

## Governance

KPIs	Unit	2022	2023	2024
Shareholders' Meetings	/	1	3	5
Board Meetings	/	6	8	10
Meetings of the Supervisory Board	/	3	6	10
Number of directors	/	7	7	7
Number of female directors	/	2	2	3
Number of independent directors	/	3	3	3

## Environmental

KPIs	Unit	2022	2023	2024
Investment in energy conservation & environmental protection	RMB million	19.73	21.27	8.33
Energy Consumption				
Direct energy consumption	ton of standard coal	18,767.27	16,499.11	18,079.26
Natural gas	m <sup>3</sup>	14,510,703	12,832,417	14,073,058
Diesel	liters	129,329	105,390	99,500
Gasoline	liters	32,137	29,452	26,315
Biomass	ton	2,017	1,628	1,810
Indirect energy consumption	ton of standard coal	36,811.45	33,282.51	37,020.01
Purchased electricity	kWh	173,516,984	167,811,884	185,465,574
Purchased steam	GJ	425,897.86	344,770.12	387,607.66
New water	ton	3,711,453	3,479,506	4,512,313
Total energy consumption	ton of standard coal	55,578.72	49,781.62	55,099.27
Energy consumption intensity	ton of standard coal/ RMB 10,000 of revenue	0.08	0.12	0.12
Clean Energy Use				
Clean energy consumption	ton of standard coal	18,570.93	16,335.63	17,926.50
Percentage of clean energy in total energy consumption	%	33.5	32.8	32.5
Greenhouse Gas (GHG) Management				
Scope 1 GHG emissions	tCO <sub>2</sub> e	44,374.42	37,185.84	32,222.54
Scope 2 GHG emissions	tCO <sub>2</sub> e	140,960.97	126,718.15	181,006.56
Scope 3 GHG emissions	tCO <sub>2</sub> e	/	/	1,014,392.14
Total GHG emissions	tCO <sub>2</sub> e	185,335.38	163,903.99	1,227,621.24



Environmental

KPIs	Unit	2022	2023	2024
GHG emissions per unit of revenue	tCO <sub>2</sub> e/ RMB 10,000	0.28	0.40	1.36
Water Resource Management				
Total water usage	ton	3,711,453	3,479,506	4,512,313
Water resource use intensity	Ton/RMB million of revenue	553	844	973
Air Emissions Management				
Exhaust gas emissions	10,000 m <sup>3</sup>	20,053	17,375	28,917
PM2.5	ton	2.65	2.77	2.08
NOx	ton	24.44	19.65	21.79
SO <sub>2</sub>	ton	0.36	0.38	0.49
Wastewater Management				
Total wastewater	10,000 m <sup>3</sup>	313	308	344
Chemical oxygen demand	ton	155.34	156.28	141.98
Ammonia nitrogen	ton	5.54	8.85	8.21
Packaging Materials Management				
Non-renewable material consumption	ton	/	/	604.10
Packaging material consumption	ton	/	/	5,237.34

Social

• Supply Chain

KPIs	Unit	2022	2023	2024
Total number of suppliers	/	1,248	1,230	1,352
Number of Mainland China suppliers	/	1,205	1,191	1,297
Number of Hong Kong, Macau, Taiwan & overseas suppliers	/	43	39	55
Total number of new suppliers	/	190	171	178
Percentage of suppliers that have signed the Supplier Code of Conduct *	%	100	100	100
Number of suppliers that have undergone social-impact assessments *	/	351	392	431
Number of suppliers that have undergone environmental-impact assessments *	/	351	392	431
Number of supplier training sessions *	/	480	491	542
Number of suppliers covered by training *	/	316	324	341
Percentage of suppliers covered by training *	%	25.30	26.32	25.22

Note: The ESG KPIs marked with \* exclude the GRI data acquired in 2024.

• Technological Innovation

KPIs	Unit	2022	2023	2024
R&D investment	RMB million	488	322	348
Number of R&D personnel	/	1,588	1,259	1,199
Percentage of R&D staff	%	10.63	9.67	7.8
Educational background of R&D personnel	Bachelor's degree	/	413	314
	Master's degree	/	102	93
Patents obtained in total	/	1,064	1,375	1,600
Invention patents obtained in total	/	110	140	218
Utility model patents obtained in total	/	610	810	939
Design patents obtained in total	/	344	425	443

• Public Welfare & Philanthropy

KPI	Unit	2022	2023	2024
Total amount of charitable donations (including Winner Medical and Purcotton)	RMB million	18.60	17.65	5.48

• Employee

KPIs	Unit	2022	2023	2024
Total number of employees	/	10,479	12,997	14,811
Employee labor contract signing rate	%	100	100	100
Employee social insurance coverage rate	%	100	100	100
Labor discrimination incident occurred	/	0	0	0

• Occupational Health & Safety

KPIs	Unit	2022	2023	2024
Investment in work safety	RMB million	1.55	1.58	1.60
Number of safety training sessions conducted	/	14	9	48
Number of safety training participants	headcount	7,500	7,600	7,664
Safety training coverage rate	%	98	98	99.80
Number of safety drills	/	16	18	26
Number of major work safety accidents	/	0	0	0
Number of administrative penalties due to work safety issues	/	0	0	0
Work-related fatalities	/	0	0	0
Employees' work-related injury (workers' compensation) insurance coverage rate	%	100	100	100
Employees' workplace safety liability insurance coverage rate	%	100	100	100

# Indicator Index

· Index Table for the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)

Dimension	Topic	Corresponding terms	Reference
Environmental	Climate response	Articles 21 to 28	Addressing Climate Change
	Pollutant discharge	Article 30	Environmental Impact Mitigation
	Waste disposal	Article 31	Environmental Impact Mitigation
	Ecosystem and biodiversity protection	Article 32	Environmental Impact Mitigation
	Environmental compliance management	Article 33	Enhancing Environmental Management
	Energy utilization	Article 35	Resource Utilization Optimization
	Water resources utilization	Article 36	Resource Utilization Optimization
	Circular economy	Article 37	Resource Utilization Optimization
Social	Rural revitalization	Article 39	Spreading Warmth and Positive Energy
	Social contributions	Article 40	Spreading Warmth and Positive Energy
	Innovation	Article 42	Fueling the Future with Innovation
	Ethics of science and technology	Article 43	Ethical Standards in R&D
	Supply chain security	Article 45	Building a Responsible Supply Chain
	Equal treatment of SMEs	Article 46	Building a Responsible Supply Chain
	Product and service safety and quality	Article 47	Delivering Exceptional Quality
	Data security and customer privacy	Article 48	Assuring Information Security
	Employees	Article 50	Empowering Employee Development Securing Occupational Health and Safety
Sustainability-related governance	Due diligence	Article 52	Building a Responsible Supply Chain
	Stakeholder engagement	Article 53	Stakeholder Communication
	Anti-commercial bribery and anti-corruption	Article 55	Upholding Business Ethics
	Fair competition	Article 56	Upholding Business Ethics





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