

**BTN** 贝泰妮集团  
BOTANEE GROUP

Stock Code: 300957



# 2024

**Sustainability &  
Environmental, Social and  
Governance (ESG) Report**

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## About This Report

This is the fourth sustainability & environmental, social and governance (ESG) report released by Yunnan Botanee Bio-Technology Group Co. Ltd. (hereinafter referred to as "Botanee", "the Company" or "we") which demonstrates our initiatives and performance in sustainability management in 2024.

### Reporting Boundary

The time frame of this report is from January 1, 2024 to December 31, 2024 (hereinafter referred to as the "current year" or "Reporting Period"). Some parts of this report extend beyond 2024 and into 2025, aiming to provide readers with a broader perspective. Social data (such as employees, intellectual property rights, etc.) and financial data (such as operating income, tax payments, etc.) disclosed in this report cover Botanee, its wholly-owned subsidiaries and its holding subsidiaries. Due to gradual improvements in environmental data collection mechanism, the scope of environmental data disclosed for the Reporting Period covers our office areas, warehouses, specialty stores, medical aesthetics centers, self-owned production bases, and the manufacturing bases of some of our core suppliers. For details, please refer to "Appendix 1: Table of Key Performance Indicators".

### Information Sources

Unless otherwise specified, the information and data cited in this report come from Botanee's official documents, statistical reports, financial reports and relevant public documents. Botanee promises there are no false records, misleading statements or major omissions in this report, and the Board of Directors is responsible for the authenticity and accuracy of the content herein. All monetary amounts in this report are presented in CNY.

### Basis for Compilation

This report is compiled by referring to the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange (revised in January 2022)*, the *Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the Main Board*, the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, the *Self-Regulatory Guidance No. 3 for Companies Listed on the ChiNext Market of Shenzhen Stock Exchange—Preparation of Sustainability Report*, the Global Reporting Initiative (GRI) Standards, the United Nations Sustainable Development Goals (SDGs) and more.

### Access to the Report

You may visit the website of Botanee (<https://www.botanee.com.cn>) or the Shenzhen Stock Exchange (<http://www.szse.cn>) or [www.cninfo.com.cn](http://www.cninfo.com.cn) to read or download this report.

The report is published in Chinese and English. Should there be any discrepancies between the two versions, the Chinese version shall prevail.

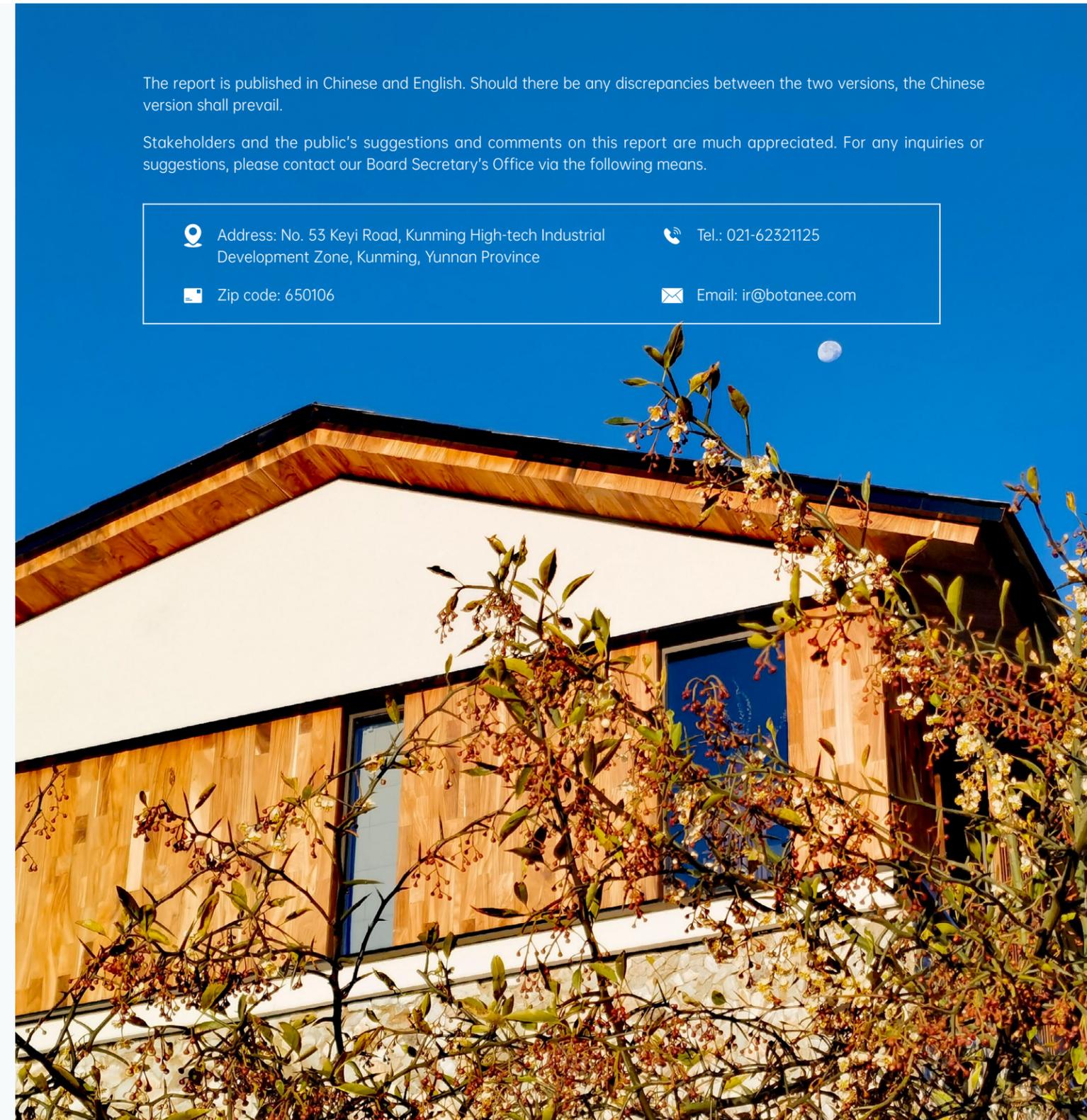
Stakeholders and the public's suggestions and comments on this report are much appreciated. For any inquiries or suggestions, please contact our Board Secretary's Office via the following means.

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## Message from the Chairman



Only by exploring new frontiers can we venture far. In 2024, we continued to move forward steadily, breaking new ground in scientific research and making bold strides in brand development, leaving behind a heartfelt and resolute trail of progress. During the Reporting Period, Winona officially launched its 2.0 strategy, with the "Red Book 3.0" making a refreshed debut. The brand philosophy was comprehensively upgraded to "dedicated to sensitive skin". We continued to focus on our star product strategy, delving deep into user needs and awareness, and meeting the diversified needs of sensitive skin in sun protection, whitening, anti-aging, and other comprehensive skincare areas.



### Taking concrete actions to fulfill social responsibilities

We integrate sustainable development and corporate social responsibility into our business operations, releasing ESG reports for four consecutive years since our IPO. In 2024, Botanee was named among the "2024 Top 100 Listed Companies with ESG Best Practices in China" and rated AA by Wind. Additionally, we were rated AA by Sino-Securities Index on the "ESG Excellence List of Major Consumer Sector Companies Listed on the A-Share Market" and ranked first in the household and personal product sector.

To further deepen our efforts across multiple dimensions and explore more values "beyond business," we aligned with the UN's SDGs to formulate the strategic direction of sustainable development. We identified 2030 Sustainable Development Management Goals and will gradually develop corresponding action plans. In addition, to understand the concerns of stakeholders, we conducted annual reviews and updates on material ESG topics, incorporating financial materiality considerations.

### Breaking new ground through technological innovation

We always adhere to the principle of balancing botanical science with integration of industry, academia, research and medicine. By the end of 2024, Botanee Yunnan Characteristic Plant Extraction Laboratory that we took a lead in building entered a new phase of development. In December, a new laboratory with a gross floor area of nearly 5,000 square meters was successfully completed in Kunming, Yunnan. It is the first provincial-level laboratory in China dedicated to the research and development of specialty plants. As of the end of 2024, Botanee has successfully registered and obtained approval for 12 new cosmetic ingredients, including *Ludwigia adscendens*, *Salvia plebeia*, *Erigeron breviscapus*, *Taxus wallighiana mairei* seed oil, and *Meconopsis racemosa*. Through leading botanical science, we are contributing solidly to building the "Green Valley of Beauty in China".

At the origin of raw materials, we continue to refine our efforts in exploring specialty plant resources in Yunnan, such as *Prinsepia utilis* Royle, *Camellia reticulata* (Yunnan camellia), and *Ludwigia adscendens*. These efforts not only protect biodiversity but also promote sustainable regional economic development, achieving a balance between ecological conservation and economic growth. In addition, we focus on developing high value-added specialty botanical healthcare products, creating a product and enterprise cluster centered around efficacious cosmetics, functional foods, and pharmaceuticals, while also maintaining ecological balance for biodiversity.

At the international cosmetics competition, COSMETOPIADS & INPD, we won the "2024 INPD AWARDS - Raw Materials". Botanee Research Institute stood out among research institutes from 14 countries and represented China in receiving the "2024 COSMETOPIADS - Public Research Excellence" award.

### Practicing green ideas by building green supply chains

We are firmly committed to building an environmentally friendly enterprise that upholds green and low carbon development. Endeavors are made to create a health ecosystem through green, circular, low-carbon manufacturing practices and operations. We have established a green supply chain management system and an energy target management system following the principle of low-carbon-driven product lifecycle. During the Reporting Period, we continued to optimize environmental performance around energy targets, and officially put into use our solar photovoltaic panels. For our core products, we implemented a series of packaging innovation and upgrade initiatives and continuously promoted the "Save the Earth: Recycle and Be Rewarded" and the "Oasis Protection Action" empty bottle recycling programs, encouraging more consumers to participate in recycling empty bottles and packaging.

Over the past year, Botanee continued its long-term commitment to protecting Haba Snow Mountain Nature Reserve and the habitat of *Rhinopithecus bieti*. In cooperation with partners, we launched a series of biodiversity-focused initiatives such as the "Collaborative Biodiversity Conservation Action", conducting in-depth research on Yunnan's specialty plants while actively safeguarding the planet's biodiversity and fostering harmony between humanity and nature.

### Spread goodwill and making contributions

We have carried out the "Winona Sunshine Program" for the ninth consecutive year, providing free medical services and educational activities in regions with strong ultraviolet radiation, including Inner Mongolia, Qinghai, Yunnan and Tibet. This year, we visited Altay, Xinjiang, which has more than 3,000 hours of sunshine annually, to promote scientific skincare and proper sun protection awareness among local residents. In addition, projects such as the "Botanee First Aid Stations", "Botanee Hope Public Baths", and "Baby Project" for children with atopic dermatitis (AD) are helping more people move towards the goals of health and beauty.

In the field of intangible cultural heritage (ICH) preservation, we have integrated Yunnan's local heritage into our products and launched multi-channel campaigns to promote ICH awareness. We actively participate in efforts to protect and pass down ICH culture. One of our key initiatives is the "Winona Women Care Alliance", which focuses on advocating for the fair development rights of female weavers of Yunnan's ICH traditions. We provide skills training and support to help more people discover the rich craft of traditional Yunnan weaving. This initiative has been warmly received and appreciated by consumers. We remain committed to supporting disadvantaged groups through a variety of efforts, including rural revitalization, youth education, and development aid. In 2024, Botanee contributed a total value of over CNY 21.32 million (including funding and supplies donations) to charitable causes.

With the sails raised for greater ambitions, we look ahead to 2025 and will remain committed to building a multi-brand matrix centered around creating China's skin health ecosystem. We aim to establish a new benchmark in skin health and usher in a new era of skin wellness. Botanee will continue on a path of sustainable, high-quality development, remaining steadfast in our vision to "bring health and beauty to everyone", with a mission to "create China's skin health ecosystem", unfolding a new chapter of sustainable innovation in China's beauty industry and moving together toward a greener and more inclusive future.

Guo Zhenyu  
Chairman and President of Botanee  
April 2025

## Board Statement

The Board of Directors attaches great importance to sustainability management and has built an effective mechanism for this purpose in accordance with the *Code of Corporate Governance for Listed Companies* released by the China Securities Regulatory Commission. We exert continued efforts to improve our sustainability governance structure, enhance the Board of Directors' supervision and participation in sustainability-related topics, and actively take sustainability management into account in our decision-making and business practices to foster stable long-term corporate development.

As the decision-making body for Botanee's operations, the Board of Directors assumes overall responsibility for the Company's environmental, social, and governance strategies and reporting. It authorizes the Strategy Committee to supervise and manage sustainability-related topics, who coordinates the day-to-day efforts in these topics through the Board Secretary's Office.

The Board of Directors takes seriously the significant impact that ESG risks may have on the Company. It improves sustainability management on a regular basis through identifying ESG risks, analyzing macro policies and hot spots, and benchmarking with leading companies in the industry. Interviews, surveys, and expert assessments are performed to determine the materiality of ESG topics, thereby ranking their priority and clarifying the focuses of Botanee's sustainable development.

During the Reporting Period, the Board of Directors reviewed the materiality of ESG topics and the sustainability report for 2024. This report provides detailed disclosure of above mentioned environmental, social, and governance-related topics, which were deliberated and approved by the Board of Directors on April 23, 2025.



## About Botanee

### Company Overview

Established in 2010, Botanee is a leading group company in the big health industry dedicated to skin health in the Internet+ era. It integrates R&D, production, and marketing, aiming to build a sustainable ecosystem for skin health and boost the development of China's skin care industry. The Company was listed on the Shenzhen Stock Exchange's ChiNext Board on March 25, 2021, with a stock code of 300957.

Botanee has been identified as a national high-tech enterprise, and a national technology innovation demonstration enterprise. Our Research and Development Center combines academic research with industry innovation and healthcare. It integrates cutting-edge technologies from botany, biology, dermatology and more to probe into effective active ingredients in specialty plants in Yunnan and develop a range of patented technologies for next generation skincare products. Since its inception, our skincare brand Winona enjoys wide recognition from consumers and skincare professionals for the effectiveness and safety of its products. It applies a number of patented technologies, adopts dermatological level mild formulas, and abides by Good Manufacturing Practices (GMPC) widely recognized by the United States and the European Union.

Following the strategy of enhancing foundation through offline pharmaceutical channels and achieving full online coverage, and by leveraging the internet and new technologies such as AI, we have created a new retail system with omnichannel capabilities and successfully realized online-merge-offline (OMO) marketing. This makes Botanee a leading company in China's big health industry in terms of Internet+.

With outstanding R&D capabilities and differentiated operating mode, Botanee, driven by years of professional dedication to skincare, embraces the internet with an open mindset, and strives to create a bright future for skin health.

### Corporate Culture

**Our vision**

To bring health and beauty to everyone

**Our mission**

To create China's skin health ecosystem

**Our core values**

- Pursuit of Excellence, Simplicity and Transparency
- Result Orientation, Diligence and Dedication
- Gratitude and Goodwill, Integrity and Pragmatism

## Main Business and Brands

As a professional cosmetics manufacturer, we provide professional mild skincare products based on plant-derived active ingredients under the core brand Winona, and specialize in addressing sensitive skin concerns. In terms of product sales, we deeply integrate online channels with offline channels. Our product portfolio includes skincare products such as creams, toners, masks, serums, and lotions, as well as makeup products such as sunscreens, BB creams, and makeup removers. We also offer medical products for the protection and care of barrier damaged skin after minimally invasive procedures, such as hyaluronic acid-based biofilms and hyaluronic acid-based dressings.

### Botanee's Brand Matrix

**WINONA**  
薇诺娜

#### Winona

A dermatological-grade skincare brand that protects sensitive skin with professional expertise, based on professional dermatology, dedicated to the research and development of Yunnan specialty plants, and empowered by technology and evidence-based support. It offers professional, precise, and safe skincare solutions with effective results.

**WINONA**  
Baby

#### Winona Baby

Building on the legacy of the parent brand "Winona", this professional baby and child skincare brand is developed in collaboration with pediatric dermatology experts, focusing on effective skincare for infants and children, specifically targeting the eczema segment. Based on dermatological expertise and clinical experience, it offers an ingredient-streamlined solution with exclusive patented plant-based formulas for infants and young children's skin care.

**AOXMED**  
瓊科瓊

#### AOXMED

Created for professional beauty, this brand focuses on skin rejuvenation, bridging medical aesthetics with home beauty. It offers highly effective and safe in-clinic device-based treatments combined with home-use medical-grade sequential skincare. At the same time, it promotes mindful youthfulness, advocating for the right philosophy to combat skin aging and achieve comprehensive anti-aging for both body and mind.

**Be/orteen**  
贝美汀

#### Beforteen

Beforteen collaborates with a team of dermatology experts to conduct case studies on over one million cases. Combining AI-assisted consultations, it provides a personalized, comprehensive acne treatment solution for users based on their different acne types, including "Food + Medicine + Makeup" in an innovative and integrated approach.

**PURE&MILD** 泊美

#### Pure & Mild

With 23 years of brand history, it is specifically designed for Chinese women. Pure & Mild carefully selects rare plants from around the world, combining cutting-edge skincare technology and active ingredients to offer gentle and long-lasting plant-based skincare solutions that bring youthful vitality to the skin. The core products of the "Pure & Mild" brand include toners, lotions, and face creams.

**Za**  
姬芮

#### Za

Focusing on the skin characteristics of Asian women, it creates functional base makeup products, providing consumers with multi-functional, easy-to-use, and cost-effective makeup solutions. Positioned as an international multi-functional light makeup brand, it allows users to effortlessly enjoy a beautiful everyday look. The core products of the "Za" brand include primers, sunscreens, and compact powders, with the flagship product, the primer, being a bestseller internationally for 21 years.

**Clinmate**  
科凝美

#### Clinmate

Integrating software, hardware, products and services, Clinmate is committed to building a smart ecology for skin diagnosis and treatment.

In recent years, Botanee is present in large shopping centers across the country, having become a showcase of Chinese brand retail.



Winona store at Kunming Changshui International Airport

Opened in June 2021



Winona store at West Lake Intime Department Store, Hangzhou

Opened in December 2021



Winona store in Haikou International Duty Free City

Opened in October 2022



Winona store at Nanjing Central Plaza

Opened in January 2023



Winona store in Henan Sanmenxia

Opened in May 2024



Winona store at Shanghai The Place

Opened in June 2024



Winona store at Kunshan Qingyang Wanda Plaza

Opened in June 2024



Winona store at Taian Wuyue Plaza

Opened in June 2024



Winona store at Guangdong Maoming Aegean Place

Opened in June 2024



Za store at New Century Center, Handan, Hebei

Opened in December 2022



Za store at NCDS, Fuling District, Chongqing

Scheduled to open in May 2025

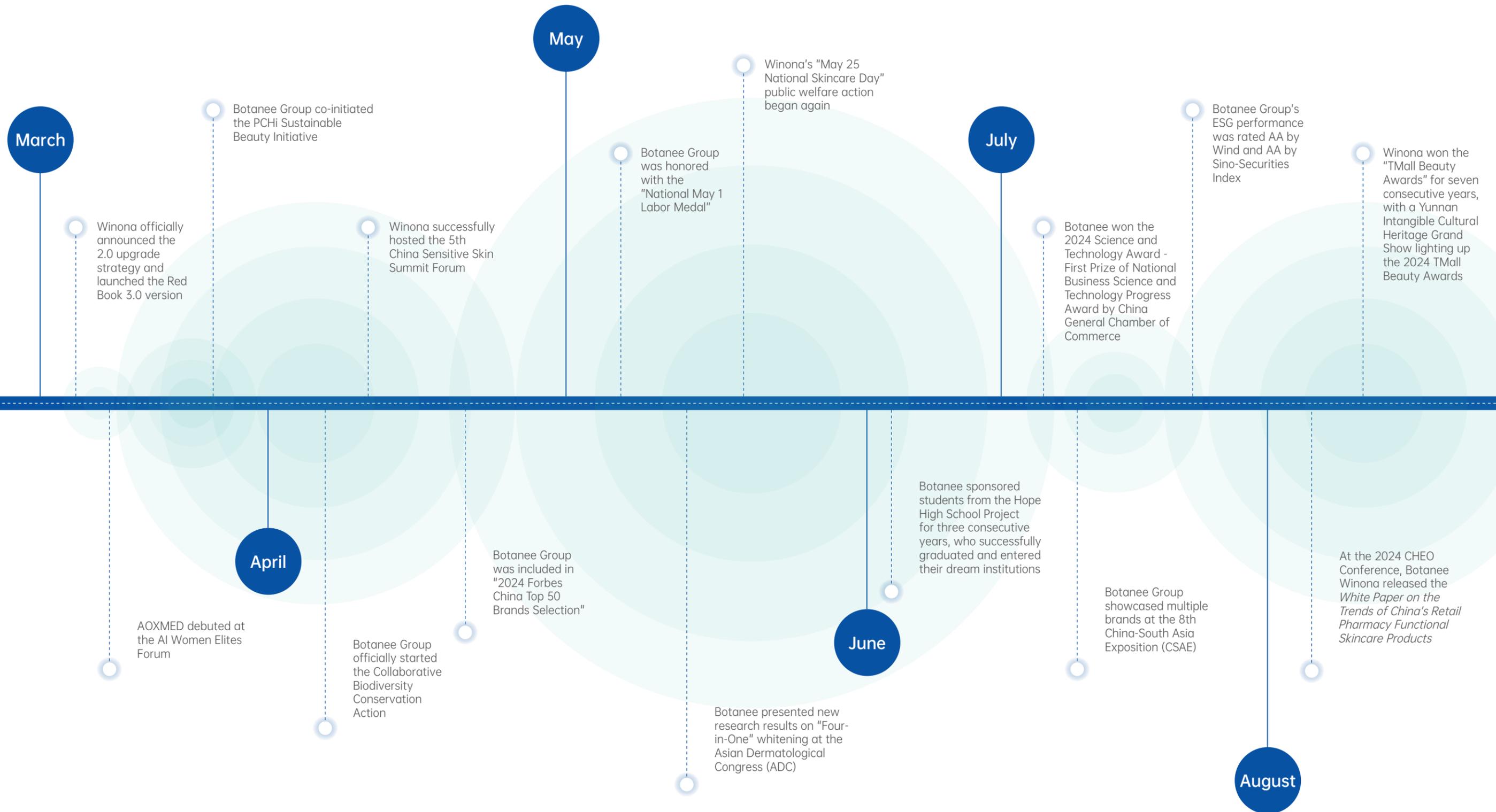


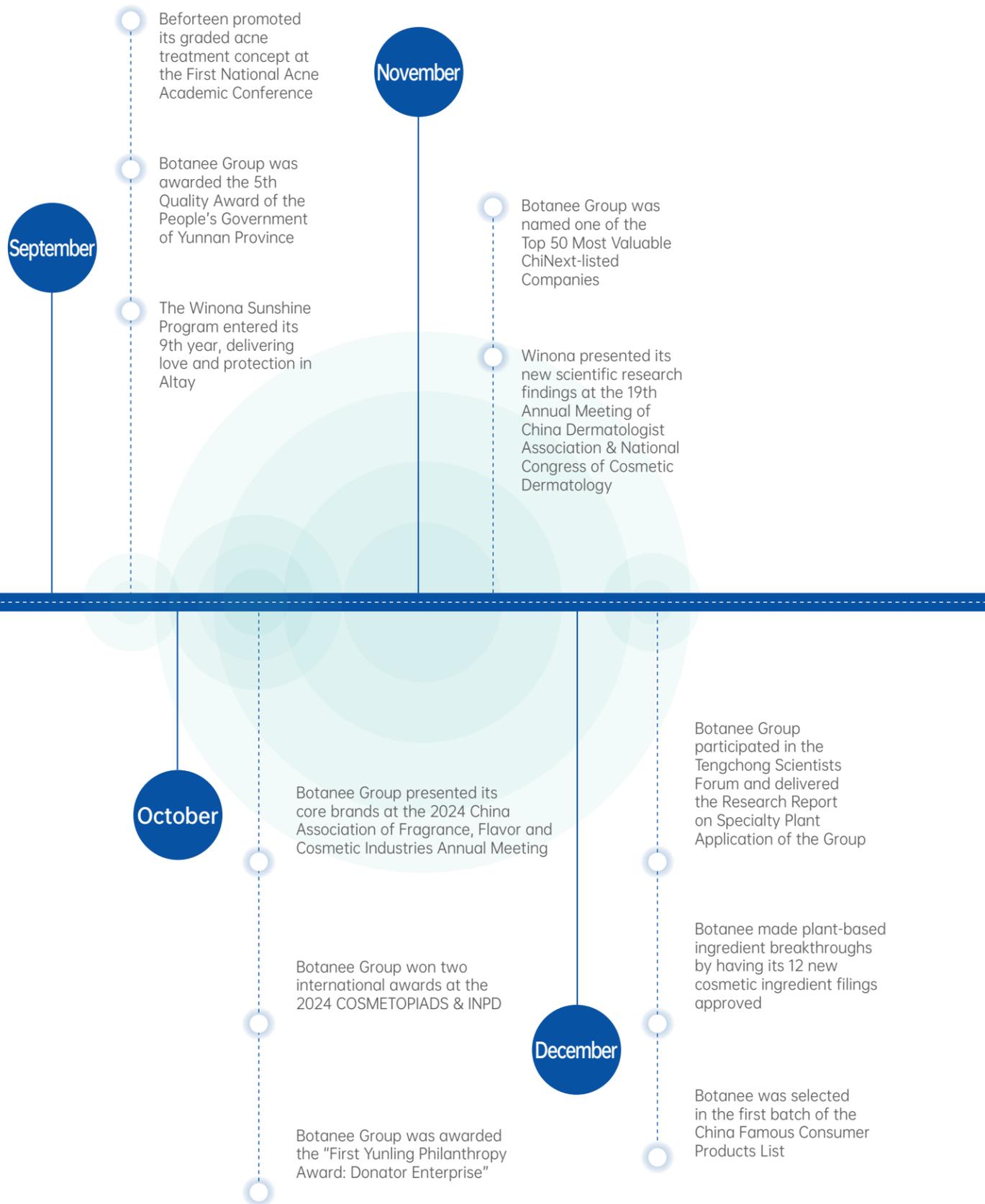
Pure & Mild store at CBEST, Shapingba District, Chongqing

Opened in May 2023



## Milestones of the Year





## Key Figures for 2024

### Operations



- Achieved CNY **5,735.87** million of operating revenue, a year-on-year growth of **3.87%** in 2024
- Created CNY **503.1** million of net profit attributable to shareholders of the parent company in 2024
- Paid CNY **679.45** million of taxes, a year-on-year growth of **3.24%**
- Invested CNY **336.73** million in R&D, accounting for **5.87%** of our operating revenue in 2024
- Ranked **No.1** in China for sales volume of functional skincare products; stood as the only Chinese brand among the top 10 beauty and cosmetics brands on Tmall Double 11 for 8 consecutive years from 2017 to 2024
- **37.79** million registered members across all platforms (Winona and Winona Baby)
- **36.5%** overall repurchase rate (Winona and Winona Baby)

### Environment



- **2.06** tCO<sub>2</sub>e/CNY 1 million in revenue  
Greenhouse gas emission density (by revenue) in 2024
- **0.59** tce/CNY 1 million in revenue  
Comprehensive energy consumption density (by revenue) in 2024
- **0.022** thousand m<sup>3</sup>/CNY 1 million in revenue  
Operational water consumption density (by revenue) in 2024
- **2.12** tons/CNY 1 million in revenue  
Packaging materials consumption intensity (by revenue) in 2024
- **2,670,753** valid empty bottles recycled, **8** times the amount recycled in 2023

### Society



- Cumulative patents granted: **281**
- Consumer satisfaction scores: **93.63**
- In 2024, the Group continuously invested CNY **21.32** million in public welfare, supporting **38** projects and directly benefiting nearly **260,000** people.
- In 2024, **3,956** employees in the Group
- Proportion of female managers: **53.40%**
- Ethnic minority employees accounted for approximately **9.02%** of the Group's total workforce in 2024
- In 2024, the Group had **435** R&D personnel, accounting for **11.00%** of total employees  
Among them, **40.46%** hold a master's degree or higher, and **3.68%** hold a doctoral degree
- **20** "Botanee Hope Public Baths" completed to date
- A total of **364,188** hours of was conducted by the Group

# External Recognition



**National Technology Innovation Demonstration Enterprise**  
Ministry of Industry and Information Technology of the People's Republic of China



**National May 1 Labor Medal**  
All-China Federation of Trade Unions



**Included among the first China Famous Consumer Products**  
Ministry of Industry and Information Technology of the People's Republic of China



**5th People's Government of Yunnan Province Quality Award**  
People's Government of Yunnan Province



**Manufacturing Single-Item Champion Enterprise of Yunnan Province**  
Department of Industry and Information Technology of Yunnan Province



**First Prize of Yunnan Provincial Patent Award for "Sunscreen Stabilization Compound, Sunscreen Spray Preparation, and Preparation Method"**  
Department of Human Resources and Social Security of Yunnan Province and Yunnan Administration for Market Regulation

**Rated "A" for information disclosure**  
Shenzhen Stock Exchange



**"First Yunling Philanthropy Award – Donator Enterprise"**

Department of Civil Affairs of Yunnan Province and Department of Human Resources and Social Security of Yunnan Province



**Ranked first in the Household and Personal Products Rankings on the 2024 "ESG Excellence List of Major Consumer Sector Companies Listed on the A-Share Market," with an AA rating**

Sino-Securities Index



**2024 Top 100 Listed Companies with ESG Best Practices in China: AA Rating**  
Wind ESG



**The 18th "Top 50 Most Valuable ChiNext-listed Companies"**

Securities Times



**2024 Sustainability Practice Model among Listed Companies**  
China Association for Public Companies



**Science and Technology Award - First Prize of National Business Science and Technology Progress Award**

China General Chamber of Commerce



**2024 Forbes China Brand Value Series Selection – Top 50 Brands Selection**

Forbes



**Corporate Social Responsibility Forum – Green Development Model**

people.cn



**Social Responsibility Fulfillment Model among National Brands**

news.cn



**2024 Intangible Cultural Heritage Renewal - Brand with Outstanding Contribution in Promotion**

Weibo



**2024 Responsibility Fulfillment Model – ESG Disclosure Pioneer of the Year**

The Paper



**2024 Good Company Top 50 – Innovative Development Award**

Jiemian News



**2024 Green Development Model**

The Beijing News Zero Carbon Research Institute



**2024 Lanjinger V Award – ESG Value Enterprise of the Year**

lanjinger.com



**China Cosmetic Industry Top 100**

Cosmetics Industry Annual Conference



**2024 INPD AWARDS- Raw Materials and COSMETOPIADS-Public Research Excellence (Botanee)**

2024 COSMETOPIADS & INPD



**China Cosmetics Industry Brand**

China Association of Fragrance, Flavor and Cosmetic Industries Annual Meeting



# [Spotlight] From Snow Mountains to Consumers: The ESG Journey of *Prinsepia utilis* Royle

At the *Prinsepia utilis* Royle planting demonstration base located at an altitude of 3,000 meters at the foot of Haba Snow Mountain in Yunnan, a *Prinsepia utilis* Royle tree is thriving - growing from a small seedling into a flowering plant. By next spring, its fruits will emerge on the branches and ready for harvest in a few months.

This seemingly ordinary plant is about to embark on an extraordinary journey, eventually becoming the star ingredient in Winona Special Care Cream. The powerful restorative *Prinsepia utilis* Royle oil derived from it will help protect every inch of sensitive skin. Throughout this journey - from planting and harvesting to production, transportation, and ultimately consumption - every step reflects the concept of green development, forming a skincare industry chain that is both responsible and heartfelt.

## 1 The Cradle of Seeds: The *Prinsepia utilis* Royle Planting Demonstration Base at the Foot of Haba Snow Mountain

Haba Snow Mountain lies in the "Vertical Canyon in Southwestern China" and "Three Parallel Rivers of Yunnan Protected Areas" World Heritage Site for Nature. It is a key distribution area for endemic species in northwestern Yunnan and one of China's critical regions for biodiversity conservation. At the foot of Haba Snow Mountain in Shangri-La, Yunnan Province, sits Botanee's *Prinsepia utilis* Royle planting demonstration base at an altitude of 3,000 meters. This base is the natural habitat of *Prinsepia utilis* Royle and a core planting area reserved by Botanee for biodiversity conservation and sustainability promotion. It represents the first step in our ESG journey and the starting point of *Prinsepia utilis* Royle's journey to the world.

Here, we adhere to the concept of "wild world-simulated planting," strictly following natural laws in plantation management and avoiding the use of pesticides, fertilizers, and other materials that may negatively impact the ecosystem. The running of this planting base has not only protected the surrounding ecological environment but also enabled full control over the industry chain - from seed selection and planting to processing - thereby ensuring a sustainable supply of key ingredients for *Prinsepia utilis* Royle-based products and demonstrating our strong commitment to environmental protection and sustainable resource use.



### Key Progress during the Reporting Period

In 2024, we completed a comprehensive upgrade of the *Prinsepia utilis* Royle planting base, further optimizing the planting environment and the management model. Given the long propagation cycle and difficulty in selecting quality seeds for *Prinsepia utilis* Royle, we introduced over 600 high-quality seedlings sourced from various regions in Yunnan and established 13 germplasm resource banks in different locations. These efforts not only enriched the genetic diversity of *Prinsepia utilis* Royle but also laid a solid foundation for future scientific research and industrial applications.

## 2 Power of Innovation: Breakthroughs in Active Ingredient Development from *Prinsepia utilis* Royle



*Prinsepia utilis* Royle harvested from the foot of Haba Snow Mountain contains unique active compounds gifted by nature. To better serve human skin care with this precious gift, Botanee's R&D team employed cutting-edge technologies throughout raw material development, formulation, and screening stages, embedding ESG principles into the process. This led to highly efficient extraction and in-depth development of the active ingredients of *Prinsepia utilis* Royle, representing a perfect transformation from nature to technological innovation.

### Prinsepia utilis Royle oil

During the raw material development phase, the R&D team used subcritical low-temperature cold pressing technology and six ultra-refinement processes to extract pure, natural, and safe *Prinsepia utilis* Royle oil from *Prinsepia utilis* Royle kernels. This process not only preserved the oil's active ingredients to the greatest extent but also reduced unpleasant odor molecules by over 40% compared to similar products. Research confirmed that *Prinsepia utilis* Royle oil has excellent skin barrier repair effects. Compared with conventional ceramides and common plant oils, ceramides derived from *Prinsepia utilis* Royle oil showed significantly superior performance in barrier recovery.

### Polysaccharides from *Prinsepia utilis* Royle

Beyond oil extraction, the R&D team further explored the value of the residual kernel powder after oil pressing. Using layered temperature control technology and a combination of high-temperature quick extraction, layered purification, and low-temperature freshness locking, the team successfully extracted polysaccharides from *Prinsepia utilis* Royle with a total polysaccharides content exceeding 30%. Experimental data demonstrated the strong soothing and restorative potential of polysaccharides from *Prinsepia utilis* Royle.

These breakthrough achievements marked a new milestone for Botanee in raw material innovation and active ingredient development, injecting robust momentum into transforming *Prinsepia utilis* Royle from a natural resource into a functional skincare ingredient.



### Key Progress during the Reporting Period

The second-generation Winona Sensitiveness Relieving Moisturizing Tolerance-Extreme Cream was upgraded to Version 2.0, with polysaccharides from *Prinsepia utilis* Royle replacing the previous *Prinsepia utilis* Royle oil as the core ingredient. These polysaccharides have been shown to upregulate CLDN-5 gene expression and downregulate substance P expression, delivering enhanced skin-repairing and soothing effects. At the same time, Winona upgraded its formulation technology. The newly developed retention technology enhances the product's targeting ability and efficacy.

### 3 A Green Industry Chain: Low-Carbon Commitment from Laboratory to Store



As *Prinsepia utilis Royle* moves from the laboratory to the market, Botanee incorporates carbon reduction practices and efficient energy use throughout every stage. We are committed to minimizing environmental impact while ensuring product quality.

#### Manufacturing

The new base of our new central factory, which was officially put into operation in 2023, is built with low carbon and environmentally friendly materials, and equipped with a photovoltaic system. It is there that the remarkable "Chinese ingredient" is carefully refined, further enhancing the green performance of our products.

#### Retail operations

LED energy-saving lighting and intelligent temperature control systems have been installed in stores. Compared with traditional lighting, LED fixtures reduce energy consumption by approximately 40% and have a longer service life. The intelligent temperature control system in stores dynamically adjusts indoor temperature and humidity based on customer traffic and outdoor weather conditions.

The logistics network has been optimized by establishing core warehouses, effectively shortening the distance between warehouse transfers. Polypropylene (PP) turnover boxes have been promoted to replace single-use corrugated cartons, enabling circular use of materials. New energy vehicles have been introduced for goods transfer, and all fuel-powered forklifts have been replaced with electric models.

#### Warehousing and transportation



From raw material sourcing to product delivery, Botanee has built a low-carbon and highly efficient green industry chain through a series of innovative initiatives and rigorous management practices. This adds even more green value to the entire journey of *Prinsepia utilis Royle* from a gift of nature to a premium skincare ingredient.

### 4 Green Packaging: The Environmental Mission of *Prinsepia utilis Royle*-Based Products



In the final packaging process of *Prinsepia utilis Royle*-based products, Botanee remains committed to the integration of sustainability and innovation. By combining the natural properties of *Prinsepia utilis Royle* with sustainable packaging design, we not only carry forward its ecological significance but also allow every consumer to feel the sense of responsibility behind this gift from nature, completing the closed loop of the green value chain.

Botanee's series of initiatives in packaging design and recycling include:

#### \* Less

In packaging design and development, we continuously innovate to achieve green packaging through advanced processes. In 2024, we replaced lithographic printing in logistics packaging with eco-friendly water-based printing, which has been applied to over 2 million cartons, significantly reducing resource consumption during the printing process.

#### \* Reduce

In packaging reduction, we have explored ways to eliminate unnecessary or replaceable packaging elements, such as using QR codes instead of paper instructions and optimizing their integration with product packaging.

#### \* Degradable

We have partially replaced traditional plastic cushioning with degradable materials (100% degradable molded pulp).

#### \* Reuse

We offer refill packs to encourage reuse and provide more sustainable options for consumers.

#### \* Recycle

We emphasize ease of recycling in packaging design. For example, we are gradually transitioning from standard cardboard to lower carbon footprint, more recyclable white cardboard. In terms of craftsmanship, we have replaced traditional film coating with transfer aluminum technology, making the packaging easier to recycle and process. To promote circular resource use, we continuously promote the "Save the Earth: Recycle and Be Rewarded" empty bottle recycling program, encouraging consumers to actively participate in packaging recycling and support resource reuse together.

#### Key Progress during the Reporting Period

The second-generation Winona Special Care Cream, with *Prinsepia utilis Royle* as the core ingredient, incorporates sustainable design concepts into its packaging. The upgraded outer packaging offers a more premium texture, while the inner cartridge continues the vacuum freshness-locking concept. The new refillable cartridge design reduces packaging waste and cuts plastic usage by 39% compared to the former version, offering consumers more sustainable choices.



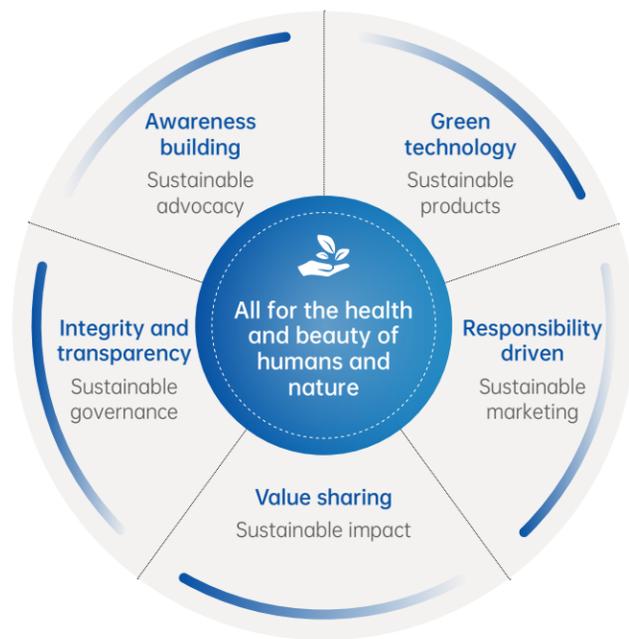


# Sustainability Management

Guided by the vision "to bring health and beauty to everyone", we incorporate sustainability into our business philosophy. We strive to create an honest and trustworthy business ecosystem, explore technology-enabled skincare, build a diverse and inclusive workplace, prioritize talent development, and take practical actions to promote biodiversity conservation and rural revitalization. Solid efforts are exerted to strike a balance between economic value and social value.



## Philosophy and Strategic Direction of Sustainability Development



## Strategic Initiatives and Management Goals for Sustainability

Guided by the vision of "all for the health and beauty of humans and nature", the Company has established a comprehensive sustainability system based on five strategic pillars: "Integrity and Transparency: Reinforcing the Foundation for Solid Business", "Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem", "Technological Precision: Building a Skin Health Ecosystem", "Diversity and Equality: Moving Forward Together in Unity", and "Gratitude & Goodwill: Co-Creating and Sharing Value". In alignment with key ESG topics in the industry and the United Nations Sustainable Development Goals (SDGs), the Company has formulated its strategic initiatives and management goals for sustainability for 2030.

Philosophy Pillar	Strategic initiatives and management goals	Material topics	SDGs
<b>Integrity and Transparency: Reinforcing the Foundation for Solid Business</b>	1. Establish a scientifically effective sustainable governance system and a comprehensive management framework, integrating the concept of sustainable development into corporate decision-making to ensure the effective implementation of the Company's sustainability strategy.  2. Incorporate ESG risk management into the overall risk management framework, identifying and managing various ESG risks to prevent them.  3. Build a responsible supply chain, requiring suppliers to sign the <i>Supplier Code of Business Ethics</i> and adhere to regulations regarding human rights, business ethics, environmental, and social responsibilities.	Corporate governance Sustainability management Fair business environment Risk management and internal control	
	<b>Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem</b>	4. Establish a carbon inventory management system and gradually build a product carbon footprint assessment platform; encourage key suppliers to provide detailed carbon emission data and continuously reduce the product's environmental footprint throughout its entire life cycle.  5. Significantly increase the use of clean energy in production and transportation by installing distributed photovoltaic power generation units at central factories and increasing the proportion of new energy vehicles in logistics.  6. Establish an innovation mechanism for green packaging and design, promote product packaging reduction, plastic reduction, and the use of recyclable materials; replace plastic packaging with eco-friendly and recyclable materials such as glass and PCR, while also increasing the use of alternative packaging and bottle recycling.  7. Support sustainable forest management, with the goal of achieving a 98% application rate for FSC-certified paper products by the end of 2030.  8. Ensure that over 85% of plastic packaging is reusable or recyclable by the end of 2030.  9. Implement green packaging design by adjusting printing processes, promoting the use of watermarks instead of offset printing, and using eco-friendly inks such as water-based and soy-based inks to reduce VOC emissions and minimize environmental impact.  10. Increase the proportion of sustainable ingredients in products, continue prioritizing the purchase of sustainable palm oil, and encourage upstream raw material suppliers to obtain certification from the Roundtable on Sustainable Palm Oil (RSPO).  11. Develop a biodiversity protection plan, aligning with the <i>Kunming-Montreal Global Biodiversity Framework</i> to carry out biodiversity protection; conduct comprehensive biodiversity risk and opportunity assessments for production and operational sites as well as products, achieving scientific protection of mountain resources and collaborative development of the specialty plant industry before 2030.	Green packaging Low carbon products Green procurement Green operations Climate action Conserve biodiversity

All for the health and beauty of humans and nature

Philosophy Pillar	Strategic initiatives and management goals	Material topics	SDGs
<b>Technological Precision: Building a Skin Health Ecosystem</b>	12. Focus on research and development innovation as the core driver and competitive advantage, continually increasing investment in R&D, cultivating scientific talent, and building innovation platforms. 13. Strengthen fundamental research and independent R&D of functional cosmetic plant ingredients, creating a standard sample system for Yunnan-specific plant ingredients used in functional cosmetics. 14. Strengthen cosmetic safety management by streamlining formulations and maximizing the natural properties of botanical ingredients, thereby minimizing the use of non-essential chemical ingredients and strictly monitoring the presence of risk-associated ingredients not intentionally added. 15. Increase product ingredient transparency by establishing a <i>Botanee Concerned Cosmetic Ingredient List</i> for all products, and continuously engage in various forms of consumer education to ensure consumers fully understand the product ingredients and their potential effects.	Focus on research and development Product quality Chemical safety and ingredient transparency Customer service Health ecosystem creation	  
<b>Diversity and Equality: Moving Forward Together in Unity</b>	16. Foster a diverse, equitable, and inclusive work environment, and build a comprehensive talent development and training system to ensure every employee is respected, empowered, and provided with the opportunity to reach their full potential.	Employee rights and care Employee training and development Employee safety and health	 
<b>Gratitude and Goodwill: Co-Creating and Sharing Value</b>	17. Actively assume social responsibility, with cumulative public welfare investment exceeding CNY 100 million from 2021 to 2030, volunteer service hours totaling over 10,000 hours, and a cumulative number of direct beneficiaries reaching 1 million people. 18. Driven by the mission "to create China's skin health ecosystem," continuously invest in health accessibility public welfare projects, supporting more people in need to achieve health and beauty. 19. Fund and initiate a biodiversity collaboration action plan, continuously supporting the construction of the biodiversity protection ecosystem, the integration and localization of biodiversity information disclosure standards, social research and communication on biodiversity protection, and frontier exploration actions for biodiversity conservation. 20. Take the inheritance of cultural diversity as an important social responsibility of Botanee, strengthen the promotion of China's intangible cultural heritage (ICH) by creating sustainable marketing scenarios, and bring Yunnan's ICH to the world stage; establish multiple public welfare projects to build bridges for the inheritance of ICH, expand the group of ICH inheritors, and protect and pass on the beauty of cultural diversity.	Health accessibility Public welfare	    

All for the health and beauty of humans and nature

## Sustainability Governance Structure

### Overall Structure



### Responsibilities

- 01** **The Board of Directors and Strategy Committee (highest ESG governance bodies):** As the highest ESG decision-making bodies, they are responsible for setting and reviewing the Company's ESG strategy, ensuring its alignment between ESG goals and the overall sustainability strategy, and prioritizing ESG topics - especially material ESG topics - during the decision-making process.
- 02** **Board Secretary's Office (ESG responsibility department):** It is responsible for ESG disclosure and overall management, ensuring the compliance of ESG operations with domestic and international regulatory requirements, coordinating cross-departmental efforts, supporting working groups, and overseeing ESG information disclosure to ensure transparency in implementing ESG goals across all business units.
- 03** **Heads/liaisons of departments and subsidiaries (ESG execution team):** All departments and subsidiaries are required to establish an ESG-related framework, clarify their ESG execution responsibilities, and regularly report on implementation progress.
- 04** **Primary-level Party organizations/labor unions and women's federations (ESG execution team):** They are responsible for enhancing employees' environmental awareness, promoting social responsibility, fostering a culture of diversity and inclusion within the Company, organizing ESG-related employee training and volunteer activities to strengthen employees' sense of environmental and social responsibility, and promoting eco-consciousness throughout the product life cycle.

## Cross-Departmental Working Mechanism

To ensure efficient collaboration, we have established cross-departmental working groups for key ESG topics. These groups integrate expertise and resources from various departments to promote information sharing and coordinated action, enabling a more holistic approach to cross-functional challenges. We have a two-tier cross-departmental mechanism consisting of committees and working groups.

**Committees** They are composed of senior management members. Examples include the Compliance Committee (with the Chairman and all senior executives as its members) and the Information Security Committee (with executives at the president level as its members).

They are composed of executives at the vice president level. Examples include the Green Supply Chain Working Group, the Social Responsibility Working Group and the Employee Well-being and Diversity Working Group.

**Working groups**

Case
Green Supply Chain Working Group

The Green Supply Chain Working Group focuses on building a sustainable green supply chain system. Through cross-departmental collaboration, the group drives progress in environmental protection, social responsibility, and supply chain management across the Company. Its work spans the entire product lifecycle—from R&D to procurement, production, and logistics. Group members include representatives from procurement, packaging, production, and logistics departments. Core responsibilities cover raw material traceability, procurement of environmentally friendly materials, green logistics optimization, carbon footprint accounting, and emission reduction target setting. The Group's key achievements during the Reporting Period are as follows:

<div style="border: 1px solid #0070C0; padding: 5px; margin-bottom: 10px; text-align: center; font-weight: bold; color: #0070C0;">Raw materials</div> <p>Suppliers were required to provide traceable certification information, especially in the supply chain management of key raw materials such as palm oil. During the Reporting Period, <b>11</b> new suppliers obtained RSPO certification / RSPO trade license.</p>	<div style="border: 1px solid #0070C0; padding: 5px; margin-bottom: 10px; text-align: center; font-weight: bold; color: #0070C0;">Environmental packaging design</div> <p>Packaging optimization was carried out for 60 products, reducing plastic usage in packaging by 22 tons compared to 2023.</p>
<div style="border: 1px solid #0070C0; padding: 5px; margin-bottom: 10px; text-align: center; font-weight: bold; color: #0070C0;">Logistics</div> <p>Centralized warehouse management was implemented, and the use of used, relatively intact cardboard boxes for shipping was piloted. Preliminary statistics show the reuse of <b>100,000</b> boxes, saving <b>47,000</b> square meters of paper.</p>	<div style="border: 1px solid #0070C0; padding: 5px; margin-bottom: 10px; text-align: center; font-weight: bold; color: #0070C0;">Carbon footprint assessment</div> <p>The carbon footprint across the entire value chain of the Company was monitored, and carbon footprint verification for core products was conducted. Additionally, some products optimized packaging and supply chain management, resulting in a significant reduction of 237.7 kgCO<sub>2</sub>e per 10,000 products in carbon emissions.</p>

## Stakeholder Engagement

Botanee offers diverse mechanisms for communication with stakeholders, maintains close contact with them, and communicates with them through various channels and methods including daily communication, meetings, regular information disclosure, etc., actively responding to stakeholder concerns.

Stakeholders	Expectations and concerns	Botanee's responses
 <b>Employees</b>	<ul style="list-style-type: none"> <li>▪ Remuneration and welfare</li> <li>▪ Health and safety</li> <li>▪ Communication and feedback channels</li> <li>▪ Fair promotion and development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Medical insurance and holiday care packages</li> <li>▪ Establish labor union and organize union activities</li> <li>▪ Comprehensive training system and career development platform</li> <li>▪ Regular health check-ups, and safety and first aid training</li> <li>▪ Diverse employee activities and open communication channels</li> </ul>
 <b>Consumers/ customers</b>	<ul style="list-style-type: none"> <li>▪ Safe and healthy products</li> <li>▪ Customer satisfaction</li> <li>▪ Responsible marketing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure the stability of product supply and product quality</li> <li>▪ Strengthen product quality management and continuously optimize products</li> <li>▪ Conduct customer satisfaction survey</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>▪ Transparency</li> <li>▪ Green supply chain</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sign regulated contracts and implement them with integrity</li> <li>▪ Adopt open procurement processes and improve supplier management</li> <li>▪ Enhance business exchanges and cooperation for common development</li> </ul>
 <b>Regulatory authorities</b>	<ul style="list-style-type: none"> <li>▪ Legal and compliant operations</li> <li>▪ Law-abiding tax payment</li> <li>▪ Contributions to the economy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strengthen compliance management in operations</li> <li>▪ Hire local talents to promote local employment</li> <li>▪ Accept supervision and assessment</li> <li>▪ Promote high-quality development of regional economy</li> </ul>
 <b>Partners</b>	<ul style="list-style-type: none"> <li>▪ Keeping promises</li> <li>▪ Transparency</li> <li>▪ Promoting industry development</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reject unfair business practices and vicious competition</li> <li>▪ Exchange experience to promote common development</li> <li>▪ Seek technological innovations and develop industry standards</li> </ul>
 <b>Investors</b>	<ul style="list-style-type: none"> <li>▪ Sound corporate governance</li> <li>▪ Returns and growth</li> <li>▪ Risk control</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improve corporate competitiveness and profitability</li> <li>▪ Manage biodiversity risks and opportunities</li> <li>▪ Continuously create returns for shareholders</li> <li>▪ Disclose information in a timely manner and carry out investor communications activities</li> </ul>
 <b>Public interest organizations and communities</b>	<ul style="list-style-type: none"> <li>▪ Support for social development</li> <li>▪ Care for vulnerable groups</li> <li>▪ Rural revitalization</li> <li>▪ Talent nurturing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Focus on community development and actively organize activities</li> <li>▪ Carry forward local specialty culture</li> <li>▪ Donate money and provide volunteer services</li> <li>▪ Hire local talents and increase local procurement</li> </ul>

## Materiality Assessment

We conduct regular multidimensional reviews of material ESG topics based on our business development, industry characteristics, compliance requirements, investor concerns, related international standards, stakeholder concerns and so on. In 2024, we maintained close communication with stakeholders through various channels (such as interviews, questionnaires, and meetings). With the assistance of ESG consultants, we systematically assessed and reviewed the materiality of sustainability topics for the year to provide a reference for ESG management and information disclosure. Upon review and assessment, the "Risk Management and Internal Control" topic was newly added this year, along with the inclusion of financial materiality assessment.

### Steps for materiality analysis

#### Assessment process

##### Step 1: Identified material topics and created a material topic library

Based on national policies, business development, disclosure standards, capital markets, and benchmarking with peers, as well as the existing list of material topics, we identified material topics for the year and compiled a library of material topics.

**National policies:** We closely followed national macro policies, studied national and provincial policies and regulations, and analyzed sustainability trends in the cosmetics industry based on industrial policies and regulations.

**Business development:** Based on the Company's mission, vision and business development situation, we comprehensively examined material ESG topics and updated them to ensure they reflect our strategic goals and adapt to market changes and business needs.

**Disclosure standards:** We referred to a range of standards, such as the GRI Standards, the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, the *International Sustainability Standards Board's (ISSB) IFRS S2 Climate-related Disclosure (IFRS S2)*, and the *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG5.0)*, to ensure compliance with the latest sustainability management standards and requirements for information disclosure.

**Capital markets:** We collected ESG ratings and index evaluation requirements, such as those of MSCI, in capital markets, and updated the material topic library in relation to capital market ratings.

**Benchmarking with peers:** We benchmarked against excellent domestic and international peers' disclosures on sustainable development to identify key material topics in the cosmetics industry and methods of stakeholder engagement.

##### Step 2: Engaged with stakeholders

Based on the assessment dimensions mentioned above, we identified 20 material topics that had substantive impacts on Botanee, including 5 environmental topics, 11 social topics, and 4 governance topics. Through daily communication with stakeholders, we conducted interviews, meetings, or conference calls to understand core topics of concern to stakeholders, and facilitate the assessment and review of material topics for the year. We invited internal and external stakeholders to evaluate the materiality of different sustainability topics from their perspectives through an online questionnaire and express their opinions on Botanee's current sustainable development strategy, performance, reporting methods, and disclosure quality.

Our stakeholder survey for 2023 covered Botanee's directors, senior management members, key management personnel, employees, consumers/customers, distributors, investors, suppliers, media, government and regulatory authorities, public interest and charitable organizations, and communities. In 2024, we invited internal stakeholders to conduct a qualitative assessment of financial materiality.

##### Step 3: Analyzed and reviewed topics of impact materiality and financial materiality

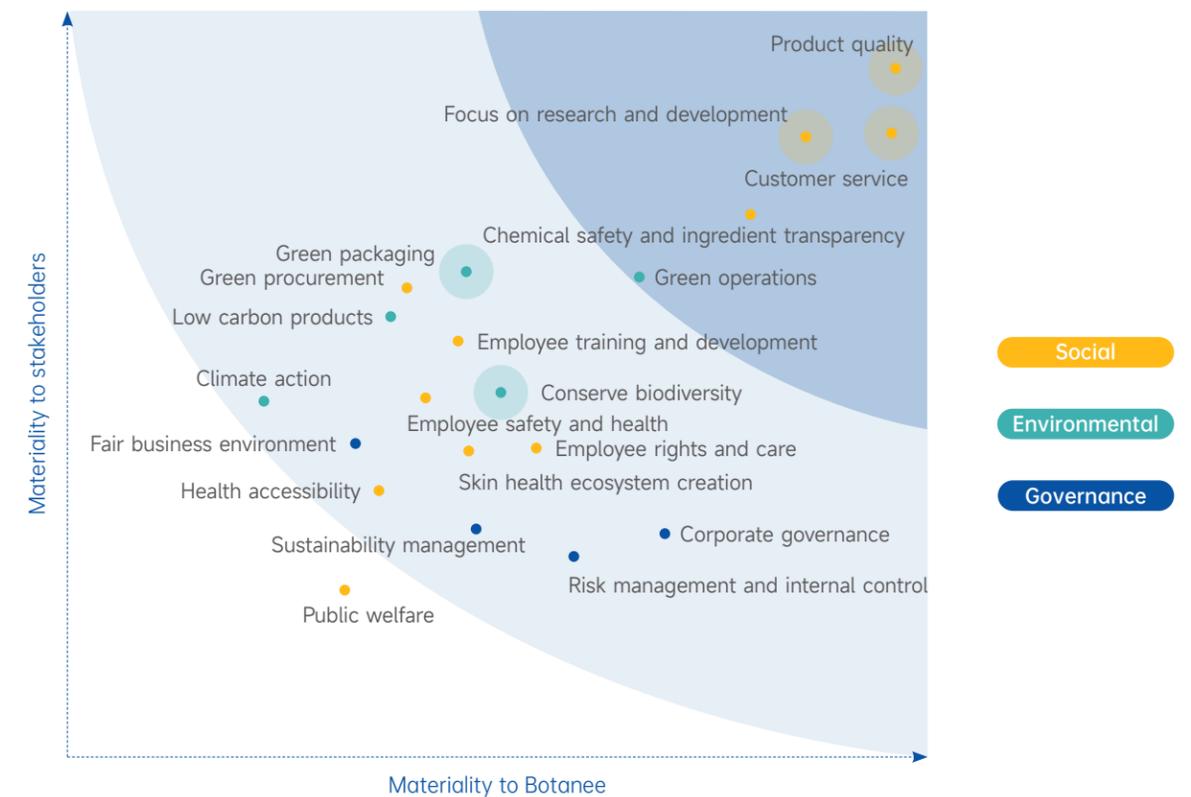
**Impact materiality:** Taking into account opinions from the management and stakeholder requirements, we ranked the materiality of identified ESG topics. We allocated weights to each topic based on its risk level and integrated "materiality to stakeholders" and "materiality to Botanee" dimensions to form a materiality matrix. The screening and analysis results were reviewed by internal managers and external experts.

**Financial materiality:** We initially identified five topics of financial materiality. They are not only relevant to the Company's ESG practices but also linked to its long-term financial health and market competitiveness.

##### Step 4: Responded to and disclosed material topics

For material topics, we formulated and implemented action plans, presented them to the Board of Directors and the Strategy Committee for review and confirmation, and provided key responses and disclosures in this report.

2024 Materiality Matrix of Botanee



Highly material	Moderately material	Generally material
<ul style="list-style-type: none"> <li>Product quality</li> <li>Customer service</li> <li>Focus on research and development</li> <li>Chemical safety and ingredient transparency</li> <li>Green operations</li> </ul>	<ul style="list-style-type: none"> <li>Green packaging</li> <li>Employee rights and care</li> <li>Conserve biodiversity</li> <li>Employee training and development</li> <li>Green procurement</li> </ul>	<ul style="list-style-type: none"> <li>Health accessibility</li> <li>Risk management and internal control</li> <li>Fair business environment</li> <li>Climate action</li> </ul>



# 01 Integrity and Transparency: Reinforcing the Foundation for Solid Business

Botanee adheres to the core values of integrity and pragmatism, and uses them as behavioral norms for management. We require all employees to uphold fundamental standards of integrity, establish a solid compliance foundation for sustainable development, and work with partners to create a compliant and trustworthy business environment. Together, we boost a fair, just, honest, and transparent business ecosystem to safeguard sustainable corporate development.

- Corporate Governance 
- Risk Management and Internal Control 
- Fair Business Environment 



# Corporate Governance

## Philosophy

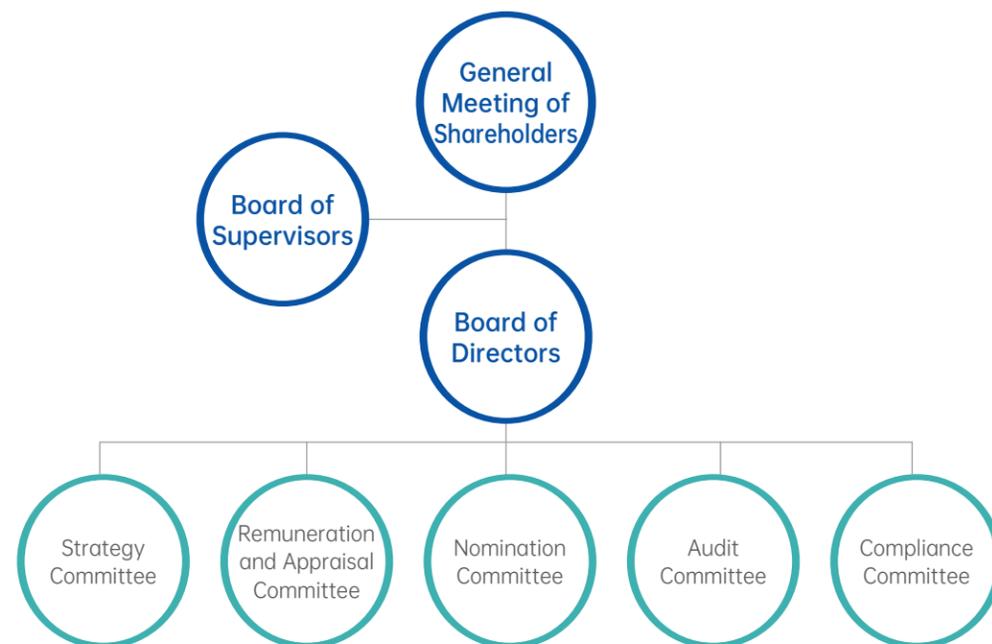
Following the goal of ensuring sustainable and healthy development of the Company, Botanee has developed a professional, regulated, and transparent governance structure that provides organizational support for the development of the Company through mutual supervision and restraint among investors, the Board of Directors, the Board of Supervisors, and managers.

## Strategy

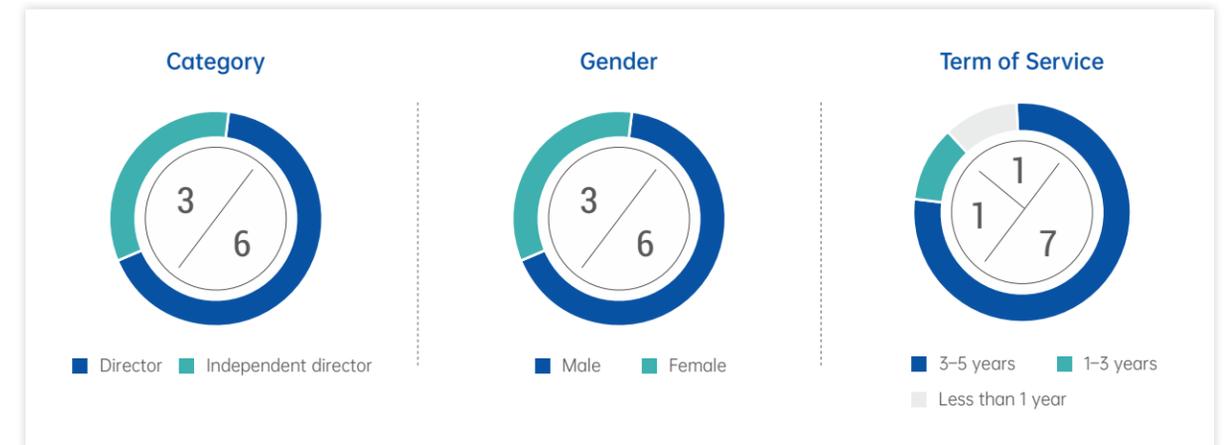
Botanee strictly complies with relevant regulations of the China Securities Regulatory Commission and other regulatory authorities, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies in China*, and the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*. We effectively implement internal governance systems such as our *Articles of Association*, and adopt a regulated corporate governance structure established in light of our actual manufacturing and operations that features clarified responsibilities and authorities in decision-making, execution, and supervision.

## Management Practices

### Governance Structure



When selecting director candidates, the Nomination Committee takes into consideration many factors including (but not limited to) gender, professional background, industry experience, and term of service in the light of Botanee's business model and specific needs. As of the end of the Reporting Period, the Board of Directors consisted of nine directors, including six directors (with two females) and three independent directors (with one female). Female directors accounted for over 33% of the Board.



The General Meeting of Shareholders exercises decision-making rights on major issues such as the Company's operating policies, fundraising, investment, and profit distribution in accordance with laws and regulations including the *Company Law of the People's Republic of China*, the *Articles of Association*, and the *Rules of Procedure for the General Meeting of Shareholders*.



The Board of Directors operates in strict accordance with the *Company Law of the People's Republic of China*, the *Articles of Association*, and the *Rules of Procedure for the Board of Directors*. It exercises management rights and is accountable to the General Meeting of Shareholders. There are four specialized committees under it, namely, the Strategy Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Audit Committee. Independent directors are professionals with expertise in finance, law, management, and other fields. They strictly abide by the requirements of the *Working System for Independent Directors*, safeguard the interests of the Company, and independently and objectively fulfill their responsibilities based on sufficient access to information on important issues.



The Company has a total of three supervisors, including one employee representative supervisor. The Board of Supervisors is accountable to the General Meeting of Shareholders and exercises its powers according to the law, including financial inspection of the Company, supervision of the actions of directors and senior management in performing their duties, and safeguarding the interests of the Company, shareholders, and employees.



In 2024, the Company convened:

General Meetings of Shareholders	With proposals reviewed totaling	Board of Directors meetings	With resolutions reviewed totaling	Board of Supervisors meetings	With resolutions reviewed totaling
2	20	3	34	3	20

## Board Training on ESG Awareness

Botanee keeps strengthening the ESG governance capabilities of the Board by regularly organizing professional training sessions. The training focuses on ESG development trends, regulatory updates, and evolving market ESG expectations. To comply with regulatory requirements, the Company arranges for Board members to participate in specialized training sessions organized by regulatory authorities. These sessions cover key topics such as updates on stock exchange rules, interpretation of ESG-related regulations, and ESG essentials in corporate governance.

## Information Disclosure

While earnestly implementing our business strategies and continuously improving operational management, we fulfill our obligations for information disclosure as a listed company, and safeguard the legitimate rights and interests of shareholders. Endeavors are made to ensure that investors, especially small and medium-sized investors, enjoy their legal rights to access information about Botanee, receive asset returns, participate in decision-making on important issues, choose managers and more. Botanee adheres to the principles of truthfulness, accuracy, completeness, timeliness, and compliance in information disclosure.



As of December 31, 2024, a total of **60** announcements (including numbered filings) had been disclosed.

## Investor Relations

Botanee attaches great importance to investor relations and executes a complete system for investor relations management. We actively engage in communication with investors in a fair, transparent, and equitable manner. Through various channels, we enhance communication with investors, improve the transparency of corporate governance, actively listen to their opinions and suggestions, and maintain healthy two-way communication interactions with the capital market.



In 2024, the Company received 274 investor inquiries on the Shenzhen Stock Exchange's investor relations interaction platform (irm.cninfo.com.cn), a 35% increase compared to the previous year, ranking first among 14 comparable companies in the beauty and personal care sector. We have dedicated personnel for investor communication and responded to a total of 256 inquiries throughout the year, with an average response rate of more than once per day, reflecting the Company's strong commitment to addressing and responding to investor concerns promptly.

In addition to the Company's official website, our investor relations team expanded online service channels this year by launching Botanee's WeChat official account and mini program for investor relations. A total of 37 posts were published throughout the year, providing investors with more convenient and diverse ways to access information.

**Institutional roadshows:** The Company participated in 113 broker roadshows and reverse roadshows in Beijing, Shanghai, Shenzhen, Hong Kong, Macau, and Singapore, as well as 14 domestic and international investment strategy conferences, covering 340 financial institutions.

**Capital market activities:** In 2024, the Company organized 5 capital market events, including 3 online performance presentations and 2 "Investors into Listed Companies" events. The performance presentations were conducted via live streaming in the form of interactive Q&A, making it easier for investors to understand the Company's performance and development strategy. In field surveys, investors were invited to our production bases and research and development centers for a better understanding of our operations.

## Risk Management and Internal Control

### Philosophy

Botanee upholds the philosophy of "Integrity in Business and Compliance First", establishing a robust risk prevention and control system to ensure stable operations.

### Strategy

We build a comprehensive compliance management system through the "four pillars" of organizational system, policy system, operational system and cultural atmosphere. Additionally, we integrate ESG risk management into the overall risk management framework to enhance the Company's resilience.

## Management Practices

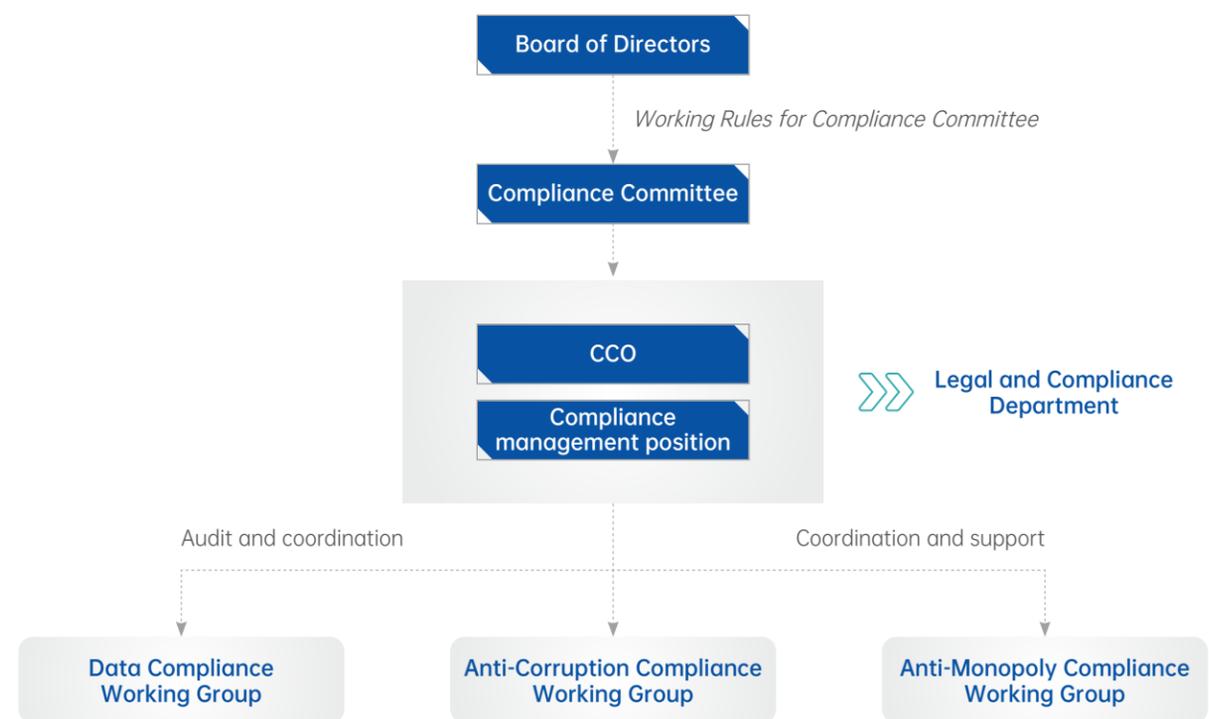
### Compliance and Internal Control

Botanee remains committed to compliant business practices, clearly placing "improving the compliance system and strengthening the development support for the Company" as one of the core operational objectives for 2024, establishing the "four pillars" of compliance management system.



To establish and improve the compliance risk management system, Botanee has developed a multi-tiered compliance governance structure. The Board of Directors, as the ultimate responsible body, and the Compliance Committee, as the highest management body, work in coordination with legal, compliance, finance, auditing, human resources, technology, quality, safety, and operations management departments, forming a comprehensive mechanism for the identification, early warning, review, and resolution of compliance risks.

- Decision-making level**  
 (Compliance Committee)
  - As the highest compliance management body of Botanee, the Compliance Committee is established with the approval of the Board of Directors. It is chaired by the Chairman of the Board, and its members include all senior management members and the head of the Legal and Compliance Department. Its main responsibilities include reviewing compliance policies, overseeing compliance management, approving major compliance issues, and reporting to the Board of Directors.
- Management level**  
 (Legal and Compliance Department)
  - The Chief Compliance Officer (CCO), who is also the head of the Legal and Compliance Department, reports directly to the Compliance Committee. The Legal and Compliance Department serves as the lead department for routine compliance management, with a dedicated compliance management position. Additionally, each business department appoints a part-time compliance liaison, forming a network guided by the Group.
- Execution level**  
 (special compliance working groups)
  - Under the guidance of the Compliance Committee, the Legal and Compliance Department leads and coordinates relevant departments to establish special compliance working groups, including the Data Compliance Working Group, Anti-Corruption Compliance Working Group, and Anti-Monopoly Compliance Working Group, which are responsible for advancing and implementing specific compliance issues.



Botanee strictly complies with relevant regulatory rules, including the *Guidelines of the Shenzhen Stock Exchange for Internal Controls of Listed Companies*, *Guidelines for Evaluation of Enterprise Internal Control* and *Guidelines for Audit of Enterprise Internal Control*. The Company has authorized the Chief Compliance Officer to develop a comprehensive compliance management policy system based on the requirements of each business area and applicable regulatory standards. This system includes the *Compliance Charter*, *Employee Code of Conduct*, *Anti-Commercial Bribery Policy*, and other related guidelines and procedural documents.

We assess compliance risks through interviews, document reviews, random inspections, and detailed compliance records, and have formed a compliance risk list. In addition, the Audit Department conducts routine and annual internal control assessments, as well as monthly, quarterly and annual internal control self-assessments, inspections and supervision. During the Reporting Period, we conducted 3 quarterly internal control assessments and 1 annual internal control assessment, as well as 10 special audits, covering areas such as the use of raised funds, staff turnover and work handover, and focused inspections of key areas. The audit results show that the internal control system is functioning effectively, with no significant or major risks identified.

The Company places high importance on internal control and compliance culture, establishing a multi-level training system. This includes conducting at least one internal control and risk management training session for all employees each year, providing basic compliance training for new employees, and offering targeted compliance training based on the business characteristics of each division, to continuously enhance the risk prevention awareness of all staff. In 2024, the Company conducted 1 special training on internal control.

### ESG Risk Management

Botanee values the potential impact of ESG-related risks and actively undertakes ESG risk management activities. We have incorporated ESG risk identification and management into our overall risk management framework. During the Reporting Period, we conducted risk identification and management across the three dimensions of environment, social, and governance, gradually implementing mitigation measures and monitoring the results of risk control. Please refer to the corresponding sections of this report for detailed descriptions of specific risks and management measures.

# Fair Business Environment

## Philosophy

Botanee strictly observes laws and regulations, maintains compliant business operations and follows high standards of commercial conduct. We firmly oppose illegal activities such as corruption, bribery, unfair competition, and money laundering, and actively advocate employees, suppliers, and customers to practice business ethics, thereby fostering a fair business environment.

## Strategy

We have established a comprehensive internal management system, regularly conducting both internal and external audits to ensure strict control over business compliance and risk management. We require our supply chain partners to uphold business ethics standards and comply with anti-monopoly laws to maintain fair market competition. We strictly enforce relevant laws and regulations in areas such as tax management, information security, and intellectual property protection to ensure compliant operations.

## Management Practices

### Business Ethics

In terms of anti-corruption efforts, the Audit Committee of the Board of Directors serves as the highest supervisory body, while the independent Corporate Audit Department is responsible for anti-corruption publicity, consultation, inspection, and handling of complaints and whistleblower leads. Adhering to the principle of "combining punishment with prevention, with prevention as the main focus", Botanee has established and publicly disclosed multiple policies, including the *Botanee Anti-Corruption System*, the *Botanee Improper Conduct Identification Guidelines*, and the *Botanee Employee Conflict of Interest Management System*. During the Reporting Period, the Board of Directors reviewed and approved the *Botanee Anti-Commercial Bribery Management Policy*, further strengthening the Company's anti-corruption policy system.

We conduct at least 1 anti-malpractice publicity session for employees each year and regularly provide anti-corruption training. All employees sign a commitment letter to conflict of interest that includes guidelines on anti-corruption and conflict of interest. In 2024, through specialized publicity, signing of commitment letters on conflict of interest and anti-corruption, the coverage of anti-corruption publicity for employees and other personnel categories (interns, outsourced staff, etc.) reached 100%, and we launched the "Upholding Integrity, Starting with Me" campaign through posters and emails to strengthen employees' awareness of integrity.



During the Reporting Period, the Board of Directors reviewed and approved the *Botanee Code of Compliant Conduct for Business Partners*, strengthening the management of commercial partners' integrity and compliance. Besides, we signed the *Supplier Code of Business Ethics and Conduct* with all direct procurement suppliers, and performed an annual review and update to the code to ensure compliance with business ethics standards. Our procurement contracts included integrity clauses that require suppliers to implement relevant anti-corruption requirements.

The Internal Audit and Internal Control Department conduct audits of the Company's compliance with business ethics standards and implementation of internal anti-corruption policies at least once every 3 years, which covered all business lines and subsidiaries of the Group. The review dimensions include anti-corruption and conflict of interest, among others, to identify potential problems and ensure the effective implementation of business ethics guidelines. As part of annual internal audit, specific audits related to anti-corruption risks are conducted.

Regarding anti-monopoly and anti-unfair competition, Botanee strictly adheres to laws and regulations, such as the *Anti-Monopoly Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, to uphold a healthy market competition environment. We strictly control source prices during shipments, and adopt flexible pricing strategies to avoid any conduct that may constitute a violation of anti-monopoly laws. We also implement risk controls for anti-monopoly, and assess sales contracts and policies to ensure compliance with anti-monopoly laws and regulations.

Following the *Botanee Improper Conduct Complaint Management Operating Procedures* and the *Botanee Complaint and Whistleblower System*, we provide channels for reporting improper conduct, including dedicated hotlines, email addresses, and mailing addresses, which are clearly stated on the Company's website, suppliers' website, and our *Employee Handbook*. We strictly protect the personal information of whistleblowers and prohibit any retaliatory actions against them to safeguard their rights.

### Intellectual Property

As a research-oriented high-tech enterprise, we recognize the importance of intellectual property in corporate development. The Company has formulated the *Commercial Secret Management Policy*, the *Intellectual Property Protection Management Policy*, and other relevant regulations.

We strictly abide by the *Enterprise intellectual property management* (GB/T29490-2013), having established a comprehensive intellectual property management system covering the entire process including R&D, production, and sales of cosmetics and medical devices (wound dressings). In terms of patent management, we focus on preventing the infringement of others' intellectual property rights and protecting our own patents. Additionally, we irregularly offer training on intellectual property protection and patent protection to enhance employees' awareness of intellectual property protection and improve intellectual property management.

### Tax Compliance

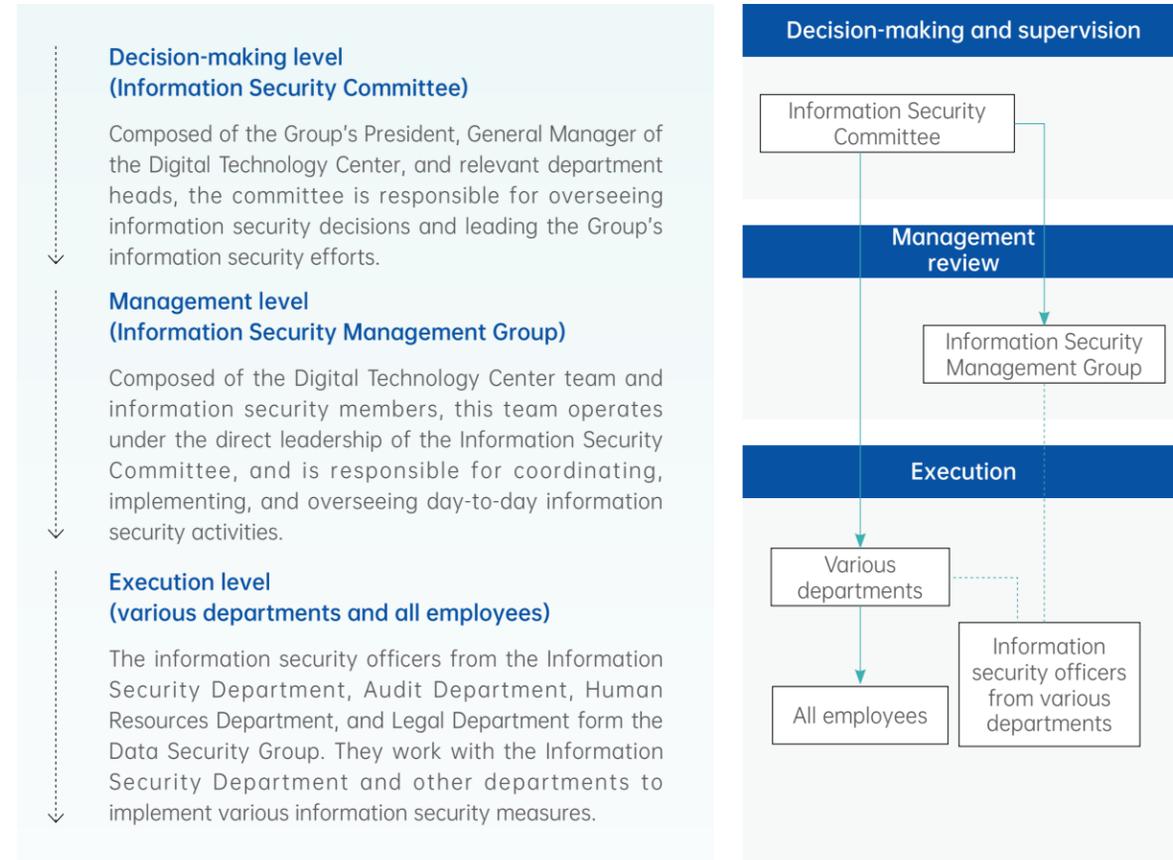
The Company has established a tax compliance system for its business operations and implemented comprehensive tax risk management. In accordance with the *Botanee Financial Management and Accounting Manual*, we regulate procedures for handling relevant tax issues, and continuously improve the efficiency and quality of tax management. Furthermore, we engage tax consultants and intermediaries to provide professional support and conduct periodic training for tax personnel and internal experience sharing to enhance the team's professional competence.

In response to the national initiative to deepen tax collection and administration reform, the Company joined the "Natural System" platform of the State Taxation Administration of the People's Republic of China in 2024. The platform offers standardized, digital tax services through direct connection between tax and enterprise systems. To date, the Company has completed the system integration for the output tax module, enabling automated invoice issuance. The input tax module has completed sandbox testing and is being progressively rolled out. In the future, the Company will continue to deepen the application of Natural System, with plans to expand it to cover automated reporting for all tax types.

In 2024, we did **not** incur any tax-related penalties.

## Information Security

To strengthen information security management and systematically carry out various tasks, Botanee has established an information security governance structure to ensure the effective implementation of information security work:



### Decision-making level (Information Security Committee)

Composed of the Group's President, General Manager of the Digital Technology Center, and relevant department heads, the committee is responsible for overseeing information security decisions and leading the Group's information security efforts.

### Management level (Information Security Management Group)

Composed of the Digital Technology Center team and information security members, this team operates under the direct leadership of the Information Security Committee, and is responsible for coordinating, implementing, and overseeing day-to-day information security activities.

### Execution level (various departments and all employees)

The information security officers from the Information Security Department, Audit Department, Human Resources Department, and Legal Department form the Data Security Group. They work with the Information Security Department and other departments to implement various information security measures.

The Company strictly complies with the *Data Security Law of the People's Republic of China*, *Cybersecurity Law of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China*, and other related regulations, and has formulated the *Botanee Information Security Management Policy* and *Data Security Management Specifications* to ensure network and data security.

We strictly manage the personal information of consumers and potential consumers obtained through online and offline channels, employ encryption, anonymization and other measures to store and manage the information, and classify and grade data in existing applications. For sensitive data involving customer phone numbers, bank card details, and identification numbers in the system, we implement multi-layered protection measures:

**Application level**

We use data anonymization processing for the front-end system, and employ encrypted storage for the back-end database.

**Endpoint level**

We deploy a DLP (Data Loss Prevention) system for real-time monitoring and prevention of data leakage risks.

We implement emergency mechanisms to respond to incidents of data leakage, damage, and loss. The Information Security Management Team conducts an initial investigation immediately, synchronizes the results with the Data Security Group, and initiates the emergency response process via email. Members of the Data Security Group work together with relevant business departments to handle the incident.

We have created a continuous and multi-dimensional security awareness education system. We regularly send security reminders through internal communication tools, and conduct simulated phishing emails to test employees' awareness of information security. In 2024, we conducted online information security training for all staff members, including employees and other personnel categories (interns, outsourced staff, etc.), achieving a training coverage rate of 100%. All new employees undergo information security training and examination.

Our online sales platform has passed National Information Security Level 3 certification and is retested every year as required to continuously ensure the security of the system. In terms of technical support, online platforms used by us are equipped with complete security measures such as network firewall, intrusion detection, data encryption and more.



In 2024, our information security training covered

**100%** of employees and other categories of personnel, including interns and outsourced staff.





# 02 Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem

Botanee is committed to building a green, low-carbon, and eco-friendly enterprise image. We consider material topics such as green supply chain, environmental management compliance, biodiversity conservation, and climate change tackling as core elements of our sustainable development. In practice, we continuously improve our environmental management system, enhance energy efficiency, reduce pollution emissions, and promote green circular development in upstream and downstream industrial chain to contribute to harmonious coexistence of our planet.

- Green Packaging
- Low Carbon Products
- Green Procurement
- Green Operations
- Conserve Biodiversity
- Climate Action



# Green Packaging

## Philosophy

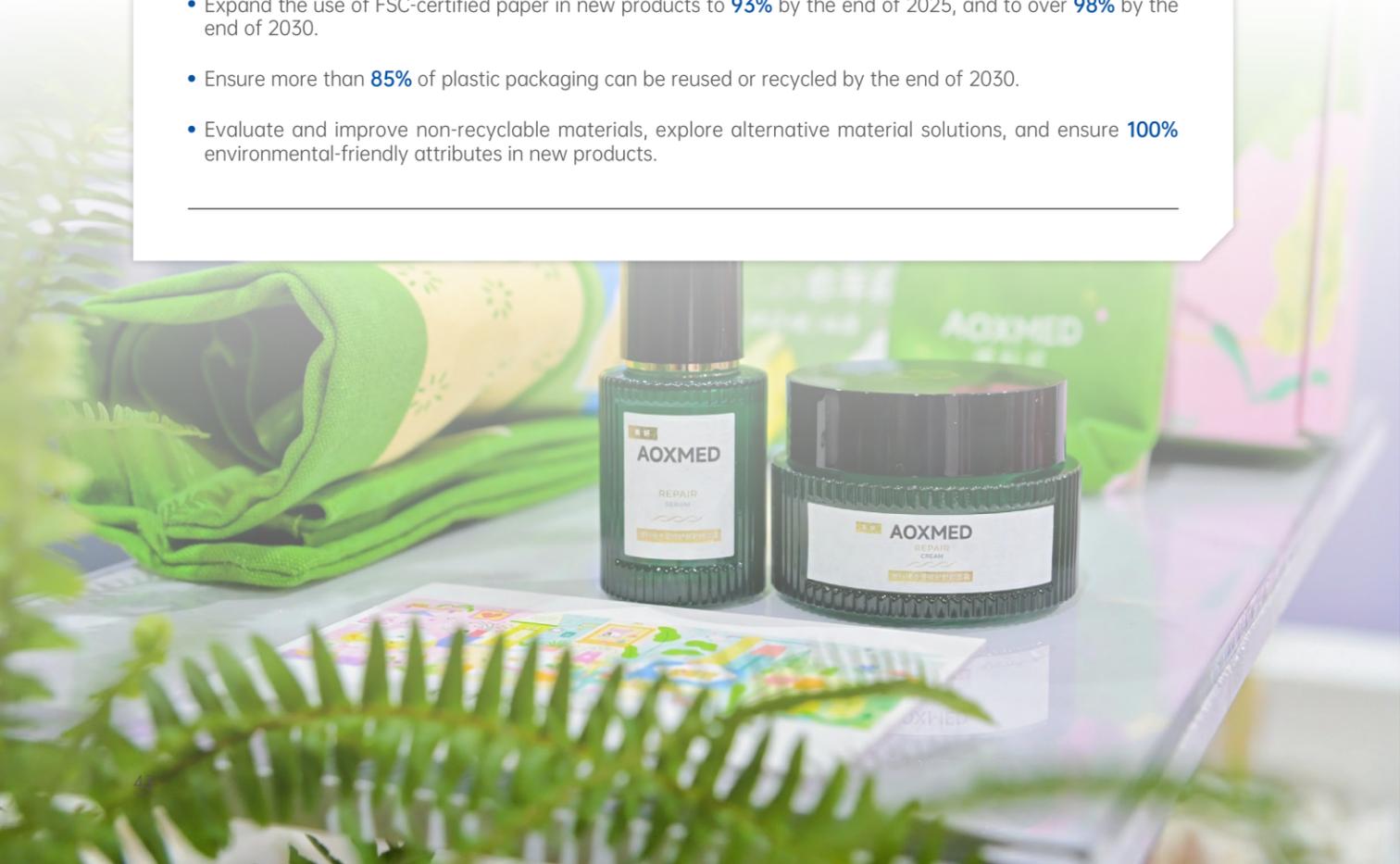
The sustainability and environmental impact of packaging materials have become a focus of society's concern. Botanee integrates green and sustainable packaging into product packaging design, and actively adopts environmentally friendly packaging materials. Through packaging reduction, plastic reduction and recycling, we aim to achieve green minimalist packaging design and minimize our environmental impact.

## Strategy

Botanee is committed to becoming a pioneer in practicing the "carbon peaking and carbon neutrality" strategy in China's cosmetics industry, so as to better serve the environment on which all mankind depends. From the design stage, we introduce the concept of green packaging, continually focusing on plastic reduction, minimal packaging and sustainability. We advocate for the use of environmentally friendly materials, reduce the use of disposable plastic packaging, and instead, use degradable and recyclable packaging materials. Furthermore, we continuously optimize packaging design to reduce the consumption of packaging materials, lower the generation of packaging waste, and expand the use of PCR (Post-Consumer Recycled) materials for plastic recycling.

### Our goals

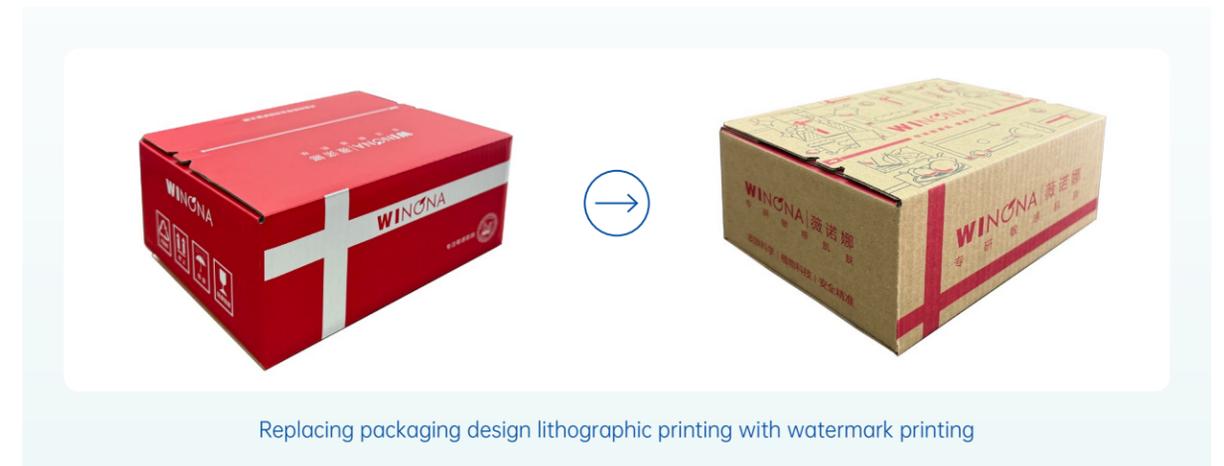
- Expand the use of FSC-certified paper in new products to **93%** by the end of 2025, and to over **98%** by the end of 2030.
- Ensure more than **85%** of plastic packaging can be reused or recycled by the end of 2030.
- Evaluate and improve non-recyclable materials, explore alternative material solutions, and ensure **100%** environmental-friendly attributes in new products.



## Management Practices

### Less: Simpler Materials

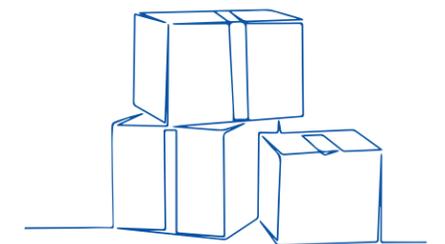
In packaging design and development, we strive for excellence and aim to find a balance between environmental friendliness, functionality, and aesthetics. In 2024, we adopted a green design in packaging by replacing lithographic printing with watermark printing for logistics packaging, which had already been applied to over 2 million cartons. We also adjusted the printing process for products, reducing the number of colors from four to three, thereby reducing VOC emissions. Also, during the printing process, we increased the use of eco-friendly inks such as soy ink to reduce environmental impact.



Replacing packaging design lithographic printing with watermark printing

### Reduce: Reduce Packaging Material Consumption

In terms of packaging reduction, we continue to promote electronic instruction manuals, replacing paper manuals with QR codes, thus reducing paper consumption and protecting forest resources. We have optimized the size of transport packaging to improve its match with product packaging, switching sample order packaging from cartons to foam and bubble bags, reducing the use of paper and fillers. In 2024, we implemented a plan to remove inner boxes for 105 stock keeping units (SKUs), successfully reducing the use of about 297,900 inner boxes, saving 53,000 square meters of paper resources, and reducing the use of transport packaging materials by 30.77 tons, improving logistics efficiency while lightening the environmental burden. Additionally, our Qingpu factory expects to launch a label improvement project for barrier repair serum samples in 2025 to further reduce the consumption of labeling materials.



100% biodegradable paper-plastic cushion packaging

### Degradable: Use Degradable Materials

During the Reporting Period, we replaced part of our traditional plastic cushion packaging with degradable materials (100% biodegradable paper-plastic) and upgraded product processes and printing techniques to reduce plastic usage.

## Renew: Use of Renewable Materials

We are gradually expanding the use of glass bottles in the inner packaging of products to replace traditional plastic bottles, making them easier to recycle and reducing the environmental impact of plastic.

At the same time, we combine green practices with innovation in product packaging, and actively promote the use of eco-friendly materials, such as FSC-certified paper, PCW (Post-Consumer Waste) paper, and PCR materials. We are gradually replacing traditional silver cardboard laminated packaging with white cardboard with a lower carbon footprint and easier recyclability to reduce product carbon emissions. In terms of craftsmanship, we adopt transfer aluminum technology to replace traditional film coating, making the packaging easier to recycle and process. We also conduct a detailed inventory of product packaging types to accurately identify and promote improvements in packaging sustainability, and fulfill our commitment to supporting sustainable forest management.

We explore the use of PCR materials as inner packaging and have achieved mass production to reduce the use of new plastics and promote material recycling. In 2024, we used 1.34 tons of recycled plastic from post-consumer use in the packaging of 50g Anfu Moisturizing Cream and 50g Moisturizing & Softening Emulsion.

### Key performance indicators

Improvement measures	Unit	2024	2023
Technology and material optimization	10,000 pieces	1,184.7	1,194.2
Use of water-based inks	10,000 pieces	200.6	443.7
Application of soy ink to outer packaging	10,000 pieces	5,579.7	2,699.8
Consumption of FSC-certified paper in outer packaging	10,000 pieces	5,627.3	2,934.5
Use of glass bottles	10,000 pieces	2,366.6	2,226.1
Consumption of PCW paper	t	3.1	4.5
Consumption of PCR materials	t	1.3	10.5
Consumption of heat transfer silver cards	t	3.5	5.1
Products with electronic instructions	SKU	588	845
Consumption of paper bags in place of plastic bags	Piece	373,821	250,000
Cardboard boxes saved by using PP turnover boxes	Piece	33,977	50,383
	t	33.5	47.5



Use rate of soy ink-printed outer packaging

**106.67%** ↑



Use rate of FSC-certified paper

**91.76%** ↑



Use rate of glass bottles

**6.31%** ↑

## Recycle: Promote Recycling and Circulation

### Save the Earth: Recycle and Be Rewarded

We initiated the "Save the Earth: Recycle and Be Rewarded" empty bottle recycling program, aiming to promote resource recycling and circulation in innovative ways. We have established a diversified recycling platform that integrates both online and offline channels:

#### Online

Consumers can easily place orders through the "Winona Save the Earth: Recycle and Be Rewarded" WeChat mini program, schedule courier pick-up, and track the recycling progress in real time.



#### Offline

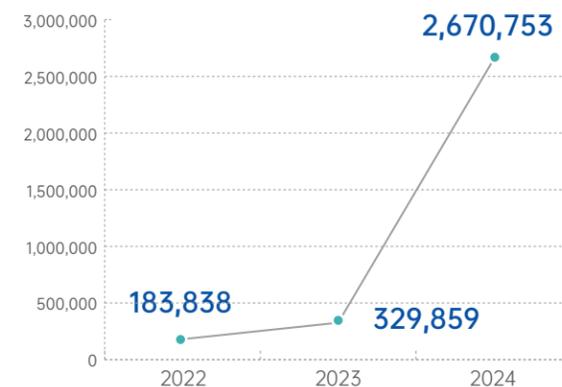
We have set up collection points at multiple counters and OTC chain pharmacies across the country for easy engagement.

Additionally, consumers can join themed activities such as "Green Fair" for more fun in recycling. At the same time, our dedicated beauty consultant team provides full support to consumers, and through a badge reward system, encourages active participation. Consumers can exchange accumulated badges for products or coupons.

### Annual progress of the "Save the Earth: Recycle and Be Rewarded" program

The program currently focuses on 50g slim bottles (such as those of Winona Sensitiveness Relieving Moisturizing Tolerance-Extreme Cream). In the future, we will gradually expand the recycling scope, integrating the recycling of bottles into the production of new products to achieve resource recycling, and collaborate with eco-friendly suppliers to develop more environmentally friendly peripheral products.

#### Valid empty bottles recycled during the year:



In 2024, a total of

**2,670,753** empty

bottles were successfully recycled,

with

**8** times that in 2023,

**1,778,500** participants

participated in the program.

## "Oasis Protection Action"

We collaborate with over 5,000 chain pharmacies nationwide to promote a box recycling campaign. In 2024, we collected approximately 400,000 empty boxes.

### Logistics Packaging Reuse

We are committed to promoting the recycling and reuse of packaging. During the Reporting Period, we began piloting the use of old cartons in good condition for shipping at our Kunming warehouse. Preliminary statistics show that 100,000 used cartons were reused, saving 47,000 square meters of paper. We are going to extend this practice to our warehouses nationwide.



Preliminarily calculated cartons reused

**100,000**

Papers saved

**47,000**

square meters

## Highlights and Cases

Improvement type

Improvement description

Illustration of improved packaging

Refill design

The carbon footprint of one bottle of Winona Second-Generation Winona Sensitiveness Relieving Moisturizing Tolerance-Extreme Cream is 1.1667 kg CO<sub>2</sub>e, while the carbon footprint of one with refill design is 0.9850 kg CO<sub>2</sub>e.

The product won the Green Product Award, and its 100% sealed vacuum bottle won the IDA Award.



Winona Second-generation Sensitiveness Relieving Moisturizing Tolerance-Extreme Essence uses a refill design, which is expected to reduce plastic by approximately 70% compared to the original product.

The product won the Green Product Award.



Process improvement

The tube lengths of 40g Advanced Moisturizing Smoothing Emulsion, 40g Arbutin Whitening Emulsion, and 30g Firming Hydrating Cream were optimized by shortening 15mm, reducing the use of white cardboard for the packaging boxes.



Packaging upgrade and printing process improvement

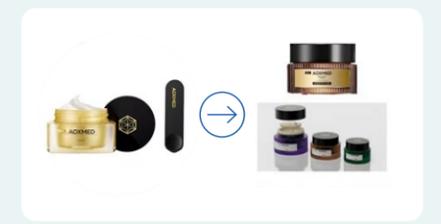
The packaging of the 5g Winona Sensitiveness Relieving Moisturizing Tolerance-Extreme Cream sample was upgraded and the printing process was optimized, with the vacuum pump replaced by a tube. This is expected to reduce plastic by approximately 16 tons. The average carbon footprint of every 10,000 tube packages is 144.8 kgCO<sub>2</sub>e, achieving a 62.1% reduction in carbon emissions compared to 382.5 kgCO<sub>2</sub>e for the same-function vacuum pump packaging.



The packaging of Winona Camelia-Lucent Repair Night Cream was upgraded and the printing process was optimized, with the 15g vacuum pump replaced by a tube. This is expected to reduce plastic by approximately 6 tons.

Plastic reduction in packaging

During the Reporting Period, the inner packaging of several AOXMED-series products was changed from plastic to glass, bringing a plastic reduction by around 4.5 tons.



### Verification of Carbon Footprint Reduction through Packaging Improvement Switching 5g Product Packaging from Vacuum Pumps to Tubes

Before improvement



Average carbon footprint per 10,000 vacuum pump packs: 382.5 kg CO<sub>2</sub>e

After improvement



Average carbon footprint per 10,000 tube packs: 144.8 kg CO<sub>2</sub>e

Improvement result



Carbon emissions reduced by 237.7 kg CO<sub>2</sub>e per 10,000 units, a 62.1% reduction in packaging-related emissions

# Low Carbon Products

## Philosophy

Botanee adheres to low-carbon development and actively responds to China's call to achieve carbon peaking and carbon neutrality goals. We are committed to achieving environmental friendliness and efficient resource use in every stage of our product lifecycle, reducing energy consumption, lowering carbon emissions, using renewable and recyclable materials, and minimizing our environmental impact. We place great importance on carbon footprint assessment throughout product lifecycle, keep optimizing each stage to reduce our carbon footprint, and strive to be a leader of the industry in contributing to carbon peaking and carbon neutrality goals.

## Strategy

We developed a carbon inventory management mechanism in 2022, and plan to gradually conduct carbon inventories to understand the carbon emissions of our products from raw material production, manufacturing, transportation, use, to disposal. Our goal is to identify and explore emission reduction potential at each stage of product lifecycle, optimize manufacturing, transportation, and recycling processes, and effectively reduce our products' carbon footprint. Additionally, we are planning to build a product carbon footprint assessment platform to systematically evaluate and optimize products by category. We are also encouraging our major suppliers to provide detailed carbon emission data, thereby promoting green transformation throughout the entire supply chain.

## Management Practices

### Carbon footprint assessment

The Company has planned to conduct a comprehensive carbon footprint assessment of its product lines and has already completed the carbon footprint assessment of its two best-selling products - Winona Sensitiveness Relieving Moisturizing Tolerance-Extreme Cream (TOP1) and Winona Sunblock Milk (TOP2). We plan to promote environmental measures in the industry chain, including raw material selection, packaging design, transportation, and usage, to create low carbon products.

### Raw material procurement

We work with suppliers to ensure the environmental friendliness and sustainability of raw material procurement, and encourage suppliers to provide carbon emission data in order to track and reduce the carbon footprint of the supply chain.

### Manufacturing

We are committed to building green and carbon-neutral factories and establishing sustainable joint laboratories with our partners. Botanee central factory's distributed photovoltaic power generation project was put into operation during the Reporting Period, and its Qingpu factory plans to launch a rooftop photovoltaic project in 2025 with an annual production capacity of 1,000 Wh, which is expected to meet 50% to 75% of the factory's total electricity consumption.

### Warehousing and transportation

We continuously optimize our logistics network, reduce transportation distances, use eco-friendly packaging materials, reduce the use of corrugated turnover boxes, and standardize material management in workshops and warehouses. By using PP turnover boxes, we ensure material recycling and reduce carbon emissions from transportation.

### Product recycling

We carry out empty bottle recycling initiatives to encourage consumers to participate in the circular economy and reduce the environmental impact of waste. For more information on packaging recycling, please refer to the "Green Packaging" section.

### Industry collaboration and green supply chain

We actively participate in industry conferences related to carbon emissions, promote packaging carbon reduction practices, drive the green development of the ecosystem, and establish green supply chain management institutions. We assess the carbon emissions of the supply chain, promote green innovations in raw material procurement, product manufacturing, and other stages, and create a low-carbon, circular full lifecycle.

## Case Central factory's photovoltaic power generation project

Botanee's central factory launched its rooftop photovoltaic power generation project on June 1, 2024. The project operates by using self-generated electricity and feeding surplus power into the grid. Taking full advantage of the long sunlight hours and high sunlight utilization in Kunming, Yunnan Province, and utilizing approximately 8,000 m<sup>2</sup> of roof space on the central factory's office building, production building and logistics center, a rooftop distributed photovoltaic power station with an installed capacity of about 12,000 MW was set up to meet the production and office needs of the central factory. By the end of 2024, it had generated a total of 874,500 kWh of electricity, with an average monthly power output of approximately 125,000 kWh (an annual output of about 1.5 million kWh), accounting for 25% of the central factory's total electricity consumption. On average, it saves about CNY 75,000 per month in electricity costs (and CNY 900,000 per year), and it helps reduce the equivalent of 600,000 kg of standard coal and 1.18 million kg of carbon dioxide emissions every year. It significantly increases the proportion of clean energy consumed, effectively reduces carbon emissions during manufacturing, and injects green energy into the Company's high-quality development.



Panoramic View of the Rooftop Distributed Photovoltaic Power Station



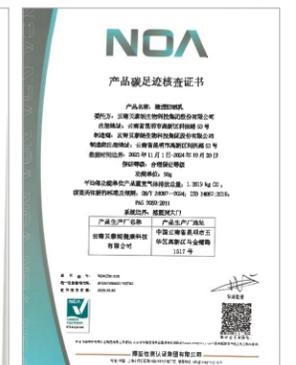
Grid Connection Cabinet

## Case Carbon footprint verification for our best-selling products

During the Reporting Period, Botanee conducted its second carbon footprint verification for its best-selling products, Winona Sensitiveness Relieving Moisturizing Tolerance-Extreme Cream (TOP1) and Winona Sunblock Milk (TOP2), and also initiated the carbon footprint verification for 5g of the product of Winona Sensitiveness Relieving Moisturizing Tolerance-Extreme Cream. The verification followed ISO 14067 and PAS 2050 standards, and covered key carbon emission stages such as raw material sourcing, utilization, manufacturing, and transportation. Building upon our previous carbon inventory, we have now incorporated comprehensive carbon accounting for raw material processing stages, which delivers more precise and verifiable product carbon footprint results. The report shows that the carbon footprint of one bottle of Winona Second-generation Sensitiveness Relieving Moisturizing Tolerance-Extreme Cream full-size product is 1.1667 kgCO<sub>2</sub>e, and the carbon footprint of one bottle of 50g Winona Clearing Sunblock Milk is 1.3819 kgCO<sub>2</sub>e.



Carbon Footprint Verification Certificate of Winona Sensitiveness Relieving Moisturizing Tolerance-Extreme Cream



Carbon Footprint Verification Certificate of Winona Clearing Sunblock Milk

# Green Procurement

## Philosophy

Adhering to green procurement, Botanee prioritizes cooperating with suppliers who share our environmental values, sources products and raw materials with environmental certifications and low carbon footprints, actively advocates suppliers to reduce the use of packaging materials and minimize waste generation, promotes the building of a green and transparent supply chain, and ensures that every link from the source to the finished product meets the highest environmental standards.

## Strategy

We keep improving supply chain management, and implement a rigorous system for supplier classification, grading and evaluation, in which ESG indicators are included as assessment criteria. We encourage suppliers to take proactive actions in environmental protection, energy conservation, emission reduction, and social responsibility, thus jointly advancing the green transformation of the entire supply chain. Additionally, we boost sustainable palm oil procurement to deliver environmentally friendly and responsible products for consumers.

## Management Practices

### Supplier Management

We follow strict supplier admission procedures and review system, conducting background checks on potential suppliers. We include ESG standards in supplier evaluation, giving bonus incentives to those who meet our criteria. We also run a supplier performance rating system to increase their environmental motivation through differentiated welfare policies. Additionally, we require suppliers to sign our *Supplier Business Code of Conduct*, which includes provisions on human rights, business ethics and environmental and social responsibilities. The aim is to foster a collaborative and responsible supply chain together with upstream and downstream partners. We continuously iterate our procurement information platform, advancing the digitization and paperless procurement process. This not only helps improve procurement efficiency but also enables better traceability management, enhancing the transparency of products.

In 2024, we included RSPO certification and employee diversity as bonus items in the raw material supplier evaluation, and carbon emission data, environmental and energy utilization goals and employee diversity as the bonus items in packaging materials and ODM supplier evaluation.



### Highlights

- **Signing of Code of Conduct:** During the Reporting Period, we signed *Supplier Business Code of Conduct* with all direct procurement suppliers and 11 indirect procurement suppliers, reaching 100% signing coverage of direct procurement.
- **Localization:** The Company prioritized local suppliers to increase the proportion of localized procurement. By the end of the Reporting Period, the proportion of localized procurement by supplier number was 51%, and the proportion by procurement amount was 55.5%. Specifically, the Company actively used locally produced (China-made) sunscreen ingredients. Among the 19 sunscreen ingredients currently used, 10 are domestically sourced, accounting for over 50%. During the Reporting Period, the proportion of domestic procurement was approximately 73% (by weight).
- **New suppliers:** During the Reporting Period, 16 new suppliers were included, all of which underwent ESG on-site audits in accordance with the bonus item terms.
- **Risk control:** During the Reporting Period, there were no suppliers with material negative ESG risks, and no partnerships were terminated due to ESG issues.



The Company has clearly provided complaint channels for suppliers in the *Supplier Business Code of Conduct* to protect supplier rights.



Complaint hotline 0871-68281833



Complaint email sj@botanee.com

### Sustainable Palm Oil

#### Our goal

- Keep prioritizing the procurement of sustainable palm oil and increase the proportion of sustainable raw materials in our products.

#### Progress in 2024

- At the beginning of 2024, **23** direct or indirect suppliers obtained RSPO certification or RSPO trade licenses. During the Reporting Period, an additional **11** suppliers completed certification or licensing.
- The proportion of RSPO-certified raw materials in the palm oil sourced ingredients was **60%**, while the weight proportion of certified raw materials was **41%**.
- During the Reporting Period, the proportion of palm oil sourced ingredients in the Company decreased from 8.84% to **7.85%**, with a total of **82** items, and the proportion of non-RSPO certified raw materials decreased from 20.55% to **10.39%**.
- By the end of the Reporting Period, **84.6%** of all raw material manufacturers involved in palm oil sourcing were RSPO-certified manufacturers.

We recognize the importance of the supply chain and raw materials, highlight their sustainability from the source, and actively promote green procurement practices. For palm oil raw materials, we actively promote sustainable palm oil sourcing and usage. During the Reporting Period, we obtained Roundtable on Sustainable Palm Oil (RSPO) membership (Supply Chain Certification) and adopted a "Mass Balance" supply chain model.

Additionally, we encourage suppliers to actively apply for and obtain RSPO certification, require them to provide RSPO certification (for producers) or RSPO trading licenses (for traders), and verify and retain these certifications on the RSPO official website monthly. We track the procurement and usage of RSPO-certified raw materials through our ERP system across the entire procurement process covering purchase orders, delivery notes and goods receipts to ensure compliance with certification requirements, and promote sustainable procurement practices. Moving forward, we will continue to prioritize the procurement of sustainable palm oil and increase the proportion of sustainable raw materials in our products. We will further deepen our practices in green raw material procurement.



Botanee's RSPO Supply Chain Certificates

## Green Operations

### Philosophy

Upholding the philosophy of "lucid waters and lush mountains are invaluable assets", Botanee keeps improving environmental management, increases energy efficiency and resource efficiency from multiple dimensions, and actively takes measures to reduce pollutant and waste emissions. Besides, we actively promote green office and embed green, low-carbon and sustainable development into our everyday operations.

### Strategy

We strictly obey relevant national and local environmental laws such as the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, and manage emissions, waste, and energy use in a regulated manner following documents such as the *Compilation of Environmental Management Laws and Regulations, Environmental Safety Objectives, Indicators, and Control Plan, the Identification and Evaluation of Environmental Factors, Regulations on the Management of Hazardous Chemical Waste, Office Management System and ESG Management Policy of Kunming Winona Skincare Co., Ltd.* We have outlined green office requirements, and encourage employees to save electricity, practice paperless office, engage in waste sorting, and use office equipment and air conditioning responsibly to minimize resource waste and improve environmental efficiency. We regularly review environmental and energy management practices in our offices and factories, and revise relevant policies and procedures to enhance our management.

### Management Practices

#### Energy Management

Following the core principles of "regulated management, clean production, energy conservation, and green development", Botanee has built an energy management system dedicated to optimizing resource and energy use efficiency. Botanee has passed ISO 14001 environmental management system certification and ISO 50001 energy management system certification. We set clear energy consumption targets, and regularly assess the achievement of these targets. Additionally, we conduct energy audits and management reviews each year, and publish *Energy Audit Report* to analyze our energy performance and ensure effective energy targets implementation across all departments.

Case
**The Supply Chain High-Quality Co-development Initiative**

In March 2025, at the supplier conference, Botanee, along with over 50 partners, jointly signed the *Supply Chain High-Quality Co-development Initiative*. The initiative is anchored in the direction of supply chain innovation in the beauty industry, focusing on creating a supply chain model that is safe, stable, transparent, green, responsible, and resilient. In terms of product quality and safety, the initiative urges all parties to strictly comply with regulations, implement a risk prevention matrix for banned and restricted substances, strengthen change management, and respond quickly to complaints. In terms of procurement and green development, the initiative advocates for transparent procurement practices, promotes a green and low-carbon philosophy, and systematically builds a sustainable development practice model through multiple stages, including packaging, production, and logistics. By signing this initiative, we have jointly built a safe and stable supply chain system with our partners and are leading the industry toward progress and goodness.

### High-Quality Co-development Initiative

- Clean cooperation**  
Jointly sign the *Clean Cooperation Agreement*, establish reporting channels, ensure fair and just transactions, eliminate corruption and misconduct, and create an environment of integrity in business.
- Compliance and transparency**  
Ensure that processes are transparent, standards are clear, information is shared, supervision is in place, and rewards and penalties are well-organized.

**Transparent procurement** + **Green and low-carbon**

- Sustainable procurement**  
Prioritize sustainable products and services, reduce environmental impact, promote sustainable development, continuously advance lightweight packaging design, plastic reduction, and recycling, and advocate for the use of degradable and recyclable materials.
- Sustainable production**  
Optimize production processes and logistics transportation routes, actively adopt clean energy, reduce energy consumption per unit of output year by year, and reduce carbon emissions throughout product lifecycle.

Botanee and its partners work hand-in-hand to build a sustainable business ecosystem, leading the industry toward progress and goodness.



ISO 14001 Environmental Management System Certificate



ISO 50001 Energy Management System Certificate

In terms of warehousing and logistics, in 2024, the Company restructured its warehouse network, merging 14 warehouses nationwide into 4, with a focus on creating self-operated and outsourced warehouses centered around the factories, reducing inter-warehouse transfer distances. At the same time, we increased the use of automation equipment to achieve inventory tracking and automated picking operations, and implemented paperless offices to reduce paper usage. Additionally, we replaced fuel-powered forklifts with electric ones and used new energy vehicles for goods transfer at the new Huzhou warehouse park, resulting in a total reduction of 4 tons of carbon dioxide emissions.

During the operation of counters and stores, we plan to optimize lighting and air conditioning systems to reduce energy consumption and carbon emissions in store operations. Stores replace traditional lighting with LED energy-saving lamps to save energy and extend their service life. We also install smart temperature control systems that automatically adjust in-store temperatures based on foot traffic and external temperature to effectively reduce air conditioning energy consumption.

### Our energy consumption goals

- **Central factory's energy consumption goal:** We have set an energy performance goal for 2025, that is, reducing the energy consumption of the central factory by **1%** in 2025 on the basis of the baseline in 2024.
- **Counters' and stores' energy consumption goal:** We will increase energy efficiency by upgrading equipment and optimizing management, aiming to reduce the energy consumption per unit area in counters and stores by **15%** within the next two years, and will increase the use of renewable energy, with a goal to have renewable energy account for **20%** of total energy consumption within the next five years.

## Resource Management

Recognizing our reliance on water resources, we have taken a series of measures to save water. We strictly adhere to *Kunming Management Measures for Sponge City Planning and Construction* and have established rainwater collection and utilization facilities. We have also built a recycled water system to effectively recover and treat condensation water generated during production, allowing it to be reused for landscaping and cleaning. For office operations, we have installed water-saving devices (such as water-saving faucets and low-flow toilets) and regularly check water pipes and equipment to prevent leaks and water resource wastage. Furthermore, we emphasize the concept of the circular economy by introducing an ethanol reflux system in production, effectively reducing ethanol consumption.

### Highlights



In 2024, our central factory's and Qingpu factory's recycled water systems saved a total of

**19,011** tons of water



Equivalent to a water fee saving of

CNY **114,066**

## Green and Low-Carbon Office

We are committed to creating an environmentally friendly, efficient, and sustainable workspace. A series of energy conservation and environmentally friendly measures and practices have been implemented in our office area, offline stores and medical aesthetics centers to reduce our environmental impacts and improve resource efficiency in our everyday operations.



### • Energy efficiency management and improvement

We carry out energy-saving renovations or upgrades for high-energy-consuming equipment, prioritizing the use of energy-efficient devices and appliances, such as energy-saving LED lighting and high-efficiency air conditioners, to reduce operational carbon footprints. We have established an energy usage monitoring mechanism, regularly recording and analyzing energy consumption data to identify and improve areas of energy waste. In counters and medical aesthetics centers, unnecessary electrical devices are promptly turned off during non-business hours to avoid standby power consumption.



### • Waste recycling and reuse

In store operations, we strictly adhere to the classification management requirements for medical waste and household waste. We promote waste recycling and reuse in office areas, putting paper recycling bins on each floor and encouraging employees to use recycled paper for printing. Additionally, we have set up battery recycling stations for the proper disposal of used batteries.



### • Paperless office

To reduce paper consumption, we encourage employees to use electronic documents and emails, and have realized paperless administrative workflow.



### • Green and low-carbon commuting

We encourage employees to use public transportation for commuting, and offer shuttle bus services. Besides, we promote video conferencing to reduce business travel and lower carbon emissions.



### • Green workplace

We use natural light in factories and office buildings to reduce energy consumption, and increase plants in the office to beautify the workspace and improve indoor air quality.

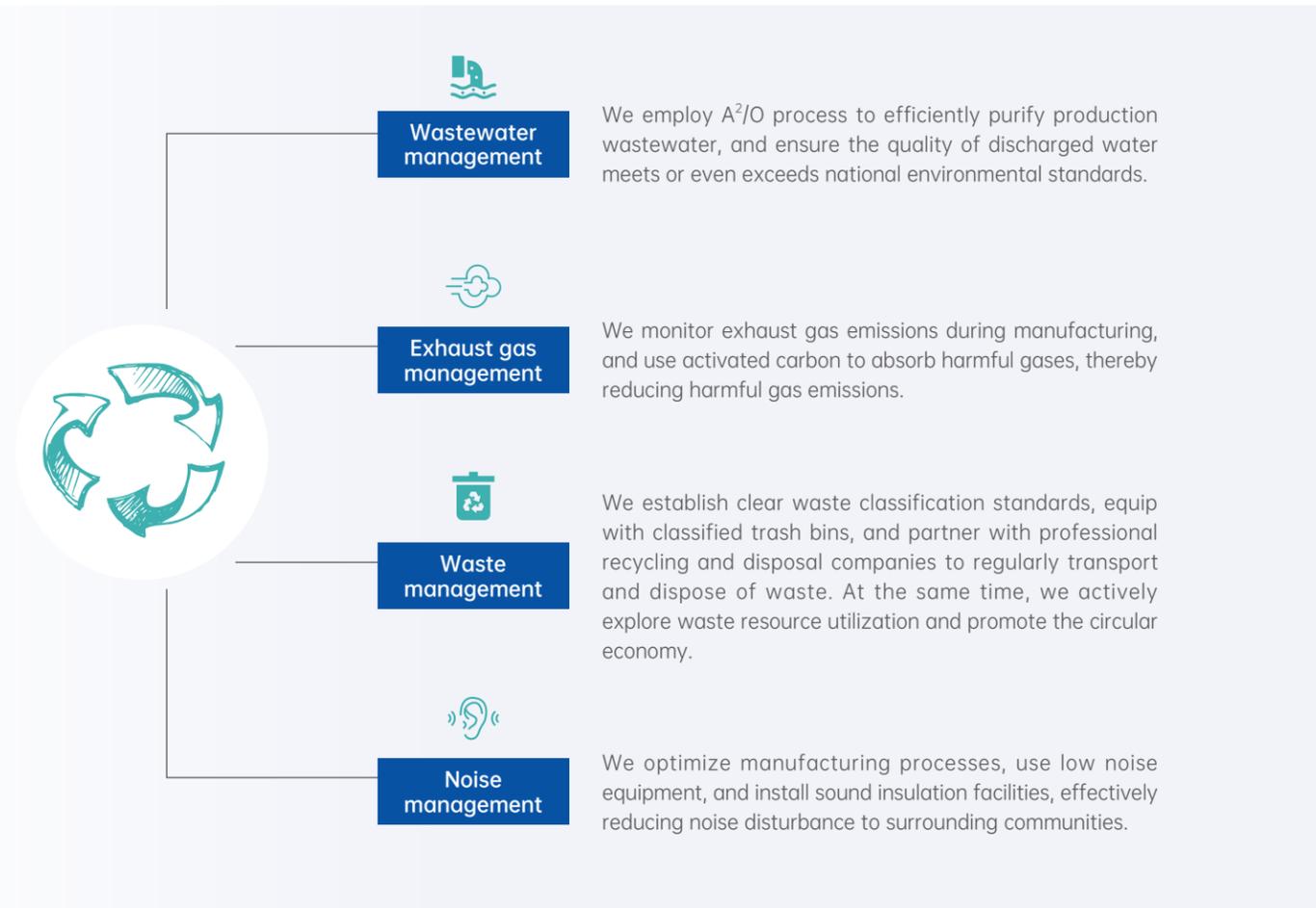


### • Environmental publicity

In order to improve employees' environmental awareness, we post energy conservation and environmental protection posters in the office area of headquarters, and offer regular environmental awareness training for employees in offline stores and medical aesthetics centers to boost environmental protection. Also, we encourage employees to propose energy-saving suggestions.

## Compliant Emissions

We implement strict environmental management and emissions control standards, set specific emission reduction targets for our factories, and carry out regular environmental management system certification audits to ensure the effective implementation of all environmental protection measures. At the same time, we cooperate with professional environmental testing agencies to regularly monitor the emission indicators of wastewater, exhaust gases, waste, and noise, and strictly comply with national and local regulations, aiming to minimize our impacts on surrounding residents and the environment.



### Waste management goals

- Counters' goals: We will increase the recycling rate of waste, aiming to raise the recycling rate of recyclable materials to **80%** within the next four years. Through source control and substitution measures, we aim to reduce the generation of hazardous waste, with a goal to decrease hazardous waste production by **15%** annually.

## Biodiversity Conservation

### Governance

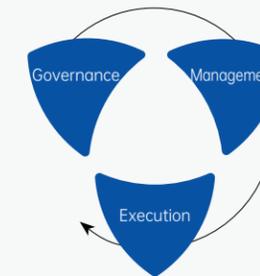
Botanee is rooted in the "botanical kingdom" of Yunnan. Yunnan's rich plant resources serve as the inspiration for our research team in addressing skin sensitivity issues and as a resource library for future industry-academia-research-healthcare collaboration and applications. Biodiversity is not only a key driver of Botanee's innovation but also a core advantage in integrating traditional Yunnan culture and achieving sustainable development.



### Management System

To effectively fulfill our ecological responsibilities, Botanee has established a multi-layered, comprehensive biodiversity management system to ensure that attention to and protection of biodiversity is integrated into daily operations and long-term development.

- The Board's Strategy Committee is responsible for overseeing ESG-related issues, including reviewing biodiversity protection management, biodiversity conservation management, and related work risks.



- The Board Secretary's Office takes charge of coordinating ESG-related work, responsible for assessing and managing the Company's impacts and dependencies related to nature, as well as risks and opportunities, and overseeing the Company's nature-related commitments, targets, and plans, regularly reporting progress to the Board.

- Various departments routinely execute and carry out related work. For example, the R&D department closely focuses on Yunnan's specialty plant resources, actively explores and protects plant-based ingredients, and drives product innovation. The production department ensures compliance during factory site selection, construction and operation, and rigorously evaluates and controls the impact on the environment, biodiversity, and surrounding communities. Additionally, the Company has established the Botanee Charity Fund, the first special public welfare fund under Yunnan's Project Hope, focusing on ecological and environmental public welfare causes such as biodiversity conservation among young people.

### Stakeholder Engagement

We maintain timely, transparent interaction mechanisms with stakeholders such as consumers, communities, and social organizations to ensure their understanding and participation. In our stores, we display images and information about plant-based ingredients to educate consumers on biodiversity knowledge and the Company's biodiversity protection practices. The "Botanee Prinsepia utilis Royle Snow Mountain Cottage" project engages with the villagers living under Haba Snow Mountain to discuss local resources and issues related to sustainable resource utilization, while supporting ecological protection and the sustainable development of local communities through financial and resource investments.

## Strategy

During the Reporting Period, Botanee combined the LEAP method of TNFD (Taskforce on Nature-related Financial Disclosures) and the guidance of the Science-Based Targets Network (SBTN) to analyze nature-related dependencies, impacts, risks and opportunities based on geographic location, industry type, and asset information.

### Identification of Connections with Nature

We used geographic spatial analysis methods to conduct trial assessments of the direct or indirect connections with nature at Botanee's main operational locations (2 domestic factories and 1 planting base and office site) to identify the nature-related risks and opportunities the Company faces, providing important support for risk management actions. Botanee's operations are concentrated in Yunnan and Shanghai, with the Kunming central factory being the Company's largest manufacturing unit. Around the central factory, within a 5 km, 10 km, and 50 km radius of its geographic coordinates, we found IUCN endangered species (3 Critically Endangered, 1 Endangered, 3 Vulnerable), RCB endangered species (1 Critically Endangered, 5 Endangered, 5 Vulnerable), and protected animals under the *Law of the People's Republic of China on the Protection of Wildlife* (9 Class I, 93 Class II, and 424 species of significant ecological, scientific, and social value). The area within 5, 10, and 50 km of the central factory includes 1 UNESCO World Heritage Site (Chengjiang Fossil Site), 1 nature reserve (Provincial Nature Reserve for the Precambrian "Sinian" - Cambrian Boundary Stratotype Section in China), and 18 natural parks.

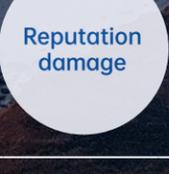
In the future, we will implement stricter and more systematic monitoring and compliance management for factories facing higher nature-related risks and impacts, ensuring ecological sustainability. As of the end of the Reporting Period, none of Botanee's factories had any environmental violations.

### Assessment of Impacts and Dependencies

We used the ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure) tool to conduct an initial assessment of business activities to determine the primary business impacts and dependencies on nature. Based on the assessment of impacts and dependencies, we identified three substantial nature-related issues, including land ecosystem use, greenhouse gas emissions, and water resources. On that basis, we gradually developed improvement plans.

### Assessment of Nature-related Impacts, Risks and Opportunities

We conduct targeted analysis and assessment of nature-related risks and opportunities, focusing on adjustments to business, strategy, and financial planning, and resource allocation to ensure effective management of nature-related risks.

Risks/opportunities	Description	Mitigation measures
Risk 	Natural disasters and policy changes may interrupt raw material collection and transportation. Production lines may be halted due to raw material shortages, thereby affecting our sales and revenue.	<ul style="list-style-type: none"> <li>Diversify raw material sourcing locations, establish strategic reserves; optimize logistics networks to enhance response capabilities to unforeseen events.</li> </ul>
Risk 	<i>Prinsepia utilis</i> Royle, a key ingredient in our products, mainly comes from the Haba Snow Mountain and the Lijiang-Shangri-La area in northwestern Yunnan. Production costs and product quality may fluctuate due to unstable raw material supply.	<ul style="list-style-type: none"> <li>Establish long-term partnerships to ensure raw material supply; invest in cultivation techniques to increase the yield of <i>Prinsepia utilis</i> Royle.</li> </ul>
Risk 	Climate change in the Haba Snow Mountain region can lead to ecological changes that may affect the growth of <i>Prinsepia utilis</i> Royle. Deteriorated environment may reduce raw material production and increase procurement costs.	<ul style="list-style-type: none"> <li>Implement ecological restoration projects such as afforestation to mitigate the impact of climate change; monitor climate change trends and adjust our production plans.</li> </ul>
Opportunities 	Ecotourism can generate additional income and enhance brand image. It helps improve our market competitiveness in terms of sustainable development.	<ul style="list-style-type: none"> <li>Develop tourism projects that integrate ecological conservation, such as nature education and experiential activities.</li> </ul>
Risk 	The government may introduce stricter environmental policies that restrict certain production activities. Production costs may increase, and certain activities may be restricted, thus affecting business operations.	<ul style="list-style-type: none"> <li>Stay updated on environmental policies and regulations; proactively plan compliance strategies; collaborate with government and third-party organizations for policy support.</li> </ul>
Opportunities 	Consumers are increasingly concerned about the environmental and product sustainability.	<ul style="list-style-type: none"> <li>We will enhance brand image to attract environmentally conscious consumers.</li> </ul>
Risk 	Environmental issues can damage the Company's reputation if not managed properly. This can lead to a loss of consumer trust and a decline in market share.	<ul style="list-style-type: none"> <li>Strengthen environmental education within the Company to ensure all activities meet environmental standards; establish a rapid response mechanism to address environmental issues.</li> </ul>

## Management Practices

In response to the "Kunming-Montreal Global Biodiversity Framework" proposed at the United Nations Biodiversity Conference (COP 15), we have launched "Creating a Healthy Ecology, Embracing a Beautiful Future" biodiversity conservation initiative that is aligned with our four long-term goals related to the "2050 Biodiversity Vision" and our 23 action-oriented global goals for 2030. Focusing on this initiative, we advance biodiversity conservation activities, contribute to global ecological civilization, and embrace a beautiful future.

### Ecosystem Protection and Restoration



We set up functional zone boundary markers, directional, and restrictive signs within the Haba Snow Mountain Protected Area to improve management levels. We also build a greenhouse with an advanced environmental control system for the endangered plants of Haba Snow Mountain, providing an ideal greenhouse for the protection and breeding of rare plants. Additionally, we carry out introduction and domestication work and cooperate on the breeding and protection of high-altitude rare plants.

We assist in establishing a professional and stable wild patrol community team for the Yunnan Golden Monkey in the local area. We set up infrared cameras and other equipment to continuously observe and regularly monitor the *Rhinopithecus bieti* population.

We assist the local community in establishing a community patrol team, primarily consisting of local villagers, for Xinzhu Botanical Garden, with other institutions and public welfare organizations participating to reduce human interference and destruction. We also participate in the management of the Garden's nursery base and vegetation restoration, collecting seeds from native tree species in Northwest Yunnan for population expansion and replanting.

### Local Community Support and Empowering

One of our key raw materials, *Prinsepia utilis* Royle (Himalayan wild cherry), originates from the Haba Snow Mountain which stands in the "Vertical Canyon in Southwestern China" and "Three Parallel Rivers of Yunnan Protected Areas" World Heritage Site for Nature. The Vertical Canyon of northwestern Yunnan where Haba Village is located is one of China's three major centers of species differentiation and one of China's 17 key biodiversity conservation areas. We collaborate with local communities to assess the carrying capacity of the environment in Haba, carry out capacity building for protected area management, community environmental education, and joint community governance, actively promoting the balance between ecological protection and economic development.

#### Environmental governance and education for communities

In collaboration with the Alashan Southwest Project Center, we carry out environmental management and educational activities to raise local residents' awareness of environmental protection. Additionally, we provide essential support for the patrol teams and management staff in the protected area.

#### Ecotourism and livelihood support

We promote the establishment of ecotourism cooperatives, train villagers as tour guides, and foster both community economic development and ecological protection.

#### Capacity building and advocacy

By setting up signage in protected areas and purchasing natural education equipment, we enhance the community members' awareness and involvement in biodiversity conservation.

### Sustainable Use of Biodiversity

#### Research on Yunnan specialty plants

With the protection of Yunnan's biodiversity as the premise, we establish a research platform for the extraction of Yunnan specialty plants, focusing on the development of efficacy cosmetics, functional foods, and pharmaceuticals derived from Yunnan's unique plants, with several active ingredients already developed and industrialized.

#### Eco-friendly product development

For our featured ingredients such as *Prinsepia utilis* Royle oil, we adhere to organic farming principles, avoiding chemical fertilizers, pesticides, and growth regulators. In extraction processes, we use cold pressing or subcritical low-temperature extraction methods, avoiding organic solvents. We also launch waterless products to reduce water resource and plastic packaging use, and replace plastic products with PCR materials and glass bottles to promote sustainable packaging.

#### Plant callus culture technology

By non-destructively obtaining rare plant leaves, buds, stems, and other parts, we use tissue culture and directed induction technologies to extract and screen active ingredients from plant callus, achieving reasonable use and sustainable development under biodiversity protection.

### Communication and Public Education

Botanee actively participates in the communication and public education of biodiversity conservation, enhancing public awareness of the importance of biodiversity through various forms. At the Haba Snow Mountain Protected Area, we provided funding to support the establishment of a biodiversity education base and a natural education exhibition hall to spread the concept of protection to the public. Additionally, we film documentaries such as *Haba Snow Mountain*, which are distributed online to spread biodiversity knowledge and expand our influence.

In April 2024, we launched a collaborative biodiversity conservation action with China Business Network, School of Journalism of Fudan University, and the Center of Enterprise Green Governance of the Ministry of Ecology and Environment. Through a donation of CNY 3 million via YICAI Foundation, we support public welfare projects in advocacy, research, training, and communication in this field, promoting the spread of biodiversity public welfare concepts. During the Reporting Period, we also launched the brand traceability short film *Where Are the Magical Plants?* using creative storytelling and comedy to help consumers better understand *Prinsepia utilis* Royle. Additionally, we partnered with *The Great Chinese Ingredients* to release our tailored short film *Prinsepia utilis* Royle PRO MAX, vividly conveying the technological charm of Chinese plant ingredients.

**Case Ecological restoration in the fragile west slope of Haba Snow Mountain**

In 2024, we completed the construction of a 17.1-mu (1 mu is approximately equal to 666.67 square meters) ecological restoration sample plot on the west slope of Haba Snow Mountain. Through scientific methods, we preserved soil and water, conserved water sources, built protective fences, and replanted local native plants such as Hippophae rhamnoides subsp. yunnanensis, Piptanthus concolor, Picea brachytyla var. complanata, and Rhododendron. We also conducted emergency protection for the endangered and rare species, such as Cypripedium elegans and Cypripedium tibeticum. Additionally, in cooperation with the Lijiang Institute of Alpine Plant Research, Chinese Academy of Sciences, we collected germplasm resources from 60 to 70 species in Haba Snow Mountain and the Northwestern Yunnan region. These seeds are being processed and cultivated at the Lijiang Institute of Alpine Plant Research and will be transferred to the greenhouse at the foot of Haba Snow Mountain for scientific habitat adjustment, promoting the recovery and reproduction of populations and ensuring the biodiversity and ecology of natural species.

**Case Camellia reticulata (Yunnan camellia) boosts local economic development**

Camellia reticulata (Yunnan camellia) is the foundational species for breeding Yunan Camellia and is the most famous among Yunnan's eight famous flowers. It has traditionally been cultivated and sold as an ornamental plant. During the Reporting Period, the Company entered into strategic cooperation with a Yunnan camellia planting company to establish a Yunnan camellia planting experimental base. Without damaging the cultivation, planting, and sales of Yunnan camellia, the Company purchased Yunnan camellia flowers as raw materials for products, increasing the added value of the related industry.

**Case Yunnan culture and specialty plants**



In Liangwang Mountain, Yuxi, Yunnan, Liangwang Tea has special medicinal value in the culture of Bai Ethnic Group. It is used for clearing heat, detoxifying, promoting blood circulation, and relaxing muscles. Botanee has deeply studied its extract (G.ZH. Y.B.Z. No. 20240045), which has now been successfully applied to its products.



In Shangri-La, Potentilla fruticosa L. is famous for its long history in Tibetan medicine. Botanee developed the Potentilla fruticosa L. extract (G.ZH.Y.B.Z. No. 20240067), using pure extraction methods to obtain active ingredients. This not only inherits and promotes traditional ethnic medicine culture but also provides employment opportunities and economic income for local residents.



**Case Biodiversity conservation awareness and public education**



Winona & The Great Chinese Ingredients - Special Season

Botanee's biodiversity conservation activities awarded the 2024 Green Development Model by The Beijing News Zero Carbon Research Institute



[Scan the QR code to watch Where Are the Magical Plants?]



[Scan the QR code to watch The Great Chinese Ingredients]



[Scan the QR code to watch Haba Snow Mountain]



## Metrics and Goals

### Our goals

- We aim to achieve the scientific protection of mountain resources and the coordinated development of the specialty plant industry by 2030.

## Highlights



As of the end of the Reporting Period, Botanee Charity Fund had invested a total of CNY **3.13** million in biodiversity conservation. During the Reporting Period, CNY **430,000** was invested, mainly for the ecological restoration sample plot on the west slope of Haba Snow Mountain and for the collection of germplasm resources from Haba Snow Mountain.



As of the end of the Reporting Period, Botanee Charity Fund had donated more than CNY **420,000**, and initiated the Lijiang Laojun Mountain Rhinopithecus bieti Field Patrol and Monitoring Project in collaboration with Yulong County Forestry and Grassland Administration, Alashan SEE Southwest Project Center, and other professional institutions.

## Climate Action

Botanee places great importance on the impacts of climate change on our sustainable development. We actively monitor and address climate change-related topics. With reference to the framework suggested by the Task Force on Climate-Related Financial Disclosures (TCFD) and IFRS S2, we make systematic disclosures of information on climate risks and opportunities from the perspectives of governance, strategy, risk management, metrics, and goal. In the future, we will further enhance our scenario-based analysis of climate risks, accurately identify and effectively address climate risks under different scenarios, strengthen climate risk management, and proactively seize opportunities arising from climate change.

## Governance

We have established a top-down ESG governance framework, with the Strategy Committee under the Board of Directors taking overall responsibility for ESG matters. Climate change related risks and opportunities are incorporated into the scope of ESG management, and the Board of Directors has clear oversight responsibilities for this sector. Under the guidance of the Strategy Committee, the Board Secretary's Office coordinates ESG related work and organizes collaboration among various departments, with the EHS (Environment, Health, and Safety) department managing performance indicators, to ensure effective identification, assessment, and management of climate change-related risks and opportunities. We have also established a dedicated green supply chain management organization to improve energy and resource utilization efficiency.

## Strategy

We recognize the complex risks and opportunities that climate change may pose to our business. We conducted preliminary climate risk analysis and assessment based on the TCFD/IFRS S2's classification standards and the characteristics of our business. This helped us identify climate risks and potential opportunities directly related to our assets and operations. In the meanwhile, we took a series of measures to effectively address the identified climate-related risks and opportunities.



	Climate risks and opportunities	Description	Mitigation measures
Physical risks	<b>Short-term risks</b> Frequency and intensity of extreme weather events	Global warming may lead to more frequent extreme weather events such as high temperatures, severe cold, heavy rain, floods, and typhoons. These events could disrupt the supply chain and create operational difficulties for retail stores, thereby increasing our operational costs and business risks.	<ul style="list-style-type: none"> <li>• <b>Enhance emergency response capabilities:</b> Develop emergency plans for extreme weather events, take preventive measures, and strengthen relevant drills and early warning to ensure the safety of our operations personnel.</li> <li>• <b>Continuously optimize supply chain management:</b> Increase the number of high-quality suppliers and expand supply channels to ensure supply stability under extreme weather conditions.</li> </ul>
	<b>Long-term risk</b> Ecosystem changes	Ecosystem changes may affect the growth cycles of plants and the stability of active ingredients in them, thereby increasing the uncertainty of raw material supply, posing risks to our product quality, and increasing business operations, R&D, and innovation costs.	<ul style="list-style-type: none"> <li>• <b>Enhance the development of environmentally friendly products:</b> Use sustainable raw materials and biodegradable eco-friendly packaging, etc.</li> <li>• <b>Strengthen supplier management and green procurement:</b> Include ESG performance as a bonus in supplier evaluations, prioritize suppliers with outstanding ESG performance, encourage suppliers to obtain RSPO certification, and gradually increase the proportion of suppliers with RSPO certification.</li> </ul>
Transition risks	<b>Market risks</b>	With increasing consumer awareness of sustainable living, there is a growing market demand for environmentally friendly products. This requires us to develop more eco-friendly products to meet consumer expectations for reducing plastic use and adopting lightweight packaging.	<ul style="list-style-type: none"> <li>• Gradually conduct product carbon footprint assessments and continuously engage in low carbon product innovation and development.</li> </ul>
	<b>Policy and legal risks</b>	As global awareness of climate risks deepens, regulations and disclosure standards related to climate change are becoming increasingly stringent. Companies must continuously monitor and adapt to these changes to ensure compliance with growing regulatory requirements.	<ul style="list-style-type: none"> <li>• Continuously monitor global and local climate related legal and regulatory changes, as well as policy developments. Assess potential policy risks through internal teams and external consulting firms.</li> <li>• Emphasize climate risk management and keep improving climate change-related risk management plans.</li> <li>• Strengthen sustainable development related information disclosure and enhance transparency in information disclosure.</li> </ul>

	Climate risks and opportunities	Description	Mitigation measures
Opportunities	<b>Green product innovations</b>	With increasing global attention to climate change and sustainable development, there is a significant rise in the demand for environmentally friendly and sustainable packaging. Companies can launch innovative green products to seize this market trend.	<ul style="list-style-type: none"> <li>• Implement plastic reduction and minimal packaging, minimize the use of paper instructions, and choose recyclable materials for product packaging to reduce our carbon footprint.</li> </ul>
	<b>Brand value enhancement</b>	The Company can enhance its brand image and increase consumer loyalty by actively addressing climate changes and conducting related activities.	<ul style="list-style-type: none"> <li>• Promote "Save the Earth: Recycle and Be Rewarded" and recycle product empty bottles to reduce environmental impact and raise consumer awareness of environmental protection.</li> </ul>

## Risk Management

Based on the characteristics of the industry and our own business operations, we have identified climate-related risks and developed targeted management systems to regulate emergency measures and reduce disaster risks. We incorporated climate-related risks into our risk management system to enhance our risk management capabilities and mitigate potential adverse impacts.

## Metrics and Goals

To comprehensively evaluate, monitor, and optimize our performance in addressing climate change-related risks and seizing opportunities, we have formulated goals and quantifiable metrics. We regularly review and adjust them based on the latest data and best practices in the industry. We actively respond to the national strategic goal to peak carbon emissions by 2030 and reach carbon neutrality by 2060, and continuously carry out energy-conservation and emission-reduction practices. We provide detailed disclosure of climate-related performance indicators in our annual sustainability report. For specific performance metrics and goals, please refer to the "Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem" section of this report.



# 03 Technological Precision: Building a Skin Health Ecosystem

Botanee values technological innovation, and considers quality as its core and customer service as its mission. We have established a comprehensive quality management system for our products and services, focusing on strengthening chemical safety management, building of a healthy industry ecosystem, integration of management systems, and coordinated operations. These efforts aim to enhance our quality control, core competitiveness, and ability to respond quickly to market changes. We aim to become an outstanding enterprise embracing safe operations, regulated management, and high-quality services while achieving rapid, stable, and healthy development.

- Focus on Research and Development 
- Product Quality 
- Chemical Safety and Ingredient Transparency 
- Customer Service 
- Skin Health Ecosystem Creation 



# Focus on Research and Development

## Philosophy

Botanee has always been committed to forging competitive advantages through technological innovation. With a solid market position built on professional product strength, we rely on strong R&D capabilities and professional channel advantages to bring safe and effective functional skincare products to more consumers.

## Strategy

Botanee focuses on the skin health ecosystem, with R&D as the core driving force. It has been recognized by the Ministry of Industry and Information Technology as a "National Industrial Design Center" and a "National Technology Innovation Demonstration Enterprise", and has been certified for the Intellectual Property Management System Standard (GB/T 29490-2013). Based on the *Enterprise Intellectual Property Management Specification* and the high-quality development goals of intellectual property in Yunnan Province, we have implemented a patent navigation project and developed the *Intellectual Property Management Manual* to ensure the effective protection of innovative achievements. We have established an efficient and rigorous independent R&D and innovation system. The R&D team consists of multi-disciplinary experts covering key areas such as basic research, formula development, and efficacy validation.

## Management Practices

### Innovation and R&D Strength

Botanee is committed to building and continuously optimizing an innovation system centered on R&D. Through precise team configuration and enhancing R&D strength, we focus on the introduction and cultivation of high-level talent.

Botanee Research Institute, located in Shanghai, has carefully established several specialized R&D departments. These include the Functional Cosmetics Research and Development Center and the Innovative Raw Materials Research and Development Center which focus on the independent R&D of efficacious cosmetics and innovative ingredients and, on this basis, conduct extensive applied fundamental research. Additionally, we have established a Medical Device Research and Development Department, dedicated to the R&D, production transformation, and registration application of injectable filler medical devices. Botanee Research Institute possesses the vast majority of the testing capabilities of third-party testing agencies. Particularly in the areas of soothing, repair, brightening and spot removal, firming, anti-wrinkle, and sun protection, our R&D model is more comprehensive and professional, which provides strong technical support for our product development.

We have also established a collaborative R&D network across multiple regions, so that we can fully leverage the professional advantages of each R&D team.

### Botanee Yunnan Characteristic Plant Extraction Laboratory ("YUNNAN Lab")

The laboratory was established under the leadership of Botanee, which is a National Standard Sample Validation Laboratory for Natural Products. The laboratory has established an industry-leading raw material screening and evaluation system, focusing on the screening of Yunnan specialty plants, R&D of functional foods, skin health research, and R&D of botanical drugs.

### Botanee-France Joint Laboratory

As a joint lab established with the Skin Research Center of Saint-Louis Hospital (Hôpital Saint-Louis) in France, the lab deeply explores the specific mechanistic targets of sensitive skin. Cooperating with Labskin, a French research institute, they jointly develop the unique 3D skin model.

### Botanee Japan Research Center

This research center is dedicated to the R&D of innovative formulations and preparations and has been put into operation.

## Utilization of Specialty Plant Resources

Based on the protection of Yunnan's biodiversity, the Botanee Yunnan Characteristic Plant Extraction Laboratory focuses on the development and utilization of plant resources and independently leverages Yunnan's unique plants to advance industries such as cosmetics, functional foods, and pharmaceuticals.

As of December 2024, Botanee had successfully filed 12 cosmetic plant-based new ingredients. During the Reporting Period, the laboratory has developed a results system consisting of 241 new products in 9 series, including soothing, sunscreen, barrier repair, high-end anti-aging, and acne treatment. As of December 2024, these related products have driven an additional industrial chain output value of CNY 11,304 million, supporting Botanee in achieving revenue of CNY 16,272 million. In the international innovation competition "COSMETOPIADS & INPD", Botanee won 2024 INPD AWARDS - Raw Materials and represented China in receiving the 2024 COSMETOPIADS - Public Research Excellence.



By December 2024, related products contributed an incremental CNY **11,304** million in industrial output value, underpinning Botanee's achievement of CNY **16,272** million in revenue.

**12 Plant-based Ingredients Have Completed the New Cosmetic Ingredient Filing**

 Ludwigia adscendens extract	 Fermented product of <i>Candida bombicola</i> , glucose, and chaufmoogra oil	 Fermented product of <i>Candida bombicola</i> /coconut oil and <i>Prinsepia utilis</i> oil
 Salvia plebeia extract	 Extract of <i>erigeron breviscapus</i> (short-stalk fleabane)	 Seed oil of southern Chinese yew
 Extract from the tender branches of <i>Taxus wallichiana</i> var. <i>mairei</i> (Southern Chinese yew)	 Meconopsis racemosa extract	 Metapanax delavayi extract
 Cerastostigma willmotianum extract	 Selaginella uncinata extract	 Dasiphora fruticosa extract

In addition to internal empowerment, the laboratory has built an innovative public technology service platform based on its own resources. As a public testing agency accredited with both CMA and CNAS qualifications, the laboratory provides professional services in physicochemical, safety, and efficacy evaluations for raw materials, packaging materials, and products to plant health product companies in Yunnan Province, helping businesses accelerate R&D and product launch. Meanwhile, the laboratory solicits technological needs from regional and industry sectors, publishes project guidelines, sets up open topics, and collaborates with well-known universities, research institutions, and companies at home and abroad to conduct applied basic research and frontier research, promoting the transformation and sharing of results.

In the past three years, the laboratory has actively responded to Yunnan's policy to promote the high-quality development of the traditional Chinese medicine industry, deeply empowering the development of the ginseng (Sanqi) industry. The laboratory has excelled in research and achievement transformation, with products related to panax notoginsenosides generating a cumulative sales revenue of CNY 1.36 billion from 2022 to 2024, significantly enhancing the added value of ginseng as a traditional Chinese medicinal material. This has not only created benefits for the Company but also effectively promoted increased income for farmers, actively driving the upgrading of Yunnan's Panax notoginseng industry and injecting strong momentum into building Yunnan into a globally influential hub for the Panax notoginseng industry.



In 2024,  
the total revenue reached  
CNY **1.36** billion.

## Advance Industry-academia-research-healthcare Collaboration

To ensure that our R&D capabilities remain at the forefront of the industry, we have deepened industry-academia research-healthcare cooperation by working with medical institutions, research institutions, and universities. Through close collaboration, we have established joint teams such as the Ministry of Education Innovation Team, the Yunnan Provincial Science and Technology Innovation Team, and the Kunming Program High-level Innovation and Entrepreneurship Team. We have also established technical platforms such as the National Industrial Design Center, the National Standard Sample Validation Laboratory, the Yunnan Characteristic Plant Extraction Laboratory, the Yunnan Provincial Postdoctoral Research Workstation, and the Yunnan Provincial Enterprise Technology Center to facilitate resource sharing and complementary advantages.

We collaborate with medical institutions to carry out clinical observation projects for new products, ensuring that the safety and efficacy of our products receive professional validation. Meanwhile, we actively collaborate with leading institutions, including Yunnan University, Fudan University, China Pharmaceutical University, Xi'an Jiaotong University, East China Normal University, and East China University of Science and Technology, to accelerate the transformation of scientific research into industrial applications and drive industrialization.

### Important Progress

- The Botanical Medicine R&D Platform at Yunnan University, which is a contributing unit to the laboratory, cumulatively completed the collection of **6,018** Yunnan plant species; prepared components of **20,510** plant extracts and established a sample library of **6,242** natural compounds and their structural analogs; completed foundational research on **44** researches on the material basis of medicinal plants from Yunnan and conducted **124,390** pharmacological activity screenings. **138** SCI papers were published, and **4** invention patents were applied for. Additionally, **38** PhD students and **161** Master's students were trained. The scientific achievements have both economic and social benefits: The fluorescence characteristics of plant coumarin isomers were discovered in the blood of the *Toddalia asiatica*, providing a new direction for the utilization of fluorescent natural products and the discovery of luminescent molecules. This was published in *ACS Central Science* and selected as the cover article in *ACS News Weekly*.
- The antimicrobial activity research of diterpenes from sunflower extract shows that it is expected to become a green fungicide, providing a new approach to biological pest control in fruits and vegetables, and was reported by *ACS News Weekly*.
- The Synthetic platform at Yunnan Agricultural University, which is a contributing unit to the laboratory, cumulatively validated **73** key enzyme genes, synthesized **16** rare compounds, published **24** SCI papers, applied for **4** invention patents, and trained **7** PhD students and **51** Master's students. It supports Botanee in planning the Haba Snow Mountain *Prinsepia utilis* Royle and carrying out introduction and domestication work.
- Build a medicinal plant multi-omics database (with **150,000** visits).
- For the first time, elucidate the biosynthetic pathway of Orcinol glucoside, achieve small-scale production, and complete biosynthesis research on cucurbitacin IIa and cucurbitacin.

### Case Laboratory upgrade and renovation completed

In December 2024, the laboratory completed the scheduled upgrade and renovation project and began operations. The laboratory spans 5,000 square meters. It is dedicated to providing important technological support for scientific innovation and achievement transformation in the Yunnan specialty plant big health industry.



## R&D Incentives and Achievements

Botanee has long placed high importance on R&D investment and innovation. To enhance the enthusiasm and creativity of R&D personnel and ensure the long-term stability of the core R&D team, the Company has established management systems such as the *Patent and R&D Achievement Reward Measures*, providing corresponding incentives and recognition for R&D personnel who make outstanding contributions in R&D-related fields. The reward measures and incentive policies have effectively motivated R&D staff to engage in technological innovation and participate in technological and process improvements. In 2024, the Company achieved significant results in the output and transformation of technological achievements, talent introduction, and cultivation.

### Conversion of research results into academic articles

Botanee has maintained a high level of activity and an excellent conversion rate. As of the end of the Reporting Period, the Company has been included in a total of **493** SCI and core journal papers, which fully demonstrates Botanee's research achievements in areas such as basic scientific research, dermatology, and cosmetic technology innovation. In 2024, Botanee had **128** papers accepted, of which **107** were indexed by SCI and **21** were published in core journals.

### Talent introduction and development

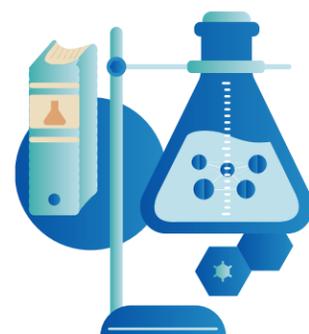
The laboratory introduced **4** high-level talented persons, trained **19** PhD students, promoted **13** to senior titles, and **5** employees have been awarded provincial-level talent titles during the Reporting Period.

### In cosmetics, medical devices, and other fields

During the Reporting Period, the Company registered **12** new plant-based ingredients, which have since been gradually transformed into practical applications. The Company has accumulated a total of **393** ordinary cosmetic product filing certificates and **19** export cosmetic filings. In 2024, **86** new products were filed in ordinary cosmetics. Additionally, the Company has cumulatively obtained **51** special cosmetic registration certificates and **20** Class II medical device registration certificates, and developed **9** functional foods. The Company's R&D strength is further demonstrated by a robust portfolio of valid patents, all of which significantly enhance its core competitiveness.

### In terms of participation in standards formulation

During the Reporting Period, the Company has launched the R&D of **4** national standard samples and has participated in the release of **6** national standards and **68** group standards to date, including **13** group standards published in 2024.



Category	Total Patents Granted	Patents Granted in 2024
Trademark rights	1,164	115
Invention patents	71	22
Patents	122	39
Utility model patents	88	27
Exterior design patents	77	18
Copyrights		

## Reduce Animal Testing

### In the process of product development

We strictly follow the safety assessment requirements of the National Medical Products Administration (NMPA) when conducting animal testing to ensure the safety and efficacy of our products. We are committed to reducing non-essential animal testing and promoting animal welfare and the sustainable development of the cosmetics industry. Botanee Research Institute has successfully constructed a Types I and IV sensitization model using zebrafish, which has higher predictability than traditional in vitro methods (cell based) and lower cost and shorter experimental cycles than conventional animal testing (guinea pigs). This model also enables high-throughput screening and is at the forefront of the industry. It improves the existing sensitization evaluation system and is exempt from animal ethics concerns under the *Animal Testing Protection Law*. During the Reporting Period, the zebrafish platform and the cell platform introduced new transgenic zebrafish strains and cell strains. The newly introduced strains provide new possibilities for large-scale initial screening and visualization services for products and raw materials, further enhancing the R&D strength.



Lab Zebrafish "Tank"

Additionally, the institute has also successfully explored and established alternative in vitro testing models and methods. The "3D Model In Vitro Alternative Assessment Platform" of Botanee Research Institute has successfully constructed an in vitro reconstructed full-thickness skin model, marking a breakthrough from scratch in independent R&D in this field for Chinese functional skincare brands. During the Reporting Period, the Company has preliminarily completed the independent construction of the "3D Endogenous Inflammation Full-thickness Skin Model" and the "Melanin Full-thickness Skin Model", marking an important advancement for Botanee in the field of skin model construction. Additionally, successful preliminary exploration was conducted on the construction of airway epithelial organ models, laying a solid foundation for the future establishment of exclusive evaluation models. This fully demonstrates the strength and innovative capabilities of the R&D team.

# Product Quality

## Philosophy

Good and stable product quality is Botanee's consistent pursuit. We continuously improve quality management policies and process systems, focusing on five key requirements: "System Objective-oriented, Process-based Management, Digitalized Processes, Standardized Foundations, Continuous Improvement". Throughout the entire lifecycle of products—design, production, transportation, sales, and after-sales service—we strictly comply with laws and regulations, employing rigorous production processes and quality control systems to ensure that product quality meets market demands and quality requirements, and possesses long-term core competitiveness.

## Strategy

As a company deeply rooted in the skin health ecosystem, Botanee places product quality at its core, committed to providing high-quality products while rigorously controlling every risk factor throughout the product lifecycle. We continue to strictly follow regulations and general standards, such as the *Regulations on Supervision and Administration of Cosmetics*, the *Measures for Cosmetic Registration and Filing Management*, the *Measures for the Supervision and Administration of Cosmetic Manufacturing and Operations*, the *Measures for Cosmetics Adverse Reaction Monitoring*, the *Administrative Measures on Cosmetic Labeling*, the *Supervision and Administration Provisions on Children Cosmetics*, the *Quality Management Regulation for Cosmetic Production*, the *ISO 9001 Quality Management System*, the *ISO 22716 Cosmetic Good Manufacturing Practice*, and *Good Manufacturing Practice Guidelines for Cosmetics in the United States (GMPC)*. We also establish and continuously review and update internal systems such as the *Standard Management Procedure for Adverse Reactions to Cosmetics*, the *Standard Management Procedure for Product Quality Complaints*, and the *Medical Device Quality Management Manual*.

For medical device products, we strictly adhere to relevant national regulations and general standards, such as the *Regulations on the Supervision and Administration of Medical Devices*, the *Measures on the Supervision and Administration of Medical Devices Manufacturing*, the *Measures for the Supervision and Administration of Medical Device Operations*, the *Regulations on Medical Device Manufacturing Quality Management*, and the *ISO 13485 Medical Device Quality Management System for Regulatory Requirements*. We have also developed our internal systems, such as the *Medical Device Quality Management Manual*. We adhere to the compliance and safety requirements when selecting medical devices, as well as quality control management standards, in accordance with the *Standard Management Procedure for Adverse Events of Medical Devices* and the *Standard Operating Procedure (SOP) for Periodic Risk Evaluation of Medical Devices*.

To strictly control product quality, we have established the dedicated Quality Management Department, set production safety standards, and standardized operating procedures. We produce strictly according to production processes and operating regulations, and have built an electronic Quality Management System (QMS) platform to enhance inspection and monitoring at each production stage. This ensures comprehensive, full-process quality control to ensure product safety and reliability.



During the Reporting Period,

**2** of our self-operated factories received ISO 9001 and ISO 22716 certifications.

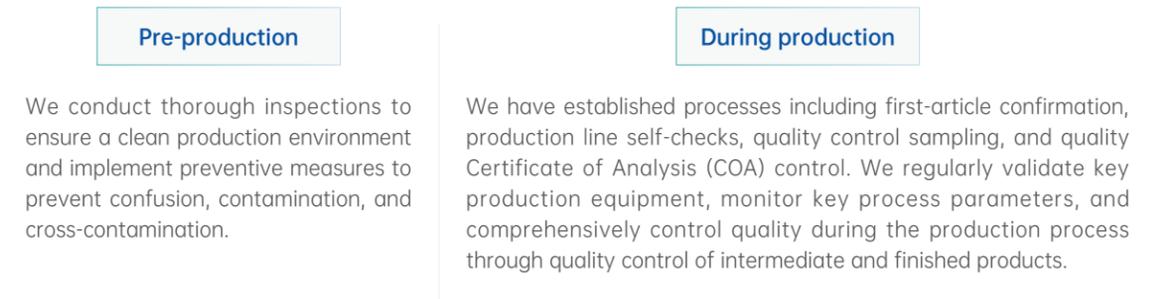
# Management Practices

## Manufacturing Quality Management

We combine independent production and contract manufacturing to ensure product line diversity and efficiency.

### Independent Production

In the independent production process, we implement comprehensive management procedures covering every production stage from formulation to filling and packaging. In 2024, we focused on managing new product trial production, and officially launched the new product trial production process. Issues identified during the trial production phase were promptly corrected and prevented, ensuring the stability of mass production.



We continuously improve the review, management, and defect management systems for materials and key processes. We regularly conduct microbiological testing of raw materials and finished products at the Kunming Central Factory and Qingpu factory. All self-operated factories undergo comprehensive inspections, and quality control is divided into three lines of defense: Localized regulation by regulatory authorities, group-level direct quality oversight, and factory-owned regulatory teams. This strengthens quality testing requirements to ensure product quality and safety.

### Contract Manufacturing

For the contract manufacturing mode, we have established the *Standard Management Procedures for Contract Manufacturing* to regulate the development, review, and quality control of contract manufacturers. Quality objectives and supplier assessment goals are clearly stated in quality assurance agreements. We continuously strengthen the admission, evaluation, and elimination management of contract manufacturers, and supervise and manage them through daily supervision, quarterly inspections, annual supervision, and for-cause inspections. We increase the proportion of product type testing and regularly hold special quality meetings.



On-site supervisory inspections include weekly, monthly, and annual inspections, with

**100%** coverage of outsourced factories.

## Finished Product Quality Management

For finished product inspection, inspectors conduct inspections according to the corresponding quality standards and inspection procedures, following our internal control standards. After a certificate of conformity is issued, the products are released or put into use. In terms of information monitoring and assessment, we closely monitor relevant information and follow the "Plan-Do-Check-Act" (PDCA) model to continuously identify and rectify product or system risks. We establish a risk list and a risk control measures list, and once new quality or safety issues are identified, we immediately take corresponding risk control measures to ensure that every step of the product, from raw materials to finished goods, is strictly controlled.

## Recall Management

Regarding product recalls, the Company has established a comprehensive product recall mechanism and procedure, managed according to the internal procedure *B-SMP-XS-1004 Standard Management Procedures for Product Recall*. We regularly conduct product simulation recalls and emergency drills for product safety incidents to enhance our emergency response capabilities. Based on the recall situations and drill outcomes, we timely adjust and improve the relevant work management standards.

## Medical Device Adverse Reaction Reporting

Botanee has established a medical device adverse reaction monitoring management team. A standardized and smooth serious adverse product event information collection system has been established. Adverse drug reactions are managed according to the internal procedure *B-SMP-ZL-1014-00 Adverse Event and Adverse Reaction Management Procedure*, with the Quality Management Department handling them promptly and effectively.

## Promotion of Quality Culture

We continuously conduct training and awareness-raising activities related to quality, enhancing employees' quality awareness and technical skills, and establishing a quality culture system that involves all employees. Internally, Botanee requires quality-related personnel to undergo specialized quality and quality management training to meet job requirements. Additionally, our factories conduct annual assessments on quality, environmental, occupational health, and safety management systems, and continuously improve based on the assessment results.

To strengthen the development of a quality culture, we enhanced training activities during Quality Week and Quality Month in 2024. Through systematic course design and practical exercises, we helped employees gain a deeper understanding of the importance of quality management and its application methods in daily work.

The key quality operation data for batches produced within the Reporting Period in 2024 is as follows, with quality indicators generally showing further improvement.

Quality Indicator	Quality Goal	Performance in 2024
Raw Material First Inspection Pass Rate	≥99.0%	98.96%
Packaging Material First Inspection Pass Rate	≥98.5%	98.78%
Semi-Finished Product First Inspection Pass Rate	≥99.6%	99.98%
Finished Product First Inspection Pass Rate	≥99.5%	99.91%
Product Complaint Quality Defect Rate (Parts per Million, PPM)	≤30	4.8
Logistics Error Rate	0.02%	0.00141%



5th People's Government of Yunnan Province Quality Award

# Chemical Safety and Ingredient Transparency

## Philosophy

Creating gentle, safe, and reliable products is Botanee's core commitment. We comply with national laws, regulations, and the relevant requirements of regulatory authorities regarding the use of chemicals, strengthen chemical safety management, and ensure the compliance of products and ingredients. We adhere to the development of the streamlined, gentle formulations, focus on researching characteristic botanical ingredients from Yunnan in product development to reduce product irritation, meet the needs of sensitive skin, and improve the transparency of product ingredients. We value consumer education and provide customers with detailed information about the skin care process and product usage to ensure that consumers have a full understanding of the product ingredients and expected effects. Our goal is to enhance ingredient transparency and provide safer and more reliable products and services.

## Strategy

Botanee adheres to the concept of green and safe raw materials, implementing a multi-layered strategy for product ingredient management. We update the *Botanee Prohibited and Concerned Chemical Ingredient List* annually.

We strictly comply with the laws and regulations of all operational regions at home and abroad, ensuring that our products do not contain any banned ingredients, including those outlined in the China *Cosmetic Safety Technical Specification 2015*, the EU Regulation (EC) No. 1223/2009, the US *Cosmetic Ingredient Review*, and the relevant requirements of the EU Scientific Committee on Consumer Safety (SCCS), among others. The list of prohibited ingredients includes over 1,000 banned components or prohibited plant/animal components listed in the China *Cosmetic Safety Technical Specification 2015*, such as benzene, bisphenol A, hydroquinone, antibiotics, and estrogens. We also comply with the requirements of the National Development and Reform Commission (NDRC) by not using plastic microbeads in rinse-off products.

Additionally, in order to respond to future regulatory trends and proactively enhance our chemical management capabilities, we have comprehensively identified high-concern chemical ingredients and established the *Botanee Concerned Cosmetic Ingredient List* that is stricter than the regulations. Any use of these high-concern chemical ingredients in R&D or production must undergo special evaluation and approval. For example, Botanee commits to not using or restricting the use of ingredients from the EU Candidate List of SVHC for authorisation, and to limiting the use of sunscreens in accordance with the Hawaii Bill SB 2571 (now Act 104). In raw material management, we have also included raw materials that could potentially be classified as plastic microbeads in the Botanee Restricted Ingredient List, with plans to gradually reduce their use in the future.

## Management Practices

### Raw Material Safety and Health Management

In terms of raw material compliance, we formulated the internal *Raw Material Review Record Form* to implement the practical management of chemical safety and conduct compliance audits when introducing raw materials. This includes verifying whether the raw materials comply with cosmetics-related regulations and standards, whether they contain prohibited or restricted ingredients, and confirming their compliance with safety toxicology regulations in authoritative institutions in China, the EU, the US, and other countries. For raw material risks, we have formulated the *Three-tier Risk Control Policy for Core Raw Materials*. The first tier involves testing risk substances for compliance with regulations. The second tier evaluates whether the production and storage processes of raw materials generate substances detrimental to health, and the third tier controls the purity and quantitative analysis of ingredients. Based on annual test results, we develop ingredient elimination plans. The Company has established a list of raw material and product risk substances and conducts testing as required, continuously optimizing the quality of raw materials and products. Additionally, the Company uses equipment such as electronic noses, Gas Chromatography (GC), and Gas Chromatography-Mass Spectrometry (GC-MS) to expand the odor profiles, ensuring product safety. In 2024, we further strengthened the screening of banned and restricted substances in raw materials, established control line levels, and enhanced the testing of microorganisms, heavy metals, and banned/restricted substances in products to ensure that products on the market comply with the *China Cosmetic Safety Technical Specification*.

#### Chemical Elimination Plan

Eliminated Chemical	Reason	Type	Scope	Alternative Chemical Name
Benzophenone	Safety risk	Banned	Completely banned	Stable sunscreen or physical sunscreen with high molecular weight
Octocrylene	Poor stability in formulation	Restricted	Completely banned	Stable sunscreen or physical sunscreen with high molecular weight
Formaldehyde	Safety risk	Banned	Completely banned	Safe and stable chemical or plant-derived ingredients with preservative effects
Methylisothiazolinone	Safety risk	Banned	Completely banned	Safe and stable chemical or plant-derived ingredients with preservative effects
Polyethylene	Toxic to marine organisms	Banned	Completely banned	Polymers not classified as plastic microbeads

We require suppliers to complete the *Raw Material Information Form* and provide technical documentation. Raw material suppliers must regularly provide reports such as toxicology tests. Any changes to the ingredients of the supplied raw materials must be notified to Botanee in advance and undergo re-evaluation, approval, and filing or filing information changes.

### Case Botanee's sunscreen products gradually used *Phyllanthus emblica* extract, upholding the concept of environmental friendliness

Benzophenone, a commonly used sunscreen agent, has negative impacts on marine organisms, particularly with its lethal effects on coral larvae being particularly significant under sunlight. Therefore, the Hawaii Bill SB 2571 (now Act 104) has banned the sale and distribution of sunscreen products containing benzophenone-3 in Hawaii. Botanee has gradually phased out and prohibited the use of benzophenone-based sunscreens in its products, following the trends of "ocean-friendly" and "sensitive skin" sunscreen requirements. We have strengthened research on plant-based sunscreen enhancers and developed a gentle, natural plant extract—*Phyllanthus emblica* extract—with enhanced sunscreen effects. This extract will gradually be incorporated into sunscreen products.

### Green Formula R&D

Botanee's R&D team continuously explores innovation by integrating green chemistry principles into product development. Our formulation design follows the principle of simplification, adding only what is necessary. The selection of all ingredients is based on scientific facts and experimental data, ensuring that our products are safe, stable, and effective while minimizing their negative environmental impact. In choosing active ingredients, we leverage the unique plant resources of Yunnan. From over 6,500 plants, we select core efficacy ingredients such as *Prinsepia utilis* Royle, *Portulaca oleracea* (common purslane), *Camellia reticulata* (Yunnan camellia), and *Paris yunnanensis* (Yunnan manyleaf paris rhizome), aiming to maximize the skincare benefits of plants while reducing the use of synthetic chemical components.

In the development of plant ingredients, advanced technologies such as deep eutectic solvents, ultrasound-assisted extraction, and subcritical low-temperature cold extraction are employed to minimize the use of organic solvents. The Company also focuses on developing formulation frameworks suitable for cold-processing processes, which reduce energy consumption during production. Across the entire chain, from ingredient selection and formulation design to product manufacturing, efforts are made to reduce the overall environmental impact of the products.

### Product Labeling and Marketing

We comply with the *Advertising Law of the People's Republic of China*, the *Administrative Measures on Cosmetic Labeling*, and the requirements of the NMPA's advertising review departments. We strictly implement compliant product labeling and claims, and update product information and promotional materials in accordance with changes in laws and regulations. Our products undergo clinical validation before and after market launch. Product promotion is based on the validation results, which will be published in academic journals. Qualified doctors provide responsible evaluations of product efficacy. On the product official website and public product inquiry platform, we disclose product ingredient lists and formula information as required by laws and regulations.



### Consumer Education and Safe Use of Cosmetics

We strengthen customer awareness of Botanee's chemical safety and ingredient transparency concepts through professional training teams, regular knowledge promotion at stores, OTCs and other organizations, by conducting "skin health checks", providing consultations on the safe use of cosmetics, trial experiences, and on-site guidance. Meanwhile, we aim to guide consumers in scientifically identifying and correctly using cosmetics, encourage the public to participate in the joint governance of cosmetic safety while ensuring the safe use of cosmetics, and create a favorable environment that ensures public safety in cosmetics use.

Case
**Botanee co-hosted the "Brand Zero Distance, Ensuring Quality" consumer factory tour experience**

On October 25, 2024, Botanee, in collaboration with the Kunming Consumer Association and the Kunming Administration for Market Regulation High-Tech District Bureau, co-hosted the "Brand Zero Distance, Ensuring Quality" consumer factory tour experience. Nearly 100 consumers were invited to visit Botanee's central factory, where they toured the production workshops and discussed consumer rights protection, product quality, safe use of cosmetics, and more with Botanee's quality experts and skincare trainers. This hands-on experience allowed consumers to witness Botanee's intelligent production capabilities and feel the Company's commitment to product quality and safety.

## Customer Service

### Philosophy

Botanee always upholds the philosophy of "Customer First, User Foremost", ensures smooth customer communication channels and continuously improves the brand matrix. Through differentiated functional product positioning, such as Winona, Winona Baby, AOXMED, and Beforteen, we aim to precisely cover a more diverse consumer group and resonate with the consumers' core demands. In addition, we provide comprehensive services through immersive, scenario-based service models, complemented by an AI-driven skin diagnosis system and a medical aesthetics empowerment platform, achieving deep coverage of consumer groups. We insist on responsible marketing and comprehensive after-sales management, providing customer service guarantees throughout the product lifecycle.

### Strategy

Botanee is committed to responsible marketing and providing compliant products and services, following laws and regulations such as the *Advertising Law of the People's Republic of China*, the *Regulations on the Supervision and Administration of Medical Devices*, and the management provisions of the place where it operates, such as the *Measures for the Management of Chief Aesthetic Physicians in Shanghai*. We emphasize compliant, transparent, and accurate product promotion, reject false advertising, and our legal department conducts monthly systematic and regulated checks on advertising information. Our internal market inspection team conducts on-site inspections of stores every month. In store management, we have established internal policies and systems such as the *Reception Procedures* and the *Medical and Nursing Assessment Standards*. This year, we added the *Digital Marketing Compliance Guidelines*. We strictly adhere to regulated management processes for device procurement, product use and disposal, expert qualifications certification, hygiene, and safety standards, ensuring the benefits as well as legitimate rights and interests of patients, medical service providers, and managers.

In the current year, we increased the number of customer service suppliers and established a supplier PK (performance evaluation) mechanism to motivate improvements in customer service capabilities. Additionally, Botanee established a Customer Experience Improvement Team and introduced the *Social Media Response SOP*, focusing on addressing issues raised by consumers on social media. For customers with after-sales requests, we ensure timely handling and follow-up until the matter is resolved.

## Management Practices

### Diverse Customer Services

We aim to provide the best service experience to our customers through multi-channel customer services, personalized services, and attention to both skin and mental health.



#### Online Consumer Communication

We go beyond just product sharing and promotion and aim to build a skin ecosystem, offering consumers comprehensive skin health solutions. On such official brand self-media accounts as Winona, we publish skincare articles on a monthly basis through the official WeChat accounts. These articles provide scientific skincare knowledge and tips on hot topics of consumer concern. We organize female mutual assistance activities, such as "Goodbye Sensitivity" series, and customize peripheral products focusing on skin sensitivity and emotional sensitivity themes. These activities encourage public attention to the relationship between skin and emotional sensitivity, promoting mental health care through channels such as official WeChat accounts and social groups. In the current year, we continued to increase the use of AI customer service to alleviate the pressure on human customer service representatives and enhance customer experience.

#### Offline Consumer Communication

We have established multiple offline retail stores and medical skin centers nationwide and continuously expand the coordinated development of offline OTC professional channels, providing consumers with comprehensive, multi-channel, and personalized customer service.



**Medical aesthetics centers**

We introduce cutting-edge medical aesthetic technologies and treatments, focusing on leveraging technology to improve service efficiency and ensuring the professionalism and effectiveness of our services. In daily operations, we organize a variety of professional health education activities and regularly host customer appreciation events. We also introduced a more advanced efficient customer relationship management system to further enhance customer interaction in the current year.



**Offline retail stores**

We have teams of professionally trained beauty advisers who can provide appropriate skincare product selection advice based on consumers' individual skin conditions. Additionally, we continue to implement the GHG (Girls Help Girls) Program at our retail stores, addressing women's physiological needs. When women are away from home and encounter their menstrual period, they can seek assistance at nearby stores to receive free sanitary pads.



**Offline OTC channels**

To ensure that consumers in cooperative chain pharmacies enjoy professional and meticulous service experiences, we provide free closed skin management training for clerks. Store staff who obtain certifications such as the Skin Management Specialist or Beautician qualifications from the Ministry of Human Resources and Social Security will receive incentives, to encourage them to further enhance their professional knowledge and service levels. We have partnered with several chain retail pharmacies to regularly host Sensitive Skin Care Awareness Days — public service salons tailored for pharmacy members. Through these events, we promote scientific skin care knowledge for sensitive skin to consumers in the pharmacy channel.



**WINONA | 薇诺娜** x **GHG | 女孩们帮助女孩们**

**万份GHG守护礼袋 免费派发**

活动时间：3月1日-3月31日

守护所有女生的敏感瞬间  
让我们一起传递暖意，守护敏感

小微邀请您与闺蜜一同前往门店  
体验免费的肌肤检测服务  
领取免费的GHG守护礼袋

同时门店持续提供免费卫生巾  
如遇紧急情况可向店员寻求帮助

\*限量礼袋，先到先得  
\*可在薇诺娜专柜公众号查询参与活动门店，  
GHG守护计划持续更新中，更多关爱权益敬请期待



**WINONA | 薇诺娜** x **GHG | 女孩们帮助女孩们**

**万份GHG守护礼袋 免费派发**

守护所有女生的敏感瞬间  
让我们一起传递暖意，守护敏感

小微邀请您与闺蜜一同前往门店  
体验免费的肌肤检测服务  
领取免费的GHG守护礼袋

同时门店持续提供免费卫生巾  
如遇紧急情况可向店员寻求帮助

**Consumer Experience**

Online, we regularly invite dermatology experts to conduct educational livestreams and online consultations for users. We also regularly invite users to participate in offline activities, providing skincare knowledge through salons. Dermatology experts and professionals perform skin tests and consultations for users, ensuring high-quality and personalized service. In the current year, we collaborated with the Combination of Traditional and Western Medicine Dermatology to develop an online educational applet, which was successfully applied to offline free clinics, and gathered authoritative dermatology experts to shoot acne-related educational videos, enhancing the public understanding of skin health.

To create an accessible skincare experience, Botanee has established and released a Braille Height Testing and Evaluation Standard document. Since 2012, the skincare brand Winona has been continuously providing Braille design for its product packaging, achieving 100% coverage across all Winona product lines.



Braille on the outer packaging of Winona products

**Case** Collaborated with dermatology experts to conduct livestream educational sessions on skincare knowledge

In 2024, Botanee launched the "Sensitive Skin Intelligence Bureau" series activities, by publishing multiple posts and inviting customers to join livestreams. We irregularly invite dermatology experts to participate in the livestream sessions, where they educate customers on skincare knowledge, promote skincare techniques, and answer questions related to sensitive skincare.



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#敏感肌肤情报局# 正式开局!  
直播时间: 11月6日 18:00-19:00  
特邀皮肤科专家, 解答熬夜肌的困扰  
专家教你熬夜之后如何让肌肤焕然一新  
直播互动, 买一套到手超8件正装量!  
直播间下单即可参与抽免单  
锁定天猫#薇诺娜官方直播间#  
你的肌肤, 由我们来守护!

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敏感肌不用天天防晒?  
敏感总是反反复复?  
敏感护肤疑问重重? Stop!

5月18日~20日&5月23日~26日期间  
①每晚19:00~20:00  
薇诺娜525全国护肤日  
小红书专场「敏感肌肤情报局」限时开局  
特邀皮肤学专家与敏感肌特派员  
趣味搭档, 干货满满  
为你找到敏感肌问题的所有答案!

锁定薇诺娜小红书直播间, 超多好礼不间断~不见不散!  
#敏感肌就用薇诺娜##专研敏感肌健康美一天##薇诺娜525全国护肤日#

Translate content

Publish livestream posts and collaborate with experts for knowledge sharing

### Customer Feedback and Handling

We have established a standard operating procedure (SOP) management system for customer service and complaint handling. We encourage customers to provide real-time feedback for prompt response and service improvement, ensuring effective supervision of product and service quality. We have established multiple channels, including phone, WeChat, and online applets, to ensure a fast, fair, and transparent handling process, thereby continuously improving the customer experience and closing the loop on complaints effectively. We value customer feedback and continuous improvement, and regularly collect and analyze customer feedback to optimize service processes and products based on such feedback.



In addition, we have established a comprehensive return and exchange process. For returns, customer service personnel analyze the reasons, record inspections, and keep detailed records of return and exchange orders related to allergies and quality issues. These records are then forwarded to product departments to continuously optimize product design.

### Service Quality Improvement

Botanee continuously strengthens safe and compliant operations, enhances product access standards, introduces advanced treatment technologies and excellent talent, optimizes service processes, and is committed to improving both online and offline service quality and customer satisfaction through strict and systematic customer service management systems.

#### Diverse Service Training

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We organize new employee onboarding training, divided into four stages based on the length of employment, to comprehensively introduce corporate culture, product knowledge, compliance, and other content.
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We implement periodic internal service management system training for employees, holding 2 to 3 sessions per week covering various knowledge such as service skills, project operation processes, and more. Additionally, we have established an online customer service learning platform, updating over 100 courses to enhance the professional depth of customer service.
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We regularly provide training to external partners, such as the service teams at pharmaceutical stores, and continuously deliver professional product and skincare knowledge through an online applet.
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We continuously conduct routine marketing knowledge training and organize special training before specific marketing activities to ensure service friendliness, customer service professionalism, and customer satisfaction.
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We regularly conduct special theoretical and practical training on medical equipment management, medical device maintenance, and adverse reaction reporting at medical aesthetics centers. In 2024, we held 74 training sessions in total.
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We encourage employees to enhance their comprehensive abilities by setting up instructor certifications. In 2024, we certified 7 new external part-time instructors and 25 new internal part-time instructors.
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We encourage employees to obtain the Skin Management Specialist Certification from the Ministry of Human Resources and Social Security, offering three days of free closed-door training and rewards for those who pass the exam.

**Case** Established a "Friend-like Chat" customer reception mechanism

In 2024, to create a "warm" and "professional" service, we launched the "Friend-like Chat" customer reception mechanism and developed a complete implementation chain. We promoted its implementation through training and sharing activities, and also initiated an employee-led sharing session in the current year, spreading the positive service philosophy throughout Botanee's customer service operations. With a friendly and approachable reception process and chat style, we ensure that customers feel comfortable while their questions are answered, thereby increasing customer satisfaction.

Implementation chain of the "Friend-like Chat" customer reception mechanism

**Case** Created Botanee online medical training courses

As dermatology is a core pillar of Botanee's long-term development, in order to meet employees' learning and development needs and empower front-line personnel to become knowledgeable employees, the Group's Medical Department developed the Botanee Dermatology Knowledge Training Course in the current year. The aim is to enrich employees' dermatological knowledge base through scientific and systematic training, enabling them to present more professional images and deliver more scientific content to customers. In 2024, the online training system offered 38 long and short video courses and 87 mini-sessions, covering various skin issues such as skin physiology basics, sensitive skin, acne, pigmentation, skin photoaging, dermatitis, eczema, and more. All educational content is explained by 32 professional dermatologists. Each category of skincare knowledge also has customized exam questions, allowing employees to track their learning progress in real-time.

The Group's online medical training courses



In 2024, the Company's customer satisfaction survey scored **93.63** points, and the Customer Service Department recorded a total of **169** complaints, with a **100%** complaint resolution rate. The Company continues to strengthen subsequent quality improvements and enhancements.

	Actual Result in 2023	Actual Result in 2024
Average Response Time to Customer Complaints	21.83 seconds	16.25 seconds



Customer Service-related Awards in 2024



2024 Best Operations for 618 Jing Xiao Zhi Assisted AI



2024 Annual Yu Yi Quality Training Management Pioneer



Winona Official Flagship Store: 2024 Five-star Store



Winona Official Flagship Store: 2024 Experience Pioneer Store

# Skin Health Ecosystem Creation

## Philosophy

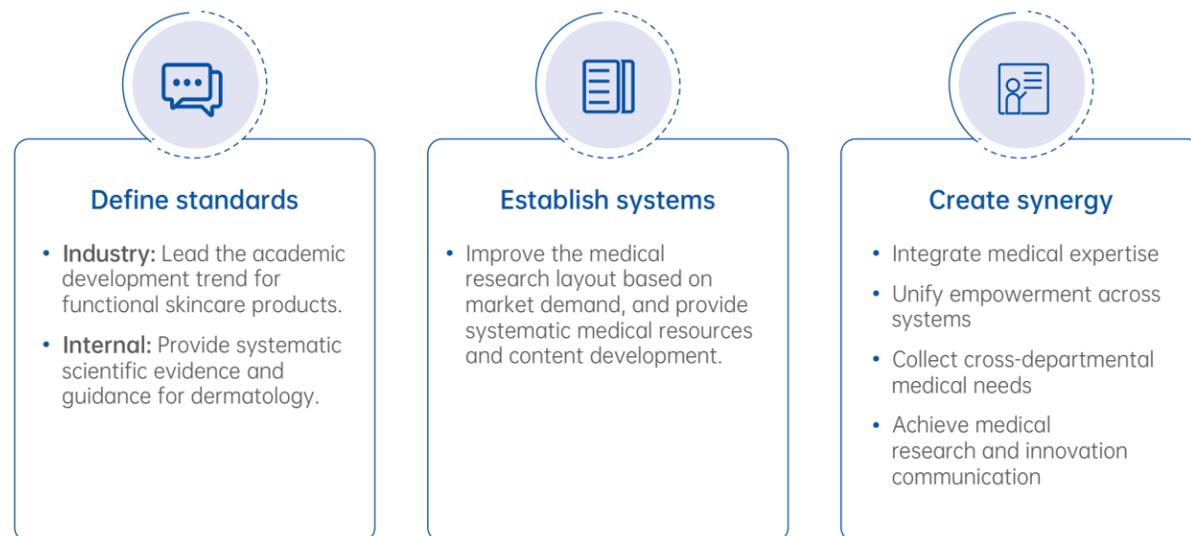
Botanee is committed to "creating China's skin health ecosystem" and a win-win development ecosystem. We actively seek cooperation and co-building with various parties to provide our customers with more convenient and efficient service experiences. We continuously expand our business fields, regularly organize industry forums, and establish close partnerships with other companies and organizations to jointly drive innovation and sustainable development in the industry.

## Strategy

We are committed to building a healthy R&D ecosystem by collaborating with hospitals, research institutes, and universities. Through technological innovation and product upgrades, we provide advanced solutions to the industry and inject new vitality into its development. We established the Medical Department to provide unified academic support for various product categories and channels from three dimensions (setting standards, establishing systems, and creating synergy), and to translate academic knowledge into content that consumers can understand. In 2024, based on Botanee's dermatological expertise, the Medical Department took the lead in writing the *Common Skin Problem Solutions Based on Clinical Diagnosis and Treatment Logic* as internal guidance materials, which have already been applied in business processes.

The industry-academia co-creation product development model has become the essential path for expanding the market of functional skincare products. In the current year, we established an expert committee consisting of 19 dermatology experts from both domestic and international fields, dedicated to promoting communication and cooperation between the Group and the dermatological community, related associations, universities, and industries, enhancing the academic development of the Group's brand.

In addition, we have jointly organized the 5th China Sensitive Skin Summit Forum in collaboration with authoritative dermatological institutions, including the *Chinese Journal of Dermatovenereology*, the Skin Committee of the Chinese Non-government Medical Institutions Association, the Chronic Skin Disease Management and Health Promotion Branch of the China Anti-Aging Promotion Association, and the Dermatology Committee of the Chinese Human Health Science and Technology Promotion Association. At the same time, we actively collaborate with international, national, and industry organizations and associations to promote the formulation and implementation of industry standards, driving the development of China's skin health ecosystem.



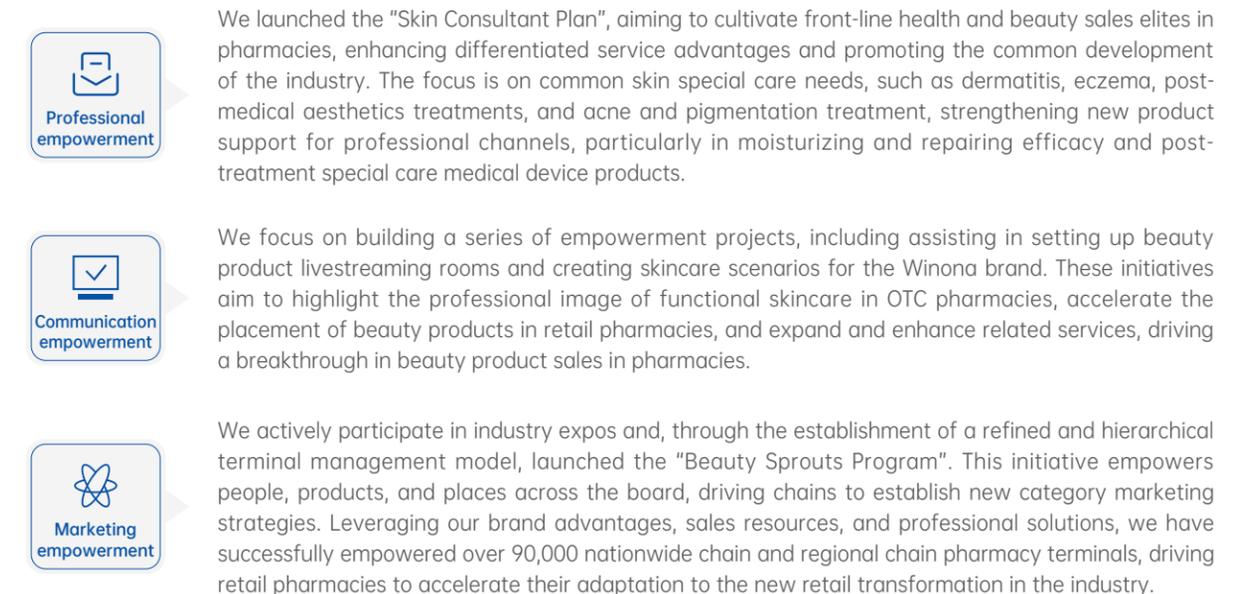
# Management Practices

## Build a Healthy Retail Ecosystem

Botanee has established a strategic blueprint centered on sensitive skin and comprehensively creating a professional brand with strong efficacy and multi-track capabilities. We continuously deepen cooperation in the OTC channel and retail pharmacies, establish and solidify business cooperation models, and persistently explore the diverse OTC health and beauty ecosystem in the new era. In 2024, Botanee showcased five core brands at the Second OTC Brand Conference, committed to bringing more safe and effective products to consumers in partnership with professional retail pharmacy channel partners. Additionally, we held the First National OTC Service Provider Conference, inviting over 300 industry elites to discuss the value upgrade of pharmacy service providers. At the conference, the 3C service provider standards were released, reshaping the industry's service ecosystem benchmark.



The OTC Industry-academia Co-creation Scientific Alliance continues to support retail pharmacies from three aspects: Professional empowerment, communication empowerment, and marketing empowerment.



**Case** Botanee partnered with OTC retail pharmacy partners to create a benchmark for industry-academia co-creation

At the 19th Annual Meeting of China Dermatologist Association & National Congress of Cosmetic Dermatology, Botanee, for the first time, participated in the CMDA event with OTC retail pharmacy partners and held a special sub-forum titled "OTC Industry-academia Co-creation Pioneer Private Session" under the theme "Empowered by Industry-academia, Advancing Beauty". The event gathered top dermatology experts, Botanee Research Institute representatives, and OTC channel pioneers to explore the industry-academia co-creation model for empowering retail pharmacy terminals. Botanee also announced the official establishment of the OTC Industry-academia Co-creation Scientific Alliance, further strengthening efforts to build a benchmark for scientific communication in the OTC industry and advancing together with more OTC partners.



OTC Industry-academia Co-creation Pioneer Private Session

**Case** Botanee released the *White Paper on the Trends of China's Retail Pharmacy Functional Skincare Products*

On August 10, 2024, at the 17th Health Industry (International) Ecosystem Conference – 2024 China Pharmaceutical Ecology Organization (CPEO) Conference, Botanee's Winona brand, in collaboration with Sinohealth Consumer Research Center, jointly released the *White Paper on the Trends of China's Retail Pharmacy Functional Skincare Products*, which was witnessed by hundreds of guests from leading pharmaceutical chains and industrial brands at home and abroad. The white paper explores the effective market promotion models and marketing strategies of functional skincare products in retail pharmacies from the perspectives of "markets-consumers-pharmacy operators-industry", creating a closed loop from "trend insights" to "marketing implementation" and leading the transformation and upgrade of retail pharmacies.



17th Health Industry (International) Ecosystem Conference



### Build an Online Health Ecosystem Program



Winona launched the "Please! Experts" livestreaming program for science popularization, aiming to provide consumers with scientific and authoritative skincare knowledge through professional explanations by doctors from Grade-A tertiary hospitals, while showcasing the brand's medical mindset and professionalism. In 2024, a total of 26 livestreaming sessions on RedNote (Xiaohongshu) were held, with approximately 13,000 views.

In 2024, the livestreaming sessions for "Please! Experts" livestreaming program on RedNote (Xiaohongshu) for science popularization

totaled	with approximately
<b>26</b>	<b>13,000</b> views

### Empower Medical and Research Construction

We have carried out multiple ecosystem co-creation initiatives, collaborating with top domestic medical associations to hold academic conferences, knowledge competitions, and other events focused on product efficacy or case studies, promoting innovative technological research and the clinical application of products.

Case

Winona presented research achievements at the 19th Annual Meeting of China Dermatologist Association (CDA) & National Congress of Cosmetic Dermatology

In November 2024, the 19th Annual Meeting of CDA & National Congress of Cosmetic Dermatology was held in Wuhan. Winona showcased new research achievements at the CDA, discussing cutting-edge industry-academia research on sensitive skin solutions, anti-aging for sensitive skin, and skin brightening for sensitive skin with scholars in the industry. At the CDA satellite session on sensitive skin research, Professor He Li from the First Affiliated Hospital of Kunming Medical University shared the latest research on sensitive skin barrier repair, revealing the complex relationship between the CLDN5 gene, inflammatory factors, and microRNA regulation, further confirming CLDN5 as a key target in sensitive skin. This research deepens theoretical understanding and provides direction for developing precise repair products.



On the site of CDA

Case

Winona hosted the 5th China Sensitive Skin Summit

In 2024, Winona Research Institute, in collaboration with the *Chinese Journal of Dermatovenereology*, the Skin Committee of the China Non-Government Medical Institutions Association, the Dermatology Chronic Disease Management and Health Promotion Branch of the China Anti-aging Promoting Association, and the Dermatology Specialty Committee of the China Association for Promotion of Health Science and Technology, hosted the 5th China Sensitive Skin Summit on the theme "Industry-academia Opens a New Chapter, Establishes New Standards for Sensitive Skincare", and released the *China Sensitive Skin Diagnosis and Treatment Guidelines (2024 Edition)*. As the first comprehensive clinical treatment plan for sensitive skin, the guidelines were co-authored by 29 dermatology experts and published in the professional dermatology journal *Chinese Journal of Dermatovenereology*, providing authoritative standards for clinical diagnosis and treatment, and promoting the upgrading of diagnostic standards.

Additionally, we released the *Winona Functional Skincare Products: Fundamental Research and Clinical Application Essentials (Red Book 3.0)*. In collaboration with authoritative official media, we held an offline event at people.cn's Studio 1, and globally livestreamed the event on "people.cn's WeChat Channel", reaching a wide audience and enhancing the public's skincare awareness, setting a benchmark for industry-academia cooperation and giving the brand new value.



5th China Sensitive Skin Summit

Promote the Establishment of Industry Standards

Corporate participation in the formulation of industry standards not only highlights its technical strength and industry status but is also a key force in driving the entire industry toward standardized development. Botanee plays an active role in the development of standards, having participated in the publication of a total of 6 national standards and 68 association standards. In 2024, we released 6 national standards, including the *Plant Extract Terminology*, the *Determination of Astaxanthin in Cosmetic Efficacy Ingredients by High-performance Liquid Chromatography*, the *General Technical Requirements for Skin Chips*, the *Analysis of the Surfactant of Sucrose Fatty Acid Ester by Liquid Chromatography*, the *Determination of Lectins in Edible Fungi by High-performance Liquid Chromatography*, and the *Sensory Analysis—Methodology—Guidelines for the Measurement of the Performance of a Quantitative Descriptive Sensory Panel*. Additionally, 13 group standards were released, such as the *Guidelines for Evaluating the Efficacy Claims of Blue Light Protection in Cosmetics*, the *Guidelines for Evaluating the Skin Efficacy of Prinsepia utilis Royle Oil*, and the *Glycine tomentella Root Extract for Cosmetics*. Furthermore, Botanee currently has 7 national standards, 3 industry standards, and 15 group standards under application.

Through participation in standard-setting, Botanee plays an important leading role in the industry, driving technological innovation, encouraging enterprises to focus on raw material quality and safety, strengthening industry standardization, and promoting the sustainable development concept. This has had a positive and far-reaching impact on the overall health and sustainable development of the skincare industry.



# 04 Diversity and Equality: Moving Forward Together in Unity

Botanee upholds the principle of diversity and inclusion and is committed to creating a harmonious and inclusive work environment. The Company strictly complies with national laws and regulations to protect the legitimate rights and interests of its employees. We prioritize employee care and enhance employee well-being through diverse welfare programs. Additionally, we provide comprehensive career training and advancement opportunities to empower employees in their professional growth. We value the health and safety of our employees and are committed to safeguarding their well-being. Moving forward, we will continue to strive for mutual growth and forge a better future together with our employees.

- Employee Rights and Care 
- Employee Training and Development 
- Employee Safety and Health 



# Employee Rights and Care

## Philosophy

The Company focuses on talent development as its core, promoting mutual growth between employees and the Company through a comprehensive benefits protection system, open communication channels, and systematic career development planning. We have developed a forward-looking human resources strategy, continuously reserving high-quality talent for the Company's various business sectors.

## Strategy

We strictly comply with laws and regulations such as the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, *Law of the People's Republic of China on Promotion of Employment*, *Law of the People's Republic of China on the Protection of Minors*, and the *Provisions on the Prohibition of Using Child Labor*. We adhere to the principle of equal employment and strictly prohibit the employment of individuals under the age of 16. We oppose all forms of discrimination, including gender, age, nationality, region, ethnicity, race, religion, education background, and physical condition, firmly oppose any form of compulsory labor, and ensure that the legitimate rights and interests of each employee are fully protected. During the Reporting Period, the Company did not encounter any incidents of child labor or forced labor.

We have also developed internal communication systems to guide employees in expressing opinions and raising issues through legal and compliant channels. We ensure that designated personnel are responsible for timely responses, respecting the rights and interests of each employee.

## Management Practices

In employee employment and daily operations management, we strive to create a diverse, inclusive, and respectful work environment. Led by the Human Resources Department, the Administration Department, and the Labor Union, we have established an Employee Well-being and Diversity Working Group to ensure that employees have equal promotion opportunities and a healthy working environment, and to promote gender equality, age equality, and cultural diversity within the Company.

The Labor Union actively performs its democratic management duties, leading negotiations on collective topics. In 2024, the Labor Union held an employee representative assembly to review and vote on the implementation plan for the employee stock ownership plan, ensuring that employees' rights and interests to participate in democratic management are effectively protected.



## Equal Employment

Botanee, based in the big health industry, adheres to a talent concept of diversity and inclusion. In recruitment advertisements and interviews, we emphasize the alignment between the position and the candidate, avoid gender-biased descriptions, and resolutely refrain from setting discriminatory thresholds based on gender, ethnicity, educational background, or other factors. With the expansion of our overseas business, the Company actively recruits employees of different nationalities and improves the management system for overseas talent. Furthermore, we actively assume social responsibilities by actively employing people with disabilities each year, which ensures their employment rights and interests.

Botanee has a dynamic and youthful team, with an average employee age of approximately 32.25 years as of 2024. The Company continues to attract outstanding young talent through campus recruitment and social recruitment, and has implemented the "Little Wolf Program" for customized training for young key employees.

We implement a differentiated recruitment strategy. In the factory operations field, we cooperate with universities to launch internship programs, helping students accumulate practical experience. For marketing and management trainee programs, we have designed a customized recruitment and development system to help outstanding talent quickly grow into industry elites.

### The total number of employees is 3,956



Gender

- Female employees account for 76.54%
- Male employees account for 23.46%



Senior management members by gender

- Female representation in senior management is 12.50%
- Male representation in senior management is 87.50%



Age

- Employees aged 29 and below account for 42.31%
- Employees aged 30 to 40 account for 45.63%
- Employees aged 41 and above account for 12.06%



Management members by gender

- Female representation in management is 53.40%
- Male representation in management is 46.60%

<p>Number of employees from Chinese Mainland</p> <h1>3,912</h1>	<p>Number of ethnic minority employees</p> <h1>357</h1>
<p>Number of employees from Hong Kong, Macao, Taiwan, and overseas regions</p> <h1>44</h1>	<p>Number of employees with disabilities</p> <h1>19</h1>

## Employee Communication and Feedback Channels



Email: It is open to all employees for communication and consultation.

Face-to-face talks: Employees can express their opinions and suggestions directly with dedicated personnel.



Our official WeChat account: Information is published through the official account, and a "Just Between Us" section is available for employees to provide feedback.

OA system: It is used for daily communication and information sharing.

Communication platform: Instant communication is available on Feishu.

Physical mailbox: We have established a physical mailbox for employees to directly address issues to the Chairman.



We assign dedicated individuals to supervise and follow up on employee feedback to ensure that issues are quickly resolved. Additionally, to prevent discrimination or harassment within the Company, we provide relevant policy advocacy during new employee onboarding training. Employees can also directly report relevant issues to the Chairman through an internal complaint email.

During the Reporting Period, the Company did **not** experience any serious discrimination or harassment incidents



During the Reporting Period, Feishu received

**68** inquiry tickets in the backend

with a human customer service resolution rate of

**95.59%**

## Employee Satisfaction Survey

In terms of employee satisfaction communication, we have always adhered to an open and transparent communication mechanism, ensuring that every employee's voice is heard.

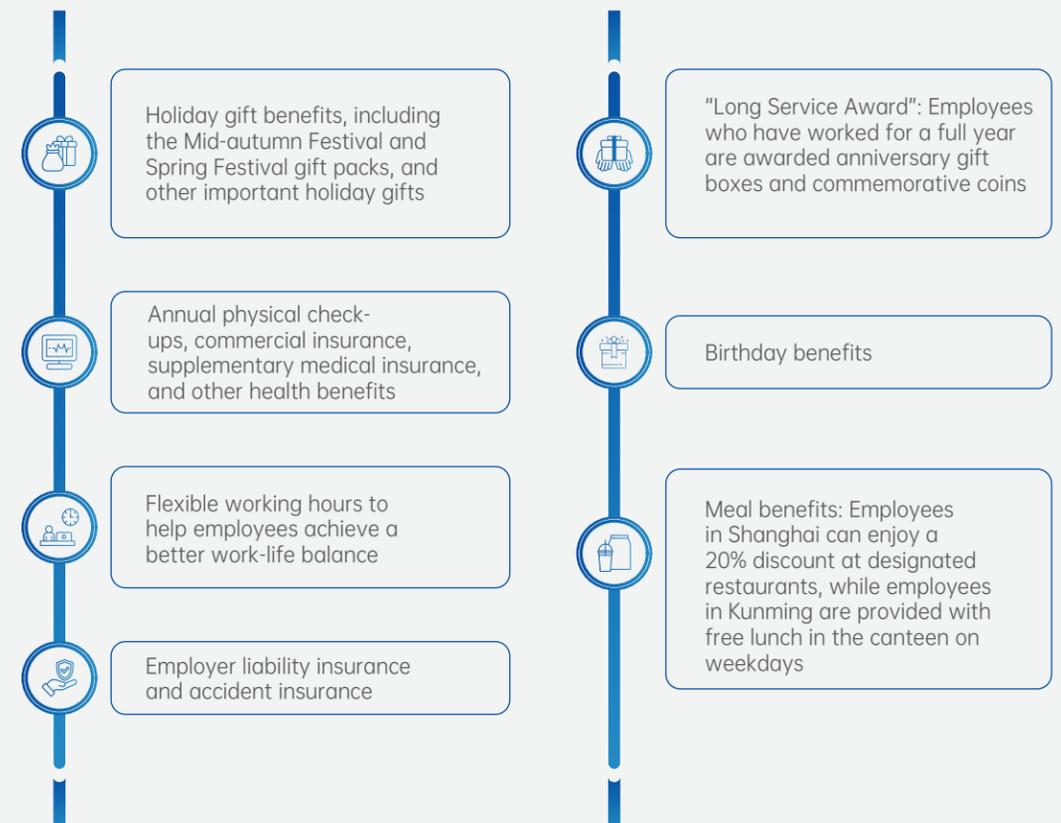
We conduct employee satisfaction surveys every quarter and distribute the employee satisfaction survey questionnaires to all employees through the administrative portal. In the fourth quarter of 2024, the employee satisfaction survey score was 92.03%. In the current year, we received 12 suggestions and feedback, with issues concentrated on workplace space, sanitary environment, and employee benefits.

Furthermore, we provide dedicated responses to all collected issues and actively formulate corresponding improvement measures, which are included in the following year's work plan to ensure that each improvement is implemented. Based on the feedback from the employee satisfaction survey during the Reporting Period, we made a series of improvements, such as adjusting the snack box to more popular afternoon tea and focusing on healthy eating concepts by replacing high-sugar and high-fat foods with low-sugar and low-fat foods.

## Employee Care

We value employee well-being, continuously optimize our employee welfare system, and ensure that each employee feels respected and valued by providing comprehensive care and support. The Company strictly complies with national laws and regulations and provides statutory benefits, including the five social insurances and one housing fund, for all regular employees. Additionally, the Company offers the following non-statutory benefits:

### Non-statutory Benefit Items



Botanee creates a female-friendly workplace and has implemented a series of welfare and care measures for female employees, especially those in pregnancy and lactation. For example, we have set up well-equipped nursing rooms in the Company; special attention has been given to the needs of women during specific periods in the design of tea rooms, restrooms, and other areas; and we have increased the number of women's restrooms in company areas. Additionally, we encourage and practice the concept of "women helping women" through regular small seminars, where women can discuss the pressures and challenges they face in both the workplace and their personal lives, and experienced female employees can share their career insights, helping to build a supportive and growth-oriented environment. Furthermore, we offer female employees a variety of leave benefits, including maternity leave, nursing leave, childcare leave, miscarriage leave, and prenatal check-up leave.

We have established an employee welfare fund that provides financial assistance to employees in special circumstances such as hospitalization due to illness, marriage and childbirth, and the death of immediate family members. Additionally, we have created a charitable platform and established the "Winona Fund". Since its establishment in 2015, the fund has continuously supported employees and their families facing difficulties, implementing the human-oriented philosophy of "employees contributing to the Company's success, and the Company providing support and care to employees".

### Employee Activities

Botanee is committed to creating a vibrant, caring, and enjoyable work environment for its employees. We have set up a multifunctional employee activity room in the office area and established diverse clubs, regularly organizing various activities to meet employees' interests and hobbies. We also place high importance on employees' mental health, with a professional counseling room available to provide one-on-one consultations, helping employees relieve work and life stress. In addition, we run grassroots Communist Party of China (CPC) organizations, labor unions, and women's federations, fully leveraging the exemplary role of CPC members and integrating Party work with our corporate culture to safeguard the legitimate interests of employees.

In terms of sports activities, we have established employee clubs such as the Badminton Club and the Group Lesson Club, hosting multiple events throughout the year. These activities not only enrich employees' leisure lives but also enhance communication and interaction among employees.



As of the end of the Reporting Period, our Winona Fund has assisted a total of

**41** person-times for

employees and their families with a cumulative assistance amount of

CNY **1.29** million



### Case "Unite and Move Forward, Seize Opportunities and Act" series corporate cultural activities



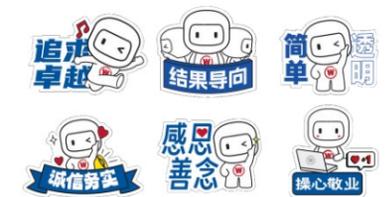
In 2024, Botanee launched quarterly corporate cultural activities under theme "Unite and Move Forward, Seize Opportunities and Act":

Q1: "BTNers' Voices": Employee feedback was collected through surveys and badge blind box rewards were offered.

Q2: "BTN Cultural Creative Desktop": Exclusive desktop designs were released to visually present the cultural philosophy.

Q3: "Our Stories": The *Grateful for "Ni"* thank-you card activity used images and text to convey gratitude, and the *Our Stories* online course was released to deepen employees' understanding of corporate culture.

Q4: "Following Role Models": Employees nominated others or themselves to become corporate cultural ambassadors.



Corporate culture badge blind boxes

Grateful for "Ni" thank-you cards

Group IP

### Case Traditional health wisdom safeguards employee health



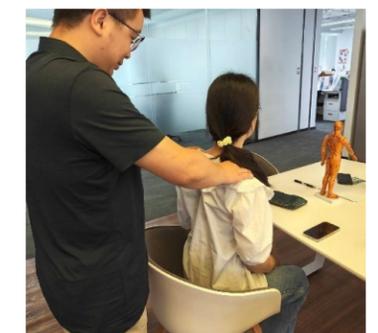
To fully protect employees' health, the Company continued to organize a series of traditional Chinese medicine (TCM) health activities in 2024. During the hot summer, we organized the "Summer Health Preservation, Delicate Worker Rescue Plan", providing TCM pulse-taking and oral health checks to help employees stay healthy during the summer. In August and November, we held week-long TCM treatment activities, inviting a professional TCM team to the office to provide pulse diagnosis and physical therapy services, which were widely welcomed by employees.



The summer health activity in July



TCM pulse-taking and physical therapy activities in August



The TCM massage activity in November

**Case Celebrating International Women's Day: Honoring the strength of working women**

On March 8, 2024, Botanee launched a special campaign for International Women's Day titled "Healthy Beauty Comes from Her" and released the short film *Factory Heroines – Chinese Female Workers in the New Era*, paying tribute to every hardworking woman in the modern industrial age. Winona, in collaboration with the Botanee Charity Fund and the Changning District Representative Office of the Shanghai Charity Foundation, jointly initiated a public welfare program — the "Winona Women Care Alliance", dedicated to protecting the rights of female workers and promoting skin health for women in the workplace.



Women's Day "Factory Sisters" video, focusing on the female workers in different roles at the Botanee factory

**Case BTN Running Club organizes regular health run activities**

The Group established the BTN Running Club, which has held regular activities for nearly three years. Members grew from 46 people at the beginning of 2024 to 116 by the end of the current year. Over 500 person-times have participated in the monthly check-in activities of the running club, either regularly or sporadically.

On July 24, 2024, the club held its annual health run at the Caohai Scenic Area in Kunming, where members participated in different race categories, including 5km, 10km, and 24km, depending on their personal running ability. Afterwards, the team conducted the "724 Self-care" themed public welfare promotion and educational activity at the Houhai Scenic Area, actively promoting health concepts.




## Employee Training and Development

### Philosophy

The Company has established a comprehensive talent development system that stimulates employees' enthusiasm for learning through diversified training programs, supporting their career development. We adhere to a fair and just promotion mechanism, identify potential talent through regular performance evaluations, and encourage employees to participate in cross-departmental projects to expand their career development opportunities, thus achieving mutual growth for both the Company and its employees.

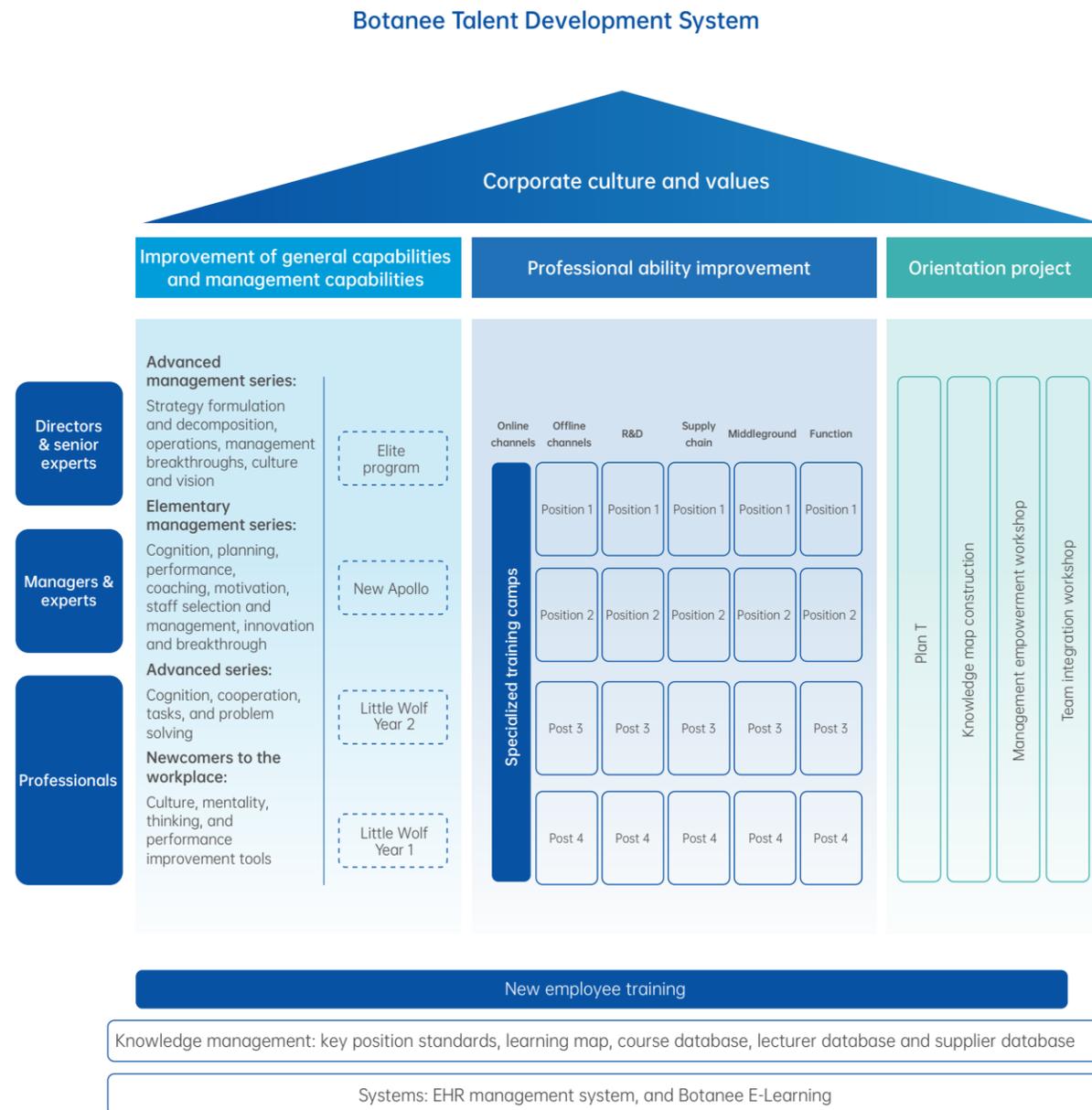
### Strategy

We have formulated the *Botanee Training Management System*, which clarifies the functions and responsibilities related to training, including the establishment, implementation, and effectiveness evaluation of training plans, as well as training budget management. This ensures that all employees have access to systematic training and development opportunities. Furthermore, we place importance on professional qualifications certification and maintain proper documentation for the certification of intermediate and senior titles within the R&D system.

## Management Practices

### Employee Training

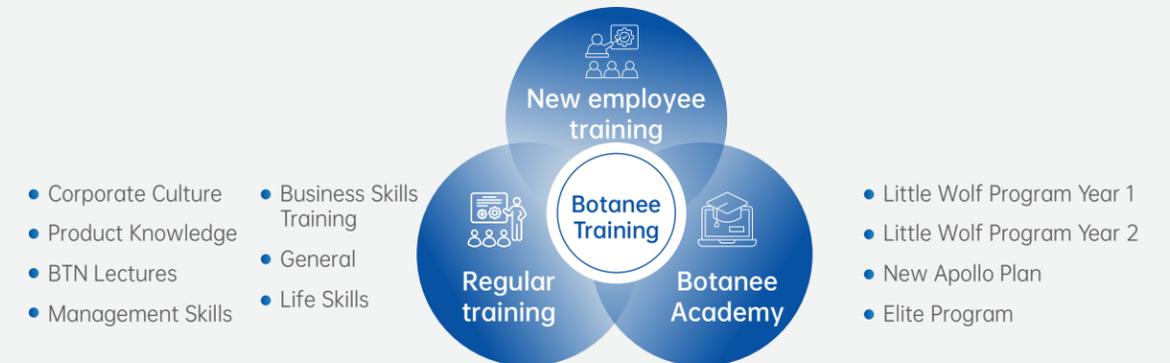
We firmly believe that the growth of our employees is crucial for driving the Company's sustainable development. Therefore, we have established a comprehensive employee training system to enhance their skills and promote their professional development.



Our employee training programs are divided into three categories: New employee training, regular training (courses provided through the E-Learning platform), and the Botanee Academy, forming a multi-level system that spans from regular training for new employees to in-depth development for senior talent.

### Botanee's Employee Training Categories

- Day 1 Training
- Day 30 Training

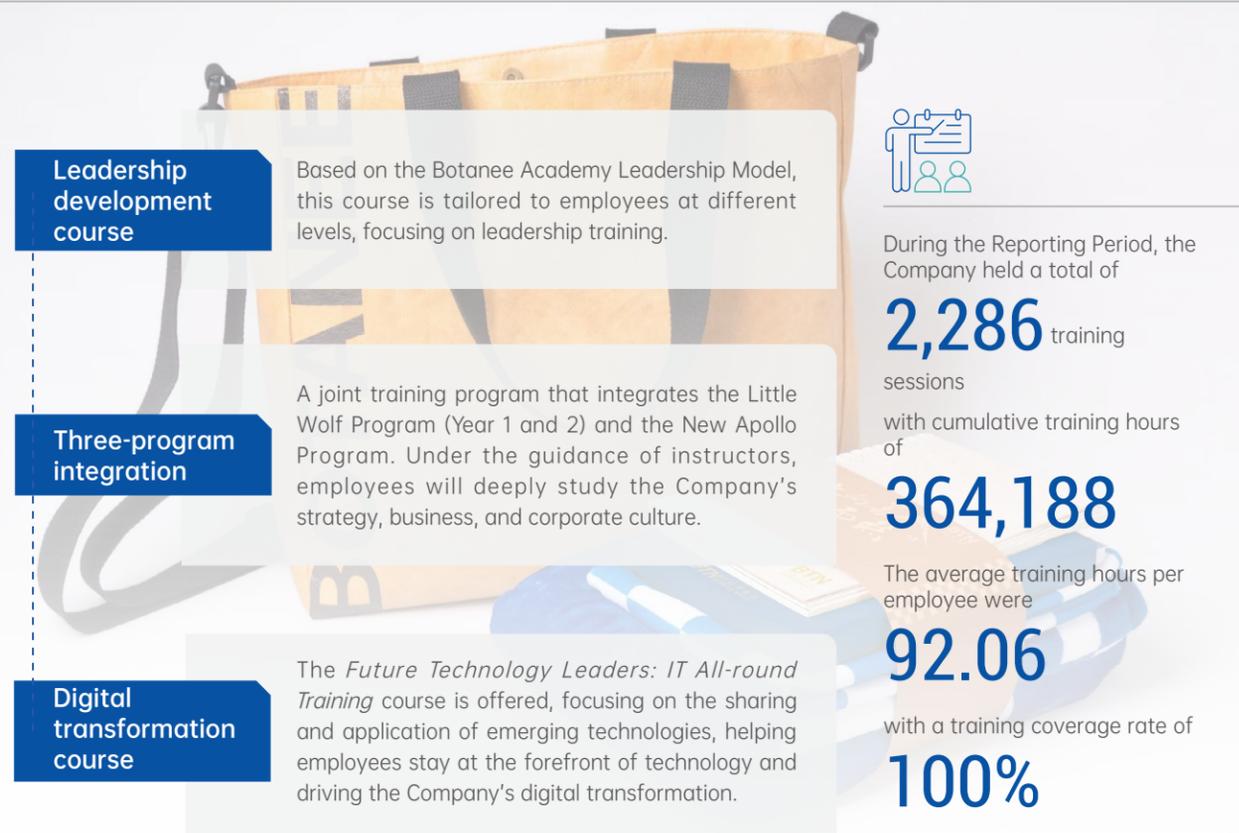


The Botanee Academy is the Company's core platform for talent development. Since its establishment in 2013, it has met the growth needs of employees at different stages of development through a three-tier talent development system. Every spring, the Academy selects outstanding employees through a rigorous evaluation process to enter a one-year training program. This program serves as an important replenishment channel for the Company's talent pool, while also providing selected employees with opportunities for promotion or advancement.

### Botanee Academy's Talent Development Programs



In addition, we regularly organize professional business training sessions and invite external experts to conduct courses to enhance employees' professional skills. In the current year, the Botanee Academy added new training courses covering various aspects such as management skills and industry knowledge.



**Leadership development course**

Based on the Botanee Academy Leadership Model, this course is tailored to employees at different levels, focusing on leadership training.

**Three-program integration**

A joint training program that integrates the Little Wolf Program (Year 1 and 2) and the New Apollo Program. Under the guidance of instructors, employees will deeply study the Company's strategy, business, and corporate culture.

**Digital transformation course**

The *Future Technology Leaders: IT All-round Training* course is offered, focusing on the sharing and application of emerging technologies, helping employees stay at the forefront of technology and driving the Company's digital transformation.



During the Reporting Period, the Company held a total of

# 2,286

 training sessions
 

with cumulative training hours of

# 364,188

The average training hours per employee were

# 92.06

with a training coverage rate of

# 100%

Through comprehensive training measures, we provide employees with a solid platform for growth and development.

## Employee Development

Botanee has established three main career development pathways: management track, professional track, and support track, providing employees with clear growth paths. The management track offers a platform for employees who wish to focus on team management, and nurtures exceptional managers. The professional track encourages employees to delve into technical fields and become experts through continuous training and learning. The support track assists employees in achieving three levels of business growth in their respective positions.

In 2024, the Company invited external professional consulting agencies to improve the job grading system, referring to industry data and further expanding the development space for the professional track. We have refined the comprehensive compensation system based on "job grading, salary determined by level, job and salary alignment, and alignment between job and salary changes", and incorporated multiple dimensions such as performance evaluation results, Botanee Academy training records, self-initiated academic advancement, professional qualifications, and corporate cultural alignment into the assessment system.

Botanee has established a comprehensive compensation governance system, with the Remuneration Committee responsible for developing and evaluating the compensation plan for senior managers. The compensation plan for directors shall be reviewed by the Board of Directors and then approved by the General Meeting of Shareholders, while the compensation plan for senior managers shall be directly approved by the Board of Directors, ensuring fairness and transparency in compensation policies.

To enhance the cohesion of core talent, the Company has launched an employee stock ownership plan, repurchasing company shares through a special incentive fund and allocating stock to management and key employees. This plan links the stock allocation of the beneficiaries directly to the Company's performance targets, effectively boosting the motivation of the management team.

Case
**"Fuel the Summer, Forge the Future — Together as We" training camp**


In July 2024, the Botanee Academy organized an annual joint and tiered training camp in Kunming, themed "Fuel the Summer, Forge the Future — Together as We". During the joint training phase, participants deeply studied the Company's strategy, business, and culture, and conducted topic discussions around theme. The tiered training focused on leadership development for participants at different levels, providing targeted training based on their specific needs.

The training camps included team mission competitions and team-building activities at the central factory. Through business case studies, participants cultivated strategic thinking and proposal development skills. The overall project received high recognition from participants, with a satisfaction rate of 9.15 points (on a 10-point scale).




Botanee Academy training camp

Case
**"Corporate Theater Workshop" Course**


The Company offered a unique "Corporate Theater Workshop" course to core employees and management in the R&D system, focusing on cross-departmental communication and collaboration. Through case exercises, the course helped participants identify and resolve common issues in cross-departmental communication, master conflict resolution techniques, and enhance team collaboration effectiveness. The course received high recognition from participants, with a satisfaction rate of 9.42 points (on a 10-point scale).




"Corporate Theater Workshop" course

# Employee Safety and Health

## Philosophy

Botanee upholds the concept of "prevention first, safety foremost, and joyful sharing", placing employee safety and health at the core of its operations. We have established a comprehensive production safety management system, while also following the three-tier principle of occupational disease prevention and control, with the primary level as the focus, secondary level as support, and tertiary level as a safety net for occupational health. This multi-dimensional approach ensures the occupational health of employees and continues to create a safe and healthy working environment.

## Strategy

We strictly comply with health and safety laws and regulations, such as the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, and *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. We have obtained ISO 45001 certification on occupational health and safety management systems. We have established a dedicated EHS department and assigned dedicated personnel for key safety areas such as fire safety, hazardous operations, specialized equipment, and related party management. These personnel are responsible for streamlining management processes and ensuring smooth implementation of daily production safety tasks.

We have developed management manuals, including the *Compilation of Production Safety Laws and Regulations* and the *Compilation of Occupational Health Laws and Regulations*, which are regularly revised. Through the management manuals, we communicate safety- and health-related laws and regulations, as well as the Company's objectives and management policies, while clearly defining the safety management responsibilities and work processes for relevant positions.

We ensure the allocation of necessary resources to guarantee production safety. During the Reporting Period, we invested over CNY 900,000 in special funds to upgrade safety facilities, conduct occupational safety training, and purchase necessary protective equipment.



ISO 45001 Certification on Occupational Health and Safety Management System



Occupational health and safety training for new employees



AED training

# Management Practices

## Production Safety

We adhere to a safety management approach that integrates both internal and external efforts, continuously improving production safety management through scientific and refined hazard identification and rectification measures.

### Internal safety management

**System improvement**  
In the current year, we updated and improved over 30 safety management systems, covering key areas such as production safety responsibility system, training and education, hazard identification, emergency rescue, hazardous materials control, and constructor management. In the current year, the factory implemented the "dual prevention mechanism", clearly defining safety responsibilities and subordinate relationships, and effectively identifying and controlling various safety hazards.

**Self-inspection**  
Led by leaders, we conduct regular weekly and monthly inspections as well as targeted comprehensive inspections to thoroughly review production safety conditions. During the Reporting Period, a total of over 887 risk items were identified, and rectification measures were implemented.

**Digital management**  
We utilize the "Jiandaoyun" mini program to digitally analyze production safety data and improve the efficiency of rectifying safety hazards. We also conduct digital management of manufacturing through MES, MOM, QMS, LIMS, and BI systems.

### External safety inspections

**Government inspections**  
We actively cooperated with external inspections to ensure the authenticity and transparency of safety management performance.

**Third-party evaluation**  
We engaged professional organizations to conduct Job Safety Analysis, promptly identifying potential safety risks and developing corresponding mitigation measures.



» Safety culture building



Occupational safety training

Specialized safety knowledge training was provided to new employees and according to the needs of different positions, covering areas such as fire safety, electrical safety, and special equipment. During the Reporting Period, we organized 58 safety training sessions, with 1,038 participants.



Safety-themed activities

During important moments such as "Safety Awareness Month" and "November 9 Fire Prevention Day", we organize activities such as safety knowledge competitions, forklift operation skill competitions, and fire emergency drills. These activities enhance employees' ability to respond to emergencies.



As of the end of the Reporting Period, **no** known major work-related injuries or fatalities occurred in the Company.

As of the end of the Reporting Period, we did **not** receive any fines or undergo any shutdowns due to production safety issues.

Occupational Health

The Company places great emphasis on employees' occupational health. We provide free annual physical checkups for all employees every year and assist them in obtaining health certificates within the production system, including the factory. We also provide employees with dual protection through health insurance and employment injury insurance. In the current year, the factory conducted occupational disease hazard factor testing (e.g. dust and noise) and strictly monitored the working environment.

The Company, in the current year, organized annual employee physical checkups from August to November and held a physical checkup report interpretation session in December to help employees understand their health status and provide channels for consultation and problem-solving. The Company also conducted occupational health training for new employees, and guided the proper use of protective equipment. For positions that may face occupational health risks, we clearly outline occupational hazard information in the labor contract and provide full-cycle occupational health inspection services before, during, and after employment.

We continue to improve our occupational health management system, and during the Reporting Period, we completed the pre-evaluation of occupational health within the Group and advanced the evaluation and acceptance work.

Case Fire drills at two factories

In 2024, the Company strengthened safety emergency management in multiple dimensions:

The central factory organized two fire drills, covering areas such as warehouses, engineering, laboratories, and production, with over 300 participants. The Qingpu factory collaborated with the local fire brigade to conduct fire safety training and emergency drills, and formulated the *Fire Drill Plan Report*. Meanwhile, 23 special operation personnel passed certification exams, achieving a 100% pass rate.



Cumulative number of participants in the drills: More than

**300**



The Qingpu factory's fire drill

Case Botanee held fun activities focusing on employee workplace safety

During the Reporting Period, we held fun activities focusing on employee workplace safety, such as team collaboration games and safety knowledge competitions to improve employees' teamwork awareness, enhance department cohesion, and jointly build a safety workplace culture.



Fun activities focusing on employee workplace safety



# 05 Gratitude & Goodwill: Co-Creating and Sharing Value

While focusing on its long-term development, Botanee continues to deeply engage in public welfare and actively assume social responsibility. We remain committed to the core values of being grateful to society and caring for the public. Upholding the mission of creating a healthy and beautiful life for humanity, we are dedicated to integrating corporate development with social welfare. We carry out a series of activities to enhance health accessibility, support rural education, and promote the preservation of intangible cultural heritage. Through our charity influence, we take action to give back to society.

- Intangible Cultural Heritage Protection
- Health Accessibility
- Rural Revitalization
- Public Welfare Influence





贝泰妮公益基金  
BOTANEE FUND



薇诺娜公益基金



微笑阳光计划



宝贝计划  
BABY PROJECT

The Botanee Charity Funds include the Botanee Charity Fund jointly established by Botanee and the Yunnan Youth Development Foundation, the Red Cross Winona Charity Fund jointly established by Botanee and the Yunnan Red Cross Foundation, and the Shanghai Charity Foundation Botanee Special Fund jointly established by Shanghai Botanee and the Shanghai Charity Foundation.

Botanee Charity Fund

It is the first charity fund under Yunnan's Hope Project that focuses on environmental protection (including biodiversity conservation) by youths. It provides continuous support to youths in Yunnan in education, enterprise development, biodiversity conservation, etc., and contributes to environmental protection.

Red Cross Winona Charity Fund

The fund undertakes continuous public welfare donations from the "Winona Sunshine Program" to support rural primary care, carry out public welfare screenings for skin diseases, help those with skin cancer, construct the Botanee First Aid Station Project, conduct emergency disaster relief and more.

Baby Project

The project focuses on issues such as youth development, mental health education and rural education revitalization. It constantly provides new help and sows new hope for teenagers and children.

Key Performance Indicators

- In 2024, Botanee actively fulfilled its social responsibility by supporting **38** public welfare projects, benefiting over **50,000** youths and teenagers. The total amount of donated funds amounted to CNY **21.32** million. A total of **67** volunteers participated in public welfare activities, contributing a total of **2,482** hours of volunteer service. From 2021 to December 31, 2024, we invested a total of CNY **68.24** million in public welfare.



Awarded the first "Yunling Philanthropy Award"

At the themed promotion event for the 9th "Charity Day of China" organized by the Department of Civil Affairs of Yunnan Province, Botanee was awarded the title of "Donor Enterprise" at the first "Yunling Philanthropy Award".

# Intangible Cultural Heritage Protection

## Philosophy

Botanee recognizes that intangible cultural heritage is a national treasure and a bridge connecting the past and the future. Through innovative marketing strategies, we actively integrate intangible cultural heritage into our products, conduct multi-channel publicity campaigns, and participate in the protection and inheritance of intangible cultural heritage. We aim to raise public awareness and respect for the value of intangible cultural heritage. Furthermore, we recognize that education is key to the inheritance of intangible cultural heritage. Through the Hope Primary School project, we strengthen the promotion of intangible cultural heritage, building a bridge for the inheritance of intangible cultural heritage and creating a bright future together.

## Management Practices

### Intangible Cultural Heritage in Schools

To bring Intangible cultural heritage (ICH) into the classroom, Botanee is committed to building a bridge for students to understand and explore ethnic traditional culture, inspiring them to develop a love for their own culture from an early age. In 2024, the Botanee Charity Fund launched ICH inheritance projects in Dali and Diqing, based on its previous ICH inheritance project in Lijiang. A total of CNY 580,000 was donated to support youth in Lijiang, Dali, and Diqing in engaging with ICH inheritance public welfare projects. The projects benefited six primary schools, one special education school, and a youth palace. By the end of the Reporting Period, the Botanee Charity Fund had donated a total of CNY 1.2 million to this project, infusing youthful vitality into the inheritance of intangible cultural heritage, with 4,126 young people participating.

The Dali ICH inheritance project relies on ICH inheritors such as the Dali Xizhou Heritage of Artifact Folk Art Center (Jiama Print Art Exhibition), Dragon Dance, Lanxu Tie-Dye, Bai Ethnic Da Ben Qu, and Zhongheyi Sanxian Inheritance Institute. Combining Xizhou's unique natural cultural heritage and ethnic cultural traditions, ICH classes were held at the Xizhou Central Primary School, Sili Primary School, and Shacun Primary School in Xizhou Town. A total of 338 students attended the Jia Ma and printmaking class; 40 students participated in the Da Benqu class; 40 students in the dragon dance class; 201 students in the tie-dyeing class.

Additionally, we organized a "Rural Revitalization" Bai ethnic three-string summer class at the Zhonghe Yi Three-string Inheritance Institute, enrolling 20 students and providing 60 lessons on three-string playing and Da Benqu. The course also offered experiential classes on Bai ethnic tie-dyeing, pottery making, Bai three-course tea, and hand-rolled rice dough, giving students a hands-on experience with intangible cultural heritage. The inheritors shared their skills, opening the door to the treasure trove of traditional culture for the students.



Sili Primary School - Printmaking experience



Xizhou Town Central Primary School - Tie-dyeing learning



Shacun Primary School - Dragon dance learning



Sanxian learning music course

## Intangible Cultural Heritage Dissemination and Product Integration

Botanee focuses on the dissemination of intangible cultural heritage such as Jia Ma, Yi Embroidery, and weaving, and promotes its integration into product design, striving to expand the influence of intangible cultural heritage to a wider audience.

### Bai Ethnic Jia Ma

In Bai culture in Yunnan, Jia Ma is a messenger of blessings, where people carve their wishes onto wooden blocks and print them onto paper as Jia Ma to convey their heartfelt desires. At the beginning of 2024, in promoting Yunnan's intangible cultural heritage, Winona launched a customized New Year gift box themed around Jia Ma with the slogan "Good Gifts for Healing, Dreams Come True". This initiative brings this unique intangible heritage art into the spotlight in a new and visible way, showcasing its rich cultural value.

In 2024, Botanee invested CNY 200,000 in the Dali intangible cultural heritage inheritance project, incorporating Jia Ma woodblock printing into the intangible cultural heritage classes at the three primary schools, and invited Jia Ma master Zhang Renhua to teach, demonstrating our commitment to supporting the protection of Jia Ma intangible heritage.



[Scan the QR code to watch the Dreams Come True]

### Chuxiong Yi Embroidery

To support the development of disabled Yi ethnic embroiderers, we established the "Winona Women Care Alliance" public welfare project on International Women's Day. On the 34th National Day for Assisting Disabled People (May 17), a public welfare event was held at the Colorful Yi Embroidery Workshop in Nanhua County, Chuxiong Prefecture, Yunnan. During the event, the Botanee Charity Fund donated materials worth CNY 1.26 million to the local community, providing skin health consultations to 118 embroiderers (including 108 disabled embroiderers), safeguarding their skin health and helping to breathe new life into the intangible cultural heritage of Yi embroidery.



[Scan the QR code to watch the Impressive Yi Embroidery]



A special heritage gift box inspired by Yunnan's traditional intangible cultural heritage of Chuxiong Yi embroidery



Calling for support and care for embroiderers with disabilities

## ICH Cultural Event in France

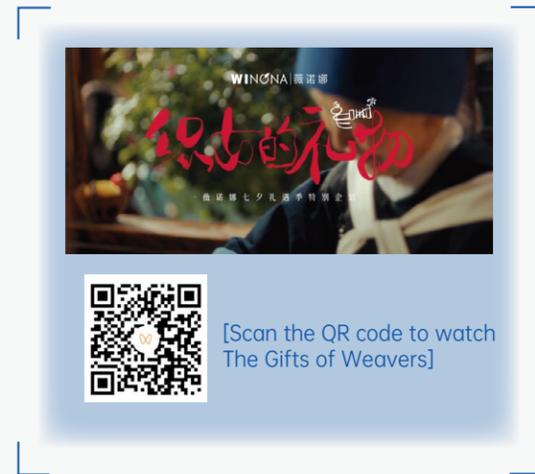
In October 2024, Botanee, in collaboration with Chinese women dressed in distinctive Naxi ethnic clothing from Yunnan and Winona-branded customized Yi embroidery mamianqun, brought the aesthetics of intangible cultural heritage to the fashionable streets of Paris, France. Through Botanee's communication power, we hope to use this international event as a bridge to connect the beautiful aspiration that "Heritage Knows No Borders".



## Naxi Weaving

During the 2024 Qixi Festival, Winona continued to showcase a profound understanding of the core values of traditional festivals, using Yunnan weaving as the "Magpie Bridge" to convey the brand's best wishes. Weaving is a unique lifestyle of women in Yunnan's ethnic minorities, and it can be seen everywhere in the local ancient towns and mountain fields. For Qixi, we launched a thematic video featuring the weaver women, showing the spirit of the new generation who continue the intangible cultural heritage and the charm of laboring women. The video also highlighted the woven gifts, symbolizing the beautiful blessings that will accompany the viewers on their life's journey.

Additionally, Botanee focuses on Winona's female care and public welfare project, the "Winona Women Care Alliance", supporting the fair development rights of Yunnan weavers. Through the Botanee Charity Fund, we assist them in protecting skin health, while also promoting their works, advancing the lifestyle of Yunnan's minority women, and offering skill support to help more people learn about the intangible cultural heritage of Yunnan weaving.



Supporting the promotion of weaving artifact

## Collaborative Promotion of Intangible Cultural Heritage Inheritance

To drive the quality improvement of the Mosuo Handwoven Textile Workshop in Ninglang County, Lijiang City, the Botanee Charity Fund provided over CNY 15,000 in funding for the project. The project designs and manufactures a variety of handcrafted products, diversifying the Mosuo handwoven textiles and helping them better integrate into the cultural tourism market of Lijiang's Lugu Lake. It also creates more employment opportunities for women in mountainous areas, involving over 200 women from four minority ethnic groups in the hot spring region in handwoven textile work, 45 of whom are from households that have been lifted out of poverty. This has effectively integrated handwoven textiles with the rural revitalization of Wenquan Village, ensuring the continuous inheritance of intangible cultural heritage.



Women Holding Winona Weaving Gift Boxes at the Aqi Duzhima Mosuo Intangible Cultural Heritage Museum in Ninglang County

## Health Accessibility

### Philosophy

Leveraging its professional expertise and industry insights, Botanee is dedicated to raising public awareness of skin health through philanthropic initiatives. We consider this our long-term social responsibility, and promote health concepts and provide professional services. Through continuous promotional and educational activities, we disseminate scientific and rational knowledge on skincare, provide on-site consultations, professional advice, and interactive platforms for medical professionals and patients. By taking concrete actions, we help consumers address their skin concerns, guide them to develop good skincare habits, and jointly safeguard and enhance the health and beauty of their skin.



### Management Practices

#### "Winona Sunshine Program" Philanthropic Event

The "Winona Sunshine Program" is a sunscreen-themed public welfare initiative launched by Winona in 2016. The program primarily focuses on spreading sunscreen knowledge and providing support for the treatment of sun-induced skin diseases. It helps establish the awareness of scientific sun protection, detects skin damage issues early, and offers professional guidance and advice. The program is held at least once a year and has been ongoing for 9 years, with a total of 11 public welfare activities held. In 2024, the "Winona Sunshine Program" took the theme "You Are Brighter Than the Sunshine", and carried out public welfare activities through a combination of free medical consultations, science popularization lectures, donations, and visits, promoting the concept of scientific skincare.

#### Bring Services to More Target Groups Through Voluntary Pharmacy Consultations

The "Winona Sunshine Program" continued to enter professional pharmacy channels to enhance its charity influence through retail pharmacies. We invited dermatology experts to provide on-site free consultations in collaboration with pharmacies, allowing customers to receive expert diagnosis and scientific skincare guidance while improving the professional skills of pharmacy staff. Furthermore, we invited experts to participate in clinical training and philanthropic clinics held at grassroots hospitals. We encouraged doctors to participate in the "May 25 Skincare Day" event, and provided samples to consumers to effectively reach experts and consumer groups with our R&D results and product innovations.



Free consultation offered by "Winona Sunshine Program"

### The "Winona Sunshine Program" Supports Northern Xinjiang

Over the past 9 years, Winona has never stopped measuring vast lands with its feet, from Inner Mongolia to Qinghai, from Yunnan to Tibet. The "Winona Sunshine Program" has promoted the development of the skin health ecosystem in China by conducting free medical consultations and science popularization lectures, distributing gift packs, making donations, and visiting areas with intense ultraviolet radiation. In Altay, Xinjiang, where the annual sunshine duration exceeds 3,000 hours, the strong ultraviolet radiation has affected the local people's skin health to some extent, with actinic dermatitis being a common skin issue in the region. Botanee has deeply engaged with the local community, investigated their sun protection concepts and further popularized knowledge about light-induced skin damage, and promoted scientific skincare and proper sun protection practices. In addition, during the public welfare program, we held three free medical consultation events in Altay City, the Keledieneng and Qibaerxilike Villages, Habahe County. We provided professional, thoughtful skin health services to local residents and donated medically-certified skincare products to them. We also showed deep concern for children, visited the Qibaerxilike Village Kindergarten, where we carefully prepared Winona Baby skincare gift packs for the children, conveying the power of health and love through our actions and hoping that children also have healthy and delicate skin as they grow.



During the Reporting Period, we distributed a total of

**500** gift packs in areas with intense ultraviolet radiation with a donation amount reaching **CNY 150,000**



Promote sun protection knowledge to children



2024 "Winona Sunshine Program"

### Atopic Dermatitis (AD) Support Project for Children

Botanee continues to focus on the skin health of children. Botanee and its subsidiary brand Winona Baby actively respond to the national call of the "Healthy China 2030" Plan Outline, focusing on the baby and toddler skincare field and supporting families with children suffering from atopic dermatitis (AD).

On June 26, 2024, Winona Baby sponsored the Skincare House's eczema treatment series activities. The event included AD science popularization and patient education, and offered in-depth analysis of key breakthroughs in AD treatment. It emphasized the crucial role of moisturizing lotions in the long-term treatment of AD, demonstrated and promoted the proper use of moisturizing lotions, while donating soothing cream on-site. Additionally, professional, safe skincare products were distributed to children with AD, contributing to the healthy development of children's skin.



Donation of Winona Baby professional skincare products for infants and children



On-site demonstration of the correct usage of moisturizing lotions

### Botanee First Aid Station Project

The Red Cross Winona Charity Fund implemented the Botanee First Aid Station Project, setting up first aid stations in rural schools without medical facilities. The stations are equipped with relevant topical first aid supplies and medications. Administrators are trained, and emergency first aid knowledge is disseminated to enhance schools' emergency response capabilities.

Due to the large number of tourists and the steep, rugged terrain of Haba Snow Mountain, in order to prevent tourists or villagers from experiencing oxygen deficiency, altitude sickness, or missing the critical emergency response time during their hike, Botanee established a First Aid Station in Haba Village in 2024. The station is equipped with comprehensive emergency rescue equipment to ensure the safety of tourists and local residents. The project funding and equipment expenditure totaled over CNY 230,000, directly benefiting more than 2,000 villagers, and indirectly covering nearly 10,000 tourists to Haba Snow Mountain.



Unveiling Ceremony of the Botanee First Aid Station in Haba Village, Sanba Naxi Township, Shangri-La City

As of December 2024, we have established **169** Botanee First Aid Stations across 24 counties (cities/districts) in 10 prefectures (cities), serving **169** schools (communities), including **156** schools and **13** communities. A total of **112,012** students, teachers, and community members have directly benefited from the project.

### Botanee Hope Public Baths

We have noticed that some rural schools face the problem of limited bathing facilities. To address the challenges posed by inadequate sanitary conditions and the difficulty of bathing, and to respond to the call for rural education support, the Botanee Charity Fund has been working to help rural schools in need by constructing Hope Public Baths and other auxiliary facilities.

Shangri-La City, Diqing Prefecture, located in the high-altitude area of northwest Yunnan Province, has a unique geographical environment, and some boarding schools in the area face the issue of insufficient bathing facilities. In 2024, the Botanee Charity Fund donated a total of CNY 460,000 to support the construction of four "Botanee Hope Public Bath" at the following schools: Baishuitai Primary School in Sanba Township, Shangri-La City, Nixi Township Primary School in Shangri-La City, Shangri-La Special Education School, and Xinhua Primary School at Xinhua Center School in Pingbian County, Honghe Prefecture. These initiatives benefited a total of 1,749 students. Additionally, Botanee Group volunteers presented carefully prepared Botanee Winona baby care products to the students and conducted public health education mini-classes, as well as experiential courses on intangible cultural heritage such as "Black Pottery", "Tibetan Embroidery", and baking.



Botanee Hope Public Bath in Shangri-La City, Diqing Prefecture



Thank-you Letters written by children

**Our Hope Public Bath project continues to make progress:**

**2021**

Donated CNY 500,000 to build 3 Hope Public Baths in Yimen County and Eshan County, Yuxi City, Yunnan Province

**2022**

Donated CNY 835,766 to build 8 Hope Public Baths in Xichou County, Wenshan Prefecture

**2023**

Donated CNY 500,000 to build 5 Hope Public Baths in Pingbian County, Honghe Prefecture

**2024**

Donated CNY 460,000 to build 3 Hope Public Baths in Shangri-La City, Diqing Prefecture, and 1 Hope Public Bath at Xinhua Central School in Pingbian County, Honghe Prefecture

As of December 31, 2024, the Hope Public Bath project had accumulated donations of over CNY **2.29** million, constructing **20** Hope Public Baths and benefiting more than **6,000** teachers and students.

## Rural Revitalization

### Philosophy

Botanee adheres to a sustainable development strategy, and consistently focuses on the long-term development of rural areas. We work closely with local governments, social organizations, and other partners, and respect the wishes and needs of local residents. By building educational facilities, providing material donations, and offering other forms of support, we aim to help rural communities improve their education and living conditions and advance overall long-term rural revitalization.

### Management Practices

#### Visit Left-behind Children in Rural Areas

To continue supporting left-behind children, the Botanee Charity Fund donated CNY 200,000 to pilot 10 "Botanee Hope Harbors" public welfare projects in Changning County, Baoshan City. The goal of these "Hope Harbors" is to raise awareness about left-behind children and ensure a safe and joyful childhood for those in the mountains. In mid-August 2024, Botanee Group's volunteer team visited 10 different villages and communities in Changning and met with the left-behind children participating in the "Hope Harbor" project. The first batch of "Hope Harbor" project pilots established service hours of "10 hours on weekends, all day during summer and winter holidays, and other times open as needed", effectively filling the "gap period" for left-behind children during weekends and school holidays.

Since the implementation of the "Hope Harbor" project, we have regularly carried out services such as family companionship, emotional care, self-care education, and red education, focusing on issues such as "absence of parents, lack of family affection, and lack of emotional protection". The project has formed a complete public welfare model. To date, we have conducted 27 themed activities and supported over 700 left-behind children. In the future, Botanee will continue to unite social forces and collaborate with more kind-hearted individuals to build "Hope Harbor" and help more left-behind children grow up healthy and happy.



We have conducted

**27** "Hope Harbor" themed activities



Volunteers with the children



"Children's Companion Moms" playing with the children



### Botanee Hope High School

The "Botanee Hope High School" was established in July 2021 and implemented at Donglu High School in Huize County, Yunnan Province. Over the past three years, Botanee has continuously supported 150 high school students across three cohorts. These students receive a monthly subsidy of CNY 750 during their high school years until they graduate. In 2024, the supported students traveled to Kunming and Lijiang for a five-day summer study program titled "Safeguarding Intangible Heritage: Living in Harmony with Nature".

In 2024, the first group of excellent students from the Hope High School officially graduated, and the graduation ceremony was held at Donglu High School in Huize County, Yunnan Province. Representatives from Botanee's volunteers, the Yunnan Youth Development Foundation, the Youth League Huize County Committee, the Huize County Education and Sports Bureau, and the 150 students from three cohorts of Botanee Hope High School, along with some teachers, attended the event. All 50 students from the 2024 cohort of the Botanee Hope High School achieved excellent results admitted to Tier-1 universities. Botanee awarded the "Love and Dream University Scholarships" to 10 outstanding graduates and held a special graduation-season film screening and graduation yearbook distribution for the students to encourage them to bravely embrace new challenges and explore endless possibilities on their educational journey.



2024 "Botanee Hope High School Class" graduation ceremony



"Safeguarding Intangible Heritage: Living in Harmony with Nature" Summer Study Program

# Charity Influence

## Philosophy

Botanee integrates social responsibility into its corporate strategy, is committed to conducting business for the greater good and giving back to society, thus achieving sustainable development for the Company. Botanee continues to promote the Hope Project in the new era, partnering with public welfare organizations to engage in community building, actively donating money and materials, expanding the beneficiary groups and forms of public welfare activities, and widely conducting all-round public welfare work such as educational support and assistance to promote the development of education. We seize opportunities, fulfill our responsibilities, and continuously seek greater impact, expanding the scale and influence of our public welfare projects to build a better society.

## Management Practices

### Educational Support and Nurturing

To help Kunming Medical University improve the quality of talent cultivation and implement the fundamental task of educating people, Botanee once again donated CNY 1 million to the Yunnan Youth Development Foundation in 2024 to encourage undergraduates to pursue further education, for the graduate scholarship program at Kunming Medical University. Since its inception, the program has funded 2,583 graduate students, with a total donation of CNY 2.583 million to graduate students.



Botanee once again donated  
CNY **1** million to the Yunnan  
Youth Development Foundation  
funding

**2,583** graduate  
students

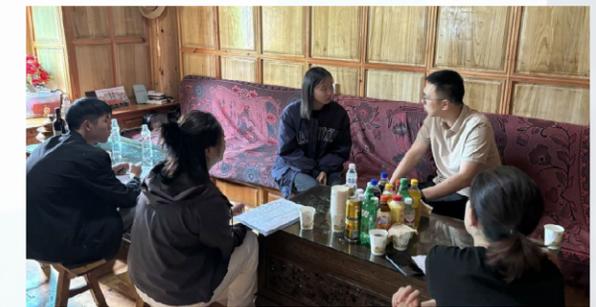
with a total donation of  
CNY **2.583** million



### Support for Underprivileged Students

To assist low-income families and outstanding students in Diqing Prefecture, in August 2024, we launched the "Love and Dream University" public welfare activity for the 2024 cohort. Representatives from the Yunnan Youth Development Foundation and Botanee visited Shangri-La City and Deqin County to conduct home visits to 8 students who had been or were candidates for funding. We further understood the students' family circumstances and living environments, and actively promoted national education support policies, encouraging them to be confident, independent, and resilient in overcoming challenges and pursuing their academic dreams.

Since 2021, Botanee has donated over CNY 540,000 through the Yunnan Youth Development Foundation to support underprivileged students. We remain committed to caring for disadvantaged youth by addressing their practical challenges, bringing hope to more impoverished families, illuminating the path to education for underprivileged students, and safeguarding their academic dreams.



Home visits to underprivileged students awaiting funding in Diqing Prefecture

### Special Assistance for Skin Cancer

The Red Cross Winona Charity Fund provides disease relief and product care for severe patients with photodamaged skin conditions identified during free medical screenings, specifically focusing on skin cancer. In 2024, the Red Cross Winona Charity Fund assisted three patients within the skin cancer program, completing the public welfare loop.

## Military Care and Support

On August 1, 2024, Botanee carried out an "August 1st" Military Support Visit to extend holiday greetings and high respect to the officers and soldiers of a certain air force unit in Xinjiang. During the visit, Botanee volunteers watched a national defense education documentary and donated Winona care supplies worth CNY 3.7 million to four military units, honoring the soldiers of the People's Liberation Army who fight in harsh conditions. Botanee has continuously supported border defense soldiers' skin care for four consecutive years, demonstrating our corporate philosophy of patriotism and military support, while actively fulfilling the mission and responsibility entrusted to us by the times.



## Charity Assistance for Congenital Heart Disease

In 2024, Botanee donated CNY 500,000 to the Yunnan University Education Foundation's "AI-assisted Diagnosis for Congenital Heart Disease" public welfare project to support the research project and screening for congenital heart disease of the School of Information Science & Engineering, Yunnan University. With the support of the Botanee Charity Fund, the School's "Heart Resonance" Team conducted free screenings and research in Lancang Lahu Autonomous County, Pu'er City, Yunnan Province, screening nearly 40 children for congenital heart disease and helping low-income children apply for special assistance funds from the Fuwai Yunnan Hospital, Chinese Academy of Medical Sciences.

Based on the research and screening results, the project developed an AI-assisted diagnosis system and an algorithm to assist with congenital heart disease diagnosis. The system collects heart sound signals from adolescents, uploads them to a cloud server for analysis, and assesses the probability of disease. This process is simple and fast, effectively solving problems such as untimely screenings and complex procedures in remote areas. It can better address issues of remote areas, such as difficulty in rescue and slow screening of congenital heart disease.



"Heart Resonance" Team with local villagers



The team's self-developed equipment that facilitates the diagnosis of congenital heart disease

## Youth Volunteer Care

In April 2024, the Botanee Charity Fund, in collaboration with the Yunnan Youth Development Foundation, the Publicity Department of the CPC Xishuangbanna Prefecture Committee, the Communist Youth League of Xishuangbanna Prefecture, the Xishuangbanna Vocational and Technical College, and the Dai Medicine College of Western Yunnan University of Applied Sciences, jointly held the "Yunnan Youth Development Foundation - Botanee Charity Donation Ceremony". This initiative supported the "1386 Dai New Year (2024 Water Splashing Festival) Volunteer Service Activity" by donating over CNY 730,000 worth of "Winona" materials.



In 2024, the Botanee Charity Fund directly and indirectly donated over CNY **12.1** million worth of charitable materials. A total of **13** donations were made, benefiting troops, students and teachers, people with disabilities, sanitation workers, delivery personnel, and young volunteers in regions including Pu'er, Dehong, Lijiang, Honghe, Xishuangbanna, and Diqing.

## Disaster Relief

In 2024, the "Shanghai Charity Foundation Botanee Special Fund" donated CNY 200,000 to Ma'andi Township, Jinping County, Honghe Prefecture, Yunnan, through the representative office of Changning District of the Shanghai Charity Foundation, which was affected by a typhoon, to help the disaster-stricken people overcome difficulties.

# Appendices

## Appendix 1: Table of Key Performance Indicators

Environmental Performance				
ESG indicator	Unit	Performance in 2024	Performance in 2023	
Packaging materials <sup>1</sup>	Packaging materials consumption	t	12,167.37	11,205.40
	Packaging materials consumption intensity	t/million CNY revenue	2.12	2.03
	Packaging materials consumption: Paper	t	9,555.64	8,003.20
	Paper: FSC certified paper	t	8,178.47	4,070.98
	Paper: Recycled and easy-to-recycle paper (PCW/transfer silver card)	t	6.62	9.26
	Packaging materials consumption: Plastics	t	2,177.11	2,521.64
	Plastics: PCR	t	1.34	10.48
	Packaging materials consumption: Metal	t	150.68	140.30
	Packaging materials consumption: Glass	t	283.94	540.26
	Emissions <sup>2</sup>	Nitrogen Oxide (NO <sub>x</sub> ) emissions from official vehicle travel	g	395.36
Sulfur Oxide (SO <sub>x</sub> ) emissions from official vehicle travel		g	30.30	/

<sup>1</sup> Packaging materials refer to product (internal and external) packaging materials, logistics packaging materials, and shopping bags used in our stores. The statistics cover the central factory, Qingpu factory, medical aesthetics centers, self-operated warehouses, and the supply chain.

<sup>2</sup> The statistical scope includes self-operated factories (Shanghai Qingpu Factory and the central factory at Majinpu Subdistrict, Kunming), self-operated warehouses, offices (Kunming, Shanghai, and Hangzhou offices), and certain store formats (medical aesthetics centers, counters), covering product manufacturing, transportation, and retail stages.

ESG indicator	Unit	Performance in 2024	Performance in 2023	
Emissions <sup>2</sup>	Direct greenhouse gas emissions (Scope 1) <sup>3</sup>	tCO <sub>2</sub> e	1,436.18	425.91
	Indirect greenhouse gas emissions (Scope 2) <sup>4</sup>	tCO <sub>2</sub> e	10,356.89	5,011.10
	Total greenhouse gas emissions	tCO <sub>2</sub> e	11,793.07	5,437.02
	Greenhouse gas emission density	tCO <sub>2</sub> e/million CNY revenue	2.06	0.98
Wastewater <sup>5</sup>	Total industrial wastewater discharged	t	45,592	27,303
	Chemical Oxygen Demand (COD-cr) discharged	t	0.687	0.753
	Five-day biochemical oxygen demand (BOD <sub>5</sub> ) discharged	t	0.613	0.245
	Suspended solids discharged	t	0.334	0.249
	Animal and vegetable oils discharged	t	0.0002	0.001
	Exhaust gas <sup>6</sup>	Particulates	t	0.2
Total VOCs (Volatile Organic Compounds)		t	1.95	/
Energy <sup>7,8</sup>	Purchased electricity consumption	MWh	19,300.95	8,786.79
	Self-generated solar energy	MWh	888.00	/
	Natural gas consumption	10,000 m <sup>3</sup>	65.08	13.21

<sup>3</sup> Total Scope 1 Greenhouse Gas Emissions: Greenhouse gas emissions from the combustion of fossil fuels such as diesel, gasoline, natural gas, and industrial production processes; Scope 1 greenhouse gas emissions are calculated based on the *Guidelines for the Calculation and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industrial Sectors* issued by the General Office of the National Development and Reform Commission.

<sup>4</sup> Total Scope 2 Greenhouse Gas Emissions: Greenhouse gas emissions resulting from purchased electricity and other external sources; Scope 2 emissions are calculated based on the national average carbon dioxide emission factor for electricity of 0.5366 kgCO<sub>2</sub>/kWh for 2022, as published in the *Announcement on the 2022 Power Carbon Dioxide Emission Factor* by the Ministry of Ecology and Environment and the National Bureau of Statistics. The significant increase in Scope 2 emissions in 2024 was mainly attributable to the expanded statistical scope of purchased electricity. For details, please refer to Note<sup>7</sup>.

<sup>5</sup> The statistical scope includes self-operated factories (Shanghai Qingpu Factory and Kunming Majinpu Central Factory) and offices (only the Kunming office is included).

<sup>6</sup> The statistical scope includes self-operated factories (Shanghai Qingpu Factory and the central factory at Majinpu Subdistrict, Kunming).

<sup>7</sup> The statistical scope includes self-operated factories (Shanghai Qingpu Factory and the central factory at Majinpu Subdistrict, Kunming), self-operated warehouses, offices (Kunming, Shanghai, and Hangzhou offices), and certain store formats (medical aesthetics centers, counters), covering product manufacturing, transportation, and retail processes. The significant increase in purchased electricity consumption in 2024 was primarily due to the expanded statistical scope. Compared to 2023, the newly included Shanghai Qingpu Factory, counters, and offices in Hangzhou and Shanghai contributed a total of 9,672.00 MWh, which in turn led to a simultaneous rise in indirect and comprehensive energy consumption.

<sup>8</sup> Calculated in accordance with the General Principles for Comprehensive Energy Consumption Calculation (GB2589-2020).

ESG indicator		Unit	Performance in 2024	Performance in 2023
<b>Energy<sup>7,8</sup></b>	Gasoline consumption	t	2.50	0.60
	Diesel consumption	t	6.66	43.90
	Liquefied petroleum gas consumption	t	0.16	0.14
	Comprehensive energy consumption	tce	3,360.45	1,320.67
	Direct energy consumption	tce	988.36	240.77
	Indirect energy consumption	tce	2,372.09	1,079.90
	Comprehensive energy consumption density	tce/million CNY revenue	0.59	0.24
<b>Water resources<sup>9</sup></b>	Total water consumption	m <sup>3</sup>	126,834.75	72,055.69
	Operational water consumption density	1,000 m <sup>3</sup> /million CNY revenue	0.022	0.013
<b>Materials<sup>10</sup></b>	Office paper usage	kg	51,856.12	16,702.21
<b>Waste<sup>11</sup></b>	Total amount of medical waste	kg	1,082.00	60.00
	Waste lamp	pcs	344	98
	Waste printer toner/ink cartridges	kg	318.44	593.84
	Waste batteries	kg	148.16	7.38
	Kitchen waste	t	48.18	20.08
	Office household waste	t	2,394.69	1,317.54
	Other hazardous waste: Contaminants (900-041-49)	kg	48,090.00	52,234.10
	Other hazardous waste: Waste pharmaceuticals (900-002-03)	kg	9,430.00	60,663.32

<sup>9</sup> The statistical scope includes self-operated factories (Shanghai Qingpu Factory and the central factory at Majinpu Subdistrict, Kunming), self-operated warehouses, offices (Kunming, Shanghai, and Hangzhou offices), and certain retail formats (medical aesthetics centers, counters).

<sup>10</sup> The statistical scope includes self-operated factories (Shanghai Qingpu Factory and the central factory at Majinpu Subdistrict, Kunming), self-operated warehouses, offices (Kunming, Shanghai, and Hangzhou offices), and certain retail formats (medical aesthetics centers, counters).

<sup>11</sup> The statistical scope includes self-operated factories (Shanghai Qingpu Factory and the central factory at Majinpu Subdistrict, Kunming), self-operated warehouses, offices (Kunming, Shanghai, and Hangzhou offices), and certain retail formats (medical aesthetics centers, counters). The data scope in 2024 was expanded compared to 2023, with new types of hazardous waste added from Shanghai Qingpu Factory.

ESG indicator		Unit	Performance in 2024	Performance in 2023
<b>Waste<sup>11</sup></b>	Other hazardous waste: Waste acid (900-349-34)	kg	890.00	340.16
	Other hazardous waste: Waste alkali (900-349-35)	kg	250.00	375.30
	Other hazardous waste: Waste organic solvents (900-402-06)	kg	410.00	815.14
	Other hazardous waste - Used activated carbon HW49 (900-039-49)	kg	377.00	/
	Other hazardous waste - Used culture medium liquid HW49 (900-047-49)	kg	540.00	/
	Other hazardous waste - Used culture medium HW49 (900-047-49)	kg	2,500.00	/
	Other hazardous waste - Organic waste liquid HW49 (900-041-49)	kg	250.00	/
	Other hazardous waste - Inorganic waste liquid HW49 (900-041-49)	kg	140.00	/
	Other hazardous waste - Used engine oil HW08 (900-249-08)	kg	430.00	/
	Other hazardous waste - Waste acid liquid HW34 (900-300-34)	kg	140.00	/
<b>Supply chain</b>	Other hazardous waste - Sludge 6-99	kg	1,170.00	/
	Other hazardous waste - Used composite material 8-99	kg	8,610.00	/
	Other hazardous waste - Used packaging materials 8-99	kg	510.00	/
	Number of direct suppliers	suppliers	160	/
<b>Supply chain</b>	Number of suppliers that meet the Company's environmental impact assessment standards	suppliers	71	/
	Number of suppliers that meet the Company's social impact assessment standards	suppliers	117	/
	Number of key suppliers/major suppliers/strategic suppliers	suppliers	36	/

Social Performance					
ESG indicator	Unit	Performance in 2024	Performance in 2023		
Training and education	<b>Total number of employees trained by gender and category</b>				
	Total training hours for employees	hours	364,188.00	78,811.92	
	Total training hours for male employees	hours	85,431.36	19,110.85	
	Total training hours for female employees	hours	278,756.64	59,701.07	
	Total training hours for ordinary employees	hours	326,259.42	75,485.53	
	Total training hours for managers	hours	37,928.58	3,326.39	
	Diversity of governance bodies and employees	<b>Number of management personnel categorized by gender and rank</b>			
		Number of male directors	persons	6	7
Number of female directors		persons	3	2	
Number of senior management employees		persons	8	(Disclosure standard update)	
Number of male senior management employees		persons	7	/	
Number of female senior management employees		persons	1	/	
Number of employees in management positions		persons	412	(Disclosure standard update)	
Number of male employees in management positions		persons	192	/	
Number of female employees in management positions		persons	220	/	
<b>Total number of employees globally and the number of employees categorized by gender, role, age, and region</b>					
Total number of employees		persons	3,956	3,852	
Number of male employees		persons	928	925	
Number of female employees		persons	3,028	2,927	
Number of employees aged 29 and below		persons	1,674	1,665	

ESG indicator	Unit	Performance in 2024	Performance in 2023	
Diversity of governance bodies and employees	Number of employees aged 30 to 40	persons	1,805	1,783
	Number of employees aged 41 and above	persons	477	404
	Number of production employees	persons	398	348
	Number of marketing employees	persons	2,702	2,601
	Number of R&D employees	persons	435	498
	Number of administrative employees	persons	421	405
	Number of employees from Chinese Mainland	persons	3,912	3,851
	Number of employees in Hong Kong, Macao, Taiwan, and overseas regions	persons	44	1
	Number of ethnic minority employees	persons	357	354
	Number of employees with disabilities	persons	19	18
	Total number of new hires this year	persons	1,678	/
	Number of male new hires this year	persons	339	/
	Number of female new hires this year	persons	1,339	/
	Number of new hires aged 29 and below this year	persons	1,011	/
Number of new hires aged 30 to 40 this year	persons	573	/	
Number of new hires aged 41 and above this year	persons	94	/	
Occupational health and safety	Number of employees who died on the job	persons	0	0
	Total annual days lost due to work-related injuries	days	92	19
R&D	Cumulative trademark rights obtained	items	1,164	1,049
	Cumulative patents obtained	items	281	193
	Cumulative copyrights obtained	items	77	59
Public welfare investment	Number of people involved in volunteer activities (total)	persons	67	61
	Total volunteer service hours	hours	2,482	2,984
	Total amount of charitable donations	CNY 10,000	2,132.14	1,673.03
Product quality	Raw Material First Inspection Pass Rate	%	98.96	98.90

ESG indicator	Unit	Performance in 2024	Performance in 2023	
Product quality	Packaging Material First Inspection Pass Rate	%	98.78	97.30
	Semi-Finished Product First Inspection Pass Rate	%	99.98	99.90
	Finished Product First Inspection Pass Rate	%	99.91	99.60
	Logistics Error Rate	%	0.001	0.011
	Product Complaint Quality Defect Rate (PPM) <sup>12</sup>	/	4.8	2.4
Employee turnover rate	Male employee turnover rate	%	26.35	24.09
	Female employee turnover rate	%	29.02	27.71
	Employee turnover rate for those aged 29 and below	%	32.83	36.11
	Employee turnover rate for those aged 30 to 40	%	25.96	20.53
	Employee turnover rate for those aged 41 or above	%	19.97	23.23
	Employee turnover rate within China	%	27.46	/
	Employee turnover rate outside of China	%	66.92	/

**Governance Performance**

ESG indicator	Unit	Performance in 2024	Performance in 2023	
Anti-corruption	Number of corruption-related lawsuits filed against issuers or employees and concluded during the Reporting Period	cases	0	0
	Amount of compensation for corruption-related lawsuits filed against issuers or employees and concluded during the Reporting Period	CNY	0	0
	Number of internal corruption reports received	cases	0	0
	Number of internal corruption incidents	cases	0	0
	Number of special internal audits conducted (within the Company)	times	10	2
	Percentage of full-time employees receiving anti-corruption training	%	100	100

<sup>12</sup> Due to differences in statistical scopes, the product customer complaint quality defect rates (PPM) for 2023 and 2024 are not directly comparable.

**Appendix 2: GRI Standards Index Table**

Instructions	Botanee reported the information referenced in this GRI Content Index from January 1, 2024 through December 31, 2024 by reference to the GRI Standards.
GRI 1	GRI 1: 2021

Index	Disclosures	Location in this Report
GRI 3: Material Topics	3-1 Process to determine material topics	Integrity and Transparency: Reinforcing the Foundation for Solid Business
	3-2 List of material topics	Integrity and Transparency: Reinforcing the Foundation for Solid Business
	3-3 Management of material topics	Integrity and Transparency: Reinforcing the Foundation for Solid Business
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	Not relevant
	201-2 Financial implications and other risks and opportunities due to climate change	Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem
	201-3 Defined benefit plan obligations and other retirement plans	Diversity and Equality: Moving Forward Together in Unity
	201-4 Financial assistance received from government	Diversity and Equality: Moving Forward Together in Unity
GRI 202: Market Presence	202-1 Ratio of entry-level wage to local minimum-wage by gender	Diversity and Equality: Moving Forward Together in Unity
	202-2 Proportion of senior management hired from the local community	Diversity and Equality: Moving Forward Together in Unity
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem
	203-2 Significant indirect economic impacts	Not relevant
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Integrity and Transparency: Reinforcing the Foundation for Solid Business
	205-2 Communication and training about anti-corruption policies and procedures	Integrity and Transparency: Reinforcing the Foundation for Solid Business
GRI 205: Anti-corruption	205-3 Confirmed incidents of corruption and actions taken	Integrity and Transparency: Reinforcing the Foundation for Solid Business

Index	Disclosures	Location in this Report
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Integrity and Transparency: Reinforcing the Foundation for Solid Business
GRI 207: Tax	207-1 Approach to tax	Integrity and Transparency: Reinforcing the Foundation for Solid Business
	207-2 Tax governance, control, and risk management	Integrity and Transparency: Reinforcing the Foundation for Solid Business
	207-3 Stakeholder engagement and management of concerns related to tax	Integrity and Transparency: Reinforcing the Foundation for Solid Business
	207-4 Country-by-country reporting	Integrity and Transparency: Reinforcing the Foundation for Solid Business
GRI 301: Materials	301-1 Materials used by weight or volume	Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem
	301-2 Recycled input materials used	Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem
	301-3 Reclaimed products and their packaging materials	Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem
GRI 302: Energy	302-1 Energy consumption within the organization	Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem
	302-2 Energy consumption outside of the organization	Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem
	302-3 Energy intensity	Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem
	302-4 Reduction of energy consumption	Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem
	302-5 Reduction in energy requirements of products and services	Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Diversity and Equality: Moving Forward Together in Unity
	403-2 Hazard identification, risk assessment, and accident investigation	Diversity and Equality: Moving Forward Together in Unity
	403-3 Occupational health services	Diversity and Equality: Moving Forward Together in Unity
	403-4 Worker participation, consultation, and communication on occupational health and safety	Diversity and Equality: Moving Forward Together in Unity
	403-5 Worker training on occupational health and safety	Diversity and Equality: Moving Forward Together in Unity

Index	Disclosures	Location in this Report
GRI 403: Occupational Health and Safety	403-6 Promotion of worker health	Diversity and Equality: Moving Forward Together in Unity
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Diversity and Equality: Moving Forward Together in Unity
	403-8 Workers covered by an occupational health and safety management system	Diversity and Equality: Moving Forward Together in Unity
	403-9 Work-related injuries	Diversity and Equality: Moving Forward Together in Unity
	403-10 Work-related ill health	Diversity and Equality: Moving Forward Together in Unity
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Diversity and Equality: Moving Forward Together in Unity
	404-2 Programs for upgrading employee skills and transition assistance programs	Diversity and Equality: Moving Forward Together in Unity
	404-3 Percentage of employees receiving regular performance and career development reviews	Diversity and Equality: Moving Forward Together in Unity
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Diversity and Equality: Moving Forward Together in Unity
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and Equality: Moving Forward Together in Unity
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Diversity and Equality: Moving Forward Together in Unity
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Diversity and Equality: Moving Forward Together in Unity
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Diversity and Equality: Moving Forward Together in Unity
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Diversity and Equality: Moving Forward Together in Unity
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	Not relevant
GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	Not relevant

Index	Disclosures	Location in this Report
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Gratitude & Goodwill: Co-Creating and Sharing Value
	413-2 Operations with significant actual and potential negative impacts on local communities	Not relevant
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem
	414-2 Negative social impacts in the supply chain and actions taken	Low Carbon and Circular Economy: Protecting a Green and Diverse Ecosystem
GRI 415: Public Policy	415-1 Political contributions	Not relevant
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Technological Precision: Building a Skin Health Ecosystem
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Technological Precision: Building a Skin Health Ecosystem
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	Technological Precision: Building a Skin Health Ecosystem
	417-2 Incidents of non-compliance concerning product and service information and labeling	Technological Precision: Building a Skin Health Ecosystem
	417-3 Incidents of non-compliance concerning marketing communications	Technological Precision: Building a Skin Health Ecosystem
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Technological Precision: Building a Skin Health Ecosystem

## Reader Feedback

Dear reader,

Thank you for reading this report. We sincerely look forward to your valuable comments and suggestions so as to improve our sustainability management. Please answer the following questions and give us feedback via:

Email: ir@botanee.com

Correspondence: No. 53 Keyi Road, Kunming High-tech Industrial Development Zone, Kunming, Yunnan Province



Please feel free to scan the code and fill in your feedback

1. What is your overall assessment of this report?

Good     Average     Poor

2. What do you think the quality of information disclosed in it?

Good     Average     Poor

3. How do you think this report reflects the Company's significant impact on economy, society and environment?

Good     Average     Poor

4. How well do you think the Company has done in safeguarding stakeholder interests?

Good     Average     Poor

5. Your comments and suggestions on our sustainability management:

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Please leave your personal information if you are willing to:

Name:		Occupation:	Employer:
Zip code:		Email:	Telephone:
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