

2025

Winner Medical Co., Ltd.

Environmental, Social and Governance (ESG) Report

Cotton Thrives

Deserts Retreat

CONTENTS



| | |
|-----------------------|---|
| Message from Chairman | 3 |
| About This Report | 5 |
| About Us | 6 |

01 Sustainable Development Management

| | |
|--|----|
| Sustainable Development Governance Structure | 11 |
| Sustainable Development Strategy | 12 |
| Stakeholder Engagement | 19 |
| Materiality Assessment | 20 |

02 Well-grounded Governance

| | |
|---|----|
| Standardize Corporate Governance | 24 |
| Legal and Compliant Operations | 28 |
| Upholding Business Ethics | 31 |
| Information Security and Privacy Protection | 34 |

03 Elevate Product Excellence

| | |
|--|----|
| Focus on Innovation-Driven Development | 39 |
| Create Excellent Products | 49 |
| Sustainable Supply Chain | 73 |

04 Love Our Planet

| | |
|-------------------------------------|----|
| Environmental Compliance Management | 81 |
| Promoting Green Production | 84 |
| Climate Change Response | 92 |

05 Accelerate Employee Growth

| | |
|------------------------------|-----|
| Building a Talent Echelon | 100 |
| Protecting Employee Rights | 106 |
| Protecting Health and Safety | 112 |

06 Drive Community Thriving

| | |
|----------------------------------|-----|
| Practicing Social Responsibility | 116 |
| Medical Accessibility | 122 |

Appendix

| | |
|---|-----|
| Appendix I: Policy List | 123 |
| Appendix II: 2025 ESG Key Performance Indicators | 125 |
| Appendix III: Sustainability Report Content Index | 130 |
| Appendix IV: Independent Assurance Statement | 136 |

“ Doing the right thing is far more important than doing things right. For Winner Group, ESG is not a matter of choice, but the essential path for us to embody the principle of ‘Guiding Philosophy over Methods’ and achieve enduring, century-long sustainability. ”

Founder and Chairman of Winner Group

Li Jianquan



Message from Chairman

Looking back on the 35-year entrepreneurial journey, Winner Group has always been thinking about a fundamental question: Who exactly holds the lifeline of the enterprise? As we have come this far, we are increasingly convinced that strategy and tactics are ‘methods’, while vision, mission and values are the ‘guiding philosophy’ of an enterprise.

Since its inception, Winner Group has established the core business principle of ‘Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value’. Essentially, these three are the simplest and most steadfast ESG concepts. We have been deeply involved in the business layout driven by both healthcare and consumption. Whether it is medical dressings that protect lives or cotton products that change lives, the underlying logic has never changed – that is, the reverence for life and the protection of nature.

2025: From Consensus to System, Initiating a New Era of Sustainable Development

2025 is a crucial year for Winner Group’s strategic upgrade. Under the guidance of ‘Brand Advancement’, we officially put forward a new ESG strategic vision: ‘Practice the concept of a healthy and environmentally friendly lifestyle and achieve the harmonious coexistence of humans and the environment’. To firmly promote the implementation of the company’s ESG strategy, we have established a Sustainable Development Leadership Group and six special executive teams, under the guidance of the Strategy and Sustainable Development Committee, to coordinate the formulation of the Company’s ESG policies, goal setting and practical promotion. We deeply understand that only by integrating sustainable development into the entire value chain of operations and making the ‘guiding philosophy’ the ultimate criterion for strategic choices can an enterprise maintain its stability in the profound changes unseen in a century.

Elevate Product Excellence: Linking a Green Future with a Single Cotton

In Winner Group’s strategic map, ‘product leadership’ has always been the primary engine for us to practice sustainable development. We adhere to the first principles and continuously deepen the research and development of basic materials relying on the ‘246+6’ innovation rule, aiming to explore the ultimate environmental protection value of cotton, a natural, renewable and biodegradable fiber, and deeply empower the two core business segments of healthcare and consumption with it.

On the medical side, we are committed to building ‘the No. 1 brand of green operating rooms in China’ and promoting the low-carbon transformation of the medical industry. Through disruptive materials such as all-cotton spunlace non-woven fabrics, while addressing medical pain points, we significantly reduce the use of disposable plastic products. On the consumer side, Purcotton products consistently maintain a natural cotton fiber proportion of no less than 95% and comprehensively promote the transition to ‘zero plastic/reduced plastic’ packaging. We firmly believe that through the ‘innovation’ of technology, we can achieve a win-win in product efficacy, safety, and environmental friendliness.

Elevate Product Excellence: Linking a Green Future with a Single Cotton

As the chain-leading enterprise of the "Healthy Life" at the 3rd China International Supply Chain Expo (referred to as the "CISCE"), we deeply understand that one tree does not make a forest. Winner Group is committed to building a "sustainable supply chain collaboration system". By jointly issuing the "Green Win-Win Chain Initiative", we call on the entire industry to jointly build a green ecosystem. Through AI-driven digital intelligent means, we achieve transparent management of the entire supply chain from raw material procurement to terminal delivery. In 2025, we strengthened the ESG audit standards for suppliers, taking labor rights and environmental protection as the red lines for entry. We are committed to being an enabler of the industrial chain, leading upstream and downstream partners to jointly fulfill the national commitments of carbon peaking and carbon neutrality.

Love Our Planet: Redefining New Benchmarks for Green Intelligent Manufacturing

We have transformed our extreme pursuit of manufacturing processes into a firm responsibility to protect the Earth. We are comprehensively promoting intelligent upgrading and the construction of green factories. This is not only for technological upgrading but also to achieve agile supply and rapid response through digital technologies. While significantly improving production efficiency and quality control levels, we have significantly reduced the carbon footprint in the production process through lean energy management and the deployment of an "energy and carbon management platform". We firmly believe that only by deeply integrating green manufacturing and intelligent manufacturing can we maintain our core competitiveness in the complex and changing market and truly achieve the symbiosis of business value and environmental value.

Accelerate Employee Growth: Investing in Talent Yields the Highest Returns

On the journey towards "Centennial Visionary Winner", employees are our most precious wealth. We adhere to the "Four Highs" talent concept. Through a hierarchical training system, we build a dual-channel career development space for employees that combines management and professionalism.

We are committed to creating a diverse, equal, and inclusive working environment. In 2025, the proportion of our female employees and management continued to lead the industry. We hope that Winner Group is not only a workplace but also a warm community.

Drive Community Thriving: Altruism is the Greatest Long-Termism

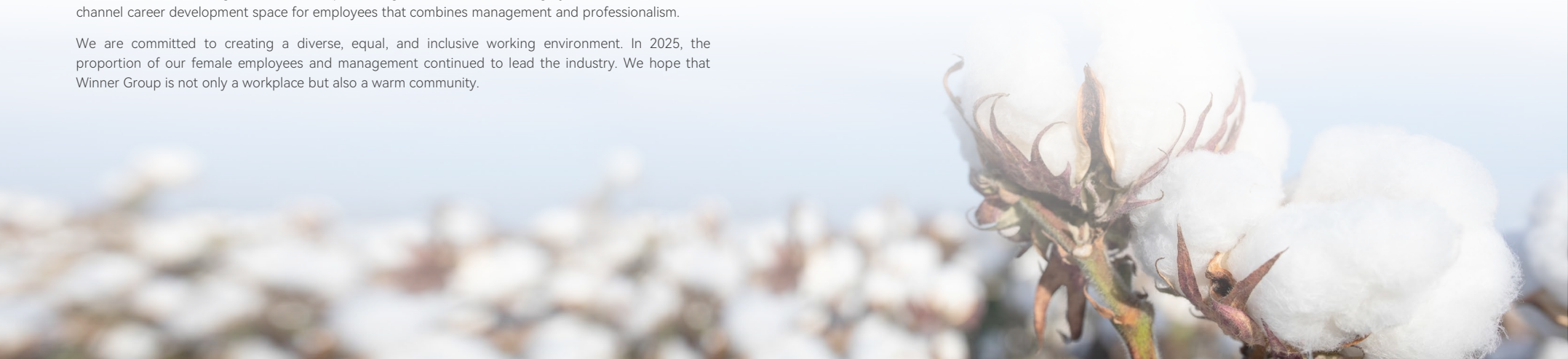
"Caring health, cherishing life, and protecting the environment for a better world" - this is the original intention and vision that Winner Group has adhered to since its establishment. Over the years, we have always prioritized social value, transforming the professional capabilities of the enterprise into the effectiveness of social services.

We have continuously made efforts in medical inclusiveness, promoting the distribution of high-quality medical resources; we have deeply engaged in caring for women and children. Through projects such as the "Nice Princess · Nice for Her" campaign and "Listen to the Voice of Children", we protect the physical and mental health of women and teenagers in difficult situations. We always firmly believe that the value of an enterprise does not lie in how much wealth it has, but in how many social problems it has solved and how much warmth and trust it has brought to the community and the public.

Enduring and Ever-new, Forging Ahead Together

Strategy sets the course, while tactics dictate the pace; strategy is about trade-offs, while tactics are about excellence. For Winner Group, our ESG strategy represents both our "direction" and our "distinction". "Enduring" reflects our strategic resilience. We remain steadfast in our commitment to "long-termism and product leadership," staying true to our vision and founding purpose. "Ever-new" embodies our tactical agility. By embracing change through technological innovation, digital empowerment, and operational excellence, we ensure our products, services, and management models evolve with the times, maintaining a vibrant and lasting competitive edge.

Winner Group has always worked with our employees, partners and consumers to translate the ESG concept into real actions and jointly create a healthier, greener and more beautiful future!



About This Report

This is the sixth environmental, social and governance (ESG) report of Winner Medical Co., Ltd.. Guided by the principles of completeness, balance, comparability, accuracy, timeliness, clarity, and reliability, this report focuses on disclosing the management practices and performance of Winner Medical Co., Ltd. in the area of sustainability.

Reporting Scope

"Winner Medical Co., Ltd.", including its subsidiaries and joint ventures, is the reporting entity. The reporting scope is consistent with the Company's annual report unless otherwise stated. If this report contains separate explanations regarding the scope of certain information, those explanations shall prevail.

Abbreviations

For better expression and readability, the entities involved in the report are referred to by their abbreviations.

| Abbreviations | Explanations |
|--|---|
| "Winner Group", "the Company", or "we" | Winner Medical Co., Ltd. |
| "Winner Medical" | the Company's operations in the medical sector, which includes both serious medical care and consumer healthcare businesses |
| "Purcotton" | Shenzhen Purcotton Technology Co., Ltd. |
| "Huanggang Winner" | Winner Medical (Huanggang) Co. Ltd. |
| "Jingmen Winner" | Jingmen Winner Medical Textile Co., Ltd. |
| "Jiayu Winner" | Winner Medical (Jiayu) Co. Ltd. |
| "Wuhan Winner" | Winner Medical (Wuhan) Co. Ltd. |
| "Chongyang Winner" | Winner Medical (Chongyang) Co. Ltd. |
| "Tianmen Winner" | Winner Medical (Tianmen) Co., Ltd. |
| "Shenzhen Winner" | Winner Medical Co., Ltd. Shenzhen Branch |
| "Guilin Latex" | Winner (Guilin) Latex Products Co., Ltd. |
| "Winner Pingan" | Winner Pingan Medical (Hunan) Co., Ltd. |
| "Longterm Medical" | Zhejiang Longterm Medical Technology Co., Ltd. |
| "GRI" | Global Resources International, Inc. |

Reporting Time Span

This report is prepared on an annual basis, and the time span is from January 1, 2025 to December 31, 2025. To enhance the comparability and completeness of the report, certain sections have been extended to include data from previous years.

Basis of Preparation

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

Data Sources and Reliability

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

Confirmation and Approval

This report has been approved by the Board of Directors on April 20, 2026 after being confirmed by the management.

Report Access

This report is published in both Chinese and English. An electronic version of the report is available for download on our official website (www.winnermedical.cn). In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

If you have any question about or comment on this Report, please send an e-mail to investor@winnermedical.com or call 0755-280668588.

About Us

Company Profile

Winner Group, founded in 1991, was listed on the Shenzhen Stock Exchange in September 2020 (300888.SZ). Today, the Company operates as a holistic health enterprise, synergistically converging medical innovation and consumer wellness ecosystems. Guided by the vision of "Caring health, cherishing life, and protecting the environment for a better world". Winner Group operates two major brands, "Winner Medical" and "Purcotton", with product offerings spanning wound care, infection prevention, surgical consumables, personal care, home care, maternal and infant care, home textiles, and apparel. The Company has consistently adhered to the core business principle of "Quality over the profit, Brand over the speed, Social value over the corporate value." Guided by a development strategy centered on "Product Leadership, Operational Excellence, Brand Advancement, Digital & Intelligent Empowerment", we remain committed to advancing our medical and consumer divisions in tandem, expanding our presence in both domestic and international markets, fostering the coordinated development of online and offline channels, and upholding a philosophy of altruism and long-termism. We are dedicated to providing global users with safe, high-quality, cost-effective products and services that deliver an exceptional user experience.

After more than 30 years of development, Winner Medical has built a whole industry chain covering raw material procurement, core material R&D, product manufacturing, and end-point sales. Through continuous R&D and product upgrades, the Company's product portfolio has been progressively optimized, including traditional wound care and bandages, advanced wound dressings, surgical consumables, infection prevention products, and health & personal care items. With production facilities across China, the United States, Vietnam, and the Dominican Republic, etc., we serve global markets through OEM, ODM, and proprietary brands, reaching customers in over 110 countries and regions.

In 2009, the Company innovatively applied the rigorous standards of its medical background to the production of consumer goods made from pure cotton and launched the Purcotton brand. We introduced over a dozen new product categories such as cotton tissues, pure cotton top-sheet sanitary pads, and cotton top-sheet baby diapers. At present, Purcotton operates hundreds of branded stores in more than 100 cities across China, supported by an omnichannel sales network that spans major e-commerce platforms, social commerce, and leading national supermarket chains.



Corporate Vision

Caring health, Cherishing life, and Protecting the Environment for A Better World

Brand Concept

winner
稳健医疗

Focusing on both endogenous growth and external expansion, we continue to develop one-stop solutions for medical consumables.

Purcotton
全棉时代

Upholding the vision that "Purcotton Changes the World", we focus on 100% cotton and unlock its full potential to develop the high standard with the best quality of cotton products.

Strategic Direction



Product Leadership

- Commit to innovation in basic materials, and follow the "246+6" innovation framework to increase investment in R&D and equipment; strengthen user insights; enhance product innovation capabilities; and build differentiated competitive barriers.
- Prioritize core strategic products, ensuring a leading market share for strategic categories while driving growth in segmented categories.
- Purcotton products maintain a minimum cotton content of 95%.



Operational Excellence

- Optimize basic operation management across all channels, stay close to the front lines, take a proactive approach, and address efficiency issues through scale growth.
- Foster open collaboration and deepen strategic partnerships with distributors, franchisees, suppliers, etc., while enhancing management systems and standards.



Brand Advancement

- Commit to returning to value for sustainable growth.
- Elevate the brand by storytelling around products, continuously interpreting brand concepts and values, and strengthening the management of brand uniformity, consistency, and continuity.



Digital & Intelligent Empowerment

- Fully upgrade intelligent manufacturing, quality control, financial management, and digital frameworks to cultivate AI-integrated talent and refine talent hierarchies and organizational structures.

Core Business Principles

Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value.

Brand Ethics

Integrity in Operation; Respect for Consumers; Fair Competition; Social Responsibility; Intellectual Property Rights; Continuous Improvement.

Product Categories



Awards and Ratings



Purcotton is recognized with the title of “Continuous Innovation Award – Top 10 Textile Innovation Products” by the China Textile Information Center and Textile Products Development Center.



Winner Medical is a signatory member of the United Nations Global Compact (UNGC)



Winner Medical received the “2025 Best Sustainability Practice Case Study of Listed Companies” by China Association for Public Companies.



Winner Medical received the “2025 Best Practice Case of Listed Companies Board of Directors” by China Association for Public Companies.



Winner Medical has been recognized with the “2025 Best Practice Case of Listed Company Board Office” award by the China Association for Public Companies for four consecutive years after going public.



Winner Medical has been recognized with the “Best Practice in Investor Relations Management of Listed Companies” award by the China Association for Public Companies for three consecutive years after going public.



Jingmen Winner has earned a Gold Medal, a recognition awarded to the Top 5% of companies assessed by EcoVadis. Chongyang Winner received a Silver Medal by EcoVadis.



Winner Medical was recognized in the “List of Health Industry Brands in 2025” at the 17 CPEO, winning the “CPEO” Gold Award.



“A” rating in the Wind ESG

01

Sustainable Development Management

Winner Group has always taken the integrated and symbiotic development of corporate value and social value as its development goal and regarded promoting the sustainable development of the industry as its responsibility, deepening its commitment to corporate sustainable development practices. The company continuously improves its sustainable development management system, promotes the infusion of the ESG principles into all stages of the value chain, strengthens its sustainable development capabilities and business resilience, and consolidates the foundation for the Company's long-term value creation.

Chapter Contents

- Sustainable Development Governance Structure
- Sustainable Development Strategy
- Stakeholder Engagement
- Materiality Assessment

SDGs Addressed in This Chapter



Sustainable Development Management

Winner Group has established sustainable development as a core long-term strategic priority, underpinned by a robust top-level ESG governance framework. The Board of Directors serves as the ultimate decision-making authority, overseeing and guiding all sustainability-related initiatives to ensure alignment with the Company’s overall strategy. Directors actively exercise their supervisory role while continuously enhancing their ESG expertise, risk management awareness, and knowledge of industry best practices to strengthen sustainability oversight and execution.

Sustainable Development Governance Structure

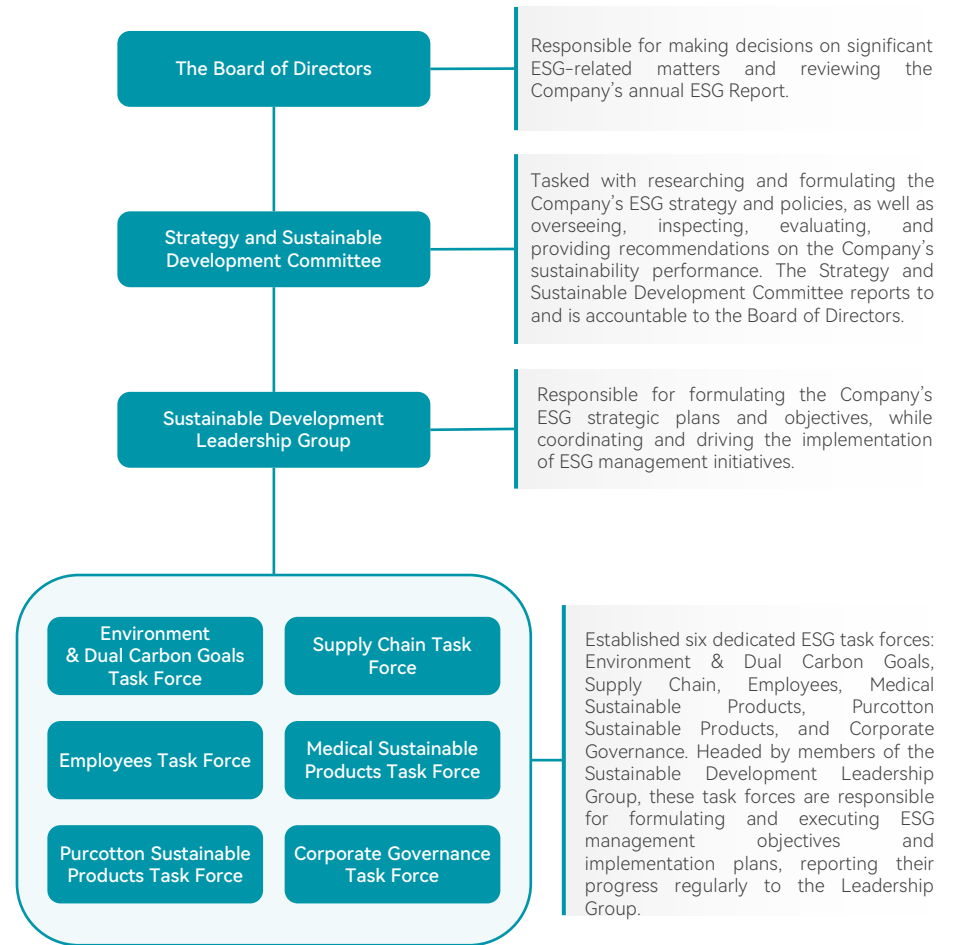
In 2025, the Company formally established the Strategy and Sustainable Development Committee, which convened two meetings to oversee the formulation and implementation of the Company’s sustainability goals and to review its ESG performance and progress.

The Sustainable Development Leadership Group was also formed, comprising senior management responsible for setting ESG strategy and targets, coordinating ESG initiatives, and regularly reporting to the Strategy and Sustainable Development Committee. Under this Leadership group, six specialized task forces were formed to integrate sustainability across the value chain: Medical Sustainable Products, Purcotton Sustainable Products, Environment & Dual Carbon Goals, Supply Chain, Employees, and Corporate Governance.

To drive performance and ensure goal attainment, ESG-related metrics—including R&D innovation, product quality, environmental protection, climate risk management, employee development, legal compliance, and information security—were incorporated into the executive compensation system.

Using strategic management tools, the Company’s ESG objectives are cascaded from senior leadership to functional departments, ensuring alignment across management levels and establishing a top-down accountability framework. Simultaneously, bottom-up progress reporting requires regular review of ESG project implementation and target completion.

During the reporting year, the Company developed and publicly released the *Sustainable Development Management Policy*, clarifying governance principles and implementation strategies for its sustainability efforts.



Sustainable Development Strategy

Guided by our corporate vision, “Caring health, cherishing life, and protecting the environment for a better world,” and our core ESG philosophy centered on “Lead the way to healthy living and thrive with nature,” Winner Group leverages its core businesses to drive sustainability impact. The Company empowers industry advancement through innovative green technology and safeguards public well-being with high-quality products built on the rigorous standards of its medical background. Centered on its five strategic pillars—“Well-grounded Governance, Elevate Product Excellence, Love Our Planet, Accelerate Employee Growth, Drive Community Thriving”—the Company steadily charts its sustainability course. Focused on key material topics, we diligently advance the implementation of various ESG initiatives, actively responds to the United Nations Sustainable Development Goals (SDGs) pertinent to our business, and takes concrete actions to foster the shared prosperity of the business, society, and the environment.

Corporate Vision:

Caring health, cherishing life, and protecting the environment for a better world

ESG Philosophy: Lead the way to healthy living and thrive with nature



Well-grounded Governance

Continuously improve corporate governance, strengthen compliance and risk control, build a sound data security system, and support high-quality development with high-standard governance.

- Corporate Governance
- Investor Rights Protection
- Anti-Unfair Competition
- Due Diligence
- Anti-Commercial Bribery and Anti-Corruption
- Data Security and Customer Privacy Protection
- Stakeholder Engagement



Elevate Product Excellence

Focus on both Medical consumables and Consumer goods sectors, drive innovation to build a green supply chain, and deliver high-quality, healthy and eco-friendly products to the public.

- Innovation
- Product and Service Safety and Quality
- Sustainable Products
- Sustainable Packaging
- Medical Accessibility
- Responsible Marketing
- Chemical Safety
- Supply Chain Security
- Ethics of Science and Technology
- Equal Treatment of Small and Medium-sized Enterprises



Love Our Planet

Integrate environmental protection into the full value chain, build an eco-friendly enterprise, and promote harmonious coexistence between humans and nature.

- Climate Change Response
- Green Manufacturing
- Pollutant Emission Control
- Waste Utilization
- Energy Utilization
- Circular Economy
- Environmental Compliance Management
- Water Resource Management
- Ecosystem and Biodiversity



Accelerate Employee Growth

Adhere to an open and inclusive talent strategy, build a people-oriented development platform, and grow together with employees.

- Talent Acquisition and Retention
- Occupational Health and Safety
- Labor and Human Rights
- Employee Welfare
- Diversity, Equity and Inclusion



Drive Community Thriving

Prioritize social value, integrate professional capabilities with public needs, and systematically fulfill corporate social responsibility.

- Social Contribution
- Medical Accessibility
- Rural Revitalization



Well-grounded Governance

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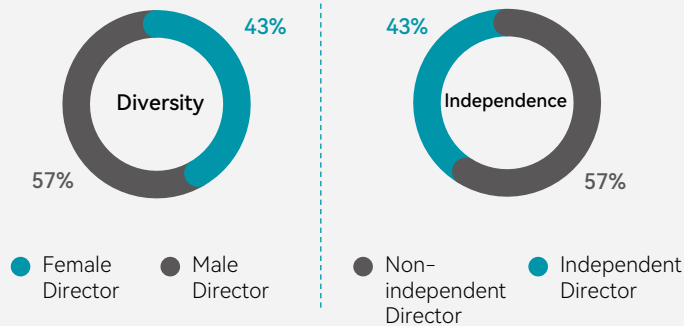
At this pivotal moment of industry transformation, we remain guided by our founding principle that ‘Social Value over the Corporate Value,’ deeply embedding ESG considerations into strategic decision-making, internal control management, and all operational processes. High-quality corporate governance enhances the Company’s resilience throughout economic cycles, while substantive social value initiatives solidify the bedrock of brand trust. We build our foundation on responsibility and our brand with human-centric care, transforming ESG from a strategic concept into daily practices ingrained in our corporate value.

**Chief Financial Officer
and Head of the Corporate Governance Task Force**
Fang Xiuyuan



ESG Highlights for 2025

Board Structure



Anti-Bribery and Anti-Corruption

Coverage rate of anti-bribery and anti-corruption training for employees

100%

Issued

Winner Group Employee Code of Conduct

And

Winner Group Supplier Code of Conduct

Data Security and Customer Privacy Protection

Obtained
ISO 27001 Certification and **ISO 27701** Certification

Issued

Winner Group Information Security and Privacy Protection Management Policy



Elevate Product Excellence

Winner Medical—ESG Highlights for 2025

Officially launched the **"Green Operating Room" solution** to support green operation of hospital operating rooms.

Winner Medical's cotton inner-layer mask obtained **Product Carbon Footprint Certification**, redefining the new benchmark for masks.

“

Winner Medical consistently upholds product quality and safety as its fundamental principle. Focusing on the needs of medical professionals and patients as well as clinical practices, the Company collaborates with multiple stakeholders from industry, academia, research, and medicine to deepen innovation and R&D in medical consumables and jointly advance industry progress. This year, we launched the comprehensive 'Green Operating Room' solution to drive a 'green transformation' within the industry. By substituting chemical fibers with pure cotton core materials and introducing innovative products such as pure cotton spunlace nonwoven fabric disposable surgical packs and pure cotton surgical gowns, the Company reduces infection control risks and enhances medical efficiency, while fulfilling its environmental responsibilities and caring for the comfort of medical staff. We continuously expand medical service channels and use innovation to improve healthcare accessibility, extending the benefits of green healthcare to more lives and demonstrating the Company's ESG value.



**Rotating CEO of the Medical Sector
and Head of the Medical Sustainable Products Task Force**
Yan Xia

“

Purcotton always adheres to the original intention of 'focus on 100% cotton and unlock its full potential to develop the high standard with the best quality of cotton products'. The Company promotes the ten benefits of cotton in improving lives and the ecology, persists in product and technological innovation in pure cotton technology, and maximizes the value of cotton. By empowering products with innovative pure cotton technology and promoting cotton cultivation that transforms saline-alkali land into oasis, the Company practices ecological responsibility through sustainable products. It works to realize the vision of 'Purcotton Changes the World' making every consumption a green act that protects the ecology and creates social value. This is not only a pursuit of a natural and comfortable lifestyle but also the practice of the Company's social responsibilities.

**Senior Vice President of Purcotton
and Head of the Purcotton Sustainable Products Task Force**



Liao Meizhen

Purcotton—ESG Highlights for 2025

Successfully developed **4 high-performance 100% cotton-filled core materials**.

Independently developed the **"Additive-Free Self-Softening" technology**, which maximizes the retention of cotton's natural properties and improves softness by **55%**.

Sustainable Supply Chain—ESG Highlights for 2025

Issued the **Supplier Code of Conduct**

20% of key tier-1, tier-2 and strategic suppliers completed annual ESG assessments.

“

Building on cotton and advancing toward a greener future, Winner Group leads supply chain management with the ESG concept and firmly practices the path of sustainable development. We strengthen the foundation of sustainable cotton raw materials, promote suppliers to implement ESG codes of conduct, drive the green upgrade of products with high-standard quality and sustainable certification, steadily increase the proportion of environmentally friendly packaging materials, and continuously strengthen the capacity building of the green supply chain team. We deeply integrate the green concept into the whole process of the supply chain, build a sustainable supply chain system, empower the co-prosperity of the industrial ecosystem, and help the Company achieve high-quality and long-term development.



**Senior Director of the Purcotton Supply Chain
and Head of the Supply Chain Task Force**
Zhang Jiefei



Love Our Planet

“

Winner Medical takes "cotton" as the core to build a symbiotic ecosystem of green intelligent manufacturing and a resilient supply chain. We are redefining our commitment to ESG and sustainable development, shifting the paradigm from compliance to leadership. We are well-aware that as a leader in the medical and health industry, every meter of gauze, every surgical gown, every surgical pack, and every piece of high-end medical dressing we produce not only carries the promise of protecting life but also the responsibility for the planet. Across our production, manufacturing, and supply systems, we have established a clear three-year dual-carbon (carbon peaking and carbon neutrality) roadmap. This is not only an energy revolution but also a deep-level evolution in efficiency and synergy. We will progressively implement energy structure transformation, key process innovation, digital energy management system (EMS) and intelligent production scheduling, green packaging focused on plastic reduction and waste reduction, a green logistics network, and a supplier carbon management empowerment program. Through the dual drivers of green intelligent manufacturing and a green supply chain ecosystem, we will make "Winner Green" the most enduring hallmark of Winner Medical.

**Vice President of Winner Medical
and Head of the Environment & Dual Carbon Goals
Task Force**

Wu Kezhen



ESG Highlights for 2025

Green Manufacturing

Issued the

Winner Group Environmental Policy

Coverage of ISO 14001 Certification among
Company-owned Production Bases

87.5%

Wuhan Winner, Tianmen Winner, and Chongyang
Winner were awarded the

National-level Green Factory certification

Total Volume of Recycled Water Used

2,058,000 m³

Jingmen Winner and Jiayu Winner were awarded the

Provincial-level Green Factory certification

Investment in energy conservation and
environmental protection amounted to

RMB 15.73 million

Energy Utilization

Coverage of ISO 50001 Certification among Company-owned Production Bases

75%

Consumption of Renewable Electricity (Including Green Electricity Certificates)

39,750 MWh

Clean Energy Consumption

173,469.6 MWh



Accelerate Employee Growth

ESG Highlights for 2025

Employee Training and Development

Coverage of Employee Training:

100%

Employee Rights Protection

Issued the

Winner Group Human Rights Policy

Health and Safety

ISO 45001 Certification Coverage of Own Production Bases:

87.5%

“

We firmly believe that "people-oriented and helping all employees shine" is the solid foundation for the enterprise to face the future. At Winner Group, we regard talent investment as a long-term strategy. By building a systematic talent cultivation system and a diverse and inclusive working environment, we help every employee grow and gain respect while creating value. We look forward to upholding the belief of "working together to create a future" with all employees and jointly moving towards a more responsible and resilient tomorrow.

**Chief Operation Officer
and Head of the Employee Task Force**

Gu Jinshan



Drive Community Thriving

ESG Highlights for 2025

Community Engagement

Total charitable donations (including cash and in-kind supplies) :

Over RMB 12 million

Medical Accessibility

Winner Medical's products cover

826 hospitals in less developed regions¹ across the country.

Care for Women and Children

The "Nice Princess · Beauty for Her" public welfare initiative by Purcotton provides

357,000 pieces of free feminine hygiene pads for emergency menstrual needs.

“

We operationalize our commitment to responsibility through concrete actions in disaster relief, accessible healthcare, and support for women and children, thereby deepening our engagement in social responsibility. Each act of public welfare and every commitment to social well-being serves as an internal engine that drives the continuous creation of shared social value, and stands as the most tangible expression of our identity as a responsible enterprise.

**Chief Financial Officer
and Head of the Corporate Governance Task Force**






Fang Xiuyuan






¹ Less developed regions refer to areas covered by China's Western Development Strategy, as well as central and western provinces and regions where the state prioritizes inclusive development of medical resources.

Sustainable Development Strategic Goals and Progress

As a signatory member of the United Nations Global Compact (UNGC), the Company actively upholds its commitments, aligns its operations with the United Nations Sustainable Development Goals (SDGs), and while pursuing economic benefits, attaches great importance to the needs of society, the environment, and stakeholders, deeply embedding sustainability into its overall corporate strategy. Through the strategic management mechanism, the Company has achieved synergy between the SDGs and its core business. This reporting year, to put sustainability into practice, the Company has formulated its ESG strategic goals for the next three years (2025–2027). These goals are structured around the five strategic pillars of "Well-grounded Governance, Elevate Product Excellence, Love Our Planet, Accelerate Employee Growth, and Drive Community Thriving," dynamically responding to industry trends, regulatory requirements, and stakeholder expectations in light of its own development context. The Company will conduct an annual review of these goals, assessing both their implementation progress and their comprehensiveness and forward-looking nature, and will spare no effort in translating our sustainability commitments into tangible actions.

| ESG Strategic Pillars | ESG Strategic Goals | Progress in 2025 | SDGs Addressed |
|----------------------------|---|---|--|
| Well-grounded Governance | <ul style="list-style-type: none"> Continuously improve and strengthen the compliance and risk management systems | <ul style="list-style-type: none"> Established and refined the three lines of defense in enterprise risk management |  |
| | <ul style="list-style-type: none"> By 2027, maintain the proportion of female directors at over 30% | <ul style="list-style-type: none"> The proportion of female directors is 42.9% | |
| | <ul style="list-style-type: none"> By 2027, maintain the ISO 27001 Information Security Management System Certification | <ul style="list-style-type: none"> Obtained the ISO 27001 Information Security Management System Certification and the ISO 27701 Privacy Information Management System Certification | |
| Elevate Product Excellence | <ul style="list-style-type: none"> By 2027, revenue from sustainable products² will account for over 50% | <ul style="list-style-type: none"> Winner Group’s sustainable products already contribute over 51% of total revenue |     |
| | <ul style="list-style-type: none"> Purcotton continuously ensures that the proportion of natural cotton fibers in its products is not less than 95% | <ul style="list-style-type: none"> Purcotton has achieved a sourcing rate of over 95% natural cotton fibers as raw materials | |
| | <ul style="list-style-type: none"> By 2027, 100% of key Tier-1, Tier-2, and strategic suppliers will undergo annual ESG assessments | <ul style="list-style-type: none"> 20% of key Tier-1, Tier-2, and strategic suppliers completed annual ESG assessments | |
| | <ul style="list-style-type: none"> By 2027, 100% of the Company's own production bases will maintain robust quality management system and hold relevant certifications, including ISO 9001 Quality Management System certification and ISO 13485 Medical Device Quality Management System Certification | <ul style="list-style-type: none"> 100% of the Company's own production bases have obtained the ISO 9001 Quality Management System Certification and ISO 13485 Medical Device Quality Management System Certification | |

² In 2025, the Company defines sustainable products based on whether their core raw materials or the finished products themselves have obtained authoritative third-party green and low-carbon certifications (e.g., OEKO-TEX® STANDARD 100, China Green Product Certification, Intertek Green Leaf Mark, etc.). Currently, we are actively working to refine the sustainable product evaluation system to ensure that Winner Group's assessment criteria are more scientific and quantifiable.

| ESG Strategic Pillars | ESG Strategic Goals | Progress in 2025 | SDGs Addressed |
|--|---|---|---|
| <p>Love Our Planet</p> | <ul style="list-style-type: none"> By 2027, 100% of the Company's own production bases will be certified to the ISO 14001 Environmental Management System By 2027, over 85% of the Company's own production bases will be certified to the ISO 50001 Energy Management System By 2027, 62.5% of the Company's own production bases will obtain National/Provincial/Municipal Green Factory certification By 2027, Winner Medical will reduce the weight proportion of plastic packaging by 7.6% compared to 2024; for paper-based packaging, the proportion with FSC (Forest Stewardship Council) certification will increase to over 50%. | <ul style="list-style-type: none"> 87.5% of the Company's own production bases have obtained ISO 14001 Environmental Management System certification 75% of the Company's own production bases have obtained ISO 50001 Energy Management System certification. 62.5% of the Company's own production bases have obtained National/Provincial/Municipal Green Factory certification Wuhan Winner, Tianmen Winner, and Chongyang Winner were certified as "National-level Green Factories" Jingmen Winner and Jiayu Winner were certified as "Provincial-level Green Factories" In 2025, paper-based packaging accounted for 80% of the packaging materials used for finished goods across Winner Group |  |
| <p>Accelerate Employee Growth</p> | <ul style="list-style-type: none"> By 2030, obtain certification as a "Best Employer" from an authoritative institution. By 2027, vigorously cultivate "Four-High" talents, develop higher-quality courses, and increase the average training hours by 100% compared to 2024 Continuously foster a diverse, equitable, and inclusive work environment By 2027, 100% of the Company's own production bases will be certified to the ISO 45001 Occupational Health and Safety Management System | <ul style="list-style-type: none"> Winner Medical was recognized as a "2025 Youth-Friendly Employer Brand" by Ciwei Purcotton was recognized as a "2025 Most Influential Employer" by Haitou.com Purcotton was recognized as a "2025 Best Employer" by CTG (China Talent Group) The average training hours per employee reached 19.24 hours, representing a 69% increase from the baseline year Formulated and publicly released the <i>Diversity, Equity, and Inclusion (DEI) Policy</i>. 87.5% of the Company's own production bases have obtained the ISO 45001 Occupational Health and Safety Management System Certification |  |
| <p>Drive Community Thriving</p> | <ul style="list-style-type: none"> Environmental Public Welfare: Continuously protect nature through green actions Accessible Healthcare: Safeguard public health and extend the benefits of inclusive medical public welfare activities to millions of families. Women & Children Care: Jointly build care initiatives for women and children, leveraging the Company's own products | <ul style="list-style-type: none"> The Winner Group has donated over RMB 12 million in charitable funds and in-kind supplies, of which material donations for grassroots medical initiatives exceeded RMB 850,000 in value. The "Nice Princess · Nice for Her" public welfare initiative by Purcotton provides 357,000 pieces free feminine hygiene pads for emergency menstrual needs. |  |

Stakeholder Engagement

The Company places high importance on communication and collaboration with stakeholders. To address their core concerns, it has established diverse and efficient communication channels, ensuring stakeholders have continuous access to timely and accurate information and fostering regular and transparent dialogue. Furthermore, the Company integrates stakeholder feedback into its strategic planning and daily operations, periodically reviewing the materiality of relevant issues to its business and development. This open and transparent communication drives synergistic growth for both the Company and its stakeholders.

| Key Stakeholders | Shareholders and senior management | Customers/Consumers | Employees | Government and regulatory agencies | Suppliers | Communities, the public and the media |
|----------------------------|---|--|--|---|--|--|
| Topics of Concerns | <ul style="list-style-type: none"> Corporate governance Stakeholder engagement Protection of investor rights Anti-bribery and anti-corruption Due diligence | <ul style="list-style-type: none"> Product and service safety and quality Innovation-driven development Sustainable products Sustainable packaging Chemical management Responsible marketing Medical accessibility Data security and customer privacy protection | <ul style="list-style-type: none"> Talent acquisition and retention Employee rights and welfare Employee training and development Occupational health and safety | <ul style="list-style-type: none"> Corporate governance Anti-bribery and anti-corruption Equal treatment of small and medium-sized enterprises Environmental compliance management Waste management Pollutant emissions Water resource management Circular economy Anti-unfair competition Rural revitalization Innovation-driven development Technology ethics | <ul style="list-style-type: none"> Anti-unfair competition Supply chain security Equal treatment of small and medium-sized enterprises Innovation-driven development Product and service safety and quality | <ul style="list-style-type: none"> Social contributions Rural revitalization Ecosystem and biodiversity Medical accessibility Responsible marketing |
| Communication and Response | <ul style="list-style-type: none"> General meeting of shareholders Board of directors Financial reports Business reports Roadshows and investor communications | <ul style="list-style-type: none"> On-site communication Market research Customer satisfaction surveys | <ul style="list-style-type: none"> Employee activities Employee training Corporate intranet Employee handbook | <ul style="list-style-type: none"> Regular communication and reporting Institutional research Policy implementation Information disclosure | <ul style="list-style-type: none"> Industry conferences and training Strategic cooperation Exchanges and visits | <ul style="list-style-type: none"> Community volunteer activities Social welfare projects Social cause support projects |

Materiality Assessment

Materiality assessment serves as the cornerstone for the Company to identify and evaluate ESG risks, impacts, and opportunities, scientifically formulate ESG strategy, and advance its sustainable development work. In light of its strategic planning and business context, and with reference to domestic and international sustainability standards such as the *Shenzhen Stock Exchange (SZSE) Self-regulatory Guidelines for Listed Companies No. 17 — Sustainability Report (Trial)* and the *GRI Standards*, the Company conducts preliminary identification and screening of ESG topics. This is followed by a materiality assessment and analysis conducted from the dual perspectives of impact materiality and financial materiality.

Double Materiality Assessment Process

Step 1 Topic Identification

- Comprehensively consider factors such as the Company's own business activities, value chain relationships, and ESG-related standards, and understand the demands of key stakeholders to identify potential materiality issues and establish an initial materiality issue database;
- In strict adherence to the *Shenzhen Stock Exchange (SZSE) Self-regulatory Guidelines for Listed Companies No. 17 — Sustainability Report (Trial)*, and by fully integrating perspectives from capital market ESG ratings and industry benchmark practices, we have established Winner Group's "1+N"³ Material Topics Framework.

Step 3 Double Materiality Assessment Analysis

- Based on the impact materiality and financial materiality assessment results from Step 2, we plot the 2025 Double Materiality Matrix.

Step 2 Topic Materiality Assessment

- **Impact materiality assessment:**

The Company evaluates the impact materiality of each topic from the two dimensions—"Severity of Impact" (considering scale, scope, and irremediability) and "Likelihood"—through stakeholder surveys and engagements with internal and external ESG experts, yielding the impact materiality assessment results.

- **Financial materiality assessment:**

Through a combination of in-depth interviews and surveys with the senior management team, we evaluate the financial materiality of each topic based on the "Scale of Financial Impact" and the "Likelihood of Related Risks and Opportunities," supplemented by insights from experts, to form the financial materiality assessment results.

Step 4 Topic Validation and Reporting

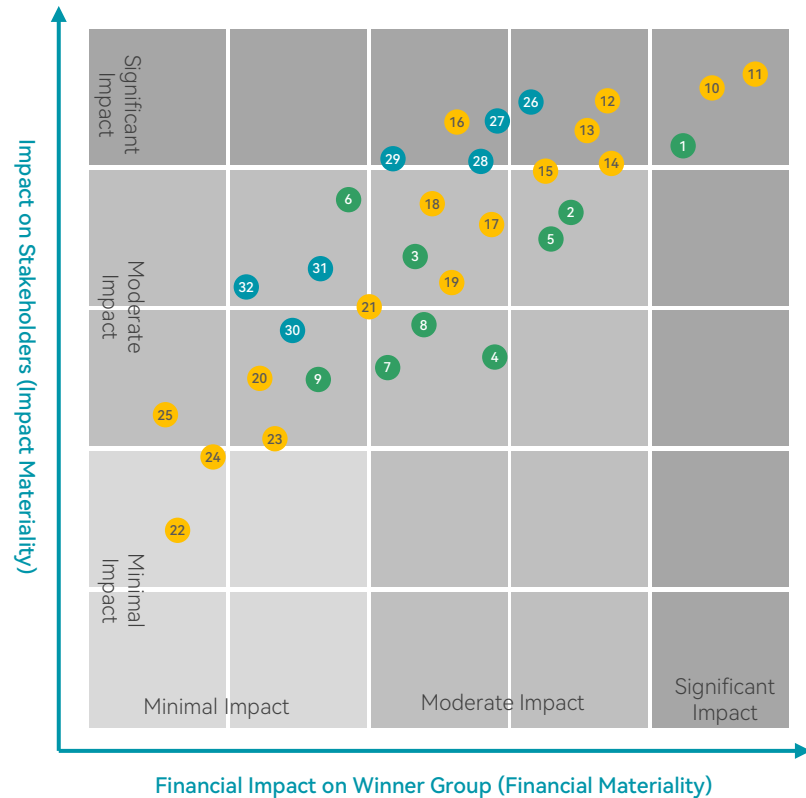
- The Company's Board of Directors reviews and validates the dual materiality assessment results to ensure the identified topics are closely aligned with the Company's ESG management practices.
- The material topics identified through this process for 2025 are prioritized for disclosure in this annual ESG report.

³ In the "1+N" framework, the "1" denotes the *SZSE Self-regulatory Guidelines for Listed Companies No. 17 — Sustainability Report (Trial)*, while the "N" encompasses additional reference points such as key focuses of mainstream ESG ratings, international standards and initiatives, and material topics identified by peers.

Double Materiality Assessment Results

The Company systematically sorts out the assessment results of impact materiality and financial materiality, completes the comprehensive analysis and priority ranking of materiality issues, and after being reviewed by the Strategy and Sustainable Development Committee, is approved by the board of directors. Based on the assessment results, the Company optimizes the sustainable development strategy and goal setting, and examines the management measures for major sustainable development impacts, risks and opportunities. At the same time, targeted information disclosure is implemented according to the issue materiality to ensure accurate responses to the concerns of stakeholders.

This year, the Company identified three topics as being dual materiality: "Innovation," "Product & Service Safety and Quality," and "Climate Change Response." For financially material topics, the Company discloses information in accordance with the *Shenzhen Stock Exchange (SZSE) Self-regulatory Guidelines for Listed Companies No. 17 — Sustainability Report (Trial)*, focusing on four core areas: governance, strategy, impact and risk & opportunity management, and metrics & targets.



- Environmental Topics
- Social Topics
- Governance Topics

| Environmental | Social | Governance |
|---|--|---|
| <ul style="list-style-type: none"> 1 Climate Change Response 2 Green Manufacturing 3 Pollutant Emissions 4 Waste Management 5 Energy Utilization 6 Environmental Compliance Management 7 Circular Economy 8 Water Resource Management 9 Ecosystem and Biodiversity | <ul style="list-style-type: none"> 10 Innovation 11 Product & Service Safety and Quality 12 Talent Acquisition and Retention 13 Supply Chain Security 14 Sustainable Products 15 Sustainable Packaging Occupational Health and Safety 16 17 Data Security and Customer Privacy Protection 18 Employee Rights and Welfare 19 Employee Training and Development 20 Social Contribution 21 Medical Accessibility 22 Ethics of Science and Technology 23 Equal Treatment of SMEs 24 Rural Revitalization 25 Chemical Management | <ul style="list-style-type: none"> 26 Corporate Governance 27 Anti-bribery and Anti-corruption 28 Responsible Marketing 29 Protection of Investor Rights 30 Due Diligence 31 Anti-unfair Competition 32 Stakeholder Engagement |

For the identified financially material topics "Innovation," "Product & Service Safety and Quality," and "Climate Change Response," the Company conducted a comprehensive and in-depth analysis of their associated impacts, risks, and opportunities. This analysis evaluates the scale and scope of potential impacts and their likelihood, and is undertaken in light of industry trends, the Company's operational context, and key stakeholder concerns.

| ESG topics | Analysis of Impact | | | Analysis of Risk and/or Opportunity | | |
|--------------------------------------|----------------------------|--|---|-------------------------------------|--|---|
| | Impact Type | Impact Description | Impact Scope | Types of Risks and/or Opportunities | Description of Risks and/or Opportunities | Impact Cycle of Risk and/or Opportunity |
| Innovation | Actual Positive Impact | <ul style="list-style-type: none"> Through technological innovation and sustained investment in R&D, the Company drives product upgrades and systematically enhances product quality. This approach not only meets customers' high standards for safety, comfort, sustainability, and quality but also actively shapes the future direction of the industry. | Upstream of the value chain | Opportunity | <ul style="list-style-type: none"> Through a forward-looking R&D strategy and customer-centric innovation, the Company can swiftly capture market trends. It continuously innovates in healthy, safe, eco-friendly, and sustainable products, amassing a robust research foundation and intellectual property portfolio, thereby building a solid competitive advantage. The ongoing pursuit of innovation also accelerates strategic alignment and strengthens the ecosystem of partnerships across the value chain, laying a strong foundation for increasing the Company's market share. In the process of continuous innovation, the Company also accelerates the strategic synergy between the upstream and downstream and the construction of a partnership ecosystem, laying a solid foundation for the Company to increase its market share. | Short-term |
| | Potential Positive Impact | <ul style="list-style-type: none"> The Company proactively fosters an open innovation ecosystem. By collaborating deeply with research institutions and industry chain partners, it integrates resources from multiple stakeholders, accelerates the commercialization of R&D outcomes, and contributes to the industry's innovative advancement. | Operations Downstream of the value chain | | | Medium-term Long-term |
| Product & Service Safety and Quality | Actual Positive Impact | <ul style="list-style-type: none"> Safe and high-quality products and services form the cornerstone of the Company's business development and are fundamental to securing long-term customer partnerships and building enduring consumer trust. | Upstream of the value chain | Risk Opportunity | <ul style="list-style-type: none"> The Company continuously drives product quality improvements by adhering to the rigorous standards of its medical background, which enhances its industry competitiveness, fosters positive brand reputation, and serves as a key engine for business growth. Should a product quality incident occur, it could damage brand reputation and consumer trust, lead to customer attrition, and have a material impact on the Company's revenue prospects. | Short-term |
| | Potential Negative Impact | <ul style="list-style-type: none"> Inadequate product safety, quality, or customer service management systems could potentially lead to adverse incidents, harming the interests of stakeholders such as consumers and clients. | Operations Downstream of the value chain | | | Medium-term Long-term |
| Climate Change Response | Potential Positive Impacts | <ul style="list-style-type: none"> Extreme weather events could impact upstream cotton yields, the stability and efficiency of the supply chain, operational safety, and make the prediction of consumer demand for certain product categories (e.g., during periods of extreme heat or cold) more difficult. These factors may increase the Company's operational costs or affect sales and profitability. | Upstream of the value chain | Risk Opportunity | <ul style="list-style-type: none"> The Company focuses on innovating sustainable products, packaging, and raw materials, and continuously reduces its carbon footprint through end-to-end green management practices. This positions it to lead the low-carbon consumption trend and capture opportunities in emerging green market segments. Should the Company's efforts in responding to climate change lag behind or prove insufficient, it could face rising regulatory compliance costs, potential supply chain disruptions, customer attrition, or a decline in investor confidence. These factors could collectively harm the Company's brand reputation, market competitiveness, and long-term value creation. | Medium-term |
| | Potential Negative Impacts | <ul style="list-style-type: none"> Increasingly stringent carbon emission regulations are also expected to raise environmental compliance costs and intensify overall operational pressures. By proactively implementing climate mitigation and adaptation measures, the Company not only demonstrates its commitment to environmental responsibility but also enhances the green credentials of its products, stimulates potential demand for low-carbon consumption, thereby strengthening its market competitiveness and positioning itself at the forefront of growing green demand. | Operations Downstream of the value chain | | | Long-term |

02

Well-grounded Governance

Standardized Governance and Responsible Operation to Achieve Sustainable Growth

Governance is the foundation for an enterprise to achieve stable and long-term development, and it is also the core support for the company to fulfill its social responsibilities. As a healthcare and wellness enterprise deeply involved in the medical and consumer fields and committed to coordinated development, Winner Group continuously refines its governance structure, leverages the effectiveness of its specialized committees, strengthens audit oversight and compliance and risk-control framework, fosters a culture of business ethics and integrity, and establishes robust data security and privacy protection mechanisms. Upholding high standards of governance safeguards our long-term development and lays a solid foundation for the Company's high-quality advancement.

Topics Addressed in This Chapter

- Corporate Governance
- Investor Rights Protection
- Anti-Bribery and Anti-Corruption
- Due Diligence
- Anti-Unfair Competition
- Data Security and Customer Privacy Protection

SDGs Addressed in This Chapter



Improve Corporate Governance

Winner Group upholds the governance responsibilities of a listed company, guided by sustainable development, with enhanced corporate governance as the cornerstone of its ESG framework, integrated throughout the enterprise's operations. The Company continuously refines its governance structure and optimizes its governance mechanisms. Focusing on building a high-quality Board of Directors (the Board), it leverages the professional supervisory role of independent directors to safeguard the legitimate rights and interests of all shareholders, especially minority shareholders. Concurrently, the Company adheres to the bottom line of compliance, strengthens end-to-end risk management and control, and has established an integrated governance system encompassing decision-making, execution, and supervision. We embed ESG principles deeply into every facet of governance, balance the interests of stakeholders for synergistic development, and solidify the foundation for sustainable growth through professional and standardized governance practices.

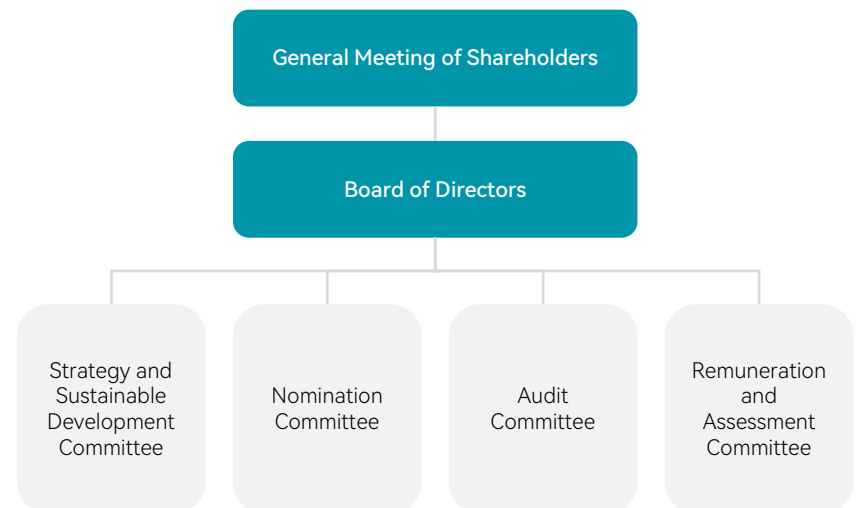
Standardize Corporate Governance

The Company continuously deepens governance practices, promotes directors and management to perform their duties diligently and in a standardized manner, and continuously improves governance transparency and operational efficiency. We clarify rights and responsibilities and safeguard shareholders' rights and interests through a scientific and effective governance mechanism, and empower the long-term healthy development of the enterprise through high - quality governance practices.

Corporate Governance Structure

As the Company's supreme authority, the General Shareholders' Meeting strictly complies with corporate governance information disclosure regulations and standardizes meeting convening and holding procedures. Its core functions include reviewing and approving the Company's business policies and investment plans, electing and replacing non-employee representative directors, determining directors' remuneration, reviewing and approving reports from the Board of Directors, the annual financial budget and final accounts, and amendments to the Company's Articles of Association, thereby effectively safeguarding the legitimate rights and interests of all shareholders, especially minority shareholders.

The Board of Directors fulfills its duties of loyalty and diligence to the General Shareholders' Meeting and implements its resolutions. It serves as the core decision-making and supervisory body within the corporate governance system. The Board is primarily responsible for determining the Company's business plans and investment proposals, formulating fundamental management systems, and spearheading the enhancement of internal control and risk management systems. To elevate decision-making professionalism, the Board has established four specialized committees: the Strategy and Sustainable Development Committee, the Nomination Committee, the Audit Committee, and the Compensation and Appraisal Committee. All committee members are Company directors and report to the Board. They provide professional support for Board decisions through standardized operating procedures, ensuring compliance and efficiency. For further information, please refer to the *Articles of Association of Winner Medical Supplies Co., Ltd.* and the Rules of Procedure for the specialized committees in the Investor Relations section of the Company's official website or on the exchange website.



Composition of the Board of Directors

The Company has formulated and issued the *Board Diversity Policy* to ensure a balanced and diverse composition of its Board in terms of gender, age, nationality, cultural background, ethnicity, professional skills, and industry experience. Board members possess extensive experience in the healthcare and consumer goods industries, alongside professional expertise in areas including operations management, financial risk control, accounting and auditing, business administration, biomedical engineering, brand marketing, and supply chain management. As of the end of the Reporting Period, the Board consists of seven Directors: four Non-independent Directors and three Independent Directors. The proportion of Independent Directors is 42.9%. There are three female Directors, representing 42.9% of the Board.

The diversified and professional composition of the Board of Directors ensures that the Company benefits from multi-dimensional perspectives and expert judgment on critical issues such as strategic decision-making, risk management, and sustainable development, thereby effectively supporting the Company's sustainable and high-quality growth.

Effectiveness of the Board of Directors

The Board strictly complies with relevant corporate governance standards and the requirements of the Company's Articles of Association, efficiently fulfilling its roles in decision-making, supervision, and guidance. Through a regular and systematic Board performance evaluation and support mechanism, the Company continually enhances governance efficacy to ensure strategic execution and compliant operations.

The Company has institutionalized an annual self-assessment of independence and a performance review for its Independent Directors. This mechanism, involving structured self-evaluation and formal reporting, continuously strengthens the Board's independence and effectiveness. It is a key measure to ensure the Board maintains robust supervisory and informed decision-making capabilities. Furthermore, the Company provides regular professional training for all Directors, covering core areas such as compliance management, risk control, market capitalization management, regulatory policies, and ESG governance. This ongoing development continuously improves Directors' competency, ensuring the professionalism and compliance of Board decisions.

In supporting the effective performance of the Board, the Company actively fosters an "open, transparent, and effective" governance culture. For significant matters, the Securities Department has established pre-meeting communication and review processes to ensure adequate information disclosure and thorough preparation of agenda items. Additionally, the Company supports Independent Directors in gaining a comprehensive understanding of the business, strategic context, and industry developments by inviting them to participate in special briefings, on-site visits, industry exhibitions, and performance briefings. In 2025, the Company organized on-site visits for Independent Directors to production facilities and retail stores and invited them to key events such as strategy communication sessions, the Supply Chain Expo, the CMEF (China International Medical Equipment Fair), and performance briefings, enabling them to stay fully informed of the Company's operations.

The Company has established and continuously improves communication mechanisms for Directors and senior management, including the regular submission of Compliance Monthly Reports. These reports cover updates on securities regulatory policies, interpretations of new rules, and analysis of typical regulatory penalty cases. This practice consistently reinforces the compliance awareness of Directors and senior management, elevates the standard of the Company's operations, and solidifies the foundation of corporate governance.



In 2025, all Board meetings were duly convened and conducted, achieving a 100% average attendance rate. All proposals were subject to thorough deliberation and informed decision-making, effectively safeguarding the legitimate rights and interests of the Company and all shareholders. Independent Directors consistently adhered to the principle of independence, with no instances of overboarding (none serving as an Independent Director at more than three listed companies). They provided objective, professional opinions, thereby fully fulfilling their supervisory and balancing role.



Best Practice Case of the Board of Directors of Listed Companies in 2025- Awarded by the China Association of Listed Companies (CALC)



Best Practice Case of the Board Secretary's Office of Listed Companies- Awarded by CALC for four consecutive years

Protection of Investors' Rights and Interests

The Company attaches high importance on communication and exchanges with investors and stakeholders. We actively engage through diverse channels including performance briefings, analyst meetings, on-site visits, institutional reverse roadshows, the Interactive Platform, and an investor hotline. These efforts ensure broad outreach and facilitate comprehensive, transparent, and in-depth dialogue with all investors.

In 2025, the Company continued to host its annual performance briefing in a video format, which was publicly livestreamed. It also conducted a dedicated online briefing for retail (minority) investors. During the year, the Company actively participated in the “2025 Online Collective Investor Reception Day for Shenzhen-listed Companies,” engaging in candid and in-depth online dialogues with investors. Furthermore, dedicated staff are assigned to manage the investor hotline and promptly respond to inquiries on the exchange’s Interactive Platform, ensuring that investor feedback and suggestions are widely collected and addressed. Through these initiatives, the Company effectively safeguards investors’ right to information and participation, continuously strengthening long-term trust with its investor base.



Annual Performance Briefing Live Stream

Highlighted Performance

116,000 people

Number of online viewers for the annual performance briefing session live stream

Highlighted Performance

In 2025

Institutional communication activities over **130** times

Number of Large-scale public communication sessions: **8**

Number of Published brokerage research reports: **90**

Participated in Brokerage Strategy Conferences **25** times

Communicated with institutional investors (person-times) **Nearly 1,940**

Case

Winner Medical and ESG Investors Discuss Sustainable Development

On October 23, 2025, the Company hosted a visit and engagement session for ESG investors, organized by CITIC Securities. Participating institutions included Nanfang Fund, Harvest Fund, and Invesco Great Wall Fund, among others. During the event, investors toured the corporate exhibition hall, where the Company presented its ESG development strategy and implementation progress in detail. The effectiveness of this work was acknowledged by the investors, effectively enhancing the capital market’s understanding and appreciation of the Company’s sustainable development practices.



ESG investors Engagement Session

Case

Winner Medical's 5th Listing Anniversary – Anchoring 'Brand Elevation and Winner's Growth' for a Brighter Future

From September 16 to 17, 2025, the Winner Group successfully held a series of events in Wuhan to commemorate its fifth listing anniversary. Participating guests took part in factory tours and interactive sessions, gaining firsthand insight into the Company's stringent quality controls and the robust, technology-driven engine behind its product advancements. During the conference, management reported that all raised capital had been deployed as planned, with all six funded projects successfully completed. These projects are primarily focused on supporting technological innovation and product upgrades, laying a solid foundation for high-quality development. Standing at this new five-year milestone, Winner Medical, firmly aligned with national strategic priorities, is rooted in China with global aspirations. It is committed to becoming a byword for quality among global peers and a trusted benchmark brand for consumers, poised to write a new chapter of growth on the journey ahead.



Factory Tour During the 5th Listing Anniversary Event



ESG Strategy Launch Event

Investor Returns

The Company is committed to improving investors' "long-term sense of gain" and actively enhancing investor returns. We have consistently paid annual cash dividends since our listing, and our dividend payout ratio has increased progressively each year. To date, cumulative cash dividends amount to RMB 3.049 billion, including the proposed distribution for 2025. Combined with share repurchases totaling RMB 695 million, these shareholder returns represent 105.21% of the net proceeds from our initial public offering.

Highlighted Performance

Cumulative Since Listing

Cash Dividends

RMB **3.049** billion

Share Repurchase Amount

RMB **695** million

Compliance Information Disclosure

The company strictly follows the securities laws and regulations such as the *Company Law of the People's Republic of China* and the *Measures for the Administration of Information Disclosure of Listed Companies*, fulfilling its statutory information disclosure obligations. We continuously refine our information disclosure framework, proactively address the concerns of regulators, investors, and the media from an external perspective, and consistently improve the quality of disclosure with a core focus on efficiency and transparency. These efforts are dedicated to building our reputation as a compliant, professional, and responsible listed company in the capital market.



Legal and Compliant Operations

Guided by sustainable development, the Company continuously enhances its risk governance framework. We have established a clear, multi-tiered, and comprehensive risk management structure with well-defined responsibilities, incorporating the "Three Lines of Defense" model. ESG-related risks are fully integrated into the overall risk management system to ensure alignment with corporate strategy, business operations, and sustainable development goals.

Strengthen Risk Management

Winner Group continuously strengthens risk controls by revising and improving relevant policy documents, such as the *Comprehensive Risk Management System* and the *Risk Management and Disposal Mechanism*.

Winner Group has established a four-tier risk management system covering the decision-making, supervisory, coordinated execution, and operational execution levels, ensuring clear accountability, effective coordination, and closed-loop control. The Board of Directors, as the supreme decision-making body, reviews risk management policies and major issues, oversees significant risks, and fosters a risk-aware culture. The Audit Committee serves as the independent supervisory layer, overseeing and reviewing risks and internal controls. The Internal Control Management Committees at the corporate, business unit, and subsidiary levels act as the coordinated execution layer, leading the development of the comprehensive risk management and internal control systems. All functional departments and subsidiaries form the operational execution layer, embedding risk management requirements into daily business processes.

The Company's risk management process spans the entire business chain, encompassing risk identification, assessment, response strategy development, control implementation, and monitoring/improvement, forming a complete closed loop. An annual comprehensive risk assessment is conducted where personnel at all levels systematically evaluate the likelihood, potential impact, and internal control effectiveness for various risks. The Company's Risk Control Department audit team independently audits and evaluates the effectiveness of the risk management system annually, reporting findings directly to the Audit Committee. This end-to-end, systematic approach enables the Company to effectively manage operational risks, providing a solid foundation for strategy execution and sustainable operation.

Risk management performance is integrated into the organizational performance appraisal system. Led by the Internal Control Management Committee, annual evaluations of risk management practices are conducted for headquarters functions and subsidiaries, with results directly linked to compensation, ensuring accountability and reinforcing the incentive mechanism.

Risk criteria are incorporated throughout the product and service development lifecycle. Risk assessment checkpoints are established during new product initiation, design review, and pre-launch phases. The Company's Risk Control Department collaborates with R&D, Quality, Legal, and other units to systematically identify and assess product safety and environmental risks, ensuring compliance with regulations and internal control standards from the design stage.

Based on Winner Group's 2025 business dynamics, we have identified the following two company-specific risks requiring priority attention.

| Global Supply Chain Security Risk | |
|-----------------------------------|---|
| Risk Category | Operational Risk |
| Business Impact | Shifts in the global trade landscape and geopolitical tensions are persistently undermining economic cooperation among major economies, creating multifaceted challenges for our procurement of raw and auxiliary materials. Geopolitical volatility and commodity price fluctuations drive up sourcing costs, while the supply of critical materials faces uncertainty. This necessitates dynamic adjustments to our "procurement strategy," "safety stock levels," and "supply base footprint." Furthermore, the trend toward supply chain regionalization increases the complexity and resource requirements for building a diversified supplier base. |
| Response Measures | <ul style="list-style-type: none"> Diversified Sourcing Strategy: Expand channels for key raw and auxiliary materials, increase development of local suppliers, shorten procurement lead times, and enhance supply chain resilience and responsiveness. Strategic Partnerships: Proactively establish long-term collaborative frameworks with key upstream suppliers to secure premium resources and achieve mutual benefit. Enhanced Traceability: Implement a full lifecycle traceability system for critical raw materials to ensure quality control and source verification. |

Emerging Risks

This year, the Company has identified and is actively monitoring the following two emerging risks. We have conducted close analysis and implemented responsive measures to enhance our capabilities in risk mitigation and opportunity management.

| | Artificial Intelligence (AI) Compliance Application Risk | Population Aging Risk |
|-------------------|--|--|
| Risk Category | Compliance Risk | Strategic Risk |
| Risk Description | Operating across both the healthcare and consumer goods sectors, the Company is integrating AI technology into various business scenarios. These include supporting sales decision-making in medical services and enabling personalized recommendations for the Purcotton business, media content creation, customer feedback analysis, and intelligent customer service. The compliant application of AI has been identified as a key emerging risk, driven by rapid domestic technological evolution and frequently updated regulations, with core concerns focusing on user privacy protection and algorithmic fairness. | The accelerated aging of China's population, coupled with a sustained low birth rate, poses a risk of market contraction for the Purcotton business's maternal and infant product lines. Concurrently, while the medical sector stands to benefit from increased healthcare demand due to aging, it also faces pricing pressures stemming from healthcare insurance cost containment policies and Volume-Based Procurement (VBP) schemes. |
| Potential Impacts | Improper application of AI technology could lead to customer privacy breaches, resulting in regulatory penalties and damage to brand reputation. | The consumer goods sector faces a growth ceiling for maternal and infant product demand. The medical sector's profitability could be squeezed if it fails to promptly adapt its medical consumables portfolio to the evolving policy landscape. |
| Response Measures | <ul style="list-style-type: none"> Strengthen Governance Framework: Establish a dedicated compliance management system for AI applications, clarifying authorities, responsibilities, and control standards to ensure disciplined technology deployment. Enhance Data Security: Implement tiered encryption for customer privacy data, bolster security during transmission and storage, and advance user data anonymization practices to prevent leakage risks. Monitor Regulatory Developments: Continuously track updates in domestic AI governance policies and promptly adjust internal compliance requirements and operational guidelines. Conduct Compliance Training: Deliver specialized training on privacy protection in AI applications for technology and business teams, elevating organization-wide compliance awareness. | <ul style="list-style-type: none"> Consumer Goods Portfolio Diversification: Increase focus on and investment in categories for older children and adults to diversify the product mix and unlock new growth. This includes expanding other consumer lines (e.g., feminine hygiene, apparel for older children and adults, light sportswear) and introducing Silver Economy products such as adult incontinence care and personal care for the elderly. Medical Product Portfolio Optimization: Deepen expertise and presence in aging-beneficial medical categories, such as advanced wound dressings and operating room consumables, while strengthening penetration in hospital channels. |

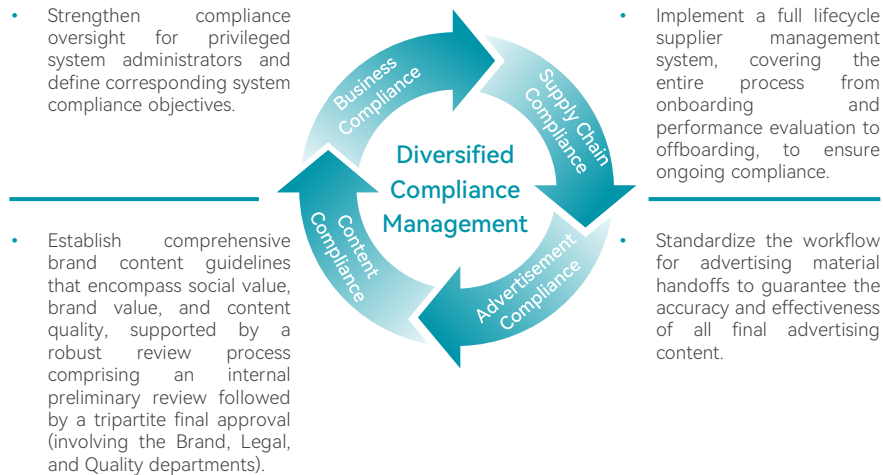
Risk-Aware Culture Construction

The Company emphasizes fostering a sound risk management culture as an integral part of our corporate culture. We instill sound risk management principles, enhance employees' legal and regulatory awareness through training, and continuously strengthen organization-wide risk consciousness to support the achievement of our comprehensive risk management objectives.

To further embed risk management principles into daily operations, the Company promotes risk awareness through multiple channels and organizes regular, specialized training sessions. These sessions provide systematic education on risk management frameworks, compliance requirements, and business-specific risks, while also bolstering practical risk management skills. Furthermore, we systematically analyze typical internal and external risk management cases to reinforce the understanding across all staff that "risks are ever-present," thereby continuously elevating the organization's overall risk management competency.

Compliance Operation Management

Winner Group operates under the principle that compliance and sustainable growth go hand in hand. We continuously strengthen our compliance framework, having established a multi-dimensional compliance management system that covers all business scenarios. This system focuses on four key areas: business compliance, supply chain compliance, advertising compliance, and content compliance, ensuring the overall compliance and sustainability of our operations.



Concurrently, the Company has implemented a full-lifecycle contract management system, achieving digital and standardized oversight from execution through fulfillment. This system not only effectively mitigates legal and contractual risks but also ensures that key contractual commitments—related to anti-corruption, environmental responsibility, data security, and more—are upheld throughout the business lifecycle. This lays a solid foundation for building transparent and mutually trustworthy partnerships across our supply chain.

Additionally, the Company has built a comprehensive Intellectual Property (IP) management system covering patents, trademarks, copyrights, and trade secrets. Internally, through robust IP strategy and enforcement mechanisms, we protect R&D innovations and incentivize technology development aligned with sustainability goals. Externally, we strictly adhere to IP laws and regulations, conducting Freedom-to-Operate (FTO) analyses during product development and technology procurement to preclude infringement of others' IP rights. This fosters a business environment that respects innovation and operates with integrity.

Intellectual Property Management

Winner Group places high importance on intellectual property (IP) protection. We strictly comply with laws and regulations including the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Trademark Law of the People's Republic of China*. Internally, we have established and implemented policies such as the *Intellectual Property Management System* and the *IP Maintenance and Management Procedures*, continuously refining our IP management principles and processes. The Company has established a top-down intellectual property management framework, overseen by the Corporate Risk Control and Compliance Department. This framework provides centralized guidance, supervision, and review of IP-related activities within the R&D Center and other relevant departments, enhancing both the systematic governance and overall effectiveness of our IP management.

Highlighted Performance

| During the Reporting Period | Obtained | Owned |
|---|---|--------------------------|
| the Company submitted 74 invention patent applications | 19 invention patent authorizations | 153 valid patents |

The Company continuously conducts multi-level, systematic IP awareness and training programs for employees. In 2025, focusing on practical frontline R&D needs, we organized training sessions such as "Comprehensive Guide to Patent Practice" and "Patent Infringement Analysis." The curriculum covered topics including assessing patentability criteria, designing for technical differentiation, and identifying and mitigating infringement risks. These initiatives have not only strengthened R&D personnel's awareness of strategic IP positioning from the innovation outset but have also deeply embedded IP management into the R&D lifecycle. This lays a solid foundation of talent and capability for high-quality patent output, technical risk prevention, and preparedness for potential disputes.

Upholding Business Ethics

Winner Group strictly adheres to relevant laws, regulations, and industry standards, such as the Anti-Monopoly Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, and the Interim Provisions on the Prohibition of Commercial Bribery. We uphold professional ethics of integrity, honesty, objectivity, fairness, and dedication, operating on the principles of voluntariness, fairness, equivalent exchange, and good faith. Social and business ethics are deeply integrated into all aspects of our operations, internalized as values and externalized in conduct.

The Company regards integrity and compliance as vital to its survival and growth. Adhering to our core business philosophy of "Customer Success, Honesty and Trustworthiness," we maintain a zero-tolerance policy towards corruption and rigorously investigate all instances of fraud and misconduct. For key business areas such as production, procurement, marketing, and distribution, we enforce stringent compliance controls, actively combating violations like cross-regional sales diversion (gray marketing), price fraud, and unfair competition. This safeguards fair market order and protects consumers' legitimate rights, contributing to a transparent business environment and a healthy industry ecosystem.

Business ethics and integrity management are fundamental to building long-term, trust-based relationships with all stakeholders. To continuously enhance compliance efficacy and ensure detailed implementation, the Company systematically conducts business ethics risk identification and assessment, formulating targeted compliance strategies based on the findings. In 2025, we further strengthened our compliance framework by developing and publicly issuing the *Winner Group Employee Code of Conduct and the Winner Group Supplier Code of Conduct*, providing a solid institutional foundation for standardized business ethics and compliance management.

This year, Winner Group had no confirmed cases of corruption, bribery, fraud, money laundering, conflict of interest, unfair competition, or related violations.

Anti-Bribery and Anti-Corruption

The Audit Committee, operating under the Company's Board of Directors and primarily composed of Independent Directors, holds responsibility for overseeing the Company's overall anti-corruption and anti-bribery framework. From an independent standpoint, the Committee supervises the appropriateness and effectiveness of the Company's ethics and compliance programs and continuously evaluates and manages integrity and compliance-related risks.

The Supervision Team within the Company's Risk Control Department functions as an independent unit, conducting autonomous oversight and anti-fraud investigations. It carries out the full spectrum of anti-fraud duties, including complaint intake, inspections, and case inquiries. Its responsibilities also encompass establishing and enhancing the business ethics and compliance monitoring system, conducting fraud risk identification and violation handling, and continuously refining the integrity risk prevention and control framework.

The Company has established robust internal governance documents, including the *Winner Group Code of Red Lines*, the *Winner Group Violations and Disciplinary Actions Management Procedures*, the *Winner Group Conflict of Interest Management Policy*, and the *Winner Group Employee Code of Business and Ethical Conduct*. These explicitly prohibit violations such as bribery, illicit kickbacks, and improper giving or receiving of business gifts, providing employees and management with clear standards for acceptable behavior, detailed approval procedures, and operational guidance. In 2025, the Company integrated anti-corruption and compliance management into its comprehensively upgraded ESG strategic framework. With the goal of "building robust systems to prevent, deter, and discourage corruption," we are constructing a long-term anti-corruption governance mechanism by strengthening our institutional framework, enhancing oversight mechanisms, and intensifying awareness and education.

▶ Anti-Corruption Risk Assessment

The Company employs a "Three Lines of Defense" model for anti-corruption risk assessment. Business units, as the first line, conduct self-assessments and corrective actions. Functional departments serve as the second line, performing specialized supervision and compliance reviews. The Risk Control and Internal Audit function forms the independent third line, evaluating the effectiveness of policies. This model covers both major business segments, with a particular focus on high-risk areas such as procurement and supplier onboarding.

In 2025, utilizing a "Fraud Risk Heat Map" tool, the Company conducted targeted corruption risk assessments in core operational areas including procurement, production, and sales. Collaboration between the IT department and business units led to optimized processes with embedded compliance checkpoints, enabling dynamic risk monitoring through information systems. This continuously elevates the precision and intelligence of our risk assessment and further strengthens the anti-corruption risk control system.

▶ Anti-Bribery and Anti-Corruption Training

The Company communicates its anti-bribery and anti-corruption requirements to all global partners and employees through specialized training programs, ensuring a deep understanding of relevant compliance standards. "Integrity and Compliance" is a mandatory module for all new hires. Furthermore, through diverse channels including in-person sessions, e-learning courses, official social media communications, and email bulletins, the Company disseminates in-depth knowledge on anti-bribery and anti-corruption to all staff, continually reinforcing the foundations of a compliance and business ethics culture. In 2025, the Company achieved 100% sign-off by headquarters staff on the *Employee Integrity and Self-Discipline Pledge* and maintained 100% training coverage on anti-bribery and anti-corruption for all employees.

The Company has established clear standards for handling employee violations. Any employee found in violation of applicable laws, regulations, or internal policies will face disciplinary action commensurate with the severity of the offense, up to and including termination. Cases involving suspected criminal activity will be referred to judicial authorities.

Highlighted Achievements

Signing rate of the "Employee Integrity and Self-Discipline Pledge" at the headquarters of Winner Group

100%

Coverage rate of employee Anti-Bribery & Anti-Corruption Training

100%

▶ Supply Chain Integrity Management

This year, the Company developed and issued the *Winner Group Supplier Code of Conduct*, which clearly outlines our expectations and requirements regarding business ethics for suppliers, covering standards on anticorruption, antibribery, and fair competition. Furthermore, the Company actively promotes the signing of the *Integrity Commitment Agreement* with partners, achieving 1,039 signatories during the reporting period.

While strengthening external compliance requirements, the Company also focuses on building internal procurement integrity capabilities. Specialized anticorruption training is conducted for personnel in high-risk roles such as procurement, ensuring full coverage. We also extend policy communication and audit oversight to all major operational locations, ensuring robust control over key supply chain links.

Winner Group deeply embeds the principles of integrity and compliance into every stage of production and operations, as well as all aspects of supply chain collaboration. The Company maintains publicly accessible reporting channels for external stakeholders, encouraging the reporting and feedback of corruption, commercial bribery, and other improper practices, thereby continuously fostering a clean and transparent business environment.

Dealer and Third-Party Management

The Company has established rigorous dealer compliance vetting procedures and a "blacklist" mechanism, enforcing joint penalties against entities engaged in bribery and non-compliant dealers. All dealers are required to sign the *Integrity and Compliance Pledge* and participate in regular compliance training to mitigate third-party commercial bribery risks.

Bulk Procurement and Supply Chain Management

For bulk raw material procurement, the Company employs open tendering and competitive bidding mechanisms to ensure a transparent, fair, and compliant process. For engineering procurement projects, we assign professional supervisors and implement an independent internal pre- and post-project cost review process to enhance full lifecycle cost control and quality supervision.

Procurement Staff Management

The Company enforces a periodic job rotation system for procurement staff to strengthen oversight and checks on key positions. This helps prevent integrity risks associated with long-term fixed relationships with specific suppliers, ensuring stable raw material quality and controlled procurement costs from the outset.

Anti-Unfair Competition

The Company strictly adheres to relevant laws and regulations, including the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Monopoly Law of the People's Republic of China*. We have established and continuously improve a comprehensive fair competition compliance framework covering areas such as prevention of false advertising, control of monopolistic practices, and protection of trade secrets. By requiring suppliers to sign the Compliance Statement on Business Conduct Standards, the Company prohibits external suppliers from engaging in activities that violate fair competition laws, thereby upholding market order and a fair competitive environment.

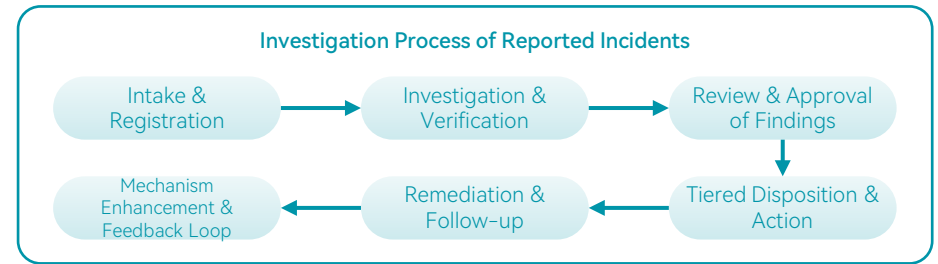
To further enhance our fair competition compliance awareness and capabilities, the Company joined the Shenzhen Enterprise Competition Compliance Alliance during the reporting year. Guided by the *Implementation Guidelines for Building a Fair Competition Compliance System for Shenzhen Enterprises*, we actively advance our internal compliance management, committed to creating a fair and transparent market environment. By establishing a robust competition compliance system, the Company proactively mitigates reputational and legal risks associated with unfair competition, ensuring all externally disclosed and product-related information is accurate and reliable.

As of the end of the Reporting Period, the Company has not been involved in any litigation or subject to any significant administrative penalties arising from unfair competition practices.

Reporting Mechanism

The Company encourages suppliers, partners, and employees to participate in its integrity oversight system by actively reporting incidents of corruption, fraud, or violations. Internal policies, including the *Winner Group Whistleblower Protection and Reward Policy* and the *Winner Group Oversight Management Procedures*, clearly define the scope for reporting, requirements, protections and incentives for whistleblowers, as well as the investigation process for reported incidents.

The Company provides multiple reporting channels, including dedicated telephone lines, email, and WeChat, allowing all employees and external stakeholders to report concerns anonymously. The dedicated Oversight Department centrally manages all reports and tips. Assigned personnel are responsible for logging, triaging, tracking, and overseeing reported matters to ensure prompt handling. Based on investigation findings, the severity of cases is determined and appropriate actions are taken. The department conducts independent investigations into fraud, corruption, and other misconduct, ensuring the oversight mechanism operates in a standardized, efficient, and transparent manner.



▶ Whistleblower Protection

The Company enforces strict confidentiality regarding whistleblower identities and submitted materials throughout the process. Breaches of confidentiality are met with severe disciplinary action, and any form of retaliation is strictly prohibited to effectively safeguard whistleblowers' legitimate rights and interests. Specific protection measures, including designated case management and dedicated reward channels, are implemented for whistleblowers who report using their real identities. Concurrently, the Company provides rewards to partners who proactively report issues and cooperate with investigations, in accordance with established policies. For partners found to have issues but who cooperate with investigations or provide significant leads on misconduct, leniency, mitigation, or exemption from liability may be granted as per applicable laws and regulations.

▶ Reporting Channels

Whistleblowers can report through the following channels:

- Reporting Hotline** Landline: 0755 - 28018166
- Reporting Email** jubao@winnermedical.com
- Reporting by Mail** Address: Winner Medical Supervision, 43/F, Headquarters Building, HBC Huilong Center, Intersection of Mintang Road and Yulong Road, Longhua District, Shenzhen
- Online Reporting** Feishu Service Account "Winner Supervision," Enterprise WeChat Official Account "Winner Supervision"

The Company conducts specialized anti-bribery and anti-corruption training for all employees, which includes a dedicated module on the use of reporting channels. This module systematically explains the available avenues, procedural norms, and key considerations to ensure employees are proficient in all reporting methods and operational requirements.

Information Security and Privacy Protection

In advancing its digital transformation, Winner Group places paramount importance on information security, consistently viewing data security as a core foundational pillar for business development. Confronting the emerging risks and challenges of digitization, the Company adheres to pragmatic and prudent principles. We continuously enhance our information security management system, strengthen data security controls, and bolster employee awareness and capabilities in risk identification and prevention through regular training, thereby solidifying our information security defenses.

Information Security Governance Framework

Winner Group strictly complies with the laws and regulations of all countries and regions in which it operates, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Administrative Measures for Classified Protection of Information Security*, and the European Union's *General Data Protection Regulation (GDPR)*. Guided by the ISO/IEC 27001 Information Security Management System standard, we have established and continue to improve robust information security and data protection policies. In 2025, the Company formulated and publicly issued the *Winner Group Information Security and Privacy Protection Management Policy*, establishing a comprehensive information security management framework that covers the entire data lifecycle. Furthermore, the Company extends information security and privacy protection requirements to its supply chain by incorporating them into the *Supplier Code of Conduct*. Supplier onboarding assessments and ongoing supervision are conducted through information security questionnaires, confidentiality agreements, and specialized Data Processing Agreements (DPAs). Additionally, the Company performs regular due diligence and supervisory evaluations of suppliers to ensure the effectiveness of their security measures and to mitigate supply chain information security risks.

Information Security Organization Structure

The Company has established a three-tier information security and privacy management architecture, comprising the strategic decision-making, operational management, and business execution layers.



Information Security Management Process

Information Security Technological Safeguards

The Company has established a multi-layered, defense-in-depth technical framework encompassing foundational protection, data security, and granular access controls to safeguard information assets.

Foundational Protection

A robust technical defense is maintained through the deployment of security devices, including firewalls and Intrusion Detection/Prevention Systems (IDS/IPS). This creates protective layers covering the network perimeter, internal systems, and data repositories. A disciplined regime for the regular updating and hardening of these security assets is in place to effectively mitigate external threats.

Data Security

Core and sensitive data receive comprehensive, full lifecycle protection. Encryption is applied to data both in transit and at rest. In non-essential business scenarios, data masking techniques are employed on sensitive information. Furthermore, standardized strategies for data backup and disaster recovery are developed and enforced, with regular drills conducted to ensure business continuity.

Access Control

Stringent access control is enforced based on verified identity and explicitly granted permissions. System access is governed by rigorous full lifecycle account management. Permission assignments strictly adhere to the principle of least privilege and are subject to regular audit. A tiered authorization model is implemented for data access, with comprehensive logging and auditing of all activities involving sensitive data to ensure complete operational traceability.

In 2025, the Company completed an upgrade of its remote work security architecture, transitioning from SSLVPN to a "Zero Trust" model. This identity-centric approach redefines the access perimeter, significantly enhancing our information security posture for mobile work and cloud-based operations.

Information Security Risk Control

The Company has implemented a comprehensive information security risk management and control mechanism covering the entire "prevention, response, and verification" lifecycle. Through systematic risk assessment, efficient emergency response, and stringent audit oversight—fully aligned with the ISO/IEC 27001 standard—we ensure the effective operation of our management system.



- Comprehensive risk assessments are conducted semi-annually across the entire data lifecycle (collection, storage, and transmission) to proactively identify and address potential vulnerabilities. This process is integrated with privacy impact assessments to ensure complete coverage of personal information security risks.
- Regular, enterprise-wide information security risk reviews and vulnerability analyses are performed. These activities follow a defined schedule and employ a hybrid methodology combining automated scanning tools and manual verification, covering business systems, network infrastructure, endpoint devices, and databases. For core business systems, additional penetration testing and vulnerability scanning are mandated prior to launch.
- A structured risk rating and classification framework is in place. Identified risks and vulnerabilities are systematically assessed, categorized, and documented in dedicated risk and vulnerability registers. This prioritization provides a clear, actionable basis for subsequent risk mitigation and control activities.
- A proactive information security risk early-warning mechanism is in place, leveraging real-time monitoring of network traffic, system performance, and data access patterns to detect potential threat indicators and provide advance alerts of emerging risks.
- Standardized handling procedures and contingency plans have been established for risks across various types and severity levels. Emergency response activities are coordinated by the Information Security and Privacy Incident Leadership Team to manage unforeseen security events.

For the high-risk scenario of data leakage, the Company has established a dedicated emergency response process:

Event Monitoring and Reporting

The technical protection system enables real-time monitoring for data leakage. Upon detection of a suspected breach, relevant personnel must immediately report via the designated channel (Reporting Email: privacy@winnermedical.com). The Information Security and Privacy Management Organization then swiftly verifies the incident to determine its severity and scope of impact.

Emergency Response and Review

For confirmed breaches, the Company strictly activates emergency measures per the response plan to contain the incident and minimize damage. Post-response, the process is documented and reviewed to optimize future plans and protective measures. Reporting to regulatory authorities is conducted as required by law. If notification to affected individuals is necessary, it will be carried out through appropriate channels.

Information Security Risk Control

Audit Supervision and System Verification

- Audits are conducted at least annually, comprising both an external assessment by an independent third-party professional firm and an internal detailed review. This dual verification process ensures that information security policies and protective measures are implemented effectively and comply with international standards, such as ISO/IEC 27001, as well as applicable laws and regulations across all global operating locations.

Building on this established control framework, the Company undertook several targeted initiatives in 2025 to further strengthen information security management, achieving the following key milestones:

Proactive Defense

The Company engaged independent third-party security specialists to perform penetration testing and simulated attacks on its proprietary systems. This "offense-to-enhance-defense" approach proactively uncovers and remediates potential security vulnerabilities, driving a strategic evolution of security capabilities from passive compliance towards active defense.

System Validation

The Company commissioned a professional third-party firm to conduct an information security audit covering its core business systems and data processing activities. The audit confirmed no material security risks. Additionally, the Company successfully passed its annual surveillance audits for the ISO 27001 Information Security Management System and the ISO 27701 Privacy Information Management System, affirming the ongoing conformity and effective operation of these management systems against international standards.

Industry Recognition

The Company achieved DCMM (Data Management Capability Maturity Model) Level 3 certification, reflecting an advanced domestic standard for data governance. It also successfully completed the annual review for Level 3 of the Multi-Level Protection Scheme for Cybersecurity, demonstrating its sustained commitment to high standards in technical protection and standardized management of information systems.

During the Reporting Period, the information security risk management system of Winner Group operated effectively. With no major information security incidents, data security breaches, or customer privacy leaks occurring, the Company safeguarded the orderly progression of production and business operations, as well as the security of user data.

Purcotton Data Management
Capability Maturity Model
Level 3 Certification

Winner Medical Multi-Level
Protection Scheme for Cybersecurity
Level 3 Certification



ISO 27001 Certification



ISO 27701 Certification

Information Security and Privacy Awareness & Training

To fortify our information security defenses, reinforce organization-wide compliance awareness, and solidify the foundation for privacy protection, Winner Group systematically delivers multi-layered, specialized training on information security and privacy, integrating compliance requirements and security principles into all business operations. We also promote awareness of personal information protection through various channels, including internal knowledge-sharing platforms and in-person sessions, to drive heightened awareness and practices regarding customer privacy protection across business units.

Case

Information Security Awareness Training for All Employees

All employees complete information security and cybersecurity awareness training delivered through an integrated model of live online instruction, on-demand course modules, and online assessments. The curriculum covers key areas including information security policies, workplace device and network protocols, prevention of sensitive data leakage, phishing email identification, and secure handling of removable media. Training incorporates practical demonstrations based on real-world internal and external case studies.

Case

Information Security Awareness Training for New Employees

Information security awareness training is a mandatory component of onboarding for all new employees, achieving 100% coverage across roles. The program outlines fundamental security principles, essential policies, safe practices for workplace devices, protection of sensitive information, secure email and network usage, and proper management of removable media. Scenario-based learning highlights common risks faced by new hires, clearly defining role-specific security responsibilities and prohibited actions.

Case

Information Security Awareness Training for IT Staff

Technical staff in IT operations, research and development, and platform management roles participate in specialized, cohort-based information security training, ensuring comprehensive coverage of critical technical positions. The curriculum addresses risks specific to technical functions, covering network security, secure configuration of servers and endpoints, data classification and anonymization, vulnerability scanning and incident response, least-privilege access control, and malware defense. Sessions include detailed analysis of relevant industry incidents and internal risk scenarios.

Personal Information and Customer Privacy Protection

Winner Group recognizes the critical importance of personal information and is committed to establishing a robust personal privacy governance framework, diligently fulfilling its responsibility to protect customer privacy throughout all business operations.

In compliance with legal and regulatory requirements, the Company has established a comprehensive Personal Information Protection Management System. A dedicated Information Security and Privacy Management Organization is responsible for overseeing and handling all related matters. We have fully integrated information security and privacy protection requirements into our employee management practices, making them a core component of performance evaluations. For employees who violate relevant policies, a tiered disciplinary mechanism is in place. Per the *Winner Group Regulations on Violations and Disciplinary Actions*, corresponding measures—ranging from email notifications and formal warnings to demerits and, in severe cases, termination—are applied based on the severity of the breach. Should an employee's conduct be suspected of violating the law, the Company will initiate a rapid response mechanism to pursue legal liability and seek recovery for any related losses through appropriate legal channels.

In 2025, the Company formally published the *Winner Group Privacy Policy* on its official website, ensuring all stakeholders can clearly understand our principles and practices regarding personal information protection. Concurrently, we established an Operational Manual and Process for Responding to Data Subject Rights Requests and designated a dedicated email address (privacy@winnermedical.com) to receive and manage such inquiries. To govern our international operations, we have also issued documents such as the *Overseas Website Privacy Policy*. For all business activities, as well as R&D and testing phases that involve user personal information, the Company rigorously conducts Privacy Impact Assessments (PIAs) and regular audits. We continuously employ technical safeguards such as encryption and data masking to strengthen the management and security of user privacy.

03

Elevate Product Excellence

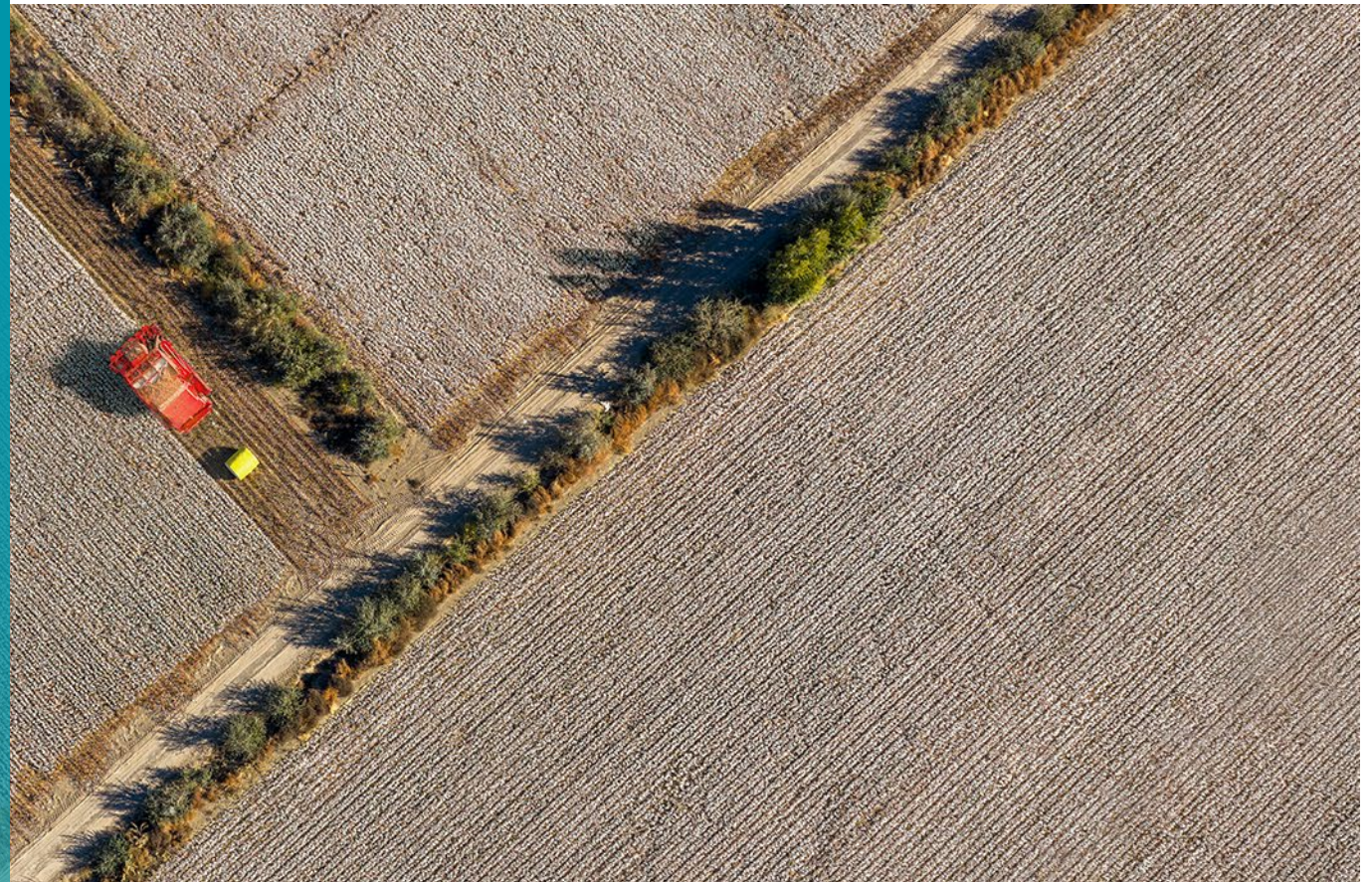
Building core competitiveness through leading sustainable products, and practicing healthy and eco-friendly lifestyles.

Winner Group adheres to the core business principle of "Quality over the Profit, Brand over the Speed, Social value over the Corporate Value". Operating at the intersection of healthcare and consumer goods, the Company drives product iteration and service enhancement through innovation, fostering a green, resilient, and sustainable supply chain. We are dedicated to making premium, healthy, and eco-friendly products accessible to households, safeguarding public health, and providing comprehensive, reliable wellness solutions.

Key ESG Topics Addressed in This Chapter

- Innovation
- Product and Service Safety and Quality
- Sustainable Products
- Sustainable Packaging
- Medical Accessibility
- Responsible Marketing
- Chemical Safety
- Supply Chain Safety
- Ethics of Science and Technology
- Equal Treatment of Small and Medium-Sized Enterprises

SDGs Addressed in This Chapter

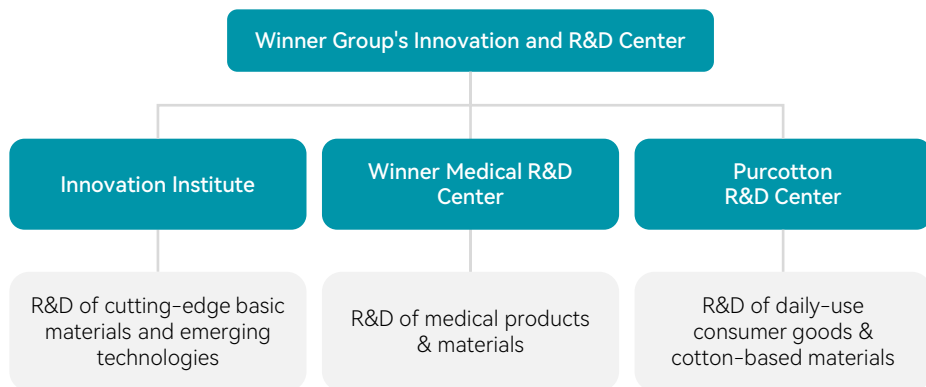


Focus on Innovation-Driven Development

Winner Group consistently places R&D and innovation at the strategic core of its development. By establishing a robust innovation and R&D system and deepening industry-academia-research collaboration mechanisms, the Company accelerates the efficient translation of scientific and technological achievements into market value, continuously builds core competitiveness, and actively leads the industry's high-quality development.

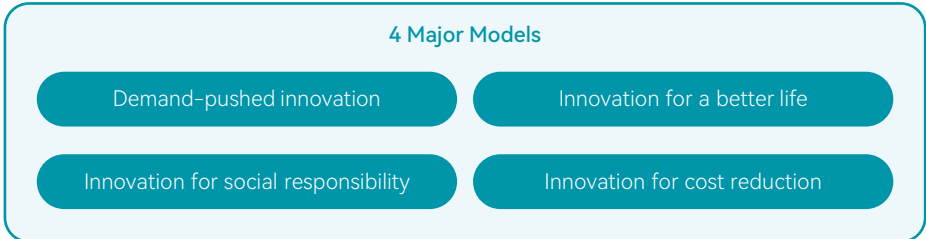
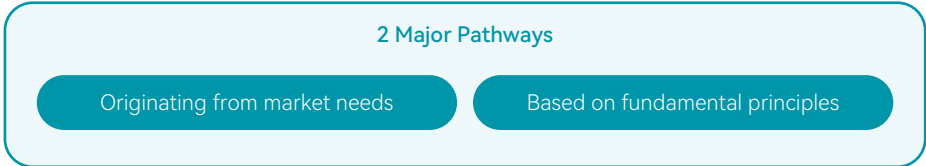
Governance

The Strategy and Sustainable Development Committee under the Board of Directors serves as the highest oversight body for product innovation and R&D, responsible for supervising innovation and R&D objectives. The Company's Innovation and R&D Center comprises the Innovation Institute, the Winner Medical R&D Center, and the Purcotton R&D Center, forming an integrated R&D system spanning basic research, medical products, and daily consumer goods. Specifically, the Innovation Research Institute focuses on exploring cutting-edge foundational materials and core technologies, dedicated to long-term technological reserves and breakthrough innovation. The Winner Medical R&D Center specializes in the development of medical products and materials, underpinning the Company's professional expertise in the healthcare sector. The Purcotton R&D Center focuses on innovation in natural cotton-based daily consumer goods and related materials.



Strategy

The Company consistently anchors its operations to the core strategy of "Product Leadership". Grounded in fundamental material innovation, it deeply implements the "246+6" Innovation Rule and has established a dual-engine R&D framework driven by both market demand and first principles. Through systematic, in-depth research, scientific problem-solving, and the integration of continuously increasing R&D and advanced equipment investments with multi-dimensional innovation mechanisms and user insights, the Company continually explores growth opportunities. This approach comprehensively enhances its technological breakthrough and value innovation capabilities, thereby building a differentiated and sustainable competitive moat.



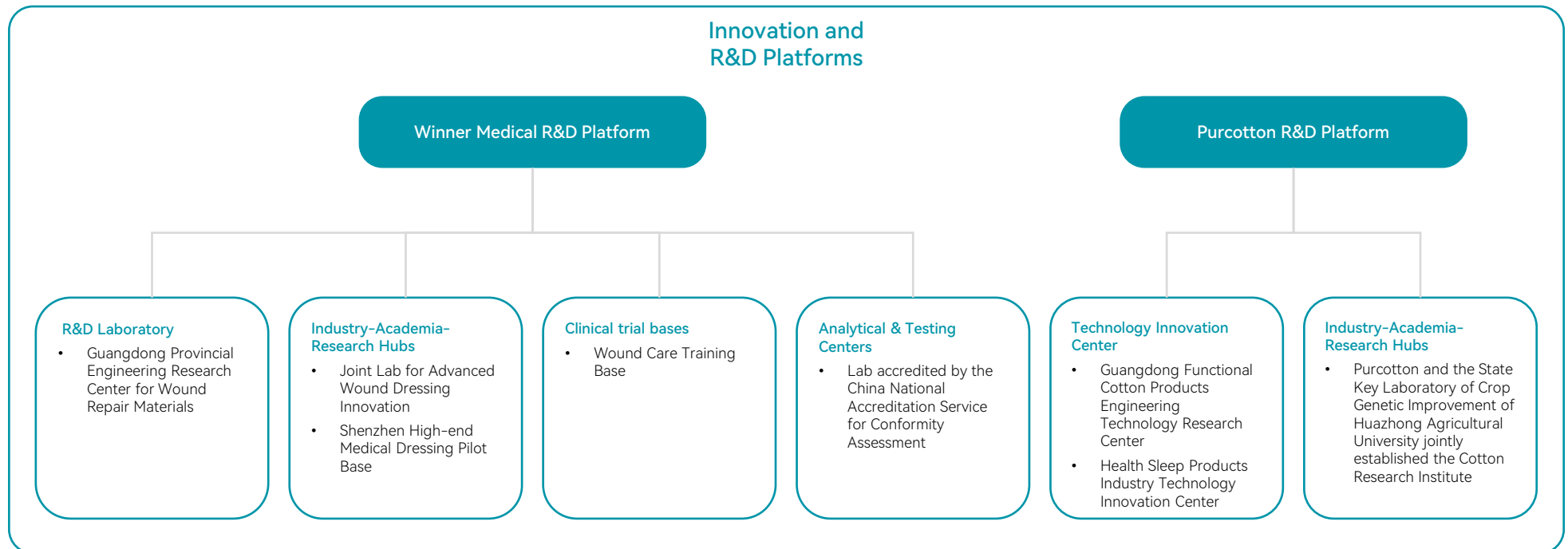
Impact, Risk and Opportunity Management

the Company strictly adheres to compliance requirements throughout the research and development process. We have established an R&D management system covering the entire lifecycle from demand analysis to product launch, formulated institutional documents such as the New Product Development Process, and deployed the Siemens PLM product development management system. This enables holistic product lifecycle management, with clearly defined objectives and standards at each stage. The Company systematically accelerates the pace of product innovation, expedites the translation of innovation into market-ready outcomes, effectively meets customer needs, and continuously strengthens its core competitiveness.

Innovation R&D System

▶ Innovation R&D Platform

The Company actively collaborates with domestic and international scientific research institutions, hospitals, and universities to establish and develop diversified technological innovation platforms. This strategy effectively integrates resources, stimulates innovation synergy, and accelerates the commercialization of R&D achievements.



▶ R&D Team Capability

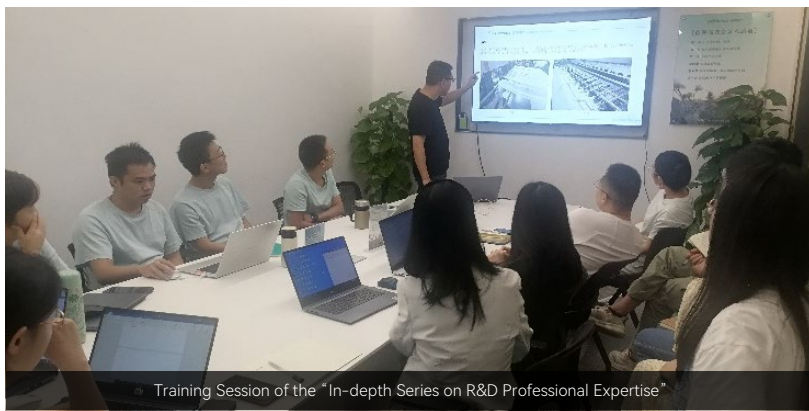
Winner Group prioritizes the capability building of its R&D talent pool to enhance both innovation efficiency and R&D quality. In recent years, the Company’s R&D investment has seen sustained growth, accompanied by a continuous expansion of its R&D talent team. In 2025, the Company’s annual R&D investment reached RMB 411 million, and the R&D team comprised 1,323 professionals.

Concurrently, the Company organizes annual training programs for its R&D team, covering areas such as R&D project management, R&D quality management, product process knowledge, and the latest industry policies and regulations. These initiatives are designed to tangibly improve the professional skills and standardized operational proficiency of R&D personnel in their daily work.

Case

“In-depth Training Series on R&D Professional Expertise” Initiative to Enhance R&D Innovation Efficacy

In 2025, to continuously elevate the professional technical capabilities of the R&D team, reinforce R&D quality management awareness, and accelerate process innovation and technology accumulation, the Company systematically planned and implemented the “In-depth Series on R&D Professional Expertise” training for all personnel within its R&D centers. This training series focused on the frontier of textile materials and processes, aiming to address critical technical challenges in practical R&D. It effectively transformed individual expertise into organizational assets, thereby enhancing R&D efficiency, product innovation success rates, and quality consistency.



▶ Training Session of the “In-depth Series on R&D Professional Expertise”

▶ Innovation R&D Incentives

As a crucial initiative for innovation-driven growth and talent development, the Company has established and refined its intellectual property incentive system. This includes formulating and implementing policies such as the *Intellectual Property Management Policy*. By combining material rewards with non-material recognition, the Company closely links innovation outcomes with personal achievement, effectively stimulating the innovation drive of the R&D team and continuously strengthening the Company’s core competitiveness.



Types of R&D Incentives

- Innovation Awards at the Group Innovation Conference
- Patent Awards (including base awards and bonuses for mass production of patents)
- Annual Departmental Performance Awards
- Outstanding Project Awards within Departments

▶ Ethical Standards in R&D

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

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

From Innovation to Real-world Solutions

As a leading enterprise in the health and wellness sector, deeply engaged in the synergistic development of its medical and retail businesses, Winner Group consistently adheres to the development strategy of “Product Leadership, Operational Excellence, Brand Advancement, Digital & Intelligent Empowerment.” The Company is steadfast in advancing the independent innovation of fundamental materials. Focusing on the fields of medical consumables and daily consumer goods, it accelerates the efficient translation of innovation into practical applications, continuously enhances the core competitiveness of its products, and is committed to providing users with safe, reliable, and high-quality health products and solutions.

For detailed information on the progress of the Company’s major R&D projects, please refer to the *Annual Report 2025 of Winner Medical Co., Ltd.*

► Innovation Achievements in the Field of Medical Consumables

In the medical consumables sector, the Company is dedicated to becoming a brand that provides “One-Stop Solutions for Medical Consumables”. Winner Medical has systematically established a product innovation framework centered on various scenarios, including infection control, wound care, respiratory health, and personal care. It continuously develops a diversified portfolio of solutions encompassing traditional wound care and bandaging products, advanced wound dressings, operating room consumables, infection protection products, and health and personal care products. This comprehensive approach aims to fully satisfy the multi-layered needs of medical institutions and end-users.

This year, Winner Medical continued to accelerate the efficient translation of its innovations into market-ready products. By transforming cutting-edge technologies into high-quality products with demonstrable clinical value, the Company further solidified its technology leadership position in the medical consumables field.

Global Patent Portfolio, Building a Core Technology Moat

The Company proactively established a global intellectual property portfolio for its core strategic Advanced Wound Care (AWC) products. It has filed for four global invention patents related to silicone foam dressings, thereby constructing a robust technology moat. This strategic move has successfully shifted the market competition paradigm from homogeneous rivalry based primarily on price and basic functions to a high-quality development path led by comprehensive performance and core technological advantages.

Class III Medical Device Certification, Realizing Clinical Value

The Company successfully obtained National Class III Medical Device Registration Certificates for two of its core high-end dressing products: silicone foam dressings and CMC hydrophilic fiber dressings. This provides healthcare professionals and patients with new, high-quality domestic alternatives.

Concurrently, the Company continued to deepen its “Product Leadership” strategy. By focusing on clinical pain points and user needs, it achieved several breakthrough innovations in the areas of medical protection and functional dressings. In 2025, the Company successfully launched multiple innovative products with industry-first attributes, including pure cotton surgical packs, anti-UV silicone gel scar patches, and cotton lining masks. With their differentiated design and excellent user experience, these products gained rapid market acceptance, generating sales revenue that accounted for 4.6% of the Company’s total revenue from its medical consumables business.

Case

Innovative R&D of Lead-Free Radiation-Protection Gloves to Protect Healthcare Workers’ Occupational Health

Responding proactively to the urgent demand for green and safe protective equipment in the healthcare sector, the Company focused on safeguarding the occupational health of medical personnel in radiological diagnosis and treatment settings and successfully developed lead-free radiation-protection gloves. Through the independent innovation of novel composite protective materials, which replace traditional lead-containing materials, the Company has eliminated the environmental pollution and health risks associated with lead while achieving superior radiation protection performance. Professional testing confirms that the product effectively reduces hand radiation absorption for medical staff in radiological environments. Under X-ray radiation intensity of 120KV, its lead equivalent is $\geq 0.025\text{Pb}$. The product complies with the national standards GB/T 7543-2020 and GBZ 130-2020, and incorporates an innovative lightweight design. While meeting all performance standards, its average single-layer thickness reaches 0.3mm, which is 30% thinner than the average thickness of similar products on the market, and its comprehensive protective performance is at an internationally leading level.



Lead-Free Radiation-Protection Gloves

Case

Industry-First Anti-UV Silicone Gel Scar Patch to Address Scar Pigmentation and Accelerate Scar Repair

Conventional silicone gel scar patches lack sun protection, leaving them unable to resist scar inflammation and pigmentation caused by ultraviolet (UV) radiation, which can result in scar redness, swelling, itching, pain, and ultimately slow down and complicate the repair process. Moreover, most scar patches are made from relatively rigid materials that fail to conform adequately to the curves and uneven surfaces of skin scars, thereby reducing their efficacy. To address these issues, Winner Medical successfully developed the industry’s first ultra-soft, sun-protective silicone gel scar patch, utilizing innovative technology to deliver more comprehensive scar care and a more comfortable wearing experience.

Through the synergistic effect of triazine-based UV absorbers and light stabilizers, this product effectively blocks the full spectrum of ultraviolet rays from 290nm to 400nm, with a UPF (Ultraviolet Protection Factor) value exceeding 50, achieving an excellent level of sun protection. Its UV-blocking rate is over 97%, combining external sun protection with internal repair to doubly accelerate the scar healing process. Furthermore, the product innovatively employs a highly breathable nonwoven fabric as the support layer, which enhances overall strength while increasing softness. This design allows it to wrap around and conform to uneven scars without detaching during sleep or activity. It not only meets patients’ core needs for functional efficacy but also optimizes wearing comfort and improves adhesion longevity.



Winner Medical Ultra-Soft Sun-Protective Silicone Gel Scar Patch

Case

Industry-First Cotton Lining Mask Achieves Dual Breakthroughs in Technology and Environmental Protection

Addressing the pain points of traditional masks—such as skin damage from prolonged wear and environmental pollution upon disposal—Winner Medical initiated its Cotton Lining Mask project in 2021. After two years of dedicated R&D and over three million test iterations, the project overcame the technical bottlenecks related to the wear resistance and bonding processes of natural cotton. In 2023, the Company upgraded its entire mask series to feature a biodegradable cotton lining, significantly enhancing comfort and reducing plastic pollution. Since then, the Company has continuously optimized the products by upgrading the outer-layer materials to improve both protective performance and wearing comfort. Leveraging this core cotton lining technology, it has expanded into multiple application scenarios, successively launching mask series for medical protection, children’s hygiene, and daily disposable sun protection. These masks are certified to meet rigorous medical-background standards for protection and are suitable for sensitive skin.

With the dual value proposition of “Comfort + Green,” the cotton lining masks have gained wide market acceptance. In 2025, sales reached approximately 1.2 billion units, establishing the product as a benchmark practice in driving the upgrade of health protection products toward higher quality and sustainability.



Winner Medical Cotton Lining Masks

Innovation Achievements in the Daily Consumer Goods Field

In the daily consumer goods sector, centered on the philosophy of “One Cotton, One Fiber,” the Company maintains its commitment to technological R&D investment. It focuses on its proprietary Cotton Tech (encompassing self-developed technologies such as Cotton Soft, Cotton Breathable, Cotton Warm, Cotton Cool, Cotton Anti-UV, Cotton Anti-Bacterial, Cotton Dry, Cotton Filler, and the Cotton Premium series). The Company continuously enriches its product portfolio, building a family health consumption ecosystem that spans three core scenarios: Maternity & Infant Care, Women’s Health, and Home Living. Through solid scientific innovation, it consistently enhances both product performance and user experience.



Technological Breakthroughs Lay the Foundation for Product Growth

Scientific Research Collaboration in Breeding

In the area of cotton raw material innovation, Purcotton jointly established a Cotton Research Institute with the State Key Laboratory of Crop Genetic Improvement at Huazhong Agricultural University and appointed Academician Zhang Xianlong of the Chinese Academy of Engineering as its Chief Cotton Scientist. Utilizing technologies such as gene editing and sea-land hybridization, the collaboration focuses on cultivating and propagating specialized cotton varieties, including “Pure cotton 135” and high-lint cotton for spunlace applications. By applying advanced cotton breeding techniques like gene editing starting at the seed level, the Company explores greater possibilities for cotton modification. In 2025, the new generation specialized cotton variety “Pure cotton 135” achieved successful mass production, with annual output for commercial use exceeding 300 metric tons. The propagation of the spunlace-specific cotton variety has also been completed, laying a raw material foundation for the stable supply of high-quality pure cotton spunlace nonwoven fabric.

Cotton Tech

The Company has consistently achieved key innovative breakthroughs within its Cotton Tech, successfully translating cutting-edge technologies into product development and leading industry-wide technological transformation. In 2025, our proprietary Purecotton Self-Softening Technology successfully resolved the industry-wide challenge of balancing softness with fundamental physical properties. The Company established a comprehensive balance data model and completed stability verification across subsidiaries and multiple production processes. While ensuring product quality and safety, this technology significantly enhanced the skin-friendliness and comfort of products. It enabled the full-line conversion and market launch of pure cotton tissue substrates, positioning it as a core engine for business growth.

Concurrently, the Company’s Cotton Filler Technology has also achieved innovative breakthroughs and widespread application. Through systematic research into the issues of “clumping” and “fiber migration” associated with different fabric structures, washing methods, and quilting processes, the Company successfully developed four high-performance 100% cotton-filled core materials. In 2025, the cotton filler achieved 100% adoption in the Company’s relevant product lines, and its outstanding performance garnered both international and domestic recognition. Notably, our Cotton Filler Reversible Coat/Gilet won the London Design Award in 2025, and Infant Knitted Cotton Filler Swaddle Blanket was listed among the “2025 Top Ten Categories of Textile Innovation Products” released by the China National Textile and Apparel Council.



The cotton filler reversible coat/vest won the London Design Award in 2025.

The baby knitted cotton filler baby blanket was included in the list of “2025 Top Ten Categories of Textile Innovation Products” released by the China National Textile and Apparel Council.

In-depth Exploration Scenarios to meet the needs of healthy consumption

The Company always takes real consumption scenarios as the starting point for innovation, deeply focuses on the three core scenarios of maternity & infant care, women, and home, accelerates the market transformation of innovation achievements, and continuously meets the growing diversified and high-quality healthy life needs of consumers.

Consumption scenarios

The Company's innovation achievements

Maternity & Infant Care

- In the face of the new national standard for baby Towel officially implemented in October 2025, Purcotton actively responded to the new regulations. Adhering to the principle of "minimizing the types of raw materials and using ingredients with a long-term safe use history", it developed and stocked in advance a preservative system for baby Towel with p-hydroxyacetophenone as the core and glycerol and alcohol-based humectants as supplements. This formula contains only 5 ingredients, which greatly simplifies the formula and ensures the ultimate mildness and safety of the product.

Women's Health

- Purcotton launched the "Ultra-clean Absorbent and Bacteriostatic PRO" product, which innovatively uses non-skin-contact bacteriostatic technology. It precisely adds bacteriostatic ingredients to the diversion layer (instead of the surface layer in contact with the skin), with a bacteriostatic rate of over 99.9% against 5 common strains, effectively inhibiting bacteria while protecting the private micro-ecosystem. At the same time, this product uses a self-developed microporous pure cotton surface layer. By precisely controlling the moisture and porosity, it achieves a quick-absorbing and dry experience with very little surface residue after liquid absorption.



Purcotton Ultra-clean Absorbent and Bacteriostatic PRO

Consumption scenarios

The Company's innovation achievements

Women's Health

- In response to the problem that most menstrual pants for girls on the market have little difference from adult ones and are difficult to meet the real needs of teenagers, Purcotton launched menstrual pants specially designed for girls. The Company's R&D team collected and analyzed the body data (waist circumference, hip circumference, leg circumference, etc.) of nearly 300 girls, combined with the evaluation of the pressure comfort of body-fitting clothing, optimized the trouser pattern cutting and elastic structure, and launched new products that fit the body better and are more comfortable to wear. After being launched, they were recognized by the market and users.



Purcotton Nice Princess Teenage Menstrual Pants

Home Living

- The Company cooperated with the China National Textile and Apparel Council's National Textile Products Inspection and Testing Center. Using the most advanced thermal manikin in the world and combining with an environmental chamber to simulate real wearing, it carried out a study on the thermal comfort of pure cotton thermal underwear and constructed a multi-dimensional thermal comfort evaluation model for thermal underwear.
- The Company has deeply cooperated with Tianjin Polytechnic University, focusing on the demand for wearing comfort in the home furnishing scenario. It pioneered the evaluation system for homewear with "scenario-based comfort", promoting the upgrade of the industry evaluation standard from the traditional "single parameter" model to a comprehensive evaluation system driven by "real usage scenarios". In 2025, this innovative achievement was selected as one of the first batch of science and technology guidance projects by the China National Textile and Apparel Council. It has obtained 1 invention patent and published 3 papers in core journals, providing theoretical support and technical paths for the scientific design of homewear products and the optimization of user experience.



Promote Industry Development

Deeply participating in various cooperation and exchanges is an important part of maintaining innovation vitality. The Company continuously stimulates innovation vitality, gathers the strength of multiple parties, and jointly seeks development paths by deeply participating in industry co-construction, promoting standard leadership, and deepening the integration of industry, academia, and research.

▶ Industry-academia-research cooperation

The Company adheres to open innovation and actively promotes the in-depth integration and collaborative innovation of industry, academia, and research. It has established long-term cooperative relationships with universities and research institutes such as Huazhong Agricultural University, Soochow University, Tiangong University, as well as many scientific research institutions and medical industry partners. By integrating academic frontier exploration and industrialization capabilities, it accelerates the process from R&D to application of the Company's new technologies, realizes R&D and innovation breakthroughs of the Company, and further consolidates the Company's leading technological position and sustainable innovation ability in the medical and big health fields.

Case

Winner Group held an innovation and development seminar to jointly explore new paths for the development of the pure cotton ecosystem

In August 2025, the Company successfully held an innovation and development seminar with the theme of "close to medical science with pure cotton care", bringing together representatives from the government, industry, universities, scientific research institutions, medical institutions and other parties. The conference carried out in-depth and forward-looking exchanges and discussions around key issues such as cutting-edge medical and health technologies, innovation in biological materials, upgrading of the entire cotton industry chain, and green and sustainable development.



During the seminar, Winner Group and Wuhan Textile University officially announced the establishment of the "Winner" innovative top-notch class, focusing on the cross-field of flexible electronics and smart wearables, aiming to cultivate compound innovative talents with innovation ability, practical ability and international vision, and strive to promote the in-depth integration of the industrial innovation chain and the talent chain.

Case

Guided by policies and empowered by academics, explore the path of sustainable medical development

In September 2025, Winner Medical hosted the "Green-driven, Value-first" medical consumables management seminar and the launch meeting of the economic research project on disposable surgical packs, deeply responding to the national policy orientation of green medical care and sustainable development. It gathered senior experts in the fields of operating rooms, hospital infection management, and equipment departments to jointly discuss the practical path for the green upgrade and efficient management of medical consumables.

In the development of the "green operating room", Winner Medical has continuously extended from product supply to value output. It has joined hands with institutions such as Hainan Boao Medical Innovation Research Institute and CN-Healthcare, focusing on the cost-effectiveness and clinical value of degradable surgical packs. Through academic empowerment and practical exploration, it provides a scientific basis for the standardized application of green medical consumables in the medical industry, and helps the medical field achieve the coordinated improvement of environmental benefits, clinical value, and economic efficiency.



▶ Deepen Industry Exchanges

Winner Group always adheres to the core concept of "Choose good cotton and make good use of it." and actively joins hands with partners upstream and downstream of the industrial chain to build an industrial ecosystem of mutual trust, collaboration, and win-win results. Through technological co-creation, standard co-construction, and green practices, the Company continuously promotes the quality improvement and upgrading of the entire cotton chain from planting, processing to terminal application, and jointly improves the sustainable level and global influence of "China's cotton" with industry partners.

Case "Global good cotton, one cotton, one world": Winner Group comprehensively demonstrates the innovative practice of the entire green cotton industry chain

From July 16th to 20th, 2025, at the 3rd China International Supply Chain Expo (CISCE), as the leader of the healthy life chain, Winner Group, together with its Winner Medical and Purcotton brands, with the theme of "Global good cotton, one cotton, one world", presented the innovative practice and green achievements of the entire industrial chain from a single cotton to terminal products to global guests in a diversified display form.



Scene of the 3rd CISCE

Case Jointly issue the *Green Win-win Chain Initiative* to promote the green upgrade of the big health industrial chain

In July 2025, Winner Medical and Purcotton, together with the China Cotton Association, China National Cotton Group Co., Ltd., JD Health, and CN-Healthcare, jointly released the *Green Win-win Chain Initiative*. This initiative aims to promote the green transformation and upgrading of the supply chain in the large-health industry, enhance the sustainable development level of the industry through technological innovation, and calls on the upstream and downstream of the industrial chain to work together to improve the "gold content" of development with the "green content" of the supply chain, contributing Chinese wisdom and strength to the green development of the global health industry.



The site of the joint release of the *Green Win-win Chain Initiative*

Formulation of Industry Standards

The Company actively participates in the compilation of industry standards, shares effective practical experiences with the industry, and continuously promotes the development of industry technology. During the reporting period, the Company participated in the compilation of 3 national standards, 2 industry standards, and 1 group standard. Among them, the national standard *Technical Textiles – Classification* formulated with the Company's participation has been officially released, promoting the standardized upgrading of the industry.

| Standard name | Type | Status |
|---|-------------------------------|-----------|
| <i>GB/T 30558-2025 Classification of Industrial Textiles</i> | National standard | Published |
| <i>Sanitary pads (Panty Liners)</i> | Recommended national standard | Published |
| <i>Compressed Facial Masks</i> | Industry standard | Published |
| <i>Cosmetic Cotton</i> | Industry standard | Published |
| <i>T/CAMD1 137-2025 Medical Nonwoven and Composite Materials for Surgical and Instrument Protection</i> | Group standard | Published |
| <i>GB/T 46936-2025 Medical Absorbent Cotton</i> | National standard | Published |

Metrics and Targets

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

| R&D and innovation management targets | |
|---------------------------------------|--|
| Technological innovation | <ul style="list-style-type: none"> Promoting cotton breeding and gene editing to enhance raw material quality, cultivate high value-added cotton varieties, and advance the application of customized spinning yarns. Driving continuous upgrades of Purcotton's nine core Cotton Tech technologies and continuing developing new technologies and products. |
| Product differentiation | <ul style="list-style-type: none"> Developing differentiated cotton soft tissues and dry-wet toilet Towel to strengthen the positioning of "cotton versus non-cotton differentiation." Creating premium cotton products to meet the demands of consumer upgrades. |
| Green sustainability | <ul style="list-style-type: none"> Advancing zero-plastic/reduced-plastic packaging initiatives. Implementing eco-friendly dyeing technologies, such as plant-based dyeing. Promoting carbon footprint certification for core products and carrying out energy conservation and emission reduction measures. |

| Indicators | Unit | 2024 | 2025 |
|--|--------|----------------|----------------|
| R&D investment | RMB | 348,163,926.01 | 410,877,566.24 |
| Proportion of R&D investment in operating income | % | 3.88 | 3.75 |
| Number of R&D personnel | Person | 1,199 | 1,323 |
| Proportion of R&D personnel | % | 7.80 | 8.34 |



Create Excellent Products

Winner Group always adheres to the core principles of "Quality over the profit, Brand over the speed, Social value over the corporate value", and regards quality as the lifeline for the survival and development of the enterprise. The Company has established a quality management system covering the entire product life cycle, and through refined operation, deeply integrates this principle into every link from raw material selection, R&D and production to terminal services. At the same time, relying on the high controllability and full-traceability of the supply chain, on the premise of ensuring product safety and excellent quality, the Company continuously promotes the upgrading of green manufacturing processes, innovation of sustainable materials, and systematic solutions such as the "green operating room", and is committed to providing consumers with products that combine health protection, environmental friendliness, and high-quality experience.

Product Quality and Safety

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

Governance

The Strategy and Sustainable Development Committee under the Board of Directors serves as the highest supervision body for product quality and safety, responsible for overseeing the effectiveness of the quality management system. The Company has established a quality management department at its headquarters, which acts as the core management body for the Company's product quality and safety. It is fully responsible for the planning, construction, and continuous optimization of the quality management system, and regularly reports the progress of quality management goals to the Strategy and Sustainable Development Committee. Meanwhile, the quality management department at the headquarters coordinates the quality control departments of each subsidiary to systematically carry out product quality and safety management work. It implements full-cycle quality control over products from R&D, production to marketing, and effectively fulfills the enterprise's main responsibility for product quality and safety.

Strategy

Winner Group adheres to the core principles of "Quality over the Profit, Brand over the Speed, Social Value over the Corporate Value". It continuously upgrades the Company's full-process and full-chain quality management system, widely enhances employees' quality awareness, integrates the pursuit of excellent quality into the entire product life cycle, and unswervingly creates high-quality products that are safe, reliable, and trustworthy.

Impact, Risk and Opportunity Management

► Quality Management System Construction

The Company strictly adheres to international standards such as the ISO 13485:2016 Medical Device Quality Management System, ISO 9001:2015 Quality Management System, and ISO 22716 Cosmetics Good Manufacturing Practice. Combining with the needs of business development, it has established a systematic quality management system covering the entire product lifecycle. This system comprehensively covers the six core aspects of design and development, procurement, production, testing, warehousing, and services, laying a solid foundation for the Company's high-quality development.

Highlight Performance

As of the end of the reporting period, **100%** of the Company's self-owned production bases have obtained the ISO 13485 Medical Device Quality Management System certification and the ISO 9001 Quality Management System certification.

Meanwhile, the Company conducts regular internal and external quality system audits annually. Quality audits are regarded as an important measure to ensure product quality and improve the management system. Through the combination of internal audits and external supervision, quality compliance management is comprehensively strengthened. During the reporting period, the internal audit department conducted internal audits on the risk points in the Company's quality management based on the risk importance level. As of the end of the reporting period, the business departments have completed 100% closed-loop rectification of the findings from the internal audits.

In 2025, Winner Medical underwent a total of 136 external quality audits, covering relevant stakeholders including customers, certification bodies, and regulatory authorities. These audits included inspections by regulatory agencies (such as provincial and municipal medical product administrations), recertification audits for the ISO 13485:2016 Medical Device Quality Management System, and recertification audits for the ISO 9001:2015 Quality Management System, among others. Additionally, 28 specialized inspections conducted by domestic and international medical device regulatory authorities identified no major deficiencies. All issues identified during the audits achieved 100% timely closed-loop resolution and effective verification, ensuring robust product quality safety and sustained.

| Product Lifecycle Quality Management Measures | |
|---|--|
| Design and Development Management | <ul style="list-style-type: none"> Conduct customer demand identification and regulatory applicability reviews to ensure the completeness and compliance of design inputs. Through multiple rounds of design reviews, conduct phased evaluations and decision-makings on technical solutions, risk control measures, and manufacturability. Transform the verified and confirmed design results into practical applications, and cooperate with departments such as production, quality, and supply chain to complete trial production verification and process confirmation, ensuring the smooth implementation of R&D results and controllable quality. |
| Raw Material Procurement Management | <ul style="list-style-type: none"> The Company's raw material procurement covers high-quality cotton-producing areas around the world. At the same time, the Company has jointly established a Cotton Research Institute with the State Key Laboratory of Crop Genetic Improvement at Huazhong Agricultural University and successfully cultivated the "Purcotton135" cotton variety. The Company spares no effort in cotton cultivation, development, and procurement, aiming to improve quality standards from the source. The Company formulates and implements material management systems such as the <i>Management Procedure for Production-Type Material Suppliers</i>, constructs a standardized supplier quality access and dynamic evaluation system, and combines annual audits, surprise inspections, etc. to achieve entire lifecycle quality control of suppliers. |

| Product Lifecycle Quality Management Measures | |
|---|--|
| | <ul style="list-style-type: none"> The Company's headquarters issues the <i>Management Specification for Incoming Inspection</i>, unifying the standards, processes, and judgment criteria for incoming inspection of raw materials. Each subsidiary synchronously establishes supporting management specifications to ensure the standardized and regulated implementation of raw material inspection upon arrival at the factory, controlling the quality of materials from the source. Regularly carry out supplier quality empowerment and collaborative communication, and organize targeted quality special training irregularly, such as special training on medical device UDI, to strengthen suppliers' quality awareness and compliance capabilities and promote the collaborative improvement of quality between supply and demand parties. |
| Production and Manufacturing Management | <ul style="list-style-type: none"> Continuously verify the stability and controlled state of key processes in the production and manufacturing process to ensure that the output quality meets the design requirements. Each production base continuously improves the daily monitoring and regular verification mechanism of the production environment to ensure that the environmental conditions meet the core requirements of product safety and quality control. Establish a defective product management process to implement full-process control and tracking of defective products and waste generated during the production process, clarify the requirements for classification, identification, and disposal, and prevent their loss, misuse, or illegal recycling and reuse, ensuring product safety and compliance closed-loop. Implement a systematic post-training and skill assessment mechanism to ensure that employees have the professional capabilities and quality awareness required for their duties. |
| Quality Inspection Management | <ul style="list-style-type: none"> Strictly implement the product quality inspection mechanism of "First-article inspection, in-process inspections, and final product inspections" to ensure full-process control of product quality and strictly monitor and limit non-conforming products. Through manufacturing compliance inspections, ensure that the actual production process strictly follows the approved process procedures and quality standards. |
| Warehousing and Logistics Management | <ul style="list-style-type: none"> Each warehouse implements partitioned and classified management based on product characteristics and conducts regular warehousing environment verification to ensure the stability and safety of product quality during storage. Rely on the information system to conduct dynamic expiration date tracking of inventory products. Timely evaluate products approaching their expiration dates and handle them in accordance with regulations to prevent expired products from entering the market. Recheck the packaging integrity, label accuracy, storage condition records, and expiration date status of the outbound batches to ensure that the outbound products are in compliance and the information is traceable. The Company implements full-process quality control over the product transportation process, adopting standardized logistics management and in-transit environment monitoring to prevent adverse impacts on product quality due to factors such as pollution during transportation. |
| Post-market management | <ul style="list-style-type: none"> Through a perfect product traceability system, each product is given a unique "electronic ID", realizing full-link transparent management from raw materials to consumers. Efficiently operate the customer complaint and customer service handling mechanism to ensure that all feedback is responded to, investigated, and closed within the specified time limit. Collect real-time data on the adverse reactions of post-market products. At the same time, establish a dynamic collection and early-warning mechanism for industry risk events to promptly identify and evaluate potential risks. In response to quality issues feedback from the market, the Company organizes cross-departmental teams to conduct root cause analysis, formulates improvement measures accordingly, and promptly feeds back to relevant departments such as R&D, production, quality, and supply chain for implementation. |

▶ Quality Inspection Ability

The Company continuously strengthens the construction of quality inspection capabilities and has established a laboratory system with a perfect structure and efficient operation. During the reporting period, the Company further improved the laboratory's technical capabilities and management level. Both the Shenzhen Winner and Jingmen Winner testing centers have obtained the laboratory accreditation from the China National Accreditation Service for Conformity Assessment (CNAS), which indicates that their testing capabilities have reached the internationally recognized standards. The testing scope recognized by CNAS covers multiple technical fields such as the physical and chemical properties of textiles, sterile inspection of medical devices, and functional indicators of contact wound dressings, providing protection for product quality control.



▶ Digital Empowerment of Quality Management

To comprehensively improve the Company's product quality and safety management level, the Company continuously promotes the in-depth application of information systems in quality management, and constructs a digital quality control system centered around the QMS quality management system and the entire product lifecycle traceability system, realizing the whole-process closed-loop management from the source to the end.

Quality Management System (QMS)

As the core platform for quality management, the QMS system covers the entire process, including quality planning, process control, inspection and testing, handling of non-conforming products, and corrective and preventive measures. Through functions such as real-time collection of quality data, automatic early-warning of abnormalities, full-process tracking of non-conforming products, visual billboards of quality performance, and intelligent analysis reports, this system significantly improves the response speed and decision-making efficiency for quality issues.

Product Quality Lifecycle Traceability System

Product Quality Lifecycle Traceability System runs through all links from raw material procurement, production and manufacturing, warehousing and logistics, sales and distribution to after-sales service. Relying on the "one product, one code" technology, it realizes accurate product traceability and supply-chain transparency. This system integrates functions such as automatic generation of unique identification codes, automated production coding, blockchain evidence storage, and full-link data connection. It not only effectively supports anti-counterfeiting verification and risk recall but also realizes the standardized and structured retention of whole-process quality data through electronic batch records. At the same time, it allows consumers to check the product's authenticity, production information, quality inspection reports, anti-counterfeiting certifications, etc. by scanning the code on their mobile phones, enhancing transparency and trust.

Case

The First in the Cotton Tissue Industry: "One Item, One Code + Blockchain" with Three Core Functions Ensuring Quality and Safety

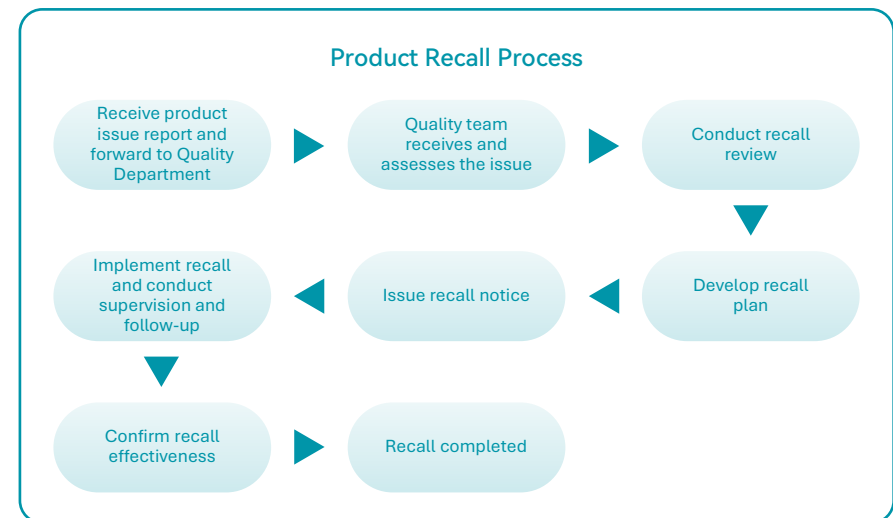
As a leader in the cotton tissue industry, Purcotton was the first to launch the industry's first "one product, one code + blockchain" quality protection system. Through three core functions of product authenticity verification, production traceability, and suggestion and reporting channels, it constructs a full-link transparent trust mechanism from the factory to consumers.

- ✓ **One code to verify authenticity:** Each cotton tissue package is assigned a unique digital identity code, which supports real-time code-scanning verification at multiple locations, multiple terminals, all channels, and all scenarios. Combined with blockchain evidence-storage technology, it ensures that the verification results are tamper-proof and authoritative.
- ✓ **Production traceability:** Product qualification certificates are publicly available for query, and the core production processes are transparently displayed 24 hours a day. Consumers can scan the code to trace the whole process of the product from raw materials to finished products in real-time.
- ✓ **Two-way interactive feedback:** Users can submit suggestions for using genuine products or customer complaints by scanning the code, and they can also report suspected counterfeit products. All information is directly connected to the enterprise's back-end, and a dedicated person will respond and track the handling within 24 hours, forming a closed-loop consumer co-governance mechanism.



Product Recall Management

The Company strictly adheres to the laws and regulations of the business operation location and the relevant requirements for product recalls. It has established a comprehensive product recall management system and standardized operating procedures, and constructed a three-level emergency response mechanism to ensure rapid, orderly, and efficient handling in case of product recalls. When it is found that the delivered products have quality defects or may pose potential risks to public health and safety, the Company immediately initiates the emergency response procedure, quickly assesses the risk level, takes corrective and preventive measures, and promptly notifies relevant parties. If necessary, the products are retrieved to maximize the protection of consumers' health and safety. During the reporting period, the Company initiated 1 voluntary product recall event, with a recall level of Class III, and there were no serious injuries or fatal accidents caused by product defects.



Meanwhile, the Company has set up diversified customer feedback channels, including public email, 400 service hotline, and online customer service on the official website, to comprehensively receive complaints and suggestions regarding product quality and safety from consumers, medical institutions, dealers, and other parties. All relevant complaints are incorporated into a unified management platform and synchronized in real-time to relevant departments such as R&D, quality, operations, and logistics. Through cross-functional collaboration, root cause analysis is carried out to promote product design optimization, process improvement, standard upgrading, and process perfection, realizing closed-loop management from "problem response" to "source prevention" and continuously improving the product quality and safety level.

Quality Culture Construction

Quality awareness and personnel capabilities are important guarantees for the effective operation of the quality management system. While strengthening daily quality management, the Company also focuses on improving the quality culture education of all employees to enhance the overall quality awareness. The Company has established a quality education and training system at the Company-level, factory-level, and department-level. It conducts full-staff quality training through a combination of theoretical teaching and practical cases to comprehensively improve employees' awareness of the value of product quality and safety. For new employees, we incorporate quality awareness-related knowledge into their mandatory on-boarding courses; for in-service employees, corresponding training courses are configured according to the nature of the position and changes in the external environment, and regular training is carried out with effect evaluation to ensure that quality training covers all personnel in various links such as R&D, procurement, production, and marketing.

The Company regularly conducts various quality culture promotion activities to create a good atmosphere where everyone attaches importance to quality and establish a quality culture with full-staff participation. In 2025, the Quality Management Department at the Company headquarters carried out a total of 49 quality-themed training sessions around topics such as product quality control, quality management system, and compliance requirements, effectively strengthening the overall quality awareness and professional capabilities of employees and providing a solid guarantee for product safety, compliance, and excellent quality.

Case Chongyang Winner Deeply Cultivates Quality Culture Construction and Builds a Solid Foundation for Quality with Diverse Activities

In 2025, the subsidiary Chongyang Winner deeply promoted quality culture construction, carrying out a total of 147 quality-themed activities in 8 production workshops, covering all employees and all positions. The activities cover six core categories: risk identification, quality review, problem improvement, management evaluation, quality incentives, and quality communication. It also innovatively created featured activities such as "Find the Fault" Challenge, "Management Ability Improvement Drill", "Visual Quality Warning Signs", and "Visual PFMEA Production", further strengthening the quality responsibility awareness of all employees. Moreover, a group of professional talents with both quality practical abilities and management thinking were cultivated and selected in practice, laying a solid talent foundation for the continuous optimization of the Company's quality control system.



Conducting Quality Culture Construction Activities

Metrics and Targets

To continuously improve the quality management level, the Company sets quality management goals around indicators such as the coverage rate of quality management system certification and establishes a regular monitoring mechanism. It conducts systematic evaluation and dynamic tracking of the goal achievement situation every year to ensure continuous improvement of quality performance and effective operation of the management system.

| Goals | Progress in 2025 |
|--|--|
| Coverage Rate of Quality Management System Certification | <p>By 2027, 100% of the Company's self-owned production bases will maintain a complete quality management system and obtain relevant certifications, including ISO 9001 Quality Management System Certification and ISO 13485 Medical Device Quality Management System.</p> <ul style="list-style-type: none"> 100% of the self-owned production bases have obtained the ISO 13485 Medical Device Quality Management System and the ISO 9001 Quality Management System Certification. |

Sustainable Products

On the basis of ensuring product health and safety, Winner Group actively practices the concept of green development, promoting environmental friendliness and efficient resource utilization throughout the product lifecycle. From raw material selection, design and development, production and manufacturing to use and disposal stages, the concept of environmental friendliness is fully integrated, continuously optimizing resource utilization efficiency, reducing energy consumption and carbon emissions. It is committed to minimizing the impact on the ecological environment while meeting users' health needs, promoting the coordinated development of healthy consumption and the earth's sustainability.

Entire Product Lifecycle Management

To continuously promote the innovation of green products and sustainable development, Winner Group conducts an inventory and evaluation of sustainable products based on its own business development and sustainable development strategy, constantly improves the Company's sustainable product system, and is committed to increasing the revenue share of sustainable products.

The Company continuously enhances its ability in the green design of sustainable products. During the new product development process, it considers the environmental footprint of products, uses natural cotton fibers, promotes energy-saving and environmentally friendly production processes, reduces energy consumption, minimizes the use of chemicals, reduces carbon emissions from product packaging and transportation, and embeds the Life Cycle Assessment (LCA) into R&D to systematically identify and control the potential environmental impact of products from the source throughout the whole process.

Highlight Performance

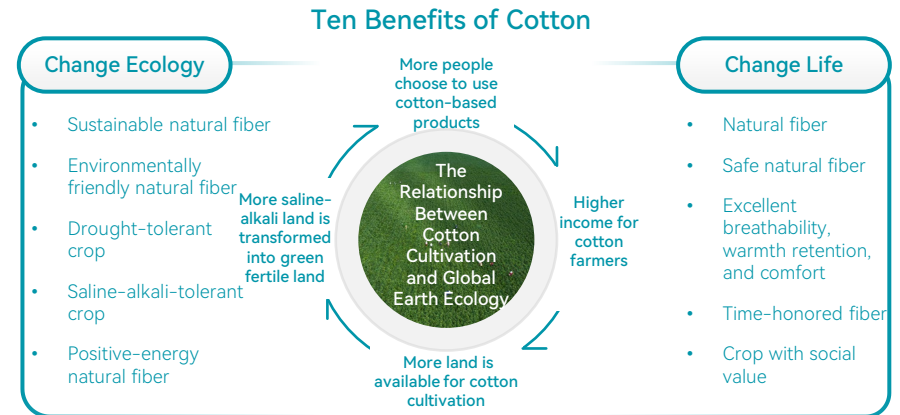
In 2025, the revenue share of Winner Group's sustainable products⁴ has reached **51%**,

and it is committed to maintaining the revenue share of sustainable products at no less than **50%** by 2027.

⁴In 2025, the Company uses the third-party green and low-carbon related authoritative certifications (such as OEKO-TEX® STANDARD 100, China Green Product Certification, Intertek Green Leaf Certification, etc.) obtained for core raw materials or products as the statistical caliber for sustainable products. Currently, the Company is continuously improving the sustainable product evaluation system to ensure that the sustainable product evaluation standards of the Winner Group are more scientific and quantifiable.

Sustainable Raw Materials

The Company always adheres to the environmental protection concept of "cotton over chemical fiber", firmly believes in the sustainable power of cotton, and is determined to promote the wide application of natural cotton fibers in products. As a renewable resource that can be naturally degraded, pure cotton fibers can return to the soil after use and be converted into organic matter without causing long-term environmental burden.



Since its establishment, Purcotton, a subsidiary of Winner Group, has been dedicated to perfecting the use of cotton. It aims to let more consumers experience the natural, skin-friendly, and safe values of cotton, and shape it into a sustainable carrier that connects ecological responsibility with a better life. The persistence and innovation in cotton are now extending from daily life scenarios to the medical field. Purcotton actively sources high-quality cotton that meets sustainable standards and continuously increases the proportion of natural cotton fibers in its raw material structure. By 2025, over 95% of the raw materials purchased by Purcotton were natural cotton fibers, effectively promoting the transformation of green consumption through material innovation and contributing to the construction of ecological civilization.

In recent years, Winner Medical has been accelerating the green transformation of "cotton over chemical fiber". Through its self-developed patented technology for pure cotton hydroentangled nonwoven technology, it applies natural cotton to medical consumables such as disposable sterile surgical packs and surgical gowns. These raw material innovations not only deeply restructure the medical supply chain but also reduce non-degradable plastic particle pollution from the source and lower carbon emissions. The "green operating room" solution is driving a new medical revolution that concerns patient safety, medical staff comfort, and ecological protection.

Highlight Performance

Over **95%** of the raw materials purchased by Purcotton are natural cotton fibers

Meanwhile, the Company actively explores and applies organic cotton as a sustainable raw material. Starting from the source planting stage, Purcotton strictly controls the use of pesticides and fertilizers to promote the cultivation of organic cotton, reducing pollution to land and water resources and contributing to the long-term sustainable development of the agricultural ecosystem.

Purcotton Organic Cotton Products



Green Production and Manufacturing

The Company continuously optimizes its environmental-friendly production processes during manufacturing. It actively adopts clean process technologies with short processes, low energy consumption, and low emissions. Through process innovation and efficient resource utilization, it effectively reduces the environmental impact of production activities and continuously improves the green level of the manufacturing process.

Case

"Additive-free Self-softening" Technology: Redefining Softness with the Essence of Cotton

To address the problem that traditional spunlace nonwoven fabric production generally relies on chemical softeners such as petroleum-based glycerin, mineral oil, and fatty alcohols, the Company optimized and upgraded the core de-bleaching process and successfully developed the industry-leading "additive-free self-softening" technology, eliminating the use of unnecessary chemicals.

This process focuses on fully stimulating and retaining the natural softness of cotton fibers. By precisely controlling the concentration of lye, treatment temperature, and action time, it effectively completes de-bleaching while retaining some natural wax on the surface of cotton fibers, avoiding excessive damage to the cellulose structure and fully releasing the internal softness of cotton fibers.

After the process upgrade, the softness of the product reaches or even exceeds the effect of traditional products with chemical softeners. At the same time, reducing the use of unnecessary chemicals from the source lowers the environmental load during production, achieving multiple value improvements in product efficacy, usage safety, and sustainable development.

Meanwhile, the Company continuously promotes energy conservation and carbon reduction in its production bases during the manufacturing process. It deeply implements measures such as upgrading equipment energy efficiency, optimizing the energy structure, and building green factories. For detailed measures and achievements, please refer to the "Promoting Green Production" section in the "Love Our Planet" chapter of this report.



Low-carbon Warehousing and Transportation

In the warehousing and logistics transportation sectors, the Company continuously explores various carbon-reduction methods. By optimizing transportation routes, promoting the use of new-energy vehicles, and improving warehousing energy efficiency, it aims to reduce the carbon footprint generated during product storage and transportation. At the same time, the Company regularly publishes the *Quarterly Report on Lean Logistics Operations of the Group*, visualizing and standardizing frontline innovation achievements and best practices through benchmark project reviews and process improvement case sharing, facilitating employees' learning, reference, and implementation, and continuously stimulating the Company's internal improvement motivation in the field of green logistics.



Green Warehousing

Empowering Energy Conservation and Efficiency with Automation

To effectively reduce warehouse energy consumption and improve operational efficiency, the Company continuously promotes the intelligent and green upgrade of the warehousing. In 2025, the Company implemented a series of automation projects in multiple core warehouses in Wuhan, Huanggang, and other places. While optimizing the operation process, it effectively reduced energy consumption and carbon emissions, promoting green warehousing construction to a new level.



Green Transportation

Optimizing Transportation Routes and New-energy Vehicle Capacity

In terms of optimizing and integrating transportation routes, the Company conducts centralized tenders, aggregates transportation demands by province and region, and selects high-efficiency, low-emission carriers to improve the full-load rate and route rationality. In promoting new-energy vehicles, the Company actively promotes the transformation of green transportation capacity. By the end of 2025, the proportion of new-energy vehicles used by carriers had reached 23.3%, continuously reducing dependence on fossil fuels and tail-gas emissions.

Green Store Operations

In the store operation process, Purcotton actively practices the low-carbon concept and vigorously promotes the construction of green stores. Through measures such as implementing energy-saving renovations of the lighting system, giving priority to the selection of environmental-friendly building materials and decoration materials, and improving the reuse of store materials, it effectively reduces energy consumption and environmental footprint during the operation process, and is committed to creating a healthy, comfortable and environmentally friendly retail space.

This year, Purcotton has comprehensively promoted green practices in store construction and operation. Focusing on three major modules of electricity energy-saving, application of environmental-friendly building materials, and reuse and renovation of materials, it has reduced the environmental impact and resource consumption in the store operation process.

Optimize lighting energy-saving renovation

By using high-efficiency lenses, reducing the power of spotlights from 35W to 30W, and optimizing the basic lighting layout during the design stage to streamline the number of lamps, the lighting energy efficiency is systematically improved. The lighting optimization plan has been fully implemented in 46 newly opened Purcotton stores, effectively reducing electricity consumption and achieving the dual benefits of cost reduction and carbon reduction.

Fully promote environmental-friendly building materials

Strictly implement national environmental-friendly building material standards, formulate and implement a list of environmental-friendly building materials for stores to ensure that materials in all links from design to construction are compliant, safe and have a low environmental load, laying a solid foundation for a green space.

Reuse and renovate store materials

- Establish a standardized mechanism for reusing store materials. On the premise of ensuring safety and experience, give priority to retaining the original building structure and reusable display props. Through reuse and renovation, the comprehensive reuse rate of materials exceeds 30%, reducing the generation of decoration waste and resource waste.
- Through the collaboration of multiple departments such as design, engineering, and store operation, a closed-loop management is formed in the links of prop recycling from closed stores and embedding reuse plans in new store designs, continuously optimizing the resource recycling efficiency. In 2025, among the 65 directly-operated stores built by Purcotton, 50 stores have implemented reuse and renovation.



Purcotton stores after environmentally-friendly renovation

► End-of-life Management of Products

The Company actively practices the concept of circular economy, steadily promotes the end-of-life management of products, and continuously explores ways to reduce resource consumption and environmental impact from two dimensions: extending product service life and promoting material recycling.

Sustainable Product Series

Winner Group deeply integrates the concept of sustainable development into the entire product life cycle. Centering on the core strategy of "cotton over chemical fibre, nonwoven fabrics over woven fabrics", it comprehensively creates an environmentally friendly product matrix.

► Green and Low-carbon Product Certification

To meet the growing demand of consumers for environmental-friendly products and enhance the green competitiveness of products in the global market, the Company actively conducts third-party authoritative certifications related to green and low-carbon for multiple core products to ensure that the products reach the international advanced level in terms of health, safety and environmental friendliness. At the same time, the Company continuously pays attention to the carbon emission performance of products throughout their life cycle. Based on international standards such as ISO 14067, it conducts product carbon footprint verifications for multiple core products, providing data support and decision-making basis for green product design, low-carbon optimization and continuous improvement.

This year, the products of the Company that have obtained third-party authoritative certifications related to green and low-carbon are as follows:

Consumer Goods:

- 20 products have obtained the China Green Product Certification.
- 10 products have obtained the OEKO-TEX® STANDARD 100 certification.
- 2 products have obtained the China Organic Product Certification.

Medical Consumables:

- 1 product has obtained the OEKO-TEX® STANDARD 100 certification.
- 10 products have obtained the Intertek Green Leaf Certification.

Case

Winner Medical cotton lining mask obtains product carbon footprint certification, redefining a new benchmark for masks

In 2025, the Company conducted a product carbon footprint verification for the star product Winner cotton lining mask. Based on the standards of ISO 14040, ISO 14044, and ISO 14067, it completed the accurate assessment and quantification of greenhouse gas emissions from "cradle to gate" and won the "Intertek Green Leaf Certificate-Product Carbon Footprint Certificate". This certification is not only an authoritative recognition of the value of the Winner cotton lining mask in terms of environmental sustainability, but also marks a key step for Winner Medical in promoting green product innovation and strengthening the foundation of scientific carbon management.



Carbon footprint verification certificate of Winner cotton lining mask

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- 10 products have obtained the Intertek Green Leaf Certification.



Case All-round solution for "Green Operating Rooms"

As the global medical system accelerates towards sustainable development, the operating room, a core scenario for life-saving, is facing unprecedented ecological challenges: Medical environment data in Canada shows that although operating rooms account for a relatively small proportion of the hospital's physical space, they contribute 20%-33% of the total hospital waste. The operation mode and product application of operating rooms urgently need to be innovated.⁵

As an innovative leader in the field of medical consumables in China, Winner Medical officially launched a systematic solution for the "Green Operating Room". Through green innovative products such as disposable surgical packs made of pure cotton spunlace nonwoven fabric, cotton surgical gowns, natural rubber gloves, and lead-free radiation protection suits, it reduces the risk of intraoperative contamination and the environmental impact of medical waste, achieving a closed-loop safety for the operating room environment with "zero infection and low energy consumption", and assisting hospitals in the green operation of their operating rooms.

Winner Green Operating Room Product Series



Lead-free radiation protection suit



Disposable surgical pack made of pure cotton spunlace nonwoven fabric

It uses new environmentally friendly composite materials to replace lead cores, avoiding the risk of lead pollution. There is no heavy-metal residue after the end of its service life, greatly reducing the difficulty of medical waste disposal. Through a lightweight design, it reduces the load on medical staff by 30% and reduces the possibility of nerve damage to medical staff.

The disposable surgical pack uses pure cotton spunlace nonwoven fabric, achieving standardized configuration of consumables, which is time-saving, efficient, safe, reliable, and environmentally friendly.

⁵Literature source: *People, planet and profits: the case for greening operating rooms.*

Case Nice Princess Cotton Filler Series Sanitary Pads

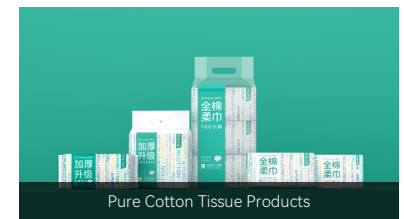
The Nice Princess Cotton Filler Series Sanitary Pads launched by Purcotton rely on the principle of unidirectional liquid conduction of porous media. Through the innovative spunlace process, the physical properties of the cotton substrate are scientifically regulated, and a 100% cotton absorbent core is successfully developed, completely abandoning the petroleum-based superabsorbent resin used in traditional sanitary pad cores. The cotton fiber content of the whole sanitary pad accounts for up to 53%, achieving good absorption performance while retaining the excellent softness of cotton fibers, realizing innovation in terms of material, softness, and absorption performance.



Case Purcotton Pure Cotton Tissue

In terms of raw material selection, the 100% cotton spunlace nonwoven fabric used in Purcotton Pure Cotton Tissue can be biodegraded in the soil environment in only 45 days, practicing the concept of green sustainability from the source.



In terms of production technology, this product uses pure cotton spunlace nonwoven fabric technology, and the water recycling rate in the spunlace process reaches 95%, significantly reducing resource consumption.



In terms of product performance, Purcotton Pure Cotton Tissue adopts the Company's independently developed "additive-free self-softening" technology to retain the natural characteristics of cotton to the greatest extent, with the softness increased by 55%, truly achieving a skin-friendly experience of "no additives, more softness".

Sustainable Packaging

The sustainability and environmental impact of packaging materials have become the focus of wide social attention. Winner Group deeply integrates the concept of sustainable packaging into the product packaging material selection and design principles. It continuously makes efforts in reducing plastic, reducing quantity, and reducing the application of virgin plastics and renewable materials from the source of packaging, continuously promoting the environmental protection transformation of the packaging system, and running the concept of sustainable packaging through the whole process of production, manufacturing, warehousing, logistics, and store sales. The Company actively selects environmentally friendly packaging materials and continuously reduces the environmental impact of the entire packaging life cycle through measures such as packaging reduction, plastic reduction, recycling, and the application of renewable materials, promoting the upgrade of the packaging system towards green, low-carbon, safe, and environmentally friendly directions.

| | | |
|--|--|--|
|  <p>Principles of Packaging Design</p> | <ul style="list-style-type: none"> Principles of Minimum Enclosing Volume Design Lightweight Packaging Materials | <ul style="list-style-type: none"> Principles of Structural Safety Design Principles of Process Simplification |
|  <p>Principles for Selecting Packaging Materials</p> | <ul style="list-style-type: none"> No-fluorescence Principle Principles of Environmental Sustainability | <ul style="list-style-type: none"> Principles for Selecting Auxiliary Materials |

Winner Medical has formulated clear sustainable packaging goals to ensure that the green packaging strategy is implemented effectively.

Sustainable Packaging Goals

By 2027, Winner Medical will achieve a **7.6%** reduction in the weight proportion of plastic packaging compared to 2024; in paper-based packaging, the proportion of FSC (Forest Stewardship Council) certification will be increased to over **50%**.

Packaging Reduction

In terms of packaging reduction, the Company adheres to the concept of lightweight design and continuously optimizes the packaging structure and streamlines packaging materials. Through measures such as conducting packaging function evaluations, removing redundant layers, and reducing volume, on the premise of ensuring product protection, transportation safety, and user experience, it continuously reduces the use of packaging materials and avoids over-packaging of products.

Case Lightweight without Compromising Quality: Purcotton's Packaging Lightweight Upgrade Reduces the Use of Virgin Plastics

In 2025, Purcotton implemented a lightweight upgrade for the packaging of Nice Princess's cotton yarn series, organic cotton series, and pure cotton sleep pants, reducing the thickness of the original packaging material by 12.5%. Through this optimization, the products launched by Purcotton this year have cumulatively reduced the use of virgin plastics by about 6000 kilograms through packaging optimization.

This packaging reduction plan is based on a comprehensive evaluation of packaging functionality. On the premise of ensuring that product transportation protection, hygiene safety, and consumer unpacking experience are not affected, it successfully achieves a precise reduction in the use of packaging materials.



Renewable Packaging

Winner Group actively promotes the application and innovation of renewable packaging materials, vigorously promotes the replacement of plastics with paper, preferentially selects recyclable and degradable paper-based materials, and gradually promotes the application of FSC (Forest Stewardship Council) certified paper materials to replace traditional plastic packaging.

Highlight Performance

In 2025, paper-based packaging accounted for **80%** of the packaging materials used for Winner Group's finished products.

Case Winner Medical Cotton Lining Mask: Replacing Plastic Packaging with Medical Dialysis Paper

To actively address the challenge of plastic pollution, Winner Medical took the lead in the industry to upgrade the mask packaging in an eco-friendly way. It completely replaced non-fully recyclable packaging materials such as traditional plastic films and paper-plastic composites with medical dialysis paper of all-paper-based structure, taking into account both hygiene and environmental friendliness. In 2025, the cumulative sales of Winner cotton lining mask packaged with medical dialysis paper reached 140 million, significantly reducing the use of plastic mask packaging in the market.

This medical dialysis paper offers excellent protective performance, meeting the rigorous standards of a medical background regarding sterility, dust-proofing, and moisture resistance to ensure safety during storage and use. Furthermore, it is environmentally friendly, being fully biodegradable and easy to recycle. In 2025, the cumulative sales of Winner cotton lining mask packaged with medical dialysis paper reached 140 million, significantly reducing the use of plastic packaging and greatly reducing the environmental impact of the packaging throughout its life cycle.



Winner Medical Cotton Lining Mask

Case Eco-friendly Innovation of Purcotton Sock Card Hooks: Pulp Material Replaces Traditional Plastic

In response to the environmental pollution pain points of non-degradable and difficult-to-recycle disposable plastic sock card hooks in traditional sock products, Purcotton established a special R&D team and successfully developed a new type of sock card hook made of 100% environmentally friendly pulp material that is free from fluorescent whitening agents, and completely abandoning plastic from the design source. At the same time, by optimizing the wet-pressing molding and surface treatment processes, on the premise of ensuring no plastic addition, the load-bearing capacity, toughness, and short-term moisture-proof performance of the hooks were significantly improved, fully meeting the hanging needs in store display and consumer use.



New Type of Sock Card Hooks Made of 100% Environmentally Friendly Pulp Material

Packaging Recycling

Winner Group regards packaging recycling as one of the key paths to promote the transformation of sustainable packaging. On the premise of strictly ensuring the safety, hygiene, and functional performance of medical and consumer products, the Company adopts packaging designs with simple ingredients and single materials, avoiding multi-layer composite structures, and significantly improving the recyclability of discarded packaging at the consumer end. Such packaging is easier to be correctly classified, efficiently sorted, and thoroughly cleaned, so that it can smoothly enter the recycling system, be transformed into recycled resources, reduce the environmental burden, and promote the realization of a plastic closed-loop cycle. In the consumption link, we actively guide consumers to pay attention to the packaging design of our products that is reusable and easy to recycle, and encourage consumers to participate in the resource back-flow.

Case

Green upgrade of cotton tissue packaging: innovation of single-material and application of recycled materials

To meet the strict environmental protection standards of the overseas market and the growing green demand of consumers, and to solve the industry pain points of the difficult-to-recycle multi-material composites and high consumption of virgin plastics in traditional cotton tissue packaging, Purcotton carried out a special technical upgrade for the cotton tissue packaging in the overseas market.

The Company uses a single PE material to solve the recycling and separation problems caused by multi-material composites from the source, significantly improving the recyclability of the packaging. At the same time, 20% of post-industrial recycled (PIR) plastics certified by overseas environmental protection agencies are added to the packaging production. On the premise of strictly ensuring the core performance of the product such as sealing, moisture-proofing, and hygiene, the consumption of virgin plastics is effectively reduced, and the use of virgin plastics is reduced by 20% year-on-year. Through technological innovation, the environmental impact of the packaging throughout its life cycle is continuously reduced, providing a practical demonstration for the green packaging upgrade of cross-border consumer goods.



In addition, at the production and manufacturing end, the standardization and circular use of internal turnover packaging such as transfer boxes and cartons are continuously promoted, and an in-factory recycling mechanism is established to achieve the reduction and efficient reuse of packaging materials. At the supply chain end, green practices in the warehousing and logistics links are vigorously promoted, and strategies such as box type optimization, direct delivery in the original box, and no unpacking for order splitting are actively implemented to reduce the demand for secondary packaging and significantly reduce the consumption of disposable packaging and the generation of waste.

Highlight performance

In 2025, the Company continued to promote green circular practices in the warehousing and logistics process, and established a closed-loop cycle of cartons from the production end to the warehousing end. By recycling and reusing cartons transferred from subsidiaries to warehouses, a total of **1.66** million cartons were recycled and reused internally throughout the year, a year-on-year increase of **29%** compared with 2024.

Case

Purcotton's nonwoven bags for bedding: the circular rebirth from environmental-friendly packaging to daily necessities

Bedding sets and blankets under Purcotton are mainly packed in 100% cotton nonwoven bags and pure cotton canvas bags. Among them, the nonwoven bags are made by the self-developed pure cotton spunlace nonwoven fabric technology of Winner Medical, containing no chemical fibers or chemical additives, and can be completely biodegradable in the natural environment, replacing traditional hard-to-degrade packaging materials such as plastics and polyester from the source.

At the same time, this nonwoven bag is not only environmentally friendly but also has excellent durability and practicality. Its material is soft and tough, with strong load-bearing capacity. Consumers can reuse it for daily scenarios such as clothing storage, travel toiletries bags, and shopping bags after opening the package, truly realizing the circular value of "packaging as usable goods".



Purcotton's nonwoven bags for bedding

Accessible High-Quality Medical Care

The Company always adheres to the business principle of "social value over the corporate value" and takes "leading the trend of great health and realizing the harmonious coexistence of people and the environment" as its mission. It is committed to developing safer, more effective, more accessible, and more inclusive medical products. At the same time, the Company actively broadens the medical service channels, promotes the sinking of high-quality medical resources to grass-roots and remote areas, and effectively improves the accessibility, affordability, and fairness of medical services, so that more people, especially patients in areas with weak medical resources, can enjoy high-quality and sustainable health protection.

Product-Enabled Medical Accessibility

Winner Medical always is committed to reducing the threshold of medical use and improving the accessibility and affordability of high-quality medical resources through highly adaptable, reliable, and inclusive product designs.

Case Innovative soft silicone foam dressing improves the accessibility of high-quality pressure injury care

In response to the high-risk of pressure injuries (bedsores) caused by long-term bed-rest of disabled and semi-disabled people and the elderly, Winner Medical launched a soft silicone foam dressing, aiming to relieve patients' pain and improve the accessibility of home care. Focusing on products suitable for the elderly and caring for vulnerable groups, this product adopts an integrated decompression and liquid-absorption design, which is convenient for patients to continue home-based self-care in the hospital. It is cut in a three-dimensional fit for high-incidence areas such as the sacrum, heels, elbows, and scapulae of patients, ensuring that the dressing closely fits the bony prominence areas, evenly distributes pressure, and effectively prevents exudate leakage. At the same time, the mild silicone gel adhesive technology is used, which not only provides firm fixation but also has low allergenicity, avoiding secondary damage to fragile skin caused by traditional tapes and significantly reducing patients' pain during dressing changes.

As a medical consumable with both clinical professionalism and operational convenience, this product has been widely used in diverse scenarios such as hospitals, community health service centers, and home care, enabling patients to receive high-quality pressure injury protection. Compared with imported dressings of the same performance, this product greatly improves the affordability for patients. In 2025, the sales volume of Winner Medical's soft silicone foam dressing reached 7.46 million pieces, benefiting over 400,000 users in total. With innovative technology, it lowers the threshold for high-quality nursing, effectively improves the accessibility and affordability of medical resources, and provides a practical solution for promoting the universal access to medical and health services.



Winner Medical's soft silicone foam dressing

Case

Winner Medical's silicone absorbent soft dressing: an innovative wound care solution combining universality, environmental friendliness, and comfort

To address industry pain points such as obvious pain during removal of traditional wound dressings, insufficient exudate absorption, easy wound maceration, and environmental pollution caused by discarded dressings, Winner Medical has launched a silicone absorbent product series. Through technological innovation, it empowers the universal access to wound care, allowing more patients to enjoy safe, comfortable, cost-effective, and environmentally friendly nursing solutions.

This product features a silicone gel contact surface design. The pain during removal is only 1/5 of that of traditional adhesive dressings. It can be slightly and repeatedly removed and attached, effectively reducing secondary damage to fragile skin and significantly relieving pain during dressing changes, especially suitable for long-term treatment and people with sensitive skin. Meanwhile, its core of super-absorbent polymer can absorb 20 times its own weight of exudate and quickly turn into a stable gel after absorption, preventing back-seepage and maceration of the wound, and creating an ideal moist healing environment. According to feedback from real users, this product significantly reduces the frequency of dressing changes. While alleviating the pain of patients and the burden of care, it also reduces the overall nursing cost and improves the convenience and comfort of home care.

In addition, this product breaks through the environmental protection bottleneck of traditional dressings. Compared with most dressings containing super-absorbent polymers in the market, its super-absorbent polymer layer can be quickly degraded through soil accumulation, reducing white pollution at the source. At the same time, its surface layer uses a degradable nonwoven fabric to contact the wound. On the basis of ensuring liquid absorption capacity and reducing the risk of wound maceration, it further improves the comfort for patients.



Winner Medical's silicone absorbent soft dressing

Fair and Transparent Pricing

Winner Medical always integrates the "altruistic" spirit into its business model. Adhering to the principles of fair, transparent, and reasonable pricing, it is committed to making high-quality medical consumables affordable and accessible while ensuring quality and innovative value. The Company's goal in medical accessibility is to comprehensively consider multiple factors such as product R&D investment, clinical value, production cost, supply-chain efficiency, and patients' payment ability, establish a scientific and standardized pricing mechanism, take into account the needs of vulnerable groups and the economic environment in different regions, and deploy more accessible and universal products.

The Company has established a standardized product pricing mechanism at the internal management level. Through multi-level authority management, it has established a standardized price approval process to prevent illegal price increases at the channel level, and reaches terminal hospitals and primary medical institutions with transparent and reasonable market prices.

At the same time, Winner Medical actively responds to and deeply participates in the centralized volume-based procurement organized by various provinces and municipalities in the country. In 2025, many of the Company's products were successfully selected in multiple large-scale centralized procurement projects such as the 24-province joint procurement alliance led by Liaoning Province. Relying on the advantages of large-scale production and lean manufacturing, the Company realizes reasonable price concessions through cost optimization in centralized procurement, lowers the access threshold for basic medical consumables, and reduces the economic burden on patients and medical institutions.



Expanding Medical Service Channels

Winner Medical continuously expands the terminal coverage of its products in hospitals and primary medical institutions in underdeveloped areas. At the same time, it promotes the network layout of offline terminal stores, extending high-quality medical consumables to more remote areas. Meanwhile, the Company systematically conducts professional training programs related to wound care for cooperative chain pharmacies and primary medical staff, improving frontline personnel's product awareness and nursing skills, ensuring that high-quality products can not only be "delivered" but also "used well". Driven by both channel sinking and capacity building, Winner Medical enables more users in remote areas to truly perceive, experience, and benefit from safe, effective, and affordable professional nursing solutions.

To further improve the balance of medical resources and the accessibility of medical services, Winner Medical has set clear goals for the channel coverage of medical products and is steadily advancing relevant work, achieving phased progress:

Winner Medical's product channel coverage goals:

Medical institution terminals:

By **2027**, Winner Medical's products will cover no less than **900** hospitals in less developed regions across the country.

Highlight performance

Progress in 2025

Winner Medical's products have covered **826** hospitals in less developed regions across the country.

Promoting Health Education

Winner Medical actively fulfills its responsibility of health promotion. Through a diversified academic promotion approach that integrates classic case analysis, practical training, and clinical practice, it efficiently conveys professional knowledge such as advanced wound care and infection prevention and control to frontline medical staff, thereby enhancing the primary medical service capabilities. Meanwhile, the Company widely conducts public welfare activities such as free medical consultations, health lectures, and offline interactive sharing sessions for caregivers, patients, and the public. It spreads scientific nursing knowledge and health concepts in an easy-to-understand way, effectively contributing to the improvement of the public's health literacy.

Highlight performance

In 2025, Winner Medical focused on three core categories: high-end dressings, operating room medical consumables, and traditional dressings. It carried out **11** professional training and academic promotion activities for frontline medical staff, with a cumulative participation of over **6,000** people.

Case

The "Spark Plan" Lights up the Operating Rooms of Orthopedics and Obstetrics and Gynecology, Promoting the Upgrading of Specialized Nursing Accessibility

To promote the sinking of high-quality medical resources and respond to the development trend of operating room specialization, Winner Medical launched the "Spark Plan" project in 2025, focusing on the two high-demand specialized fields of orthopedics and obstetrics and gynecology. Two special events were held in Beijing and Tai'an, Shandong respectively. This project enhanced the awareness, usage standardization, and accessibility of specialized surgical packs in clinical practice by creating benchmark hospitals for specialized surgical packs, setting up clinical practice sessions, and interpreting the group standard of *Use of Disposable Surgical Drape*. A total of 60 medical staff related to operating rooms in Beijing and Tai'an, Shandong participated deeply in the two events, effectively strengthening the professional value recognition of the products in specialized scenarios and laying a solid foundation for subsequent in-hospital promotion and clinical popularization.



"Spark Plan" in Beijing: Special Session on Operating Room Innovation and Practice



"Spark Plan" in Tai'an: On-site Interpretation of the Group Standard of "Use of Disposable Surgical Drape"

Case

Winner Medical Conducts Public Welfare Campaign on World Pressure Injury Prevention Day to Improve Primary Care Accessibility

In November 2025, taking the "World Pressure Injury Prevention Day" as an opportunity, Winner Medical simultaneously carried out public welfare campaigns on pressure injury prevention in medical institutions across the country. We actively responded to the global health initiative, promoted the extension of high-quality nursing resources to patients and caregivers, and effectively improved the accessibility and practical ability of pressure injury prevention and treatment knowledge.

During the event, the Company, in cooperation with the hospital's pressure injury management team, carried out free medical consultations and popular science education for medical staff, patients, and their families. It guided patients on the correct use of decompression devices and wound care products through on-site medical consultations. At the same time, it systematically explained the causes of pressure injuries, identification of high-risk groups, daily prevention points, and family care skills in the form of classroom sharing, strengthening the concept of "early prevention and early intervention".

To support frontline care practice, Winner Medical simultaneously donated medical and nursing supply packages worth a certain amount, including professional products such as skin nutrition oil and soft silicone foam dressings, benefiting a total of 1,050 medical staff and patients. Through this campaign, Winner Medical not only conveyed scientific nursing knowledge but also directly delivered high-performance and user-friendly products to those in need, contributing to the construction of a pressure injury protection closed-loop from the hospital to the family.

Contributing to the Development of the Health Industry

Winner Medical has always taken it as its responsibility to promote the high-quality development of the health industry. Looking globally, it continuously supports domestic and foreign clinical experts in conducting scientific research, actively participates in professional academic conferences, and voluntarily shares research results with global medical peers, academic institutions, and the public, including real-world data analysis, cost-effectiveness evaluation, and health economics research, constantly contributing wisdom and strength to improving global health accessibility and medical quality.

Case

Filling the Industry Gap: The Launch of the First Domestic Multi-center Health Economics Research on Disposable Surgical Packs, Strengthening the "First Line of Defense" for Infection Control

Against the backdrop of rising medical costs and increasing pressure on infection prevention and control, the value of basic consumables, as the "first line of defense for infection control", has been underestimated for a long time. Especially in the high-cost and high-risk core scenario of the operating room, there is a lack of systematic health economics evidence based on real-world data. To address this industry pain point, Hainan Boao Medical Innovation Research Institute, CN-Healthcare, and Winner Medical jointly launched the "Multi-center Health Economics Research Project on Disposable Surgical Packs", which is the first authoritative health economics research in China targeting the entire life cycle of low-value medical consumables. This project adopts a multi-center and multi-specialty design, covering disposable surgical packs for common surgical procedures such as urology and thoracoabdominal surgeries. By collecting real-world data, it conducts entire lifecycle cost calculation and benefit analysis from the dimensions of medical safety, efficiency, and cost, providing scientific and quantifiable decision-making basis for hospital managers.

From the perspective of health economics, the research results on the application effect, cost-effectiveness, and impact on medical safety of disposable surgical packs in hospitals can not only help hospitals optimize procurement decisions and reduce operating costs but also promote the sustainable development of the medical industry and improve public health well-being.



Improve Service Quality

Winner Medical always regards customers as the core partners for the Company's sustainable development and firmly believes that excellent customer service is the key to delivering brand value and establishing long-term trust. Guided by the principle of "Product Leadership, Operational Excellence", the Company has built a more proactive, efficient and warm-hearted customer service system through deepening service process optimization, empowering with intelligent technologies and data-driven closed-loop management.

Customer Relationship Management

The customer management work of Winner Group has been incorporated into the Company's overall governance framework, with strategic supervision by the board of directors and direct leadership from the senior management. As a full-time service management department, the Company's customer service department is responsible for the systematic operation of customer service work. Through the construction of a professional team, the establishment of standard processes and the application of intelligent tools, it comprehensively improves service capabilities and efficiency. The Company's Sustainable Development Steering Group regularly reviews the key performance and strategic direction of customer service to ensure that the service quality goals are in line with the sustainable development strategy. The board of directors has set up a Strategy and Sustainable Development Committee to review and supervise major strategic matters related to the Company's customer relationship management, providing top-level governance guarantees for the continuous improvement of service quality.

In terms of team building and talent development, the Company has established a comprehensive system covering pre-job training, on-the-job practical training, regular assessments, and competency certifications. In 2025, we focused on a series of professional trainings such as strategic product knowledge empowerment and sales skills improvement. We also launched the "Star Certification" for customer service and the training program for team leaders of the "Unclaimed Plan", aiming to build a professional echelon that is proficient in both products and service.

In the construction of processes and systems, the Company continuously improves and optimizes internal operating specifications such as the *Pre-Sales, In-Sales, and After-Sales Service Procedures* to ensure that all service actions in the entire link from customer consultation, order processing to after-sales follow-up are well-regulated and have unified standards. At the same time, we actively explore how technological innovation and in-depth application can empower service management. By introducing intelligent quality inspection systems and automated tools, we have greatly improved the efficiency and quality of services.



Intelligent Quality Inspection and Risk Control

We introduced an intelligent quality inspection system and established a mechanism for intercepting prohibited words and alerting for keywords to eliminate service risks from the source. We also ensure timely escalation and closed-loop processing of risk issues.

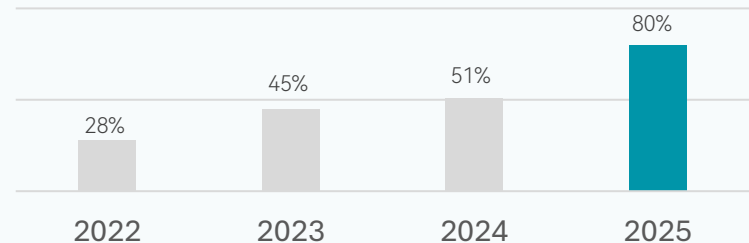


Efficiency Improvement with Automated Tools

We have widely deployed RPA (Robotic Process Automation) tools to achieve automation in 28 high-frequency scenarios such as re-issuing order messages, modifying order information, and data review.

We attach great importance to the professional and warm-hearted construction of the Company's customer service team. We encourage customer service staff to obtain the professional infant care certifications to enhance the service temperature with the empathy of "understanding what mothers need", making professional services closer to the voices of consumers. As of the end of the reporting period, the percentage of employees with professional infant care certifications in the customer service team reached 80%.

Proportion of customer service team employees with professional infant care certifications



Customer Communication Channels

The Company adheres to the service concept of "from the heart, consistency, and exceeding expectations" and shifts the service model from passive response to active insight and anticipation. We have established a regular channel and mechanism to receive and process customer feedback.

For different customer groups, the Company has established diversified feedback channels:



For general
consumers

Consumers can submit their opinions and feedback to us at any time through the online customer service of various e-commerce platforms, the 400 hotline (400-1300-888), and store guides.



For business
customers

Customers can submit their opinions and feedback at any time through the customer service hotline, the exclusive service of "one group for one customer" on enterprise WeChat, and the customer communication function in the order system. In addition, we systematically collect the voices of partners through the customer service function of the B2B mall, daily customer visits, annual dealer conferences, and special online satisfaction survey forms.

The Company has systematically built an online-offline integrated Voice of Customer (VOC) collection and analysis network and achieved remarkable results in improving customer service. This year, we added the VOC from stores and innovatively built a store invitation evaluation and work order feedback system, collecting more than 10,000 offline customer voices throughout the year.

In 2025, through online and offline VOC, we successfully promoted the implementation of more than 140 optimization items, covering multiple fields such as operation management, logistics distribution, product development, and quality control. Among them, we made outstanding progress in improving the product quality of textile products, effectively solving long-standing product pain points such as holes in disposable underwear, lint shedding from terry towels, and degumming of seamless underwear. These structured customer feedback data have become the core decision-making basis for driving the Company's product iteration, operation optimization, and service upgrading, forming a complete closed-loop management mechanism of "customer feedback-data analysis-improvement implementation-effect verification".

Customer Complaint Handling

Winner Group formulates the *Complaint Handling Process* in accordance with GB/T 19012-2022 *Quality management-Customer satisfaction-Guidelines for complaint handling in organizations*. For the medical sector, we also follow the ISO 13485 medical device quality management system and specific regulatory requirements of various sales countries (such as the United States, the European Union, and Brazil) to establish the Customer Complaint Handling Process to ensure that complaint handling meets the highest regulatory standards and product safety requirements.

We regard complaints as valuable opportunities to improve services and have established a clear, efficient, and closed-loop complaint handling mechanism.

▶ Quick response and graded handling

After a complaint occurs, we strive to make the first response and comfort within 30 minutes. We start the graded handling process according to the severity of the problem to ensure that major complaints can be immediately escalated to management and the emergency mechanism can be activated.

▶ Problem verification and tracking

The customer service or the dedicated complaint handling team will cooperate with departments such as after-sales, logistics, and quality for a comprehensive verification. They will clearly explain the reasons to the customer based on facts and provide practical solutions, and track the implementation throughout the process until the problem is finally solved.

▶ Review and closed-loop management

Monthly summarize customer complaints and improvement suggestions, analyze the root causes of high-frequency issues, and promote common problems to the corresponding departments (such as product, R&D, quality, operations, logistics, etc.) for improvement. By establishing a case library for shared learning, a preventive management closed-loop of "handling-review-optimization" has been formed.

In 2025, the 48-hour work-order closure rate for customer complaints reached 94.4%, and the response time for major public opinions was controlled within 30 minutes. Through special training and process optimization, the customer complaint settlement rate of independent third-parties (referring to the 315 Consumer Green Channel) has been significantly improved, which proves the effectiveness of our customer complaint mechanism.

Highlight Performance

In 2025

Customer complaint response rate

100%

48-hour work-order closure rate for customer complaints

94.4%

Customer Satisfaction Management

The Company attaches great importance to the quantitative management and continuous improvement of customer satisfaction. It is regarded as a key performance indicator to measure service quality and drive internal improvement, and multiple proactive measures are taken to ensure the achievement of the target.

Service process optimization

- Establish a "escalation upon dissatisfaction" mechanism for complaints: An innovative full-link closed-loop process has been established for complaint handling. When the system detects that a customer clearly expresses dissatisfaction, it will automatically transfer the case to a dedicated senior customer service representative for follow-up. A dedicated person will be assigned to be fully responsible for problem-solving until the case is closed.
- Optimize the order expediting process: Implement fine-grained management of the shipping process, adopt differentiated follow-up strategies according to the urgency of orders, and synchronize with customers through a standardized reminder mechanism, which improves the efficiency and transparency of order fulfillment.

Refinement of communication scripts

- Build a scenario-based response framework: This involves establishing a comprehensive response library covering key scenarios such as product inquiries, after-sales support, and logistics tracking, based on an in-depth analysis of vast amounts of customer service dialogue data.
- Deepen emotion-adapted communication: Rely on the intelligent system to analyze customer emotions, develop professional scripts suitable for different emotional responses, and focus on iterating the special response strategy for negative emotions, making customer service communication more empathetic and targeted, and effectively improving the customer experience at the communication level.

Application of intelligent tools

- Deploy an intelligent emotion monitoring system: Introduce advanced tools to conduct real-time emotion recognition throughout the customer service communication process. When negative emotions are detected in the customer's tone, an immediate warning will be triggered to prompt customer service representatives and managers to adjust the communication strategy in time and intervene for guidance, realizing pre-risk management.
- Build an active logistics early-warning system: Establish a full-link logistics monitoring platform to dynamically track each link of the order from shipping to delivery. Automatically issue early warnings and coordinate interventions for potential abnormal situations, and actively inform customers of the processing progress, constructing a closed-loop management from passive response to active service.

Through the optimization of service processes, the refinement of communication scripts, and the in-depth application of intelligent tools, we have systematically promoted the upgrade of the customer experience. The Company has set clear goals for improving customer satisfaction and follows up on the achievement through daily monitoring and regular analysis. In 2025, the overall customer satisfaction of the Company reached 93.98%

| Business segments | 2025 Satisfaction rate | 2026 Satisfaction target |
|---------------------|------------------------|--------------------------|
| Medical Consumables | 96.7% | No less than 96% |
| Consumer Goods | 91.85% | 93% |

In addition, the improvement of customer satisfaction is also reflected in the optimization of key operational indicators. In 2025, the negative review rate and customer complaint rate decreased year-on-year, and the online return rate of textile products was better than the industry average.

Responsible Marketing

Winner Group regards responsible marketing practices as the cornerstone of safeguarding consumer rights, shaping an excellent brand, and ensuring long-term value. We strictly abide by laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China*, the *Consumer Rights and Interests Protection Law of the People's Republic of China*, the *E-commerce Law of the People's Republic of China*, and the *Anti-Monopoly Law of the People's Republic of China*, as well as applicable laws and regulations in the locations where our overseas businesses operate. We adhere to the principle of fair competition and are committed to ensuring that all marketing content is true and accurate through honest, transparent, and compliant market activities, resolutely eliminating all unfair competition behaviors.

We have established and continuously improved a systematic marketing content governance and risk prevention and control system. The Company has formulated internal management systems such as the *Code of Business and Ethical Conduct for Employees*, the *Content Review System*, and the *Purcotton Advertising and Promotion Guide Manual*, and the *Responsible Marketing Policy* in 2025, providing more detailed and operational behavioral guidelines for all employees and partners. In addition, to continuously improve the Company's awareness and ability of fair competition compliance, the Company joined the Shenzhen Enterprise Competition Compliance Working Alliance in 2025 and actively referred to the *Implementation Guidelines for the Construction of the Fair Competition Compliance System of Shenzhen Enterprises* to optimize internal compliance management work, deeply integrating the concept of preventing unfair competition and maintaining a fair market environment into all aspects of the business.



Pre-event joint review

All marketing content released externally, including advertisements, official website and social media information, must go through the joint review of departments such as the Compliance Department, Quality Department, Brand Department, Securities Department, and Commodity Center. Each department strictly checks in terms of legal compliance, data accuracy, expression appropriateness, and information authenticity based on laws, technology, brand, and disclosure specifications, ensuring 100% review and approval before information release.



In-event dynamic monitoring

Real-time monitoring is carried out on marketing activities and user interaction content on digital channels (including social media) to ensure compliance with platform specifications and applicable laws.



Post-event evaluation and optimization

Regularly evaluate marketing content and methods to ensure that the information communicated with consumers is scientific, objective, and balanced. In particular, a special review mechanism is established for product function claims to prevent the risk of false publicity from the source.

To standardize the Company's external communication information behavior, the Company regularly conducts responsible marketing training for employees to ensure that they fully understand and are familiar with the requirements of responsible marketing. The training content includes illegal situations that are likely to occur in e-commerce advertisements, as well as relevant policies and systems for the Company's external communication, ensuring that employees are familiar with and abide by the Company's systems, eliminating false and exaggerated publicity in business activities, standardizing brand-related content, and jointly maintaining the Company's brand and reputation. In 2025, we carried out multiple training sessions for business teams such as brand, commodity, customer service, e-commerce, and overseas, with a participation rate of over 98%, comprehensively improving the ability of relevant personnel to identify and prevent marketing compliance risks.

By establishing and improving the competition compliance system, the Company effectively avoids the reputation and legal risks that may be brought by unfair competition behavior, ensuring that the information disclosed externally and product information are true and reliable. During the reporting period, Winner Group did not have any violations of product and label information or marketing and publicity, nor did it face any lawsuits or major administrative penalties due to violations of laws and regulations in compliance marketing.

We attach great importance to the continuous optimization of the marketing compliance system and incorporate responsible marketing audits into regular supervision. In 2025, the Company has completed the planning of special audit work and plans to conduct systematic reviews and risk assessments of the Company's marketing activities starting from 2026, continuously improving the level of marketing compliance and ensuring that the Company's operations always meet the standards of laws, regulations, and business ethic

Strictly Adhere to Chemical Safety

Winner Group always adheres to the core concept of "Close to medical science with pure cotton care". We understand the safety of chemical substances in products is directly related to human health and the natural ecological environment. Therefore, we have placed chemical risk management at the forefront of product R&D and supply chain management, established a product strategy of "completely eliminating harmful chemical substances", and integrated chemical risk management throughout the entire process of product design, production and operation, and supply chain collaboration. Through the continuous improvement of its own management system and the requirements and guidance for supply chain partners, the Company is committed to effectively identifying and managing chemicals throughout their life cycle and continuously exploring the path of chemical elimination to reduce the impact on the environment, health, and safety.

Chemical Safety Management

The Company attaches great importance to chemical safety management, formulates and implements management systems and operating specifications such as the *Chemical Management Policy*, and strictly regulates the daily management of chemicals from procurement, storage, transportation, use to waste disposal.

Admission Requirements

- Purchased chemicals must comply with relevant national standards and possess valid Safety Data Sheets (SDS/MSDS).
- Priority is given to procuring chemical agents with ZDHC MRSL conformity certificates.
- Strictly verify information such as the chemical name, safety labels, and SDS/MSDS before acceptance and warehousing.

Storage & Custody

- Chemicals must be stored in dedicated warehouses or areas under the management of designated personnel.
- Store chemicals based on their physical/chemical properties and hazard characteristics through classification, zoning, and separate storage to prevent chemical reactions or safety incidents due to mixed storage.
- Warehouses are equipped with sufficient safety facilities and signs, including fire-fighting equipment, spill response materials, and sprinkler systems, to mitigate risks such as chemical leaks.
- Strictly control inventory levels, adhering to the principle of "zero inventory" or "minimum inventory."
- Warehouse management personnel conduct daily safety inspections to ensure a secure and controllable chemical storage environment.

Drawing & Usage

- Implement the principle of "drawing only what is needed" to avoid excessive storage of chemicals in the workplace.
- Strict registration is required upon withdrawal of chemicals, and safe operating procedures must be strictly followed during use.
- Chemical usage areas should be equipped with appropriate fire-fighting equipment and spill emergency response facilities to ensure timely handling of emergencies.

Transportation & Handling

- Use dedicated tools or vehicles for internal transportation of chemicals, implementing anti-slip and anti-leakage measures.
- Only trained personnel are permitted to handle hazardous chemicals.

Waste Disposal

- Collect chemical waste separately, store it in designated special containers, and affix hazardous waste labels correctly.
- All hazardous waste is entrusted to qualified professional units for disposal, ensuring the process complies with environmental protection and safety requirements.

Management Specifications

The Company strictly complies with the laws and regulations related to chemical safety applicable in the operation area and benchmarks against international advanced industry standards. These include China's "Guidelines for the Use and Control of Key Chemical Substances in Consumer Products" (GB/T 39498), Basic Safety Technical Specifications (GB 18401); the EU's EC/1907/2006 "Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals" (REACH), "Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment" (RoHS), etc. The Company formulates and implements the "Manufacturing Restricted Substances List (MRSL)", clearly listing the prohibited and restricted substances, including alkylphenols (APs), ethoxylates (APEOs), allergenic disperse dyes, carcinogenic dyes, etc., to ensure that products comply with relevant standards for the prohibition and restriction of chemicals.

Technological Innovation

The Company has successfully broken through the technology of fluorine-free waterproofing for pure cotton products. It uses environmentally friendly fluorine-free materials to replace traditional waterproofing agents containing PFAS (perfluoroalkyl and polyfluoroalkyl substances), significantly reducing environmental impact and human health risks. At the same time, the Company continuously conducts research on the technology of zero-addition of fabric softeners. Through the physical air-beating process, the fabric achieves a soft effect, reducing and gradually replacing the use of traditional chemical fabric softeners.

Product Application

Relying on full-process control and technological innovation, the Company's products are free from the addition of various harmful chemical substances such as formaldehyde and fluorescent whitening agents, and have passed safety testing and certification. This ensures that our products are harmless to humans and friendly to the environment throughout the entire cycle from production to use.

After tracking and accounting, during the reporting period, all products of the Company do not contain restricted/hazardous chemical substances or chemicals related to substances of very high concern (SVHC) under the REACH regulation.

Chemical Management of Suppliers

The Company attaches great importance to the chemical safety management of the supply chain and extends the requirements for the use of environmentally friendly and safe chemicals to upstream partners. In the chemical procurement process, we clearly require suppliers to comply with the prohibition and limitation requirements of chemical substances stipulated in the ZDHC MRSL (Manufacturing Restricted Substances List). We give priority to the selection of chemicals that have passed the MRSL compliance certification and require chemical suppliers to provide proof documents that their products meet the requirements of the ZDHC MRSL, ensuring that the source of chemicals is controllable and the information is transparent.

Meanwhile, the Company incorporates chemical management into the supplier ESG management system. In the annual ESG special review of key suppliers, chemical management evaluation content is set up. The focus is on examining the chemical management system established by suppliers and the operational measures taken in compliance with laws and industry norms in the links of storage, use, and waste disposal. The corresponding evaluation results will be an important reference for supplier performance evaluation, used to promote continuous improvement and cooperation upgrading, and to promote the joint improvement of the chemical safety level of the upstream and downstream.



Chemical Risk Assessment

In response to the development of new products and the iterative optimization of the existing product portfolio, the Company has established and continuously improved a risk assessment system for the impacts of chemical substances on the environment and human health to ensure that products meet the requirements of safety, compliance, and environmental protection. The Company strictly adheres to relevant domestic and international product and consumer goods regulations, as well as applicable laws and regulations in the export countries/regions. At the same time, it benchmarks against advanced industry standards and compliance requirements of relevant parties to conduct risk assessments on the chemical substances that may be contained in products. The specific process is as follows:

01 Hazard Identification:

During the product R&D stage, comprehensive testing and verification are carried out on key safety indicators of new products, such as biocompatibility (i.e., product safety/toxicity assessment), REACH&RoHS compliance, content of hazardous chemical substances, and MSDS (Material Safety Data Sheet), to identify whether there are potential hazard risks in the products.

02 Exposure Assessment:

Combining the actual usage scenarios of products and the target user groups, the potential risk exposure routes and exposure intensities of chemical substances are evaluated. Especially for products such as pure cotton wearable items and personal care products, the risks of direct contact, long-term attachment and penetration of chemical substances with human skin are mainly evaluated. Attention is paid to the scenarios where chemical substances are in direct, large-area and long-term contact with human skin. The migration amount and absorption rate under different usage conditions are evaluated and tested to identify potential cumulative exposure risks.

03 Risk Characterization:

Based on the product safety thresholds required by national regulations and industry standards, the Company sets safety thresholds for key chemical indicators in products that are equivalent to or stricter than those required by regulations and industry standards. For example, for baby products, the Company fully implements and exceeds the requirements of the national standard GB 31701 Class A (infant products) and benchmarks against the highest international ecological textile standards (such as OEKO-TEX® Standard 100 Class I) to ensure the safety of sensitive user groups.

04 Risk Mitigation & Substitution:

If potential hazardous chemical substances are found in product evaluation and testing, even if their content is within the regulatory limits, the Company adheres to the principle of "active elimination and green substitution" and actively develops product substitution solutions that are harmless to human health and friendly to the ecological environment.

Case Purcotton "Safe Products" Practices

Purcotton Pure Cotton Tissue: Reject Harmful Additives at the Source

As a core product category, Purcotton pure cotton tissues are made of 100% high-quality cotton. During the raw material processing and spunlace nonwoven fabric forming process, we strictly prohibit the use of chlorine-containing bleaching agents. The products have passed strict testing to ensure zero addition of fluorescent brighteners and formaldehyde, providing safety care rooted in exacting medical standards for sensitive skin and newborns.

Purcotton Baby Clothing: Exceed the Safety Bottom Line of Textiles

Considering the higher sensitivity of babies to chemical substances, the Purcotton Baby Clothing product line completely bans the use of azo dyes, allergenic disperse dyes, and alkylphenol ethoxylates (APEOs/NPEOs) with environmental hormone effects in the dyeing and printing process. For auxiliary accessories (such as snap buttons), the residues of heavy metals such as nickel, lead, and cadmium are strictly limited. The core baby textiles have all passed the international authoritative OEKO-TEX® Standard 100 certification, ensuring that any trace of potentially harmful chemical substances is within the absolute safety boundary.

Sustainable Supply Chain

To build a sustainable and responsible supply chain management system, Winner Group takes the ESG concept as the core driving force and continuously promotes the standardization and normalization of the supply chain. The Company is committed to working with partners to build a compliant, fair, and transparent cooperation ecosystem, creating a "win-win chain" of value co-creation and collaborative progress to empower the high-quality and sustainable development of the industrial chain.

Supply Chain Management System

The Company has built a closed-loop management system for supplier access, screening, evaluation, and elimination by formulating and implementing systems such as the *Supplier Management Procedure*, the *Production-type Material Supplier Management Procedure*, and the *Supplier Performance Appraisal Management*. It also incorporates ESG indicators such as environmental compliance, labor rights, and business ethics into the core evaluation dimensions, continuously improving the suppliers' sustainable development practice capabilities, and continuously improving the supply chain risk identification and early-warning mechanism to achieve the standardization and refinement of supply chain management.

Supply Chain Management Structure

Winner Group is committed to continuously optimizing its sustainable supply chain management system. As the highest decision-making body of the Company, the Board of Directors is fully responsible for coordinating the sustainable development strategy and major issues, including the ESG management of the supply chain. The Board has established a Strategy and Sustainable Development Committee, which is specifically responsible for supervising the formulation and implementation progress of the supply chain ESG management goals.

At the management execution level, the Company has established the Sustainable Development Leader Group, under which the Supply Chain Task Force is set up to ensure the comprehensiveness and effectiveness of supply chain management. This Task Force is led by the Supplier Management Department and collaborates with functional departments such as the Quality Management Center, the Commodity Center, and the Supervision and Audit Department to be responsible for implementing the following key aspects:

| | |
|---|---|
| Supplier Access Assessment | Ensure the selection of suppliers that meet ESG requirements. |
| ESG Risk Identification | Systematically identify and proactively manage potential environmental, social, and governance risks in the supply chain. |
| Compliance Audit | Regularly conduct compliance checks on suppliers to ensure they meet relevant regulatory requirements. |
| Performance Evaluation and Continuous Improvement | Monitor supplier performance through a performance evaluation mechanism and promote their implementation of continuous improvement. |

This cross-departmental collaboration and process management ensure that ESG requirements are deeply integrated into all aspects of procurement and the supply chain to enhance the resilience, transparency, and sustainable development level of the supply chain.

During the reporting period, the Company formulated and officially released the *Supplier Code of Conduct*, clearly incorporating ESG requirements such as human rights and labor, health and safety, business ethics, and environmental protection into the contract terms with suppliers. The Company reviews and evaluates supplier performance based on this code. For suppliers that fail to meet the code requirements, Winner Group reserves the right to suspend the awarding of new business or terminate existing cooperation agreements. At the same time, we encourage suppliers to implement the same standards in their own supply chains, extending the sustainable development requirements in the *Supplier Code of Conduct* upstream in the value chain to jointly build a responsible supply chain ecosystem.

Highlight Performance

In 2025, **87%** of Winner Group's production-type material suppliers had signed the *Supplier Code of Conduct* ⁶

⁶ During the reporting period, both overseas suppliers and suppliers slated for cooperation suspension within the Company's medical business segment have not yet signed the Company's *Supplier Code of Conduct*.

Supplier Screening and Onboarding

The Company strictly adheres to the principles of fairness, openness, and impartiality. At the new-supplier onboarding stage, it comprehensively evaluates potential suppliers' performance in terms of qualification certification, technical capabilities, quality assurance, production levels, and business reputation through methods such as document review, preliminary qualification review, and on-site inspections. On this basis, we also incorporate ESG factors such as labor human rights, health and safety, business ethics, and environmental protection management into the onboarding review of all new suppliers, with ESG review and evaluation accounting for 10% of the total weight to promote sustainable procurement decisions.

The supplier onboarding review work is led by the Supplier Management Department, in conjunction with relevant departments such as Quality Management and R&D. Based on relevant institutional documents such as the *New Supplier Onboarding Review Specification*, comprehensive reviews of new suppliers are carried out on-site or online to ensure that new suppliers meet the Company's requirements in terms of compliance and sustainable development capabilities.

Highlight Performance

In 2025, Winner Group conducted ESG assessments on new production-type material suppliers, with a coverage rate of **100%**

At the same time, the Company continuously strengthens the risk assessment of potential supplier resources to support scientific hierarchical and classified management. Based on comprehensive consideration of key dimensions such as material categories, procurement strategies, business relevance, and environmental, social, and governance performance, the Company divides suppliers into four levels: strategic suppliers, significant suppliers, general suppliers, and suppliers under review. At the supplier screening and onboarding stage, in addition to conventional evaluation dimensions, the Company also incorporates risk factors such as country-specific risk (e.g., political stability, legal environment, and compliance regulatory level of the country or region where the supplier is located), sector-specific risks (e.g., labor-intensity, occupational health and safety conditions, and

environmental impact characteristics of the supplier's industry), and commodity-specific risks (e.g., potential quality and safety issues of the supplier's products or materials) into the assessment scope, promoting the early identification of supply-chain risks and differentiated management measures to ensure supply-chain stability.

Supplier Onboarding Assessment Process

Basic Information Collection

- Collect basic information about potential suppliers, including company profile, qualification documents, and financial status.

Business Qualification Review

- Verify information and conduct desktop assessments using public platforms, and screen suppliers for risks to eliminate major compliance and operational qualification risks.
- Arrange sampling for suppliers who pass the initial qualification review. After sample completion, conduct preliminary evaluations on craftsmanship and cost to ensure potential suppliers meet basic cooperation requirements.

On-site Assessment

- In principle, conduct on-site assessments for all new suppliers before formal cooperation, covering equipment, production environment, quality system certification, and commercial reputation. Conduct a dedicated ESG audit (covering human rights & labor, health & safety, environment & society, and business ethics dimensions), with ESG assessment accounting for 10% of the total evaluation weight.
- For new suppliers rated as requiring rectification, the company's supplier management department issues a corrective action notice, requesting rectification and feedback. The review panel then re-evaluates based on the rectification results.

Signing of the Agreement

- Suppliers rated as qualified are added to the Approved Supplier List and must sign agreements such as the *Integrity Commitment Agreement and Supplier Code of Conduct* to clarify the rights and obligations of both parties.

Supplier Assessment and Audit

The Company has established and continuously improved a scientific and standardized supplier audit and performance evaluation system to achieve systematic management of the entire supplier lifecycle. Supplier evaluation and audit mainly take place at the new-supplier onboarding stage and the annual audit stage for existing suppliers. This year, in addition to comprehensively covering factors such as product quality, delivery capabilities, and cost control, the Company has also optimized the evaluation criteria for supplier social responsibility and environmental assessment, incorporating ESG-related requirements for special evaluations to ensure that suppliers are in line with the Company's strategic development in terms of compliance and sustainable development capabilities.

In terms of supplier social-responsibility audits, the Company always places human-rights protection and occupational safety at the core, strictly examining whether suppliers adhere to the "zero-tolerance" bottom line and resolutely eliminating child labor and any form of forced labor. At the same time, it evaluates the implementation of basic labor rights such as fair compensation and benefits, compliance with legal working hours, and respect for employees' right to freedom of association, and examines the health and safety management of the workplace to ensure that suppliers provide healthy and safe working conditions for their employees.

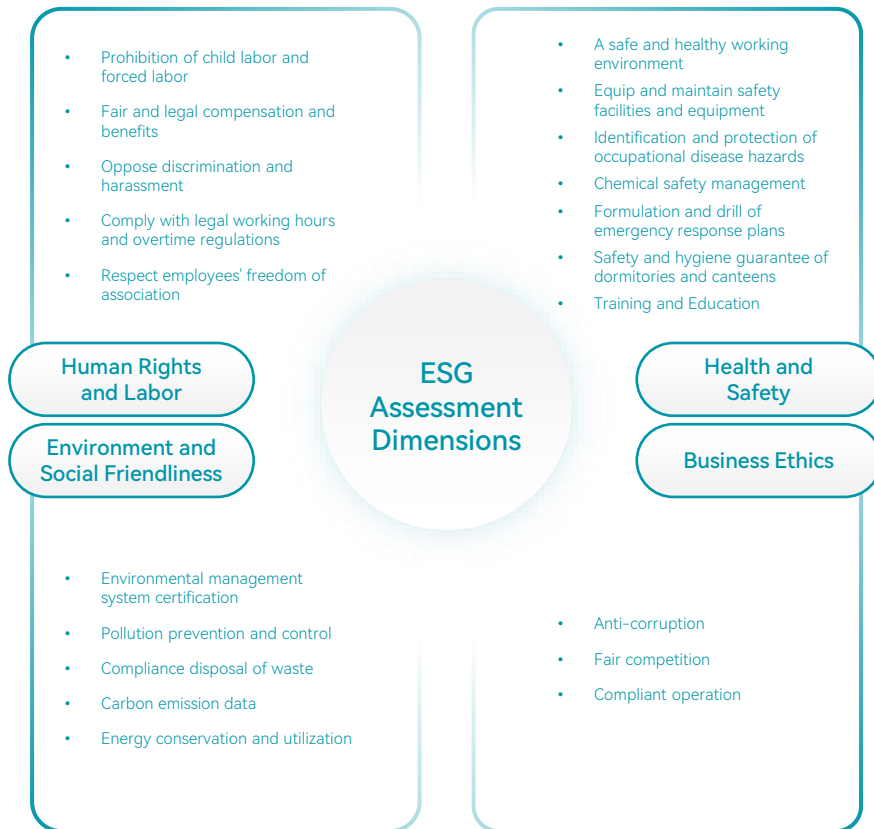
In terms of supplier environmental audits, we focus on examining the construction of the supplier's environmental management system, evaluating the implementation of pollutant control such as the standardized disposal of waste and the compliance of wastewater discharge, and assessing their energy-management capabilities and the construction of carbon-emission data collection and accounting systems.

In terms of supplier governance audits, the Company takes business ethics and compliant operations as the core, strictly examining whether suppliers have engaged in illegal activities such as corruption, bribery, and unfair competition.

Supplier ESG Assessment

In the daily management of suppliers, at the end of each quarter, the Company strictly conducts performance evaluation and grading work in accordance with the *Supplier Performance Management System*, and updates the supplier list in a timely manner. The evaluation results serve as an important basis for the annual supplier cooperation level assessment. Every year, the Company formulates an annual audit plan. A review team is jointly formed by the Company's Supplier Management Department, Quality Management Center and other departments. In the form of second-party on-site audits, a special ESG review is carried out on suppliers included in the annual audit scope to continuously improve the overall compliance level and sustainable development ability of the supply chain.

Content of the ESG assessment for suppliers



To deepen the construction of a sustainable supply chain, Winner Group continuously expands the coverage of the annual ESG audit of suppliers. It has set clear annual ESG assessment coverage targets and promotes implementation in stages and with key focuses:

| Annual Supplier ESG Assessment Coverage Target | Progress in 2025 |
|--|---|
| By 2027, 100% of key Tier-1, Tier-2, and strategic suppliers will undergo annual ESG assessments | 20% of key Tier-1, Tier-2, and strategic suppliers completed annual ESG assessments |

The Company establishes the ESG audit and improvement mechanism for suppliers. Through on-site assessments, it identifies the positive practices and non-compliant matters of suppliers and retains relevant supporting evidence. For the non-compliant items found in the audit, the Company issues the *Improvement Form for Non-compliance in Supplier On-site Review*, clarifies the rectification requirements and corrective action plan (CPA), and urges suppliers to complete the rectification within the specified time limit. At the same time, the Company's Supplier Management Department cooperates with the Quality Management Center to verify the rectification effect of suppliers to ensure that the non-compliant issues are rectified in place and a management closed-loop is formed, continuously improving the ESG management level of suppliers. For suppliers that fail to complete the rectification within the specified time limit or still fail to meet the qualified standards after rectification, the Company will terminate the cooperation and eliminate them in accordance with the management regulations.

During the reporting period, the Company carried out ESG assessments on 34 significant suppliers and did not find any suppliers with significant potential negative impacts in terms of environment, society and governance.

Supply Chain Risk Management

Facing the complex and volatile global business environment, the Company continues to improve its supply chain risk assessment and early warning mechanism, dynamically monitors changing trends of external factors such as geopolitics and market fluctuations, systematically identifies and assesses potential risks including material supply security, dependence on key resources, and logistics disruption, so as to ensure the stability, continuity and compliance of the supply chain. In 2025, the Company further deepened supply chain risk management and control, focused on ESG management, strengthened internal and external collaboration, and comprehensively improved the resilience of the supply chain.

During this reporting year, for external management, the Company officially introduced the Supplier Code of Conduct and implemented ESG assessments, incorporating environmental, social and governance requirements into the supplier access and evaluation system. It also helped suppliers improve their compliance awareness and responsible practice capabilities through training and empowerment, effectively turning ESG management into a frontline defense for supply chain risk prevention and control.

For internal management, the Company continues to optimize the supply chain risk management and control system, improves the efficiency of risk monitoring and response based on digital construction, and strengthens the professional capacity building of personnel in supply chain-related posts, continuously consolidating the safety defense line of the supply chain.

Improve the Supply Chain Risk Control System

Build a supply chain compliance system and a hierarchical risk control system. According to the established annual internal control plan, the Company's supervision/audit department is responsible for the Company-level strategic compliance review, and the supply chain is responsible for business-level risk control such as procurement, production, and logistics. The two cooperate to establish a KCP (Key Control Point) risk map covering the entire supply chain to achieve accurate risk positioning and hierarchical control. The Company relies on the PDCA management mechanism and the hierarchical early-warning system to continuously promote the closed-loop management of risk identification, problem rectification, improvement verification and result feedback, and formulates and implements pre-action plans to comprehensively enhance the supply chain's risk prevention and control ability.

Deepen Digital Empowerment

Rely on digital tools and data analysis technologies to continuously optimize the supply chain management system. By launching the SRM supplier management system, the qualification review and access processes for new suppliers are fully operated online, promoting the transparent and standardized operation of the processes and effectively preventing and avoiding supply chain compliance risks in the access link. At the same time, the system opens up the data link and builds a traceable system covering the procurement, warehousing, and usage of multi-level materials, ensuring that the source of raw materials can be traced, the destination can be tracked, and the quality can be controlled.

Strengthen Professional Capacity Building

The Company organizes employees to participate in supply-chain security-related training annually, covering content such as supply chain risk identification and response methods. Through forms such as theoretical teaching and case analysis, it continuously improves the risk awareness and professional qualities of employees in key positions such as procurement and production, laying a solid talent foundation for the construction of supply chain resilience.

Case

Winner Medical conducts an annual special training on supply chain security

In 2025, Winner Medical organized an annual special training on supply chain security for employees in supply chain-related positions. The training content focused on modules such as the core definition of supply chain security, risk response mechanisms, and practical cases of the Company's supply chain security prevention and control. It deeply analyzed the identification logic and response strategies for typical supply chain risks. Combining the Company's actual management experience, it mainly shared the supply security guarantee of trade materials, the closed-loop control of defective products from suppliers, and the practical specifications and effectiveness of supplier spot checks. Through a combination of theoretical lectures and real-scenario reviews, this training further helped employees deepen their understanding of supply chain risks and their professional ability in risk prevention and control.



The scene of the special training on supply chain security

Collaborative Development of the Supply Chain

Winner Group focuses on the collaborative development of the supply chain and continuously strengthens its internal and external sustainable development capabilities through two-way empowerment. Internally, it systematically reshapes the team's professional ability in green procurement, laying a solid foundation for talent in the green transformation of the supply chain. Externally, it builds a platform for the exchange of ESG knowledge and practices, leading partners to jointly build a carbon reduction defense line and a compliance system, and working together to build an open, win-win, resilient, and green sustainable supply chain ecosystem.

Green Procurement Capabilities

To thoroughly implement Winner Group's sustainable development strategy, the Company comprehensively improves the professional ability of the supply chain team in sustainable supply chain management and green procurement through systematic training, professional empowerment, and practice sharing, providing solid talent support for the Company to continuously promote the green and low-carbon transformation of the supply chain and enhance its long-term resilience and competitiveness.

In 2025, the Company carried out a series of ESG capability building actions for its supply chain team.

▶ Supply chain ESG practice sharing session

Invited external experts to deeply analyze the successful cases of leading enterprises in the green supply chain transformation around topics such as supply chain sustainable development practices, procurement management processes, training and coaching systems, due diligence audits, green packaging, carbon management, and green materials, helping employees establish a systematic knowledge framework for green procurement and improve their ability to identify supply chain ESG risks and make green procurement decisions.

▶ Special training on supply chain carbon reduction

Conducted special training on supply chain carbon reduction for key positions in the supply chain department and each subsidiary, including practical carbon inventory and coaching on supplier carbon reduction measures, ensuring that key position personnel understand and master the core points of supply chain carbon footprint management and promoting the practical ability of suppliers to collaborate on carbon reduction.

▶ Training on sustainable packaging materials knowledge

Jointly with excellent packaging material suppliers, carried out 4 special trainings on sustainable packaging materials, deeply explaining the material composition, process flow, green packaging trends, and FSC materials of packaging materials, laying a solid foundation for the team's professional knowledge in the packaging material selection and design process, and helping the Company promote the application and implementation of green, low-carbon, and sustainable packaging.

Supplier ESG Capability Development

To help improve the sustainable development ability and risk prevention level of the supply chain, Winner Group actively organizes suppliers to carry out ESG capability building activities, including ESG publicity and training, supplier conferences, carbon management training, and experience sharing and exchanges. It builds a platform for the exchange and cooperation of ESG-related professional knowledge and skills for suppliers, deeply shares the Company's sustainable development strategy, the progress of supply chain ESG management, and the supply chain carbon reduction plan, as well as the practice of key issues with partners, helping suppliers improve their own sustainable development level.

ESG publicity and training empowerment

Publicized ESG-related content, including the *Supplier Code of Conduct and the ESG Special Audit* through annual supplier assessments and visits to key suppliers, strengthening suppliers' ESG compliance awareness and implementation ability.

Supplier carbon management training

During the reporting period, organized 102 significant suppliers to carry out special training on SBTi scientific carbon targets; simultaneously promoted the work of investigating supply chain carbon data, conducted carbon data research and investigation on production-side suppliers, and provided professional training on carbon management.

Supplier quality improvement empowerment

Regularly carried out supplier quality empowerment and collaborative exchanges, and specifically organized quality improvement trainings such as special training on medical device UDI; focused on the pain points of supplier quality and carried out special improvement work, providing support from multiple dimensions such as technical guidance and professional coaching, continuously empowering the improvement of supplier quality capabilities, and helping to build sustainable development at the supply chain end.

Case

Winner Group's "Green Coexistence, Linking the Future" Supplier Conference

In August 2025, Winner Group held its second Supplier Conference in Wuhan with the theme of "Green Coexistence, Linking the Future". The conference delved into in-depth discussions on supply chain resilience, sustainable development, and innovative cooperation. At the conference, the Company not only comprehensively promoted Winner Group's ESG strategy and the Supplier Code of Conduct to its supplier partners but also released the Company's three-year green product plan for the medical and consumer sectors, pointing the way for supply chain transformation. Meanwhile, outstanding partner representatives were specially invited to share sustainable practices such as low-carbon factory construction and innovative carbon management, providing practical references for the green development of the supply chain. Winner Group will continue to deepen supply chain cooperation, empower development through digitalization and sustainable transition, and work together with partners to build a robust supply chain for sustainable growth.



The site of the "Green Coexistence, Linking the Future" Supplier Conference

Responsible Procurement

Winner Group deeply integrates the concept of responsible procurement into the entire process management of the supply chain. It makes efforts from multiple dimensions, including source control of raw materials, integrity and compliance in the procurement process, and inclusive development of supply chain entities. It builds a procurement system with high standards that combines green sustainability, compliance and transparency, and diverse inclusiveness, promoting the in-depth extension of supply chain responsibility management to value co-creation and consolidating the supply chain foundation for the Company's sustainable development.

Responsible Procurement of Raw Materials

As an enterprise with cotton as its core raw material, Winner Group deeply practices the concept of responsible procurement and extends supply chain responsibility to the cotton-planting fields. In the entire process management of raw material procurement, the Company continuously improves the full-link traceability system of raw materials through multiple measures such as formulating strict evaluation standards for high-quality cotton, optimizing and upgrading the digital traceability platform for raw materials, and improving the management mechanism of the upstream supply chain, thus consolidating the foundation for the green and sustainable development of the supply chain from the source.

At the same time, Winner Group innovatively adopts the order-based agricultural model of "companies + cooperatives + farmers" to build a standardized and responsible cotton supply chain system, achieving precise and efficient connection between production and sales. While steadily expanding the planting area of high-quality cotton and increasing the standardized output of cotton, it promotes the quality improvement of the upstream planting end of the supply chain and the income increase of farmers, achieving a win-win situation for industrial development and rural revitalization. In 2025, the Company deepened its layout in Huanggang, Wuhan, and Hanchuan in Hubei Province. It joined forces with local cooperatives and cotton farmers to vigorously promote the mechanical cotton-picking project, with a planned annual mechanized cotton planting area of 666.67 hectares. By adopting mechanized and large-scale planting modes, the Company improves cotton harvesting efficiency and quality stability, and further consolidates the foundation of the high-quality cotton source supply chain.

Order-Based Production Management

- We implement order-based production management for cotton, directly connect with contract farmers, and sign cotton order production agreements with planting entities to improve the stability and planning of raw material supply.

Revitalizing Idle Land Resources

- Centrally integrate idle land, entrust professional cooperatives or cotton-growing enterprises with unified planning and cultivation, and encourage large-scale operation with the support of supporting government policies to improve land use efficiency.

Safeguarding Farmers' Income

- Sign purchase agreements with farmers to avoid market fluctuation risks and ensure stable income for farmers.

Assisting in Ecological Restoration

- Through crop rotation of cotton with rapeseed or wheat, soil fertility is improved, continuous cropping obstacles are reduced, and sustainable land use is achieved;
- Stress-tolerant cotton varieties are promoted in saline-alkaline and sandy lands to expand the production capacity of marginal lands and assist in the industrial revitalization of ecologically vulnerable areas;
- Green technologies such as biological control and plastic film recycling are promoted to reduce cotton source pollution and create low-carbon cotton areas.

Integrity Management in Procurement

The Company adheres to the concept of honest and compliant operation. By establishing a standardized access system, fair process control, and a comprehensive supervision mechanism, it continuously strengthens the integrity defense line of procurement management and is committed to building a responsible, honest, and integrity-respecting transparent procurement environment.

Integrity Management of Suppliers

The Company clearly requires its cooperative suppliers to strictly abide by the *Supplier Management System* and sign the *Integrity Commitment Agreement*, strictly prohibiting various improper business behaviors such as extortion, bribery, and acceptance of bribes to ensure that all commercial activities in the procurement process are legal, compliant, open, and transparent. For detailed measures on supplier integrity management, please refer to the "Supply Chain Integrity Management" section in the "Well-grounded Governance" chapter of this report.

Professional Standards for Procurement Personnel

The Company continuously strengthens the integrity management of procurement personnel through regular integrity education, rigid institutional constraints, and a supervision and restraint mechanism. All procurement personnel sign the *Employee Integrity and Self-Discipline Commitment* upon employment, clearly defining the obligation to report conflicts of interest and strictly prohibiting using their positions to seek personal gain; regular special training and warning education on procurement integrity are carried out to define the red lines and code of conduct for integrity in the position; at the same time, a regular rotation system for procurement personnel is implemented to prevent integrity risks caused by long-term contact with suppliers, and combined with the embedded supervision of the Company's supervision and audit department, to ensure the standardized and transparent operation of procurement power and create a clean and upright professional environment.

Treat Small and Medium-sized Enterprises Equally

The Company actively practices the concept of inclusive procurement, treats small and medium-sized enterprises equally, and continuously promotes the diversification and resilience building of the supply chain by optimizing the procurement process and providing fair and transparent participation opportunities. During the reporting period, the Company had no accounts payable (including notes payable) exceeding RMB 30 billion or accounting for more than 50% of total assets, nor were there any instances of overdue payments to SMEs.



04

Love Our Planet

Protecting the environment for a harmonious coexistence between humanity and nature.

With the rapid global economic growth, the tension between societal production models and the Earth's ecological carrying capacity has intensified, leading to increasingly severe environmental challenges. With a strong sense of social responsibility, Winner Group is committed to a green development philosophy. We implement this commitment by enhancing environmental governance, strengthening pollution control, optimizing energy and resource allocation, promoting cleaner production, and minimizing waste generation. These efforts embed sustainability principles across our entire value chain—from raw material sourcing and manufacturing to logistics, storage, and marketing—effectively reducing our environmental footprint. Our goal is to evolve into a sustainable enterprise that excels in both resource efficiency and ecological stewardship.

Topics responded to in this chapter

- Climate change response
- Green manufacturing
- Pollutant emissions
- Waste utilization
- Circular Economy
- Energy utilization
- Environmental compliance management
- Water resource management
- Ecosystem and biodiversity

SDGs Responded to in This Chapter



Environmental Compliance Management

This year, grounded in the goal of high-quality development, the Company strictly adheres to the Environmental Protection Law of the People's Republic of China and various local environmental regulations and industry standards. It has further evolved and enhanced its environmental management philosophy, adopting "protecting the environment and achieving harmonious coexistence between humanity and the environment" as its core environmental policy. The Company is comprehensively optimizing its environmental management system architecture, refining management processes, strengthening control effectiveness, and driving the transformation of environmental management from "compliance and meeting standards" to "proactively pursuing excellence," thereby fortifying a solid barrier for ecological and environmental protection.

Environmental Management System

A sound and efficient environmental management system is the core pillar supporting an enterprise in fulfilling its ecological responsibilities and achieving sustainable development. In strict accordance with the ISO 14001 environmental management system standard, the Company has established a robust management framework, defined clear environmental objectives, developed environmental management manuals and related procedures, and continuously enhances its environmental management standards.



Environmental Management Structure

The Company places high importance on environmental protection and has established a comprehensive governance structure and transparent communication mechanisms. The Board's Strategy and Sustainable Development Committee oversees the Company's climate- and environment-related issues, reviews environmental strategies and goals, approves budgets for environmental projects, and monitors the achievement of targets and the progress of action plans. Within the management structure, under the leadership of the Sustainable Development Leadership Group, the Company has established an Environmental and Dual-Carbon Special Task Force led by a Vice President. This task force is responsible for assessing environmental risks, implementing the Company's environmental goals, conducting performance monitoring, formulating and implementing emergency response plans for environmental incidents, organizing internal and external audits of the environmental management system, and convening regular EHS-related meetings. These measures ensure frequent review of progress on environmental work and the ongoing improvement of the environmental management system. The general managers of each branch (subsidiary) and the heads of each unit are explicitly designated as the primary persons responsible for environmental protection within their respective entities. Concurrently, dedicated environmental protection management offices are established and staffed with full-time personnel to ensure that environmental protection work is implemented at every level and managed with a closed-loop approach.



Environmental Management Policy

The Company strictly adheres to laws and regulations including *the Environmental Protection Law of the People's Republic of China*, *the Energy Conservation Law of the People's Republic of China*, *the Law on the Prevention and Control of Environmental Pollution (the Pollution Prevention and Control Law)*, *the Air Pollution Prevention and Control Law of the People's Republic of China*, *the Water Pollution Prevention and Control Law of the People's Republic of China*, *the Soil Pollution Prevention and Control Law of the People's Republic of China*, and *the Law on the Prevention and Control of Environmental Pollution by Solid Wastes*, as well as to technical standards and the environmental regulatory requirements in all its operating locations. The Company has also formulated the *Environmental Policy of Winner Medical Co., Ltd.* (hereinafter referred to as "the Environmental Policy"), which defines the management architecture, coverage scope, general requirements, principles, and objectives. To ensure the effective implementation of the Environmental Policy in management practices, the Company has also established a series of regulatory documents, such as *the EHS Management Manual*, *the Environmental Management Specification*, *the Environmental Protection Management System*, *the Environmental Management Specification and Reward & Punishment Measures*, *the Environmental Work Supervision Specification*, and *the Energy Conservation and Consumption Reduction Management Regulations*. This framework constitutes a comprehensive, standardized, and actionable environmental management system, providing solid institutional support for the orderly progress of various environmental protection initiatives. In accordance with the environmental management system and sustainable development strategy requirements, the Company continuously strengthens organizational governance and leadership. It sets clear environmental performance targets and indicators at all levels, develops process operational guidelines, and integrates the concepts of environmental protection, low-carbon practices, and green production into corporate decision-making and business processes.

For further details, please refer to [the Environmental Policy](#).



Environmental Management Objectives

The Company scientifically sets annual environmental management objectives. Throughout the entire production and operation process, it strengthens the regular monitoring and precise control of various environment-related information, such as energy consumption indicators and pollutant emissions. By leveraging monitoring data, it conducts precise analysis of management shortcomings and implements targeted optimizations to control measures, thereby continuously improving environmental management performance. In 2025, the Company successfully met all established environmental management objectives, achieving steady improvement in its environmental management work.

| Environmental Management Goals in 2025 | Achievements in 2025 |
|--|----------------------|
| No environmental pollution accidents | Achieved |
| No accidental pollution accidents | Achieved |
| No abnormalities found in on-site environmental protection inspections | Achieved |
| Waste disposal in compliance | Achieved |

Building on this foundation, the Company has further set its sights on medium- to long-term sustainable development goals, having scientifically formulated its environmental management objectives for 2027 to continuously advance green operations to a higher level.

| Environmental Management Goals in 2025 | Achievements in 2025 |
|--|--|
| The coverage rate of ISO 14001 environmental management system certification across self-owned production bases reaches 100% | The coverage rate of ISO 14001 environmental management system certification across self-owned production bases reaches 87.5% |
| The coverage rate of ISO 50001 energy management system certification for self-owned production bases exceeds 85% | The coverage rate of ISO 50001 energy management system certification for self-owned production bases reaches 75% |
| 62.5% of self-owned production bases obtain National/Provincial/Municipal Green Factory Certifications | 62.5% of self-owned production bases obtained National/Provincial/Municipal Green Factory Certifications. Among them, Tianmen Winner, Wuhan Winner, and Chongyang Winner have obtained the National Green Factory certification; Jingmen Winner and Jiayu Winner have obtained the Provincial Green Factory certification. |



Highlight Performance

Furthermore, Huanggang Winner, Jingmen Winner, Wuhan Winner, Jiayu Winner, and Chongyang Winner have successfully passed the SMETA 4P audit via the SEDEX platform. The audit coverage rate among our own factories has now reached **62.5%**. Concurrently, Jingmen Winner was awarded the EcoVadis **Gold Medal**, and Chongyang Winner received the EcoVadis **Silver Medal**.

In 2025, neither Winner Group nor any of its subsidiaries received any environmental administrative penalties.

Environmental Awareness Improvement and Emergency Management

The company continuously improves its environmental management standards, focusing on strengthening the environmental awareness and practical capabilities of employees and suppliers. It regularly organizes specialized environmental training and emergency drills to integrate green concepts throughout the entire value chain .

Environmental Culture Training

To continuously reinforce the environmental protection responsibility awareness of all employees, consolidate the foundation of environmental management, and further enhance the overall effectiveness of the Company's environmental management and the emergency response competency of all staff, the Company conducts various targeted specialized training sessions on environmental protection on a regular basis. The training content is closely aligned with actual production and operations, focusing on key areas such as the interpretation of environmental management systems, environmental compliance requirements, emergency response procedures, pollutant emission control, and standardized sewage operations. Through diverse formats such as case studies and hands-on instruction, the training conveys environmental concepts and practical skills, elevates employees' environmental knowledge and practical ability, and fosters the integration of environmental principles into daily work and corporate culture.



Environmental Training Session at Tianmen Winner

Highlight Performance

In 2025, the Company conducted a total of **26** environmental protection training sessions.

Environmental Emergency Management

Regarding the emergency management of environmental incidents, to effectively prevent and mitigate sudden environmental risks, promptly and properly handle various environmental emergencies, and safeguard ecological security and public interests, each branch (subsidiary) has formulated the *"Environmental Emergency Management System"*, the *"Responsibility System for Environmental Hazard Investigation and Governance"*, and environmental emergency response plans, tailored to their specific production and operational characteristics. These documents clarify the prevention and control standards, handling procedures, division of responsibilities, and response measures for environmental emergencies. The respective subsidiaries have completed the required filing procedures with local environmental protection authorities. The emergency response plans encompass core elements such as emergency management, environmental risk assessment, and emergency resource guarantee, comprehensively covering critical stages including risk identification, early-warning response, and emergency disposal, thereby providing scientific guidance for the standardized handling of environmental emergencies.

Highlight Performance

In 2025, the Company carried out a total of **13** environmental emergency drills.



Promoting Green Production

The Company consistently embodies green and environmental principles in every stage of the production process, proactively fulfills its environmental responsibilities, and adopts a series of targeted measures including water conservation and consumption reduction, pollutant emission reduction, and standardized waste management. We continuously optimize environmental controls within production, promoting the normalization and standardization of green manufacturing.

Highlight Performance

In the reporting year, the Company's investment in energy conservation and environmental protection amounted to **RMB 15.73 million**.

Energy Utilization

The Company strictly adheres to relevant laws and regulations including the *Energy Conservation Law of the People's Republic of China*, and has established and continuously improved its Energy Management System (EnMS). As our production and operations are heavily reliant on energy consumption, we regard energy management as a crucial component for mitigating environmental and ecological impacts and controlling environmental risks. A three-level management structure comprising the Headquarters Manufacturing Center, the Intelligent Manufacturing Department, and subsidiary-level Energy Management Departments have been established. Within this framework, we set energy control targets and implement process controls involving monthly tracking and analysis. The Company benchmarks against the *Energy Management System Requirements and Use Guide (GB/T 23331-2020)*, conducts annual internal and external energy reviews, and identifies areas for improvement based on the outcomes of these reviews, energy audits, and other assessments. Through consistent and precise enhancements, the Company continuously improves its energy management performance. During the reporting period, five production bases, including Tianmen Winner and Wuhan Winner, all passed the EnMS surveillance audit and maintained their certification, covering all production and operating locations.

In implementing energy management practices across the Company, we have formulated the *"Energy Management Manual"* and a series of procedural documents to clarify energy management objectives, responsibility assignments, and execution paths. On this basis, the Company comprehensively promotes the application of energy-saving technologies and refined operations, continuously improving energy utilization efficiency, reducing energy consumption per unit product, and driving in-depth advancement of energy conservation and consumption reduction initiatives. Based on the annual production plan, the Company defines yearly energy-saving targets, decomposes and assigns them to relevant departments and subsidiaries, and regularly monitors and reviews the achievement of these indicators. Energy-saving targets are incorporated into the annual economic performance evaluations of management personnel.

To ensure the effectiveness of energy management, the Company has established clear energy-saving targets aligned with its operational profile:

| Energy Management Goals for 2027 | Progress in 2025 |
|---|--|
| Annual comprehensive energy consumption per unit output value to be reduced by 6% compared to the base year (2024). | The annual phase target has been achieved. |

In 2025, the Company continued to promote energy conservation and emission reduction, implementing a high-standard energy management system through the following five aspects:

Energy reduction retrofit:

The Company continuously taps the energy reduction potential and improves energy utilization efficiency through equipment renewal and technology upgrades. To address issues associated with the original Roots blowers in the fan room of the Wuhan Winner wastewater treatment station—such as high energy consumption, elevated noise levels, large footprint, and complex maintenance (with an installed power of 55 kW requiring a supporting circulating cooling water system)—the Company initiated an energy-saving retrofit project on September 15, 2025. The project involved replacing the original Roots blowers with new air-suspended (or magnetic levitation) blowers. The power rating of the new equipment was reduced to 37 kW, eliminating the need for a cooling water system. The new blowers also feature a smaller footprint, significantly reduced operational noise, and substantially less daily maintenance. While ensuring a stable air supply for the wastewater treatment process, the hourly power consumption per blower decreased from the original 36 kWh to 28 kWh, achieving daily energy savings of 192 kWh. This significantly enhances energy utilization efficiency and reduces operating costs.

Investment and innovation in energy-saving technologies:

The Company actively promotes innovation in energy-saving technologies and encourages each production base to carry out energy-saving renovation projects based on actual production conditions. By identifying wastage points in the energy consumption process, the Company converts low-grade energy sources, such as waste heat, residual pressure, and condensate water, into effective resources. This not only reduces the dependence on external energy but also significantly lowers the operating costs. In 2025, through investment in research and development, the Company innovatively implemented a steam condensate recovery system in Workshop 8 at the Chongyang Winner facility. This system centrally collects high-temperature condensate generated during sterilization via a sealed recovery pipeline network and collection tank. After pressure balancing and filtration to remove impurities, the condensate is supplied to the sterilization hot water system as a preheating source. This project has notably reduced the steam required to heat boiler make-up water, achieving monthly steam savings of approximately 4.6 tons. It shortens water heating time, improves energy efficiency, reduces thermal discharge loss and fresh softened water consumption, and lowers boiler load and water treatment costs. This demonstrates the Company's ongoing investment and tangible results in refined energy management and green technology innovation.

Evaluations and audits of energy management progress:

The Company embeds energy conservation responsibilities directly into frontline production, fostering deep integration between energy management and the performance evaluation system. In 2025, the Company established annual audits targets for the unit consumption of various energy types (e.g., steam, water, electricity) per unit of output and cascaded these targets down to each subsidiary and workshop. At the end of each month, the Energy Management Department calculates the actual energy consumption and production data for each workshop, evaluates progress in reducing energy use, compares results against targets, calculates corresponding performance rewards or penalties, and submits these to the Human Resources department for execution. Through this closed-loop "Target – Execution – Feedback – Incentive" management cycle, the Company effectively motivates frontline workshops towards energy conservation, shifting energy use from a model of "passive control" to one of "active optimization."

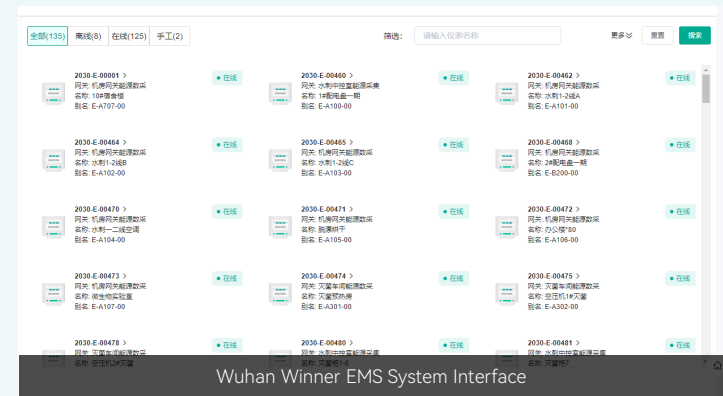
Special inspections:

The Company integrates energy conservation management into daily operations, strengthening source prevention and process supervision. A regular energy inspection mechanism has been established, under which equipment administrators from various workshops periodically conduct systematic inspections of energy-consuming areas. The inspections focus on identifying issues such as "leakage, seepage, dripping, and venting" in pipelines, valves, equipment, and auxiliary facilities of energy systems including water, electricity, steam, and compressed air, as well as detecting energy-wasting practices like equipment idling, prolonged lighting, and inefficient operations. During inspections, identified issues are documented with on-site photographs, compiled into a visual rectification list, and assigned to responsible departments with clear deadlines. This mechanism embeds energy-saving requirements into frontline operational processes, effectively enhancing the standardization and refinement of energy use, thereby solidifying the foundation for energy conservation and consumption reduction at the most detailed level.

Building a digital platform:

In 2025, the Company accelerated the deployment of digital tools. It has now fully implemented the WIN+ Energy Management System (EMS) across five subsidiaries, including Wuhan Winner, Huanggang Winner, Tianmen Winner, Jiayu Winner, and Longtai Medical, and is upgrading it into an integrated Energy and Carbon Management Platform. The system covers major energy types like water, electricity, natural gas, and steam across production, office, and residential areas. The initial phase, already operational, enables real-time energy data collection, online monitoring, energy flow analysis, efficiency benchmarking, and early warnings. The second phase "Dual-Carbon" functions—including organizational carbon emission accounting, product carbon footprint analysis, and supply chain carbon management—were finalized in design and began rolling out by the end of 2025. The third phase, focused on the intelligent control of key energy-consuming equipment, is planned for implementation in 2026.

Through this platform, each factory now performs granular energy consumption analysis by day/month and by area/meter, with data visualized on digital dashboards at both workshop and factory levels. This effectively supports energy efficiency analysis and optimization decisions, significantly elevating the intelligence, standardization, and decarbonization of the Company's energy management.



In terms of renewable energy utilization, The Company has continuously accelerated the adoption of green energy and increased its share of renewable energy through multiple channels. As of December 31, 2025, the Company's cumulative use of renewable electricity and purchased Green Electricity Certificates (GECs) reached 39.75 million kWh, accounting for 14% of its total electricity consumption. Among them:

- Longtai Medical and the GRI Jiaying base generated 3.85 million kWh of self-produced green electricity through the rooftop distributed photovoltaic projects.
- The Winner Guilin factory actively procured external green electricity, with cumulative purchases reaching 5.9 million kWh, significantly reducing the carbon emission intensity of its production process.
- The Company purchased 30,000 GECs, equivalent to 30 million kWh of green electricity.

Concurrently, the Company regularly conducts specialized energy management training sessions for employees, enhancing overall energy-saving awareness and practical skills. This enables staff to gain a deeper understanding of the corporate energy strategy, management policies, and dual-carbon goals, and to actively engage in energy conservation and consumption reduction efforts. Employees are encouraged to propose suggestions for energy efficiency improvements—such as equipment optimization, process enhancements, and energy recovery—based on their specific roles. The Company disseminates energy-saving knowledge, showcases achievements, and promotes best practices through various channels including the corporate WeChat official account, internal bulletin boards, daily morning meetings, and regular team briefings. This fosters a positive culture where “everyone is mindful of energy efficiency and everyone contributes to energy saving,” integrating green, low-carbon principles into daily operations and corporate culture.

Case

Specialized Energy Management Training in Chongyang Winner

To actively support the national dual-carbon goals and deepen refined energy management, Chongyang Winner organized a systematic energy utilization training program for equipment supervisors across all workshops within the facility. The program combined on-site self-inspections within workshops with centralized training sessions to comprehensively identify instances of waste and pollution in the use of energy sources such as electricity and gas. It involved a holistic diagnosis of issues and the design of targeted improvement plans. Through implementation, this initiative not only effectively reduced energy consumption and improved utilization efficiency but also successfully shifted the enterprise’s approach from reactive energy saving to proactive value creation. By striving for the triple objectives of maximizing resource efficiency, minimizing operating costs, and minimizing environmental impact, it advanced the company’s energy management towards a more systematic and intelligent green operational model.



Specialized Energy Management Training at Chongyang Winner

Furthermore, the Company continues to advance refined energy management and systematically conducts energy audits and energy-saving reviews. The audit process encompasses four stages: preliminary preparation, on-site verification, energy efficiency diagnosis, and improvement planning. Through these energy audits, the Company continuously drives the renewal of high-energy-consumption equipment, process optimization, and refined energy management, effectively enhancing overall energy utilization efficiency.

Case

Specialized Energy Audit at Yichang Winner

Yichang Winner completed a specialized energy-saving review in May 2025, focusing primarily on key energy-consuming equipment within the production process. The review findings indicated that while the existing air compressors utilize relatively high-efficiency twin-screw permanent magnet variable frequency models, leaving limited scope for further energy savings, the loom motors still employed traditional fixed-speed (line-frequency) motors, which have higher energy consumption and present clear potential for energy-saving retrofits. In response, the Company has initiated a technical evaluation, testing and analyzing the feasibility of low-energy permanent magnet variable frequency direct-drive motors. Subsequent steps will involve formulating specific retrofit plans based on the test results and incorporating them into the annual energy-saving implementation plan, thereby tangibly improving energy utilization efficiency and promoting greener operations.

Water Resource Utilization

Company strictly adheres to relevant national and local laws and regulations, *including the Water Law of the People’s Republic of China*. It actively implements the principles of water conservation and sustainable use, firmly instilling a mindset of “valuing the source of life and eliminating waste,” while continuously promoting the efficient utilization and recycling of water resources. The sources of the Company’s production water vary by project location, primarily consisting of municipal supply, surface water, and recycled process water. For surface water abstraction, the Company legally obtains water intake permits, standardizes abstraction practices, and thoroughly assesses ecological impacts during source selection and use. This ensures that abstraction activities do not cause significant adverse effects on the surrounding environment, thereby effectively fulfilling corporate water stewardship responsibilities. To ensure the effectiveness of water resource management, the Company has established clear water-saving targets aligned with its operational profile:

| Water Resource Management Goals for 2027 | Progress in 2025 |
|---|--|
| Reduce annual water consumption per unit output value by 6% compared to the base year (2024). | The annual phase goal has been achieved. |
| Increase the proportion of annual recycled water use to 45%. | The annual phase goal has been achieved. |

This year, the Company continued to promote the refined water resource management and systematically carried out water risk assessment and usage planning. At the end of 2024, based on the 2025 production capacity targets, new production lines, and historical water usage data, the Company scientifically formulated an annual water resource budget, detailed into monthly usage plans to guide annual water consumption control. In 2025, the Company conducted a specialized water use assessment aligned with the production schedule to identify potential water-related risks. In practice, the Company strictly managed water intake within the total permitted volume, cascading the targets down to individual workshops and strengthening process supervision. Throughout the year, the Company's water intake remained within permitted limits with no instances of over-extraction, effectively ensuring compliant, efficient, and sustainable water use.

Adhering to the principle of "conservation first, recycling as a priority," the Company employs multiple measures to promote efficient water resource management.

Steam/Condensate Recycling:

Jingmen Winner implemented a technical retrofit project for steam condensate recycling in the boiler room. The project focused on collecting the steam condensate and exhaust steam generated during production in the Purcotton workshop, then conveying it uniformly to the boiler feedwater system. This achieves water recycling and reduces the consumption of fresh water.



Jingmen Winner Steam Condensate Recovery Equipment

Recycling of Bleaching Rinse Water:

Chongyang Winner successfully implemented an innovative water-saving practice in its Workshop 3 through a project to recycle rinse water from hydrogen peroxide bleaching of gauze. This initiative fully utilized the hot and cold rinse water (40–60°C) post-bleaching, centrally collecting it for use in the next scouring process cycle. This not only reduced freshwater consumption but also enhanced the environmental sustainability of the production process, effectively achieving the cascading use and circular regeneration of industrial water resources.

Process Improvement:

The company innovatively applied water-free pretreatment technology, replacing the traditional aqueous medium with environmentally friendly organic solvents. In the bleaching process, this achieved a reduction of over 60% in chemical auxiliary usage, simultaneously accomplishing water savings exceeding 70% and pollutant emission reductions of over 70%. This drives the transformation of the textile pretreatment stage towards greener, low-carbon, and highly efficient operations.

Furthermore, the Company places high importance on water conservation management and continuously strengthens employee awareness and capacity building. In 2025, through various methods such as organizing specialized water-saving training, on-the-job practical guidance, and case study promotions, the Company systematically enhanced the water conservation competency of all staff.

Case

Water-Saving Awareness and Skills Training at Yichang Winner

In 2025, Yichang Winner organized specialized training on "water-saving awareness and skills enhancement". Participants were divided into groups to conduct on-site inspections of water usage points in the production, office, and residential areas of the facility, identifying "water leaks." Applying their acquired knowledge, they analyzed causes on-site, estimated wastage, and proposed actionable improvement suggestions. This training helped participants gain a deep understanding of the current water scarcity situation and their personal responsibilities in conservation. It also effectively fostered the adoption of three core behavioral principles, including "turn off water when not in use, report leaks immediately, and innovate in water-saving practices." This initiative not only reduced water costs but also strengthened the green corporate culture, achieving a win-win outcome for both environmental and economic benefits.

Pollutant Emission Management

The Company enhances monitoring and governance measures for emissions to ensure compliance of its waste gas and wastewater discharges. For all construction projects, the Company prepares and obtains the corresponding approved Environmental Impact Assessment (EIA) documents to fully identify potential impacts on the surrounding environment and communities. During construction, the Company strictly adheres to the EIA report and its approval requirements. It not only evaluates the impacts of pollutant emissions on the atmosphere, water bodies, and soil but also pays special attention to the possible impacts of project location, process layout, noise, and waste gas on the occupational health of employees and the living environment of surrounding community residents. Based on this, it optimizes the general layout to reduce environmental and health risks from the source. In daily production and operation, the company generates a certain amount of waste gas and wastewater. For these pollutants, it has established comprehensive collection, treatment, and disposal systems, adopting a combined approach of source reduction and efficient end-of-pipe treatment to ensure compliance with emission standards, thereby minimizing pressure on municipal sewage networks and impact on the atmospheric environment. This year, the Company invested approximately RMB 1.1 million specifically for upgrading waste gas treatment devices in various production workshops, renovating sewage treatment stations, and operating, maintaining, and calibrating environmental monitoring facilities. This further improves pollutant treatment efficiency, strengthens the stability of compliance, and effectively enhances the Company's capacity for environmental risk prevention and control.



Waste Gas Management

The Company strictly complies with relevant national and regional emission standards, including the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Integrated Emission Standard of Air Pollutants (GB16297-1996), the Emission Standard of Odor Pollutants (GB14554-1993), and Guangdong Province's Emission Limits of Air Pollutants (DB44/27-2001). All waste gas treatment facilities employ mature and stable technologies. In addition to commissioning regular monitoring by third-party institutions, the Company conducts daily equipment inspections and performs periodic maintenance and consumable replacements for these facilities to ensure continuous and stable compliance with standards, thereby fulfilling its primary responsibility for environmental protection.

Key control indicators for the Company's waste gas include: non-methane total hydrocarbons (NMHC), particulate matter (PM), sulfur dioxide (SO₂), nitrogen oxides (NO_x), hydrogen sulfide (H₂S), ammonia (NH₃), sulfuric acid mist, and ethylene oxide (EtO). The Company implements categorized control measures for different types of waste gas emissions to ensure all pollutants are discharged in stable compliance. Specific measures are as follows:

Zero External Dust Emission of Workshop

The blowing-carding unit continuous production process is adopted, effectively reducing cotton dust generation through process integration. A composite round-cage dust removal device is deployed, achieving 99.5% cotton dust filtration. The purified air is recirculated back into the workshop, realizing zero external dust emission.

Dual Upgrades in Boiler Combustion Energy and Technology

Boilers utilize clean energy—natural gas—and incorporate low-nitrogen combustion technology.

Compliant Discharge of Treated Laboratory Waste Gas

Acidic gases (sulfuric acid mist) are removed via an alkaline spray scrubber, while organic waste gases and odors are adsorbed by activated carbon. The treated gas complies with the Comprehensive Emission Standard of Volatile Organic Compounds from Stationary Pollution Sources in Guangdong Province and is discharged in compliance through an 18-meter-high exhaust stack on the building roof.

Compliant Discharge of Treated Production Waste Gas

For waste gas generated during production, the Company has installed a high efficiency "Pretreatment + RTO (Regenerative Thermal Oxidizer)" treatment system. Through multi-stage purification and high-temperature oxidative decomposition, Volatile Organic Compounds (VOCs) removal efficiency is consistently maintained above 95%, and the emission concentrations of all pollutants are below the limits specified in *Wuzheng Gui [2022] No. 1011*.



Wastewater Management

The Company strictly adheres to national and local environmental laws and regulations, including *the Law of the People's Republic of China on the Prevention and Control of Water Pollution*. It has formulated and implemented internal management documents such as *the "Sewage Station Process Flow and Operating Specifications"* and *the "Waste Gas, Wastewater, and Noise Treatment System"*, comprehensively strengthening control over water pollutant emissions throughout the production process and ensuring all wastewater is handled and discharged in accordance with the law. Key control indicators for the Company's wastewater include chemical oxygen demand (COD), biochemical oxygen demand (BOD), total phosphorus (TP), total nitrogen (TN), suspended solids (SS), and ammonia nitrogen (NH₃-N). The wastewater generated falls into three main categories, which are separately collected and treated based on their characteristics:

| Canteen Wastewater | Production Wastewater | Laboratory Wastewater |
|---|---|--|
| After pre-treatment in a grease trap, canteen wastewater is directed to a septic tank along with other domestic sewage for treatment. | Production wastewater undergoes advanced treatment at the Company's own wastewater treatment plant and is discharged into the municipal sewage network upon meeting the required standards. | Due to its complex composition and potential hazards, all laboratory wastewater is transferred to a qualified third-party professional entity possessing a hazardous waste management license for compliant collection, transportation, and disposal. Self-discharge is strictly prohibited. |

Waste Management

The Company strictly adheres to *the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and has established and implements the *"Waste Treatment System"*. It comprehensively applies the management principle of "classified recycling, centralized storage, and unified treatment," systematically standardizing the entire process of collection, storage, transportation, and disposal of various solid wastes. This approach reduces the potential environmental impact of solid waste while enhancing resource utilization efficiency and environmental management standards. Wastes generated from the Company's operations are categorized as non-hazardous waste and hazardous waste, with their composition and treatment methods outlined below:

| Category | Waste Composition | Treatment Method |
|---|--|---|
| Hazardous Waste | Chemical raw material barrels, waste engine oil, waste resin, waste chemical reagents, etc. | Contracts are established with qualified third-party vendors for the regular transfer and disposal of hazardous waste. |
| Recyclable General Industrial Waste | Reusable items: Turnover boxes/frames, etc. | The Production Management Department arranges for timely recovery and reuse. |
| | Renewable items: Waste cardboard, waste plastic, broken glass, fabric scraps, etc. | The Administrative Department transfers them to licensed recycling companies for processing (products and packaging materials are shredded or rendered unusable prior to transfer). |
| Non-recyclable General Industrial Waste | Construction debris, slag, production scraps, soil, rags, cotton waste, and other non-hazardous waste generated during production. | The Administration Department regularly sends it to government-designated waste treatment stations for disposal (such as incineration for power generation and landfill). |
| Domestic Waste | Food waste, etc. | Disposed of by municipal sanitation services. |

This year, the Company's Audit Department conducted a specialized audit of the waste management practices across all operations, comprehensively covering the entire waste lifecycle. The audit scope included: the volume of various wastes generated; classification accuracy; storage and final destination; compliance of waste-related disposal policies and approval processes; rationale of disposal plans; vendor qualification, contract review, and validity of licenses; standardization of waste collection and temporary storage areas; implementation of disposal vendors' business licenses and hazardous waste transfer manifests; completeness and traceability of waste management records; and the provision and use of personal protective equipment (PPE) for on-site personnel. Issues identified for improvement (including waste reduction and disposal) were documented in rectification notices, with relevant units instructed to achieve 100% closed-loop rectification within stipulated deadlines. Moving forward, the Company will focus on root causes, further optimize waste classification standards, strengthen dynamic ledger management and cross-verification mechanisms, promote source reduction and refined control, and enhance the standardization and compliance of waste management.

To ensure the effective implementation of waste management objectives, the Company has established an annual target tracking and dynamic assessment mechanism. Relevant departments regularly calculate and analyze the generation of hazardous waste and general industrial solid waste per unit of output value.

This data is compared year-on-year against the 2024 baseline to form assessment reports, which are then presented to management. Furthermore, to reduce waste sent to landfills, the Company has developed and implemented a recycling program to promote the collection and resource recovery of recyclable general industrial waste. Non-recyclable waste is transferred to licensed facilities for incineration or landfill, often with energy recovery (waste-to-energy), to achieve energy recovery and reduction in disposal volume. In 2025, the Company's proportion of waste landfilled decreased by 2.53% compared to 2024. Winner Guilin, one of the Company's production bases, was recognized as a "Guilin City Zero-Waste Factory" in 2025. The Company will continue to enhance its recycling network and collaboration mechanisms, steadily reduce reliance on landfills, and progress towards its "zero landfill" aspiration.

Guided by the principles of "source reduction, process control, and resource recovery priority", the Company has systematically established a waste reduction pathway covering the entire product lifecycle. To achieve these goals, the Company focuses efforts across four key stages:

Design Stage

Comprehensively advance green packaging design, prioritizing recyclable, biodegradable, and lightweight materials to improve post-disposal resource recovery efficiency.

Production Stage

Reduce raw material loss, scrap generation, and hazardous waste through process optimization, equipment upgrades, and lean management.

Logistics Stage

Optimize warehousing and transportation models by introducing standardized intermediate transfer facilities and reusable turnover containers, reducing disposable packaging and waste generation in logistics.

Disposal Stage

Further refine waste classification standards and prioritize partnerships with compliant disposal vendors capable of resource recovery. This promotes the conversion of waste into recycled raw materials and ensures compliant hazardous waste disposal, maximizing "turning waste into resources."

Concurrently, the Company regularly organizes specialized waste management training for employees to enhance awareness and competency in compliance and reduction practices across all levels. In 2025, training sessions were held for branch management and frontline waste handling personnel. The curriculum systematically covered: the responsibilities of waste-generating units; storage requirements and record-keeping for solid waste; establishing waste reduction pathways (identification, planning, management, disposal);

process methods for reduction across product design, production, logistics, and disposal stages; and an introduction to zero-landfill certification. This training deepened understanding of compliance requirements among managers from various departments (e.g., marketing, manufacturing, administration, finance), facilitating the translation of the Company's waste reduction goals from "top-level design" to "on-the-ground implementation."



On-site Waste Management Training

In addition, the Company actively promotes waste reduction at source and deepens collaboration with supply chain partners to extend green principles upstream. On one hand, it strengthens incoming material quality control to minimize rework, scrap, and waste caused by non-conforming raw materials, thereby reducing the generation of hazardous and general industrial solid waste at source. On the other hand, it drives the green transition of packaging materials. Through engagement with key suppliers, some originally used disposable cartons have been replaced with reusable eco-friendly woven bags. This not only reduces solid waste generation but also lowers packaging procurement costs and logistics-related carbon emissions. Such collaborative initiatives embody the Company's sustainable development philosophy of "leveraging synergy for waste reduction and enhancing efficiency through circularity," gradually building a green partnership network spanning the entire value chain.

Ecosystem and Biodiversity Protection

The Company recognizes the critical importance of protecting natural resources and maintaining biodiversity for sustainable development. We consistently adhere to relevant laws, regulations, and policy guidelines, including *the Forest Law of the People's Republic of China*, *the Wildlife Protection Law of the People's Republic of China*, *the Biosecurity Law of the People's Republic of China*, and *the Opinions on Further Strengthening Biodiversity Protection*, and fulfill our commitments under the United Nations Convention on Biological Diversity (CBD). Throughout the entire lifecycle of site selection, construction, and operations, we proactively avoid key ecological function zones, ecologically sensitive areas, fragile regions, and various prohibited development zones to ensure our business activities are in harmony with ecological conservation. All new, expansion, or renovation projects undergo legally required environmental impact assessments and have corresponding soil and water conservation plans prepared concurrently. Following approval from the relevant government authorities, construction and production proceed strictly in accordance with the approved plans. Furthermore, the Company implements effective measures such as construction boundary controls to minimize disturbance to surrounding ecosystems and wildlife habitats. During the reporting period, the Company did not experience any major environmental incidents harming biodiversity, thereby fulfilling its corporate responsibility for ecological protection.

As an enterprise centered around "cotton" as its core raw material, Winner Group has long upheld the ecological philosophy of "Cotton-based, Green Coexistence." Cotton is not only a natural, renewable, and biodegradable fiber resource, but its scientific cultivation can also effectively improve soil structure, conserve water, and enhance the biodiversity of farmland ecosystems under proper crop rotation systems. By fostering partnerships for high-quality cotton fields and supporting green farming practices like water-efficient irrigation and reduced pesticide use, the Company contributes to the health and stability of agricultural ecosystems. Meanwhile, we continue to increase the proportion of naturally degradable cotton used in our products, effectively replacing chemical fibers and single-use plastics. This reduces the risk of microplastics entering the ocean from the source, and contributes positively to the protection of marine biodiversity.

Moving forward, the Company will continue to leverage cotton as a "green link," promoting the development of an eco-friendly industrial chain from the very source and contributing to the protection of our planet's community of life.



Climate Change Response

Climate change has evolved beyond a traditional environmental issue into a pivotal factor profoundly shaping corporate strategic direction, operational resilience, and long-term competitiveness. In our strategic planning, we continuously focus on climate change, actively implement the national "dual-carbon" strategy, align with the 1.5°C temperature goal of the Paris Agreement, and deeply integrate climate action into our corporate governance framework. We persistently monitor the risks and opportunities presented by climate change, continually strengthen our climate resilience, optimize pathways for green operations, steadily advance our low-carbon transition, and robustly support high-quality sustainable development.

Climate Governance

The Company has established a climate governance system, with the Board of Directors (the Board) as the ultimate decision-making body, to comprehensively drive climate change management. The Board is responsible for setting the Company's climate strategy, reviewing climate-related risk management policies, establishing climate targets, and overseeing progress toward these targets as well as medium- to long-term climate transition investment plans. Progress on climate action is a regular topic at Board meetings. The Board receives briefings from management at least annually on climate-related risks and opportunities, covering areas such as sustainable investment plans, work plans for key climate issues, and the setting and tracking of mitigation targets. Based on these briefings, the Board reviews and approves relevant major operational matters, fulfilling its oversight duties regarding climate-related risks and opportunities.

This year, the Company officially established a Board-level Strategic and Sustainable Development Committee (the Committee). Mandated by the Board, the Committee is responsible for the identification, prioritization, assessment, and management of climate-related risks and opportunities, managing the annual budget for climate initiatives, providing strategic guidance and resource coordination for implementing key measures, and reporting regularly to the Board on risks and corresponding mitigation strategies.

The Committee oversees a Sustainable Development Leadership Group, led by the Company's Rotating CEO. This Group is tasked with integrating ESG and climate risk mitigation strategies into corporate decision-making, investment, and operations. It reports to and advises the Board and the Committee on a regular basis. The Leadership Group includes several key task forces, such as those focused on Environment & Dual-Carbon, Supply Chain, and Corporate Governance.

These task forces hold quarterly progress review meetings to discuss advancements in climate and sustainability work and to plan for the upcoming quarter.

To further strengthen the oversight of climate-related targets by the Board and management, the Company has integrated climate-linked compensation policies for both. The remuneration of Directors and the CEO is tied to climate performance metrics (including emission reductions, energy reduction, efficiency gains, and supply chain engagement), incentivizing and accelerating the fulfillment of the Company's climate commitments and targets.

Climate Strategy

The Company recognizes the potential impacts of climate change and systematically identifies climate-related risks and opportunities that could have a material effect on its business operations and financial performance. To comprehensively assess the challenges and opportunities for itself and its value chain under various climate scenarios, the Company has conducted climate scenario analysis aligned with its carbon neutrality strategy and greenhouse gas (GHG) emission reduction timeline. This analysis evaluates potential financial impacts across three time-horizons: short-term (within 1 year), medium-term (1-2030), and long-term (2031-2050). The assessment considers both low-emission and high-emission scenarios, providing a scientific basis for developing forward-looking, adaptable, and resilient climate risk management strategies.



Physical Risks

Physical risks refer to the direct impacts of climate change on a company's operations and long-term development, encompassing both acute physical risks (e.g., extreme weather events like typhoons and floods) and chronic physical risks (e.g., long-term trends like rising temperatures and sea levels). This year, the Company conducted its first systematic screening and assessment of key physical risks. This assessment was based on the scientific framework of the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6), utilizing the Shared Socioeconomic Pathways (SSPs) scenarios SSP1-2.6 (low-emission) and SSP5-8.5 (high-emission). The evaluation comprehensively covered critical climate indicators, including rising temperatures, sea-level change, increased frequency and intensity of extreme weather events, and shifting precipitation patterns. The aim is to thoroughly identify potential impacts, thereby providing a robust data foundation and decision-support for enhancing climate resilience and developing scientific and effective adaptation strategies.

| Scenario Type | Scenario Selection | Scenario Source | Scenario Narrative | Scenario Prediction ⁷ |
|------------------------|--------------------|------------------------------------|---|---|
| Low-emission Scenario | SSP1-2.6 | IPCC Sixth Assessment Report (AR6) | Assumes a rapid transition from a fossil fuel-dependent economy to one driven by renewable energy, with many countries implementing strong climate mitigation measures to limit global warming to within 2.0°C above pre-industrial levels (1850) this century. | <ul style="list-style-type: none"> Average temperature⁸: Increase of 1.9°C High-Temperature Days⁹: Increase of 4.4 days Consecutive Dry Days¹⁰: Increase of 0.6 days Mean Sea Level¹¹: Rise of 0.2 meters Total Precipitation¹²: Increase of 1.3% Extreme Climate Events¹³: Moderate increase in frequency and intensity |
| High-emission Scenario | SSP5-8.5 | IPCC Sixth Assessment Report (AR6) | Assumes continued reliance on fossil fuels as the primary energy source to drive global economic growth, with greenhouse gas emissions projected to remain at high levels through 2100, potentially exacerbating the occurrence of extreme weather events. | <ul style="list-style-type: none"> Average temperature¹⁴: Increase of 2.7°C High-Temperature Days¹⁵: Increase of 4.7 days Consecutive Dry Days¹⁶: Increase of 1.2 days Mean Sea Level¹⁷: Rise of 0.3 meters Total Annual Precipitation¹⁸: Increase of 1.6% Extreme Climate Events¹⁹: Frequency and intensity increase significantly |

⁷ Source: The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) Working Group I (WGI) and the CMIP6 climate modeling framework.

⁸ Projected change in China's average temperature by 2050 relative to the 1850–1900 baseline.

⁹ High-temperature days are defined as days with a daily maximum temperature $\geq 35^{\circ}\text{C}$. The values shown represent the projected change in their annual number in China by 2050 relative to the 1850–1900 baseline.

¹⁰ Consecutive dry days are defined as sequences of days with daily precipitation < 1 mm. The values shown represent the projected change in their annual frequency in China by 2050 relative to the 1850–1900 baseline.

¹¹ Projected change in China's mean sea level by 2050 relative to the 1955–2014 baseline.

¹² Projected change in China's total annual precipitation by 2050 relative to the 1850–1900 baseline.

¹³ Projected change in the frequency and intensity of extreme climate events in China by 2050 relative to the 1850–1900 baseline.

¹⁴ Projected change in China's average temperature by 2050 relative to the 1850–1900 baseline.

¹⁵ Projected change in China's average temperature by 2050 relative to the 1850–1900 baseline.

¹⁶ Projected change in the frequency of consecutive dry days in China by 2050 relative to the 1850–1900 baseline.

¹⁷ Projected change in China's mean sea level by 2050 relative to the 1955–2014 baseline.

¹⁸ Projected change in China's total annual precipitation by 2050 relative to the 1850–1900 baseline.

¹⁹ Projected change in the frequency and intensity of extreme climate events in China by 2050 relative to the 1850–1900 baseline.

Given that the Company is projected to face the most severe physical risks under the high-emission scenario, the following risk assessment is conducted based on this premise:

| Risk Type | Acute | Acute | Chronic |
|---------------------------------------|--|---|--|
| Risk Factor | Typhoon | Flooding (Riverine/Pluvial) | Rising Average temperature |
| Impact Period | Short-term, Medium-term, Long-term | Short-term, Medium-term, Long-term | Medium to Long term |
| Impact Pathways & Affected Operations | <ol style="list-style-type: none"> Structural damage to factories, warehouses, and retail outlets. Production halts or IT system failures due to power outages. Logistics disruptions affecting raw material supply and finished product delivery. Employee commuting difficulties leading to workforce shortages and operational delays. | <ol style="list-style-type: none"> Inundation of facilities causing equipment short-circuits and spoilage of inventory. Logistics paralysis and employee absenteeism due to flooded urban roads. Delays in e-commerce order fulfillment, impacting customer satisfaction. | <ol style="list-style-type: none"> Increased cooling loads in facilities, raising energy consumption and carbon footprint. Reduced employee productivity and heightened health risks in hot conditions. Decreased footfall in physical stores as consumers avoid outdoor heat. The continuous high temperature and intensified drought in the main cotton-producing areas may disrupt the cotton growth cycle and reduce the yield per unit. |
| Value Chain Exposure | Upstream Suppliers, Core Operations, Downstream Clients | Upstream Suppliers, Core Operations, Downstream Clients | Core Operations, Downstream Clients |
| Financial Impact Description | <ol style="list-style-type: none"> Increased non-operating expenses from equipment repair, structural reinforcement, and inventory loss. Reduced sales revenue due to temporary closure of facilities. Potential customer claims arising from delivery delays. Direct financial loss from insurance deductibles. | <ol style="list-style-type: none"> Direct erosion of gross margin from spoiled inventory. Increased non-recurring expenses for asset damage repair. Revenue loss during operational shutdowns. Reduced transportation efficiency leading to delivery delays and potential revenue impact. | <ol style="list-style-type: none"> Increased operating expenses from higher electricity costs for cooling. Potential rise in costs for employee health safeguards and compensation. Squeezed product gross margin due to rising cotton raw material costs. Potential revenue loss from increased defect rates or compromised product standards due to variable cotton quality. |
| Impact Level | High | Medium | High |
| Resilience Building Measures | <ol style="list-style-type: none"> Strengthen supply chain resilience by diversifying sourcing channels and establishing safety stock for critical materials. Harden facility infrastructure through robust structural design and enhanced protection for roofs, openings, and electrical systems. Establish a meteorological monitoring and early warning system, complemented by regular emergency drills and staff training. Adopt dynamic logistics management to route shipments away from high-risk periods and ensure continuity. Optimize insurance coverage to mitigate potential property losses. | <ol style="list-style-type: none"> Upgrade drainage systems at plants and warehouses. Install flood defenses (e.g., barriers, pumps) and elevate storage for raw materials and work-in-progress. Establish an emergency logistics protocol to dynamically adjust distribution plans during flood events. | <ol style="list-style-type: none"> Invest in energy efficiency (e.g., high-efficiency HVAC, smart lighting, rooftop PV) to lower energy intensity. Optimize facility climate control with improved ventilation and cooling equipment. Enhance employee welfare through heat stress management, appropriate subsidies, and medical support. Collaborate with key cotton suppliers to promote climate-adaptive agriculture (e.g., water-efficient irrigation, heat-tolerant variants) and proactively adjust procurement and inventory strategies. |



Transition Risks

Transition risks refer to the operational and strategic challenges enterprises may face during the shift towards a low-carbon economy, stemming from policy and regulatory changes, technological advancements, and shifts in market demand. As a sustainable enterprise with “cotton” at its core and a commitment to healthy living and medical protection, the Company places high importance on identifying and managing climate-related transition risks. This year, aligning with the national “dual-carbon” strategy, green consumption trends, and its operational realities in medical consumables and Purcotton lifestyle products, the Company systematically assessed four key categories of transition risk: policy & regulatory, technological, market, and reputational. This assessment referenced the International Energy Agency’s (IEA) Stated Policies Scenario (STEPS) and Net Zero Emissions by 2050 Scenario (NZE). The process involved identifying the impacts of energy transition and policy shifts on the business model and analyzing associated risks and opportunities under different scenarios, thereby providing a scientific foundation for formulating low-carbon transition strategies.

| Scenario Type | Scenario Selection | Scenario Source | Scenario Narrative | Scenario Prediction ²⁰ |
|------------------------|----------------------------------|-----------------|--|--|
| High-emission scenario | Stated Policies Scenario (STEP) | IEA | This scenario reflects the current policy environment, based on a sector-by-sector assessment of existing and announced policies. It serves as a benchmark for evaluating the potential outcomes (and limitations) of recent energy and climate policy developments. | <p>International climate policy: Some countries and regions lack clear climate targets and specific implementation plans.</p> <p>Total energy consumption: projected to reach $5.41 \times 10^{20} \text{J}$ by 2050.</p> <p>Renewable energy supply: projected to reach $2.33 \times 10^{20} \text{J}$ by 2050.</p> <p>Global greenhouse gas emissions: projected to reach 29,629 Megatonnes by 2050.</p> <p>China’s carbon price: projected to reach \$34 USD / tonne by 2050.</p> <p>International business model: profit-driven, prioritizing short-term financial returns with minimal environmental/social consideration; renewable energy portfolio shows limited growth.</p> |
| Low-emission scenario | Net Zero Emissions by 2050 (NZE) | IEA | This ambitious normative scenario outlines a pathway to achieve net-zero CO ₂ emissions globally by around 2050, limiting global warming to 1.5°C through stringent climate policies and innovation. | <p>International climate policy: Major economies (countries and regions), including China with its “carbon peak” and “carbon neutrality” goals, announce and strictly enforce detailed carbon-neutral pathways.</p> <p>Total energy consumption: projected to reach $3.52 \times 10^{20} \text{J}$ by 2050.</p> <p>Renewable energy supply: projected to reach $4.01 \times 10^{20} \text{J}$ by 2050.</p> <p>Global greenhouse gas emissions: projected to achieve net zero emissions by 2050.</p> <p>China’s carbon price: projected to reach \$200 USD/tonne by 2050.</p> <p>International business model: Accelerate transition from a fossil-fuel-dependent economy to a renewables-driven green economy.</p> |

²⁰ Source: IEA, World Energy Outlook 2025

Under the lower-emission scenario, policy and regulatory oversight are most stringent, posing the greatest potential impact from transition risks. Therefore, the following transition risk assessment is conducted based on this scenario.

| Risk Type | Regulations and Law | Technology | Market | Reputation |
|---------------------------------------|--|--|---|--|
| Risk Factor | Tightening Carbon Reduction Regulations | Accelerated Advancement of Green & Low-Carbon Technologies | Growing Downstream Demand for Low-Carbon Products | Stakeholder Scrutiny |
| Impact Period | Medium-term and Long-term | Medium-term and Long-term | Short-term, Medium-term, Long-term | Short-term, medium -term, long -term |
| Impact Pathways & Affected Operations | Global and domestic climate policies and regulations are intensifying, employing both incentives to promote action and stricter compliance requirements for activities with negative climate impact. | Sustainable materials and clean production processes are developing rapidly. Failure to keep pace with technological evolution could result in an inability to meet customer demand for low-carbon products and a loss of competitive edge. | B2B clients (e.g., hospitals, pharmacies, e-commerce platforms) increasingly mandate low-carbon certified supplies. End consumers show a growing preference for sustainable attributes, driving demand for green products. | Investors, customers, and the public increasingly scrutinize corporate carbon performance. Perceived inaction or lagging climate commitments can lead to public backlash, consumer boycotts, and strained stakeholder relationships. |
| Value Chain Exposure | Upstream, Core Operations | Core Operations, Clients | Core Operations, Clients | Core Operations, Clients |
| Financial Impact Description | Rising compliance costs, including investments required for carbon accounting systems and third-party verification. | Technological backwardness leads to the loss of market share, customer loss, and pressure on revenue growth. | Unit product costs may rise due to necessary investments in packaging upgrades and production line retrofits to align with market expectations. | Damage to the brand image affects customer trust and the Company's valuation in the capital market, indirectly influencing long-term development. |
| Impact Level | Medium | High | High | Medium |
| Resilience Building Measures | <ol style="list-style-type: none"> Proactively monitor regulatory developments and forecast GHG emission trends to inform carbon strategy adjustments. Establish a comprehensive GHG accounting system covering Scopes 1, 2, and 3, with regular public disclosure. Accelerate sustainable packaging transition by evaluating and adopting recyclable, biodegradable, or reduced-material alternatives, and pursue relevant international certifications. | <ol style="list-style-type: none"> Increase R&D investment in green materials and low-carbon processes. Upgrade the energy management system and ensure the full deployment of the Win + Energy management platform. | <ol style="list-style-type: none"> Complete carbon footprint accounting and labeling for key product categories (e.g., medical dressings, surgical gowns, drapes, masks, cotton towels). Enhance in-house innovation to accelerate the development of more energy-efficient and low-carbon products/services, thereby reducing operational costs while boosting profitability and market competitiveness. | Actively disclose the progress of climate actions, strengthen communication with stakeholders, and ensure timely responses to stakeholders' concerns about the Company's environmental performance. |



Climate Opportunities

Amidst the global transition to a low-carbon economy, the Company is proactively positioning itself to capitalize on the strategic opportunities presented by sustainable development trends and climate action. We are transforming the imperative for carbon reduction into an internal driver for green innovation and high-quality growth. By proactively aligning with national “dual-carbon” goals and international climate initiatives, the Company is exploring new avenues for development. This includes advancing the application of natural, renewable materials, upgrading to greener production processes, and implementing low-carbon management across the entire product lifecycle. These efforts are focused on developing green products and services, fostering business model innovation, and ultimately injecting new momentum into the Company’s sustainable development journey.

| Opportunity Type | Market | Technology |
|---------------------------------------|--|---|
| Opportunity Factor | Sustained Growth in Global & Domestic Demand for Low-Carbon Products | Breakthroughs in Green Materials & Low-Carbon Technologies |
| Impact Period | Medium-term and Long-term | Medium-term and Long-term |
| Impact Pathways & Affected Operations | <ol style="list-style-type: none"> 1. Consumer preferences are shifting toward sustainable brands, notably within Purcotton’s “Green Living” product line. 2. Promotes enterprises to develop recycled materials, degradable packaging, and low-carbon certified products, enabling expand premium market segments and enhancing brand equity. | <ol style="list-style-type: none"> 1. Accelerated industrialization of key technologies, including biodegradable materials and Purcotton spunlace non-woven processes. 2. Creates new product application avenues, reduces dependency on traditional resources, and builds long-term technological moats and profitability. |
| Value Chain Exposure | Core Production Operations, Clients | Upstream, Core Production Operations |
| Financial Impact Description | <ol style="list-style-type: none"> 1. Enhance product competitiveness, increase market share and customer stickiness. 2. Commands a price premium for green products, driving growth in both revenue and gross margin. | <ol style="list-style-type: none"> 1. New business lines incremental revenue and establish differentiated competitive barriers. 2. Technological leadership translates into sustained profit growth. |
| Impact Level | High | High |
| Resilience Building Measures | <ol style="list-style-type: none"> 1. Accelerate R&D and application of green materials to launch low-carbon medical product series. 2. Expand market recognition and share for Purcotton sustainable products. 3. Build a “sustainable product” system to strengthen brand image and premium pricing capability. | <ol style="list-style-type: none"> 1. Increase R&D investment in green materials. 2. Promote green packaging solutions a to phase out traditional plastics. 3. Upgrade to low-carbon production processes to reduce energy consumption. |

Climate Risk Management

The Company has integrated climate-related risks into its overall risk management framework. It continuously monitors shifts in objective climate conditions and the evolving external regulatory landscape to and ensure these risks are systematically identified, assessed, managed, and disclosed. The Company conducts regular reviews and in-depth analysis of climate-related topics, oversees the progress of mitigation actions, and continuously refines its risk control mechanisms and managerial capabilities. This ongoing process is designed to enhance organizational resilience to climate challenges.

Risk Identification We proactively track and analyze internal and external changes driven by climate factors. By examining multiple dimensions—including external policy pressures, evolving market trends, the Company’s risk appetite, and business operational models—we systematically identify and catalog climate-related risks.

Risk Assessment Climate-related risks are evaluated using a combination of quantitative analysis and qualitative judgment. This involves a comprehensive analysis of the likelihood of various risk events and their potential impact on strategic objectives, financial performance, and operational continuity. The process identifies material physical and transition risks to the business, followed by a tiered assessment and prioritization to provide a scientific basis for formulating targeted response strategies.

Risk response Response strategies are developed by balancing risk causes, the Company’s risk tolerance, and multiple factors including risk-return trade-offs, brand reputation, and social responsibility. Following in-depth analysis and evaluation, the Board of Directors reviews and approves actionable risk response strategies. These strategies aim to effectively prevent and mitigate major climate-related risks, thereby safeguarding Winner Group’s sustainable development.

Supervision and Improvement Maintains continuous monitoring and management of climate risk mitigation efforts. In daily operations, we persistently optimize risk control mechanisms and management capabilities to strengthen the overall organizational capacity to respond to climate risks.

Metrics and Targets

The Company actively responds to the global climate action strategy and goals, steadily improves the climate-related governance system, continuously promotes energy conservation and emission reduction in daily operations, and is committed to developing innovative, low-carbon, and green sustainable products. The company will focus on key indicators such as energy use efficiency and greenhouse gas emissions the primary tracking focuses and target directions The following table shows the core climate-related indicators we continuously monitor:

| Indicators | Unit | 2025 |
|---|--|--------------|
| Greenhouse Gas Emissions (Scope 1) | Tonnes of carbon dioxide equivalent (tCO2e) | 38,529.35 |
| Greenhouse Gas Emissions (Scope 2-Location-based) | Tonnes of carbon dioxide equivalent (tCO2e) | 205,692.67 |
| Greenhouse Gas Emissions (Scope 2-Market-based) | Tonnes of carbon dioxide equivalent (tCO2e) | 219,052.09 |
| Greenhouse Gas Emissions (Scope 3) | Tonnes of carbon dioxide equivalent (tCO2e) | 1,060,748.06 |
| Total Greenhouse Gas Emission Intensity | Tonnes of carbon dioxide equivalent (tCO2e)/RMB million of Revenue | 119.18 |

The company has set greenhouse gas emission reduction targets and decomposed them by department to promote the formulation and implementation of corresponding action improvement plans by each department. We continuously improve the target review mechanism for reviewing, evaluating, and updating progress, regularly monitor and evaluate the completion of targets and key results. We use greenhouse gas emissions as the monitoring indicator and adjust the action plan according to the evaluation results to ensure the achievement of the targets. This year, all emission reduction work has been steadily advanced in accordance with the established targets, and the phased indicators have been completed as scheduled, laying a solid foundation for achieving the medium- and long-term carbon neutrality commitment. The specific emission reduction measures for this year are detailed in the "Energy Utilization" section.



The Company is committed to achieving its **Carbon Peak by 2030.**

05

Accelerate Employee Growth

People-oriented, committed to talent investment, and working hand in hand with employees to create a future together.

On the journey towards the "Centennial Visionary Winner", we always believe that employees are the most valuable asset of the enterprise and the core support for its long-term development. Adhering to the core principle of "social value takes precedence over corporate value", Winner Group incorporates "employee growth" into the core pillar of its ESG strategy. Relying on diverse practical measures, it is committed to building a people-oriented, safe and inclusive development platform. The practical protection of employees' rights and interests, the empowerment of their career growth, and the care for their physical and mental health are precisely the core confidence and powerful synergy for us to gather strength and strive towards the "Centennial Visionary Winner".

Key ESG Topics Addressed in This Chapter

- Human Capital Development
- Occupational Health and Safety
- Labor and Human Rights
- Employee Well-being
- Diversity, Equality and Inclusion

SDGs Addressed in This Chapter



Building a Talent Echelon

Winner Group continuously optimizes the allocation of human resources, shapes a positive organizational culture, fully stimulates employees' internal motivation, innovation potential and work enthusiasm, and continuously improves the team's cohesion, execution and combat effectiveness, achieving common growth and development with employees. The Company formulates a medium-and long-term human resources plan around its development strategy and business plan. Guided by the talent concept of "high-quality, high-education, high-performance, high-return", it actively explores talent management, expands talent introduction channels through multiple channels and in an all-round way in areas such as campus recruitment, online recruitment and internal referrals. At the same time, it deepens the talent retention strategy and strives to build a professional and international talent team.

Talent Introduction and Retention

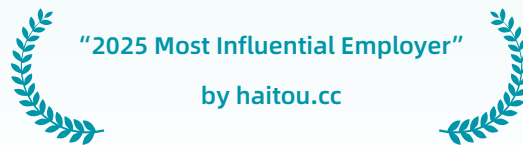
We systematically integrate diversified recruitment channels such as online recruitment platforms, offline campus recruitment, third-party talent agencies and internal employee referrals to meet the talent needs of the Company's internationalization and local business development in China. At the same time, the Company continuously promotes internal mobility and talent reuse. In 2025, the proportion of vacant positions filled through internal recruitment at the Company headquarters was 17%.

In 2025, to support the Company's global business development and layout, we continuously optimized the talent ratio at all levels and in all business fields, focused on international, regional and market-oriented talents, and enriched the diverse composition of the talent team by combining local recruitment and international talent introduction. In terms of building an international talent team, the Company continuously improved the integration of foreign employees into the Chinese market and the global vision of Chinese expatriate employees through phased training. Thanks to the above measures, the overall cooperation efficiency of our international team increased by about 20%, and the annual retention rate of key foreign talents reached 100%, effectively supporting the expansion of overseas business.

Winner Medical was
awarded the



Purcotton was
recognized as the



Purcotton was
honored by



Compensation and Performance

Centered around the achievement of strategic goals, the Company builds a comprehensive compensation and reward system covering fixed salary, bonus incentives, equity incentives and social insurance, aiming at the core incentive goals of "stimulating organizational vitality, attracting and retaining outstanding talents, guiding for success and improving organizational efficiency".

Compensation Incentives

In terms of fixed salary, the Company determines the salary standard according to the position value and employee abilities, and makes dynamic adjustments with position changes or ability improvements. The Company regularly updates the standard with reference to the industry salary level, and implements salary adjustments based on employees' performance and position changes to reasonably balance corporate costs and employee benefits.

In terms of incentive bonuses, the Company establishes a differentiated assessment mechanism based on business characteristics and functional position differences, determines the incentive level according to employees' performance contributions and goal-achievement situations, taking into account both short-term business results and long-term strategic value. The Company also implements long-term incentive plans such as restricted stocks, continuously improves the diversified incentive system to attract and retain core talents, and plans to optimize and launch a new long-term incentive plan in 2026 to promote the common development of employees and the enterprise.

Performance Evaluation

The Company has established a complete transmission mechanism from strategic goals to organizational performance and then to individual performance. Through systematic goal decomposition, development tasks are gradually implemented into the specific work of each employee. In daily performance management, the Company implements a goal management system for all employees. The assessment cycle is set in combination with business characteristics and job levels. Different teams adopt monthly, quarterly, and semi-annual assessments respectively. For key scenarios such as probationary period completion and promotion, the Company conducts 360-degree evaluations to comprehensively assess employees' overall qualities from multiple dimensions. The performance evaluation results are applied in areas related to employees' personal development and income, such as bonus distribution, promotion, salary adjustment, and merit evaluation, forming a closed-loop management.

Highlighted Performance

Proportion of employees undergoing performance and career development assessments in 2025

100%

Performance Feedback and Appeal

In terms of performance feedback, the Company focuses on facilitating employees' growth through regular communication. It regularly organizes department heads to conduct performance interviews and feedback with employees to help improve individual performance, thereby enhancing organizational performance and achieving the Company's performance goals. For employees' ability shortages or performance gaps, the Company formulates performance improvement plans to help employees improve work efficiency and promote career development.

In terms of performance appeals, the Company has established a convenient and unobstructed appeal channel to ensure that employees' legitimate demands are fully responded to. If employees have different opinions on their individual performance results, they can initiate a performance appeal to the Human Resources Department.

Performance Feedback and Appeal

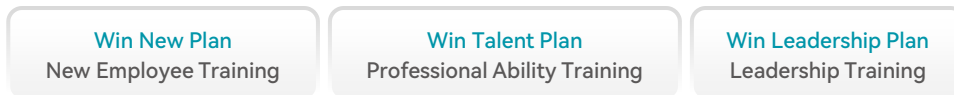
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Employee Training

To support the implementation of its strategy, the Company has established the "WIN Series," a structured, multi-tiered talent development program aligned with its strategic goals and competency framework. The program is designed to support employees across all career stages and consists of three core initiatives:

To effectively support the employee training and development system and overall training operations, the Company has established foundational mechanisms, including the management of trainers, training records, and training resources. Furthermore, leveraging the "Winner E-Academy" digital learning platform, we have enhanced relevant training policies and procedures to ensure that talent development is carried out in a standardized, orderly, and continuously improving manner.

Winner Group's "Win Series" Talent Cultivation Plan



Highlighted Performance

| | | |
|-------------|--|-----------------------------------|
| 2025 | Winner Group employee training coverage rate | Total training hours of employees |
| | 100% | 270,000 |

Digital Training Platform:

The Winner E-Academy integrates courses in multiple fields such as marketing, products, general abilities, and corporate culture, supporting employees to study independently according to their own time and learning progress.

Mentorship System:

Establish a company-wide database of mentors and implement a professional mentorship system to give full play to the experience advantages of senior employees and promote the effective inheritance and sharing of internal valuable experience.

Training Activities:

Build the "Lecturer Festival" into a branded training activity to encourage knowledge transfer and sharing, and create a cultural atmosphere of "loving to share and learn".

Training Budget:

Set a training budget every year, clarify course categories, time, and expenses to ensure scientific planning and clear order.

New Employee Training

New employee training focuses on the core goals of "comprehensive understanding, rapid integration, and ability adaptation", and is divided into new employee onboarding training and special training for fresh graduates. Through various forms of training, it helps new employees quickly complete the role transformation and lay a solid foundation for subsequent work.

New Employee Onboarding Training:

Through various forms such as centralized lectures and online learning, detailed information about the Company's corporate culture, rules and regulations, organizational structure, business segments, strategic directions, and product knowledge is introduced to enable new employees to have a comprehensive understanding of the Company, quickly learn about the Company's basic situation, integrate into the corporate culture, and master basic work norms.

Spring Seedling Training Camp:

The Spring Seedling Training Camp prepares recent graduates for professional life through a blend of intensive sessions, mentorship, and practical projects. Participants gain essential company knowledge, learn about our culture and structure, and build foundational workplace skills. The program supports a smooth transition from campus to career, enabling graduates to adapt quickly, acquire core professional competencies, and develop into future talent for the Company.

In 2025, we introduced the "Spring Bud (Intern) Special" program for university students in their final year of study. Through early identification, pre-placement development, and structured onboarding, this initiative enhances role-readiness, expands our talent pipeline, shortens time-to-productivity, and strengthens our leadership succession plan.



Spring Seedling (Fresh Graduate) Training Program

Professional Competence Development

Professional competence development adheres to the concept of "everyone as a teacher", creates an internal sharing and communication platform, and through regular knowledge extraction and inheritance, promotes the systematic transformation of organizational wisdom into team combat effectiveness, continuously consolidating the foundation of the professional competence of the talent team.



Outstanding Team Leader Training Camp

For factory managers, through various forms such as centralized training, on-site practice, mentor guidance, and experience sharing meetings, combined with the actual production scenarios of the factory, conduct training on on-site management, team collaboration and communication, and production efficiency optimization. Improve on-site management ability, team collaboration ability, and production efficiency optimization ability, create an excellent grassroots management team, and ensure the efficient and stable production and operation of the factory.



Store General Manager Project

To strengthen the reserve force of regional managers, select outstanding store manager representatives as reserve talents for regional managers for cultivation. During the project, project members assume the responsibilities of the general store manager role (the project is equipped with a virtual practice position), and are trained by senior or intermediate regional managers as teaching mentors through project experience, intensive training and communication, and on-the-job teaching. After passing the project certification, they will officially enter the reserve talent pool for regional managers and be eligible to compete for the position of regional manager.

Leadership Development

The leadership development program launched the "Win Leadership Plan", with junior and senior classes. Relying on a clear cultivation plan, through various cultivation methods, cultivate a management echelon that can win battles and achieve goals.

Case

2025: "Win Leadership Plan" Leadership Training Project

In 2025, the Company's "Win Leadership Plan" leadership training project focused on cultivating more than 80 high-potential managers. The project adopted a hierarchical cultivation model for juniors and intermediates to achieve precise empowerment. A batch of high-quality courses such as "Lifelong Growth", "Application and Practice of Cost-Volume-Profit Analysis", and "DSTE Strategic Management" emerged from the curriculum system, with content close to actual combat and highly inspiring. The trainees gave positive feedback and generally believed that the course content was close to actual combat and highly inspiring.

By systematically upgrading the curriculum system and teaching staff, strengthening practical exercises and closed-loop management, and closely linking learning outcomes with cadre development, the "Win Leadership Plan" leadership training project effectively forged a future leadership echelon that meets the Company's strategic needs and injected core impetus into the organization's sustainable development.



"Win Leadership Plan" Leadership Development Training Camp

Lean Development of Front-line Employees

To continuously cultivate talents with both lean management knowledge and front-line practical ability, the Company has launched a lean training class for manufacturing subsidiaries, aiming to systematically improve the trainees' lean thinking and on-site problem-solving ability, and promote the whole-staff improvement culture.

In 2025, the training class was carried out along the path of "cognition-practice-thinking", lasting for 6 months, with a total of 56 training sessions, covering 45 trainees, and a total of 14 courses were set up. The training adopted a model that combined daily participation, exam evaluation, and practical application, effectively strengthening the trainees' lean thinking and promoting the implementation and popularization of lean methods on the production front line.



Jiayu Winner "Lean Training Class"

Career Development

The Company is committed to breaking through the "ceiling" and "one-way street" of career development and building a diversified, parallel, and interconnected career development system. By establishing a dual-channel mechanism with parallel management and professional paths, employees can choose to develop in-depth in the technical or business fields, or be promoted to management positions across channels, achieving horizontal movement and vertical promotion.

Qualification System

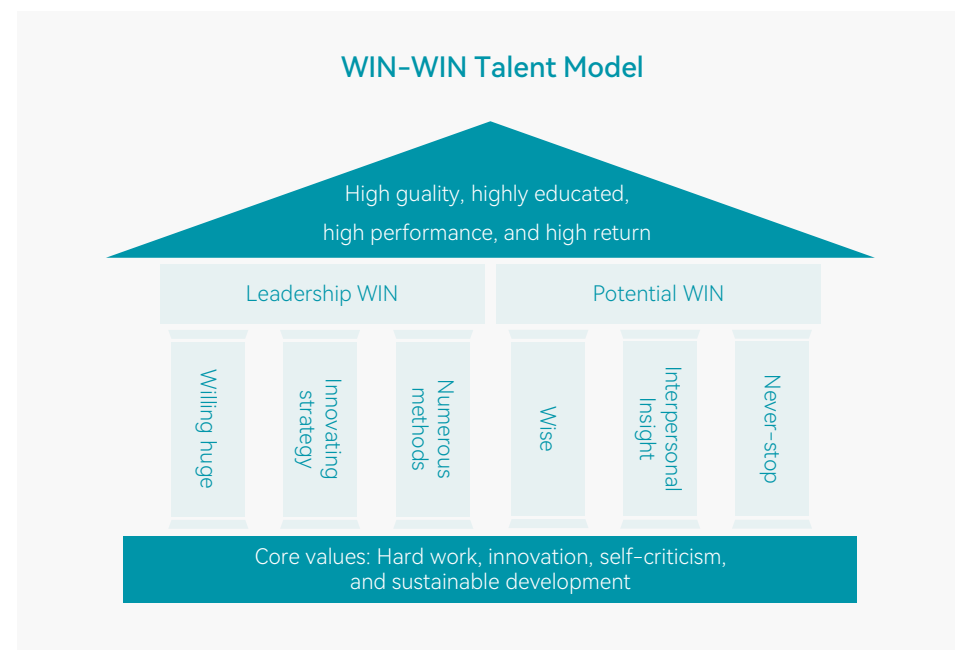
We have established a clear qualification standard, certification, and management system, which outlines a visible and achievable career blueprint for employees and lays a solid foundation for employee growth and organizational efficiency improvement. In 2025, the Company continued to promote the development and certification of qualifications for core value positions, completing the development of 18 positions in the e-commerce, overseas, merchandise, R&D, and finance fields. We plan to achieve a 100% coverage rate for the development of qualifications for core value positions by 2028.

Talent Evaluation System

The Company maintains a structured talent assessment framework. An annual talent review, aligned with corporate strategy, evaluates employees based on performance and potential, placing them within a nine-box matrix. Each segment of the matrix defines employee profiles and outlines corresponding management actions and development plans. This review effectively identifies high-potential individuals and informs targeted talent strategies. The resulting insights serve as a key input for decisions across the employee lifecycle, including selection, development, promotion, compensation, rotation, and succession planning.

Promotion and Advancement System

The Company has established a comprehensive promotion and advancement management system and conducts promotion and advancement reviews annually. Promotions are performance-oriented, comprehensively considering employees' basic qualifications and value contributions, and are carried out step-by-step. This encourages employees to continuously improve and progress. We provide timely incentives and development opportunities for high-potential and high-performing employees, enabling outstanding talents to stand out and support their rapid career development.



Protecting Employee Rights

The Company has established a comprehensive promotion and advancement management system and conducts promotion and advancement reviews annually. Promotions are performance-oriented, comprehensively considering employees' basic qualifications and value contributions, and are carried out step-by-step. This encourages employees to continuously improve and progress. We provide timely incentives and development opportunities for high-potential and high-performing employees, enabling outstanding talents to stand out and support their rapid career development.

Compliant Employment

Winner Group always takes safeguarding employees' legitimate rights and interests and ensuring basic human rights as the core tenet of compliant employment. It strictly abides by domestic laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. Meanwhile, it follows international human-rights standards such as the *Universal Declaration of Human Rights* of the United Nations and the core conventions of the International Labour Organization. Upholding the business principle that social value takes precedence over corporate value, it comprehensively standardizes the entire employment process including recruitment, employment, and management. In 2025, the Company formulated and publicly released *the Employee Code of Conduct of Winner Group* and the *Human Rights Policy of Winner Group* in accordance with internal management requirements. At the same time, it updated the *Attendance and Leave Management System* according to the latest national policies and laws and regulations, fully demonstrating the Company's high-level attention and sense of responsibility for safeguarding employees' rights and interests.

Protection of Labor Rights and Interests

Winner Group legally signs standardized labor contracts with all on-the-job employees, clearly defining the rights and obligations of both parties. It firmly opposes all forms of child labor and forced labor, strictly resists all kinds of illegal employment practices, and prohibits employment discrimination based on factors such as gender, ethnicity, religion, and age, effectively ensuring that all employees have equal access to employment opportunities and career development space.

The Company has established a standardized and complete working-hour and salary management system. It scientifically sets reasonable working-hour standards, reasonably controls and optimizes the daily and peak-season working-hour arrangements, and promptly and properly handles all kinds of abnormal working-hour situations. It strictly implements the relevant regulations on salary payment to ensure that employees receive their labor remuneration and overtime compensation in full and on time.

The wage level meets or exceeds the local legal benchmark and the reasonable industry level.

The Company has established a regular employee communication mechanism. It regularly conducts equal communication and discussions with employee representatives on matters that employees are concerned about, such as the improvement of working conditions and the optimization of salary and benefits. It seriously listens to employees' reasonable demands and continuously optimizes management measures. At the same time, it regularly conducts a full-staff salary difference assessment and salary fairness monitoring, strictly implements the principle of equal pay for equal work, and ensures fair and just salary distribution.

On the basis of legally paying basic social insurance for all employees, the Company, in line with its own development reality, provides more comprehensive support for employees' rights and interests.

The Company strictly implements the relevant national and local regulations on rest and leave, refines the leave management process, and ensures that employees enjoy various leave rights such as paid annual leave and legal holidays in accordance with the law.

In 2025, Winner Group did not have any illegal employment incidents such as the use of child labor, forced labor, employment discrimination and wage arrears.

Diversity, Equality, and Inclusion

Winner Group always integrates the concept of Diversity, Equality, and Inclusion (DEI) into corporate operations. Based on the business positioning of the coordinated development of the medical and consumer goods sectors, the Company adheres to the principles of respect and fairness, builds a zero-discrimination and inclusive workplace environment, and safeguards the legitimate rights and interests and personal dignity of all employees. The Company has established a system based on the Anti-Discrimination Code of Conduct of Winner Group and the Anti-Sexual Harassment Code of Conduct of Winner Group. In 2025, it formulated and released the Diversity, Equality, and Inclusion Policy of Winner Group, clearly prohibiting discriminatory behaviors based on any identity characteristics such as race, gender, age, ethnicity, religion, and disability status. The Company also clarifies the definition criteria and handling procedures for workplace harassment and maintains a zero-tolerance attitude towards discrimination and harassment incidents.

Recruitment Process

The Company implements a fair and transparent recruitment process, with job qualifications and personal abilities as the core recruitment criteria. The Company does not set identity restrictions unrelated to job performance and implements anti-discrimination requirements from the recruitment stage.



Promotion Process

The Company has established a multi-dimensional promotion evaluation mechanism, breaking down various identity barriers and providing equal career growth paths and development opportunities for all employees, ensuring that employees' development rights are not affected by identity differences.

To ensure the implementation of anti-discrimination and anti-harassment work, the Company has set up an open and unblocked anonymous reporting channel, supported by a complete anti-retaliation protection mechanism. We designate a specific person to be responsible for verification and handling, ensuring that issues such as discrimination and harassment are handled in a timely and fair manner and safeguarding employees' legitimate rights and interests.

In 2025, there were 393 ethnic-minority employees in Winner Group, accounting for 2.8% of the total number of employees in the Company²¹. Among them, the number of employees of the Zhuang, Tujia, Miao, and Manchu ethnic groups was relatively large. According to statistics, Zhuang employees accounted for 0.75% of the total number of employees in the Company and 0.74% in management positions; Tujia employees accounted for 0.53% of the total number of employees in the Company and 0.49% in management positions; Miao and Manchu employees each accounted for 0.21% of the total number of employees in the Company, and their proportions in management positions were 0.31% and 0.61% respectively.

The Company attaches great importance to cultivating an inclusive culture. Based on anti-discrimination and anti-harassment, the Company respects the diverse cultural backgrounds and life beliefs of employees and strictly prohibits workplace bullying. Through diversified theme activities, special lectures on anti-discrimination and anti-harassment, and cross-departmental communication and collaboration, the Company conveys the concept of equality and inclusion to all employees, guides employees to respect and tolerate each other, and enhances team cohesion. In addition, the Company strictly follows the principle of equal pay for equal work, determines salaries based on job value and personal abilities, ensures fair and just salary distribution, implements the concepts of diversity, equality, and inclusion, promotes anti-discrimination and anti-harassment work, and consolidates the foundation for safeguarding employees' rights and interests. During the reporting period, no discrimination or harassment incidents occurred in the Company.

| Employee Diversity Performance Data ²¹ | 2025 |
|---|-------|
| Proportion of Female Employees | 67.6% |
| Proportion of Female Managers | 64.3% |
| Proportion of Female Junior Managers | 68.8% |
| Proportion of Female Senior Managers | 46.6% |
| Proportion of Female Managers in Revenue-Generating Departments | 71.4% |
| Proportion of Female Employees in STEM-Related Positions | 36.1% |

²¹ Employee ethnic and gender diversity data for our operations in the United States and Vietnam are excluded from this report's scope due to differing local regulatory requirements and limitations in data availability.

Employee Care

The Company pays attention to the physical and mental health and daily needs of employees. From health check-ups, convenient facilities to special care, it builds a multi-level welfare system to make employees truly feel the warmth of the enterprise.

Employee Welfare System

Winner Group Welfare System

Peace of Mind Guarantee

Social Security: Five Insurances and One Housing Fund, Commercial Insurance, Accident Insurance, Employer Liability Insurance
Leave Entitlements: Annual Leave, Paid Sick Leave, Parental Leave, Bereavement Leave, etc.

Health Protection

Health Screening: Annual Physical Examination
Medical Care Guarantee: Comprehensive Medical Insurance, Green Channel for Severe Diseases
Health Empowerment: Employee Canteen, Massage and Physiotherapy, Health Activities

Growth Companion ship

Onboarding Care: Gift Packages, In-house Purchase Discounts
Anniversary Incentives: Gifts, Bonuses for Senior Employees
Maternity Care: Gift Packages, Prenatal Check-up/Maternity Leave/Paternity Leave
Retirement Care: Retirement Farewell Souvenirs

Happiness Enhancement

Living Guarantee: Welfare Housing
Festival Care: Unified Welfare, Festival Activities
Spiritual and Cultural Activities: Sports Gatherings, Mountain Climbing, Team-building, Clubs, Gym
Personal and Family Care: Employee Children's School-Aid, Assistance for Difficult Families, Love Association

Case

Personal and Family Care Project: Winner Pingan-Autumn Scholarship Program

To further enhance the enterprise's cohesion, stimulate employees' enthusiasm for loving their jobs and making active contributions, and encourage employees' children to study hard and pursue excellence, the Company gives special rewards to the children of employees who are admitted to universities in the current year. It supports the development of employees' families with practical actions, conveys the warmth of the enterprise, helps employees and the enterprise grow together, continuously fulfills its social responsibilities to employees and their families, and promotes the sustainable development of the enterprise. In 2025, Winner Pingan provided school-aid rewards to 22 children of employees, with a total of RMB40,000 distributed.



Winner Pingan-Autumn Scholarship Program

Case

Promoting Employee Health: Opening the Employee Gym

To advocate a healthy lifestyle, alleviate workplace stress, and enhance employees' physical fitness, the Company opens an exclusive gym for all employees for free. The gym is equipped with professional sports equipment, providing a safe, convenient, and comfortable fitness environment to encourage employees to exercise regularly after work and maintain physical and mental vitality.



Winner Group Employee Gym

Promoting Physical and Mental Health

Basic Living Guarantee

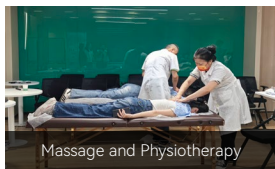
- ▶ **Improving the basic supporting facilities of the work environment:** Each floor of the Company is equipped with convenience facilities such as tea rooms, water bars, snack cabinets, refrigerators, and microwave ovens, providing a comfortable resting space for employees during work breaks and relieving work fatigue.
- ▶ **Providing high-quality catering benefits:** An employee canteen is set up, offering a variety of food options such as special stir-fries, noodles, and spicy hot pots. At the same time, exclusive catering discounts for employees are introduced to improve employees' quality of life.



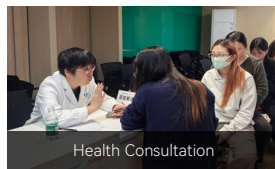
Winner Basic Living Guarantee

Special Health Protection

- ▶ **Annual Employee Physical Examination:** Provide annual physical examination services for all employees.
- ▶ **Regular Health Services:** Conduct welfare activities such as massage and physiotherapy, health consultations, and traditional Chinese medicine consultations every quarter to relieve employees' sub-health problems in the workplace. Increase lectures or guidance services on mental health to take care of employees' physical and mental health.
- ▶ **Conducting First-Aid Training:** Continuously conduct first-aid training to help employees master basic first-aid skills for self-protection and mutual assistance.



Massage and Physiotherapy



Health Consultation



First-Aid Training

Employee Humanistic Care

- ▶ **Festival Welfare and Culture:** On important festivals such as International Women's Day, the Dragon Boat Festival, the Mid-Autumn Festival, and the Spring Festival, the Company distributes welfare gifts to employees and holds corresponding cultural activities to enrich employees' spiritual lives.
- ▶ **Exclusive Maternity Care:** Focusing on pregnant and postpartum mothers, the Company issues pink work-ID tags to expectant mothers, giving them privileges such as no queuing in the canteen and priority in the elevator. It sets up and upgrades mother-and-baby rooms, improves facility configuration, and provides convenience for breastfeeding female employees. It also prepares maternity gift packages for pregnant and postpartum mothers (including the families of male employees).
- ▶ **Family-friendly Holiday Support:** The Company strictly adheres to national and local regulations regarding maternity leave and provides employees with a more supportive parental leave policy to comprehensively assist employees in balancing work and family. In 2025, a total of 433 employees applied for and took parental leave as primary caregivers²², with an average leave of about 13.54 weeks per person. Meanwhile, 95 employees used this benefit as non-primary caregivers, with an average leave of about 1.69 weeks per person.²³
- ▶ **Assistance for employees in difficulty:** Establish a comprehensive assistance mechanism and process to provide timely support to employees in difficulty and relieve their living pressure.

Highlight Performance

This year, the Company has made efforts in assisting employees in difficulty.

Assisted employees in difficulty

73 people

Invested funds for assisting employees in difficulty

RMB **378,600**

Helped families in difficulty

11 families

²² The Company comprehensively counts and discloses data on parental leave available to employees, including both statutory parental leave and relevant family leave support provided by the Company.

²³ Due to the differences in parental leave systems and data acquisition conditions in different countries and regions, the parental leave data of employees in the US and Vietnam companies are not included in the statistics of this report for the time being.

Cultural and Sports Activities

As a listed company deeply involved in the medical health and consumer goods fields, Winner Group extends its concern for health from products to employee well-being and actively advocates a healthy sports culture. The Company regularly holds brand sports events such as the "Spring Fitness Festival", "Ten Peaks Challenge", and "Autumn Wutong Mountain Hiking Event" every year, and supports the establishment of six employee clubs for badminton, basketball, table tennis, tennis, dance fitness, and outdoor running. These rich activities strengthen employees' physical fitness and enrich their spare time.

Winner Medical and Purcotton effectively improved team collaboration and cohesion by holding the "Spring Fitness Festival" that combines physical and mental competitions.



The Company supports employees in spontaneously forming diverse interest clubs. Regular activities in these clubs promote employees' physical and mental health, enhance social connections, and improve organizational belonging.



Wuhan Winner organized trainees in the Win Leadership Program to conduct winter hiking and team challenges. Through practice, the team spirit of collaboration was honed, and the centripetal force for development was strengthened.



Campaign activities are carried out during major promotion periods such as the 618 and Double 11 sales events. These activities use goal-driven incentives and morale-boosting displays to rally the team spirit and transform business challenges into collective strength.



Huanggang Winner carried out regular health-running activities every Friday afternoon, which effectively improved employees' physical and mental health and elevated physical exercise to a cultural carrier for team cohesion building.



Communication and listening

The Company is dedicated to fostering a transparent, open, and equitable communication culture. Through institutional frameworks, channel development, and cultural advocacy, it ensures two-way information flow and that employee voices are effectively heard and addressed. We champion a “de-layered” communication environment. Neither the Company’s founder nor its senior executives maintain private offices; instead, they work in shared spaces alongside employees to facilitate spontaneous interaction. Internally, the practice of using formal titles such as “General Manager” is discouraged, a detail that embodies our principle of equality and the absence of privilege. This encourages frontline employees to engage in direct and candid dialogue with managers at all levels, including the founder.

The Company fully uses online collaboration tools such as Feishu to support instant and flat communication among all employees and operates an internal forum as an open community for daily sharing and suggestions. At the institutional level, managers at all levels maintain regular interaction with employees through one-on-one and team meetings. HRBPs regularly organize special communication sessions on performance, promotion, etc. At the same time, informal exchanges such as department brainstorming sessions and innovation days are encouraged to strengthen learning and connections among employees.

Employee Appeal and Feedback Mechanism Employee Satisfaction Survey

In 2025, the Company further upgraded its employee feedback system, building an online platform that integrates employee suggestions, feedback, and complaints. It implements confidential management of appeals and fair and just handling. We formulated and issued the Management Specification for Employee Complaints and Appeals of Winner Group and the Operation and Management Specification for the Labor Dispute Mediation Committee of Winner Group Headquarters, standardizing the dispute-handling process at the institutional level to ensure that employee rights and interests are protected with clear regulations and procedures, forming a management closed-loop of “listening-responding-improving”.

To continuously optimize the employee experience, the Company conducts regular full-scale satisfaction surveys by business unit. The survey covers multiple dimensions such as work experience, development support, team atmosphere, and mental state. Specific topics include but are not limited to: perception of work pressure (e.g., “My colleagues often feel the pressure of criticism or non-recognition”), support and development empowerment from superiors (e.g., “My superior encourages me to develop at work”, “My leader encourages me to try new ideas”), and the effectiveness of feedback (e.g., “I feel that my opinions are valued at work”).

The Company attaches great importance to the application of survey results and forms a closed-loop management mechanism of “diagnosis-improvement-tracking”.

By differentiating business segments, conducting periodic systematic research, and making targeted improvements, the Company can accurately respond to the demands of employees in different business segments and continuously promote the improvement of organizational health and employee satisfaction.



| | |
|----------------|---|
| Winner Medical | Winner Medical completed its 3rd survey in 2024, with an overall score of 4.15 (out of 5). Based on the survey insights, the Company designated 2025 as the “Year of Employee Experience Improvement” and implemented a series of improvement measures focusing on atmosphere improvement, cohesion enhancement, and humanistic care. |
| Purcotton | Purcotton completed its latest round of research in 2025, with an overall score of 4.21 (out of 5). The relevant improvement directions have also been included in its business management priorities. |

Protecting Health and Safety

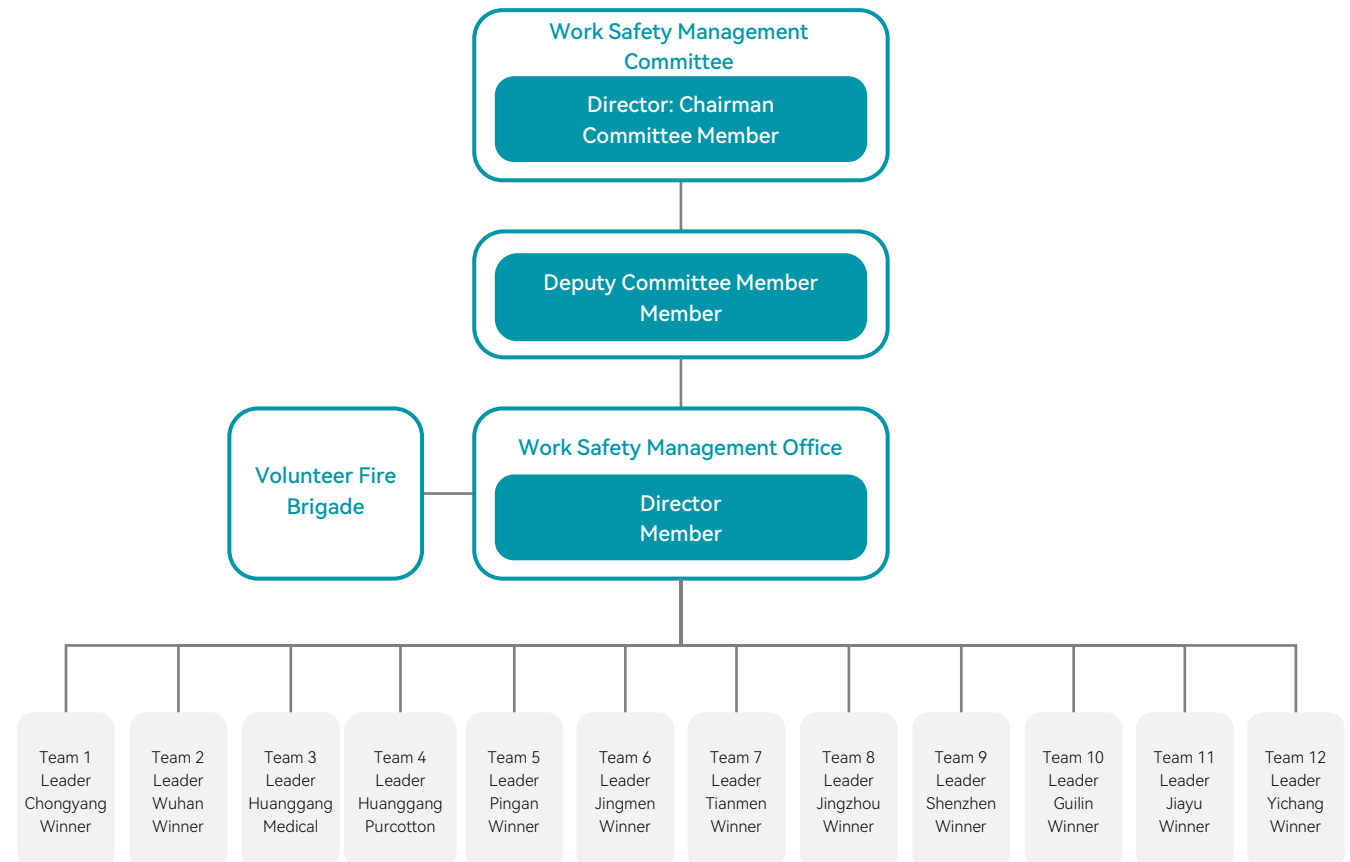
Winner Group always regards employee health and safe production as the foundation of the Company's sustainable development and an important manifestation of fulfilling social responsibilities. It places occupational health protection and safe production control in a key position in its business development. The Company adheres to the five-character policy of "prevention, treatment, management, education, and construction" to strengthen the occupational health defense line, is committed to building a safe and healthy working environment, and effectively protects the physical and mental health of every employee, demonstrating the core concept of "caring for life" and the responsibility and original intention of protecting life and health.

Occupational Health and Safety

To effectively safeguard the health and safety rights and interests of all stakeholders, in 2025, the Company formulated and released the Winner Group Occupational Health and Safety Policy covering all employees, contractors, suppliers, and visitors. Adhering to the principle of "life first", the Company established the management goal of "zero accidents and zero occupational diseases". By continuously improving the occupational health and safety management system, deepening risk classification management and control and emergency drills, and strengthening the publicity of safety culture, the Company systematically consolidates the foundation of safety management and comprehensively improves the level of intrinsic safety.

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

Safe Production Management System



Safe Production Management System

The Company strictly abides by laws and regulations such as the Law on Work Safety and the Law on Prevention and Control of Occupational Disease. Guided by the ISO 45001 standard, it has established and improved internal management systems such as the *Responsibility System for Work Safety*, *System of Work Safety Meeting*, *Safety Education and Training System*, and *Safety Hazard Investigation and Handling Regulation*. In 2025, the Company updated and issued 2 institutional documents for the occupational health and safety management system, and maintained a long-term and effective mechanism to ensure the standardized and orderly operation of all safety management work.

As of the end of the reporting period, Winner Group, Shenzhen Winner, Chongyang Winner, Jingmen Winner, Huanggang Winner, Jiayu Winner, Tianmen Winner, and Wuhan Winner have obtained ISO 45001 Occupational Health and Safety Management System certification, achieving an 87.5% coverage rate across the Company's self-operated production facilities.

Highlight Achievements

ISO 45001 certification coverage of self-operated production facilities **87.5%**

Safety Management Objectives

To consolidate the foundation of work safety and safeguard the legitimate rights and interests of employees, the Company has defined the core safety management objectives for 2025 and made every effort to protect the safety of employees' operations. Through measures such as strengthening safety management and improving the quality and effectiveness of safety training, the Company aims to control the million-injury rate below 1.9, and effectively strengthen the safety protection line for workers. At the same time, the Company strictly implements the annual employee safety training plan, continuously enriches the training content and innovates the training form to ensure a 100% safety training coverage rate, comprehensively improve the safety awareness and safety skills of all employees, and promote the continuous improvement of safety management levels. In this year, the Company did not experience any major work safety accidents and was not subject to any administrative penalties in the field of work safety.

| 2025 Objectives | Progress of Objectives |
|--|------------------------|
| Reduce the million-injury rate of employees to 1.9 | Achieved |

Note: The boundary of this target is limited to production sites within the Company and does not include headquarters offices or other non-production operational premises.

Identification and Assessment of Work Safety Risks

The Company follows the work safety management logic of "first identify, then assess, and then control", and regularly conducts the identification and assessment of occupational health and safety risks, comprehensively investigates and clarifies various factors that may cause harm to employees. On this basis, we have established a standardized and implementable risk assessment process, and clarified the investigation responsibilities and assessment frequencies of each department.

Based on the standardized risk assessment process, the Company conducts quantitative and qualitative analyses of the identified risks (using the calculation method of risk value $D = L \times E \times C$, where L represents possibility, E represents exposure frequency, and C represents the severity of consequences), and implements hierarchical and dynamic control based on the results. The risk levels are divided from high to low into major, relatively large, general, and low risks, corresponding to the four-color markings of red, orange, yellow, and blue respectively.

To strengthen on-site risk warning and employees' awareness, the Company posts risk notification cards and four-color distribution maps at prominent positions in each production workshop and operation area to visualize safety risks. In 2025, we promoted all subsidiaries to comprehensively complete the identification and grading of risk sources in the workplace to ensure that front-line employees can clearly understand the risks around their positions and effectively improve their risk prevention ability and emergency response awareness.

Implement the Mechanism of Internal Hazard Reporting and Reward

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

The Company Sets up an Incentive Award Fund for Safety Management

To systematically improve the participation in safety management, the Company has established a special safety incentive fund. This mechanism aims to tilt the safety incentive resources towards front-line grass-roots employees to effectively stimulate the enthusiasm of all employees to actively pay attention to and participate in safety management. In 2026, the Company will further clarify the internal safety reward standards, formulate the incentive conditions and distribution processes to ensure that the incentive measures effectively cover grass-roots positions and guide all employees to jointly attach importance to and practice work safety.

Safety Inspections and Emergency Drills

The safety management departments of each subsidiary strictly implement the weekly safety hazards investigation work, record and summarize the discovered hazards in detail, output standardized safety hazards reports, and track the progress of hazards rectification throughout the process to ensure that all hazards are cleared in a closed-loop manner.

The Company's Work Safety Committee organizes comprehensive safety hazard inspections across the entire group on a quarterly basis. It conducts special assessments based on the actual safety management situations of each subsidiary and simultaneously carries out safety production competitions to strengthen the safety management foundation of each unit. The Company conducts emergency drills every six months to enhance the emergency response capabilities of all employees. During the annual Safety Production Month, the Company organizes employees to participate in promotional activities such as safety production knowledge competitions to further strengthen employees' safety awareness.

Highlight Achievements

| | | |
|------|-----------------------------------|-----------------------------------|
| 2025 | The Company Headquarter organized | The Company organized |
| | 46 safety inspections | 26 safety emergency drills |

Occupational Health Management

The Company has formulated the Occupational Health Management System to clarify various requirements for occupational health management, effectively ensuring that employees are not affected by occupational disease hazard factors during the production process, preventing the occurrence of occupational diseases, and legally protecting the legitimate rights and interests of occupational disease patients. At the same time, the Company comprehensively understands the distribution, concentration, and intensity of occupational disease hazard factors in the workplace, precisely controls the occupational health monitoring status of workers, strictly fulfills the main responsibility for occupational disease prevention, and solidly carries out various occupational disease prevention work. For workplaces involving occupational disease hazards, the Company regularly organizes employees to conduct occupational disease health examinations and monitors occupational disease hazard factors in the work environment every year, and promptly reports the examination and monitoring results to the occupational disease monitoring system as required to achieve standardized occupational health management. In 2025, there were no reported occupational disease cases across Winner Group. The Company maintained 100% coverage for all employees under both statutory work injury insurance and supplemental workplace safety liability insurance.

Safety Culture Construction

The Company adheres to the promotion of the safety culture of "work safety and healthy development" and establishes a management mechanism for work safety education and training. It conducts training for employees on safety-related knowledge, including the safety production policy, the Company's EHS policy, and safety requirements for employees. New employees and employees changing positions are provided with three-level safety education and training to enhance employees' safety awareness. In addition, the Company formulates special safety training courseware on a quarterly basis to implement safety education and training, enabling full-staff participation, improving employees' safety awareness, preventing casualty accidents, and reducing occupational hazards.

Highlight Achievements

| | | | |
|------|--|---|---|
| 2025 | Number of safety training sessions throughout the year | Number of person-times of safety training throughout the year | Coverage rate of employees' safety training |
| | 42 sessions | 7,500 people | 98% |

Supplier Safety Management

The Company has formulated the *Code of Conduct for Suppliers in the Winner Group Supply Chain*, clarifying the basic management requirements for suppliers and contractors in terms of health and safety, extending health and safety management to all aspects of the supply chain, and attaching great importance to the protection of labor rights in the supply chain. For suppliers providing engineering construction or services, the Company clearly includes relevant requirements for their safety management in the cooperation contracts to ensure that suppliers strictly abide by the regulations and fulfill their health and safety management responsibilities. In 2025, there were no work-related fatalities among contractors of the Winner Group.

06

Drive Community Thriving

Adhere to the principle that social value takes precedence over corporate value and enhance social trust.

The Company has always integrated its development into the pulse of the community. Its in-depth expertise in the medical and health field naturally extends to a profound concern for community well-being. By building a multi-dimensional and collaborative public welfare network, the Company has built an invisible bridge between professional resources and community needs, forming a support system that responds to both immediate needs and long-term development. The Company integrates social responsibility into its daily operations and establishes a deep understanding with the community through continuous value transmission, providing a compassionate corporate example for sustainable development.



Topics Addressed in This Chapter

- Social Contribution
- Medical Accessibility
- Rural Revitalization

SDGs Addressed in This Chapter



Practicing Social Responsibility

The Company always upholds the principle that “social value takes precedence over corporate value”. Leveraging its core business in medical and health, the Company systematically fulfills its corporate social responsibility across four dimensions: improving medical accessibility, caring for women and children, environmental public welfare, and disaster relief.

In improving medical accessibility, leveraging its professional product and channel strengths, the Company continuously works to extend high-quality medical resources to grassroots communities and improve basic healthcare in remote areas. In caring for women and children, it focuses on maternal and child health and child safety, safeguarding the health rights of women and the next generation through product donations, health education, and targeted support programs. In environmental public welfare, the Company actively promotes green consumption, donates non-woven eco-friendly cotton bags, and integrates sustainable cotton farming with ecological conservation to foster a green value chain from field to consumer. In disaster relief, it acts swiftly during critical times such as natural disaster response, urban emergency support, and care for vulnerable groups, effectively translating its professional medical and health capabilities into tangible social service.

By deeply integrating professional capabilities with social needs, the Company has built a social responsibility practice system covering multiple issues with both depth and breadth, promoting the evolution of public welfare initiatives from standalone projects to a systematic and sustainable model, and setting a benchmark for social value innovation in the medical and health industry.

Caring for Women and Children

The Company continuously builds a multi-dimensional social responsibility framework covering maternal and child health, adolescent development, women's welfare, and child safety. Ranging from community charity sales to campus health workshops, from menstrual health support to emergency care networks, and from child-centric advocacy to sports safety initiatives, the Company drives the evolution of public welfare actions from isolated aid projects towards ecosystem building through innovative models. This demonstrates the exemplary role of a healthcare enterprise in social services and contributes innovative, industry-leading practices to the field of women and children's welfare.

Case

Charity Sale Gathers Love, Winner Focuses on Protecting Women and Children

To support the well-being of women and children and mobilize social forces for public welfare, the Company, in collaboration with the Longhua District Charity Federation, held a charity event themed “Safeguarding the Health of Women and Children” on March 7, 2025. By adopting an innovative charity model, it effectively integrated corporate resources with societal needs, injecting new vitality into the “Floral Guardian” Care Program. The event attracted over 2,000 participants by offering Winner Medical and its brand Purcotton products to the public at charitable prices, raising nearly 30,000 yuan in donations. This event not only successfully secured the initial special fund dedicated to supporting women and children but also increased public participation in and trust towards charitable causes. The Company remains steadfast in its core philosophy of “Safeguarding the Health of Women and Children”, continuously developing high-quality health products to meet the needs of consumers and protect public health.



Guiding citizens in selecting products

For Her

The Company is consistently committed to women's empowerment and health needs, actively participating in women's health philanthropy, and dedicated to enhancing women's well-being and promoting gender equality. Through product innovation, health advocacy, and public welfare actions, the Company helps women of the new era realize their potential and shine with confidence.

The "Nice Princess, Nice for Her" Menstrual-Friendly Initiative is a public welfare project jointly launched by Nice Princess—a sanitary pad brand under Purcotton—and the China Women's Development Foundation. Focusing on the basic need for sanitary pads, the project aims to unite more charitable organizations and individuals to increase societal awareness of the needs of menstruating women. It strives to play a positive role, particularly in supporting the physical and mental health of women in disadvantaged areas, enabling more girls to access essential sanitary products and health education. The initiative advocates for mutual encouragement and support among women, working towards positive change for a better environment for all women.

Highlighted Achievements

As of December 31, 2025

Purcotton has cumulatively donated cash and materials valued at **RMB 5.98 million** to the China Women's Development Foundation.

It has distributed **27,000** "Nice Princess" menstrual hygiene kits to girls at over **120** primary and secondary schools in underprivileged areas and conducted more than **300** menstrual health classes.

Furthermore, it has provided a total of **357,000** sanitary pads free of charge as emergency aid across its network of **over 500** stores and **40** university campuses and airport locations nationwide. By persistently focusing on concrete, practical actions, the initiative aims to inspire greater societal attention and support for women's menstrual needs.

Case

The "Nice Princess, Nice for Her" Menstrual-Friendly Initiative

The "Nice Princess, Nice for Her" project was officially launched in 2024 and continued its efforts in 2025. In May 2025, the Company held its annual donation ceremony at Sanguanmiao Town Junior High School in Lantian County, Shaanxi Province, marking the start of a new year of charitable activities. The warmth was subsequently extended to remote areas such as Yunnan-Guizhou regions, western Sichuan, and Henan. By distributing menstrual hygiene kits containing sanitary pads and parent-child health manuals, and by organizing menstrual health classes, the project provided practical assistance to adolescent girls in need.



The Donation Ceremony in Shaanxi, May 2025



Group Photo at the Annual Donation Ceremony

Case

Princess Nice Girls' Vitality Growth Camp

To promote the holistic development of girls, enhance their self-awareness and social connection skills, Purcotton, in collaboration with the China Women's Development Foundation and the 'Aixiaoya' team, jointly organized the first "Girls' Vitality Growth Camp" in Dali, Yunnan. Centered around a themed



Group Photo at the "Girls' Vitality Growth Camp"

experience called "Xiaoya's Adventure," the camp employed interactive formats such as art therapy, drama expression, and adventure challenges. Through immersive group activities, it helped girls explore themselves and build confidence across four dimensions: body awareness, emotional management, interpersonal relationships, and future planning. The distribution of menstrual care packages and provision of health guidance also offered tangible support for their menstrual well-being. This activity not only pioneered an innovative public welfare education model for rural girls but also infused practical vitality into the long-term "Bestowing Goodness upon Her" project, helping girls shine with confidence on their growth journey.

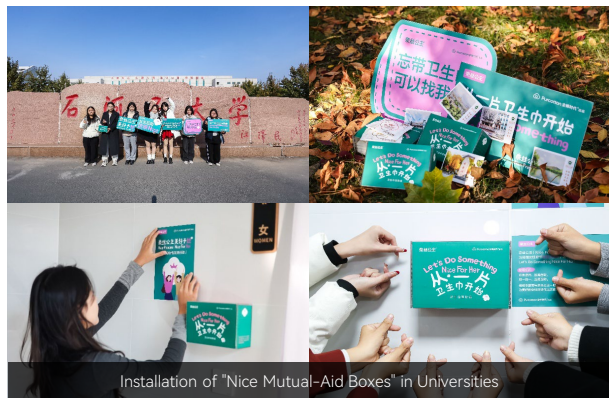
Case

Nice Princess, Nice for Her — Sanitary pad Mutual-Aid Boxes

To foster a more friendly and supportive environment for women, Purcotton's "Nice Princess, Nice for Her" charitable initiative has steadily expanded its network of social support. As of December 31, 2025, "Nice" Mutual-Aid Boxes have been installed in over 40 universities, across 105 cities, and at 500 Purcotton stores nationwide to provide free emergency sanitary pads. This initiative has not only built an emergency support system covering diverse settings but also demonstrates social care through consistent and easily accessible services, raising public awareness and understanding of women's needs. It serves as an innovative example of corporate social responsibility in fostering a social atmosphere of respect and mutual assistance.



"Nice Mutual-Aid Box"



Installation of "Nice Mutual-Aid Boxes" in Universities

For Children

The healthy growth of children is crucial for a country's future, and ensuring their well-being is an important task for social development. The Company is committed to fostering children's growth and supports children's charitable initiatives, continuously exploring innovative practices in children's healthcare and safety protection. Through meaningful social interactions, we promote the establishment of a social consensus that respects children's needs and contribute our professional expertise to building a safe, healthy, and inclusive growth environment.

Case

"Listen to the Children's Voices"

The Company cares about children's growth and health. On Children's Day, through various activities, it encourages more parents to reflect on how to communicate with their children, building a bridge for mutual understanding between adults and children. This allows more children's voices to be heard, understood, and respected.

During Children's Day in 2025, the Company launched a campaign called "Listen to the Children's Voices." The genuine responses from children about their confusions regarding adults were compiled into a themed short film titled "A Fairy Tale Book for Grown-ups" and printed on shopping receipts in stores nationwide, creating a unique "Collection of Children's Words and Whimsy." The campaign advocates for equal communication between parents and children, conveying the concept of "starting from children's perspectives, to better respect and understand them." The activity received widespread response in a short period. The imaginative and heartwarming answers from children were disseminated through multiple online and offline channels, not only drawing adult attention to the world of children but also conveying an inclusive philosophy that respects diverse perspectives.



Poster of "Listen to the Children's Voices"



Shopping Receipts in Stores for "Listen to the Children's Voices"

Case "Health in Motion, Safeguarding Young Warriors"

To enhance health and safety standards at children's sporting events and promote household emergency care knowledge, the Company, in collaboration with JD Health, launched the Spartan Kids Race Health Protection Charitable Project on August 19, 2025. The project involved distributing 12,000 customized children's first-aid kits, containing professional medical supplies such as iodophor disinfectant wipes, iodophor cotton swabs, and adhesive wound dressings. A charity booth was set up at the event venue to conduct interactive educational sessions, imparting knowledge on sports injury prevention and wound care to participating families. This activity helped reinforce the concept of "injury prevention and emergency care," promoted the accessibility of household first-aid supplies, and contributed to establishing a more robust safety support system for youth sports.



Poster of the Spartan Kids Race



Scene of the Spartan Kids Race

Case Adolescent Health Public Welfare Lecture Series

To improve the health protection in schools and cultivate good hygiene habits among adolescents and children, the Company launched a series of charitable activities in May under the theme "Guided by Party Building to Safeguard Health, with Public Welfare Lectures Fostering Growth" across multiple schools in Shenzhen. A team of professional instructors was organized to visit 11 schools, delivering interactive health lectures focused on hand hygiene and wound care. These sessions employed engaging methods such as microbial observation under microscopes, demonstrations of the seven-step handwashing technique, and hands-on wound care practice, effectively disseminating scientific health knowledge to teachers, students, and children with special needs. Furthermore, the Company donated health and hygiene supplies worth RMB 360,000 to the schools, covering cleansing and wound care products, thereby strengthening the campus health defenses. This initiative effectively improved the schools' emergency response capabilities and daily hygiene awareness, demonstrating the Company's long-term commitment to social responsibility.



Students Actively Participated in the Interactive Health Knowledge Class

Environmental Protection & Public Welfare

While operating deeply in the healthcare industry, Winner Group has always held the protection of the planet's ecology as its mission, actively engaging in environmental initiatives and integrating the concept of sustainable development into its corporate strategy and daily operations. The Company focuses on fostering a green ecosystem based on the harmonious coexistence of "Cotton, Nature, and People." Through measures such as promoting cotton-based products to replace those made from synthetic fibers and plastics, implementing used-garment recycling programs, supporting sustainable cotton farming, and advocating for low-carbon consumption, it advances its environmental and public welfare practices. By leveraging its tripartite green action framework of "Source Reduction, Process Optimization, and Public Advocacy," the Company successfully combines its professional strengths in healthcare with its environmental mission. This approach not only reduces resource consumption and environmental pollution but also mobilizes public participation in green lifestyles, thereby transforming corporate responsibility into a sustained driving force for ecological progress.

Case

"The Power of a Cotton Bloom, Transforming the World"

This year, the Company launched a traceability documentary titled "*The Power of a Cotton Bloom, Transforming the World*." The film delves deep into the cotton fields of Xinjiang. It is a documentary blending humanistic storytelling with scientific popularization that traces the life cycle of cotton. By presenting the ten benefits of cotton and stories of cotton's connection to people (cotton farmers, cotton scientists, and users of cotton products), it illustrates how cotton transforms deserts into oases, enhances quality of life, and ensures ecological sustainability, profoundly conveying the value behind the concept "Cotton Changes the World."

The project reveals a green ecosystem that connects "Cotton, Nature, and People": as more people embrace cotton products, the demand for cotton increases. This leads to greater income for cotton farmers, motivating the cultivation of more land for cotton. Consequently, more Gobi desert land is transformed into oases, the ecological environment is restored, and our planet becomes a healthier place.

As of 2025, Purcotton has cumulatively sold 93.53 billion pieces of its soft cotton facial sheets, conserving substantial forest resources. By promoting 120.64 million cotton clothing and bedding, it has reduced pollution equivalent to that caused by synthetic fiber products. Furthermore, it has distributed 49.79 million reusable cotton bags, reducing the use of an equivalent number of plastic bags.



The "Green Ecological Chain" Between Cotton and the Earth



Poster of "One Cotton Ball Changes the World"



Cotton Scientist Song Meizhen



Pioneering Cotton Farmer Li Wancang

Disaster Relief

Guided by a profound sense of social responsibility, the Company has consistently carried out social initiatives in areas including natural disaster response, urban emergency support, and care for specific population groups. By establishing an integrated emergency relief system based on the three pillars of "Rapid Response, Precise Matching, and Sustained Care," the Company has successfully leveraged its professional expertise in healthcare to deliver effective social services.

Case

Winner Group Donates Supplies Worth RMB 5 Million to Support Disaster-Stricken Areas in Xizang in Collaboration with Philanthropic Organizations



Winner Group's Special Vehicles Transporting Relief Supplies to Xizang



Scene of Loading and Unloading Donated Supplies

Case

Winner Group Provides Emergency Support for Fire Rescue Efforts in Tai Po, Hong Kong

Following a major fire (level 5) at Wang Fuk Court in Tai Po District, New Territories, Hong Kong, the Company quickly activated its emergency response protocol, urgently dispatching suitable relief supplies from its warehouses. The first batch of supplies included disinfectants, wound care medication, disposable daily necessities, and cotton facial sheets—items urgently needed by the affected residents. The supplies were rapidly delivered to the affected area via dedicated personnel and vehicles, providing timely life-support and medical assistance to local residents. The Company continued to monitor the needs in the disaster area, working hand-in-hand with all sectors of Hong Kong society to aid recovery efforts and fulfill its corporate social responsibility through concrete action.



Medical Accessibility

The Company is committed to serving grassroots health needs with its professional medical resources. By establishing a regularized public welfare mechanism that integrates “material donations + health education + free clinic services”, it precisely addresses the practical health needs of communities. Through deep collaboration with medical institutions and charitable organizations, the Company builds a multi-dimensional social responsibility system. It effectively combines its professional strengths with societal needs, continuously contributing corporate strength to building a more equitable and accessible health ecosystem.

Case

Warm Winter Journey: Winner Group Partners with JD Health to Donate 30,000 Protective Items, Bringing Warmth to Children in Mountainous Areas

As the severe winter approached, the Company actively responded to public welfare needs by partnering with JD Health in the "Warm Winter Journey" campaign initiated by the China Social Welfare Foundation and JD Public Welfare. This initiative specifically targeted the Hope Primary School in Cuihua Town, Luquan Yi and Miao Autonomous County, Kunming City, Yunnan Province, delivering much-needed health protection and daily care supplies to the children there. For this donation, the Company fully leveraged its industry strengths, partnering with JD Health to provide over 30,000 pieces of professional protective supplies, including medical surgical masks, disinfectants, and foot warmers. These supplies precisely met local needs, effectively alleviating the shortage of winter protection items at the mountain school, providing professional assurance for the children's health and warmth, and demonstrating the Company's social commitment through concrete action.

Case

Spring Rhinitis Prevention & Care Public Welfare Campaign

To actively support the "Healthy China" strategy and genuinely care for the well-being of grassroots rhinitis patients, Winner Group, in collaboration with the Longhua District Charity Federation and Longhua District People's Hospital, launched the public welfare activity "Guided by Party Building to Safeguard Health · Spreading Love Across Longhua". The initiative involved donating 455 boxes of professional nasal care products worth 417,000 RMB to 43 community health centers in the district and organizing an otolaryngology expert team to conduct on-site health



The otolaryngology expert team conducts on-site health education and provides free medical consultation guidance

education and free medical consultations. This approach combined precise material distribution with health knowledge dissemination. These measures benefited over ten thousand rhinitis patients and families in need. They also effectively strengthened collaboration among the enterprise, medical institutions, and community service organizations. This initiative explored a grassroots support model that integrates public welfare resources with professional health services, demonstrating the Company's responsibility in advancing public health. It also provided valuable practical experience for enhancing community public health services and supporting the modernization of health governance.

Case

Rider Health Protection Program—Winner Group and Ele.me Donate RMB 1.5 Million in Protective Supplies

As essential service providers in urban operations, food delivery riders face multiple occupational health risks during long-term outdoor work, such as abrasions, heatstroke, UV exposure, and respiratory issues. To fulfill corporate social responsibility and care for the health of workers in new forms of employment, on July 18, 2025, Winner Group, in collaboration with the Ele.me platform, launched a dedicated public welfare initiative. Through precise matching of supplies, on-site educational sessions, and platform-facilitated distribution, the Company donated protective supplies worth a total of 1.5 million yuan to 200,000 riders nationwide. The donation kits included items such as first-aid kits, adhesive bandages, N95 masks, and sun-protective masks, addressing needs for wound care, heatstroke prevention, and daily health management. Furthermore, during the donation ceremony, the Company organized product explanation and live demonstration sessions to educate riders on wound care knowledge and the correct use of protective supplies, thereby raising their health awareness.

This initiative not only achieved the dual objectives of effective supply delivery and enhanced health awareness but also explored and established a long-term support mechanism under the "City Guardian Initiative". It provided a practical public welfare model for improving the health protection system for workers in new forms of employment, demonstrating the Company's commitment to serving foundational community groups.



Donation Ceremony



Riders receiving supplies on site

Appendix I: Policy List

| Report Chapter | Chapter Section | Primary Laws & Regulations Followed | Selected Internal Policies of Winner Group |
|---|---------------------------|--|---|
| Standardized Corporate Governance | | <i>Company Law of the People's Republic of China</i> | <i>Articles of Association of Winner Medical Co., Ltd.</i> |
| | | <i>Securities Law of the People's Republic of China</i> | |
| Legal and Compliant Operations | | <i>Code of Corporate Governance for Listed Companies</i> | <i>Board Diversity Policy</i> |
| | | <i>Measures for the Administration of Independent Directors of Listed Companies</i> | <i>Sustainability Management System</i> |
| | | <i>Measures for the Administration of Information Disclosure of Listed Companies</i> | |
| Well-grounded Governance | Upholding Business Ethics | <i>Guidelines for Investor Relations Management of Listed Companies</i> | |
| | | <i>Civil Code of the People's Republic of China</i> | <i>Comprehensive Risk Management System</i> |
| | | <i>Patent Law of the People's Republic of China</i> | <i>Risk Management and Disposal Mechanism</i> |
| | | <i>Copyright Law of the People's Republic of China</i> | <i>Intellectual Property Management System</i> |
| Information Security and Privacy Protection | | <i>Trademark Law of the People's Republic of China</i> | <i>IP Maintenance and Management Procedures</i> |
| | | <i>Law of the People's Republic of China</i> | <i>Winner Group Employee Code of Conduct</i> |
| | | <i>Product Quality Law of the People's Republic of China</i> | <i>Winner Group Supplier Code of Conduct</i> |
| | | <i>Anti-Unfair Competition Law of the People's Republic of China</i> | <i>Winner Group Code of Red Lines</i> |
| | | <i>Anti-Monopoly Law of the People's Republic of China</i> | <i>Winner Group Regulations on Violations and Disciplinary Actions</i> |
| | | <i>Anti-Money Laundering Law of the People's Republic of China</i> | <i>Winner Group Conflict of Interest Management Policy</i> |
| | | <i>Interim Provisions on the Prohibition of Commercial Bribery</i> | <i>Winner Group Employee Code of Business and Ethical Conduct</i> |
| | | <i>Criminal Law of the People's Republic of China</i> | <i>Compliance Statement on Business Conduct Standards</i> |
| | | <i>Code of Corporate Governance for Listed Companies</i> | <i>Winner Group Whistleblower Protection and Reward Policy</i> |
| | | <i>Labor Law of the People's Republic of China</i> | <i>Winner Group Oversight Management Procedures</i> |
| Information Security and Privacy Protection | | <i>Labor Contract Law of the People's Republic of China</i> | |
| | | <i>Personal Information Protection Law of the People's Republic of China</i> | |
| | | <i>Data Security Law of the People's Republic of China</i> | |
| | | <i>Cybersecurity Law of the People's Republic of China</i> | <i>Winner Group Information Security and Privacy Protection Management Policy</i> |
| | | <i>Administrative Measures for Classified Protection of Information Security</i> | <i>Overseas Website Privacy Policy</i> |
| | | <i>General Data Protection Regulation (GDPR)</i> | |
| Sustainable Supply Chain | | <i>Regulations on Cybersecurity Multi-Level Protection</i> | |
| | | <i>Measures for Standard Contracts for the Export of Personal Information</i> | |
| | | <i>Measures for the Security Assessment of Data Exports</i> | |

| Report Chapter | Chapter Section | Primary Laws & Regulations Followed | Selected Internal Policies of Winner Group |
|--|----------------------------|---|--|
| Focus on Innovation-Driven Development | | <i>Patent Law of the People's Republic of China</i> | <i>Intellectual Property Management Procedures</i> |
| | | <i>Quality Management Standards for Clinical Trials of Medical Devices (GCP)</i> | <i>New Product Development Process</i> |
| Create Excellent Products | Elevate Product Excellence | <i>Product Quality Law of the People's Republic of China</i> | <i>Medical Device Recall Control Procedures</i> |
| | | <i>Regulations on the Supervision and Administration of Medical Devices</i> | <i>Medical Device Recall Management Measures</i> |
| | | <i>Good Manufacturing Practice for Medical Devices</i> | <i>US Medical Device Recall Control Process</i> |
| | | <i>EU MDR (EU) 2017/745</i> | <i>Canada Medical Device Recall Control Process</i> |
| | | <i>EU MDD 93/42/EEC</i> | <i>Brazil Medical Device Field Action Control Process</i> |
| | | <i>EU PPE Regulation (EU) 2016/425</i> | <i>Australia Medical Device Market Action Control Procedures</i> |
| | | <i>US FDA 21 CFR Part 820</i> | <i>Production Material Supplier Management Procedures</i> |
| | | <i>Medical Device Single Audit Program (MDSAP)</i> | <i>Goods Receiving Inspection Management Standards</i> |
| | | <i>Consumer Rights Protection Law of the People's Republic of China</i> | <i>Production Process Change Control Procedures</i> |
| | | <i>E-commerce Law of the People's Republic of China</i> | <i>Non-Conforming Product Control Procedures</i> |
| Sustainable Supply Chain | | <i>Advertising Law of the People's Republic of China</i> | <i>Product Release Control Procedures</i> |
| | | <i>Anti-Unfair Competition Law of the People's Republic of China</i> | <i>Pre-Sales, In-Sales, and After-Sales Handling Process</i> |
| | | | <i>Customer Complaint Handling Process</i> |
| | | | <i>Content Review System</i> |
| | | | <i>Purcotton Advertising and Marketing Guidelines Manual</i> |
| | | | |
| Sustainable Supply Chain | | <i>Measures for the Supervision and Administration of Cosmetic Production and Business Operations</i> | <i>Supplier Management Procedures</i> |
| | | <i>Good Manufacturing Practice for Cosmetics</i> | <i>Supplier Performance Evaluation Management</i> |
| | | <i>Technical Safety Standards for Cosmetics</i> | <i>On-site Audit Standards for Production Material Suppliers</i> |
| | | <i>Hygienic Specifications for Manufacturers of Disinfection Products (2009 Edition)</i> | <i>New Production Material Supplier Development and Onboarding Process Standards</i> |
| | | <i>Guidelines for Supplier Audit by Medical Device Manufacturers</i> | <i>Production Material Supplier Management Procedures</i> |

| Report Chapter | Chapter Section | Primary Laws & Regulations Followed | Selected Internal Policies of Winner Group |
|-------------------------------------|----------------------------|--|---|
| Environmental Compliance Management | | <i>Environmental Protection Law of the People's Republic of China</i> | <i>EHS Management Manual</i> |
| | | | <i>Environmental Management Standard</i> |
| | | | <i>Environmental Protection Management System</i> |
| | | | <i>Environmental Management Standard and Associated Rules & Measures</i> |
| | | | <i>Environmental Performance Supervision Standard</i> |
| | | | <i>Integrated Wastewater Discharge Standard</i> |
| | | | <i>Air Pollution Prevention and Control Law of the People's Republic of China</i> |
| | | | <i>Solid Waste Pollution Environment Prevention Law of the People's Republic of China</i> |
| | | | <i>Energy Conservation Law of the People's Republic of China</i> |
| | | | <i>Water Law of the People's Republic of China</i> |
| Love Our Planet | Promoting Green Production | <i>Water Pollution Prevention and Control Law of the People's Republic of China</i> | <i>Winner Group Environmental Policy</i> |
| | | <i>Soil Pollution Prevention and Control Law of the People's Republic of China</i> | <i>Energy Conservation and Consumption Reduction Management Regulation</i> |
| | | <i>Forestry Law of the People's Republic of China</i> | <i>Energy Management Manual</i> |
| | | <i>Wildlife Protection Law of the People's Republic of China</i> | <i>Wastewater Treatment Station Process Flow and Operating Specifications</i> |
| | | <i>Biosafety Law of the People's Republic of China</i> | <i>Air Emissions, Wastewater, and Noise Control and Treatment Regulation</i> |
| | | <i>Emission Standard of Industrial Enterprises Noise at Boundary</i> | <i>Waste Management and Disposal Regulation</i> |
| | | <i>Noise Limits at Construction Site Boundary</i> | <i>Opinions on Further Strengthening Biodiversity Conservation</i> |
| | | <i>Technical Guideline for Self-monitoring of Pollutant Discharge Units (General Rule)</i> | <i>Integrated Emission Standard of Air Pollutants (GB16297-1996)</i> |
| | | <i>Regulation on the Administration of Pollutant Discharge Permits</i> | <i>Emission Standard of Odor Pollutants (GB14554-1993)</i> |
| | | <i>Guangdong Province Local Standard: Emission Limits of Air Pollutants (DB44/27-2001)</i> | |
| Climate Change Response | / | | <i>Winner Group Environmental Policy</i> |

| Report Chapter | Chapter Section | Primary Laws & Regulations Followed | Selected Internal Policies of Winner Group |
|--------------------------------------|----------------------------------|--|--|
| Building a Talent Echelon | | / | / |
| | | | |
| Protecting Employee Rights | | <i>Labor Law of the People's Republic of China</i> <i>Labor Contract Law of the People's Republic of China</i> | <i>Winner Group Employee Code of Conduct</i> |
| | | | <i>Winner Group Human Rights Policy</i> |
| Accelerate Employee Growth | | | <i>Attendance and Leave Management Regulation</i> |
| | | | <i>Winner Group Anti-Discrimination Code of Conduct</i> |
| Promoting Employee Rights | | | <i>Winner Group Anti-Sexual Harassment Code of Conduct</i> |
| | | | <i>Winner Group Diversity, Equity, and Inclusion Policy</i> |
| Promoting Employee Safety | | | <i>Winner Group Employee Complaint and Grievance Management Standard</i> |
| | | | <i>Winner Group Headquarters Labor Dispute Mediation Committee Operation Management Standard</i> |
| Promoting Employee Health and Safety | | <i>Work Safety Law of the People's Republic of China</i> <i>Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</i> | <i>Winner Group Occupational Health and Safety Policy</i> |
| | | | <i>Occupational Health Management System</i> |
| Promoting Employee Safety | | | <i>Work Safety Responsibility System</i> |
| | | | <i>Work Safety Regular Meeting Regulation</i> |
| Promoting Employee Safety | | | <i>Safety Education and Training Regulation</i> |
| | | | <i>Safety Hazard Identification and Management Standard</i> |
| Promoting Employee Safety | | | <i>Winner Group Supply Chain Supplier Code of Conduct</i> |
| | | | |
| Drive Community Thriving | Practicing Social Responsibility | <i>Charity Law of the People's Republic of China</i> <i>Law of the People's Republic of China on Donations for Public Welfare</i> <i>Company Law of the People's Republic of China</i> | <i>Winner Medical Charitable Donations Management and Implementation Guidelines</i> |

Appendix II: 2025 ESG Key Performance Indicators

Environmental

| Indicator | Unit | 2025 | |
|--|------------------------------------|--------------------|----------|
| Greenhouse Gas (GHG) Emissions ²⁴ | | | |
| Total GHG Emissions (Location-based) | tCO ₂ e | 1,304,970.08 | |
| Scope 1 | tCO ₂ e | 38,529.35 | |
| Scope 2 | Location-based | 205,692.67 | |
| | Market-based | 219,052.09 | |
| Total Scope 3 Emissions | tCO ₂ e | 1,060,748.06 | |
| Category 1: Purchased Goods & Services | tCO ₂ e | 755,878.98 | |
| Category 2: Capital Goods | tCO ₂ e | 14,662.06 | |
| Category 3: Fuel- & Energy-Related Activities | tCO ₂ e | 58,228.97 | |
| Category 4: Upstream Transportation & Distribution | tCO ₂ e | 81,820.13 | |
| Category 5: Waste Generated in Operations | tCO ₂ e | 2,851.53 | |
| Category 6: Business Travel | tCO ₂ e | 2,460.52 | |
| Scope 3 | Category 7: Employee Commuting | tCO ₂ e | 6,846.95 |
| | Category 8: Upstream Leased Assets | tCO ₂ e | 105.34 |
| Category 9: Downstream Transportation & Distribution | tCO ₂ e | 11,261.54 | |
| Category 10: Processing of Sold Products | tCO ₂ e | 6,274.76 | |
| Category 11: Use of Sold Products | tCO ₂ e | N/A | |
| Category 12: End-of-Life Treatment of Sold Products | tCO ₂ e | 118,295.19 | |
| Category 13: Downstream Leased Assets | tCO ₂ e | 2,062.10 | |
| Category 14: Franchises | tCO ₂ e | N/A | |
| Category 15: Investments | tCO ₂ e | N/A | |

| Indicator | Unit | 2025 | |
|---------------------------------------|--|-----------------------|--------------|
| Biomass Emissions | tCO ₂ e | 653.20 | |
| Greenhouse Gas (GHG) Emissions | By Country/Region | | |
| | --- Domestic | tCO ₂ e | 1,179,715.55 |
| | --- International | tCO ₂ e | 125,254.53 |
| GHG Emission Intensity | tCO ₂ e / RMB Million Revenue | 119.18 | |
| Pollutants | | | |
| Total Exhaust Emissions | 10,000 m ³ | 18,740.00 | |
| Air Pollutants | Particulate Matter (PM) | Tonnes | 2.18 |
| | Sulfur Oxides (SO _x) | Tonnes | 0.22 |
| | Nitrogen Oxides (NO _x) | Tonnes | 20.24 |
| Water Pollutants | Total Industrial Wastewater | 10,000 m ³ | 387.93 |
| | Total Domestic Wastewater | 10,000 m ³ | 41.37 |
| | Chemical Oxygen Demand (COD) | Tonnes | 177.83 |
| Ammonia Nitrogen (NH ₃ -N) | Tonnes | 10.62 | |
| Waste | | | |
| Total Waste Generated | Tonnes | 18,500.10 | |
| Non-hazardous Waste Generated | Tonnes | 18,433.78 | |
| Hazardous Waste Generated | Tonnes | 66.32 | |
| Non-hazardous Waste Intensity | Tonnes/RMB Million Revenue | 1.68 | |
| Hazardous Waste Intensity | Tonnes/RMB Million Revenue | 0.01 | |
| Waste Generated by Disposal Method | | | |
| Waste Landfilled | Tonnes | 1,116.73 | |

²⁴ Scope 1 greenhouse gas emissions originate from stationary combustion, mobile combustion, and fugitive emissions. Scope 2 emissions result from the consumption of purchased electricity and purchased steam. The data source is utility bills and administrative statistical records.

| Indicator | Unit | 2025 |
|---|---------------------------|---------------|
| Waste Incinerated with Energy Recovery | Tonnes | 8,568.51 |
| Waste Incinerated without Energy Recovery | Tonnes | 4,201.04 |
| Waste Disposed by Other Methods (Recycling) Waste | Tonnes | 4,613.81 |
| Environmental Compliance | | |
| Fines for Significant Administrative Penalties or Criminal Liabilities Related to Environmental Incidents | RMB 10,000 | 0 |
| Number of Environmental Administrative Penalty Incidents | Count | 0 |
| Energy Consumption²⁵ | | |
| General Energy Usage | | |
| Total Energy Consumption | tce | 72,735.68 |
| <i>Among, by Energy Type:</i> | | |
| Gasoline | Liters | 95,883.81 |
| Diesel | Liters | 241,875.16 |
| Light White Oil | Tonnes | 11.02 |
| Other Oil Products ²⁶ | Tonnes | 7.75 |
| Natural Gas | m ³ | 14,045,863.16 |
| Acetylene | Tonnes | 0.37 |
| Liquefied Petroleum Gas (LPG) | Tonnes | 61.86 |
| Biomass | Tonnes | 1,756.32 |
| Self-owned Photovoltaic Power Generation | MWh | 3,849.02 |
| Total Purchased Electricity | MWh | 278,209.06 |
| Total Purchased Steam | GJ | 582,697.94 |
| Total Direct Energy Consumption | tce | 18,189.02 |
| Total Indirect Energy Consumption | tce | 54,073.61 |
| Energy Consumption Intensity | tce / RMB Million Revenue | 6.64 |
| Non-renewable Energy Consumption | MWh | 553,751.42 |
| Renewable Energy Consumption ²⁷ | MWh | 38,389.74 |
| Clean Energy Usage | | |
| Clean Energy Consumption | MWh | 173,469.62 |

| Indicator | Unit | 2025 | |
|---|---|---------------|-----------|
| <i>Among, by Energy Type:</i> | | | |
| Natural Gas | m ³ | 14,045,863.16 | |
| Natural Gas Proportion ²⁸ | % | 77.87 | |
| Wind Energy | MWh | 3,495.00 | |
| Wind Energy Proportion | % | 2.01 | |
| Solar Energy | MWh | 6,255.02 | |
| Solar Energy Proportion | % | 3.61 | |
| Biomass Energy | MWh | 28,634.56 | |
| Biomass Energy Proportion | % | 16.51 | |
| Clean Energy Use Ratio | % | 29.30 | |
| Water Consumption | | | |
| Total Water Withdrawal ²⁹ | Tonnes | 6,071,517.56 | |
| <i>Among, by Water Source:</i> | | | |
| Municipal Water Supply | Tonnes | 3,860,230.56 | |
| Surface Water | Tonnes | 2,211,287.00 | |
| Water Discharge | Tonnes | 4,321,502.24 | |
| Water Consumption (Net Use) | Tonnes | 1,750,015.32 | |
| Water Use Intensity | tce / RMB Million Revenue | 554.50 | |
| Water Recycled/Reused | Tonnes | 2,058,156.00 | |
| Water Recycling/Reuse Rate | % | 25.32 | |
| Circular Economy | | | |
| Waste Recycled/Reused | Tonnes | 4,613.81 | |
| Packaging Materials | | | |
| Total Packaging Material Used for Finished Products | Tonnes | 35,799.88 | |
| Packaging Material Used by Type | Paper-based | Tonnes | 28,683.32 |
| | Plastic-based | Tonnes | 7,100.76 |
| | Other Packaging Materials — Cotton Non-woven Fabric | Tonnes | 6.80 |
| | Other Packaging Materials — Cotton Canvas Bags | Tonnes | 9.00 |

²⁵ In 2025, the Company's energy consumption comprised direct and indirect energy. Direct energy sources included gasoline, diesel, light white oil, other oil products, natural gas, acetylene, liquefied petroleum gas (LPG), and coal gas. Indirect energy sources were purchased electricity and purchased steam. The data source is utility bills and administrative statistical records. The calculation methodology for energy consumption and the calorific value conversion coefficients followed the General Rules for Calculation of Total Production Energy Consumption (GB/T 2589-2020). The applied conversion coefficients were 277.778 kWh/GJ and 0.03412 kgce/MJ.

²⁶ The "other oil products" primarily refer to the coal-based mineral oil used at Winner Medical (Jiayu).

²⁷ Renewable energy consumption includes electricity generated from self-owned photovoltaics, green electricity procured through market-based transactions, energy produced from biomass resources, and steam generated from biomass feedstock purchased externally.

²⁸ In accordance with the "General Principles for Comprehensive Energy Consumption Calculation" (GB/T 2589-2020), the low heating value of natural gas is taken as 34,622.73 kJ/m³ to convert natural gas consumption into energy consumption, and then the proportion of natural gas in the total clean energy is calculated.

²⁹ The Company's water withdrawals are sourced from municipal water supply and surface water. The data sources are financial records and administrative statistical logs.

Governance and Social Key Performance Indicators

Governance

| Corporate Governance | | |
|--|---------|--------|
| Indicator | Unit | 2025 |
| Board of Directors | | |
| Total Number of Board Members | person | 7 |
| Number of Independent Directors | person | 3 |
| Proportion of Independent Directors | % | 42.86 |
| Number of Female Directors | person | 3 |
| Proportion of Female Directors | % | 42.86 |
| Average Tenure of Board Members | years | 4.07 |
| Number of General Shareholder Meetings Held | session | 2 |
| Number of Board Meetings Held | session | 4 |
| Business Ethics & Anti-Corruption | | |
| Indicator | Unit | 2025 |
| Anti-Corruption Training | | |
| Directors Covered by Anti-Bribery & Anti-Corruption Training | person | 7 |
| Percentage of Directors Covered by Anti-Bribery & Anti-Corruption Training | % | 100 |
| Management Personnel Covered by Anti-Bribery & Anti-Corruption Training | person | 1,630 |
| Percentage of Management Personnel Covered by Anti-Bribery & Anti-Corruption Training | % | 100 |
| Employees Covered by Anti-Bribery & Anti-Corruption Training | person | 14,023 |
| Percentage of Employees Covered by Anti-Bribery & Anti-Corruption Training | % | 100 |
| Fair Competition | | |
| Number of Litigations or Significant Administrative Penalties Due to Unfair Competition by the Company | case | 0 |
| Amount Involved in Such Litigations or Penalties Due to Unfair Competition by the Company | case | 0 |
| Responsible Marketing | | |

| Number of Litigations or Significant Administrative Penalties Due to Non-Compliance with Marketing Regulations | case | 0 |
|--|------------|------|
| Amount Involved in Such Litigations or Penalties | RMB | 0 |
| Number of Product/Label Information Violations | case | 0 |
| Number of Marketing/Promotion Violations | case | 0 |
| Incidents of Misconduct | | |
| Number of Corruption or Bribery Incidents | case | 0 |
| Number of Discrimination or Harassment Incidents | case | 0 |
| Number of Conflict of Interest Incidents | case | 0 |
| Number of Money Laundering or Insider Trading Incidents | case | 0 |
| Data Security & Privacy Protection | | |
| Indicator | Unit | 2025 |
| Number of Data Security Incidents During the Reporting Period | case | 0 |
| Financial Amount Involved in Data Security Incidents | RMB 10,000 | 0 |
| Number of Customer Privacy Breach Incidents During the Reporting Period | case | 0 |
| Financial Amount Involved in Customer Privacy Breach Incidents | RMB 10,000 | 0 |

Social

| Employment ³⁰ | | | |
|---------------------------|----------|--------|--------|
| Indicator | | Unit | 2025 |
| Total Employees | | | |
| Total Number of Employees | | person | 14,023 |
| By Gender | Male | person | 4,545 |
| | Female | person | 9,478 |
| By Age Group | Under 30 | person | 2,028 |
| | 30 to 50 | person | 10,591 |
| | Over 50 | person | 1,404 |

³⁰To ensure consistency in statistical scope and comparability of data, the employee-related data in this report is primarily compiled based on available and integrable data sources. Due to certain limitations in obtaining data from some overseas entities, this report does not include GRI-related data from the United States and Vietnam. The employee data in this report follows a specific statistical methodology adopted for ESG disclosure purposes, which differs from the scope used in the financial annual report. This is a normal variance in reporting contexts.

| | | | |
|---------------------------------------|-------------------|--------|--------|
| By Management Level | Senior Management | person | 73 |
| | Middle Management | person | 441 |
| | Junior Management | person | 1,116 |
| | General Staff | person | 12,393 |
| New Hires | | | |
| Total Number of New Hires | | person | 2,307 |
| By Gender | Male | person | 762 |
| | Female | person | 1,545 |
| By Age Group | Under 30 | person | 917 |
| | 30 to 50 | person | 1,282 |
| | Over 50 | person | 108 |
| By Management Level | Senior Management | person | 9 |
| | Middle Management | person | 50 |
| | Junior Management | person | 165 |
| | General Staff | person | 2,083 |
| Employee Turnover³¹ | | | |
| Total Number of Employee Departures | | person | 3,806 |
| Employee Turnover Rate | | % | 23.6 |
| Turnover Rate by Gender | Male | % | 28.9 |
| | Female | % | 26.8 |
| Turnover Rate by Age Group | Under 30 | % | 83.6 |
| | 30 to 50 | % | 19.7 |
| | Over 50 | % | 21.0 |
| Turnover Rate by Management Level | Senior Management | % | 9.5 |
| | Middle Management | % | 8.0 |
| | Junior Management | % | 11.0 |
| | General Staff | % | 29.7 |
| Employee Diversity | | | |
| Proportion of Female Employees | | % | 67.6 |

| | | | |
|--|-------------------|------------|-------|
| Proportion of Female Employees in Management | | % | 64.3 |
| Proportion of Female Employees in Junior Management | | % | 68.8 |
| Proportion of Female Employees in Senior Management | | % | 46.6 |
| Proportion of Female Managers in Revenue-Generating Functions | | % | 71.4 |
| Proportion of Female Employees in STEM-Related Positions | | % | 36.1 |
| Proportion of Employees from Ethnic Minorities | | % | 2.8 |
| Training & Development³² | | | |
| Indicator | Unit | 2025 | |
| Total Training Expenditure | RMB 10,000 | 195.79 | |
| Average Training Expenditure per Employee | RMB | 139.62 | |
| Total Training Hours | hours | 269,841.00 | |
| Average Training Hours per Employee | hours | 19.24 | |
| Average Training Hours per Employee by Gender | Male | hours | 19.00 |
| | Female | hours | 19.36 |
| Average Training Hours per Employee by Age Group | Under 30 | hours | 16.00 |
| | 30 to 50 | hours | 20.56 |
| | Over 50 | hours | 14.00 |
| Average Training Hours per Employee by Management Level | Senior Management | hours | 19.00 |
| | Middle Management | hours | 19.10 |
| | Junior Management | hours | 19.79 |
| | General Staff | hours | 19.20 |
| Percentage of Employees Receiving Regular Performance & Career Development Reviews | | % | 100 |
| Employee Rights | | | |
| Indicator | Unit | 2025 | |
| Labor Contract Signing Rate | % | 100 | |
| Social Insurance Coverage Rate | % | 100 | |
| Financial Assistance for Employees in Difficulty | RMB 10,000 | 37.86 | |
| Number of Employees Receiving Assistance | person | 73 | |

³¹ Calculation of employee turnover rates by gender, age, and management level: (Number of leavers in each category during the reporting period ÷ Number of employees in the same category at the beginning of the reporting period) × 100%

³² Employee training data excludes that of Longterm Medical, as well as GRI data from the United States and Vietnam.

| | | |
|---|-------------------------------------|--------|
| Number of Families Receiving Cumulative Assistance | family | 11 |
| Health & Safety | | |
| Indicator | Unit | 2025 |
| Operational Coverage by OHS Certification (ISO 45001) ³³ | % | 87.5 |
| Employees | | |
| Number of Work-Related Fatalities | person | 0 |
| Investment in Employee Work Injury Insurance | RMB 10,000 | 589.94 |
| Work Injury Insurance Coverage Rate for Employees | % | 100 |
| Investment in Employee Safety Production Liability Insurance ³⁴ | RMB | 38,440 |
| Employee Work Safety Liability Insurance Coverage Rate | % | 100 |
| Lost-Time Injury Frequency Rate (LTIFR) ³⁵ | per million hours worked | 1.45 |
| Contractors | | |
| Number of Work-Related Fatalities (Contractors) | person | 0 |
| Supply Chain Management | | |
| Indicator | Unit | 2025 |
| Supplier Count | | |
| Total Number of Suppliers | / | 907 |
| By Region | Mainland China | 890 |
| | Hong Kong, Macao, Taiwan & Overseas | 17 |
| Tier 1 Suppliers | / | 861 |
| Key Tier 1 Suppliers | / | 169 |
| Procurement Spend Proportion from Key Tier 1 Suppliers | % | 85 |
| Key Non-Tier 1 Suppliers | / | 534 |
| Supply Chain ESG Assessment | | |
| Target Number of Key Suppliers Planned for ESG Assessment | / | 169 |
| Actual Number of Key Suppliers Subjected to ESG Assessment | / | 34 |
| Percentage of Key Suppliers Covered by ESG Assessment | % | 20 |
| Number of Key Suppliers Identified with Significant Actual/Potential Negative Impacts | / | 0 |

³³ The statistical scope only covers the Company's self-operated production bases and does not include production bases of acquired companies.

³⁴ This indicator reports premium expenditures for production entities that are legally required to maintain workplace safety liability insurance. Within Winner Group, only the Jiayu facility falls under this statutory mandate, and its corresponding premium is included in this figure. For all other production entities not subject to mandatory coverage, the Company ensures comprehensive occupational health and safety protection by voluntarily securing appropriate commercial insurance products.

| | | |
|---|------------|-------|
| Percentage of Such Suppliers Where Corrective Actions Were Taken | % | 0 |
| Number of Such Suppliers Where Cooperation Was Terminated | / | 0 |
| Other Supply Chain Management Indicators | | |
| Number of Supplier Anti-Corruption Training Sessions | session | 124 |
| Number of Suppliers Participating in Anti-Corruption Training | / | 131 |
| Percentage of Suppliers Participating in Anti-Corruption Training | % | 14.44 |
| Percentage of Suppliers Having Signed <i>Integrity Commitment Agreement</i> | % | 100 |
| Percentage of Suppliers Having Signed <i>Supplier Code of Conduct</i> | % | 87.00 |
| Percentage of Procurement Staff Trained in Sustainable Procurement | % | 100 |
| Local Procurement Ratio | % | 99.6 |
| Product Responsibility | | |
| Indicator | Unit | 2025 |
| Product Quality & Safety | | |
| Number of Major Safety & Quality Liability Incidents Related to Products & Services | case | 0 |
| Financial Amount of Damages from Such Incidents | RMB 10,000 | 0 |
| Operational Coverage by QMS Certification (incl. ISO 9001, ISO 13485) ³⁶ | % | 100 |
| Number of Quality Training Sessions Conducted | session | 49 |
| Number of Products Recalled ³⁷ | item | 1 |
| Customer Service | | |
| Customer Satisfaction ³⁸ | % | 93.98 |
| Technological Innovation | | |
| Indicator | Unit | 2025 |
| Intellectual Property | | |
| Number of Invention Patents Applied in Core Business Operations | item | 239 |
| Number of Invention Patent Applications Filed During Reporting Period | item | 74 |

³⁵ The statistical scope only covers production bases owned by the Company, and excludes headquarters offices and other non-production operation sites.

³⁶ The statistical scope only covers the Company's self-operated production bases and does not include production bases of acquired companies.

³⁷ All product recalls during the reporting period were Class III voluntary recalls. No incidents of serious injury or death due to product defects occurred.

³⁸ The Company's overall customer satisfaction score is calculated as a weighted average based on the revenue contribution of the two major business segments: Winner Medical and Purcotton.

| | | |
|---|--------------|--------|
| Number of Invention Patents Granted During Reporting Period | item | 19 |
| Number of Software Copyright Applications Filed During Reporting Period | item | 10 |
| Number of Software Copyrights Granted During Reporting Period | item | 6 |
| Cumulative Number of Granted Software Copyrights | item | 34 |
| Number of Valid Patents During Reporting Period | item | 1,716 |
| Innovation | | |
| R&D Investment Amount | RMB 1000,000 | 411 |
| R&D Investment as % of Core Business Revenue | % | 3.75 |
| Number of R&D Personnel | person | 1,323 |
| Percentage of R&D Personnel | % | 8.34 |
| Social Contribution | | |
| Indicator | Unit | 2025 |
| Amount of Charitable Contributions | RMB 10,000 | 1,261 |
| Volunteer Participation | person-time | 23 |
| Total Volunteer Hours | hours | 58 |
| Investment in Rural Revitalization Initiatives | RMB 10,000 | 120 |
| Number of Beneficiaries of Rural Revitalization Initiatives | person | 53,000 |

Appendix III: Sustainability Report Content Index

Shenzhen Stock Exchange Self-regulatory Guidelines for Listed Companies No. 17 – Sustainability Reporting (Trial) Content Index

| Disclosure Requirement | Corresponding Clause | Report Location / Description | |
|---|-------------------------------------|--|-------------------------------------|
| General Disclosures | Article 11 | Sustainable Development Management | |
| | Article 12 | Sustainable Development Governance Structure | |
| | Article 13 | Materiality Assessment | |
| | Article 14 | Sustainable Development Management | |
| | Article 15 | Sustainable Development Governance Structure | |
| | Article 16 | Sustainable Development Management | |
| | Article 17 | Sustainable Development Governance Structure | |
| | Article 18 | Sustainable Development Management | |
| | Article 19 | Sustainable Development Management | |
| | Climate Change Response | Articles 21–28 | Coping With Climate Change |
| | Pollutant Emissions | Article 30 | Promoting Green Production |
| | Waste Management | Article 31 | Promoting Green Production |
| | Ecosystem & Biodiversity Protection | Article 32 | Promoting Green Production |
| | Environmental Compliance Management | Article 33 | Environmental Compliance Management |
| | Energy Utilization | Article 35 | Promoting Green Production |
| | Water Resources Utilization | Article 36 | Promoting Green Production |
| | Circular Economy | Article 37 | Promoting Green Production |
| | Rural Revitalization | Article 39 | Practicing Social Responsibility |
| | Social Contribution | Article 40 | Practicing Social Responsibility |
| Innovation Drive | Article 42 | Focus on Innovation-Driven Development | |
| Technology Ethics | Article 43 | Focus on Innovation-Driven Development | |
| Supply Chain Security | Article 45 | Sustainable Supply Chain | |
| Equal Treatment of SMEs | Article 46 | Sustainable Supply Chain | |
| Product & Service Safety & Quality | Article 47 | Create Excellent Products | |
| Data Security & Customer Privacy Protection | Article 48 | Information Security and Privacy Protection | |
| Employees | Article 50 | Practicing Social Responsibility | |
| Due Diligence | Article 52 | Upholding Business Ethics | |
| Stakeholder Engagement | Article 53 | Sustainable Development Management | |
| Anti-bribery & Anti-corruption | Article 55 | Upholding Business Ethics | |
| Anti-unfair Competition | Article 56 | Upholding Business Ethics | |

GRI Sustainability Reporting Standards Index

Statement of Use

Winner Medical Co., Ltd. has reported the information cited in this GRI content index for the period from January 1, 2025, to December 31, 2025 with the reference to the GRI Standards.

GRI 1 Used

GRI 1: Foundation 2021

| GRI Standard | Disclosure | Report Location / Explanation |
|---------------------------------|--|--|
| GRI 2: General Disclosures 2021 | | |
| 2-1 | Organizational details | About This Report; About Us |
| 2-2 | Entities included in the organization's sustainability reporting | About This Report |
| 2-3 | Reporting period, frequency, and contact point | About This Report |
| 2-4 | Restatements of information | Not Applicable |
| 2-5 | External assurance | Appendix IV: External Assurance Statement |
| 2-6 | Activities, value chain, and other business relationships | About Us; Sustainable Supply Chain |
| 2-7 | Employees | Protecting Employee Rights; Appendix II: 2025 ESG Key Performance Indicators |
| 2-8 | Workers who are not employees | Protecting Employee Rights; Appendix II: 2025 ESG Key Performance Indicators |
| 2-9 | Governance structure and composition | Standardize Corporate Governance |
| 2-10 | Nomination and selection of the highest governance body | Standardize Corporate Governance |

| GRI Standard | Disclosure | Report Location / Explanation |
|--------------|---|--|
| 2-11 | Chair of the highest governance body | Standardize Corporate Governance |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Standardize Corporate Governance |
| 2-13 | Delegation of responsibility for managing impacts | Standardize Corporate Governance |
| 2-14 | Role of the highest governance body in sustainability reporting | Sustainable Development Management |
| 2-15 | Conflicts of interest | Upholding Business Ethics |
| 2-16 | Communication of critical concerns | Sustainable Development Management |
| 2-17 | Collective knowledge of the highest governance body | Sustainable Development Management |
| 2-18 | Evaluation of the performance of the highest governance body | Sustainable Development Management |
| 2-19 | Remuneration policies | Please refer to the Company's 2025 Annual Report |
| 2-20 | Process to determine remuneration | Please refer to the Company's 2025 Annual Report |
| 2-21 | Annual total compensation ratio | Please refer to the Company's 2025 Annual Report |
| 2-22 | Statement on sustainable development strategy | Sustainable Development Governance Structure; Sustainable Development Strategy |
| 2-23 | Policy commitments | Sustainable Development Governance Structure; Sustainable Development Strategy |
| 2-24 | Embedding policy commitments | Sustainable Development Governance Structure; Sustainable Development Strategy |
| 2-25 | Processes to remediate negative impacts | Standardize Corporate Governance |
| 2-26 | Mechanisms for seeking advice and raising concerns | Stakeholder Engagement |
| 2-27 | Compliance with laws and regulations | Appendix I: Policy List |
| 2-28 | Membership associations | Focus on Innovation-Driven Development |
| 2-29 | Approach to stakeholder engagement | Stakeholder Engagement |
| 2-30 | Collective bargaining agreements | <i>Not Applicable</i> |

| GRI Standard | Disclosure | Report Location / Explanation |
|------------------------------|---|--|
| GRI 3: Material Topics 2021 | | |
| 3-1 | Process to determine material topics | Materiality Assessment |
| 3-2 | List of material topics | Materiality Assessment |
| 3-3 | Management of material topics | Materiality Assessment |
| GRI 101: Biodiversity 2024 | | |
| 101-1 | Policies for stopping and reversing biodiversity loss | <i>Not Applicable</i> |
| 101-2 | Management of biodiversity impacts | Promoting Green Production |
| 101-3 | Access and benefit sharing | <i>Not Applicable</i> |
| 101-4 | Identifying biodiversity impacts | Promoting Green Production |
| 101-5 | Sites affected by biodiversity impacts | Promoting Green Production |
| 101-6 | Direct drivers of biodiversity loss | <i>Not Applicable</i> |
| 101-7 | Changes to the state of biodiversity | Promoting Green Production |
| 101-8 | Ecosystem services | Promoting Green Production |
| GRI 102: Climate Change 2025 | | |
| 102-1 | Climate transition plan | Climate Change Response |
| 102-2 | Climate adaptation plan | Climate Change Response |
| 102-3 | Just transition | Promoting Green Production Climate Change Response |
| 102-4 | GHG emission reduction targets and progress | Climate Change Response |

| GRI Standard | Disclosure | Report Location / Explanation |
|----------------------|--|---|
| 102-5 | Scope 1 GHG emissions | Climate Change Response Appendix II: 2025 ESG Key Performance Indicators |
| 102-6 | Scope 2 GHG emissions | Climate Change Response Appendix II: 2025 ESG Key Performance Indicators |
| 102-7 | Scope 3 GHG emissions | Climate Change Response Appendix II: 2025 ESG Key Performance Indicators |
| 102-8 | GHG emission intensity | Climate Change Response Appendix II: 2025 ESG Key Performance Indicators |
| 102-9 | GHG removals in the value chain | <i>Not Applicable</i> |
| 102-10 | Carbon credits | The Company did not use carbon credits to offset GHG emissions during the reporting period. |
| GRI 103: Energy 2025 | | |
| 103-1 | Energy policy and commitments | Promoting Green Production |
| 103-2 | Energy consumption within the organization and self-generated energy | Promoting Green Production |
| 103-3 | Upstream and downstream energy consumption | <i>Not Applicable</i> |
| 103-4 | GRI 201: Economic Performance 2016 | Appendix II: 2025 ESG Key Performance Indicators |
| 103-5 | Energy consumption reductions | Promoting Green Production |

| GRI Standard | Disclosure | Report Location / Explanation |
|--|--|--|
| GRI 201: Economic Performance 2016 | | |
| 201-1 | Direct economic value generated and distributed | Standardize Corporate Governance |
| 201-3 | Defined benefit plan obligations and other retirement plans | Protecting Employee Rights |
| 201-4 | Financial assistance received from government | Please refer to the Company's 2025 Annual Report |
| GRI 202: Market Presence 2016 | | |
| 202-1 | Ratios of standard entry-level wage by gender compared to local minimum wage | Building a Talent Echelon |
| 202-2 | Proportion of senior management hired from the local community | Building a Talent Echelon |
| GRI 203: Indirect Economic Impacts 2016 | | |
| 203-1 | Infrastructure investments and services supported | Practicing Social Responsibility |
| 203-2 | Significant indirect economic impacts | Practicing Social Responsibility |
| GRI 204: Procurement Practices 2016 | | |
| 204-1 | Proportion of spending on local suppliers | Appendix II: 2025 ESG Key Performance Indicators |
| GRI 205: Anti-corruption 2016 | | |
| 205-1 | Operations assessed for risks related to corruption | Upholding Business Ethics |
| 205-2 | Communication and training about anti-corruption policies and procedures | Upholding Business Ethics |
| 205-3 | Confirmed incidents of corruption and actions taken | Upholding Business Ethics |

| GRI Standard | Disclosure | Report Location / Explanation |
|--|---|--|
| GRI 206: Anti-competitive Behavior 2016 | | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Upholding Business Ethics |
| GRI 207: Tax 2016 | | |
| 207-1 | Approach to tax | Please refer to the Company's 2025 Annual Report |
| 207-2 | Tax governance, control, and risk management | Please refer to the Company's 2025 Annual Report |
| 207-3 | Stakeholder engagement and management concerns related to tax | Please refer to the Company's 2025 Annual Report |
| 207-4 | Country-by-country reporting | Not Applicable |
| GRI 301: Materials 2016 | | |
| 301-1 | Materials used by weight or volume | Appendix II: 2025 ESG Key Performance Indicators |
| 301-2 | Recycled input materials used | Create Excellent Products |
| 301-3 | Reclaimed products and their packaging materials | Create Excellent Products |
| GRI 303: Water and Effluents 2018 | | |
| 303-1 | Interactions with water as a shared resource | Promoting Green Production |
| 303-2 | Management of water discharge-related impacts | Promoting Green Production |
| 303-3 | Water withdrawal | Appendix II: 2025 ESG Key Performance Indicators |

| GRI Standard | Disclosure | Report Location / Explanation |
|---|---|--|
| 303-4 | Water discharge | Appendix II: 2025 ESG Key Performance Indicators |
| 303-5 | Water consumption | Appendix II: 2025 ESG Key Performance Indicators |
| GRI 305: Emissions 2016 | | |
| 305-6 | Emissions of ozone-depleting substances (ODS) | <i>Not Applicable</i> |
| 305-7 | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | Appendix II: 2025 ESG Key Performance Indicators |
| GRI 306: Waste 2020 | | |
| 306-1 | Waste generation and significant waste-related impacts | Promoting Green Production |
| 306-2 | Management of significant waste-related impacts | Promoting Green Production |
| 306-3 | Waste generated | Appendix II: 2025 ESG Key Performance Indicators |
| 306-4 | Waste diverted from disposal | Appendix II: 2025 ESG Key Performance Indicators |
| 306-5 | Waste directed to disposal | Appendix II: 2025 ESG Key Performance Indicators |
| GRI 308: Supplier Environmental Assessment 2016 | | |
| 308-1 | New suppliers that were screened using environmental criteria | Sustainable Supply Chain |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | Sustainable Supply Chain |
| GRI 401: Employment 2016 | | |
| 401-1 | Minimum notice periods regarding operational changes | <i>Not Applicable</i> |

| GRI Standard | Disclosure | Report Location / Explanation |
|--|---|--|
| 401-2 | Minimum notice periods regarding operational changes | <i>Not Applicable</i> |
| 401-3 | Minimum notice periods regarding operational changes | <i>Not Applicable</i> |
| GRI 402: Labor/Management Relations 2016 | | |
| 402-1 | Minimum notice periods regarding operational changes | <i>Not Applicable</i> |
| GRI 403: Occupational Health and Safety 2018 | | |
| 403-1 | Occupational health and safety management system | Safeguarding Health and Safety |
| 403-2 | Hazard identification, risk assessment, and incident investigation | Safeguarding Health and Safety |
| 403-3 | Occupational health services | Safeguarding Health and Safety |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | Safeguarding Health and Safety |
| 403-5 | Worker training on occupational health and safety | Safeguarding Health and Safety |
| 403-6 | Promotion of worker health | Protecting Employee Rights; Safeguarding Health and Safety |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Protecting Employee Rights; Safeguarding Health and Safety |
| 403-8 | Workers covered by an occupational health and safety management system | Safeguarding Health and Safety |
| 403-9 | Work-related injuries | Safeguarding Health and Safety |
| 403-10 | Work-related ill health | Protecting Employee Rights; Safeguarding Health and Safety |

| GRI Standard | Disclosure | Report Location / Explanation |
|--|--|--|
| GRI 404: Training and Education 2016 | | |
| 404-1 | Average hours of training per year per employee | Appendix II: 2025 ESG Key Performance Indicators |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Building a Talent Echelon |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | Appendix II: 2025 ESG Key Performance Indicators |
| GRI 405: Diversity and Equal Opportunity 2016 | | |
| 405-1 | Diversity of governance bodies and employees | Standardize Corporate Governance; Protecting Employee Rights |
| 405-2 | Ratio of basic salary and remuneration of women to men | <i>Confidentiality Constraints</i> |
| GRI 406: Non-discrimination 2016 | | |
| 406-1 | Incidents of discrimination and corrective actions taken | Upholding Business Ethics; Protecting Employee Rights |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | | |
| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | <i>Not Applicable</i> |
| GRI 408: Child Labor 2016 | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | Protecting Employee Rights; Sustainable Supply Chain; Appendix II: 2025 ESG Key Performance Indicators |
| GRI 409: Forced or Compulsory Labor 2016 | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | Protecting Employee Rights; Sustainable Supply Chain; Appendix II: 2025 ESG Key Performance Indicators |

| GRI Standard | Disclosure | Report Location / Explanation |
|--|---|---|
| GRI 413: Local Communities 2016 | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Practicing Social Responsibility |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | <i>Not Applicable</i> |
| GRI 414: Supplier Social Assessment 2016 | | |
| 414-1 | New suppliers that were screened using social criteria | Sustainable Supply Chain |
| 414-2 | Negative social impacts in the supply chain and actions taken | Sustainable Supply Chain |
| GRI 415: Public Policy 2016 | | |
| 415-1 | Political contributions | <i>Not Applicable</i> |
| GRI 416: Customer Health and Safety 2016 | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | Create Excellent Products |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | <i>Not Applicable</i> |
| GRI 417: Marketing and Labeling 2016 | | |
| 417-1 | Requirements for product and service information and labeling | Legal and Compliant Operations; Enhancing Service Quality |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | Legal and Compliant Operations; Enhancing Service Quality |
| 417-3 | Incidents of non-compliance concerning marketing communications | Enhancing Service Quality |
| GRI 418: Customer Privacy 2016 | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Information Security and Privacy Protection |

Appendix IV: Independent Assurance Statement



Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by Winner Medical Co., Ltd. (hereinafter "Winner Medical" or "the Company") to conduct an independent third-party assurance of its 2025 Environment, Social and Governance Report (hereinafter "Report"). The Report disclosed its sustainability information for the fiscal year 2025 (from 1 January 2025 to 31 December 2025).

Responsibilities

Winner Medical is not only responsible for the preparation of sustainability report and the collection and reporting of sustainability information in accordance with applicable reporting standards but also has the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland implements sustainability information assurance activities under a quality management system that complies with the requirements of the ISO/IEC 17029:2019 Standard and adheres to the TÜV Rheinland Global Code of Ethics and Compliance Program. Our assurance service follows the principles of independence and impartiality and does not participate in the preparation of the Report of Winner Medical. The assurance project was implemented by a team with expertise and assurance experience in the corresponding sustainability issues. The role of TÜV Rheinland is to carry out independent assurance work in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial professional judgments on sustainability reporting.

Assurance Standard

TÜV Rheinland undertook assurance work for specified performance indicators (see Appendix in this statement) and non-financial qualitative information (including materiality assessment, stakeholder engagement, topics management related to material impacts, risks and opportunities (IRO), etc.) selected by Winner Medical in accordance with the AccountAbility AA1000 Assurance Standard 3rd edition (AA1000AS v3) on a Type-2 and Moderate level.

Assurance Objectives

The purpose of the assurance was to provide management of Winner Medical and stakeholders concerned with the Company's sustainability information and performance with an independent view of the assurance, including that we review and assess the content of the report adherence to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact), and review and evaluate the reliability and quality of specified performance information.

Assurance Criteria

The following assessment criteria (including reporting frameworks or standards) were used in undertaking the work:

- Guidelines for Self-Regulatory Regulation of Listed Companies on Shenzhen Stock Exchange No. 17- Sustainable Development Report (Trial)
- Self-Regulatory Guidelines for Listed Companies on Shenzhen Stock Exchange No. 3 - Preparation of Sustainable Development Reports
- Global Reporting Initiative (GRI), GRI Standards
- IFRS Sustainability Disclosure Standard 2 – Climate-related Disclosures (IFRS S2)
- United Nations Sustainable Development Goals (UN SDGs)
- Greenhouse Gas Accounting System Enterprise Accounting and Reporting Standards (GHG Protocol)
- Adherence to the AA1000AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*



Methodology

Our assurance activities and procedures include:

- Interviewing with management to understand and assess key processes, systems and internal controls for operations and sustainability management.
- Interviewing with key personnel responsible for sustainability execution to understand the non-financial information reporting system, including the collection, integration and reporting of specified performance data and non-financial qualitative information, and to evaluate the data integration process at the group level.
- Applying analytical procedures to review the reasonableness of the data.
- Testing the source of information based on the sampling principle to check the accuracy of the data.
- Observing and inspecting the management process of information and data on the operation and sustainability performance of the company's manufacturing unit in Shenzhen, China, based on the sampling principle.
- Reviewing the consistency and reliability of specified performance indicators and quantitative and qualitative information within assurance scope.
- Collecting and inspecting supporting evidence to assess the extent to which relevant disclosures within the scope of the assurance engagement and sustainability reporting support and adherence to AA1000AP assurance principles.
- Reporting assurance observations or recommendations to give the Company's management an opportunity to correct errors before the assurance process is completed.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon and obtained evidence information and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3. The nature and extent (scope) of the procedures involved in moderate level assurance engagement are lower than those required to obtain high level assurance.

Forward-looking information relates to events and actions that have not yet occurred and may never occur. Actual results are likely to be different because expected events often do not occur as expected. We did not guarantee the availability of forward-looking information.

The information and performance relating to the assurance is limited to the disclosure of the contents of this Report. Our assurance did neither cover annual financial reports and financial data and nor cover other topics or matters that are not related to sustainability topics beyond the scope of this assurance.

Conclusions

Based on the above assurance procedures implemented and the evidence obtained, we believe that:

- 2025 Environment, Social and Governance Report of Winner Medical adhered to the AA1000AP AccountAbility Principles.
- Sustainability information was prepared in accordance with Guidelines for Self-Regulatory Regulation of Listed Companies on Shenzhen Stock Exchange No. 17- Sustainable Development Report (Trial) and GRI Standards.
- Specified performance indicators (see Appendix) and non-financial qualitative information (including the assessment of material issues) within the scope of the assurance were evaluated and there were no material misstatements.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on Winner Medical based on this Assurance Statement.

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

The six key stakeholder groups identified by Winner Medical included shareholders and senior management, customers/consumers, employees, government and regulatory agencies, partners, the community and the media. Evidence showed that the Company has built a diversified stakeholder dialogue mechanism and provided a reference for assessing material issues and adjusting strategic planning by collecting and analysing stakeholder feedback,

Appendix IV: Independent Assurance Statement



including stakeholder questionnaires.

Materiality

Winner Medical has implemented a double materiality issue assessment, evaluating and prioritising issues from the two dimensions of "impact materiality" and "financial materiality". The issue matrix revealed the double materiality of the current year's issues (e.g., innovation-driven, product and service safety and quality, climate change response), which are better suited to the characteristics of the industry. The Board reviewed and confirmed the evaluation results.

Responsiveness

The main communication channels between Winner Medical and its stakeholders included customer service, grievance and whistleblowing mechanisms, etc. The Company has developed a sustainability strategy based on five pillars and linked the management of relevant indicators in key areas (e.g. environmental protection and climate risk management, employee development, information security, etc.) to executive performance appraisals. This report disclosed the goals and progress corresponding to the five pillars, as well as quantitative data on ESG key performance indicators (such as greenhouse gas emissions and energy consumption, pollutant emissions and waste, employee employment, health and safety, supplier management, etc.) to actively respond to the core concerns of stakeholders.

Impact

Winner Medical prioritized specific risks (such as global supply chain security) and emerging risks (such as artificial intelligence compliance applications), and combined operational management and internal control systems to manage significant risks. The Company analysed the impacts, risks and opportunities of double materiality issues, and took countermeasures and specific actions.

Disclosure of Specified Performance Information

TÜV Rheinland reached conclusions on the verification of reliability and quality of specified performance information (see Appendix) based on Type-2 and Moderate level assurance engagement:

- TÜV Rheinland observed that Winner Medical has implemented relevant internal control systems and processes, and collected and aggregated source data related to selected specific performance indicators for verification.
- During the verification process, all errors identified have been corrected. We believe that the data finally presented within the scope of the assurance is accurate. We recommend that Winner Medical continue to improve the level of data governance (including data calculation and aggregation) at the group and operational levels.

A full management report was submitted to management of Winner Medical for consideration, detailing the findings and recommendations for continuous improvement of the sustainability report.

Daniel Pan
Technical Manager of Corporate Sustainability Services
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, 16 April 2026



Appendix:

Selected specific performance indicators in the table as follows:

| Indicator (s) | Unit |
|--|---|
| Environment | |
| Total non-renewable energy consumption | MWh |
| Total renewable energy consumption | MWh |
| Water withdrawal | ton |
| Water discharge | ton |
| Net freshwater consumption | ton |
| Total direct GHG emissions (Scope 1) | tCO ₂ e |
| Total indirect GHG emissions (Scope 2) location-based | tCO ₂ e |
| Total indirect GHG emissions (Scope 2) market-based | tCO ₂ e |
| Total indirect GHG emissions (Scope 3) | tCO ₂ e |
| Social | |
| the number of work-related fatalities for employees | / |
| Lost-Time Injury Frequency Rate (LTIFR) - Employees | LTIFR (lost time injuries / 1 million hours worked) |
| the number of work-related fatalities for contractors | / |
| Total number of Tier-1 suppliers | / |
| Total number of significant suppliers in Tier-1 | / |
| % of total spend on significant suppliers in Tier-1 | % |
| Total number of significant suppliers in non Tier-1 | / |
| Total number of significant tier-1 and non tier-1 suppliers assessed via desk or on-site assessments (Target) | / |
| Total number of significant tier-1 and non tier-1 suppliers assessed via desk or on-site assessments | / |
| % of significant suppliers assessed | % |
| Number of suppliers assessed with substantial actual/potential negative impacts | / |
| % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan | % |
| Number of suppliers with substantial actual/potential negative impacts that were terminated | / |