

# BTN

贝泰妮集团  
BOTANEE GROUP

Stock Code:300957



## 2022 SOCIAL RESPONSIBILITY REPORT

and Environmental, Social and Governance (ESG) Report

Yunnan Botanee Bio-Technology Group Co., Ltd.

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# ABOUT THE REPORT

This is the 2nd Environmental, Social and Governance Report ("ESG Report" or "the Report") issued by Yunnan Botanee Bio-Technology Group Co.,Ltd (for better presentation and readability, "the Company", "Botanee" and "we") to present the Company's management practice in environmental, social and governance in 2022, as well as its performance in fulfilling environmental and social responsibilities. The Board of Directors is fully aware of its responsibility for the authenticity of the Report, assumes liabilities to the Company's environmental and social governance strategies and reporting and has reviewed and approved the Report.

## Reporting Period and Scope

The Report covers the management, initiatives and performance of the Company on environmental, social and governance issues during the period from 1 January 2022 to 31 December 2022 (the "Current Year" or the "Reporting Period"). Part of the content can be traced back to the previous year or extended to 2023, to make the Report more referable. The scope of the text disclosed in the Report is the same as that of the Company's 2022 annual report. The environmental-related data covers the headquarters of Botanee located at No. 53, Keyi Road, high-tech Zone, Kunming. The social-related data covers the Company and its subsidiaries.

## Main Reference Standards of the Report

The Report is prepared in accordance with the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (Revised in 2022)* and the *No. 1 Self-regulatory Guidelines of the Shenzhen Stock Exchange for Listed Companies – Standardized Operation of Listed Companies*. The Report is also prepared with reference to the *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises 5.0 (CASS-ESG 5.0)* Index, the "core" option of the *Global Reporting Initiative's Sustainability Reporting Standards ("GRI Standards")* and the *United Nations Sustainable Development Goals (SDGs)*. Unless otherwise stated, the currencies involved in the Report are all measured in RMB.



## Releasing Form

The electronic version of the Report can be downloaded from the official website of Yunnan Botanee Bio-Technology Group Co., Ltd (<https://www.botanee.com.cn>), Shenzhen Stock Exchange (<https://www.szse.cn>), or Juchao Information Network (<https://www.cninfo.com.cn>). This report is released in both Chinese and English versions. In case of discrepancies between the Chinese version and the English translation, the Chinese version shall prevail.

## Contact Information

We attach great importance to the opinions of various stakeholders and the public on this report. If you have any inquiries or suggestions, please contact the Company through the following methods.

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**Postal Code:** 650106

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## A MESSAGE FROM THE CHAIRMAN

The market is full of vitality and characterised by fierce competition, and only those who are courageous and adventurous will emerge as the leaders. 2022 was an important year in which China embarked on a new journey toward building a modern socialist country in all respects and realising the Second Centenary Goal. In this context, we firmly believe that only those who work tirelessly and diligently can achieve success. For this reason, as a corporate group engaged in the Internet and big health industry, we are vigilantly striving to stay at the forefront of scientific research and innovation and maintain our industry leadership, while also creating an ecosystem for dermatological health in China and sustaining long-term development.



### Principles and responsibilities first

Last year, we disclosed our first ESG report and continued striving to build a leading company. To this end, we took various measures to engage in safe operations, standardise governance, protect the environment, conserve resources, promote clean production and safeguard the health of our employees. Focusing on results and guided by our values, in 2022, we continued to empower the Company's ESG governance system in order to improve evaluation and review processes from the three dimensions of corporate governance, environmental protection and social well-being, while also paying close attention to stakeholders' concerns. During the year, we conducted interviews with and provided questionnaires to more than 130 internal and external stakeholders to take into consideration their needs, identify material issues in a more accurate and scientific manner, and accelerate management innovation and the Company's high-quality development.



### Focusing on research and development

Over the past 12 years, scientific research and innovation has been the main driver of Botanee's development as a high-tech enterprise. In an effort to use academic and scientific research to excel in the beauty industry and deliver high-quality products, we have established an effective, robust and well-developed system for research and development (R&D) and innovation. As part of this effort, we have established an R&D platform consisting of the Yunnan Characteristic Plant Extraction Laboratory, the Yunnan Postdoctoral Research Workstation and the Yunnan Corporate Technological Centre. The Company has cultivated a multi-disciplinary, balanced team of talented professionals who are focusing on basic research, formula development, efficacy and safety verification for functional skin care products. With scientific research as our focus, we are steadily engaging in independent R&D and strengthening our R&D capabilities.



### Promoting common development

With the vision of making people healthier and improving their sense of beauty, Botanee is committed to forming industry standards, upgrading services, aiming higher year after year, and meeting our social responsibility as a Chinese brand. In the era of the Internet of Things (IoT), Botanee is harnessing the power of data to cement a brand image that upholds the co-creation of medical research and professional hospitals, while promoting in-depth coverage of consumer groups through scenario-based three-dimensional marketing. Based on our insight into consumers' demands for diversified and high-quality products, the Company strives to align with consumers' inner values by offering differentiated products and brands such as Winona, Winona Baby, and AOXMED, among others.



### Practising green ideas in daily life

To effectively pursue high-quality development, Botanee must become a green and environment-friendly enterprise. Over its years of development, Botanee has incorporated a range of issues into its sustainability agenda in an effort to establish green supply chains, address climate change, and protect biodiversity, among other environmental goals. The Company has designated a working group to manage green supply chain issues and improve energy utilisation efficiency. Meanwhile, the Board of Directors is in charge of monitoring climate-related risks and opportunities and has established relevant performance indicators for the EHS Department to coordinate and implement. The Company has also publicly initiated and promoted the ecological development of Haba Snow Mountain. By making these efforts, the Company is upholding the principles of "comprehensive planning, reasonable deployment, comprehensive utilisation, environmental protection and local well-being," and building a skin health ecosystem for a better future.

In 2023, we plan to set sail and embark on a new journey. Botanee will continue to follow the road of high-quality sustainable development, lead the trend of functional skin care, and contribute to the expansion of the health industry ecosystem. Meanwhile, we will take practical ESG actions, both internally and externally, to redefine our corporate values, and help lay a solid foundation for the high-quality sustainable development of the economy and society.



**Dr. Guo Zhenyu**  
Chairman & President

# ABOUT BOTANEE

## Company Profile

Incorporated in 2010, Yunnan Botanee Bio-Technology Group Co. Ltd. is a skin care Internet+ "big health" industrial group engaging in R&D, manufacturing and marketing activities and focusing on building an ecosystem for dermatological health and promoting board skin care health development in China. On 25 March 2021, Botanee was listed on ChiNext board of Shenzhen Stock Exchange, code 300957.

Botanee is recognised as a national high-tech enterprise and an innovation team under the Ministry of Education. The Company's R&D centre is responsible for combining the industry, academics and research, integrating advanced technologies in dermatology, biology and botany to explore active ingredients from characteristic plants in Yunnan plateau, and developing a series of patented technologies and a new generation of functional skin care products. The Company's skin care brand "Winona" applies patented technologies and dermatological grade gentle formula and manufactures its products according to the *Good Manufacture Practice of Cosmetics* (GMPC) applicable to cosmetics sold in the US and EU markets. The efficacy and safety of our products have been widely recognised by consumers and dermatologists.

Through the channel strategy of covering the entire online network on the foundation of offline drug stores, Botanee has seen high rates of annual growth since its incorporation. Capitalising on new technologies such as Internet and artificial intelligence (AI), Botanee created a new retail system over all contact points to become a leading "big health" and Internet+ enterprise in China enabling cross-sector OMO marketing.

Based on the Company's strong R&D capability, differentiated operating model, years of professional expertise in skin care field and the strategy to integrate Internet into its business, Botanee focuses on building a new ecosystem for dermatological health in the future.



## COMPANY MILESTONES

### 2010

The Group's predecessor, Kunming Botanee Biotechnology Co., Ltd. was established.



### 2012

Became a collaborator of the Collaborative Innovation Centre project in Yunnan Province



### 2014

Invested by Sequoia Capital, a leading international venture capital



### 2016

Qiumei App officially launched



### 2018

The Group's quality management system is certified by GMPC and ISO 22716:2007(E)



### 2020

The construction project for the new base of Botanee Central Factory located in Majinpu, Kunming has started



### 2022

Established Yunnan Characteristic Plant Extraction Laboratory; The only Chinese brand listed in the Top 10 of Tmall's Double 11 shopping festival beauty and skincare for five consecutive years



Winona's online flagship store officially launched on Tmall

### 2011



Established the Group's R&D centre and set up the Group's subsidiary - Shanghai Botanee Biotechnology Co., Ltd.

### 2013

Obtained the national high-tech enterprise certification; Winona appeared at the World Skin Congress, achieving a zero breakthrough for Chinese brands

### 2015



Selected as a member of the National Ministry of Education Innovation Team Collaboration

### 2017



Awarded Yunnan Postdoctoral Research Workstation and ranked Top 9 in the beauty and skin care category of Tmall's Double 11 shopping festival

### 2019



Listed on the Shenzhen Stock Exchange GEM, stock code: 300957

### 2021

## MAJOR BUSINESSES AND BRANDS

Centred on "Winona" brand, Botanee is a professional skin care and cosmetic manufacturer which is committed to manufacturing professional skin care products using all-natural botanical active ingredients targeted on sensitive skin, and deeply synchronises with the Internet in its marketing and sales channels. The Company's products mainly include skin care products such as face cream, skin lotion, facial mask, essence, lotion and cosmetics products such as base cream, BB cream, makeup remover, as well as medical products for the protection and care of damaged skin after minimally invasive surgery such as hyaluronic acid repair biofilm, hyaluronic acid repair patch dressing, etc.

According to Euromonitor's statistics, during the Reporting Period, the Company's "Winona" brand ranked 8th in the skincare market, raising 2 places from 2021, while it has been ranked as number 1 in the dermatological skincare track in China for many years. During the Reporting Period, the "Winona" brand continued to expand its leading position, and its market share in the domestic dermatological skin care market increased significantly to approximately 23.2% compared to the same period last year, with a significant headline effect.

### Functional skin care brand matrix

**WINONA** | 薇诺娜  
专 注 敏 感 肌 肤

A professional dermatological grade skincare brand that can repair the skin barrier for healthier and more beautiful skin by fixing the root cause of sensitive skin based on the theory of dermatology, and scientific research in the fields of biology, botany and innovative technologies.

**WINONA**  
Baby

A professional dermatological grade skincare brand that derived from the parent brand of Winona, Winona Baby is a brand boasting "professional care for babies' fragile skin" with professionalism and ingenuity, it relies on Yunnan's rich resources to extract plant essence and protects baby's skin health based on pediatric dermatology.

**AOXMED**  
瑗科缦

A professional anti-aging technology brand that dedicated to creating effective and safe professional beauty solutions as well as the ultimate skin care experience, AOXMED focuses on multi-dimensional skin rejuvenation and gives the skin youthful vitality and source of energy, with cutting-edge scientific research and development and advanced formulation technology as the foundation of the brand.

**Be/orteen** 贝芙汀

Based on the research of Chinese skin disease data, it is a professional acne treatment brand that has been developed independently through the combination of top medical research + AI artificial intelligence deep learning. It provides a unique integrated and precise acne treatment solution.

In recent years, Botanee has settled in offline shopping malls in Shanghai, Beijing, Hangzhou, Hainan and other places, and has become a retail showcase of Chinese brands.



**Winona store Kunming Changshui Airport**  
opened in June 2021



**Winona Lingkong Experience Centre**  
opened in September 2021



**Winona counter at Hangzhou Intime Department Store (West Lake)**  
opened in December 2021



**Winona counter at Haikou International Duty-Free Shopping Complex,**  
opened in October 2022




**Winona boutique at Raffles City Shanghai**  
opened in November 2022



**AOXMED counter at Hanguang Department Store**  
opened in January 2023



# KEY PERFORMANCE OVERVIEW

**Operational**

Botanee recorded a revenue of **RMB 5,013.8737 million** in 2022, representing an increase of **24.65% YoY**

In 2022, net profit attributable to the parent's shareholders is **RMB 1,051.2288 million** representing an increase of **21.82% YoY**


Tax payable is **RMB 624.6316 million** representing an increase of **27.28% YoY**

In 2022, the Company spent **RMB 278.2147 million** or **5.55%** of its operating income on R&D activities, representing an increase of **131.63% YoY**

**No.1**  
No.1 brand in the sales of dermatological grade skin care products in China  
The only Chinese brand to be one of Top 10 best-selling beauty products during Tmall's Double 11 shopping festival for 5 consecutive years from 2018 to 2022

**23.30 million members**  
Registered members over entire network

**37%**  
Repurchase rate over entire network

**Environmental**

Greenhouse gas (GHG) emission intensity in 2022  
**0.47 ton of carbon dioxide equivalent/RMB million**


Electricity consumption intensity in 2022 (by output value)  
**0.77 MWh/RMB million**

Water consumption intensity in 2022 (by output value)  
**0.007 kilo-cubic metres/RMB million**

Diesel consumption intensity in 2022 (by output value)  
**0.016 ton/RMB million**

Integrated energy consumption intensity in 2022 (by output value)  
**0.97 MWh/RMB million**

Recyclable solid wastes in 2022  
**407.43 tons**

**Social**

Number of patents: **133**  
Consumer satisfaction: **88.18**

In 2022, the Company spent **RMB 13.52 million** to support **19** charitable projects that benefit a total of **170,000 people**

In 2022, the Company had **3,053 in-service employees**

**55.4% of women** in management roles in 2022

Percentage of employees from ethnic minorities over total employees in 2022 is approximately **8.7%**

In 2022, the Company had **391 researchers** which accounted for **12.8%** of total employees

In 2022, the Company had organised **22,766.20 hours** of training

In 2022, the Company had built **11 Botanee Project Hope Public Baths**

# MAJOR AWARDS



**Yunnan Engineering Research Centre for Functional Skin Care in 2022**



**Yunnan Specialised, Refined, Innovative and Novel "Little Giant" in 2022**



**Yunnan May Day Awards 2022**



**2022 Tencent Smart Retail Multiplier Initiative Brand Outstanding Growth Award**



**Spring City Plan: the High-level Talent Promotion and Training Project of Kunming**



**Interface News 2022 Golden Medallion Award "ESG Practice Case of the Year"**

**Yicai XCBNdata 2022 China New Consumption - Annual Influential Product Brands**

**NCCN 2022 International Green Zero Carbon Festival "2022 ESG Exemplary Enterprise Award"**

**Tmall Golden Makeup Award; Tmall Golden Baby Award**

**Cato Top 100 Most Valuable Chinese Brands**

**Southern Weekend 2022 Annual Brand Festival "Public Service Communication Case of the Year"**

**China Listed Companies Association "2022 Outstanding Practice Award for Directors' Office of Listed Companies"**

**Snowball "Investor Relations Management Award"**

**Caixin's "2022 Top 10 Best Corporate Governance Companies of the Year"**

**Daily Economic News "Most Growing Listed Company in Big Health Industry"**

# 01 STANDARDISING GOVERNANCE TO PURSUE EXCELLENCE

## Supporting Robust Management and Efficient Operations

Governance Mechanism  
Information Disclosure  
Investor Relations

## Using ESG to Promote High-quality Development

ESG Governance Structure  
Stakeholder Communication  
Materiality Assessment

## Comprehensive Risk Management and Control

Internal Control Management  
Operation Integrity  
Business Ethics  
Tax Compliance  
Information Security

Botanee actively responds to the United Nations Sustainable Development Goal 16 and continuously improves the Company's governance, empowering sustainable corporate development with ESG.



## SUPPORTING ROBUST MANAGEMENT AND EFFICIENT OPERATIONS

### Governance Mechanism

In 2021, Botanee has been included in the list of constituents of three indices, namely SZSE Component Index, SZSE GEM Price Index and the SZSE 100 Index (collectively referred to as "1+2" core indices). In 2022, Botanee has been included in the MSCI China Index. In Botanee's long-term corporate governance practice, Botanee has continuously optimised and improved its corporate governance system, through mutual supervision and control among investors, the Board of Directors, the Supervisory Committee and the business operators, in order to promote scientific choices and continuous improvement of the management level, and to guarantee the sustainable and healthy development of the enterprise.

The Shareholders Meeting enjoys the decision-making rights stipulated by laws and regulations and the *Articles of Association of the Company* and exercise the right to decide on major matters such as the Company's business policy, financing, investment, and profit distribution in accordance with the law.

The Board of Directors of the Company shall be responsible to the shareholders' meeting and shall exercise the power of management of the Company in accordance with the law. The Board of Directors has established four professional committees: Strategy Committee, Remuneration and Evaluation Committee, Nomination Committee and Audit Committee, to improve the operational efficiency of the Board of Directors. The current nine directors (of which one is a woman) include three independent directors.

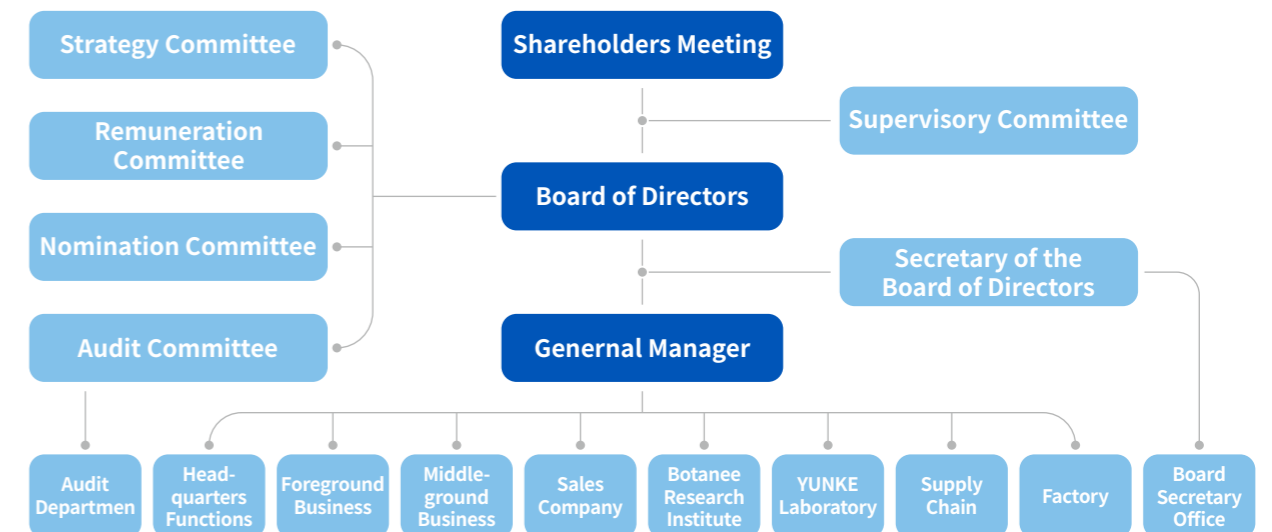
The Supervisory Committee of the Company is responsible to the shareholders' meeting and exercises the authority to inspect the Company's finances and supervise the conduct of directors and senior management in the execution of their duties for the benefit of the Company, shareholders, and employees in accordance with the law. The Company has 3 supervisors.

The management of the Company is responsible for the production and management of the Company, organising and implementing the resolutions of the Board of Directors, the annual plan and investment program of the Company, formulating specific regulations of the Company, as well as other powers granted by the *Articles of Association of the Company* or the Board of Directors. At the same time, the Company has established primary-level Party organisation, labour union, women union, and other group organisations, and give full play to the pioneering role of the CPC members to Strengthen the deep integration of party building work and enterprise culture and safeguard the legitimate interests of the Company's employees.

2022, the Company held 1 shareholders meeting, 7 meetings of the Board of Directors, 1 meeting of the Strategy Committee, 4 meetings of the Audit Committee, 1 meeting of the Remuneration Committee, 1 meeting of the Nomination Committee and 6 meetings of the Supervisory Committee.



### Organizational Structure



### Information Disclosure

While conscientiously implementing its business development strategy and continuously improving its operation and management, the Company fulfils its obligation to disclose information of listed companies, safeguards the legitimate rights and interests of shareholders and protect the legitimate rights of investors, especially small and medium-sized investors, to access company information, enjoy asset returns, participate in major decisions and choose managers, etc. in accordance with the law. Botanee always upholds the concept of truthfulness, accuracy, completeness, timeliness, and compliance, disclosing company announcements and letter documents in designated media.

The Company disclosed a total of **56** documents for various announcements in 2022.

### Investor Relations

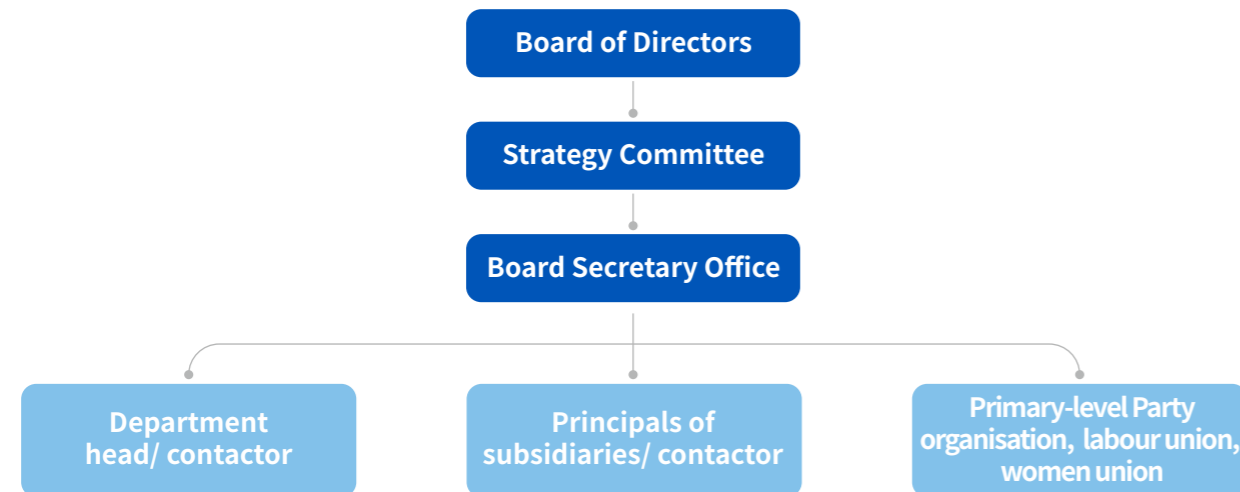
The Company attaches great importance to investor relations and has formulated a comprehensive investor relations management system to actively develops communication and contact with investors in a fair, transparent, and equitable manner.



# USING ESG TO PROMOTE HIGH-QUALITY DEVELOPMENT

## ESG Governance Structure

The chairman is the first responsible person for ESG work and information disclosure, the secretary of the Board of Directors is the specific executive and contact person for ESG information disclosure of the Company, and the board secretary office is the daily working department for ESG information disclosure. Under the guidance of the Strategy Committee, the Secretary of the Board of Directors leads the board secretary office to undertake ESG-related overall work, and organise and coordinate each designated department to support the Company's ESG information disclosure.



## Stakeholder Communication

Stakeholders	Expectations and Claims	Communication & Response
<b>Government</b>	<ul style="list-style-type: none"> <li>Comply with the Law</li> <li>Employment Promotion</li> <li>Tax Transparency</li> <li>Boosting Local Economy</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen compliance operation management</li> <li>Labour localisation, promoting local employment</li> <li>Acceptance of supervision and assessment</li> <li>Boosting regional economic development with high quality</li> </ul>
<b>Stakeholders</b>	<ul style="list-style-type: none"> <li>Stable Business</li> <li>Sustainable Development</li> <li>Revenue Return</li> <li>Maintain Communication</li> </ul>	<ul style="list-style-type: none"> <li>Enhance corporate competitiveness and profitability</li> <li>Green supply chain and biodiversity conservation activities</li> <li>Continuously generate income returns for shareholders</li> <li>Timely disclosure of information and conducting investor communication activities</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Honest Performance</li> <li>Quality Assurance</li> <li>Quality Service</li> </ul>	<ul style="list-style-type: none"> <li>Guarantee the stability of product supply and product quality</li> <li>Strengthening product quality management and continuous product optimisation</li> <li>Conducting customer satisfaction surveys</li> </ul>
<b>Staff</b>	<ul style="list-style-type: none"> <li>Compensation and Benefits</li> <li>Employee Rights and Benefits</li> <li>Career Development</li> <li>Health and Safety</li> <li>Caring for Employees</li> </ul>	<ul style="list-style-type: none"> <li>Medical insurance, holiday gift</li> <li>Organising labour union and labour union activities</li> <li>Perfect training system and career development platform</li> <li>Regular health check-ups, safety and first aid training</li> <li>Rich employee activities, opening up the lines of communication</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Responding to Climate Change</li> <li>Biodiversity Conservation</li> <li>Water Resources</li> <li>Energy Saving and Emission Reduction</li> </ul>	<ul style="list-style-type: none"> <li>Analysis of the relevance of climate change to business operations</li> <li>Active promotion of local biodiversity conservation activities</li> <li>Water conservation and upgrading of water resources equipment</li> <li>Energy saving and consumption reduction in various aspects</li> </ul>
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>Business Ethics</li> <li>Transparent Sourcing</li> <li>Mutual Benefit</li> </ul>	<ul style="list-style-type: none"> <li>Sign standardised contracts and execute faithfully</li> <li>Open procurement, improve supplier management</li> <li>Business exchange and cooperation, common development</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Community Development</li> <li>Public Welfare Activities</li> <li>Increase Employment</li> </ul>	<ul style="list-style-type: none"> <li>Concerned about community, taking an active part in community activities</li> <li>Participation in donation and volunteer work</li> <li>Employment localisation</li> <li>Procurement localisation</li> </ul>
<b>Industries</b>	<ul style="list-style-type: none"> <li>Fair Competition</li> <li>Promote the Progress of the Industry</li> <li>Promote the Development of the Industry Chain</li> </ul>	<ul style="list-style-type: none"> <li>Rejection of improper business practices and vicious competition</li> <li>Carrying out experience exchange, seek co-prosperity</li> <li>Technological innovation, setting industry standard</li> </ul>

## Materiality Assessment

We are actively concerned about the needs of stakeholders. Internally, we pay special attention to leaders at all levels related to ESG issues and conducted interviews and questionnaires with 70 stakeholders (including the management and employees from different departments). Externally, we selected 63 stakeholders outside the Company to conduct same questionnaires. A materiality matrix is generated after an evaluation of 24 ESG issues in the issue database from two dimensions: "importance to stakeholders" and "importance to operations management". The materiality matrix for ESG issues ranks and presents these issues at three levels: high importance, importance, and relevance.

### 2022 Botanee ESG Report Materiality Assessment Process

#### 01 ESG Issue Identification and Validation

- Benchmarking the environmental, social and governance issues focused on by the ESG reporting framework and guidelines;
- Benchmarking of environmental, social and governance issues focused on by domestic and international ESG rating agencies;
- Reference to ESG issues concerned by domestic peers, domestic companies with similar characteristics, and international leaders in the industry;
- Based on the actual business operation and development plan, we comprehensively sorted out the main points of the Company's sustainable development work and feedback from various stakeholders, and combined with external experts' opinions, we built a material issue pool for Botanee's ESG report.

#### 02 Stakeholder Communication and Research

- Conducting interviews with stakeholders from management and others to collect feedback and suggestions from various stakeholders on the Company's sustainable development practices, as well as their views on future sustainable development strategies;
- We prepared an online questionnaire for ESG material issues, invited stakeholders to score the materiality of the corresponding ESG issues, and collated and analysed the final research results.

#### 03 Material Issue Assessment

- Based on the results of the stakeholder questionnaire, the ESG issues are evaluated in two dimensions: "importance to stakeholders" and "importance to operations management", and the ESG issues are ranked in order of their materiality and a matrix is generated.

During the year, the Company gave increased attention to the following ESG issues: ESG governance, innovation and intellectual property (IP) protection, product quality and safety, environmental protection policy and management system, green packaging, supply chain management, employment management and protection of employee rights, employees' health and safety, and biodiversity protection.

In the future, we will maintain continuous attention to each stakeholder, constantly review and update substantive ESG issues, and provide guidance and direction for the development of corporate management and environmental and social governance work.

### Botanee 2022 ESG Report Material Issue List

#### High Importance

- 01 Corporate governance 02 Sustainability management 03 Business ethics 04 Tax transparency 05 Environmental protection policy and management system  
10 Supply chain management 13 Employment management and protection of employee rights 14 Employees' health and safety 15 Biodiversity protection 19 Product quality and safety

#### Importance

- 07 Water management 08 Emissions and wastes management 09 Green packaging 16 Employee training and development 17 Customer services  
18 Responsible marketing and advocating sustainable consumption 20 Green products 21 Chemicals management and ingredient transparency 22 Information security and privacy protection 23 Innovation and intellectual property (IP) protection

#### Relevance

- 06 Energy management 11 Community investment 12 Addressing climate change 24 Facilitating industry development

### Materiality Assessment Matrix of Botanee's 2022 ESG Report



## COMPREHENSIVE RISK MANAGEMENT AND CONTROL

Botanee always insists on operating in compliance with the law, resolutely resists all improper behaviors in business activities such as embezzlement, corruption, unfair competition and money laundering, etc. According to external laws and regulations, the Company formulates relevant anti-corruption, anti-fraud and other system specifications and establishes a sound internal control system. The Company enhances the overall compliance management by continuously improving risk management and organising compliance training at each level.



### Internal Control Management

The Company has established a comprehensive internal control and management system, under which the Audit Department is responsible for routine and annual review of internal controls through monthly, quarterly and annual self-assessment, examination, supervision and evaluation of internal controls to ensure the compliance of the Company's operation and reduce operational risk. To strengthen internal control and raise all employees' awareness of internal control, we have provided online training on the "Comprehensive Risk Management and Its Practice", with post-training tests to motivate employees in their learning. The Company performs internal control audits every year. In 2022, annual audit on funds raised, semi-annual audit on funds raised, audit on information system authorisation, self-procurement audit, audit on progress of the Majinpu Project and other special audit projects were performed to control the potential risk of key processes.



### Operation Integrity

The Audit Department is the department responsible for supervising and implementing anti-corruption measures, including organising anti-corruption publicity, providing anti-corruption consultation and compliance advice, accepting and investigating complaints and reporting clues, carrying out daily supervision and special inspections, and promoting integrity and honesty in the Company's operation and employees' work.

The Company has formulated a number of policies such as *Anti-Corruption System of Yunnan Botanee Bio-Technology Group Co., Ltd.*, *Misconduct Complaint Management Operating Procedures of Yunnan Botanee Bio-Technology Group Co., Ltd.*, *Detailed Rules for Identification of Misconduct of Yunnan Botanee Bio-Technology Group Co., Ltd.*, *Employee Handbook*, *Anti-Corruption Clause*, *Anti-Corruption System*, etc. We adhere to the policy of "punishment and prevention are taken together, with prevention as priority" to create and maintain the Company's integrity culture and environment to promote the Company's compliance construction.

In 2022, the Company revised the *Registration and Filing System for Insiders*, to further raise the legal and self-discipline awareness of the Company's shareholders, directors, supervisors, senior management members and other insiders. The *Employee Handbook* has also refined the relevant guidelines for internal stakeholders' reporting and internal education on integrity.



### Business Ethics

In 2022, the Company has formulated the *Management System of Group Employees' Conflict of Interests* to cover the employees' Integrity Commitment Letter and prohibited behaviours, conflict of interests reporting and filing form, form for reporting and filing the basic information of employees' close relatives. It has also formulated the *Group Complaint and Reporting System* to clarify confidentiality management and the protection and management of the reported person (disclosure of the whistleblower's information to the reported person is forbidden and scope of knowledge of the reported incident should be kept to a minimum). During the Reporting Period, the Audit Department launched a misconduct audit focusing on verifying suppliers associated with key personnel.

The Company has a response mechanism by taking rapid and joint action with multiple departments against unfair competition. In August 2022, the Company came into knowledge that the packaging of a product named "Jin Lang Du" by a company in Shaanxi looked similar to the packaging of "Winona" products. The Company responded promptly to the suspected infringement by applying for patent invalidation and won the case. In this way, the Company's patent and right to the packaging design have been effectively protected. We will continue to strengthen our monitoring of the non-cosmetic market, and promptly and proactively respond to any violations of the company's IP rights.



### Tax Compliance

The Tax Department focuses on establishing a standard tax compliance system and comprehensive management of tax risks for business operations within the Group. We have operated in compliance with the law, paid taxes in good faith, studied local tax policies, and maintained good communication and relationship with the tax authority. We formulated the *Financial Management and Accounting Handbook of Yunnan Botanee Bio-Technology Group Co. Ltd. (2022 version)* to regulate the procedures for handling tax-related matters. Tax-related personnel also participate in trainings and internal sharing of experience from time to time. In 2022, the Company was not subject to any tax-related penalties.



### Information Security


The Company strictly abides by the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Regulations of the People's Republic of China on the Security Protection of Computer Information System* and the *Personal Information Protection Law of the People's Republic of China*, and has established and improved the *Computer Use Management Rules*, *Data Backup Rules*, *Computer Room Management Measures*, *Server Management Measures*, *Network Management Measures*, *Data Management Measures*, *Information Security Management Measures*, *Member Management Measures*, *Information Security and Data Authority Control Management Measures* and other relevant rules and regulations to safeguard cybersecurity and data security, and protect personal information and consumer interests. In 2022, the Company issued a *Notification on Strengthening the Terms of Computer Use* to specify regulations on employees' use of internal communication software.

Our online sales platforms have obtained the MLPS Level 3 certification, and the computer room of our platform is fireproof and moisture proof, equipped with post-disaster data recovery capabilities, complete network firewalls, intrusion detection, data encryption and other security measures. There have been no major information security risk incidents and no consumer privacy leakage incidents since the Company established and operated its online channels. Going forward, the Company will continue to improve the management system and measures for information security, increase investments in this area, safeguard information security on the network and protect consumer privacy.




# 02 HARNESSING INNOVATION TO PROMOTE QUALITY CRAFTSMANSHIP

 Innovation and Intellectual Property Protection

 High-quality Services  
Innovative User Experience  
Valuing Consumers' Feedback

 Pursuing Quality and Excellence

 Skincare for Everyone and Responsible Marketing  
Advocating Sustainable Consumption  
Design By Touch Products  
"Safe and clear beauty" Education

Botanee actively responds to the United Nations Sustainable Development Goals 3, 9 and 12, focusing on research and innovation, and pursuing excellence in quality to provide consumers with quality products and services.



### THE COMPANY'S OVERALL GOAL ON MANAGEMENT

To build an integrated management system based on "three standards", it emphasises quality and occupational health and safety, and is committed to environmental protection. The Company will continue to "set goals for the system and strive for systematic management, intelligent process, standardised infrastructure and ongoing improvements", it will build a leading company with safe operation, standard management, good environment, less energy consumption, clean production and healthy employees by integrating various management systems, coordinating operation, enhancing core competitiveness and quick market response to ensure its rapid, steady, sound and continuous growth.

## INNOVATION AND INTELLECTUAL PROPERTY PROTECTION



The Company has a robust IP management system in compliance with the GB/T29490-2013 standards of enterprise intellectual property management and obtained relevant certification. Internally, we have developed the "Manual for IP Rights Management" and implemented the *Enterprise Intellectual Property Management*. We have complied with the guidance on high-quality development goals of IP rights in Yunnan when promoting the patent navigation project.

As a high-tech enterprise, the Company builds a platform consisting of the innovative team under the Ministry of Education, Innovation Centre in collaboration with Yunnan Higher School, Yunnan Engineering Research Centre, Yunnan Science and Technology Innovation Team, Yunnan Characteristic Plant Extraction Laboratory, Yunnan Postdoctoral Research Workstation, and Yunnan Corporate Technological Centre by combining the industry, academics, and research forces. The Company focuses on basic research, formula development, efficacy and safety verification of functional skin care products. We have been awarded Yunnan Science and Technology Progress Special and First Prizes, Innovation Teams First Prize and Invention Patents First Prize.

In 2022, the Company spent RMB **278 million**, which is **5.55%** of its operating income on R&D activities.

As at the end of 2022, the Company had a multi-disciplinary and reasonably structured team of talents and **391 researchers** in total, which accounted for **12.81%** of total employees, **8** of which were doctorate degree-holders, or **2%** of the research team.



**As of the end of the Reporting Period, Botanee had the following granted IP rights:**

Category		Number of granted IP rights as of the end of the Reporting Period	Number of granted IP rights in 2022
Patents	Invention	34	53
	Design	47	
	Utility model	52	
Trademarks		552	165
Work copyright		9	0
Software copyright		48	31

As of the end of the Reporting Period,

the Company obtained **262** registration certificates for ordinary cosmetics from the National Medical Products Administration, of which **67** are new registrations in 2022.

We obtained **23** registration certificates for special cosmetics, of which **2** new registrations are about sun-screen products for children in 2022.

New testing and registrations for special cosmetics in 2022 amounted to **25**.

In terms of medical devices, we have obtained approval for **3** Class II medical devices and **7** business registration certificates for Class II medical devices.

The clinical research of **3** Class III medical devices is about to be completed.

**2** devices of innovative material are in the process of classification and definition and **2** Class II medical devices have completed the system assessment and are pending certification.

In 2022, Winona and Winona Baby launched **59** new products, and **16** new products from AOXMED, amounting to a total of **75** new products.

**63**

The Company has completed clinical research in dermatology and effect observation in 63 hospitals

**184**

Our products, related basic research and process technology have been included in 184 SCI and major journals

**31**

Participated in defining 31 collective standards for functional skin care products in China

**15**

Completed 15 national expert guidelines and consensus

**11**

Hosted the formulation of 11 standards for corporate products

**133**

Have 133 valid patents in total

The Company has been pursuing the development path of independent R&D, and has an efficient, rigorous and well-established system of R&D innovation in place.

During the Reporting Period, the Botanee Research Centre established a R&D centre on innovative raw materials based on the existing functional cosmetics R&D centre, the new centre focuses on the independent R&D of innovative raw materials, enhanced basic research, problematic skin mechanism, innovative raw material targets and other fields. There is also an independent R&D department on medical devices focusing on the R&D, manufacturing transformation and registration of medical devices related to injectable fillers.

### Reduce animal experiments

In 2022, the Botanee Research Centre led the industry by successfully constructing the type IV sensitisation model using zebra fish for the first time, and thereby improved the existing system for sensitisation evaluation. The type IV sensitisation model using zebra fish with shorter experimental cycle and high-throughput screening is more predictable than the conventional in vitro (cells) experiments, and cost less than conventional animal experiments using guinea pigs. This kind of experiments is exempted under the *Law on the Protection of Animals for Experiments*, which is less controversial in terms of animal ethics. Meanwhile, the cell-based model can conduct comprehensive testing from safety to efficacy, including multi-dimensional experiments to evaluate skin irritation, eye irritation, phototoxicity, anti-inflammation, anti-allergy, whitening, repairing, anti-aging, oil control, etc.



### A complete multi-dimensional evaluation system at the Botanee Research Centre to independently construct a dermatology 3D model

Compared with third-party testing institutions, the evaluation system of the Botanee Research Centre has the capability to test over 70% of the testing items, and the model is more comprehensive and professional in testing soothing, repairing, and anti-aging effects. In 2022, the In Vitro Alternative 3D Model Evaluation Platform of the Botanee Research Centre successfully constructed an in vitro full thickness skin model, marking a "zero to one" breakthrough in the independent R&D of China's functional skin care brands in this field. The full thickness skin model is constructed using primary keratinocytes and primary fibroblasts of ethnic Chinese, including the structure of the epidermis and dermis, to simulate the efficacy of different skin care ingredients to the skin of ethnic Chinese. Enabled to independently construct a 3D full thickness skin model, we can conduct customised skin construction and evaluation to test the efficacy of raw materials or products, bringing more possibilities for innovative R&D in the field of skin health for ethnic Chinese.



### Yunnan Characteristic Plant Extraction Laboratory is expanded to build a leading raw material screening and evaluation system in the industry and recognised as the "Co-Certification Laboratory on National Reference Materials for Natural Products"

Yunnan Characteristic Plant Extraction Laboratory is a platform for scientific research initiated by Yunnan Botanee Bio-Technology Group Co. Ltd., and jointly established by Yunnan University, Yunnan Agricultural University and Yunnan Institute of Materia Medica. The laboratory aims to promote the industrialisation and focuses on the R&D of functional cosmetics, functional foods and drugs using Yunnan characteristic plant extracts as raw materials. Our breakthrough in solving core and key technical issues in this field provides technological support for industrial innovation, we strive to form product clusters and corporate clusters of functional cosmetics, functional foods and drugs using characteristic plants as ingredients. The development of high value-added health products using characteristic plants has become an important support and breakthrough point for Yunnan's characteristic plant industry to achieve billions of output value.

Through projects for innovative public platforms, the laboratory focuses on the characteristic plant industry in Yunnan, and effectively allocates the R&D resources of participating units through integrated construction, optimised reorganisation, and supplemented improvement. It has completed the construction of four innovative public platforms, i.e., the raw material screening platform for functional cosmetics and functional foods using Yunnan characteristic plants, product R&D service CXO platform and public testing service platform for functional cosmetics and functional foods using Yunnan characteristic plants, Yunnan characteristic plant drugs R&D platform and Yunnan characteristic plant synthetic biology R&D platform. We study the product development and industrialisation for functional cosmetics and functional foods using Yunnan characteristic plants to accelerate the translation of innovative achievements into commercial initiatives. We integrate and drive elementary resources of high-quality industries along the industrial chain to create product clusters that contribute to sales result, and support and lead the high-quality development of Yunnan characteristic plant industry. To make full use of scientific research talents and promote the development of key laboratory research fields, the laboratory adheres to the principle of retaining talents through career prospect and attractive package. Through flexible policy of talent attraction and recruitment, 98 people joined the laboratory in 2022, including 10 holders of doctorate degree and 55 holders of master's degree. We have trained 6 holders of doctorate degree and 20 holders of master's degree. By the end of 2022, there were 213 working for the laboratory, including 56 holders of doctorate degree and 67 holders of master's degree, among which 10 were promoted to mid-level posts, 4 were promoted to deputy senior posts and 1 was promoted to senior post.



Yunnan Characteristic Plant Extraction Laboratory has established a systematic system to screen and evaluate active substances of Yunnan characteristic plants, such as prinsepia utilis royle, purslane, camellia reticulata, Yunnan chonglou, physalis, clerodendranthus spicatus, gardenia and peony and other characteristic plants. The laboratory has conducted numerous independent R&D activities on Yunnan characteristic plants to test their efficacy in soothing, anti-inflammation, anti-aging, barrier repair, antiseptic, acne treatment and sunscreen effect, and successfully developed plants-related industries.

- The laboratory innovated and developed the small molecule RNA extraction technology and the deep eutectic extraction technology. It successfully completed **40** independent R&D on plant raw materials for functional cosmetics, publicised **40** technical standards, and industrialised **11** active substances derived from Yunnan characteristic plants.
- In 2022, we reported **3** new raw materials for cosmetics, while the number of new raw materials to be reported in 2023 is expected to be more than **10**. The laboratory also completed **6** independent R&D on plant raw materials for functional foods and publicised **6** technical standards. By screening raw materials for **9** functions of anti-aging, sleep aid, anti-oxidation, whitening, weight control, moisturising, sensitive skin soothing and repair, liver protection, and intestinal health protection, **17** new methods for analysis and test were established, **170** active substances were screened, and **75** active substances were found effective.
- We have participated in the development of five collective standards for functional foods and cosmetics, namely the *Methods for Sensory Evaluation of Flavoured Syrups*, the *General Requirements for Healthy Snacks*, the *Anti-wrinkle Efficacy Evaluation of Cosmetics Using the Juvenile Zebra Fish Caudal Fin Shrinkage Inhibition Rate*, the *Firming Efficacy Evaluation of Cosmetics Using the Relative Expression of Elastin Gene in Juvenile Zebra Fish*, and the *Soothing Efficacy Evaluation of Cosmetics Using the Zebra Fish Juvenile Neutrophil Inhibition Rate Method*.
- Meanwhile, we have also included raw material sustainability into our screening criteria, and materials with ECOCERT, COSMOS, ISO 16128 and other certifications are preferred when selecting raw materials. In response to academic and market demands, the Company collects and evaluates raw materials with **8** functions including soothing, antipruritic, eczema, anti-oxidation, anti-glycation, blue light protection and anti-aging, and reserves **21** functional raw materials that have been verified safe and effective.



In November 2022, Yunnan Characteristic Plant Extraction Laboratory was recognised by the Specialist Group on Natural Product of National Technical Committee on Reference Materials as the No.37 "**Co-Certification Laboratory on National Reference Materials for Natural Products**". The recognition as a "Co-Certification Laboratory on National Reference Materials for Natural Products" is an important move to industrialise active substances of natural products and characteristic plants in Yunnan. It will further enhance the status and level of Yunnan Province in the research field of national reference materials for natural products, promote the development of Yunnan characteristic plant resource industry, and lay the foundation for relevant testing and research and the broad health field. Next, the laboratory plans to build a Yunnan Academician Expert Research Workstation based on the research of national reference materials for natural products, and introduce relevant academician experts as providers of technical guidance for laboratory construction and project R&D.

## PURSUIING QUALITY AND EXCELLENCE

Botanee strictly follows the production process and operation procedures, strengthens the inspection and monitoring of each production process, and keeps quality control in all aspects and processes to ensure the high-quality output. The Company focuses on sensitive skin care, attaches great importance to the products quality and prioritises safeguarding the products quality. Over the years, the Company has strictly followed the standard of ISO22716 & GMPC (International Standard for the Good Manufacturing Practices for Cosmetics & Guideline for Good Manufacturing Practice of Cosmetic Products), ISO13485 (medical devices quality management systems), ISO9001 & ISO14001 & ISO45001 (quality management system, environmental management system, occupational health and safety management system), and regarded product quality, environmental protection, and employee health and safety as an important part of its internal management.

The Company prepared the "Medical Device Quality Management Manual" in accordance with the *Quality management system — Requirements* (GB/T 19001-2016 idt ISO9001:2015), *Medical devices — Quality management systems — Requirements for regulatory purposes* (YY/T0287-2017 idt ISO13485:2016), and *Measures for Supervision and Administration of Medical Device Production*. In 2022, the Company responded to the updated *Measures for the Supervision and Administration of Medical Device Manufacture*, the *Measures on Supervision and Administration of Business Operations of Medical Devices*, the *Measures for the Supervision and Administration of Cosmetics Manufacturing and Operation* and the *Good Manufacturing Practice for Cosmetics* by improving the Company's internal process.





During the Reporting Period, the Company mainly adopts a model that combines independent and outsourced manufacturing. Under the model of outsourced manufacturing, the Company has formulated the "Standard Management Procedures for Outsourced Manufacturing" to regulate the development, audit and quality control of outsourced manufacturers, and translate quality targets and targets for supplier assessment into the quality assurance agreement each year for monthly performance appraisal.

For the quality control of independent production, the Company requires all onboarding employees to receive safety training, and quality-related personnel must also receive quality-related training. The factory conducts annual evaluations of the management system on quality, environment, and occupational health to ensure that the quality, safety and environmental protection management system is operating properly.

The Company has had a product recall mechanism in place. In 2022, there was no incident of product recall.

We established our quality policies in accordance with laws, regulations, corporate vision, and best industry practice. These policies are further divided into targets which are subject to regular review to assess the Company's quality and operation standards and identify opportunities for continuous improvement.

Key quality and operation data in 2022 are set out below:

Quality metrics	Annual performance in 2021	Annual performance in 2022
Passing rate on first inspection of raw materials	99.6%	99.6%
Passing rate on first inspection of packaging materials	98.7%	98.8% 
Passing rate on first inspection of semi-finished products	99.8%	99.9% 
Passing rate on first inspection of finished products	99.8%	99.6% 
Product defect rate and customer complaint rate (PPM)	2.1	1.5 
Fulfilment error rate	0.09%	0.09%

## HIGH-QUALITY SERVICES

The Company has instilled the awareness of providing highly efficient services to satisfy customers' needs for quality and speed as our priority and listened carefully to customers' opinion on our products and services. A service platform has been constructed for dermatologists, skin care key opinion leaders (KOLs) and consumers to communicate and have better consumer experience. Through 400 customer care hotlines, official website, WeChat account, and flagship stores, we provide targeted services to consumers. The Company raises customer satisfaction rate through the continuous offline provision of "skin manager" training programmes covering drug store salespersons and consumers.

### Innovative User Experience

In 2022, the Company refined the quality inspection standards covering pre-sales, after-sales, telephone inspection and other processes to effectively improve the quality of customer services. In terms of internal management, we replaced the ERP system to fundamentally relieve the pressure on the combined order and delivery at the logistics end while daily, weekly, and monthly data at the customer end has all been entered into the BI statement.

As of the end of the Reporting Period, the Company had 23.30 million cumulative registered members, and the repurchase rate over entire network reached 37%.

Winona has been one of the Top 10 best-selling beauty products during Tmall's Double 11 shopping festival for 5 consecutive years from 2018 to 2022. Winona ranked Top 2 among Chinese beauty and cosmetic brands on JD.com, and was on the top lists of Douyin, Vipshop, Kuaishou and other omni-channel platforms. At the same time, the Company has been cultivating its private domain system for many years, and the Winona is ranked the top single brand in the beauty industry by Tencent's Smart Retail 2022 Multiplier Initiative with its excellent private domain operation performance.

In 2022, offline counters and OTC drug store channels have expanded to 42,938 stores, and the Company's customer satisfaction score was 88.18.

Botanee is a consumer rights protection service station authorised by Kunming Administration for Market Regulation. In 2022, Botanee was promoted by the Market Supervision and Regulation Bureau in Yunnan as one of the Top Ten Brand Building Cases in Kunming due to its outstanding performance.

The Company oversees the continuous improvement of customer services through response metrics and satisfaction metrics:

	2022		2023
	Target	Actual performance	Target
Response metrics	35seconds	29seconds	30seconds
Satisfaction metrics	85%	88.18%	88%

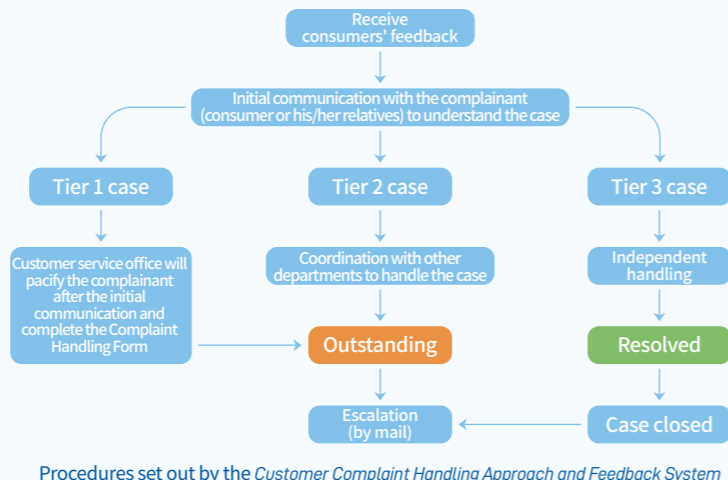
In 2022, the Company received 1,615 complaints in total, which are handled within 48 hours on average, and the complaint resolution rate is 100%.



## Joint skin beautician project with Tmall flagship store

In 2022, Winona worked with Tmall to launch a project to single out customer service personnel with "professional skin care" capabilities. For the first time in the beauty industry, customer service personnel who have passed the Group's in-house qualification assessment and certification for professional skin care services would be qualified to provide product briefing and professional skin care consultation. To certified customer service personnel, Tmall will attach a label of brand beautician, they are qualified to serve online consumers through customer service channels, store homepage liveCard, members' centre, professional skin care venue, communication platforms and other channels. As of the end of the Reporting Period, we have granted certification to more than 20 customer service personnel.

We have formulated the *Customer Complaint Handling Approach and Feedback System* following the opening of offline experience-based stores to enhance consumers' experience and cement their loyalty to the brand.



## Cross-disciplinary cooperation between Winona and 360 Security High Speed Version for women's safety.

Winona was an active participant of the "Women's Safety Public Awareness Campaign" initiated by 360 Security. The Campaign aimed to raise public awareness of women's safety and promoted women's awareness of self-protection.

Winona worked with 360 Security in cross-disciplinary cooperation to initiate #Winter Guardian#360 Security High Speed Version #Winona #Campaign, with "Safeguard with the Screen" as the main theme. Within the co-branded gift box, we customised takeaway reminder signs and scarves to match the products given to participating consumers to advocate women's awareness of self-protection both in terms of protecting the skin barrier and building a security firewall.



## Valuing Consumers' Feedback

We value the feedback of consumers. During 2022 Double 11 Shopping Festival, we received complaints from consumers about two of Winona products, i.e., the Repairing Freeze-dried Series-Soothing Repairing Freeze-dried Mask + menstruum, and Winona Rich Moisturising Repair Cream. The Company immediately carried out self-investigation and third-party inspection of the products in question, and they were found compliant with the requirements. Then we submitted the investigation result to Kunming Market Supervision and Administration Bureau and promptly posted an announcement at Winona's flagship store. With the help of the Online Dispute Resolution (ODR) system hosted by the Market Supervision Bureau, the Company was able to rapidly handle the consumer complaints and effectively address consumers' queries with positive result in a timely manner.



Product quality and customer services are the lifeline the Company relies on for sustainability and prosperity. We reviewed feedback from consumers during the Double 11 shopping festival this year and improved our implementation strategy for responding to consumer feedback and maintaining effective communication with consumers, the media, regulators and other relevant parties in a timely, truthful, accurate and complete manner to avoid similar incidents from happening again.

Going forward, the Company will continue to optimise the odour detection process, empower the quality control and detection system through technological innovation, and continuously strengthen the management of raw material suppliers and quality control, so that our products shall stand the test of both technical standards and consumers' perception.



## SKINCARE FOR EVERYONE AND RESPONSIBLE MARKETING

During the promotion of products and services, the Company adheres to the principle of responsible marketing and pays attention to the authenticity of publicity content and prohibits false or misleading publicity. We make sure that products are presented in an objective and fair way. We have also established a marketing and promotion management system to match product and customer needs, and developed standard terms for external marketing, including product briefing in livestreaming marketing and marketer trainings to ensure that the brand image and product information are true, accurate and complete. Aiming higher and better, we are committed to forming industry standards, upgrading services and demonstrating social responsibilities as a Chinese brand.

In May 2022, the Winona Research Centre partnered with Chinese Medical Association and other groups to hold the Third China Sensitive Skin Summit Forum, and jointly released the *2022 White Paper on Refined Skin Care Trends for Sensitive Skin* with Tmall Beauty and TMIC. The White Paper specifically analysed and introduced the development status and market opportunities of the sensitive skin care market, the trend of refined skin care for sensitive skin, and the future outlook of the sensitive skin care market. As the first white paper in the field, it reinforced the Company's impact as a leading enterprise in China's cosmetics industry. Winona insists on empowering the beauty industry with academic findings, upgrading products with authoritative scientific research, and improving social well-being with Winona's practical action, while demonstrating the sustainability and persistence of our brand.

Since 2013, Botanee has been organising the well-known public service activity — "525 National Skin Care Day". During the period between 27 and 30 May 2022, Winona hosted live webcast at Tmall live channel for 4 consecutive days as a free online clinic on the theme of "Professional Care for Sensitive Skin". Winona has also been working with the China Medical Doctor Association (CDA) to provide large-scale free clinic across the country to convey skincare knowledge in person, for example, answering questions regarding sensitive skin care, and disseminating knowledge on the scientific and rational way of skin care.



## Advocating Sustainable Consumption



### Empty Bottle Exchange Campaign to encourage recycling

As at the end of 2022, OTC drug store chains organised a nationwide Empty Bottle Exchange Campaign during the Double 11 shopping festival, covering 4,738 drug stores. During the event, empty bottle exchange boxes were placed at 3,651 key stores to promote the Empty Bottle Exchange Campaign and a total of 183,838 empty bottles were collected, they were mostly plastic bottles of sunscreen lotion and soothing moisturising cream. Stores were sending freebies to encourage consumers' participation in the Empty Bottle Exchange Campaign.

We believe a ray of sunshine travels a long way, likewise, small bottles have big impact. We will uphold this belief as the starting point of our commitment to advocating sustainable consumption.



## Design By Touch Products

Consumer experience has always been the top of our priorities. To take care of consumers in special needs, braille design is incorporated into all the Company's products.



## "Safe and clear beauty" Education

The Company has been committed to the research in the field of sensitive skin. We work with foreign and domestic dermatologists to conduct plenty of basic research and study on sensitive skin problems of Chinese and advocate correct concept and scientific methods of skin care. Through working with authoritative dermatologists, the Company initiated the improvement of the regulations and standards for functional cosmetics in China, so that the industry can be developed in a regular and healthy manner.



### Winona Sunshine Scheme has been focusing on education on skin photodamage for many years

In order to convey the correct scientific concept of sun protection, protect the healthy skin of the nation and to create a sense of mission and honour our social responsibility, the seventh Winona Sunshine Scheme charity campaign with the theme of "Walking with Light, Guarding Smile" was launched in Zhaotong, Yunnan Province in October 2022. Zhaotong is a region with severe UV light exposure and local residents commonly suffer from sun-dermatitis, chronic actinic dermatitis, seborrheic keratosis, photo-aging and other skin problems. Winona Sunshine Scheme organised dermatologists to provide local people with medical consultation and worked with the Ministry of Education's "Pathogenesis and Prevention of Plateau Photodamage Skin Diseases" Innovation Team and the Yunnan Red Cross Society to release the *Plateau Photodamage Skin Disease Protection Handbook*. 20,000 copies of the handbook were distributed throughout Yunnan, together with a video on photodamage, which were distributed to local schools and communities through the Red Cross Society to further promote the education of photodamage protection. This year's charity campaign continues to focus on photodamage skin diseases and people and is dedicated to providing local residents with "point-to-point" voluntary diagnosis and symptomatic treatment, taking advantage of the local situation to provide residents with scientific and healthy beauty. We are actively responding to the national *Health China Action* (2019-2030), reaching out to urban and rural areas to educate about photodamage through creative ways. As a public service brand that has been spreading scientific skincare concepts at high altitudes and in areas with severe UV light damage for seven consecutive years, "Winona Sunshine Scheme" won the "Annual Public Service Communication Case" award at the Southern Weekend 2022 Annual Brand Awards.



### "Safe and clear beauty" education for children - Science awareness in schools and consumers visiting factories

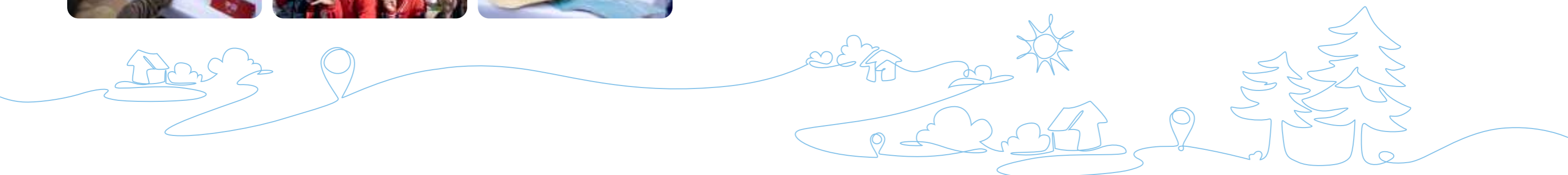
Since 2013, Botanee has been holding the "5.25 National Skin Care Day" every year. In May 2022, the Medical Products Administration of Yunnan Province, the Federation of Industry and Commerce of Kunming High-tech Zone and Yunnan Botanee Bio-Technology Group Co., Ltd., went to the second kindergarten and the fourth primary school of High-tech Zone to carry out cosmetic science popularisation and publicity, distributing the skin care product safety publicity manual, using vivid, easy-to-understand language to explain the general knowledge of children's skin care product safety. Meanwhile, public representatives and media reporters went into Botanee's production plant to learn about the production process of children's skin care products on site. Visitors came to watch the children's cosmetic production line through the glass curtain wall, and the staff also introduced the production line and the process of children's skincare products from raw materials to finished products, as well as the strict quality control on each link. Through the visit to the production workshops of skincare product manufacturers, the public gained a better understanding of the production and strict quality control process and increased their awareness.

As an industry leader, Botanee insists on promoting scientific and rational skincare.

#### Children's skin care products publicity campaign



#### 2022 open activities on cosmetics safety popularisation organised by the Medical



# 03 CONSERVING RESOURCES TO PURSUE SUSTAINABLE DEVELOPMENT

## Green Supply Chain and Implementing ESG philosophy

- Supplier Management
- Green Raw Materials
- Green Packaging
- Green Manufacturing
- Green Storage
- Green Logistics
- Green Recycling
- Constructing a Green Information Platform

## Green Manufacturing, Energy Conservation and Emission Reduction

- Construction of an Environmental Management System
- Resource Usage Management
- Emissions Management
- Waste Management
- Chemicals Management
- Green Factory
- Green Office

## Responding to Dual Carbon Targets to Drive Green Transformation of the Industry

- Responding to national carbon peaking action targets
- Establishing a Carbon Inventory Management Mechanism and carbon Neutral Practices
- Participation in the Development of Carbon Emission Standards

## Addressing Climate Change

### Protecting Biodiversity and Fulfilling Social Responsibilities

- Leading by Example and Public initiatives
- Creating the Healthy Ecosystem for a Beautiful Future

Based on the characteristics of its business and the environmental features of its location, Botanee actively responds to the United Nations Sustainable Development Goals 6, 7, 9, 12, 13 and 15 by promoting green production, creating a green supply chain and carrying out green public welfare activities.



The Company was awarded by the Ministry of Industry and Information Technology as one of national model enterprises for green supply chain management (GSCM) in 2019. Based on the principles of "comprehensive planning, reasonable deployment, comprehensive utilisation, environmental protection and local benefits", the Company is committed to our mission of protecting the environment and insisting on sustainable development through a green circular and low-carbon production and operation models. The Company has a designated unit for GSCM, which is responsible for setting management targets and metrics, leveraging GSCM advantages, mitigating environmental risks, raising utilisation efficiency of energy and resources, and expanding the market share of green products.

## GREEN SUPPLY CHAIN AND IMPLEMENTING ESG PHILOSOPHY

### Green supply chain strategy:

The Company integrates green supply chain into business processes including product R&D, design, procurement, manufacturing, warehousing and logistics from the whole system perspective to identify risks and opportunities of energy, and resources consumption, as well as other environmental aspects, and work in coordination with upstream and downstream partners to expand the market share of green products.

### Green supply chain management targets and metrics:

#### Targets

- 01** Sign responsibility letters for achieving energy saving targets with the Municipality and District Industry and Information Technology Committees.
- 02** Comprehensive energy consumption of the Company's products is limited under the "Energy Consumption Limit on the Company's Individual Product".

#### Metrics

Comprehensive energy consumption intensity per RMB million of output value in 2022:

**0.97** MWh/RMB million

Diesel consumption intensity per RMB million of output value in 2022:

**0.016** ton/RMB million

Electricity consumption intensity per RMB million of output value in 2022:

**0.77** Mwh/RMB million

Water consumption intensity per RMB million of output value in 2022:

**0.007** kilo-cubic metres/RMB million

## Supplier Management

The Company continued to upgrade supply chain management by improving and adjusting suppliers' classification and grading. We have engaged a third-party auditing agency to conduct a more systematic, professional, and comprehensive review of suppliers and issued a formal review report. If a supplier is new, the Company will research and review its basic information (including but is not limited to company size, financial position, customer groups, sales, etc.), followed by an on-site review. If a supplier has worked with the Company, the Company will conduct on-site reviews on a random basis each year. Meanwhile, we certify, select, and manage our Green Partner suppliers in terms of environmentally-friendly materials, pollution prevention, energy saving and emission reduction, to encourage our suppliers to reduce the use of raw and auxiliary materials and packaging materials, or replace them with more environmentally-friendly materials to avoid or mitigate environmental pollution.

In terms of raw materials, we do not directly source and use palm oil, but some of the cosmetic ingredients we use involve raw materials derived from palm oil. In response, we require suppliers to obtain a RSPO certificate for sustainable palm oil, and by the end of 2022, 80% of suppliers involved in raw materials sourced from palm oil have obtained a RSPO certificate. The Company will complete 100% coverage of the use of RSPO certified palm oil by 2023, by urging suppliers to obtain RSPO certification.

## Green Raw Materials

In the selection of our cosmetic ingredients, we give preference to ingredients that comply with ECOCERT, COSMOS and ISO 16128 certifications. We promote the concept of simplicity in our formulations, reducing the addition of non-essential chemicals. We do not add alcohol, colours, colourants and allergenic preservatives to all our formulations; we use milder emulsifiers and surfactants in our skin care and cleansing formulations, reducing the use of soap base and avoiding the use of dangerous chemicals such as strong acids and bases.

We disclose the ingredients of our cosmetic, skin care and cleansing products truthfully and compliantly. Overall, organic ingredients account for 24% and specialty ingredients account for 1.74% of the composition of our products. In the process of developing our own raw materials, such as the Company's speciality raw material, green thorn oil, in the planting and maintenance stages, we follow the concept of organic farming and do not use chemically synthesised fertilisers, pesticides, growth regulators, etc., and in the extraction process, we adopt cold pressing or sub-critical low temperature cold extraction process, avoiding the use of organic solvents.

In 2022, we continued to optimise the Company's measures on localised procurement. As of the end of the Reporting Period, as for product raw materials, the R&D Department is verifying the localisation of product raw materials.



### Creating water-free products to save water resources

In 2022, we used advanced lyophilisation technology to develop and launch "water-free products" such as Amino Acid Soothing Cleansing Balls to protect scarce water resources, which reduce the weight of water to facilitate lightweight packaging, thereby reducing the consumption of disposable plastic packaging and logistics resources, and are also suitable for use in multiple scenarios such as business trips and travel due to their lightweight nature. The product is stable and highly active without the addition of allergenic preservatives and can be stored for a long time at room temperature. This product dissolves quickly into a dense, creamy foam with just a little water.



## Green Packaging

Driven by innovation, Botanee puts green ideas into innovative design and packaging, energy saving and material reduction, and achieved outstanding results and made contribution to the sustainable development of the Company and the industry. In terms of green innovation in product packaging, we have introduced the concept of green packaging design, and followed three main directions when designed packaging: using new structures and materials, pursuing plastic reduction and plastic-free.

We have increased the size of transport packaging, improved processes and materials, reduced plastic sealing, and applied environmentally-friendly inks. In 2022, the Company reduced the use of 98,702 cartons with a weight of about 16 tons.

We have expanded the use of PCR (Post Consumer Recycled) raw materials: in 2022, the Company purchased about 4 tons of PCR raw materials, which were used for special care cream products that would go to market in the future, equivalent to recycling about 230,000 plastic bottles of 380ml mineral water.

Introduction and application of PCW (Post Consumer Waste) paper: the Company's premium anti-ageing brand Aoxmed uses 40% PCW paper throughout its range. In 2022, 4.8 tons of this recycled eco-friendly paper has been used for the packaging of the brand's products.

The proportion of FSC paper used further expanded, with a total of 98 tons of FSC paper used in 2022, for a total of 14,542,500 gift boxes.

We have increased the proportion of glass bottles used in product packaging: We are expanding the use of glass bottles in product packaging to replace the same amount of non-recyclable plastic packaging. In 2022, we have 82 new products packaged in glass bottles and the total number of all glass bottles purchased for the year is approximately 64.14 million.

Electronic manuals are gradually replacing paper manuals: electronic manuals are already widely used in all new products developed by the Company and will be gradually extended to existing products. In 2022, the Company has already used electronic manuals for 523 products, saving approximately 77.24 million sheets of manual paper with a weight of approximately 48 tons (at 0.63g/sheet). In accordance with the new labelling standards and regulations of the National Medical Products Administration, we will revamp all our packaging by 1 May 2023, after that day, we will stop using all paper instructions.

## Green Manufacturing

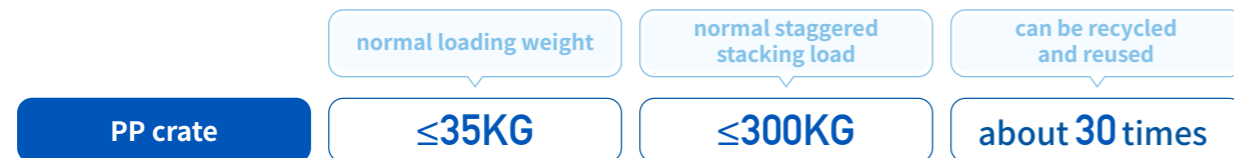
We have established the "Environmental and Occupational Health and Safety Management Procedures for Outsourced Factories" to monitor the operation of the environmental, health and safety management (EHS) system in outsourced factories to ensure that the production activities of outsourced factories comply with national, local and industry requirements for EHS, effectively ensuring that the Company's supply is efficient, low-carbon, environmentally-friendly and safe on an ongoing basis.

Under the premise of ensuring product quality, we strictly control the loss of materials in the process of self-production, outsourced factory storage and production, set internal control standards for loss management, clarify the limit of material loss, reduce leakage, and require the outsourced factory to compensate us at the original price of material cost if the loss limit is exceeded, so as to effectively control the Company's assets and reduce energy consumption. In the context of the rapid growth of the Company, we limit the rate of material wastage to a certain range, control the material loss standards of the outsourced factories, and put forward the requirement to reduce the rate of material loss.

We regularly destroy tailings, expired raw materials, excess and obsolete materials produced in the production process in factories, control tailings, and transfer the excess and obsolete materials in time.

## Green Storage

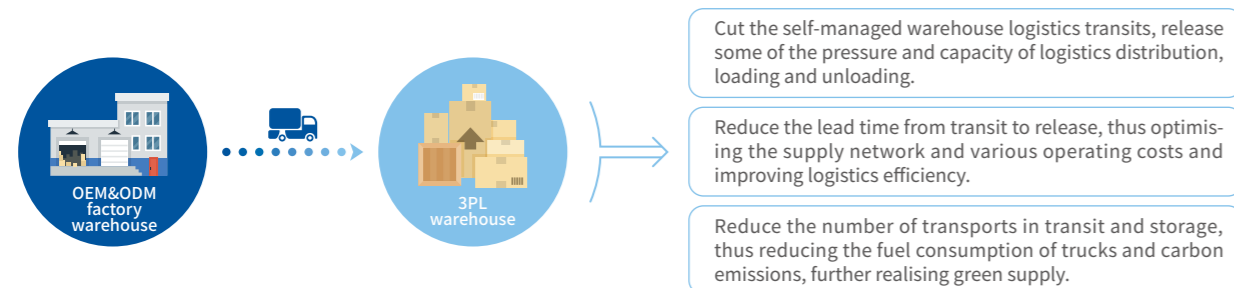
In order to reduce the use of corrugated crates, loss and waste, and to standardise the handover, storage, collation and flow between workshops and warehouses, in 2022, a unified (PP) version of crates was ordered for use in workshop sets for delivery and warehouses for shelving.



According to trial calculations, 500 PP crates can save **12,657** corrugated cartons. 500 crates have been purchased in 2022, and subsequent returns can be put into full use for secondary storage.

## Green Logistics

We are continuing to promote OEM & ODM factory direct delivery in 2022.



In 2022, a total of 448 trucks and 24,840 pallets of goods were shipped directly from OEM & ODM factories, with a cumulative transfer weight of approximately 5,734 tons and volume of approximately 23,797m<sup>3</sup>, saving approximately **39,467** km of traveling distance.

Based on the comprehensive fuel consumption of 15 litres per 100 kilometres for a 4.2-metre van, the fuel consumption savings for OEM & ODM factory direct delivery in FY2022 will be approximately **5,920** litres, with OEM factory direct delivery reducing the distance travelled by approximately **8,071** kilometres and saving fuel consumption by approximately **1,211** litres, and ODM factory direct delivery reducing the distance travelled by approximately **31,396** kilometres and saving fuel consumption by approximately **4,709** litres. In total, we avoided greenhouse gas emissions of **16.16** tonnes of CO<sub>2</sub> equivalent.

## Green Recycling

The Company has established a management and recycling system for defective products, general solid wastes (mainly packaging materials) and hazardous wastes while providing guidance to downstream enterprises on recycling and dismantling. In 2022, the Company continued its Empty Bottle Exchange Campaign to recycle **183,838** empty bottles in total to effectively raise consumers' environmental protection awareness. The Company has a packaging recycling rate of **1.8%** in 2022.

In 2023, the Company will join hands with relevant recycling partners to launch the "Empty Bottles on Top" recycling campaign, which will re-process recycled packaging bottles into usable raw materials for reuse in Winona's product packaging, thus closing the loop on packaging recycling, reducing waste pollution and saving resources.

The Company has gradually reduced the use of laminated paper packaging, replacing the previous silver cardboard laminated packaging with easily recyclable white cardboard, and the proportion of our products packaged in white cardboard is gradually increasing. When designing the packaging, we take into account the packaging's ease of recycling, including the use of an external pump head to facilitate separation from the metal plastic bags and to facilitate sorting and recycling by consumers and third-party organisations.

## Constructing a Green Information Platform

The Company has established a complete supply chain management system, including supplier relationship management (SRM) system, product lifecycle management (PLM) system, enterprise resource planning (ERP) system, order management system (OMS) and warehouse management system (WMS). The Company has end-to-end system for supply chain planning (SCP) went live. Integrated decision of supply chain planning from demand, inventory, replenishment, allocation, production to material sourcing has been achieved through constructing supply network model. Through agile perception of demand changes, supply chain can respond quickly, and shorten planning cycle to facilitate intelligent transformation of the supply chain information and data.

We also actively promote a paperless, digital office, moving some of our offline operations online to improve office efficiency while reducing the use of paper and ink. To this end, we have built systems and digital platforms such as the SCM data platform, the FM system, the data management platform, the China Business Big Screen and the Starlink project, in line with the Company's rapid development and digital transformation trend.

- ▶ The SCM data platform correlates and optimises the different types of indicators involved in multiple modules and displays the associated indicators in the same view to achieve a unified entity window for overall indicators and underlying data queries.
- ▶ The Millennium Falcon III demand planning system is a data-driven planning system that supports medium to long-term capacity planning and raw material procurement.
- ▶ The data management platform is a system platform that automates the original manual processing of external related data, such as ERP and middle office, for use by the Company's planning department and production systems.
- ▶ China Business Big Screen is a platform to remotely monitor and record the production of each production line of all the subordinate factories, to achieve remote real-time monitoring of production information, and to facilitate the supply chain to respond quickly to processing through agile perception of production changes.
- ▶ The Starlink project controls the BOM management module, MPS module, BOM switching module and MRP module to improve order management refinement and to material granularity refinement.

In the future, the Company will continue to make forward-looking considerations and layouts in safe stock and supply chain management, and continue to promote supply chain diversification, including diversification in terms of location and size of suppliers; and modularised and standardised procurement of materials to improve the resilience of the supply chain.

# GREEN MANUFACTURING, ENERGY CONSERVATION AND EMISSION REDUCTION

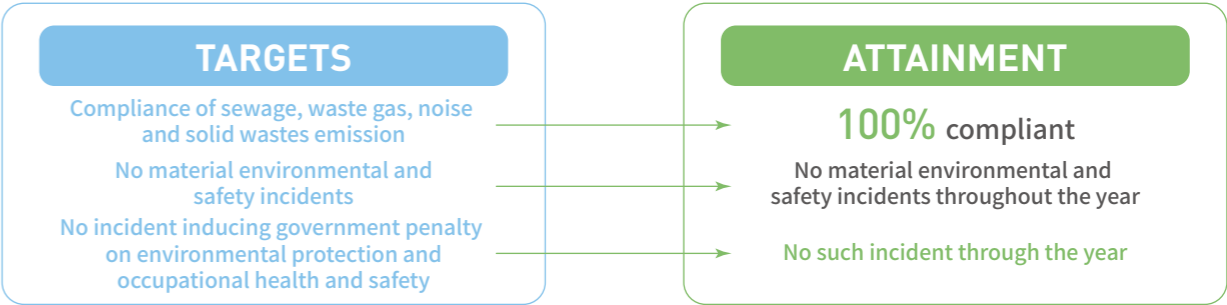
In active response to the requirements of national and local governments, the Company strictly manages noise, wastewater and gas following the development philosophy of "lucid waters and lush mountains are invaluable assets". We have taken effective measures to ensure that noise, sewage, waste, etc. are discharged in compliance with standards to prevent pollution and continuously improve the environment.

## Construction of an Environmental Management System

The Company has obtained the environmental management system certificate for its environmental management and clean production. The Company has formulated relevant rules and regulations, and signed environmental testing contracts with third-party companies. Factors of reclaimed water after preliminary treatment by the sewage treatment system are tested each month, and boiler flue and noise are tested each quarter to ensure that noise, sewage, waste gas, etc. are discharged in compliance with environmental regulations and discharge permits to avoid and mitigate the impact on neighbouring residents and environment.

Environmental targets, metrics, and management solution			
Factors	Targets	Metrics	Management Solution
Raw material, energy and resources consumption	Save raw materials, water and electricity according to the standards; save paper and fuel	Save energy and reduce resource consumption	<ul style="list-style-type: none"><li>1F, 2F, 3F and 4F production workshop, facilities and equipment energy-saving renovation;</li><li>Strengthen production process management and scheduling to ensure clean and safe production;</li><li>Strengthen water use management, install additional trenches and pipelines and improve the reuse rate;</li><li>Strengthen the balance of production electricity load, and ensure electricity use safety;</li><li>Strengthen the management of production steam and oil load, and maintain the boiler to ensure its thermal efficiency.</li></ul>
Sewage discharge	Sewage discharge complies with 1A grade standard requirements under the Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	<ul style="list-style-type: none"><li>PH value: 6.5-9.5</li><li>Suspended matter ≤70mg/L</li><li>Biochemical oxygen demand (BOD5) ≤80 mg/L</li><li>Chemical oxygen demand (CODCr) ≤200mg/L</li><li>Ammonia nitrogen ≤40mg/L</li><li>Total phosphorus ≤4mg/L</li><li>Petroleum ≤15mg/L</li><li>Animal and vegetable oils ≤4mg/L</li><li>LAS ≤20mg/L</li></ul>	<ul style="list-style-type: none"><li>Domestic wastewater is treated in septic tanks and discharged according to the standards;</li><li>Kitchen wastewater is treated in an oil separation sedimentation tank, and food residue and waste oils are cleaned up regularly;</li><li>Production wastewater are discharged according to the standards after being treated by the sewage station;</li><li>Improve the rain and sewage separation system to ensure rain and sewage are separated.</li></ul>
Boiler exhaust emission	Table 2 Fuel standard of the Emission Standard of Air Pollutants for Boiler (GB13271-20014)	<ul style="list-style-type: none"><li>Soot ≤8.5mg/L</li><li>Sulfur dioxide ≤60mg/m³</li><li>Ammonia nitride ≤40mg/m³</li><li>Smoke blackness ≤1</li></ul>	<ul style="list-style-type: none"><li>Strengthen operation control to improve boiler combustion condition;</li><li>Reasonably arrange production plans to enhance boiler utilisation.</li></ul>
Noise emission	Noise is emitted according to type 2 region standards specified in the Emission Standard for Industrial Enterprises Noise at Boundary (GB12349-2008)	<ul style="list-style-type: none"><li>Day noise ≤60dB(A)</li><li>Night noise ≤50dB(A)</li></ul>	Strengthen equipment inspection, repair, and maintenance to reduce noise emission.

Botanee complies with national and local environmental laws and regulations. There were no material incidents of safety, environmental protection and quality in 2022; and the Company has installed equipment for monitoring energy, water source and pollutants (measuring instruments in compliance with GB/T 17167 and GB 24789).



## Resource Usage Management

We have developed procedural documents and energy management system documents in respect of energy management, such as the "Control Procedures for Energy Targets, Indicators and Management Plans", the "Control Procedures for Obtaining and Confirming Compliance with Laws, Regulations' and Other Requirements and Compliance Evaluation", the "Energy Management Control Procedures" and the "Energy Review Procedures". The Company continues to reduce energy consumption, improve the efficiency of comprehensive energy use, protect and improve the environment, and achieve the goal of comprehensive, coordinated and sustainable development of the enterprise. In terms of energy management, the Company adheres to the policy of "standardised management, clean production, energy saving and consumption reduction, and green development", and we have always adhered to this policy. We are actively educating our staff on energy management awareness and will continue to improve our energy management system to improve our energy saving and consumption reduction.



The water consumption in the production of traditional cosmetics is very large. With the aggravation of water shortage and the concept of sustainable development gradually taking root in the people's minds, the cosmetics industry with high water consumption will bear more and more pressure in terms of supervision and "de-watering" may become a hot trend. We try to reduce the amount of water used in the production of cosmetics and in the use of our products, taking practical action to reduce water waste and carbon emissions, and actively promoting the construction of an ecological civilisation and high-quality development of our company, with the goal of "dual carbon targets" as a driver.

The Company's main energy resources consumption in 2022		
Targets	Unit	Consumption
Electricity consumption	kWh	2,520,950
Diesel consumption	Kg	53,559
Water consumption	m³	24,263

Emissions Management



Wastewater emission management

The Company strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Yunnan Provincial Water Pollution Prevention and Control Work Programme* and other national and local regulations on wastewater discharge management and insists on meeting the discharge standards. The wastewater generated by the Company mainly comes from workshop pipeline, batching system and ground cleaning. The pollution factors being monitored include BOD, COD, SS, NH3-N, TP, animal and vegetable oils. The Company adopts an integrated wastewater treatment system, and both process water and domestic water will only be discharged after they have been treated in the wastewater treatment system and reached the water quality standard. Most of the recycled water produced by the treatment system is used for the Company's greening work.

Neither the Company nor its subsidiaries are on the list of key pollutant discharge units issued by the environmental protection authorities. During the Reporting Period, the Company and its subsidiaries' wastewater treatment systems and environment pollution source online monitoring systems were operating normally; the hazardous wastes were handed over to qualified institutions for disposal in accordance with applicable regulations, and the Company and its subsidiaries tracked whether the qualified institutions disposed the hazardous waste transferred from the company in the agreed manner from time to time. In 2022, no environmental pollution accidents and disputes have occurred; and the Company and its subsidiaries did not violate any environmental protection law and regulation and were not subject to any administrative penalty in this respect.



Exhaust gas emission

The Company strictly complies with the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Implementation Plan for Air Pollution Prevention and Control Actions in Yunnan Province*, and other national and operational regulations on exhaust gas discharge management, and insists on meeting the discharge standards. The Company's exhaust gas emissions are mainly produced by boilers, and the pollution factors involved include sulfur dioxide and nitrogen oxides. As set out in the Company's *Environmental Safety Goals*, *Indicators and Management Plans*, the emissions of exhaust gas should be managed according to the exhaust gas-related management system, and exhaust gas treatment facilities should be equipped.



Noise emission

The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution* and other laws and regulations to control and prevent this source of danger. The Company has been strictly implementing noise management. As set out in *Environmental Safety Goals*, *Indicators and Management Plans*, noise-related management measures should be strictly implemented; and production equipment with lower power and less noise should be used, and equipment maintenance should be carried out as required.

The Company's pollutant emissions in 2022



Effectiveness of sewage station treatment

Category	Unit	Sewage treatment station inlet	Sewage treatment station outlet
Ph	/	7.45	7.18
Ammonia nitrogen	mg/L	5.67	0.304
Chemical oxygen Demand(COD)	mg/L	257	23
Suspension	mg/L	102	38
Total phosphorus	mg/L	1.7	0.123
Five-day Biochemical Oxygen Demand (BOD)	mg/L	74.4	6.4
Animal and plant oil	mg/L	8.3	1.75
Anionic surfactants	mg/L	1.8	0.106

Waste Management

The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution in the Environment*, *Implementation Plan for the Battle of Solid Waste Pollution Control in Yunnan Province* and other national and operation location laws and regulations and insists on meeting the disposal standards. The Company has formulated the "Management Procedures for Waste Standards", "Waste Management Procedures" and "Standard Operating Procedures for Waste Generated in the Production Process" in accordance with national laws and regulations to specify responsibilities and management processes of departments involved in wastes management. The Company categorises wastes into three types: hazardous wastes, industrial solid wastes, and recyclable wastes.

Hazardous wastes

The Company strictly abides by the following rules and regulation in wastes management, including *Measures for the Prevention and Control of Environmental Pollution by Disposed Hazardous Chemicals*, *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2001), *Graphical Signs for Environmental Protection — Solid Waste Storage (Disposal) Site* (GB15562.2-1995), *Technical Specifications for Collection, Storage, Transportation of Hazardous Waste and National Catalogue of Hazardous Wastes (2016 Edition)* to ensure that hazardous wastes are reasonably, regularly and effectively controlled to prevent them from polluting the environment. Departments are required to regularly transfer hazardous wastes to designated sites for storage. The transferee department is required to provide an electronic list of hazardous wastes and the paper version of the responsible person's signature for EHS to verify the quantity, hazardous wastes can only be stored after both parties' verification and signature. The Company transfers hazardous wastes from time to time, and tracks the whole process from loading, leaving the factory, transporting, unloading to disposal.

Industrial solid wastes

To treat industrial solid wastes, the Company has established a temporary storage for solid wastes as required, and the storage has passed the environmental assessment. The Company has provided the local authority in charge of ecological environment with relevant information on the type, quantity, flow, storage, utilisation and disposal of industrial solid wastes, as well as specific measures to reduce and comprehensively utilise industrial solid wastes. We have also enforced relevant regulations under the pollutant discharge permit management system.

Recyclable wastes

The Company implements the Management Procedures for Waste Standards by requiring departments to transfer recyclable wastes to the solid waste storage before close of business after sorting and collecting. The production and operation department regularly contacts third parties for centralised recycling and registration.  
During the Reporting Period, the Company produced **407.43** tons of recyclable wastes.

Chemicals Management

The Company's cosmetic products are daily-use chemicals, and chemicals, including chemical reagents, are also used in the Company's factories. We have formulated "Chemical Control Procedures", "Standard Management Procedures for Precursor Chemicals" and "Standard Management Procedures for Chemical Reagents", "Test Solutions and Indicator Solutions in QC Laboratories" to regulate the transportation, loading and unloading, storage, labelling, use, disposal and treatment of chemicals to avoid impact on the environment and harm to personnel.

Aerosols are widely used in the field of personal care products. We use binary aerosols in our products, which use compressed air to replace volatile, flammable and dangerous chemicals such as isopropane and isobutane that are used as propellants in mono aerosols.

During the period from 2020 to 2022, the Company avoided the use of 112,100 litres of organic propellant in total.

We require our own factories and major OEMs to minimise the use of hazardous chemicals and to develop effective management plans to safeguard the safe use and storage of chemicals. The Company uses ingredients that are restricted by regulations, mainly sunscreens and pH regulators. For pH regulators, we are progressively using pre-neutralised thickeners in our formulation to reduce the use of pH regulators. We do not use chemicals under the approval system or registration system.

## Green Factory

Located in Majinpu, Kunming City, Yunnan Province, the Botanee Group central factory new base covers an area of 80 acres with a building area of 59,000 square metres and is designed for the production and logistics of cosmetics and medical devices with an annual production capacity of 250 million sticks/bag. The Company has built a digital green factory in cosmetics industry by applying new technological innovations and carrying out smart manufacturing based on the concept of modular design, the overall positioning of factory intelligence, production flexibility, management informatisation and plant greening, and implementing safe production and green construction on construction sites. The new base has passed the completion inspection in December 2022 and will be officially put into operation in mid-2023. After the new base is put into operation, natural gas will be used to replace the diesel oil, and the fully automatic integrated drainage treatment equipment will be installed, and the relevant energy consumption will be controlled with the help of digital integrated equipment.



In the future, the Company and its subsidiaries will continue to adhere to the concept of environmental protection, strictly implement various environmental protection systems and measures in our production and operation activities, and strictly implement various national and local laws, regulations and rules on environmental protection, so as to achieve a win-win situation between corporate development and environmental protection.

## Green Office

Through the integration of green development concepts in office renovation and remodelling, we promote resource conservation and reduce energy consumption in workplace. The new workplace is intelligently controlled by sound and light control of the lighting system, intelligent control of the showroom, and the use of a centralised data centre in the IT room to significantly reduce energy consumption and carbon emissions in workplace operations. We strongly promote the concept of reducing unnecessary paper printing and encourage the use of paperless OA systems. We have introduced intelligent power saving controls for air conditioners and equipment; adopted new LED lights to reduce equipment idleness and energy consumption; and encouraged staff to adopt daily habits such as turning off lights, turning off water taps and switching off power instead of standby. Except for important meetings, bottled water is not provided in daily meetings and staff are encouraged to bring their own water glasses. The Company advocated low-carbon travel and food conservation by issuing staff New Year gift boxes and dining tips, while responding to the national waste separation policy, the Company advocated and set up waste separation equipment in office premises to advocate waste reduction.



# RESPONDING TO DUAL CARBON TARGETS TO DRIVE GREEN TRANSFORMATION OF THE INDUSTRY

## Responding to national carbon peaking action targets

The Company is committed to contributing to a better and more sustainable future for mankind. In practicing the UN Sustainable Development Goals, the Company pays great attention to and responds to the global challenges posed by climate change, and builds a resilient enterprise in response to climate change through a series of strategies and actions. The Company has been deeply implementing the spirit of the *Implementation Opinions of the Yunnan Provincial People's Government on the Complete and Accurate Implementation of the New Development Concept for Carbon Neutrality*, giving full play to Yunnan's green resource advantages, helping the national dual carbon target advancement process, striving to be the industry leader and making Yunnan's contribution.

The Company has always adhered to the policy of "comprehensive planning, reasonable deployment, comprehensive utilisation, environmental protection and local benefits", effectively promoted green governance, promoted the integration of the strategic objectives of the Company with the "dual carbon target", established a carbon inventory management mechanism, and gradually carried out the comprehensive carbon emission verification work. The Company has completed carbon emission verification for the headquarters area in 2022 and will continue to carry out work related to the carbon footprint of products in 2023, based on which it will develop a scientific carbon reduction plan and carbon neutral roadmap in line with the actual situation of the Company, take measures to reduce the carbon footprint of raw materials, formulations, packaging, transportation and use of products, positively influence the upstream and downstream ecosystems, and continuously invest in building a green supply chain to comprehensively reduce carbon emissions in Scope 1, Scope 2 and Scope 3 carbon emissions.

## Establishing a Carbon Inventory Management Mechanism and carbon Neutral Practices

At present, abnormal climate phenomena such as sea level rise due to global warming continue to attract the attention of the whole society. China's carbon peak and carbon neutral targets have sounded the call to accelerate the green development and lifestyle, implying higher requirements for combating climate change, promoting low-carbon development and building an ecological civilisation. To this end, the Company has responded positively and has initially established an internal carbon inventory management mechanism, completing the first carbon inventory for the Company's headquarters area (address: No. 53 Ke Medical Road, High-tech Zone, Kunming, Yunnan Province) in 2022 in accordance with ISO 14064-1:2018. The Company engaged a third party to carry out carbon verification of the headquarters area in 2022, with total GHG emissions of 6,602.86 tons, including GHG emissions (Scope 1) of 216.70 tons, GHG emissions (Scope 2) of 1,328.79 tons and GHG emissions (Scope 3) of 5,057.37 tons. The carbon footprint management plan and carbon credit offsetting vouchers were also verified in accordance with PAS 2060:2014, confirming the achievement of carbon neutrality at the operational boundary and obtaining a carbon neutrality certificate. We expect to carry out carbon footprint related work for the relevant products in 2023.

## Participation in the Development of Carbon Emission Standards

In 2022, as the core drafter (the only cosmetic brand invited), the Company was invited to actively participate in the drafting and development of the association standard *Methods and Rules for Accounting for Carbon Emissions from Product Packaging* (T/SHBX 006-2022), led by the Shanghai Packaging Technology Association (which has been implemented since 31 December 2022). This standard counts the full range of carbon emissions from raw material procurement, manufacturing and logistics, and calculates the carbon dioxide equivalent emitted throughout the product's life cycle, helping companies in the industry to understand the carbon emissions generated by product packaging.



## ADDRESSING CLIMATE CHANGE

Botanee pays constant attention to major issues such as coping with climate change, energy conservation and emission reduction, and actively takes countermeasures to further promote sustainable corporate development. With reference to TCFD's recommendations, the contents of this section are grouped by governance, strategy, risk management, indicators and targets. It describes our efforts and future direction in addressing climate change.

### Governance

In terms of governance of climate-related risks and opportunities, TCFD has developed two disclosure proposals, one focusing on the Board of Directors and the other on management. According to the ESG governance framework developed by the Company, the Board of Directors' oversight of climate related risks and opportunities on climate change topics is clarified, and the Board Secretary Office takes over the ESG-related coordination work under the leadership of the Board Strategy Committee. The Board of Directors is required to consider climate related issues when reviewing and guiding strategies, key action plans, risk management policies, annual budgets and business plans, as well as setting organisational performance targets, monitoring implementation and execution, and overseeing key capital expenditures, acquisitions and divestitures. The Board of Directors shall be required to oversee and monitor the achievement of its objectives in addressing climate related issues.

As required by the Company's ESG governance framework and mechanism, the management is responsible for the evaluation and management of climate-related agendas and reporting to the Board of Directors 4 times per year the progress of the climate-related agendas.

### Strategy

Climate-related risks include those associated with the transition to a low carbon economy ("transition risks") and those associated with the physical impacts of climate change ("physical risks"). Our response to climate change does not only include risk prevention, but also involve proactive identification of opportunities, including those related to resource efficiency, energy sources, products and services, markets and resilience.

As far as development opportunities are concerned, with the globalisation of the economy and the increasing scarcity of natural resources, sustainable development has been a common philosophy throughout the world, and green concepts such as recyclability and recyclable use are gradually being applied to cosmetics. We will continue to grasp the development opportunities with our rich technology accumulation, advanced technology ability and continuous cutting-edge research, and devote ourselves to developing and promoting green concept products to lay the foundation for further development of the Company.

### Risk management

The Company has identified and assessed the management process of climate-related risks in light of the characteristics of the Company's industry and situation. In 2021, the Company invited third-party companies to conduct a safety evaluation and prepare a Safety Evaluation Report which analyses natural and environmental risks the Company is exposed to. Based on the climate-related risks identified and characteristics of its production, the Company has formulated a *Comprehensive Emergency Plan for Production Safety Accidents, Special Emergency Plan for Fires, Emergency Plan for Boiler Accidents, Emergency Plan for Environmental Accidents* to standardise its emergency procedures during safety accidents to minimise or mitigate the impact of accidents on people, property and environment. In order to handle potential accidents during its production and operation, the Company has established an accident emergency and rescue leadership group.

### Metrics and targets

In order to quantify the effectiveness of the Company's actions against climate change, we have selected the resource and energy consumption and waste emissions as the key performance indicators of our energy conservation and emission reduction work and established a mechanism by which the EHS department shall be responsible for the coordination and management of performance indicators. In addition, the Company sets its annual targets in terms of energy use efficiency, water use efficiency and waste emission and conducts periodic review of the implementation status regarding the targets. The Company regularly analyses the movement of the metrics, reviews its practices continuously and modifies its targets and countermeasures as appropriate.

Going forward, we will further improve the governance, strategic development, risk management, metrics and targets identification and management regarding climate-related risks, and cooperate with various communities to address climate change and achieve sustainable development goals.

## PROTECTING BIODIVERSITY AND FULFILLING SOCIAL RESPONSIBILITIES

### Leading by Example and Public initiatives

In response to COP15 - "Kunming-Montreal Global Biodiversity Framework", Botanee, based in Kunming, has joined forces with a number of media and companies to issue an initiative to listed companies, as follows.

- Assess the biodiversity opportunities and risks faced by businesses and integrate biodiversity conservation into business development strategies and day-to-day operations.
- Promote a green and low carbon transition in production and consumption, sustainable use of biodiversity resources and mitigation of pressure on biodiversity conservation.
- Full disclosure of biodiversity information and measurement and reporting of the dependence and impact of business economic activities on biodiversity.
- Actively participate in biodiversity conservation activities and increase participation and investment in biodiversity conservation.
- Carry out publicity and education on biodiversity conservation to continuously increase social participation and public awareness.
- Strengthen collaboration on biodiversity conservation and share industry best practices.

### Creating the Healthy Ecosystem for a Beautiful Future

One of the main ingredients of Botanee products is "prinsepia utilis royle", a plant growing in Yunnan's Haba Snow Mountain which is located in the hinterland between the Longitudinal Range-Gorge Region in Southwest China and the Three Parallel Rivers of Yunnan Protected Areas and UNESCO World Natural Heritage Site. Haba Village is located in northwest Yunnan, one of the three species diversity hotspots and one of the 17 key biodiversity protection areas in China. The World Wide Fund for Nature has identified it as one of the 25 global biodiversity hotspots for conservation priorities.

However, issues, such as global warming, have been leaving their mark on Haba Snow Mountain, such as glacier degradation. Therefore, we work with the local community in Haba Snow Mountain Conservation Area where our base for planting prinsepia utilis royle is located. Together we assessed the carrying capacity of Haba environment, built up the capacity of the conservation area, carried out community education and joint community governance to improve both biodiversity protection and community livelihood. Eco-tourism is properly conducted to strike a balance between environmental protection and economic development.



Botanee's actions include:



The Company donated RMB1.5 million to Yunnan Youth Development Foundation to establish the "Botanee Foundation" on 7 April 2021.

The Foundation is the first special non-profit foundation focusing on ecological and environmental protection including "biodiversity protection" by teenagers under Project Hope in Yunnan. It is dedicated in helping local teenagers and tourists understand the importance and knowledge of biodiversity through donating to the construction of Hope eco toilets and knowledge propagation and education centres and providing financial subsidy to patrols.



**Promote biodiversity awareness and education, explore sustainable use of local resources**

In the light of the actual situation on Haba Snow Mountain, community training is provided to promote the establishment of eco-tourism cooperatives and a unified and standardised tourism market in order to alleviate the conflict between local communities and the Conservation Area. By supporting local community collaboration, Botanee Foundation successfully organised the first training of 2022 in April 2022. The project team exchanged information on the publicity and education of biodiversity conservation with the Conservation Area, discussed with villagers of Haba Snow Mountain about local resources and problems in their sustainable use, etc.



**Strengthen external publicity and raise villagers' awareness of protection**

By setting up biodiversity protection signs along the hiking trails, purchasing nature education equipment and building ecological protection infrastructure, we can enhance the visibility of Haba Snow Mountain and raise villagers' awareness of its protection. In 2022, the project team procured nature education equipment and produced signage along the Haba Snow Mountain Reserve, including 40 functional area boundary signs, 40 directional and restrictive signs, and 5 interpretive signs. In August 2022, the project team carried out a household survey to interview staff, tourism operators and villagers in the Conservation Area on litter free and hiking route restoration, and to identify specific initiatives to raise awareness of conservation among villagers.



# 04 CARING FOR EMPLOYEES AND BOOST THEIR GROWTH WITH CONCENTRATED EFFORTS

## Striving for Excellence through Talent Cultivation

Regulated Employment  
Recruitment Equality and Employee Diversity  
Employee Training and Development  
Talent Cultivation through College-Enterprise Cooperation

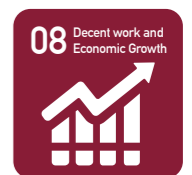
## Putting People First and Focusing on Interests and Benefits Protection

Employee Communication  
The Wei Foundation  
Caring for staff and utmost care  
Labour Union Events Deliver Employee Benefits  
Comfortable Working Environment

## Occupational Health and Production Safety

System Construction  
Safety Training  
Prevention First

Botanee advocates the core concept of "People Oriented", actively responding to the United Nations Sustainable Development Goals 5 and 8, recruiting talented, caring employees, providing a safe and comfortable working environment, and creating a career platform for the common development of employees and enterprises.



## STRIVING FOR EXCELLENCE THROUGH TALENT CULTIVATION

The Company's prosperity hangs on every employee's effort and contribution. Botanee sticks to the philosophy of "Putting People First" and is committed to achieving co-growth with its employees by incorporating employees' career goals into its ambitions. We respect differences and diversity by stipulating that employees should not be discriminated against because of their gender, age, origin and other factors, and providing all staff with equal opportunities.

### Regulated Employment

Botanee strictly complies with the *Law of the People's Republic of China on the Protection of Minors*, *Prohibition of the Use of Child Labour* and other related laws and regulation, and prohibits the employment of persons under the age of 16. During the Reporting Period, Botanee has not use any child labour.

Botanee is committed to the protection of labourers' rights and anti-forced labour. We strictly adhere to provisions on statutory holidays by respecting and protecting employees' legal rights, including the right to leave, such as statutory holidays and annual leave. The Company adopts three working hour systems, e.g., standard working hours, non-fixed working hours and comprehensive working hours. If an employee needs to work overtime, the Company will evaluate whether it is necessary and whether the workload and work arrangement are appropriate, to effectively guarantee employees' rights to take enough rest. During the Reporting Period, the average paid annual leave days of the Company's employees are **8** days/person.

### Recruitment Equality and Employee Diversity

Botanee is committed to diversity and an open and equal working environment and seeks to let "things get done by the right people and people work to their fullest potential", thereby building a team of excellence.

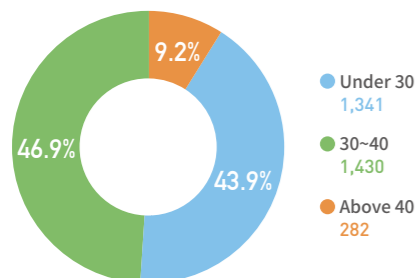
As at the end of the Reporting Period, the Company has a total of **3,053** employees, including **266** employees from ethnic minorities, accounting for **8.7%** of the total.

The number of female employees is **2,400**, accounting for **78.6%** of the total

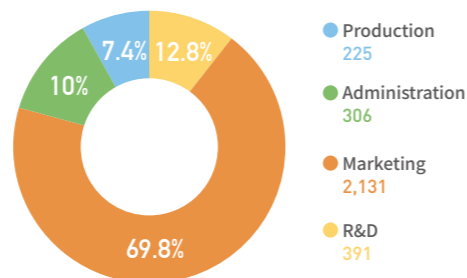
the number of male employees is **653**,  
accounting for **21.4%** of the total

**175** department managers are female, accounting for **55.4%** of the total number of managers.

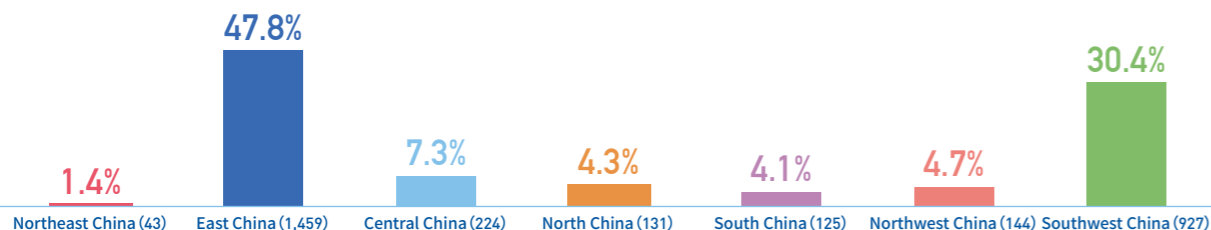
#### The number of employees and proportion by age:



#### The number of employees and proportion by positions:



#### The number of employees and proportion by region:



Botanee is committed to building a platform for the realisation of employees' self-worth and grow alongside the Company.

#### The matching principle

we choose candidates based on the characteristics of the Company's principal business;

#### The outstanding capabilities principle

we choose candidates with outstanding capabilities, quality and character;



THE COMPANY FOLLOWS  
FOUR PRINCIPLES  
IN ITS RECRUITMENT

#### The internal-first principle

we encourage our internal staff to apply for our open positions first, and we welcome former Botanee employees to come back to our Botanee family;

#### The consistency principle

we choose candidates in accordance with Botanee's recruitment standard.

Botanee actively provides jobs to the public through graduate recruitment and general recruitment. The Company strictly follows its recruitment management procedures, admits only the best candidates and respects every candidate. Based on the Company's strategic requirements, we prepare an annual recruitment plan for 2022, recruiting for job requirements and optimising the control of recruitment numbers.

In respect of talent acquisition and retainment, the Company has established a sound remuneration system supported by the effective job grade system and performance management system. For scarce talents with doctor's degree, we have established various welfare programmes based on internal and external policies, such as internal subsidies issued for employees with certain professional ranks and titles, and consideration to meet special needs of specific personnel. In 2022, we stepped up our productions and Yunnan Characteristic Plant Extraction Laboratory investments, and attracting **17** talents to join us.

The Company's Human Resources Department organises the review and evaluation of the remuneration system to constantly adjust, optimise and improve it according to the market environment, industry circumstances and the Company's actual operating conditions, so as to provide competitive salary and benefits to our employees.

In 2022, the Company recruited **18** physically challenged employees, as a move to actively shoulder its social responsibilities and fulfil its tenet of diversity and equality for recruitment. As most of the staff are female, the Company focuses on female staff's strength in the workplace, by offering female staff equal pay for equal work, and equal opportunities for employment and promotion.



## Employee Training and Development

The Company has established the "Botanee Group Training Management System" to clarify training functions and division of responsibilities, establishment and implementation of training plans, training effectiveness evaluation methods, training costs and budget management and other matters related to training work. The Company is dedicated to building a talent development system through the Botanee Academy to allow the Company's "striving for excellence through coordination and innovation" culture to permeate whole company.

The Company established the "Botanee Academy" in 2013. While the Academy was providing trainings to staff, the Company was also building internal trainer teams. The internal training team can provide more targeted on-the-job trainings and skill trainings to inspire employees and help them grow.



### Botanee Academy — Talent Cultivation Programme

DISCOVER THE INNER CORE OF MANAGEMENT AND ENJOY YOURSELF AS A MANAGER  
ACQUISITION | EXECUTION | TUTORSHIP | APPEAL | DECISION-MAKING | ORGANISATION



Grade one: Fresh graduates  
Grade two: Senior employees

GET WELL-PREPARED  
AS A NEW JOINER  
SET SAIL FOR A NEW VOYAGE



Managers  
Middle management  
MAKE SOMETHING OF YOURSELF  
BY INSPIRING OTHERS



Directors and above  
Senior management  
BUILD AN ELITE TEAM  
WITH EXCELLENT LEADERSHIP



The Company offers a massive number of online courses to employees, covering the fields of general ability, professional competence, management capability, daily life knowledge and fun topics, etc., which can be access via logging on to the online learning platform through PCs/mobiles. An internal learner credit ranking system has also been built to motivate employees for continuous self-improvement.

During the Reporting Period, the Company provided **408** training sessions, with **22,766.2** accumulated training hours and **9,242** employees having received trainings.

The average training hours per person was **2.46** hours, and the training coverage **95.58%**, with a satisfactory rate of **97.86%**.



### Diversified cultivation for fresh graduates under the "Wolf Club grade one" programme in 2022

In 2022, the Company continued with its efforts on the training and development programme of "Wolf Club grade one" for fresh graduates newly recruited. The one-year programme is designed to get new joiners familiar with our corporate culture and prepare them well to take up duties and exert their potentials via diversified training activities, such as in-person lectures, online courses, on-position training and practice, position selection, skills improvement and central activities.



Opening ceremony of "Wolf Club grade one" programme in 2022



Visit to enterprise by grade one trainees in 2022



### Multiple efforts on professional competence enhancement and general skills training in 2022

In 2022, the Group provided internal training for employees by position to enhance their expertise, innovation and cross-department collaboration. During various training activities, employees achieved self-ability improvement, and knew better how to work as part of a team to complete challenging tasks by addressing practical issues, so as to deliver a better performance of the Company.



Excellent investors class - Group photo of trainees during the course



Operational training camp - Photo of energetic trainees at the training site



Online sequence activities  
"Meet You Across Space"



Product knowledge contest



"Set Sail with Winona" – Training for counter beauty consultants

Botanee pays attention to employees' growth and provides them with dual channels for career development:

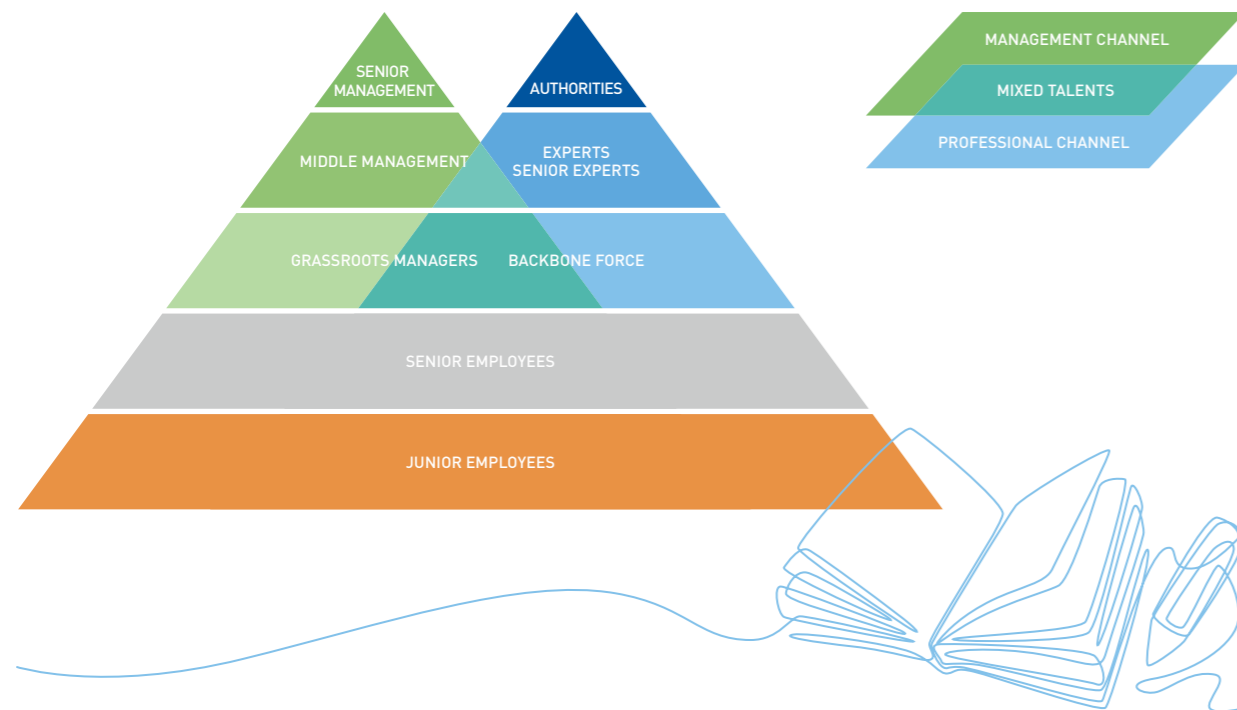
01

**the technical and professional channel:** encourages employees to grow up with continuous improvement of expertise and skills and become technical experts of the Company.

02

**the management channel:** encourage employees to become leaders of their departments and the business by effectively managing their teams and continually expanding their management scope.

### Botanee's Employee Development Pyramid



### Talent Cultivation through College-Enterprise Cooperation

Botanee focuses on talent cultivation and maintains college-enterprise cooperation with multiple universities in Yunnan. We have provided Yunnan Characteristic Plant Extraction Laboratory as a platform to attract outstanding talents from Yunnan Pharmaceutical Institute, Yunnan University, Yunnan Agricultural University and other universities and institutions to organise and carry out R&D activities. We also grant excellent students with scholarship incentives via Botanee Foundation.

In 2022, to assist Kunming Medical University with its talent cultivation quality enhancement and tasks to foster talents with virtues and socialist core values, Botanee donated **RMB 1 million** to Botanee Foundation under Yunnan Youth Development Foundation, as a special fund for the graduate scholarship program of Kunming Medical University, which was part of an effort to encourage undergraduates to pursue excellence and further academic improvement.

A total of **741** fresh undergraduates have benefited from the programme with scholarship of **RMB 1,000** per student, making a total of **RMB 741,000**.

## PUTTING PEOPLE FIRST AND FOCUSING ON INTERESTS AND BENEFITS PROTECTION

### Employee Communication

Botanee cares for its people and their wellbeing, and endeavours to secure their short-term and long-term interests and benefits, in order to create a healthy, comfortable and harmonious working environment for our people.

#### Employee benefits

- The Company pays social insurance and provident fund for employees in accordance with the law, as well as supplementary commercial insurance;
- The Company pays attention to the health of employees and provides them with annual physical examination;
- We have set up a cash gift programme to reward employees' children to be admitted to full-time universities;
- Provide consolation for marriage and childbirth
- Provide holiday gifts, products and other benefits for each employee; and
- The Company encourages employees to integrate into the Company and has organised abundant employee activities and provide each department with quarterly fund for team-building purpose to enhance employees' engagement and sense of belonging;
- Special benefit: a "Long-term Service Award" to employees who have served the Company for five/ten years. Each award winner will receive a commemorative gold coin on the annual meeting.

We are committed to improving employees' satisfaction and sense of belonging, and encourage employees to provide feedback, and wish to achieve smooth communication with employees. We have provided a series of communication channels to the employees, e.g., DingTalk, OA collaborative office platform, admin Xiaowei service account, an internal publication: "Wei Home" and Chairman Mailbox. These channels enabled smooth and barrier-free communication with our employees, through which we also provided high-quality employee services. In addition, the Company also organised a variety of activities through basic-level Party branch, trade union and Women's Federation to create a colourful and comfortable working atmosphere for our employees. In 2022, we conducted an employee satisfaction survey at the headquarters in Kunming, proactively responded to the issues and suggestions raised by employees, and made corresponding improvement to the practicable extent, with the improvement efforts and achievements posted in the publicity column for feedbacks.

### The Wei Foundation

Botanee's Wei Foundation was founded in May 2015. It is a charity platform providing financial support to the Company's employees and their immediate family who is experiencing severe financial difficulties due to serious illnesses or injuries from accidents. This foundation is the embodiment of the Company's people-oriented mindset which can be phrased as "Employees contribute to the Company, and the Company shelters the employees from wind and rain". The initial funding of the Wei Foundation was donations from the Chairman and several executives of the Company. Subsequently, the foundation received other funding, including but not limited to employees' voluntary donations and the Company's profits for the year.

Since its establishment, Wei Foundation has helped a total of **29** employees and their families, and provided financial support amounting to **RMB 976,000**. In 2022, we relieved **4** employees in need via financial subsidies from the "Wei Foundation" at an amount exceeding **RMB 142,000**.

### Caring for staff and utmost care

In the spring of 2022, the Company actively contacted the material procurement companies to overcome difficulties for the successful delivery of materials to more than 800 employees in Shanghai, which helped relieve their burdens and maintain their mental wellbeing and healthy lifestyle. The Human Resources Management Centre actively carried out online psychological counselling courses with comforting messages from the Company's leadership advising employees to stay safe with their families and relatives, and that they can always count on the Company as a strong backing.

## Labour Union Events Deliver Employee Benefits

As Botanee is a fast-paced start-up company, its employees may have to deal with heavy tasks and high-pressure situations every day. Therefore, since 2018, it has been the top priority for the labour union to effectively perform employee care while maintaining employees' aggressiveness at work, to improve employees' career satisfaction and to enhance employees' loyalty to the Company. Under the principles of "Effectiveness and pragmatism, and proximity to demand", the labour union has held a variety of events that delivered benefits and joy to the employees.



### Labour Union and Women's Federation delivering high tea to front-line staff

Since 2020, on the last Friday of each month, the Labour Union would deliver high tea to the front-line staff stationed in Kunming. The high tea delivery relieves the staff's work pressure and conveys the Company's support and care to the staff, thereby improving the staff's happiness. An average of 600 afternoon teas were distributed each month, and a total of 600 gifts were distributed to all staff on March 8 Women's Day.

During traditional festivals such as Arbor Day, Mid-Autumn Festival and Dragon Boat Festival, as well as the Double 11 promotion season, the Administration Department actively planned and organised meaningful and rewarding events for the whole staff to enhance the employees' sense of belonging.



### Botanee's long-term runner team activities safeguard employees' health for a brighter future

Since June 2022, as advocated by the Labour Union, the Group's runner team has organised multiple activities to encourage employees to make exercise a habit and maintain healthy lifestyles.

As at the end of 2022, a total of 6 sessions of running activities had been held, attracting over 300 participants.



### Visiting front-line workers with team lectures

In 2022, Botanee conducted four team lectures for around 150 employees, including the lecture for customer service team on how to release pressure, the lecture for workers in the central factory and finished goods warehouse on communication skills, the lecture for the service team of the Sales Department on management arts and the one for the operation team of JD store on cross-department communication skills.



Soft skill course on  
how to cope with work pressure



Short video making course  
to enrich leisure activities



Coffee brewing course  
to help wind down in hectic situations



Favourable internal purchase of various physical therapy services



Employee reading club

## Comfortable Working Environment

Flexible and harmonious working environment can inspire employees' enthusiasm in the workplace, enhance their cohesion as a team, and maintain their upbeat and cheerful attitude towards work, so as to give full play to their intelligence and creativity.

Creating a comfortable working environment to ensure the work efficiency, work safety and life satisfaction of our employees matters a lot to Botanee. Thus, it is our top priority to enhance employees' cohesion and provide them with a comfortable, flexible and harmonious working environment.



Supportive measures to get employees well prepared for the Double 11 shopping festival



Eye examination offered to employees on "Eye Care Day"



Provided on-site vaccination services to employees

## OCCUPATIONAL HEALTH AND PRODUCTION SAFETY

Botanee has a clear guiding principle for occupational health and safety: people-oriented, prevention-first, continuous improvement and dedication in creating a healthy, clean and safe working environment. The Company complies with national laws and regulations related to occupational health and safety and has established an EHS department to regulate and manage related matters.

### System Construction

In 2022, based on the original versions, the Company revised the "Compilation of Laws and Regulations on Work Safety", the "Compilation of Laws and Regulations on Environmental Management", and the "Compilation of Laws and Regulations on Occupational Health". These three management manuals clearly stipulate the laws and regulations to be heeded and abided by the Company in terms of safety production, environmental management and occupational health, as well as the management principles and overall objectives, to enhance and standardise the Company's management behaviours, and improve employees' awareness of new rules and regulations regarding certain positions and their overall business handling capabilities.

The Company declares occupational health hazards in accordance with relevant laws and regulations on occupational health and safety, and continuously improves the level of occupational health and safety management.

### Safety Training

The Company upholds a "safety-first" mindset for production and regards people as its most important resource and asset. The EHS department has dedicated safety management personnel and is responsible for propagating the production safety principle and implementing relevant measures throughout the production cycle by enhancing safety education and trainings and other approaches. To encourage employees to improve their safety production capabilities with better tool operation skills, we conducted forklift truck operation contest and safety knowledge contest in March and June 2022, respectively, and rewarded expert performers with encouraging prizes.



In 2022, we purchased a defibrillator at the headquarters and conducted training on how to use it for employees. The training course was well designed based on an integration of theoretical knowledge, live demonstration, rescue skills and practical operations to equip employees with cardiopulmonary resuscitation skills through hands-on tutoring on chest compression in terms of compress depth, times, frequency, timing and other operation tips in using a defibrillator, which guarantees a quick first aid on emergency occasions. The Company also plans to enhance training on first aid equipment and other relevant training in the newly expanded offices.

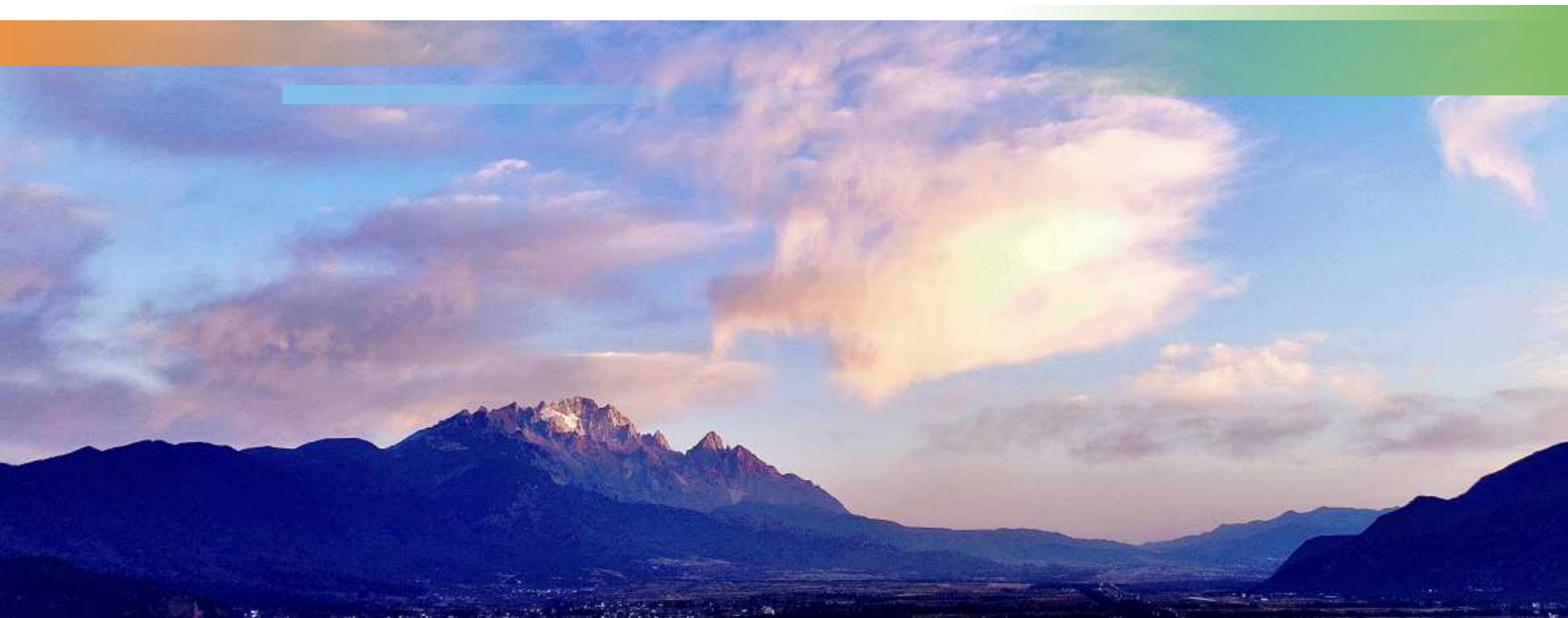
### Prevention First

For jobholder of positions exposed to risks of occupational diseases, the Company ensures their access to the pre-job, on-the-job and post-job physical examinations and the occupational disease examination at least once a year. Other employees are also provided with free annual physical examinations. In 2022, the Company had no employees suffering from occupational diseases.

# 05 BUILDING A BETTER WORLD

- Supporting Education to Promote Rural Revitalisation
- Helping each other and Delivering Warmth
- Shouldering up the Emission to Impart and Inherit the Intangible Cultural Heritage in Yunnan
- Delivering our Benevolent Message via Social Contributions

With the vision of bringing health and beauty to people, Botanee actively responds to the United Nations Sustainable Development Goals 1, 2 and 3, combining the development of the Company with the ecology of the community, assuming social responsibility, actively participating in public welfare and being committed to being a sustainable development practitioner.



Botanee has specialised in the functional skin care field for more than ten years, and the time spent has proved that Botanee is a true long-termist who builds Winona, the first brand in sensitive functional skin care field. In the past ten years, with the support of natural plant resources in Yunnan, Botanee has also been able to advance the development of its cosmetics business. Never forget why you started, and your mission can be accomplished. With the vision of bringing health and beauty to people, Botanee is committed to integrating corporate development with community ecology, assuming social responsibilities, actively participating in public welfare activities, and being a practitioner of long termism.

During the Reporting Period, the Botanee Foundation has done a great deal and continues to help the young people and contribute to the environmental protection work in Yunnan in areas of financial aid to students, development facilitation and biodiversity protection.

	Public welfare undertakings	charitable projects	Number of direct or indirect beneficiaries
2022	RMB <b>13.52</b> million	<b>19</b>	a total of <b>170,000</b> people

From 2021 to 2022, Our cumulative philanthropic donations exceed RMB **30 million**. For Botanee, to be grateful and deliver kindness is more than a company belief, but also a banner appealing for employees to take voluntary actions in creating a better world. As at the end of 2022, the member of Botanee's volunteer team had expanded to **46**, with a cumulative service length up to **2,273** hours.

In 2022, Botanee's efforts to cement the achievements of poverty alleviation programmes and promote rural revitalisation was high recognised by all stakeholders and was selected into the *Cases of Public Listed Companies with Best Practices in Rural Revitalisation* by China Association for Public Companies; and Forbes China's 2023 ESG "Inspiring Cases".

## SUPPORTING EDUCATION TO PROMOTE RURAL REVITALISATION



### "Humble public bath" concerning "major livelihood issues" | "Botanee Project Hope Public Bath"

In the summer of 2022, volunteers from Botanee joined hands with officials from Yunnan Youth Development Foundation and the Xichou County Committee of the Communist Youth League in assisting schools in Xichou County with their construction of the "Botanee Project Hope Public Bath" via field visit and investigation, in-depth engagement in the geological survey and plan formulation and progress monitoring. At the completion and acceptance ceremony on 23 September, Botanee delivered supports supplies, toiletries and other relieving materials worth RMB120,000 to the students and faculties in 8 schools. Since 2021, the "Botanee Project Hope Public Bath" programme has donated a total of 11 baths to put into use. These baths relate to the physical growth of boarding students and the smooth progress of our cause of education, thanks to its efforts on beautifying the surroundings for kids to live and learn with better sanitary habits. It also plays an important part in delivering warmth from the Party and the big family of socialist society to kids in remote areas and encouraging them to be upbeat dreamers pursuing their brighter future.



### "A bite into happiness" | "Botanee Project Hope Kitchen"

In July 2022, "Botanee Foundation" donated RMB100,000 to construct the public welfare programme of "Botanee Project Hope Kitchen" in the 100-year-old Vocational Training School for Children of Migrant Workers in Lijiang. The kitchen to be constructed will occupy an area of 155 square metres and is expected to deliver direct benefits to 67 people. On 8 October 2022, the "Botanee Project Hope Kitchen" was officially put into operation, and had since then significantly uplifted the dietary quality, food supply structure and food sanitary conditions in the school. It also helped improve the school's meal serving capacity with better dining satisfaction, and the cultivation of well-built youth with better nutrition and health conditions. This programme is part of an effort to promote the basic educational undertakings of the school and foster teenagers thriving healthily and merrily with scientific nourishment.



### Winona extends a helping hand | the 2nd session of "Botanee Project Hope High School Class"

Botanee cooperated with Yunnan Youth Development Foundation, the Huize County Committee of the Communist Youth League and the Education and Sports Bureau of Huize County in holding the opening ceremony of the 2nd session of "Botanee Project Hope High School Class" under the Yunnan Project Hope at Dong Lu High School in Huize County. We had jointly selected the students to be included in the 2nd session of "Botanee Project Hope High School Class" based on multiple-dimension considerations via family background collection, on-site family visiting, interviews with students, etc. The programme is aimed to provide targeted subsidies and assistance to virtuous senior middle school students with excellent academic performance but needed for help. We were highly engaged in the cultivation of the students in the "Botanee Project Hope High School Class" by offering them the "First Class" delivered by our volunteers on how to live a fulfil life, which was followed by the lecture on biodiversity protection by Alxa South-eastern Project Centre. We also co-organised "Summer Camp for Study Tours" and other varied activities to facilitate students' physical building up and mental health for an all-round development. As at the end of 2022, we had provided educational assistance to 100 students in total through the Botanee Project Hope High School Class.



By shifting its focus from "access to education" to "affordability for better education", the "Botanee Foundation" under Yunnan Youth Development Foundation concentrates on educational assistance via Project Hope programmes, and provides targeted subsidies and assistance to virtuous senior middle school students with excellent academic performance but from poor families in Yunnan province. Assistance in the forms of "tuition fee + living subsidy + grant assistance" helps encourage students to pursue their dreams with regained courage and strength.



### Vigorously promoting the construction of a "Hope Primary School under Standardisation 3.0 in the New Era" light the torch of hope

In April 2022, as a response to the application submitted by Haidongwan Primary School in Lashi Town, Yulong County of Lijiang City to Yunnan Youth Development Foundation for assistance to construct a hope primary school 3.0, representative from Botanee visited the site for a field survey and then decided to donate for the construction of "Botanee Project Hope Primary School", which is aimed to renovate the playground of Haidongwan Primary School and improve its software supporting facilities. This move helps improve the school's educational quality by narrowing its gap with urban primary schools. The programme, funded by "Botanee Foundation" with a donation of RMB300,000, will benefit all the 77 students and faculties upon its expected completion and operation in April 2023.



### Renovating hope primary school to inject new impetus for the development of rural youngsters

Yunling Pioneer Hope Primary School (formerly known as Laomuba Primary School) is located in a small valley at Laomuba Village under Laomuba Village Committee of Chadian Town in Wuding County. 50 metres away from Highway Chawan, the school covers an area of 4,005 square metres, 505 of which are occupied by masonry-concrete school buildings. The school is equipped with 7 faculties, in charge of 5 classes (including a preschool one) for 51 students (46 boarders included), who are all ethnic minorities, making the school the only teaching centre attended by pure ethnic minority students of Lisu nationality in Chadian Town.

In January 2022, Yunling Pioneer Hope Primary School submitted an application to Yunnan Youth Development Foundation for funding assistance. As a response, "Botanee Foundation" donated school uniforms for 51 students in the school and replaced 25 sets of bedsteads, as well as worn-out iron doors and window frames, which made a total donation of RMB78,050, an appreciable relief to those in need and booster for education infrastructure.

In June 2022, Botanee, Yunnan Youth Development Foundation and the Wuding County Committee of the Communist Youth League jointly launched a volunteer activity under the theme of "Learn from the Party and Deliver Down-to-Earth Assistance - Caring for Child Development and Promote Rural Revitalisation" at Yunling Pioneer Hope Primary School as a move to carry out the civilised practices in the new era. 51 students there received books and other learning materials, sports accessories, masks and nourishment, etc., all of which made a total value of RMB 36,000. In addition, Vice President of Botanee's Labour Union delivered a special class for the kids on "Go and Pursue Your Dreams Right Now" to encourage them to become doers with full of aspiration in passing the warmth and kindness to others and making contributions back to society.



## HELPING EACH OTHER AND DELIVERING WARMTH



### Beating the odds together with Shanghai local community

2022, Botanee with a strong urge to fulfil its social responsibilities and emissions. Botanee also worked with the Changning District of Shanghai Charity Foundation Representative Office and Shanghai Youth Development Foundation in donating materials with a total value over RMB 8 million to front-line medical staff in Shanghai and Yunnan medical team coming to Shanghai. The co-donation was a hearty salute to the front-line medical staff.



### Carrying out public benefit activities in jacaranda festival to safeguard the best "Winona" smile in Kunming

On 19 May, Botanee joined hands with the Women's Federation and the Jianhua Street Committee of Wuhua District in Kunming City to carry out a series of public benefit activities under the theme of "Safeguard the Best Winona Smile in Kunming". During the events, we delivered Winona products for free to community workers. We also carried out popularisation of scientific skin care knowledge and provided one-on-one skin issue consultation and other services to delivery our caring message.



## SHOULDERING UP THE EMISSION TO IMPART AND INHERIT THE INTANGIBLE CULTURAL HERITAGE IN YUNNAN



### Contributing relentless efforts to pass on the intangible cultural heritage down to later generations

To promote the conservation and inheritance of intangible cultural heritage and enhance its cultural confidence, the Yulong Naxi Autonomous County in Lijiang City encourages Huangshan Baima Primary School, Baishawan Primary School in Baisha Town and Haidongwan Primary School in Lashi Town to incorporate intangible cultural heritage into their drawing, vocal music, dancing, handcraft and other courses, which helps with the formation of better conservation and protection mode. In the morning of 28 October, Yunnan Youth Development Foundation and Botanee visited the above three primary schools in Yunlong County of Lijiang for an in-depth survey on the operations of the "Intangible Cultural Heritage Project under Botanee Foundation", which involves antithetical couplets in Dongba characters, Dongba dance, Naxi pipa, Sugudu and Naxi embroidery. The project was implemented since July 2022, with a total donation of RMB300,000 from "Botanee Foundation", covering 613 out of 1,124 students of the above three primary school, 550 of which were all ethnic minorities, accounting for 89.7% of the total.



## DELIVERING OUR BENEVOLENT MESSAGE VIA SOCIAL CONTRIBUTIONS



### Say no to sensitive skin – Caring for urban sanitation workers

In the morning of 16 August 2022, Botanee co-held the donation ceremony under the theme of "Say no to Sensitive Skin – Caring for Urban Sanitation Workers" with the Women's Federation and the Landscaping & City Appearance Administrative Bureau of Changning District, Shanghai. During the event, Winona sunscreen and skin care products were delivered to front-line sanitation workers in Changning District for free, together with over 600 gifts, to fend off various threats threw at their skins by the environment.



Volunteers from Botanee expressed their heartfelt thanks to those front-line workers for their hard work to beautify our surroundings, as well as their keen interest to solve skin problems from long-term outdoor operations for those workers.



### Sing the praise of the Army and caring for soldiers | Military and civilian collaboration activities on 1 August PLA Day

To celebrate the 95th anniversary of the founding of the People's Liberation Army (PLA) and enhance the military and civilian collaboration, Botanee conducted caring activities and organised patriotic education event to extend greetings and highest respect to the officers and soldiers of an air force in Hangzhou, who are the guardians of the country and its people. By delivering "Winona sunscreens" to officers and soldiers for free, Botanee wished to shield their skin from sun exposure so as to fight against poor skin conditions or even diseases. These activities are part of an effort to carry out our corporate social responsibilities, and a reflection of our military and civilian collaboration philosophy for co-development with the Army.





### Delivering love to left-behind children and relieving mothers in need with practical aids

Botanee worked with the Women's Federation of High-tech Zone, enterprises in High-tech Zone and the Women's Federation of Majinpu Street co-organised the caring activities themed with "Deliver Love – Caring for Underprivileged Children", aiming to relieving left-behind children and mothers in need by meeting their most simple and unadorned wishes with direct and practical assistance.



### Caring for the front-line medial workers

On 1 January, the New Year's Day of 2023, the "Botanee Foundation" under Yunnan Youth Development Foundation made a donation of caring materials at a value over RMB100,000 to comfort front-line medial workers. Under the unified deployment by the Yunnan Provincial Committee of the Communist Youth League, those materials were delivered to hospitals in Kunming with tough medical tasks. Our representatives also visited front-line medial workers staying at their positions with holiday gifts and warmest greetings and wishes.



### Sending positive energy by establishing first aid stations

The Winona Boai First-Aid Station is one of Yunnan Red Cross's 4 micro-charity core brand projects, and a project jointly initiated by Yunnan Red Cross and the Group to establish first aid stations at schools, communities and scenery spots in mountainous areas far from medical sites and equipped with no resident medical workers. These stations are equipped with relevant first-aid supplies and drugs, and universal training activities on first aid knowledge are also provided to improve the first aid capabilities of grassroots schools and communities. The project was officially approved to be established in Yunnan in May 2021. Based on the facility donations for first aid stations, the project focuses on improving the first aid capabilities of the faculties of targeted schools and volunteers via professional training activities, and conducting Red Cross volunteer activities to deliver the Red Cross message of "humanity, fraternity and dedication". The project also strives to popularise first aid knowledge and skills among students and community residents to achieve a goal of "First Aid Training for Everyone's Sake".

In 2022, a total of 37 training sessions were conducted by all grassroots Red Cross organisations for 877 personnel managing the first aid stations at targeted schools (communities). And a total of 117 first aid publicity lectures were delivered at schools or communities with a total of 48,148 attendees. As at the end of 2022, Boai First-Aid Stations had been established at 205 schools, communities and scenery spots and other locations in 36 counties (cities, districts) of 11 prefectures (cities) in Yunnan Province.



# APPENDIX I: AWARDS



## AWARDS GRANTED TO THE COMPANY

DATE	ORGANISER	AWARD
January 2022	Department of Industry and Information Technology of Yunnan Province	Specialised, refined, innovative and novel "little giant"
April 2022	Yunnan Provincial Federation of Trade Unions and Department of Human Resources and Social Security of Yunnan Province	Yunnan provincial May Day Labour Medal
May 2022	Morgan Stanley	Selected into the MSCI China A-share Onshore Index
June 2022	Shanghai Municipal Committee of the Communist Youth League, Shanghai Youth Development Foundation, Project Hope's Shanghai Office and Youth Volunteer Instruction Centre	Outstanding Contribution Award for donations
June 2022	Office of Talents Leading Group under Kunming Municipal Committee of the CPC	High-Level Innovative and Venture Team under "Kunming Programme"
July 2022	Yunnan Provincial Development and Reform Commission	Efficacy Skin Care Product Engineering Research Centre in Yunnan
July 2022	Cailian Press	2022 Top 10 Best Corporate Governance Companies of the Year
August 2022	Forbes	CEO Dr. Guo Zhenyu was selected into "2022 Best 50 CEOs in China" by Forbes China
August 2022	Syobserve	2022 International Green Zero-Carbon Festival "2022 ESG Exemplary Enterprise Award"
September 2022	News from Shanghai United Media Group	Gold of "ESG Cases Award" and "ESG Information Disclosure Officer" (Mr. Wang Long, Secretary of the Chairman)
December 2022	Cailian Press	Social Responsibility Pioneer Enterprise Award of Zhiyuan Awards 2022 released by Cailian Press
December 2022	Guru Club	Growth Value Award by Guru Club in its 4th Listed Companies Selection and Evaluation
December 2022	Xueqiu	Investor Relations Management Award
December 2022	National Business Daily	Most Growth Listed Companies in the Health Industry
December 2022	China Association for Public Companies	2022 Outstanding Practice Award for Directors' Office of Listed Companies
December 2022	tmtpost	"Golden Wutong" Award for Investment Value of Listed Companies in China "Most Competitively Advantageous Listed Company"



## AWARDS GRANTED TO THE WINONA BRAND

DATE	ORGANISER	AWARD
January 2022	Yan An Tang	Beauty Award (Soothing & Repairing Freeze Dried Face Mask)
March 2022	Toutiao	TOP 20 List of Skin Care Products (Activating and Repairing Serum)
March 2022	Sohu Fashion	Most Trusted Beauty Products of the Year (Lightweight Sunscreen Lotion)
April 2022	C2CC	Annual Popular Skin Care Products (Soothing & Repairing Freeze Dried Face Mask)
June 2022	Onlylady	2022 Beauty Queen Awards – Anti-Ageing Serum Award (Activating and Repairing Serum)
August 2022	Pinguan	"Annual Influential Brand" Award "Hottest Skin Care Items" Award (Soothing, Moisturising and Special Nursing Cream)
August 2022	China Business News	Growth 50 · 2022 Annual Growth List of China's New Consumption Brands 2022 Annual List of China New Consumption Brands with Influential Products
August 2022	Tmall	Tmall Beauty Awards; Tmall Baby Awards
August 2022	Kantar Brand Z	Kantar Brand Z most valuable Chinese Brands
October 2022	KPMG	KPMG Top 50 Emerging Consumer Brands (Winona products)
December 2022	Southcn	2022 Annual Brand Gala "Public Service Communication Case of the Year"
December 2022	caijing.com.cn	"Top Face Repairing Product of the Year" by 2022 Annual Caijing New Consumption · New Economy event (Winona Special Care Serum)
January 2023	Tencent Smart Retail	Outstanding Brand Growth Award 2022 (Beauty & Skincare Category)

# APPENDIX II: INDEX OF REPORT



GRI REPORTING STANDARD INDEX

ISSUES	GRI STANDARDS	DISCLOSURES	REPORT CONTENT/ REMARKS
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General Disclosures			
Organizational profile	102-1	Name of the organization	About Botanee
	102-2	Activities, brands, products, and services	Major Businesses and Brands
	102-3	Location of headquarters	About Botanee
	102-4	Location of operations	About Botanee
	102-5	Ownership and legal form	About Botanee
	102-6	Markets served	Major Businesses and Brands
	102-7	Scale of the organization	About Botanee
	102-8	Information on employees and other workers	Regulated Employment
	102-9	Supply chain	Green Supply Chain and Implementing ESG philosophy
	102-10	Significant changes to the organization and its supply chain	Green Supply Chain and Implementing ESG philosophy
	102-11	Precautionary Principle or approach	Standardising Governance to Pursue Excellence
	102-12	External initiatives	Improving with Progress
	102-13	Membership of associations	Improving with Progress
Strategy	102-14	Statement from senior decision-maker	A Message from the Chairman
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	Vision, Mission and Core Values
Governance	102-18	Governance structure	Governance Mechanism
Stakeholder engagement	102-40	List of stakeholder groups	Stakeholder Communication
	102-41	Collective bargaining agreements	Not Applicable
	102-42	Identifying and selecting stakeholders	Stakeholder Communication

ISSUES	GRI STANDARDS	DISCLOSURES	REPORT CONTENT/ REMARKS
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Stakeholder engagement	102-43	Approach to stakeholder engagement	Stakeholder Communication
	102-44	Key topics and concerns raised	Stakeholder Communication
Reporting practice	102-45	Entities included in the consolidated financial statements	About the Report
	102-46	Defining report content and topic boundaries	About the Report Stakeholder Communication
	102-47	List of material topics	Materiality Assessment
	102-48	Restatements of information	About the Report
	102-49	Changes in reporting	About the Report
	102-50	Reporting period	About the Report
	102-51	Date of most recent report	About the Report
	102-52	Reporting cycle	About the Report
	102-53	Contact point for questions regarding the report	About the Report
	102-54	Claims of reporting in accordance with the GRI Standards	About the Report
	102-55	GRI content index	Appendix II: Index of Report
	102-56	External assurance	No External Assurance Yet

Topic Specific standards

Economic Issues			
Economic Performance	103-1	Explanation of the material topic and its Boundary	Not Relevant
	103-2	The management approach and its components	Not Relevant
	103-3	Evaluation of the management approach	Not Relevant
	201-1	Direct economic value generated and distributed	Not Relevant
	201-2	Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Employee Communication
	201-4	Financial assistance received from government	Not Relevant
Market Presence	103-1	Explanation of the material topic and its Boundary	Not Relevant
	103-2	The management approach and its components	Not Relevant
	103-3	Evaluation of the management approach	Not Relevant

ISSUES	GRISTANDARDS	DISCLOSURES	REPORT CONTENT/ REMARKS
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Improving with Progress
	202-2	Proportion of senior management hired from the local community	Improving with Progress
Indirect Economic Impacts	103-1	Explanation of the material topic and its Boundary	Not Relevant
	103-2	The management approach and its components	Not Relevant
	103-3	Evaluation of the management approach	Not Relevant
	203-1	Infrastructure investments and services supported	Not Relevant
	203-2	Significant indirect economic impacts	Not Relevant
Procurement Practices	103-1	Explanation of the material topic and its Boundary	Green Supply Chain and Implementing ESG philosophy
	103-2	The management approach and its components	Green Supply Chain and Implementing ESG philosophy
	103-3	Evaluation of the management approach	Green Supply Chain and Implementing ESG philosophy
	204-1	Proportion of spending on local suppliers	Improving with Progress
Anti-corruption	103-1	Explanation of the material topic and its Boundary	Operation Integrity
	103-2	The management approach and its components	Operation Integrity
	103-3	Evaluation of the management approach	Operation Integrity
	205-1	Operations assessed for risks related to corruption	Operation Integrity
	205-2	Communication and training about anti-corruption policies and procedures	Operation Integrity
	205-3	Confirmed incidents of corruption and actions taken	Operation Integrity
Anti-competitive Behavior	103-1	Explanation of the material topic and its Boundary	Business Ethics
	103-2	The management approach and its components	Business Ethics
	103-3	Evaluation of the management approach	Business Ethics
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics
Tax	207-1	Approach to tax	Tax Compliance
	207-2	Tax governance, control, and risk management	Tax Compliance
	207-3	Stakeholder engagement and management of concerns related to tax	Tax Compliance
	207-4	Country-by-country reporting	Tax Compliance

ISSUES	GRISTANDARDS	DISCLOSURES	REPORT CONTENT/ REMARKS
Topic Specific standards			
Environmental Issues			
Materials	103-1	Explanation of the material topic and its Boundary	Green Manufacturing, Energy Conservation and Emission Reduction
	103-2	The management approach and its components	Green Manufacturing, Energy Conservation and Emission Reduction
	103-3	Evaluation of the management approach	Green Manufacturing, Energy Conservation and Emission Reduction
	301-1	Materials used by weight or volume	Green Manufacturing, Energy Conservation and Emission Reduction
	301-2	Recycled input materials used	Green Manufacturing, Energy Conservation and Emission Reduction
	301-3	Reclaimed products and their packaging materials	Green Manufacturing, Energy Conservation and Emission Reduction
Energy	103-1	Explanation of the material topic and its Boundary	Green Manufacturing, Energy Conservation and Emission Reduction
	103-2	The management approach and its components	Green Manufacturing, Energy Conservation and Emission Reduction
	103-3	Evaluation of the management approach	Green Manufacturing, Energy Conservation and Emission Reduction
	302-1	Energy consumption within the organization	Green Manufacturing, Energy Conservation and Emission Reduction
	302-2	Energy consumption outside of the organization	Green Manufacturing, Energy Conservation and Emission Reduction
	302-3	Energy intensity	Green Manufacturing, Energy Conservation and Emission Reduction
Water and Effluents	302-4	Reduction of energy consumption	Green Manufacturing, Energy Conservation and Emission Reduction
	302-5	Reductions of energy requirements of products and services	Green Manufacturing, Energy Conservation and Emission Reduction
	303-1	Interactions with water as a shared resource	Green Manufacturing, Energy Conservation and Emission Reduction
	303-2	Management of water discharge-related impacts	Green Manufacturing, Energy Conservation and Emission Reduction
	303-3	Water withdrawal	Green Manufacturing, Energy Conservation and Emission Reduction
Biodiversity	303-4	Water discharge	Green Manufacturing, Energy Conservation and Emission Reduction
	303-5	Water consumption	Green Manufacturing, Energy Conservation and Emission Reduction
	103-1	Explanation of the material topic and its Boundary	Protecting Biodiversity and Fulfilling Social Responsibilities
	103-2	The management approach and its components	Protecting Biodiversity and Fulfilling Social Responsibilities
	103-3	Evaluation of the management approach	Protecting Biodiversity and Fulfilling Social Responsibilities
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protecting Biodiversity and Fulfilling Social Responsibilities

ISSUES	GRISTANDARDS	DISCLOSURES	REPORT CONTENT/ REMARKS
Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	Protecting Biodiversity and Fulfilling Social Responsibilities
	304-3	Habitats protected or restored	Protecting Biodiversity and Fulfilling Social Responsibilities
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not Relevant
Emissions	103-1	Explanation of the material topic and its Boundary	Green Manufacturing, Energy Conservation and Emission Reduction
	103-2	The management approach and its components	Green Manufacturing, Energy Conservation and Emission Reduction
	103-3	Evaluation of the management approach	Green Manufacturing, Energy Conservation and Emission Reduction
	305-1	Direct (Scope 1) GHG emissions	Responding to Dual Carbon Targets to Drive Green Transformation of the Industry
	305-2	Energy indirect (Scope 2) GHG emissions	Responding to Dual Carbon Targets to Drive Green Transformation of the Industry
	305-3	Other indirect (Scope 3) GHG emissions	Responding to Dual Carbon Targets to Drive Green Transformation of the Industry
	305-4	GHG emissions intensity	Improving with Progress
	305-5	Reduction of GHG emissions	Improving with Progress
	305-6	Emissions of ozone-depleting substances (ODS)	Not Relevant
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Improving with Progress
Sewage and Waste	306-1	Waste generation and significant waste-related impacts	Green Manufacturing, Energy Conservation and Emission Reduction
	306-2	Management of significant waste-related impacts	Green Manufacturing, Energy Conservation and Emission Reduction
	306-3	Waste generated	Green Manufacturing, Energy Conservation and Emission Reduction
	306-4	Waste diverted from disposal	Improving with Progress
	306-5	Waste diverted to disposal	Improving with Progress
Environmental Compliance	103-1	Explanation of the material topic and its Boundary	Green Manufacturing, Energy Conservation and Emission Reduction
	103-2	The management approach and its components	Green Manufacturing, Energy Conservation and Emission Reduction
	103-3	Evaluation of the management approach	Green Manufacturing, Energy Conservation and Emission Reduction
	307-1	Non-compliance with environmental laws and regulations	Green Manufacturing, Energy Conservation and Emission Reduction

ISSUES	GRISTANDARDS	DISCLOSURES	REPORT CONTENT/ REMARKS
Supplier Environmental Assessment	103-1	Explanation of the material topic and its Boundary	Green Supply Chain and Implementing ESG philosophy
	103-2	The management approach and its components	Green Supply Chain and Implementing ESG philosophy
	103-3	Evaluation of the management approach	Green Supply Chain and Implementing ESG philosophy
	308-1	New suppliers that were screened using environmental criteria	Green Supply Chain and Implementing ESG philosophy
	308-2	Negative environmental impacts in the supply chain and actions taken	Not Relevant
Topic Specific standards			
Social Issues			
Employment	103-1	Explanation of the material topic and its Boundary	Striving for Excellence through Talent Cultivation
	103-2	The management approach and its components	Striving for Excellence through Talent Cultivation
	103-3	Evaluation of the management approach	Striving for Excellence through Talent Cultivation
	401-1	New employee hires and employee turnover	Improving with Progress
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Striving for Excellence through Talent Cultivation
	401-3	Parental leave	Striving for Excellence through Talent Cultivation
Labour/ Management Relations	103-1	Explanation of the material topic and its Boundary	Not Relevant
	103-2	The management approach and its components	Not Relevant
	103-3	Evaluation of the management approach	Not Relevant
	402-1	Minimum notice periods regarding operational changes	Not Relevant
Occupational Health and Safety	403-1	Occupational health and safety management system	Occupational Health and Production Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Production Safety
	403-3	Occupational health services	Occupational Health and Production Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Production Safety
	403-5	Worker training on occupational health and safety	Occupational Health and Production Safety
	403-6	Promotion of worker health	Occupational Health and Production Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Production Safety

ISSUES	GRISTANDARDS	DISCLOSURES	REPORT CONTENT/ REMARKS
Occupational Health and Safety	403-8	Worker covered by an occupational health and safety management system	Occupational Health and Production Safety
	403-9	Work-related injuries	Occupational Health and Production Safety
	403-10	Work-related ill health	Occupational Health and Production Safety
Training and Education	103-1	Explanation of the material topic and its Boundary	Striving for Excellence through Talent Cultivation
	103-2	The management approach and its components	Striving for Excellence through Talent Cultivation
	103-3	Evaluation of the management approach	Striving for Excellence through Talent Cultivation
	404-1	Average hours of training per year per employeet	Striving for Excellence through Talent Cultivation
	404-2	Programs for upgrading employee skills and transition assistance programs	Striving for Excellence through Talent Cultivation
Diversity and Equal Opportunity	404-3	Percentage of employees receiving regular performance and career development reviews	Improving with Progress
	103-1	Explanation of the material topic and its Boundary	Striving for Excellence through Talent Cultivation
	103-2	The management approach and its components	Striving for Excellence through Talent Cultivation
	103-3	Evaluation of the management approach	Striving for Excellence through Talent Cultivation
Non-discrimination	405-1	Diversity of governance bodies and employees	Striving for Excellence through Talent Cultivation
	405-2	Ratio of basic salary and remuneration of women to men	Improving with Progress
	103-1	Explanation of the material topic and its Boundary	Striving for Excellence through Talent Cultivation
	103-2	The management approach and its components	Striving for Excellence through Talent Cultivation
Freedom of Association and Collective Bargaining	103-3	Evaluation of the management approach	Striving for Excellence through Talent Cultivation
	406-1	Incidents of discrimination and corrective actions taken	Striving for Excellence through Talent Cultivation
	103-1	Explanation of the material topic and its Boundary	Not Relevant
	103-2	The management approach and its components	Not Relevant
Child Labour	103-3	Evaluation of the management approach	Not Relevant
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not Relevant
	103-1	Explanation of the material topic and its Boundary	Striving for Excellence through Talent Cultivation
	103-2	The management approach and its components	Striving for Excellence through Talent Cultivation

ISSUES	GRISTANDARDS	DISCLOSURES	REPORT CONTENT/ REMARKS
Child Labour	103-3	Evaluation of the management approach	Striving for Excellence through Talent Cultivation
	408-1	Operations and suppliers at significant risk for incidents of child labour	Not Relevant
Forced or Compulsory Labour	103-1	Explanation of the material topic and its Boundary	Not Relevant
	103-2	The management approach and its components	Not Relevant
	103-3	Evaluation of the management approach	Not Relevant
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Not Relevant
Security Practices	103-1	Explanation of the material topic and its Boundary	Not Relevant
	103-2	The management approach and its components	Not Relevant
	103-3	Evaluation of the management approach	Not Relevant
	410-1	Security personnel trained in human rights policies or procedures	Not Relevant
Rights of Indigenous Peoples	103-1	Explanation of the material topic and its Boundary	Not Relevant
	103-2	The management approach and its components	Not Relevant
	103-3	Evaluation of the management approach	Not Relevant
	411-1	Incidents of violations involving rights of indigenous peoples	Not Relevant
Human Rights Assessment	103-1	Explanation of the material topic and its Boundary	Not Relevant
	103-2	The management approach and its components	Not Relevant
	103-3	Evaluation of the management approach	Not Relevant
	412-1	Operations that have been subject to human rights reviews or impact assessments	Not Relevant
	412-2	Employee training on human rights policies or procedures	Not Relevant
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not Relevant
Local Communities	103-1	Explanation of the material topic and its Boundary	Building a Better World
	103-2	The management approach and its components	Building a Better World
	103-3	Evaluation of the management approach	Building a Better World

ISSUES	GRI STANDARDS	DISCLOSURES	REPORT CONTENT/REMARKS
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Building a Better World
	413-2	Operations with significant actual and potential negative impacts on local communities	Not Relevant
Supplier Social Assessment	103-1	Explanation of the material topic and its Boundary	Green Supply Chain and Implementing ESG philosophy
	103-2	The management approach and its components	Green Supply Chain and Implementing ESG philosophy
	103-3	Evaluation of the management approach	Green Supply Chain and Implementing ESG philosophy
	414-1	New suppliers that were screened using social criteria	Green Supply Chain and Implementing ESG philosophy
	414-2	Negative social impacts in the supply chain and actions taken	Green Supply Chain and Implementing ESG philosophy
Public Policy	103-1	Explanation of the material topic and its Boundary	Not Relevant
	103-2	The management approach and its components	Not Relevant
	103-3	Evaluation of the management approach	Not Relevant
	415-1	Political contributions	Not Relevant
Customer Health and Safety	103-1	Explanation of the material topic and its Boundary	High quality service
	103-2	The management approach and its components	High quality service
	103-3	Evaluation of the management approach	High quality service
	416-1	Assessment of the health and safety impacts of product and service categories	High quality service
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	High quality service
Marketing and Labelling	103-1	Explanation of the material topic and its Boundary	High quality service
	103-2	The management approach and its components	High quality service
	103-3	Evaluation of the management approach	High quality service
	417-1	Requirements for product and service information and labelling	High quality service
	417-2	Incidents of non-compliance concerning product and service information and labelling	High quality service
	417-3	Incidents of non-compliance concerning marketing communications	High quality service
Customer Privacy	103-1	Explanation of the material topic and its Boundary	Comprehensive Risk Management and Control
	103-2	The management approach and its components	Comprehensive Risk Management and Control
	103-3	Evaluation of the management approach	Comprehensive Risk Management and Control

ISSUES	GRI STANDARDS	DISCLOSURES	REPORT CONTENT/REMARKS
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Comprehensive Risk Management and Control
Socioeconomic Compliance	103-1	Explanation of the material topic and its Boundary	Comprehensive Risk Management and Control
	103-2	The management approach and its components	Comprehensive Risk Management and Control
	103-3	Evaluation of the management approach	Comprehensive Risk Management and Control
	419-1	Non-compliance with laws and regulations in the social and economic area	Comprehensive Risk Management and Control



**GUIDELINES ON CORPORATE SOCIAL RESPONSIBILITY REPORTING  
FOR CHINESE ENTERPRISES 5.0 (CASS-ESG 5.0) INDEX**

	INDICATOR NO.	INDICATOR DESCRIPTION	WHERE TO DISCLOSE
<div>Reporting Standards</div> <div>Message from Executive Management</div> <div>Responsibility Highlights</div> <div>Company Profile</div>	P1.1	Quality assurance	About This Report
	P1.2	Information description	About This Report
	P1.3	Reporting system	About This Report
	P2.1	ESG status analysis and strategic considerations	A Message from the chairman
	P2.2	Annual ESG progress	A Message from the chairman
	P3.1	Major ESG events of the year	A Message from the chairman
	P4.1	Basic information	About Botanee
	P4.2	Strategy and culture	About Botanee
	P4.3	Business overview	About Botanee
	P4.4	Significant changes during the reporting period regarding the Company's size, structure, ownership or supply chain	About Botanee
<div>Corporate Governance</div>	G1.1	Board composition diversity	Supporting Robust Management and Efficient Operations
	G1.2	Board independence	Supporting Robust Management and Efficient Operations
	G1.3	Compliance system	Comprehensive Risk Management and Control
	G1.4	Compliance training performance	Comprehensive Risk Management and Control
	G1.5	Anti unfair competition	Comprehensive Risk Management and Control
	G1.6	Complaint and reporting mechanism	Comprehensive Risk Management and Control
	G1.7	Anti-commercial bribery and anti-corruption system	Comprehensive Risk Management and Control
	G1.8	Anti-corruption training performance	Comprehensive Risk Management and Control
	G1.9	Corruption incidents and responses	Comprehensive Risk Management and Control
	G1.10	Information transparency	Comprehensive Risk Management and Control
	G1.11	Incidents incurring penalties due to violation of information disclosure requirements	Not occurred

	INDICATOR NO.	INDICATOR DESCRIPTION	WHERE TO DISCLOSE
<div>Board &amp; ESG Governance</div> <div>ESG Management</div>	G2.1	The Board's ESG management policy	Using ESG to Promote High-quality Development
	G2.2	The Board's mechanism for ESG work and leadership	Using ESG to Promote High-quality Development
	G2.3	The Board's identification of ESG risks and opportunities	Using ESG to Promote High-quality Development
	G2.4	The Board's review of ESG goals	Using ESG to Promote High-quality Development
	G2.5	Executive compensation linked to ESG performance	Improving with Progress
	G3.1	Departments responsible for ESG work	Using ESG to Promote High-quality Development
	G3.2	ESG strategy	Using ESG to Promote High-quality Development
	G3.3	ESG work system	Using ESG to Promote High-quality Development
	G3.4	Participation in ESG research or the development of ESG standards for the industry	Using ESG to Promote High-quality Development
	G3.5	Identification of material ESG issues	Using ESG to Promote High-quality Development
	G3.6	Communication with stakeholders	Using ESG to Promote High-quality Development
<div>Environmental Management</div>	G3.7	Channels for ESG information disclosure	Using ESG to Promote High-quality Development
	G3.8	System for ESG appraisal	Improving with Progress
	G3.9	ESG training	Striving for Excellence through Talent Cultivation
	G3.10	ESG training performance	Improving with Progress
	G3.11	ESG awards	Major Awards Appendix I: Awards
	E1.1	Environmental management system	Green Manufacturing, Energy Conservation and Emission Reduction
	E1.2	Environmental management goals	Green Manufacturing, Energy Conservation and Emission Reduction
	E1.3	Investments in environmental protection	Improving with Progress
	E1.4	Environmental warning and emergency mechanism	Addressing Climate Change
	E1.5	Environmental assessment policy for new projects	Green Manufacturing, Energy Conservation and Emission Reduction
	E1.6	Environmental management system certification	Pursuing Quality and Excellence
	E1.7	Environmental training and education	Green Manufacturing, Energy Conservation and Emission Reduction
	E1.8	Environment-friendly products or technology R&D and application	Green Supply Chain and Implementing ESG philosophy
	E1.9	Environmental violations and penalties	Not occurred

	INDICATOR NO.	INDICATOR DESCRIPTION	WHERE TO DISCLOSE
Resources Utilization	E2.1	Energy management system	Green Manufacturing, Energy Conservation and Emission Reduction
	E2.2	Energy consumption	Green Manufacturing, Energy Conservation and Emission Reduction
	E2.3	Energy consumption intensity	Key Performance Overview
	E2.4	Clean energy utilization policy	Green Manufacturing, Energy Conservation and Emission Reduction
	E2.5	Clean energy utilized	Improving with Progress
	E2.6	Policies to reduce packaging materials used for finished goods	Green Supply Chain and Implementing ESG philosophy
	E2.7	Total packaging materials used for finished goods	Improving with Progress
	E2.8	Percentage of recycled packaging materials used for finished products	Green Manufacturing, Energy Conservation and Emission Reduction
	E2.9	Water utilization policy	Green Manufacturing, Energy Conservation and Emission Reduction
	E2.10	Fresh water consumption	Green Manufacturing, Energy Conservation and Emission Reduction
	E2.11	Water consumption intensity	Key Performance Overview
	E2.12	Water saving	Improving with Progress
	E2.13	Recycled water consumption	Improving with Progress
	E2.14	Green office measures	Green Manufacturing, Energy Conservation and Emission Reduction
	E2.15	Green office performance	Green Manufacturing, Energy Conservation and Emission Reduction
Emissions	E3.1	Policy to reduce wastewater discharge	Green Manufacturing, Energy Conservation and Emission Reduction
	E3.2	Wastewater discharge	Green Manufacturing, Energy Conservation and Emission Reduction
	E3.3	Policy to reduce exhaust gas emission	Green Manufacturing, Energy Conservation and Emission Reduction
	E3.4	Exhaust gas emissions	Green Manufacturing, Energy Conservation and Emission Reduction
	E3.5	Waste discharge management policy	Green Manufacturing, Energy Conservation and Emission Reduction
	E3.6	General waste discharge	Key Performance Overview
	E3.7	General waste discharge intensity	Improving with Progress
	E3.8	Hazardous waste discharge	Improving with Progress
	E3.9	Hazardous waste discharge intensity	Improving with Progress
	E3.10	Waste recycling and reuse performance	Green Manufacturing, Energy Conservation and Emission Reduction

	INDICATOR NO.	INDICATOR DESCRIPTION	WHERE TO DISCLOSE
Ecological Safety Protection	E4.1	Impact of business operations on biodiversity and ecological system	Protecting Biodiversity and Fulfilling Social Responsibilities
	E4.2	Biodiversity conservation actions	Protecting Biodiversity and Fulfilling Social Responsibilities
	E4.3	Ecological restoration governance	Protecting Biodiversity and Fulfilling Social Responsibilities
Addressing Climate Change	E5.1	Governance mechanism to address climate-related risks and opportunities	Addressing Climate Change
	E5.2	Impact of climate-related risks and opportunities on operations	Addressing Climate Change
	E5.3	Climate-related risk managemen	Addressing Climate Change
	E5.4	Targets and performance in relation to climate-related risks and opportunities	Addressing Climate Change
	E5.5	Direct GHG emission	Responding to Dual Carbon Targets to Drive Green Transformation of the Industry
	E5.6	Indirect GHG emission	Responding to Dual Carbon Targets to Drive Green Transformation of the Industry
	E5.7	GHG emission intensity	Key Performance Overview
Employment	S1.1	Compliance with labor law standards	Striving for Excellence through Talent Cultivation
	S1.2	Diversity and equal opportunity	Striving for Excellence through Talent Cultivation
	S1.3	Staff composition	Striving for Excellence through Talent Cultivation
	S1.4	Labor contract signup rate	Striving for Excellence through Talent Cultivation
	S1.5	Turnover rate	Striving for Excellence through Talent Cultivation
	S1.6	Democratic management	Striving for Excellence through Talent Cultivation
	S1.7	Remuneration and benefits system	Striving for Excellence through Talent Cultivation
	S1.8	Social security coverage	Putting People First and Focusing on Interests and Benefits Protection
	S1.9	Average number of paid vacation days per person	Striving for Excellence through Talent Cultivation
	S1.10	Care for employees	Putting People First and Focusing on Interests and Benefits Protection
	S1.11	Employee satisfaction rate	Putting People First and Focusing on Interests and Benefits Protection
Development and Training	S2.1	Career development ladder	Striving for Excellence through Talent Cultivation
	S2.2	Occupational training system	Striving for Excellence through Talent Cultivation
	S2.3	Investments in occupational training	Striving for Excellence through Talent Cultivation
	S2.4	Occupational training performance	Striving for Excellence through Talent Cultivation

	INDICATOR NO.	INDICATOR DESCRIPTION	WHERE TO DISCLOSE
Occupational Health and Production Safety	S3.1	Occupational health management	Occupational Health and Production Safety
	S3.2	Occupational health and safety management system certification	Occupational Health and Production Safety
	S3.3	Number of new occupational diseases	Occupational Health and Production Safety
	S3.4	Production safety management system	Occupational Health and Production Safety
	S3.5	Safety education, publicity and training	Occupational Health and Production Safety
	S3.6	Potential risk inspection and rectification	Occupational Health and Production Safety
	S3.7	Emergency management system	Addressing Climate Change Occupational Health and Production Safety
	S3.8	Investments in production safety	Improving with progress
	S3.9	Production safety training performance	Occupational Health and Production Safety
	S3.10	Number of accidents in production safety	Occupational Health and Production Safety
	S3.11	Number of work-related injuries / deaths	Not occurred
	S3.12	Lost work days due to work injury	Not occurred
Responsibilities to Customers	S4.1	Product / service quality managemen	Pursuing Quality and Excellence
	S4.2	First Pass Yield	Pursuing Quality and Excellence
	S4.3	Responsible marketing	Skincare for Everyone and Responsible Marketing
	S4.4	Stop loss and compensation mechanism	High-quality Services
	S4.5	Active response to customer complaints	High-quality Services
	S4.6	Information security and privacy protection	High-quality Services
	S4.7	Customer satisfaction	High-quality Services
	S4.8	Complaint resolution rate	High-quality Services
Responsible Supply Chain Management	S4.9	Negative incidents related to customer health and safety during the reporting period	High-quality Services
	S5.1	Supply chain ESG management system	Green Supply Chain and Implementing ESG philosophy
	S5.2	Supplier ESG review and assessment	Green Supply Chain and Implementing ESG philosophy
	S5.3	Number of suppliers reviewed	Improving with progress
	S5.4	Number of suppliers subject to suspension of cooperation due to non-compliance	Improving with progress

	INDICATOR NO.	INDICATOR DESCRIPTION	WHERE TO DISCLOSE
Responsible Supply Chain Management	S5.5	Number of potential suppliers rejected due to non- compliance	Improving with progress
	S5.6	Supplier ESG training system	Improving with progress
	S5.7	Supplier ESG training performance	Improving with progress
Value to the Country	V1.1	Concepts and policies serving major national strategies	Responding to Dual Carbon Targets to Drive Green Transformation of the Industry Protecting Biodiversity and Fulfilling Social Responsibilities Building a Better World
	V1.2	Contribution to major national strategies	Responding to Dual Carbon Targets to Drive Green Transformation of the Industry Protecting Biodiversity and Fulfilling Social Responsibilities Building a Better World
	V1.3	Actions to serve major national strategies	Responding to Dual Carbon Targets to Drive Green Transformation of the Industry Protecting Biodiversity and Fulfilling Social Responsibilities Building a Better World
	V1.4	Achievements in serving major national strategies	Responding to Dual Carbon Targets to Drive Green Transformation of the Industry Protecting Biodiversity and Fulfilling Social Responsibilities Building a Better World
Value to the Industry	V2.1	Institutional system of technological innovation	Innovation and Intellectual Property Protection
	V2.2	Technological innovation actions and measures	Innovation and Intellectual Property Protection
	V2.3	R&D investments	Innovation and Intellectual Property Protection
	V2.4	Major achievements in technological innovation	Innovation and Intellectual Property Protection
	V2.5	Coordinated development of upstream and downstream industrial chains	Improving with progress
	V2.6	Safety and stability of the industrial chain and supply chain	Green Supply Chain and Implementing ESG philosophy
	V2.7	Participation in the development of industry standards	Responding to Dual Carbon Targets to Drive Green Transformation of the Industry
	V2.8	Strategic cooperation mechanism and platform	Innovation and Intellectual Property Protection
Value to People's Livelihood	V3.1	Actions to boost employment	Striving for Excellence through Talent Cultivation
	V3.2	Number of new jobs created	Striving for Excellence through Talent Cultivation
	V3.3	Participation in infrastructure construction	Not Relevant
	V3.4	Community services	Building a Better World
	V3.5	Community services branding	Building a Better World
	V3.6	Total charitable donations	Building a Better World

	INDICATOR NO.	INDICATOR DESCRIPTION	WHERE TO DISCLOSE
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Value to the Environment	V3.7	Volunteering performance	Building a Better World
	V4.1	Carbon peak and carbon neutrality strategy and goals	Responding to Dual Carbon Targets to Drive Green Transformation of the Industry
	V4.2	Carbon peak and carbon neutrality action plan and path	Responding to Dual Carbon Targets to Drive Green Transformation of the Industry
	V4.3	Carbon reduction effect	Responding to Dual Carbon Targets to Drive Green Transformation of the Industry
	V4.4	Actions to protect the environment and ecological system	Protecting Biodiversity and Fulfilling Social Responsibilities
	V4.5	Progress and effect of protecting the environment and ecological system	Protecting Biodiversity and Fulfilling Social Responsibilities

A1	Future plan	About the Report
A2	KPIs	About Botanee
A3	Report evaluation	Not evaluated
A4	Reference index	Appendix
A5	Feedback	Readers' feedback

# FEEDBACK FORM

To our readers:  
Thank you very much for reading the Report during your busy schedule. In order to improve the report preparation and enhance the responsibility performance of the Company, we particularly hope to listen to your comments and suggestions. Please help complete this page and give us your feedback.

Fax: ir@winona.cn  
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1.What is your overall evaluation of this Report ?  

☐ Good

☐ Average

☐ Poor

2.How do you think the quality of information disclosed in this Report ?  

☐ High

☐ Average

☐ Low

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

☐ High

☐ Average

☐ Low

4.How well do you think the Company has done in safeguarding the interests of related parties ?  

☐ Good

☐ Average

☐ Poor

5.Your comments and suggestions on the Company's sustainable development management:

## Please leave your contact information, if available:

Name:

Occupation:

Company:

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Email:

Telephone:

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