

Environmental, Social, and Governance (ESG) Report

WCON ELECTRONICS CO., LTD.

2025



WCON ELECTRONICS CO., LTD.

Stock Code 301328

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Preface to the Report

About the Report

The Report marks the second environmental, social and governance (ESG) report (hereinafter referred to as “ESG report.”) published by WCON Electronics Co., Ltd. In line with the principles of objectivity, standardization, transparency, and comprehensiveness, the Report elaborates in detail on the Company’s efforts in environmental protection, social responsibility, and corporate governance for the year 2025, responding to the expectations and concerns of stakeholders.

Reporting Scope

The Report focuses on “WCON Electronics Co., Ltd.”. The scope of the Report is consistent with the Company’s Annual Report unless otherwise stated. The Report covers from January 1, 2025, to December 31, 2025 (the “Reporting Period”) and is released annually, consistent with the financial year. To enhance comparability and completeness, certain sections may reference data from previous years or inclu forward-looking statements.

Preparation Basis

- Shenzhen Stock Exchange *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*
- Shenzhen Stock Exchange *Self-Regulatory Guidance No. 3 for Companies Listed on ChiNext Market of Shenzhen Stock Exchange - Preparation of Sustainability Report*
- Global Reporting Initiative *Sustainability Reporting Standards (GRI Standards)*
- China Enterprise Reform and Development Society *Guide to Corporate Sustainability Reporting in China (CASS-ESG 6.0)*
- Task Force on Climate-related Financial Disclosures (TCFD) Framework
- UN Sustainable Development Goals (SDGs)

Data Explanation

All information and data cited in the Report are sourced from the Company’s official documents, statistical reports, and financial reports, as well as the sustainable development practice information of various functional departments and business units that has been compiled, summarized, and reviewed by the Company.

The Company pledges that there are no false records, misleading statements, or major omissions in the Report. Additionally, unless otherwise specified, all currencies and amounts mentioned in the Report are denominated in RMB.

Terms and Definitions

Unless otherwise indicated by the context, the following terms in the Report have the meanings as below:

Term	Definition
WCON, the Company, We	WCON Electronics Co., Ltd.
WCON Automotive	Dongguan WCON Automotive Electronics Co., Ltd.
Company Law	<i>Company Law of the People’s Republic of China</i>
Securities Law	<i>Securities Law of the People’s Republic of China</i>
Articles of Association	<i>Articles of Association of WCON Electronics Co., Ltd.</i>
SZSE	Shenzhen Stock Exchange

Confirmation and Approval

The Report was approved by the Company’s Board of Directors on April 23, 2026, and was subsequently released in conjunction with the Company’s Annual Report for 2025. The Board of Directors has reviewed and approved this Report and is responsible for its content, ensuring it is free from any false records or misleading statements and is truthful, accurate, and complete.

The Report is published in both Chinese and English, with the English version derived from the Chinese version. For any discrepancy between the two versions, the Chinese version shall prevail.

Access to the Report

The Report is available for reference and download from the sustainability section of the Company’s website (www.wcon.com), the Shenzhen Stock Exchange website (<http://www.szse.cn>), or the information disclosure website designated by the Shenzhen Stock Exchange, CNINFO (www.cninfo.com.cn). If you have any questions or suggestions about the Report, please send an email to cwdg@wcon.com or call 0769-85358915.

Message from the Chairmant

Distinguished shareholders, partners, and to all who follow WCON's sustainability journey:

Greetings to you all!

I am deeply honored to present the *2025 Environmental, Social, and Governance (ESG) Report of WCON* to you. The Report not only serves as a comprehensive summary of our deepened ESG practices over the past year, but also represents our solemn commitment to steadfastly following the path of sustainable development in the future. On behalf of WCON, I would like to express my sincere gratitude to all partners who have given us firm support and trust over the years!

Looking back at 2025, the macro environment was complex and ever-changing, with geopolitical conflicts and industrial chain restructuring posing severe challenges, while the competitive landscape in the manufacturing sector became increasingly fierce. Facing these challenges, we viewed them as opportunities instead. WCON has consistently integrated the ESG concept into our strategic decision-making and deeply embedded it into every aspect of corporate governance, production operations, and business expansion, seeking growth momentum amidst uncertainties and exploring new avenues for value creation in a changing world.

Governance as the Foundation, Building a Solid Compliance Base.

We are deeply aware that robust governance is the cornerstone of a company's stable and long-term development. WCON continuously improves its corporate governance structure, embedding risk control and compliance supervision throughout the entire business operation chain. Through regular anti-commercial bribery and anti-corruption training, we have established a comprehensive commercial ethics supervision system covering the entire process. The Company's Strategy and Sustainable Development Committee coordinates ESG strategies and medium-to-long-term corporate strategic planning, ensuring that every responsibility is effectively implemented. Meanwhile, we adhere to the principle of transparency in information disclosure, comprehensively, promptly, and accurately communicating corporate governance dynamics to safeguard the right to information and supervision of all stakeholders, thereby safeguarding the Company's long-term development.

Innovation-Driven Growth, Reshaping the Value Chain.

WCON has always regarded technological innovation as its core driving force, attaching great importance to R&D innovation governance. We have formed an R&D model centered on product R&D and mold development, supported by advanced manufacturing techniques such as precision stamping and injection molding.

We extend our innovation standards to the entire value chain, establishing not only stringent quality supervision and product traceability mechanisms but also incorporating sustainable development requirements into supplier admission and audit standards. We are committed to collaborating with upstream and downstream partners to jointly create a responsible, traceable, and resilient green value chain.

Green Intelligent Manufacturing, Co-creating Net-zero Carbon Factories.

We integrate green concepts into our production and operations, viewing energy conservation and emission reduction as crucial pathways to value creation. Through precise monitoring and analysis of energy consumption, we continuously optimize our energy structure and strengthen pollution prevention and control. Guided by low-carbon goals, the Company systematically promotes energy-saving renovations, deploys intelligent energy storage systems and high-efficiency chilled water storage projects, and breaks down low-carbon goals into measurable, controllable, and supervised routine practices. During the reporting period, WCON was awarded the "Net-zero Carbon Factory (Three-Star)" certification, which is both recognition and a new starting point. We will take this as a benchmark to transform certification achievements into long-term momentum for sustainable operations, achieving synergy between ecological benefits and production efficiency.

Humanistic Cohesion, Shouldering Social Responsibilities Together.

A company's development is inseparable from the efforts of its employees or the support of society. We adhere to the guidance of Party building, closely integrating corporate development with social responsibilities. In addressing public concerns, we organize voluntary blood donations and support community construction; in times of social need, we have promptly responded to assist in the Hong Kong disaster relief; and in the journey of rural revitalization, we take practical actions to support agricultural assistance. Meanwhile, we deeply recognize that employees are the Company's most valuable asset. We are committed to creating a warm, secure, and promising work environment. Through diverse welfare benefits and incentive mechanisms, we achieve emotional cohesion and outcome sharing, ensuring that employee care is heartfelt, rights protection is robust, and growth empowerment is profound.

Looking ahead to 2026, we will embrace the winds and forge ahead together. A new wave of technological advancements is surging, and the dimensions of market competition are comprehensively upgrading. This is not only a challenging period facing pressure but also an opportunity period to ride the momentum. Looking to the future, we are increasingly convinced that the path of sustainable development is not a solitary journey but a collective one. It requires us to join hands with employees, stand shoulder to shoulder with partners, benefit society together, and resonate with

the times, so that we may truly say: "With the sky as our only limit and no peak too high to climb, we strive to be the pinnacle of our industry."

Here, we sincerely invite partners from all sides to join WCON on the path of deepening our core business and bravely shouldering social responsibilities, working together in unity towards a long-term future, and jointly writing a new chapter of sustainable development that is mutually beneficial, win-win, and full of warmth!

Chairman of WCON Electronics Co., Ltd.

April 23, 2026



About WCON

Performance in 2025



Company Profile

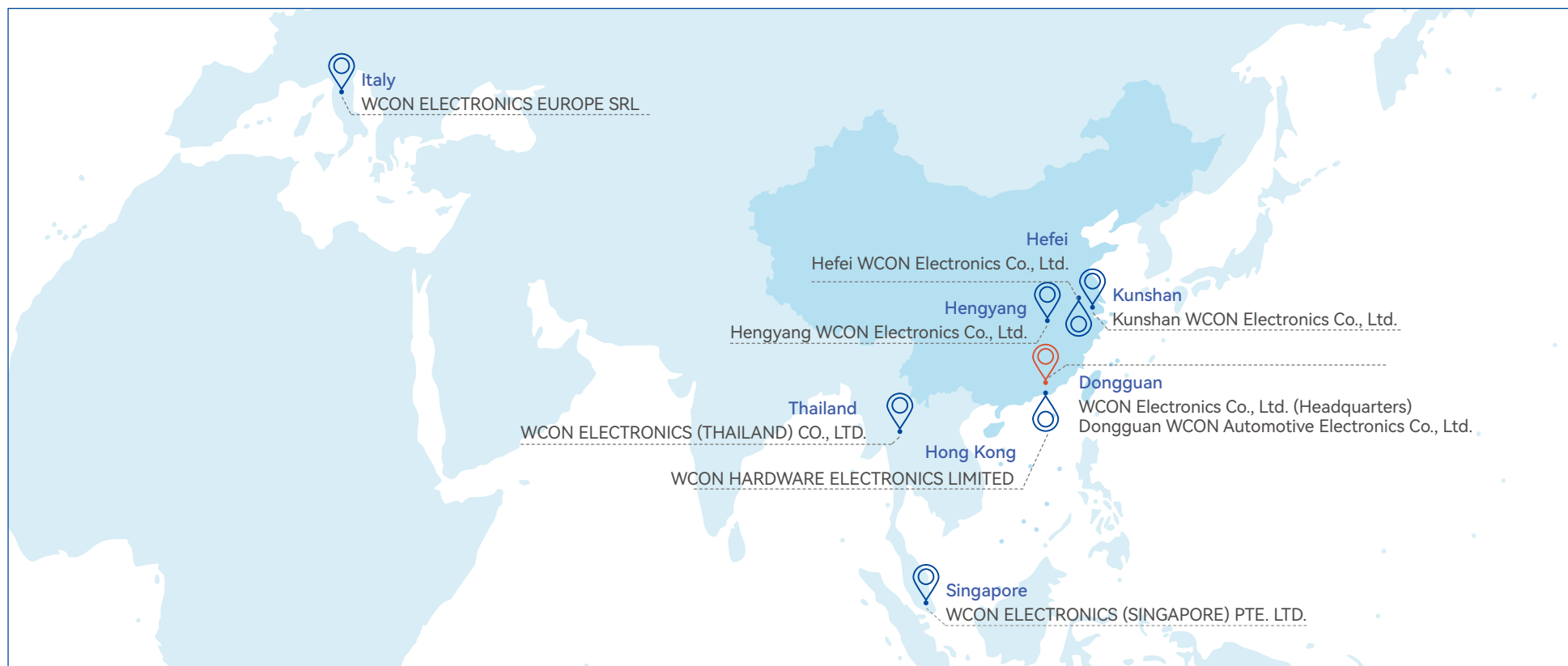
WCON Electronics Co., Ltd. was established in November 2002 and was listed on the ChiNext Market of the Shenzhen Stock Exchange on September 8, 2022 (Stock short name: Wcon Electronics, Stock code: 301328). The Company is committed to providing customers with high-end precision connectors and solutions and has been certified as a National High-Tech Enterprise and a Specialized and Sophisticated SME in Guangdong Province.

WCON specializes in the R&D, design, production, and sales of industrial control connectors, automotive connectors, and new energy connectors. Its products can be widely applied in industrial control and automation equipment, the “three-electric” systems (battery, motor, and electronic control system) of new energy vehicles, photovoltaic inverter systems, robotics, data centers, and other fields. The Company adheres to specialized production, covering the entire production process from the development and design of hardware and plastic molds to precision high-speed punching machine stamping and precision plastic injection molding, and then to automated product assembly.

The Company has established an extensive standard product library and a high-standard quality supervision system, boasting more than **20** prominent product families with over **50,000** active trading SKUs and over **100,000** reserved product SKUs. It has obtained a number of authoritative certifications for the ISO 45001:2018 occupational health and safety management system, ISO 50001:2018 energy management system, IATF 16949 quality management system in the automotive industry, ISO 9001:2015 quality management system, ISO 14001:2015 environmental management system, QC 080000-2017 hazardous substance process management system, and ISO/IEC 17025:2017 laboratory competence accreditation. Furthermore, it has successively obtained the UL (US) and CUL (Canada) safety certifications, UL Witness Test Data Program (WTDP) certification (US), and CNAS national certification, with its products complying with EU RoHS and REACH environmental directives, among others.

Looking ahead, the Company will continue to uphold its core values of “Focus, Transcendence, and Win-Win”, remain true to its original aspirations and strengthen its advantages. It will build brand reputation through quality, gain market trust through service, and drive growth through professionalism. By working hand in hand with its extensive partners, the Company will strive towards becoming the “world’s most valuable provider of high-end precision connector solutions”, leading a new wave of development in the domestic connector industry!





WCON Headquarters
60,228+29,170m²



Kunshan
48,000m²



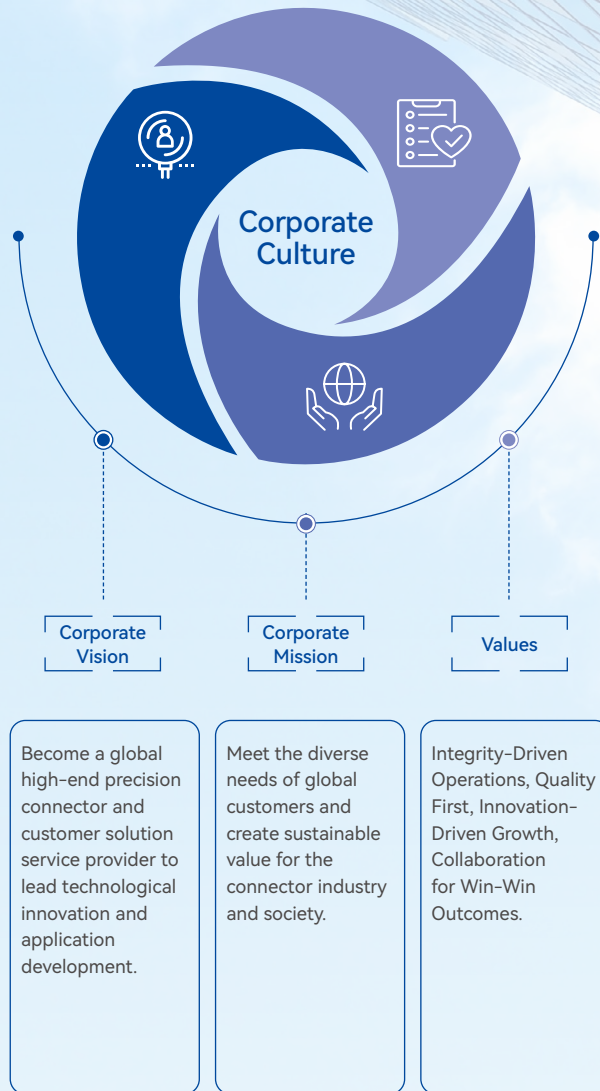
Hengyang
4,500m²



Hefei
1,950m²



Thailand
37,000m²



Product Roadmap

2025

- ▶ **Industrial Automation and Control:** Series connectors featuring small pitch, ultra-low mating height, high-speed, and power-signal hybrid functionalities
- ▶ **Vehicles:** Miniaturized, integrated, and high-performance series connectors; FARKA, MINI-FARKA, automotive Ethernet and wiring harnesses, automotive TYPE-C wiring harnesses , 0.50mm power-signal hybrid floating board-to-board ; FPC & FFC lightweight battery management system connectors
- ▶ **New Energy:** Series connectors with small volume, high current, high voltage, and waterproof/UV-resistant properties
- ▶ **Emerging Fields:** Data centers, servers, commercial vehicles, construction machinery, robotics, energy storage, charging equipment, power supplies, medical devices, rail transit, urban and building intelligence, etc.

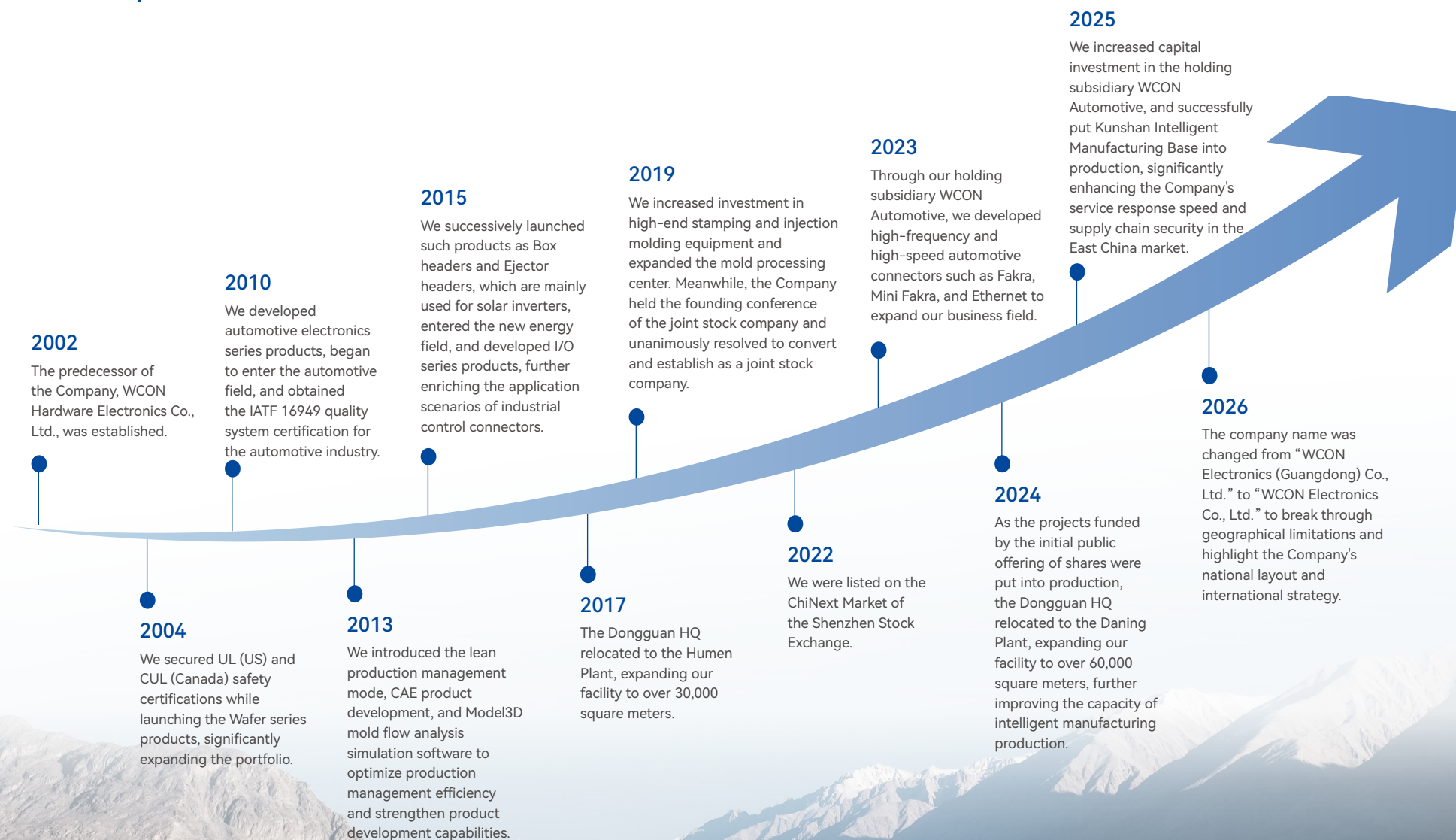
2026

Future Outlook

- ▶ **Emerging Fields:** Data centers and AI servers, artificial intelligence, and robotics and etc.

2030

Development Course



Honors

Guangdong Provincial Enterprise Technology Center
Department of Industry and Information Technology of Guangdong Province

Guangdong Provincial Green Factory
Department of Industry and Information Technology of Guangdong Province

Dongguan Skilled Master Studio in 2025
Human Resources and Social Security Bureau of Dongguan

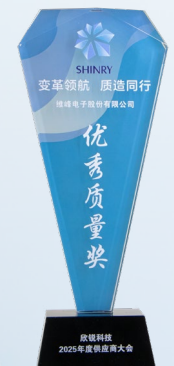
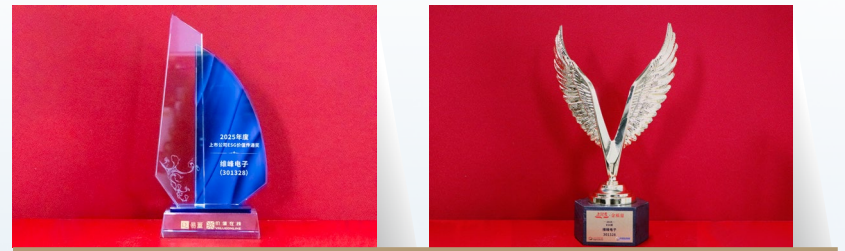
Outstanding Achievement Award in Connector Science and Technology in 2025
Guangdong Connector Industry Association

SSE Eagle - Gold Quality - ESG Award
Xinhua News Agency, Shanghai Securities News, www.cnstock.com

ESG Rating Upgraded to A Level in 2025
WIND

Annual Excellence Award for Investor Relations Construction among Listed Companies in 2025
Shenzhen ValueOnline Information Technology Co., Ltd.

Annual ESG Value Communication Award among Listed Companies in 2025
Shenzhen ValueOnline Information Technology Co., Ltd.



Sustainable Development Governance

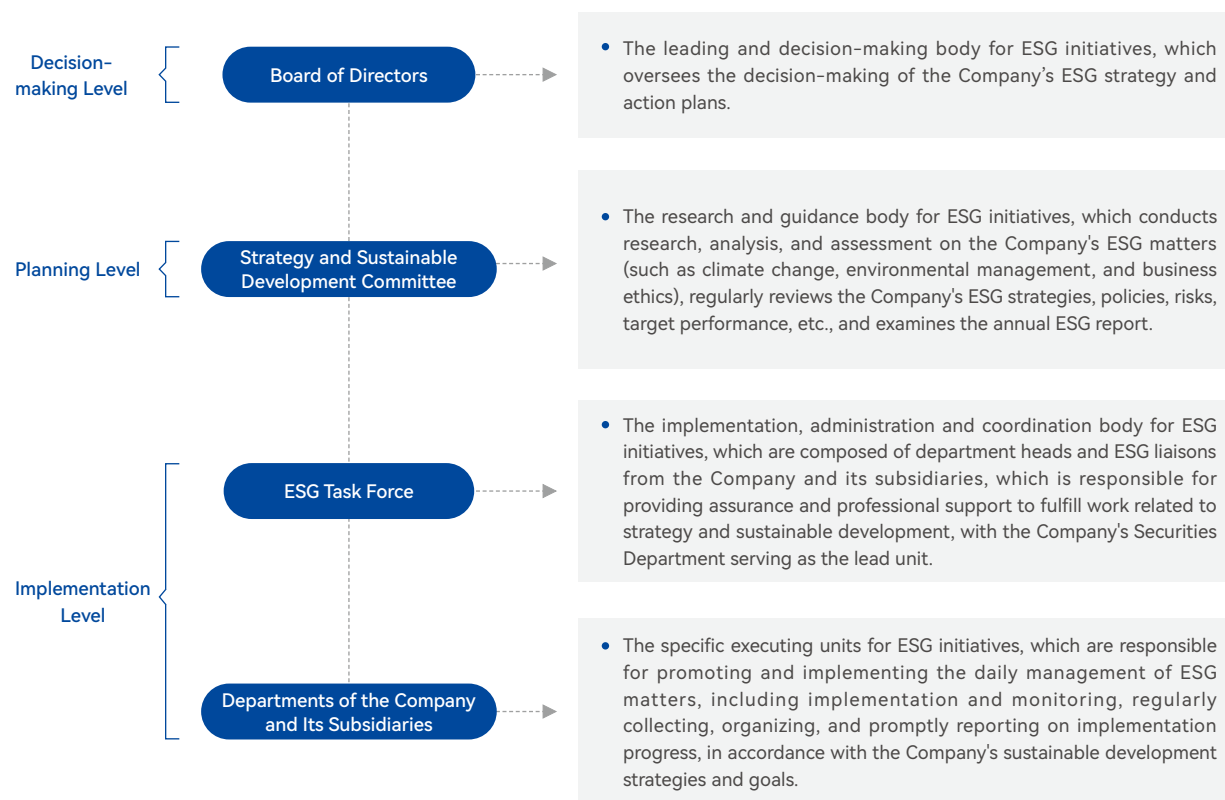
Sustainable Development Goals and Vision

To better align with global development trends, the Company actively responds to the UN Sustainable Development Goals (SDGs), formulating sustainable development management objectives based on the core principles of the SDGs and its operational context. By collaborating with global enterprises and governmental agencies, the Company aims to address critical global challenges, including environmental protection, social equity, and economic prosperity, to foster a more prosperous and sustainable future together.

Management Level	Production/Operation	Supply Chain	Employees	Product	Social Engagement
SDGs					
Action Objectives	<ul style="list-style-type: none"> Further refine and implement the environmental and hazardous substance process control standards and systems under the ISO 14001 and QC 080000 certification systems Optimize the energy structure and increase the share of clean energy Further optimize carbon emission management based on the ISO 14064 certification to achieve carbon reduction goals Meet the standards for sewage detection Strictly implement the waste management system and explore new channels for waste conversion Implement the 3R concept Improve the corporate governance and internal control system and reduce the risk of information leakage Strengthen the business ethics management and training systems, ensure unimpeded access to anti-corruption reporting platforms and channels, and establish a feedback loop for reporting and resolution Regularly conduct multi-channel communication with stakeholders 	<ul style="list-style-type: none"> Require suppliers to sign integrity and confidentiality agreements and continuously monitor their certifications of social responsibility-related systems Integrate the requirements of sustainable development actions into supplier audit criteria and establish a regular communication and supervision mechanism Provide suppliers with sustainable development training resources and plans 	<ul style="list-style-type: none"> Improve the EHS management system to achieve the goal of zero work-related accidents Ensure unimpeded access to employee complaint and reporting channels while regularly conducting anonymous employee satisfaction surveys Engage a third-party company to regularly conduct workplace environment assessments to prevent occupational diseases Intensify professional training in information security and privacy protection Continuously conduct the anti-corruption and integrity training and achieve 100% employee sign-off on the <i>Anti-Corruption and Integrity Agreement for Employees</i> Implement a comprehensive employee performance reform, clarify the promotion pathways for each position, and create all-around on-job training opportunities Improve the level of employee benefits 	<ul style="list-style-type: none"> Establish and optimize innovative manufacturing bases while introducing industry-leading manufacturing and quality management software Further refine and implement the internal quality control standards and systems under the ISO 9001 and IATF 16949 certification systems Intensify R&D investment, comprehensively optimize the R&D environment, and significantly drive technological innovation and product upgrading Encourage R&D and technology iteration in green products and clean technologies 	<ul style="list-style-type: none"> Regularly organize community volunteer activities Create high-quality job opportunities Advocate peace and justice on a global scale

Sustainable Development Governance Structure

The Company has established a Strategy and Sustainable Development Committee under its Board of Directors and constructed a three-tier ESG management structure consisting of the “decision-making level – planning level – implementation level”, fully leveraging the advantages of each level. Through strategic decision-making by the Board of Directors, overall planning and management supervision by the Strategy and Sustainable Development Committee, and implementation of specific tasks by the ESG Task Force and various departments, the Company has formed a management system with a complete structure, clear hierarchies, and well-defined responsibilities, ensuring more standardized and orderly sustainable development management.



To strengthen the implementation of sustainable development strategies and further enhance the Company's influence and management level in the field of sustainable development, the Company has formulated institutional documents such as the *Rules of Procedure for the Strategy and Sustainable Development Committee of the Board of Directors*, the *Sustainable Development Management Manual*, and the *Environmental, Social, and Governance (ESG) Management System*. These documents standardize relevant operational processes and fully integrate ESG requirements into the Company's daily operations and management.

Sustainable Development Information Management Mechanism








The Company is gradually establishing a sustainable development information management mechanism that covers multiple key topics, including innovation-driven growth, product and service safety and quality, response to climate change, occupational health and safety, among others, and continuously improving the ESG management indicator repository. Each executing unit regularly collects, organizes, analyzes, and reports relevant information and data. Subsidiaries report on implementation progress in a timely manner on an as-needed basis according to actual circumstances. This enables the Company to promptly grasp the operational status of its sustainable development governance mechanism, ensuring a clear understanding and efficient execution of sustainable development goals within the Company.

Sustainable Development Supervision and Assessment

The Company has established internal and external audit systems for sustainable development. Annual audits are conducted, corresponding improvement tracking plans are developed based on audit reports, and the ESG Task Force is tasked with coordinating and urging responsible units to implement improvement measures until the successful completion of each plan. Meanwhile, the Company plans to gradually break down sustainable development goals into specific indicators and incorporate these relevant indicators into the performance assessment systems of various departments. This will drive responsible departments to implement the ESG concept in their work, comprehensively enhance the Company's coordinated development level in the ESG field, and provide strong support for achieving the Company's long-term stable development goals.

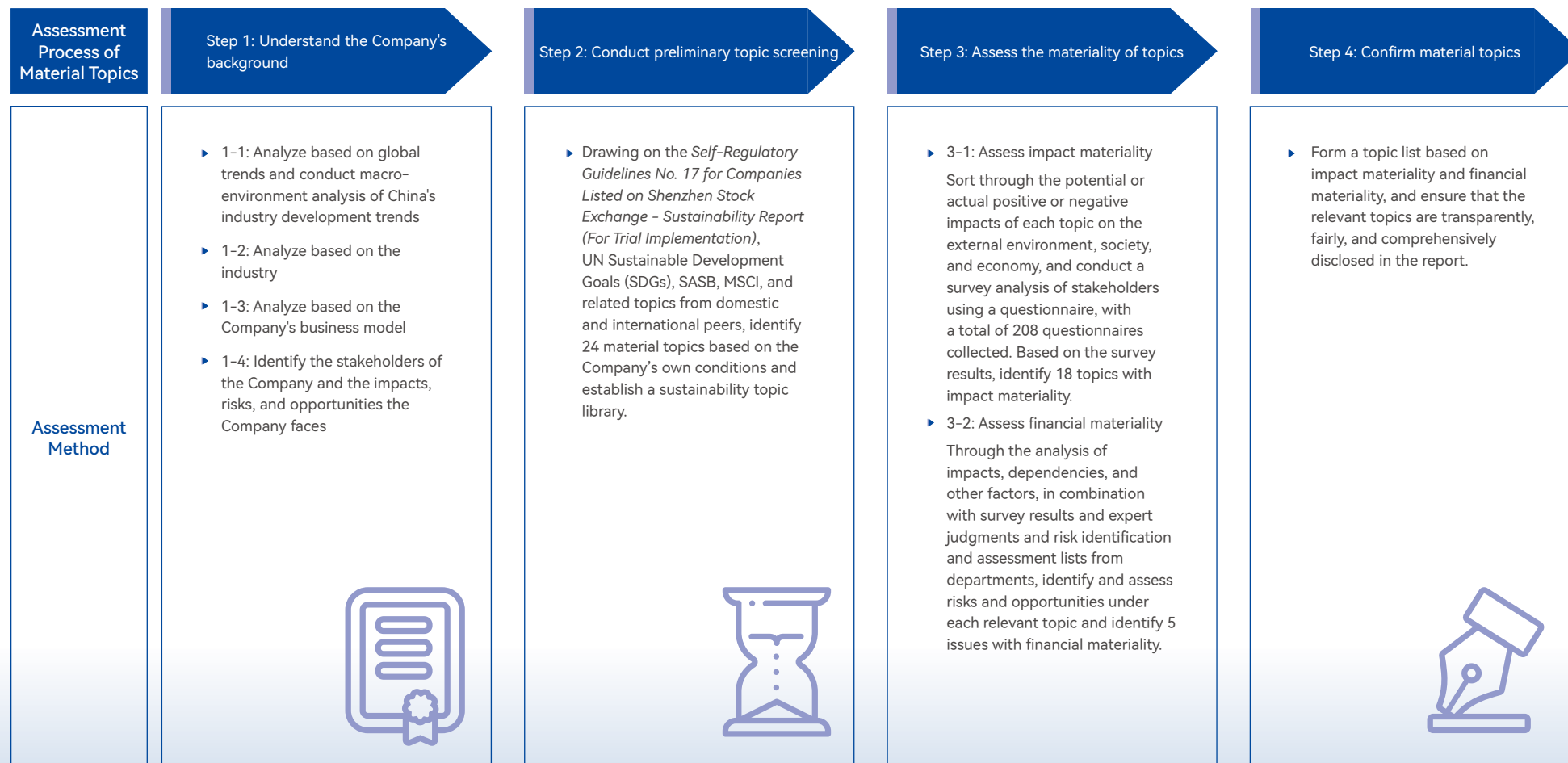
Communications with Stakeholders

The Company places high importance on communication and exchange with stakeholders by conducting a stakeholder identification process based on business operations, and has identified seven core stakeholder groups. By establishing diversified communication mechanisms, the Company gathers and responds to stakeholders' expectations and suggestions systematically.

Stakeholders	Communication Channels	Topics of Concern	Response
 Shareholders and Investors	<ul style="list-style-type: none"> Shareholders' Meeting Information Disclosure Performance Briefings Investor Research Reception 	<ul style="list-style-type: none"> Corporate Governance Compliance Protection of Shareholders' Rights and Interests Compliance and Risk Control ESG Governance 	<ul style="list-style-type: none"> Improvement of Corporate Governance Strengthening Investor Relations Management Improvement of Profitability Improving the Sustainable Development Management System
 Employees	<ul style="list-style-type: none"> Labor Union Committee Employee Training Employee Activities Employee Satisfaction Surveys 	<ul style="list-style-type: none"> Protection of Employees' Legal Rights and Interests Training and Development Occupational Health and Safety 	<ul style="list-style-type: none"> Improving Compensation and Benefit Systems Establishing an Employee Training System Offering Clear Career Development Channels Ensuring Employees' Occupational Health and Safety
 Suppliers	<ul style="list-style-type: none"> Supplier Assessment and Audit Supplier Communication 	<ul style="list-style-type: none"> Supply Chain Security Anti-commercial Bribery and Anti-corruption 	<ul style="list-style-type: none"> Improving the Supplier Management System Implementing Transparent Procurement Supplier ESG Management
 Customers	<ul style="list-style-type: none"> Customer Communication and Feedback Channels After-sales Service Customer Satisfaction Survey Industry Exchanges 	<ul style="list-style-type: none"> Product and Service Safety and Quality Innovation-Driven Growth Data Security and Privacy Protection 	<ul style="list-style-type: none"> Adhering to Product Quality Management Improving Customer Service Management Strengthening Innovation Capabilities Strengthening Information Security Management
 Industry Associations or Research Institutions	<ul style="list-style-type: none"> Industry Exchanges Industry-university-research Cooperation 	<ul style="list-style-type: none"> Innovation-Driven Growth Product and Service Safety and Quality 	<ul style="list-style-type: none"> Strengthening Innovation Capabilities Adhering to Product Quality Management
 Social Organizations, Media and the Public	<ul style="list-style-type: none"> Community Public Welfare Activities Media Communication 	<ul style="list-style-type: none"> Contribution to Society ESG Governance 	<ul style="list-style-type: none"> Providing Local Job Opportunities
 Governmental or Regulatory Agencies	<ul style="list-style-type: none"> Special Reports Cooperating with Government Research Compliance Supervision Investigation 	<ul style="list-style-type: none"> Environmental Compliance Management Corporate Governance Compliance 	<ul style="list-style-type: none"> Improving the Environmental Management System Compliant Operation

Management of Material Topics

The Company has formulated the *Procedures for Determining Material Sustainability Topics* by referring to the assessment methods stated in domestic and international disclosure standards such as the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*. This document is applied for systematically identifying, assessing, and determining sustainability-related topics that have a significant impact on the Company's own operations and value creation, as well as the judgment and decision-making of stakeholders, with the specific implementation steps as follows:

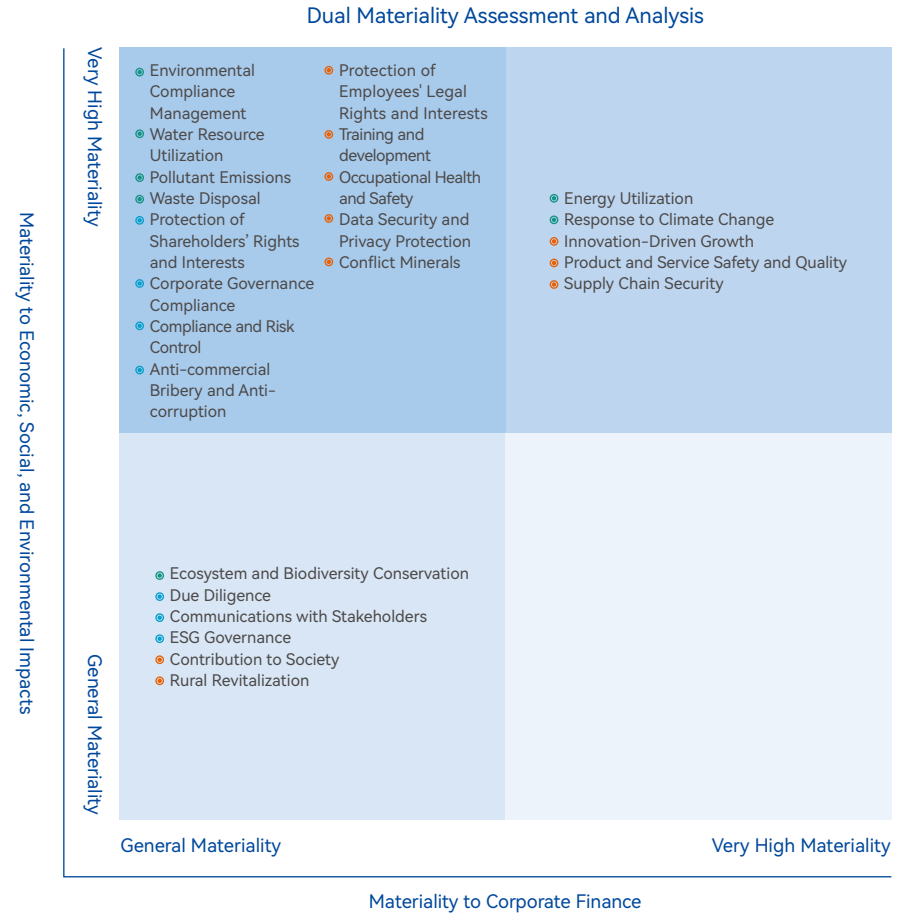


Material Topic Library

Dimension	Topics
 <p>Environmental</p>	<ul style="list-style-type: none"> Environmental Compliance Management Energy Utilization Response to Climate Change Water Resource Utilization Pollutant Emissions Waste Disposal Ecosystem and Biodiversity Conservation
 <p>Social</p>	<ul style="list-style-type: none"> Protection of Employees' Legal Rights and Interests Training and Development Occupational Health and Safety Innovation-Driven Growth Product and Service Safety and Quality Data Security and Privacy Protection Supply Chain Security Conflict Minerals Contribution to Society Rural Revitalization
 <p>Governance</p>	<ul style="list-style-type: none"> Protection of Shareholders' Rights and Interests Corporate Governance Compliance Compliance and Risk Control Anti-commercial Bribery and Anti-corruption Due Diligence Communications with Stakeholders ESG Governance

Assessment Result of Topic Materiality

Based on the analysis results of industry standard and stakeholder feedback from returned surveys, we identified key topics in two dimensions of "impact materiality" and "financial materiality" to form a matrix of material topics in 2025.



Note: To ensure the relevance of the Report, the Company prioritizes core risks and opportunities related to connector manufacturing during topic screening, excludes topics with low relevance, and discloses information in accordance with GRI standards. Topics such as technology ethics, ecosystem and biodiversity conservation, and equal treatment of small and medium-sized enterprises fall under disclosure topics for specific stakeholders that the Company does not currently engage in, and thus, relevant content will not be disclosed.

01

Sound Governance, Sustainable Development

WCON consistently upholds compliance as its cornerstone and responsibility as its guiding principle, continuously improving the corporate governance structure, perfecting the internal control and risk management mechanism, strictly upholding business ethics, and effectively protecting the legitimate rights and interests of shareholders. Through these comprehensive efforts, we solidify the foundation for development and promote long-term, stable corporate growth.

Responded Topics

- Corporate Governance Compliance
- Protection of Shareholders' Rights and Interests
- Compliance and Risk Control
- Anti-commercial Bribery and Anti-corruption
- Data Security and Privacy Protection

Party Building Work

On September 17, 2025, upon approval from the CPC Humen Town Committee, the Company formally established the CPC Branch Committee of WCON Electronics Co., Ltd. Meanwhile, in strict accordance with inner-Party laws and regulations such as the *Regulations on the Work of CPC Branches (for Trial Implementation)*, a basic work system framework was initially established, including the "Three Meetings and One Lecture" System, the Theme Party Day System, and the System for Organizing Life Meetings and Democratic Evaluation of Party Members.

During the reporting period, the Company convened a general meeting of Party members, completed the election of the Party branch secretary, and further improved organizational construction; organized thematic Party lessons on the *Constitution of the Communist Party of China* to strengthen Party members' awareness of purpose and discipline; and organized a themed Party day activity called "Learn Business at the Frontline, and Be a Pioneer in Your Post," allowing participants to deeply appreciate the precision technologies and rigorous requirements of connector manufacturing through immersive learning, further consolidating the ideological consciousness and practical consciousness of integrating Party member responsibilities into the Company's "quality lifeline" and "technological innovation chain."

In the future, the Company's Party branch will continue to deepen the creation of the Party building brand of "Precision Connection · Pioneer Leadership", promote the deep integration of its connotation with the Company's mission and vision, and further promote the deep integration of Party building with business operations, its close connection with employee care, and its organic integration with ecological collaboration. Through Party building, the Company takes the lead in high-quality enterprise development, injecting a continuous stream of Party-building-driven momentum into achieving a more sustainable and competitive future.



Study of Party Lessons



General Meeting of Party Members



Party Branch Plaque



Themed Party Day Activity

Corporate Governance

In strict accordance with the requirements of laws, regulations and normative documents such as the *Company Law* and the *Securities Law*, the Company took improving corporate quality as its work goal and systematically and continuously optimizes the internal control system, forming a corporate governance system with clear rights and responsibilities, distinct functions, mutual checks and balances, scientific decision-making, and standardized operation.

To adapt to new regulatory requirements and the Company's development strategy, during the reporting period, the Company completed the revision of 36 internal control systems, including the *Articles of Association*, the *Rules of Procedure for Shareholders' Meetings*, the *Related Party Transaction Decision-Making System*, the *External Investment Management System*, and the *External Guarantee Management System*, further clarifying the boundaries of rights & responsibilities, and decision-making processes at all levels. At the same time, in light of the Company's actual development needs, it added two new systems, the *Public Opinion Management System* and the *ESG Management System*, filling institutional gaps and strengthening sustainable development and public opinion risk management capabilities.



Shareholders' Meeting

During the reporting period, the Company strictly complied with the requirements of laws, regulations and normative documents such as the *Company Law*, the *Securities Law*, and the *Rules for Shareholders' Meetings of Listed Companies*. In accordance with the internal provisions of the *Articles of Association* and the *Rules of Procedure for Shareholders' Meetings*, it standardized the management of the entire process, including the convening, holding, proposal deliberation and voting procedures of the Shareholders' Meeting. The Shareholders' Meeting was convened by combining an on-site meeting and online voting, providing convenient voting channels for all shareholders, especially minority shareholders, to participate in the Company's major decisions, ensuring that the legitimate rights and interests of shareholders, such as the right to know, the right to participate, and the right to vote, could be exercised equally and fully. To ensure the legality and compliance of the procedures, the Company engaged practicing lawyers to attend and witness the Shareholders' Meeting, and issued clear legal opinions on the legality of the convening and holding procedures and the validity of the voting results.

During the reporting period, the Company convened a total of one annual Shareholders' Meeting and two Extraordinary Shareholders' Meeting, all of which were duly convened by the Board of Directors in accordance with the law. All proposals submitted to the Shareholders' Meeting for deliberation strictly followed the prior internal review procedures, and there were no violations such as unauthorized approval, implementation before review, or omission of review, effectively safeguarding the legitimate rights and interests of all shareholders.

Board of Directors

The Board of Directors is responsible to the Shareholders' Meeting, fully plays its core role in decision-making, deliberates on material matters in the Company's business activities, and makes decisions or submits them to the Shareholders' Meeting for deliberation. The Company formulates the *Rules of Procedure for the Board of Directors* to strictly regulate the meeting procedures and decision-making processes of the Board, and urges the directors and the Board to effectively fulfill their duties. During the reporting period, the Company strictly complied with the requirements of relevant laws, regulations and normative documents, and completed the re-election of the Board of Directors with compliance and transparency throughout the entire process. The number and composition of the members of the Board of Directors met the requirements of relevant laws, regulations and supervision.

Specialized Committees of the Board of Directors >>>

The Board of Directors has four specialized committees: the Nomination Committee, the Compensation and Appraisal Committee, the Strategy and Sustainable Development Committee, and the Audit Committee. Each committee has formulated comprehensive rules of procedure and working details, conducting professional research, review and evaluation on core areas such as director selection and appointment, compensation incentives, strategic planning, and financial internal control, ensuring the standardization and scientific nature of major decision-making processes.

Among them, independent directors account for **1/3** of the Strategy and Sustainable Development Committee, and for more than half of the members of any other committee.

During the Reporting Period

3 Shareholders' Meetings were convened, with **19** proposals deliberated and approved;

7 board meetings were convened, with **44** proposals deliberated and approved.

During the Reporting Period

The Audit Committee convened **11** meetings and deliberated **34** proposals.

The Nomination Committee convened **2** meetings and deliberated **3** proposals.

The Compensation and Appraisal Committee convened **2** meetings and deliberated **3** proposals.

The Strategy and Sustainable Development Committee convened **2** meetings and deliberated **2** proposals.

Independence and Diversity »»

Independence

The Company formulated the *Working System for Independent Directors*, strictly appointed **2** qualified experts as independent directors in accordance with regulations, accounting for more than **1/3** of the total number of members of the Board of Directors. Independent directors perform their duties independently and are not influenced by the Company, its major shareholders, actual controllers or other units or individuals.

Diversity

The Company emphasizes the diversity of the composition of the Board of Directors. In the selection and appointment process, it strictly reviews the directors' educational backgrounds, work experience and professional qualifications. The Nomination Committee under the Board of Directors evaluates the composition of the Board from dimensions including professional skills, knowledge structure, and work experience to ensure its diversity and professionalism. The professional backgrounds of the Company's directors cover fields such as business management, accounting, and engineering, aligning with the Company's development strategy.

Remuneration Management of Directors and Senior Executives

To gradually establish an incentive and constraint mechanism that meets the requirements of the modern enterprise system and adapts to the market economy, and to reasonably determine the compensation levels and payment structures for the Company's directors and senior executives, the Company formulates the *Remuneration Management System for Directors and Senior Executives* in accordance with the relevant provisions of the *Company Law* and the *Articles of Association*. This ensures that the Company's directors and senior executives can actively and effectively perform their corresponding duties and obligations, promoting the healthy, sustainable and stable development of the Company.

During the reporting period, the Company formulated and approved the *Remuneration Plan for Directors, Supervisors and Senior Executives in 2025*. The remuneration of the Company's non-independent directors and senior executives consists of basic salary and year-end bonus, which is received according to their specific job positions in the Company, in accordance with the remuneration management regulations and other relevant supporting compensation assessment systems. Non-independent directors do not receive additional director allowances.



Investor Relations Management and Protection of Shareholders' Rights and Interests

Information Disclosure

To proactively adapt to market regulatory trends, during the reporting period, the Company systematically revised the *Information Disclosure Management System*, the *Information Disclosure Postponement and Exemption System*, the *Insider Registration Management System*, and the *Internal Reporting System for Material Matters*. It clarified the reporting methods and processes for internal material matters of the Company, strictly standardized information disclosure behaviors, to ensure the truthfulness, accuracy, completeness and timeliness of information disclosure. At the same time, it continuously strengthened its emphasis on the confidentiality of inside information, ensuring the entire process of transmission, review and disclosure of inside information is legal and compliant, preventing insider trading from the source, thereby effectively protecting the rights and interests of all shareholders and laying a solid foundation for the Company's stable operation and the enhancement of market credibility.

During the Reporting Period

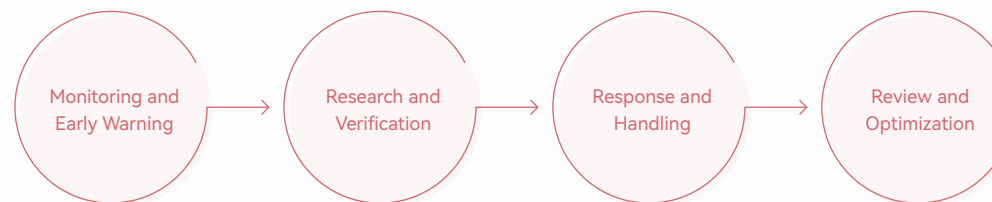
59 announcements were disclosed, including 6 periodic reports and 53 interim announcements. The number of penalties imposed for violations of information disclosure regulations was 0.



Public Opinion Management in Capital Markets

To improve the Company's capability to respond to various types of public opinions, establish a rapid response and emergency handling mechanism, and promptly and properly handle the impact of various public opinions on the Company's commercial reputation, normal production and operation activities, and investment value, effectively safeguarding the legitimate rights and interests of the Company and its stakeholders, the Company formulated the *Public Opinion Management System* in accordance with relevant laws and regulations and the relevant provisions of the *Articles of Association*, standardizing the public opinion monitoring and management process.

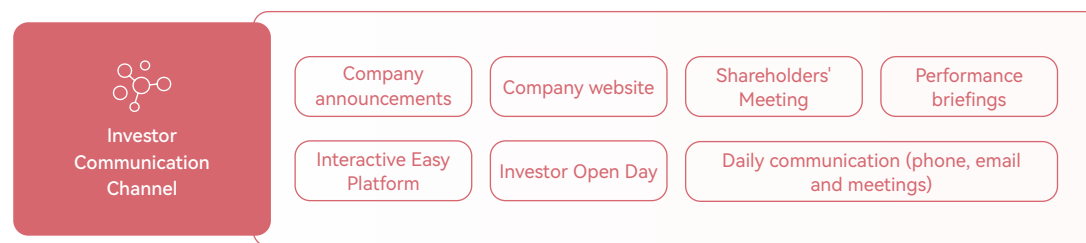
The Company established a public opinion response management task force, with the Company's Chairman as the leader, responsible for the overall command, coordination and final decision-making of public opinion work; the Board Secretary as the deputy leader, with members composed of the Company's senior executives, heads of relevant departments, and heads of subsidiaries; the Securities Department, as the lead department, assists the task force in public opinion information collection, including real-time monitoring of stock prices and public opinion, immediately initiating emergency procedures when trigger mechanisms are activated, organizing internal investigations and information verification, drafting and issuing external announcements and statements, filing with the stock exchange, and communicating with regulatory authorities.



Public Opinion Monitoring Management Process

Investor Relations Management

To enhance the standardization of investor relations management, the Company, in accordance with relevant provisions of the *Company Law*, the *Securities Law*, and the *Guidelines on Investor Relations Management for Listed Companies*, revised and improved the *Investor Relations Management System* and the *Measures for the Management of Media Interviews and Investor Research Engagement Reception* during the reporting period, clarifying the reception procedures, responsible departments, and response rules for various types of researches and interviews, striving to ensure the quality and efficiency of investor relations work. The Company always adheres to the core principles of honesty and trustworthiness, compliant disclosure, full transparency, equal opportunities, efficiency and pragmatism, and interactive communication, maintaining close interaction with investors through multi-channel and multi-level communication mechanisms, effectively safeguarding investors' right to know and legitimate rights and interests, and further enhancing investors' understanding and value recognition of the Company.



Case 2025 Investor Open Day

On May 22, 2025, the Company held its 2025 Investor Open Day at its Dongguan headquarters, with more than 30 investors from several leading institutions gathering together. After the symposium, investors visited various production and manufacturing workshops and energy-saving renovation projects, gaining an in-depth understanding of the Company's practices in green manufacturing and intelligent manufacturing, and obtaining a more intuitive understanding of the Company's technical strength, production management, and sustainable development concepts.



During the Reporting Period

The Company received investors' on-site research engagement activities many times, held a total of **2** performance briefings, participated in **1** collective reception day event, and held **3** "Investors Visiting Listed Companies" activities;

Replied to over **150** investor calls and emails;

Published **10** records of investor relations activities;

Answered **303** questions on the Interactive Easy platform with a reply rate of **100%**.

Shareholder Returns

While intensifying efforts in its own business development, the Company has always attached great importance to shareholder value returns and actively promotes the formulation and implementation of profit distribution plans. In line with the relevant guidance of the China Securities Regulatory Commission encouraging listed companies to implement cash dividends and provide investors with stable and reasonable returns, the Company successfully implemented the 2024 profit distribution plan and the semi-annual profit distribution plan for 2025 during the reporting period, based on core factors such as its actual operating conditions, profitability level, and share capital scale. In the future, it will continue to repay the trust and support of its shareholders with practical actions.

	Cash Dividend Per Share (Including Tax) (RMB/Share)	Total Cash Distribution (Including Tax) (RMB 10,000)	Proportion of Net Profit Attributable to Shareholders of the Parent Company (%)
2025 Semi-annual	0.20	2,197.87	40.01
2024 Annual	0.30	3,296.81	38.57
2024 Semi-annual	0.20	2,178.22	46.20

In 2025

The Company plans to distribute a cash dividend of RMB **3.00** per 10 shares (tax inclusive) to all shareholders.

It is proposed to increase the share capital by **4.5** shares for every 10 shares held by all shareholders from the capital reserve.

The total cash dividend to be distributed will amount to **3,296.81** (in RMB 10,000).

Upon the completion of the proposed share capital increase, the Company's total share capital is expected to increase to **159,345,711** shares.

Note: The final number of bonus shares issued through capitalisation of capital reserve shall be subject to the actual results processed by China Securities Depository and Clearing Corporation Limited.

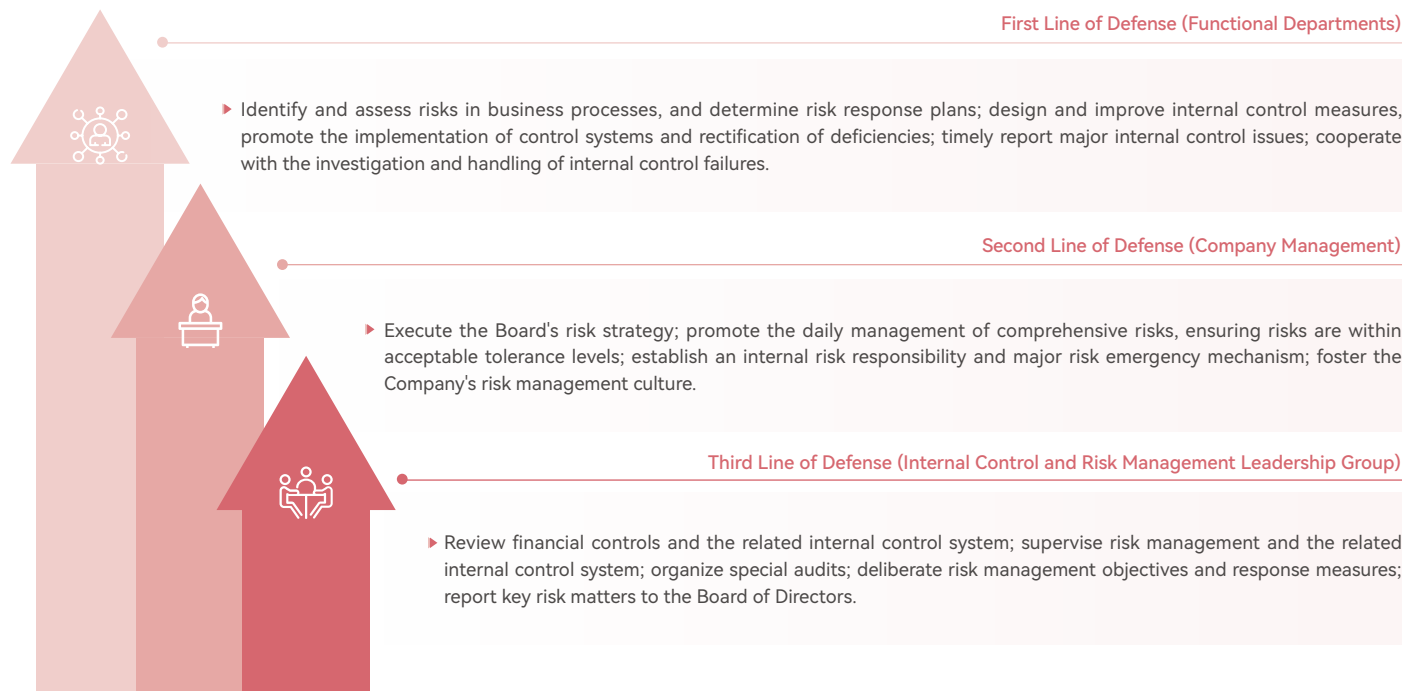


Risk Management and Internal Control

Governance Structure

The Company's Board of Directors is the highest decision-making body for risk management, responsible for the effectiveness of risk management, coordinating the construction and effective implementation of the risk management system. It determines the Company's overall risk management objectives, risk appetite, and risk tolerance, approves basic risk management systems, strategies, and major risk control plans, understands major risk situations and makes effective relevant decisions, and it also approves relevant reports and major risk control matters.

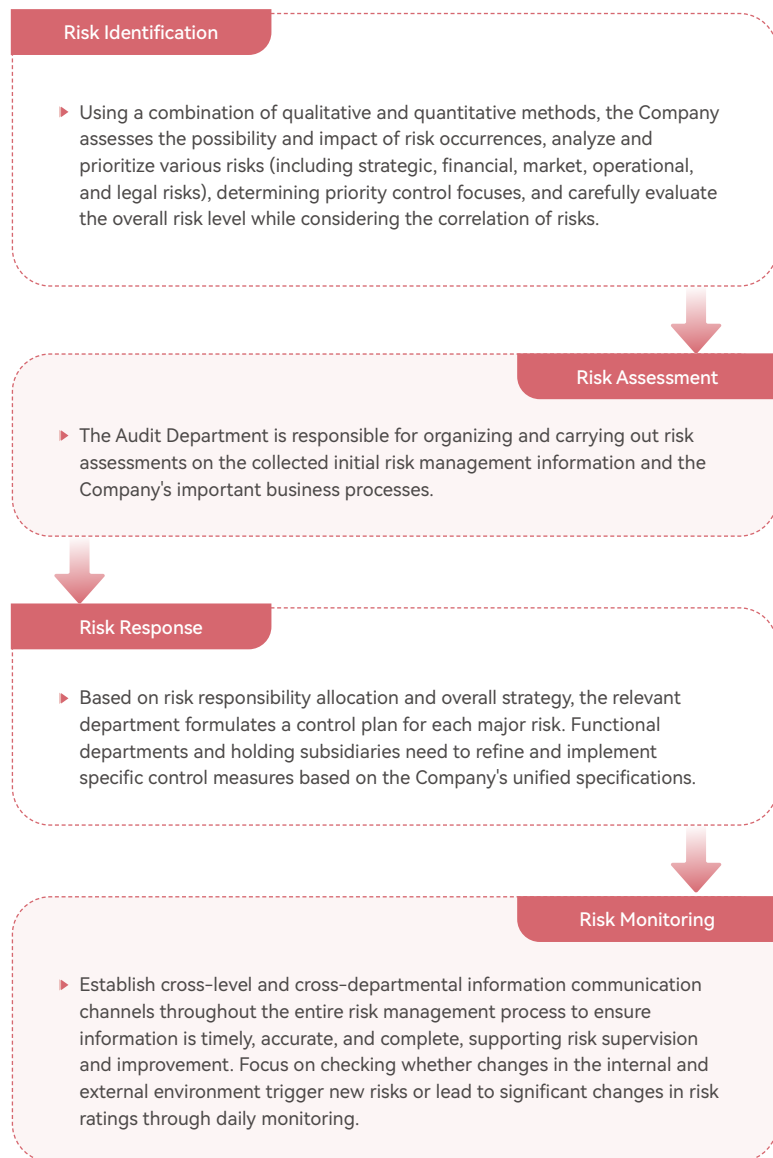
The Company has compiled the *Risk Management Control System*, constructing a risk management system covering risk categories including strategy, operations, finance, legal compliance, and market. It has established three lines of defense to inspect and supervise the risk management of the Company's various work processes.



Three Lines of Defense in Risk Management

Risk Management Process

The Company and its holding subsidiaries comprehensively, systematically, and continuously collect and analyze internal and external information that may affect the Company's operation and management, identify risks that may impact the Company's strategy and business objectives, and plan response measures to ensure the achievement of the Company's established policies, objectives, indicators, and expected results, achieving continuous improvement of the management system. This framework has already covered ESG-related risks, such as climate transition risks, with details available in the chapter "Green Operations for a Low-Carbon Future". Through collaborative management with the EHS Task Team and the Company's carbon emission system department, risks are ensured to be controllable.



● Risk Management Procedure ●



Internal Control

To standardize the Company's internal control, improve the Company's operation and management level and risk prevention capabilities, and promote the Company's sustainable development, the Company has formulated the *Internal Control Management System*, which stipulates clear provisions on matters such as related party transactions, the use of raised funds, external guarantees, significant investments, information disclosure, and the management of subsidiaries. During the reporting period, under the leadership of the Board's Audit Committee, the Company's Internal Audit Department completed the internal audit for risk management in 2025. Upon review, no material irregularities were identified.

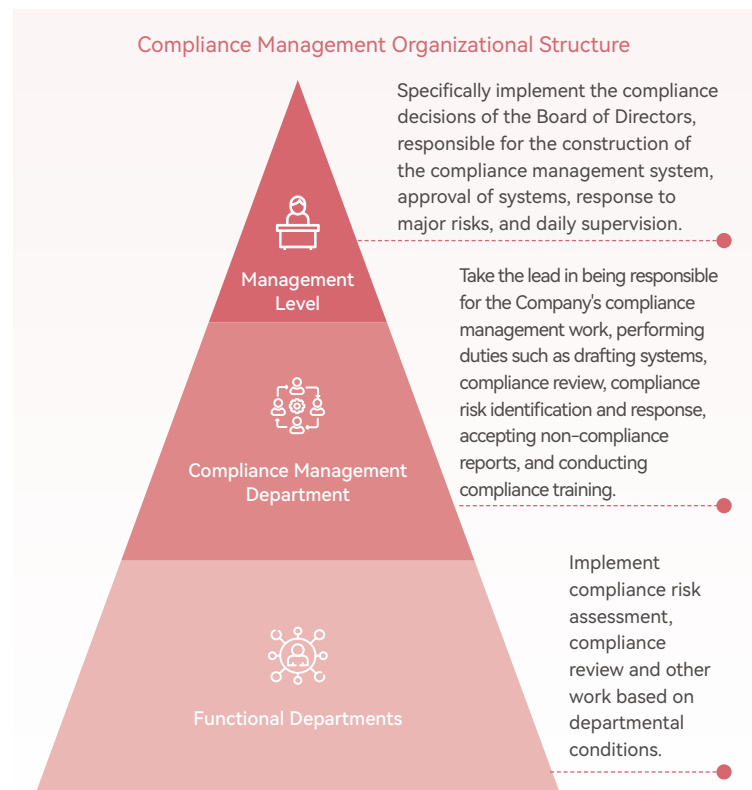
Tax Management

The Company complies with relevant tax laws and regulations, formulates the *Financial Management System* based on the Company's actual situation, and strictly manages various tax affairs. It clearly stipulates that the Finance Department is responsible for tax declaration, tax accounting, and tax planning; the General Ledger Tax position is responsible for national and local tax declarations and tax exemption, deduction and refund declaration matters, and follows up on changes in tax policies, reducing the enterprise's tax-related risks. During the reporting period, the Company made a total tax payment of RMB **37,435,400**.

Compliant Operations and Business Ethics

Compliance Management

Compliance management is the cornerstone for an enterprise to achieve sustainable development. To effectively prevent and control compliance risks, the Company has formulated the *Compliance Management System* and established a sound compliance management system, including basic links such as setting up a compliance management department, establishing compliance systems, improving operating mechanisms, cultivating a compliance culture, and strengthening supervision and accountability, so as to improve the Company's level of management of legal and compliant operations.



Compliance Control Measures

Standardized Operating Mechanism	Compliance Culture Construction	Strengthen Information Control and Management	Enhance Supervision and Accountability
<ul style="list-style-type: none"> Establish a compliance risk identification, assessment, and early warning mechanism Embed compliance review as a necessary procedure in the operation and management process Each functional department establishes a rectification mechanism for non-compliance issues Establish and improve a coordinated operation mechanism for compliance management, legal affairs management, internal control, risk management, etc., in combination with the actual situation Regularly carry out an effectiveness evaluation of the compliance management system 	<ul style="list-style-type: none"> Incorporate compliance management into the annual special learning topic Establish a normalized compliance training mechanism Strengthen the compliance publicity and education, promptly release compliance manuals, and organize the signing of compliance commitments 	<ul style="list-style-type: none"> Incorporate the compliance regulations, typical cases, compliance training, records of non-compliant behaviors, etc., into the information system Regularly review the business processes to identify the compliance risk points and strengthen compliance reviews at critical junctures Realize the interconnection, data sharing, and common use between the compliance management information system and other information systems for finance, investment, and procurement 	<ul style="list-style-type: none"> The Company's Audit Department and Securities Department monitor the implementation of compliance requirements, investigate non-compliant behaviors, and pursue accountability in accordance with relevant regulations and within their respective authorities.

Case

In 2025, the Company carried out a number of training activities for all employees, including risk and compliance management, anti-commercial bribery and anti-corruption, anti-monopoly and anti-unfair competition promotion and training. Through the training, employees' compliance awareness was comprehensively improved, and the business ethics were strictly followed.



● Anti-commercial Bribery and Anti-corruption

Governance System »»

The Company and its affiliated companies adhere to responsible business principles, and strictly comply with laws, regulations and business ethics, formulating the *Integrity and Anti-bribery Policy*. It applies to all employees, senior executives, directors, and external third parties engaged in business with the Company, urging them to strictly abide by this Policy and prohibiting all forms of bribery and corruption. The Company establishes an audit team responsible for formulating and implementing the Company's anti-bribery policy, supervising and coordinating the compliance work of various departments, and ensuring that the Company meets compliance requirements in all business areas. During the reporting period, the Company organized and carried out training on topics related to anti-commercial bribery and anti-corruption, effectively enhancing the integrity awareness and risk prevention capabilities of all employees, and actively fostering a clean and upright working atmosphere.

During the Reporting Period

The completion rate of the Company's business ethics and internal control training and promotion was **100%**, and the coverage rate of directors and management receiving anti-commercial bribery and anti-corruption training was **100%**.

Risk Management Process »»

The Company has established a risk management process for integrity and commercial bribery. Through methods such as internal self-inspection, external investigation, and accepting reports, it comprehensively identifies potential bribery risks covering procurement, sales, and marketing activities, formulates targeted response measures, and continuously strengthens anti-corruption risk management.

Supervisory Measures »»

The Company adopts and implements a series of supervisory measures to effectively prevent and detect corruption and bribery. During the reporting period, no litigation events occurred as a result of commercial bribery or corruption.

- ▶ Sign the *Agreement for Integrity and Self-discipline of Employees* with employees and the *Integrity Agreement* with business partners to institutionally prevent the occurrence of corruption;

- ▶ Interview employees in key departments and sensitive positions, including middle-level managers and senior leaders, and conduct questionnaires on corporate integrity, ethics, and commercial bribery for employees in key departments at different levels to gain in-depth insights into employees' genuine thoughts and actual situations, strictly controlling and preventing any potential conflicts of interest;

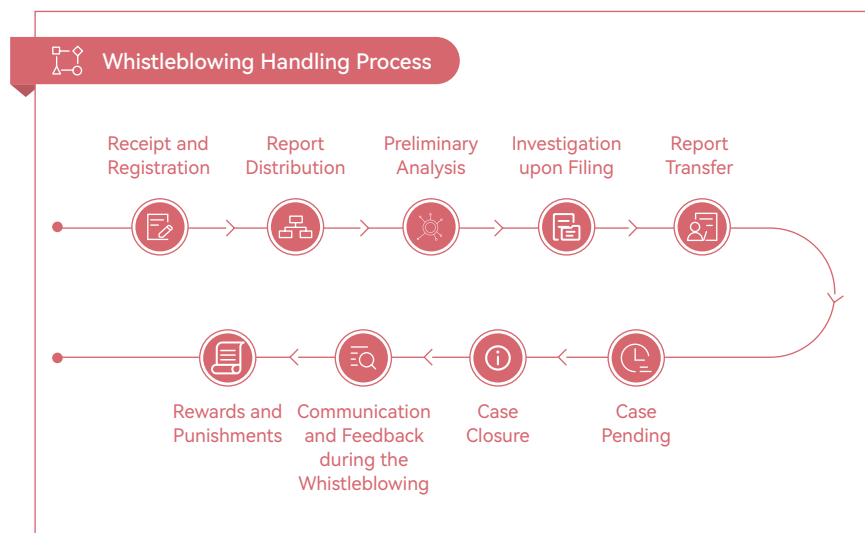
- ▶ Conduct self-examinations by irregularly reviewing relevant contracts, reimbursement vouchers, and other materials, and analyzing business data of key positions and sensitive links;

- ▶ Standardize the management of gift acceptance and entertainment expenses to prevent commercial bribery through improper gifts and entertainment;

- ▶ Implement a job rotation system and a nepotism avoidance policy for key positions to prevent the abuse of power and the occurrence of commercial bribery.

Integrity Whistleblowing Mechanism

The Company attaches importance to whistleblowing management and whistleblower protection, actively creating a safe and trustworthy whistleblowing environment. The Company has formulated the *Whistleblowing Management Measures* and established dedicated whistleblowing channels to receive whistleblowing information from all parties. Any relevant person aware of any actual or suspected violation of the *Integrity and Anti-bribery Policy* can report the relevant incidents in accordance with the established process. The Audit Team will initiate appropriate actions for alleged misconduct, improper behavior, or fraud. At the same time, the Company requires that the receipt, investigation, investigation results, and other related content of reported cases be properly recorded and documented for retention.



The Company supports both named and anonymous reporting, strictly safeguards the safety and interests of whistleblowers, and keeps the reported information confidential. Rewards are provided to individuals whose recommendations are effective or whose reports are verified to be true.



Reporting Channels

Phone: 0769-85358920-6075

Email: Hrdg02@wcon.com

WeChat Public Account: Clean WCON

Mails or in-person reports: Audit Department, WCON Electronics Co., Ltd., No. 15 Wenming Road, Daning, Humen Town, Dongguan, Guangdong

Anti-monopoly and Anti-unfair Competition

To enhance the ability to prevent, control and deal with anti-monopoly and anti-unfair competition compliance risks and solidify the foundation for law-abiding and compliant operations, the Company has formulated systems such as the *Anti-unfair Competition Compliance Management System* and the *Anti-monopoly Compliance Management System*. It strictly reviews links such as market promotion, sales strategies, customer acquisition and maintenance, product quotation, and various contracts, explicitly prohibiting the use of unfair competition means such as confusing acts, false publicity, commercial defamation, infringement of trade secrets, and unfair prize-giving sales in marketing.

The Company establishes a continuous supervision mechanism to monitor market dynamics, industry competition conditions, changes in laws and regulations, and the Company's own behaviors. It uses data analysis tools to analyze the Company's own market behaviors and data, identify potential risk points, regularly review the effectiveness of risk management measures, and adjust strategies based on the actual situation to ensure that the enterprise always meets the requirements of anti-monopoly and anti-unfair competition.

The Company regularly organizes anti-unfair competition training for marketing personnel, covering relevant laws and regulations, internal corporate rules, and case studies. During the reporting period, no incidents of unfair competition took place at the Company.

Data Security and Privacy Protection

Adhering to the philosophy of "prevention-first, comprehensive governance, security, assured security, and continuous improvement", the Company deeply integrates security with business, and continuously optimizes and improves its security management strategies to actively respond to challenges brought by new technologies and new businesses. It also builds a comprehensive, multi-layered information security protection system to effectively safeguard the absolute security of the Company's internal core business data, operational information, and customer privacy. During the reporting period, no incidents of data security breaches or customer privacy breaches were reported at the Company.

Data Security Management

The Company strictly complies with relevant laws and regulations, formulating the *Information Security Protection System* to clarify core requirements such as data classification and grading, access control, data storage, network security, and audit monitoring, which comprehensively standardizes the security protection of the entire information processing process, and effectively ensures the confidentiality, integrity and availability of the Company's core data during collection, transmission, exchange, processing, and storage.

At the same time, the Company establishes an IT Department, composed of an information security officer and operations and maintenance personnel, responsible for the daily security management of business systems and data, carrying out security risk assessments, security project implementation, contingency drills, etc., and promptly proposing improvement suggestions for problems encountered during business development, ensuring the security of the Company's data and information assets with an efficiently operating management system. The Company also regularly organizes training on information security knowledge and conducts training tests to enhance employees' information security awareness and professional level.

During the Reporting Period

Number of relevant training sessions conducted

12 times

Total investment in data security

RMB **698,000**

Data Security Risk Management

Risks					
Risk Category	Description	Risk Analysis		Potential Impact	Management Measures
		Severity	Frequency		
Cyber Attack	Hacker attacks (e.g., phishing, ransomware), DDoS attacks leading to system paralysis or data theft.	5	3	<ul style="list-style-type: none"> Business interruption losses (decline in revenue). Customer trust crisis. Regulatory fines (e.g., GDPR violations). 	<ul style="list-style-type: none"> Deploy next-generation firewalls and intrusion detection systems. Regular drills for the emergency response team. Automated vulnerability patch management, monthly vulnerability scanning.
Data Leakage	Leakage of customer/employee private data due to internal negligence or external intrusion, violating regulations such as the <i>Personal Information Protection Law</i> .	5	3	<ul style="list-style-type: none"> Legal lawsuits and fines. Damage to brand reputation. Customer churn. 	<ul style="list-style-type: none"> Implement daily data classification and grading management with automatic alerts for violations. Encrypt and anonymize company sensitive data, and adhere to the principle of least privilege for management. IT Department conducts monthly information security reviews.
Insider Threat	Employee misoperation, malicious deletion, or unauthorized access to core data.	4	3	<ul style="list-style-type: none"> Leakage of core intellectual property. Internal operational chaos. Failure in compliance audits. 	<ul style="list-style-type: none"> Deploy data leakage prevention systems. Monitor employee behavior and control their permissions. Regular information security awareness training and assessments. Retain logs of all privileged employee actions, and conduct bi-annual permission reviews.
Supply Chain Risk	Security vulnerabilities in third-party suppliers (e.g., cloud service providers, and outsourced development) leading to associated risks.	4	2	<ul style="list-style-type: none"> Supply chain interruption affecting delivery of existing products. Associated legal liability (e.g., a supplier leaks customer data). Increased system remediation costs. 	<ul style="list-style-type: none"> Supplier information security qualification certification (e.g., ISO 27001). Clearly define security responsibility clauses in service contracts. Focus on information security in annual audit and evaluation of key suppliers.
Physical Security	Data loss due to theft of data center equipment or natural disasters (fire, flood).	3	1	<ul style="list-style-type: none"> Risk of permanent data loss. High cost of disaster recovery. Regional service shutdown. 	<ul style="list-style-type: none"> Off-site offline data backup. Physical environment monitoring and regular inspections (access control, temperature and humidity sensing).
Emerging Threats	Misuse of AI technology (e.g., deepfake attacks), quantum computing potentially cracking existing encryption algorithms.	4	1	<ul style="list-style-type: none"> New attack methods bypassing conventional defenses. Encryption system failure leading to global risks. Lagging technology iteration affecting competitiveness. 	<ul style="list-style-type: none"> Annual technology risk seminars, actively monitoring cutting-edge AI technologies.

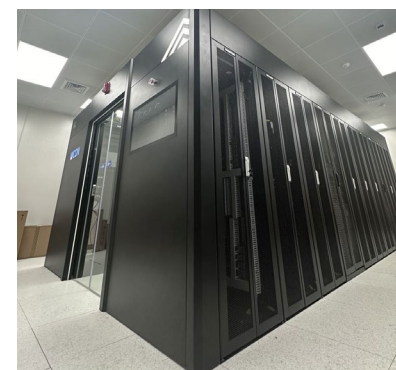
● Data Security Practices

To ensure data security and compliant operations, the Company has taken measures in terms of technology, management, and personnel awareness during its actual business operations. By continuously strengthening data asset protection measures, it has effectively safeguarded its reputation and customer trust, laying a solid and reliable foundation for long-term sustainable development.

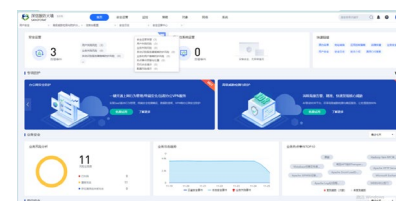
Establish a Data Security Protection Platform	<ul style="list-style-type: none"> Data Encryption Module: Utilizing the IP guard encryption system to encrypt contract information of partners, as well as personal privacy data of customers and employees; Access Control and Identity Authentication Module: Implementing multi-factor identity authentication mechanisms and role-based access control (RBAC).
Build a Data Center	<ul style="list-style-type: none"> Physical Security Protection: Considering geographical safety in site selection for the data center, equipped with physical protection facilities such as automatic alarm systems and surveillance cameras. By deploying an environmental monitoring system, real-time monitoring of servers and storage is conducted to ensure equipment operates under suitable environmental conditions; Network and System Security Configuration: Constructing a secure network architecture and deploying server security protection software.
Implement System Security Protection	<ul style="list-style-type: none"> Firewall and Intrusion Detection/Prevention Systems: Deploying firewalls and regularly updating rule and signature libraries for firewalls and IDS/IPS; Application Security Protection: Conducting security development training for various business applications developed by the Company and deploying Web application firewalls for applications.
Periodically Test Critical Data Hardware Equipment	<ul style="list-style-type: none"> Hardware Equipment Health Checks: Developing inspection plans and regularly conducting health checks on servers, storage devices, and network equipment storing critical data; Redundancy and Backup Equipment Testing: Adopting redundancy designs for key data hardware equipment and conducting regular tests on data backup equipment.
Periodically Test Key Data Systems	<ul style="list-style-type: none"> Functionality and Performance Testing: Regularly conducting functionality tests on key data systems and evaluating their performance; Security Vulnerability Testing: Regularly conducting security vulnerability tests, establishing a security vulnerability management mechanism, and tracking and managing identified security vulnerabilities.



Tipyra Green Shield Encryption System



Data Center



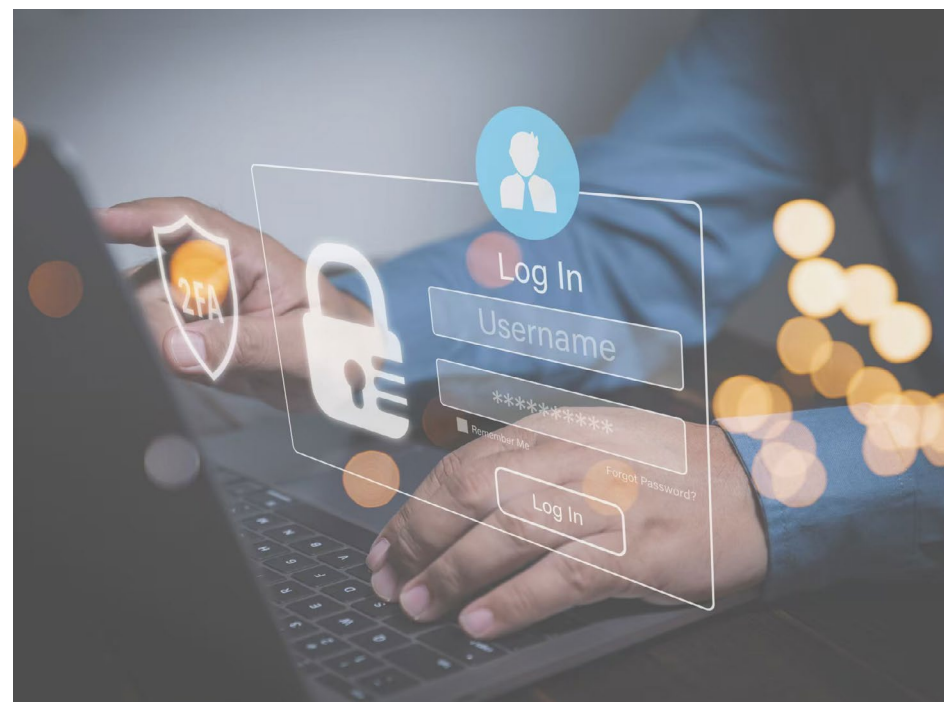
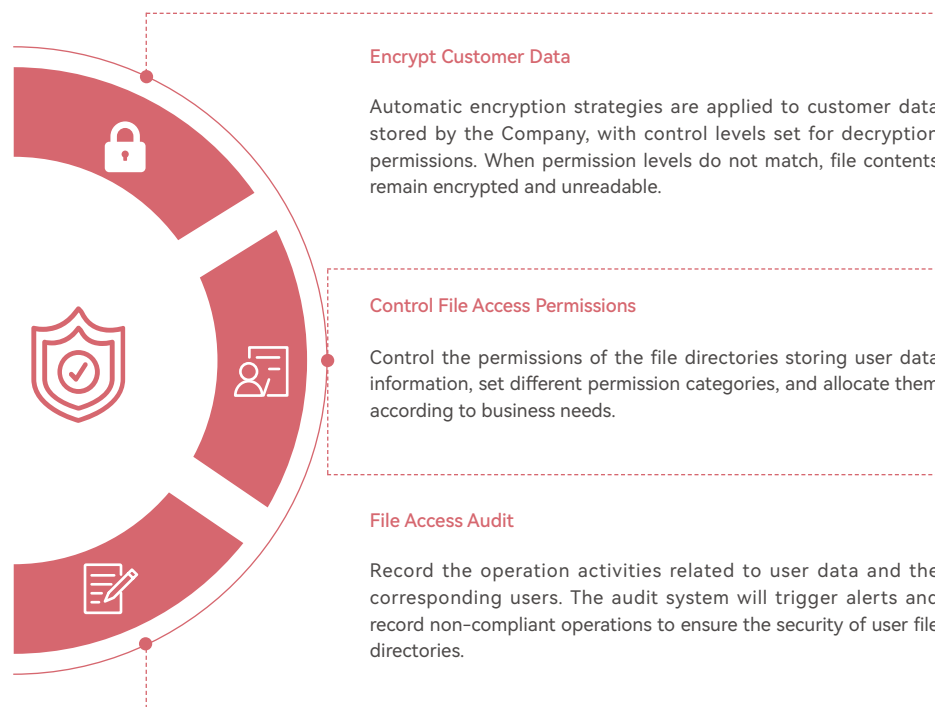
Sangfor Firewall

Case Emergency Drill for Cyber Network Attacks

On August 19, 2025, the Company organized an emergency drill on cybersecurity under the theme of "File Server Under External Attack". By simulating potential cybersecurity incidents, the drill was designed to test and enhance the Company's rapid response and overall coordination capabilities in handling emergencies. It also helped the Company further improve the coherence and feasibility of the interface between various accident plans and emergency response measures, so as to ensure the stable operation of the Company's computer systems and information security.

Customer Privacy Protection

The Company continuously strengthens technical and management safeguards for customer privacy protection. Through system audits, permission classification, encryption protection, vulnerability scanning and terminal security management, the Company strictly prevents and controls risks such as customer information leakage, tampering and unauthorized access. It maintains open customer feedback channels and responds to privacy-related requests in a timely manner. The Company continues to improve its security systems and technical protection measures, enhances employee security awareness, and makes every effort to safeguard the security of customers' private data and protect their legitimate rights and interests.



The Company has established an emergency response mechanism that specifies the response procedures in the event of a privacy data breach, including the incident reporting mechanism, responsibilities of the emergency response team, and communication methods with customers and regulators. For high-risk business activities or partnerships, the Company transfers part of the risks by purchasing appropriate insurance (such as cybersecurity insurance). In the event of an actual or potential data breach, the Company will immediately take effective measures to prevent further data leakage, and continuously improve the Company's data security and privacy protection strategies, procedures and technologies based on the actual situation of risk monitoring and response.

02

Green Operations for a Low-carbon Future

WCON adheres to the concept of green development, actively responds to the challenges of the era brought by climate change, continuously improves its environmental compliance management system, and enhances energy and resource utilization efficiency. Through practical actions, it contributes to the realization of China's "dual carbon" strategic goals.



Responded Topics

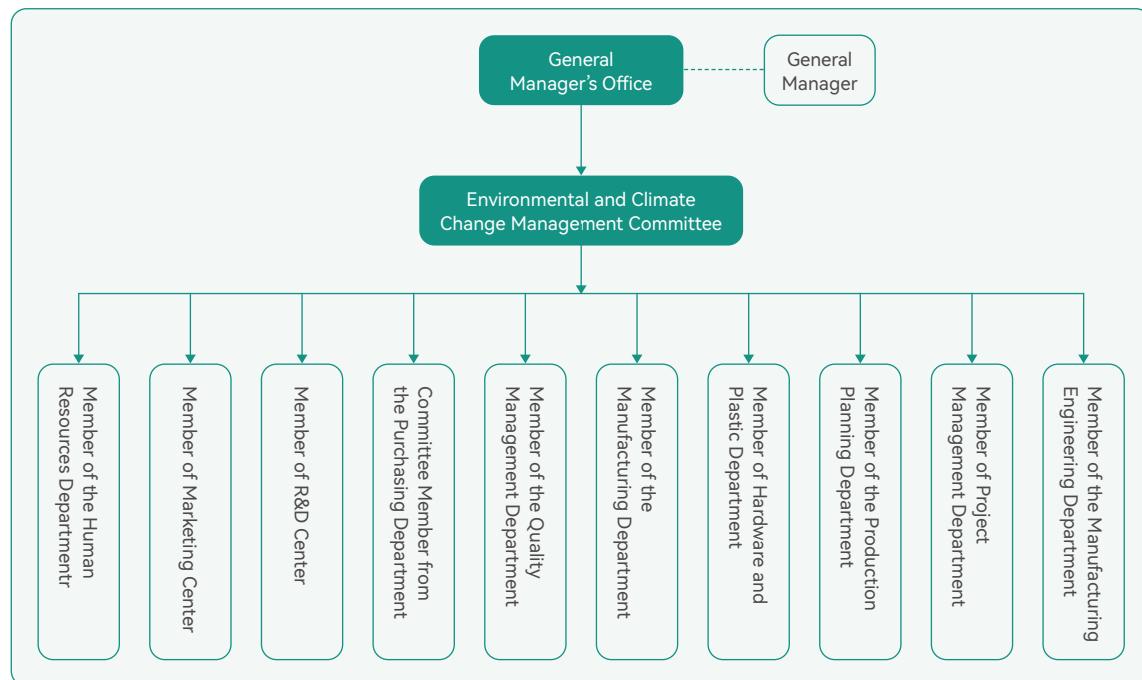
- Response to Climate Change
- Environmental Compliance Management
- Pollutant Emissions
- Waste Disposal
- Energy Utilization and Water Resource Utilization

Response to Climate Change

Against the backdrop of escalating global climate change challenges and the in-depth promotion of China's "dual carbon" goals, the Company systematically constructs a climate governance system. Referencing the TCFD recommended framework, it comprehensively identifies climate risks and opportunities related to its operations and formulates response measures. It improves measurement indicators and target management to establish long-term climate response capabilities.

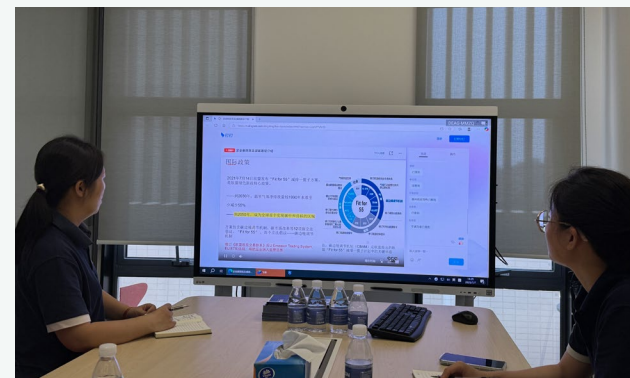
Environmental Governance

The Company strictly complies with relevant laws and regulations to formulate the *Control Procedure for Combating Climate Change*, clarifying operational norms for environmental protection and climate change management. It establishes a governance system with responsibilities from the General Manager's Office to various business centers. The General Manager's Office is responsible for formulating climate strategies and objectives to ensure the proactive alignment of overall corporate development strategies with climate change trends. The Environmental and Climate Change Management Committee is responsible for the specific formulation of climate policies, risk assessment, and supervision of implementation to ensure the effective implementation of climate strategies. The Management is responsible for integrating climate strategies into daily operations, ensuring the effective implementation of various measures, and supervising the execution of climate adaptation measures by various business departments. Each business center department formulates and implements specific climate adaptation measures based on its respective characteristics and business scope, ensuring that climate change factors are fully considered in daily operations. Climate governance is translated from policy to specific operations, achieving sustainable development.



The Company actively organizes training sessions on themes such as carbon emissions and carbon footprints. By gaining an in-depth understanding of current climate and carbon neutrality situations, accounting methods, and carbon reduction paths, it systematically enhances employees' awareness and problem-solving abilities regarding climate issues.

Case Carbon Emission Training



Environmental Strategy and Risk Management

The Company has formulated the *Risk and Opportunity Control Procedure*. Based on its management system, the Company identifies physical and transformational risks and opportunities faced by each department during production and management processes, and records them in the *Risk and Opportunity Assessment and Analysis Form*. For identified risks, a quantitative evaluation is conducted from three dimensions: severity, frequency of occurrence, and detectability. Corresponding countermeasures are then developed. The responsible department continuously tracks the risk control measures to ensure their effective implementation, regularly updates the assessment results, and forms a closed-loop management system.

Risks						
Risk Type	Description	Risk Analysis		Potential Financial Impact	Management Measures	
		Severity	Frequency			
Market Risks	Increase in Raw Material Costs	5	2	Factors such as climate change may lead to an increase in raw material prices and purchase costs.	<ul style="list-style-type: none"> Screen alternative suppliers to reasonably control the purchase costs. Promote suppliers' transition towards energy conservation and emission reduction through supplier communication, implementation programs, and investigation. Establish a low-carbon monitoring mechanism for upstream raw materials. Accelerate the green transformation and introduce new technologies and materials. 	
	Change in Consumer Behavior	5	2	The change in consumer preferences leads to a decrease in the demand for goods and services, a reduction in operating income, and an increase in operating costs.	<ul style="list-style-type: none"> Advocate for using clean energy, building rooftop photovoltaics, purchasing green electricity and certificates, etc., to accelerate the green transformation. Introduce new technologies and materials. Establish a low-carbon monitoring mechanism for upstream raw materials. 	
Transition Risks	Carbon Emission Control Policy	5	2	Policy changes could lead to the write-off, impairment, or early retirement of existing assets. Failure to promptly respond to new regulations may result in fines and increased compliance costs.	<ul style="list-style-type: none"> Pay attention to policy changes in various regions and adjust based on the situation and customer needs. Use clean energy such as rooftop photovoltaics and purchase green electricity to replace traditional fossil energy and promote the transformation of the energy structure. Set the objectives of energy conservation and consumption reduction, promote energy conservation and emission reduction, and improve energy use efficiency from the management and technical levels. Analyze the future change trends of energy efficiency standards to ensure that the Company's production equipment and processes meet the requirements of new standards. Optimize the carbon emission management system to promote carbon emission reduction. 	
	Policy and Regulatory Risks	The government, social organizations, and residents do not accept excessive pollution emissions	4	1	Possible violation fines due to pollution emissions may negatively impact the Company's reputation.	<ul style="list-style-type: none"> Strictly implement the EHS management plan to ensure that the industrial exhaust gases, canteen fumes, domestic sewage, and boundary noise emitted by the Company meet the relevant standards, with monitoring conducted at least once a year.
		There is a lack of proper identification, collection, and publicity of applicable EHS laws and regulations. Moreover, the environmental factors and hazards related to the Company's internal activities are not clearly defined, and some employees have a weak sense of compliance with the law.	3	1	Failure to respond promptly to relevant laws, regulations, and policies leads to violation fines, while inadequate internal risk identification results in increased compliance operation costs.	<ul style="list-style-type: none"> Strengthen the identification, collection, and periodic updates of applicable EHS laws and regulations, with key provisions incorporated into training programs or institutionalized in company policies.

Risks						
Risk Type	Description	Risk Analysis		Potential Financial Impact	Management Measures	
		Severity	Frequency			
Transition Risks	Technology Risk	Technology Substitution Risk	5	2	Increased expenditures on the research and development of new and alternative technologies, along with rising procurement costs.	<ul style="list-style-type: none"> Pay close attention to green innovations such as clean energy and energy-saving technologies, and evaluate whether the enterprise can adapt to technological changes. Establish diversified relationships with technology suppliers to mitigate reliance on a single technology supplier and minimize the risks associated with technology transition.
	Reputation Risks	Increased Concerns or Negative Feedback from Stakeholders	5	2	The decrease in the customer's demand for the Company's products results in a reduction in operating income.	<ul style="list-style-type: none"> Publicly disclose policies and information related to climate change to ensure all stakeholders can obtain relevant information and supervise and evaluate the Company's performance. Evaluate the possible impact of climate change on the enterprise's brand image and customer loyalty and formulate response strategies for maintaining and enhancing the brand reputation. Conduct a customer satisfaction survey in the form of a questionnaire once a year and summarize the customer satisfaction survey results to let relevant departments take corresponding corrective and preventive measures.
Physical Risks	Climate Risks	Emergencies such as the increase in extreme weather events caused by climate change lead to shortages of key materials or critical human resources.	5	1	Sudden weather causes damage to infrastructure and equipment, leading to an increase in operating costs; it may affect the production schedule and cause a decrease in operating income.	<ul style="list-style-type: none"> Formulate the Control Procedure for Emergency Response. Maintaining a safety stock of key materials ensures the normal demand for production raw materials during emergencies. Strengthening multi-functional training for employees enables them to be competent in various tasks of critical positions, allowing for redeployment in case of staff shortages. Establishing an Emergency Plan List and conducting drills for key material shortages or critical human resource shortages in accordance with the emergency plan.

Remarks:
 1. Severity: 1) Extremely Severe, 2) Severe, 3) Significant, 4) Moderate, 5) Minor
 2. Frequency: 1) Rare, 2) Unlikely, 3) Occasionally, 4) Likely, 5) Frequent

Opportunities		
Opportunity Type	Opportunity Content	Management Measures
Financial Management	Sufficient Funds for the Company's EHS Management System	<ul style="list-style-type: none"> Establish a special fund for EHS management to ensure the source of funds for EHS management investment.
Resource Efficiency	Recycling Technology	<ul style="list-style-type: none"> Optimize the design of green products and reduce the use of materials from the source. Advocate the recycling of materials and the transformation of waste. Implement water recycling practices and establish a reclaimed water reuse system.
Energy Source	Low-emission Energy Sources	<ul style="list-style-type: none"> Build rooftop photovoltaics, purchase green electricity, certificates, etc., to accelerate the green transformation. Set the objectives of energy conservation and consumption reduction, promote energy conservation and emission reduction, and improve energy use efficiency from the management and technical levels. Accelerate the construction of the energy management system to create a green manufacturing system.
Compliance Provisions	The Company has not received any complaints or penalties from government authorities or surrounding residents.	<ul style="list-style-type: none"> Comply strictly with regulatory requirements.
Requirements and Expectations of Stakeholders	Some customers require the Company to establish an ESG management system.	<ul style="list-style-type: none"> Continuously implement the ESG management system and accept a third-party institution's certification audit to ensure the ESG certificate's effectiveness.
	The audit institution requires the Company to meet the requirements of the ESG management system and continuously improve the ESG management system.	<ul style="list-style-type: none"> Accept the review of the audit institution and promptly improve and track any identified problems. Make the ESG management system operate effectively.
Other aspects	Development of the national carbon trading market.	<ul style="list-style-type: none"> Through the regulatory role of the carbon trading market, the Company intensifies its efforts to reduce emissions and participates in carbon emissions trading.

Low-carbon Metrics and Targets

The Company has developed the *Enterprise Low-Carbon Action Plan* and set low-carbon goals and emission reduction actions for the next 10 years based on its actual situation, striving to achieve a "net-zero carbon factory" within the next decade. During the reporting period, the Company obtained the Three-Star Net-Zero Carbon Factory Certification.



Strengthen the management of carbon emissions, aiming to achieve a "net-zero carbon factory" within the next 10 years and reduce carbon emissions by **35%** by 2035.



Low-carbon Goals

Improve energy utilization efficiency and ensure that the proportion of carbon emissions relative to output during production continues to decrease.



Reduce dependence on traditional energy, and proactive utilization of renewable, clean energy, such as solar, wind, and air, is recommended.



Promote energy-saving and environmental protection technologies and improve the overall environmental protection level of the enterprise.



Greenhouse Gas Emission Management

Greenhouse Gas Management »»

The Company has established a data collection system for emission reduction, enabling real-time comprehensive monitoring of key indicators such as greenhouse gas emissions, production energy consumption, and wastewater and exhaust gas emissions. Regular evaluations of emission reduction efforts are conducted to ensure timely identification of issues and closed-loop rectification. Based on the evaluation results, the Company systematically summarizes emission reduction experiences, dynamically optimizes emission reduction plans, and actively incorporates advanced industry concepts and technologies to drive continuous deepening and innovation in emission reduction efforts.

Main Production and Operation Activities of Greenhouse Gas Emissions

Category	Subcategories	Emission Source	Corresponding Activities/ Facilities	Forms of Emission Source	Potential Types of GHG
Category 1 (Direct GHG Emissions)	Direct Emissions from Mobile Combustion	Gasoline	Company cars	Transportation	CO ₂ , CH ₄ , N ₂ O
	Fugitive Emission of GHG	Sewage	Septic Tanks	Fugitive	CH ₄
Category 2 (Indirect GHG Emissions from Energy)	Indirect Emissions from Purchased Electricity	Electric power	Energy Consumption of Equipment and Lighting	Energy	CO ₂

During the Reporting Period

Total GHG Emissions
5,140.68 tCO₂e

Direct GHG Emissions (Scope 1)
86.15 tCO₂e

Indirect GHG Emissions (Scope 2)
5,054.53 tCO₂e

Statistical Explanation: Scope 1 GHG emissions are calculated based on default values of common fossil fuel characteristic parameters issued by the National Development and Reform Commission of the People's Republic of China; Scope 2 GHG emissions are calculated based on average carbon dioxide emission factors for China's regional power grids issued by the National Development and Reform Commission of the People's Republic of China.

Carbon Reduction Initiatives »

In response to the advocacy for a green, low-carbon, and circular development economy, the Company actively promotes a series of energy-saving and carbon reduction measures to minimize the environmental impact of its business activities and contribute to the global green, low-carbon economy and sustainable development.

- Scientifically Improve Production Processes and Enhance Production Technology and Equipment Energy Efficiency.**

 - ▶ Replace the refrigeration unit of the high-speed punching machine with a water-cooling system, adopt fully electric injection molding machines, and utilize super aluminum alloy air pipes, etc., to reduce energy consumption.
 - ▶ Build dust-free workshops and CNAS laboratories that can meet the *General Requirements for the Competence of Testing and Calibration Laboratories of the ISO/IEC 17025:2017 Laboratory Management System*;
 - ▶ Solar photovoltaic and energy storage charging canopy; solar light guiding system installed in the basement; solar-powered streetlights; enclosed cooling tower; double-glazed windows in factory buildings and dormitories.
- Implement Low-carbon-related Systems to Improve Energy Efficiency Management**

 - ▶ Implement the ISO 14064-1:2018 carbon verification system and complete the third-party certification.
 - ▶ Strengthen energy management and establish an energy informatization monitoring and management system.
- Promote Clean Energy**

 - ▶ Encourage employees to use public transportation to reduce vehicle exhaust emissions.
 - ▶ Construct solar power generation facilities on the rooftop of the Company's factory building to provide clean energy for the Company's electricity consumption.
- Promote Recycling and Reuse**

 - ▶ Collect and utilize the condensed water of air conditioners.
 - ▶ Reuse the material reels.
 - ▶ Recycle the material packaging PE bags/cartons.
- Green Office**

 - ▶ Reuse office supplies such as file bags and data bags.
 - ▶ Save electricity for office equipment and air conditioners.
 - ▶ Use e-government, corporate OA systems, Lark, or SAP systems for office work.
 - ▶ Advocate water conservation and establish a water management system.
- Promote the Concept of Energy Conservation and Environmental Protection**

 - ▶ Conduct publicity and education on energy conservation and environmental protection knowledge to improve employees' and the public's awareness of energy conservation and environmental protection.
 - ▶ Cooperate with relevant departments to strengthen the publicity of environmental protection policies and supervise compliance.

Carbon Asset Management

To standardize the Company's carbon asset trading practices, enhance the transparency and credibility of carbon asset trading, and promote the healthy development of the carbon market, the Company formulates the *Procedure for Carbon Asset Trading Management*. During the carbon asset trading process, the Company strictly adheres to the principles of openness, fairness, and impartiality, rigorously regulating aspects such as carbon asset trading procedures and requirements, supervision and review, risk management, information disclosure, and penalties for violations.

The Company establishes a Carbon Finance Department to manage and conduct carbon asset trading activities, organize the formulation of corporate carbon asset trading rules, and carry out publicity and training. The Supervision Department monitors and inspects the compliance and fairness of corporate carbon asset trading, while the Finance Department is responsible for accounting and statistics related to corporate carbon assets and cooperates with the Carbon Finance Department in carbon asset trading settlements. The Environmental Protection Department oversees corporate carbon asset conditions, carries out carbon emission reduction efforts, and cooperates with the Supervision Department in reviews and inspections.

In 2025, on the basis of continuous internal emission reductions, the Company has advanced green certificate trading by purchasing International Renewable Energy Certificates (I-RECs) and National Green Electricity Certificates (VCUs) to offset a portion of its carbon emissions, helping the enterprise overcome green trade barriers.

Environmental Compliance Management

The Company strictly adheres to national and local environmental regulations, proactively identifies and manages environmental risks, strives to reduce the impact of pollutant emissions on the surrounding environment, strengthens the environmental awareness of employees and other relevant parties, and promotes continuous improvement in environmental performance.

Environmental Management System

The Company establishes an Environmental and Occupational Health and Safety Management System in accordance with ISO 14001:2015 and ISO 45001:2018 standards. The Quality Management Department Manager is appointed as the management representative for the Company's Environmental Management System and Occupational Health and Safety Management System (EHS Management System), responsible for the formulation, implementation, and maintenance of environmental and occupational health and safety policies. The General Manager is responsible for approving these policies. Various departments collaborate in environmental management efforts, effectively identifying and evaluating environmental factors and hazards, formulating objectives and indicator management plans, and continuously monitoring and measuring relevant environmental performance. The Company conducts at least one internal environmental audit and management review annually, which helps in promptly improving system vulnerabilities.

During the reporting period, the Company passed ISO 14001:2015 environmental management system certification and awarded the title of Guangdong Provincial Green Factory.



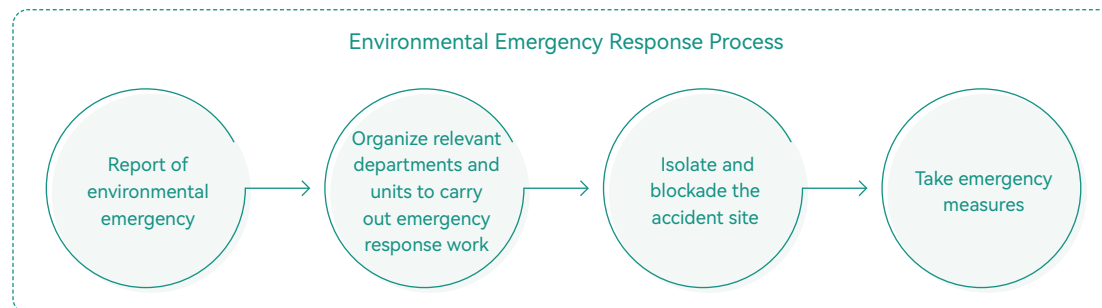
Environmental Risk Management

The Company clearly defines the responsibilities of each unit and systematically carries out environmental risk factor identification in accordance with the requirements of the *Control Procedures for Identification and Evaluation of Environmental Factors*. During the reporting period, a third-party agency was commissioned to test the Company's drinking water, wastewater, exhaust gases, and noise, with all test results meeting standards.

Environmental Emergency Management »

To effectively prevent and respond to potential environmental emergencies, the Company has formulated the *Emergency Plan for Environmental Management* and established an environmental emergency management structure centered around the Environmental Management Emergency Command Center, with collaboration among various departments and units to minimize the harm caused by environmental emergencies to the environment and society.

During the reporting period, the Company organized a total of two environmental contingency drills.



Hazardous Substance Monitoring »

The Company formulates normative documents such as the *Regulations on the Management of Hazardous Substances* to investigate, identify, and manage hazardous substances to the environment in materials, components, auxiliary materials, tools, and packaging materials throughout the process from incoming materials to product shipment. This ensures that products are healthy and safe and continuously meet the usage and management requirements for hazardous substances to the environment proposed by customers or relevant domestic and foreign organizations. The Company strictly implements the national laws and regulations, local policies, decrees of the customer's country, and appropriate customer requirements, and formulates the *Restriction Standard for Hazardous Substances* to standardize the "Control List of Hazardous Substances." This list details all hazardous substances used, managed across three management levels, and classified by applicable product categories, with real-time updates to prevent non-environmentally friendly materials, components, and products from entering the supply chain and mitigate environmental impact.

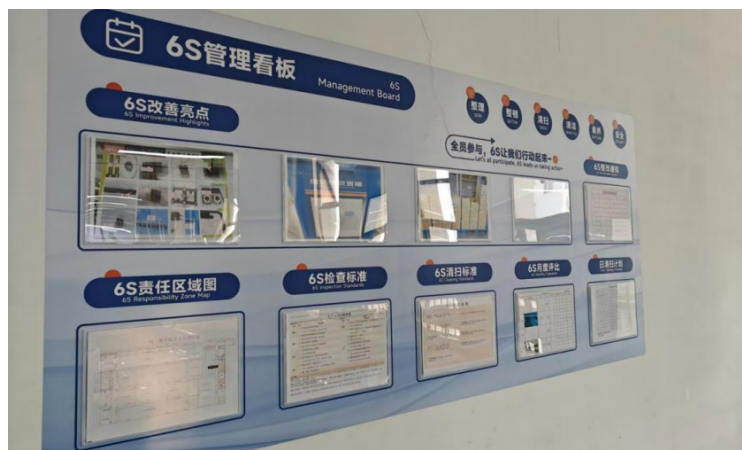
During the reporting period, all the identified hazardous substances of the Company passed third-party testing and certification.

6S Initiatives »»

6S Sort, Set in Order, Shine, Standardize, Sustain, Safety

The Company conducts 6S inspection and improvement initiatives in accordance with its internal *6S Management Measures*. Daily and monthly inspection tours are carried out in production and manufacturing workshops and other relevant areas to promptly identify, quickly improve, and precisely control environmental risk hazards. The Company establishes a closed-loop management mechanism of "problem recording - assigning responsibility to individuals - setting deadlines for rectification - re-inspection and confirmation." The 6S Management Team incorporates monthly inspection results into the *6S Inspection Report*, specifying the responsible persons for problems, rectification requirements, and completion deadlines. The ESG Task Force tracks rectification progress and implements reward and punishment incentives for department heads based on evaluation results.

During the reporting period, the Company conducted a total of five 6S inspection and improvement initiatives, identifying a total of 172 problem points, including 77 (45%) related to workshop sorting and organizing, 43 (25%) related to workshop safety, 34 (20%) related to workshop cleaning and sanitation, and 18 (10%) related to other issues. All problems were improved within the specified time limits. In the 6S inspection and improvement initiatives, the Company rewarded and punished relevant department 6S managers based on evaluation results, rewarding a total of 12 individuals. Through a combination of positive incentives and negative constraints, the Company enhanced the risk management awareness of all employees.



● Pollutant Emissions

The Company strictly complies with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes* and the *Regulations of Guangdong Province on the Prevention and Control of Environmental Pollution by Solid Wastes*. It establishes a sewage and waste management system and completes registration for fixed pollution source emissions. At the same time, the Company actively takes measures to reduce the emissions of wastewater, exhaust gases, and waste, striving to minimize the impact of its operations on the environment.

Environmental Management Targets	Achievements in 2025
The disposal of hazardous solid waste complies with relevant regulations, with 100% categorized storage and handling by qualified units.	✓ Achieved
The emission of wastewater, waste gas, and noise complies with relevant regulatory requirements.	✓ Achieved

Noise Management »»

The Company strictly adheres to GB 12348-2008 *Emission Standard for Industrial Enterprises Noise at Boundary* for standardized control. For noise generated by the operation of equipment such as high-speed punching machines and mixing machines, noise reduction measures such as installing vibration-damping foundations for high-noise equipment and implementing factory building sound insulation are adopted to effectively reduce noise pollution. During the reporting period, the noise detection results outside the Company's boundary all met the standards, with occasional nighttime noise levels below the standard limit of 65dB(A), causing no adverse impact on the surrounding acoustic environment.

Exhaust Gas Management »»

The Company's exhaust gases primarily originate from processes such as injection molding and grinding. The Company strictly manages exhaust gases in accordance with its internal *Control Procedure for Waste Gas Emission and Noise*. By enhancing ventilation and exhaust systems in workshops, exhaust gases are collected centrally for treatment. Organic exhaust gases are purified through a two-stage activated carbon adsorption unit to meet emission standards before being discharged at height, maintaining a low level of emissions. The emission concentrations comply with ambient air quality standards, resulting in minimal impact on the surrounding atmospheric environment.

Wastewater Management »

The Company formulates the *Control Procedure for Water Pollution* in accordance with relevant laws and regulations to implement categorized control and resource-based treatment of wastewater generated during production, operation, and construction processes. The primary source of wastewater is domestic sewage, supplemented by a small amount of equipment cleaning wastewater. Both sewage and wastewater are treated centrally. The project's cooling water is recycled and not discharged externally throughout the entire process. Domestic sewage undergoes preliminary treatment in a septic tank before being uniformly discharged into the municipal sewage interception network, rather than directly entering natural water bodies. During the reporting period, all wastewater discharge indicators of the Company met the requirements of the relevant national discharge standards.

Category	Measures and Main Contents	Governance Effects	
Wastewater	Domestic Sewage	After preliminary treatment in a septic tank, it is discharged into the sewer network.	It meets the sewer network standards and ultimately enters the urban sewage treatment system in Dongguan City.
	Grinding Wastewater and Metal Cutting Fluid	It undergoes pretreatment (coarse separation and filtration, pH adjustment, demulsification and coagulation), nanoflat membrane separation, and ultra-low-temperature double-effect distillation.	It meets the reuse standards. The reused portion is transported to each machine tool via a constant-pressure pipe network by a feed pump. Wastes are managed through classified and harmless treatment.

Case Treatment of Waste Metal Cutting Fluid

By continuously optimizing the treatment process and strengthening end-of-pipe supervision, the Company has maintained a **100%** compliance rate for wastewater discharge during the reporting period.



Cutting Fluid Circulation Treatment Process (Online Purification and Reuse)



Waste Disposal

The Company implements waste management in accordance with the principles of “classified recycling and reduction,” formulating the *Waste Management Control Procedure*. Waste is divided into two major categories: general waste and hazardous waste. Corresponding treatment measures are adopted based on waste categories, with each department implementing classified collection and storage management of generated waste in compliance with regulations.

During the reporting period, the Company formulated an annual hazardous waste management plan, clarifying the types and hazardous characteristics of hazardous wastes, estimating the annual hazardous waste output, and confirming the qualifications of the intended receiving unit and the type of transfer.

	Waste Categories	Disposal Method
 <p>General Waste</p>	<ul style="list-style-type: none"> ▶ Recyclable waste: Waste electronic wires, waste metal scraps, waste packaging materials, etc. <hr/> <ul style="list-style-type: none"> ▶ Non-recyclable waste: Domestic waste garbage 	<ul style="list-style-type: none"> ▶ Handed over to professional recycling entities for recycling and reuse <hr/> <ul style="list-style-type: none"> ▶ Handed over to the Sanitation Department for disposal
 <p>Hazardous Waste</p>	<ul style="list-style-type: none"> ▶ Solvent-containing waste, waste engine oil, waste cutting fluid, waste rags/gloves, waste activated carbon, waste empty drums 	<ul style="list-style-type: none"> ▶ Transferred to a third party with a hazardous waste operating permit for harmless treatment

During the Reporting Period

Wastewater discharges
76,808.40 tons

Quantity of general waste generated
5 tons

Quantity of general waste disposed of
5 tons

Quantity of hazardous waste generated
2 tons

Quantity of hazardous waste disposed of
2 tons

Environmental Training Sessions

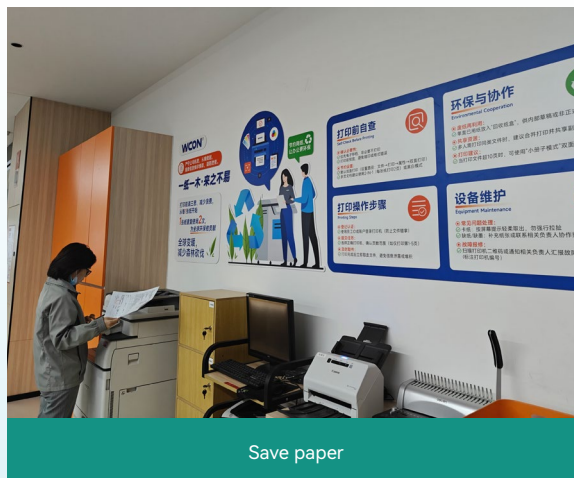
The Company actively carries out environmental protection promotion activities to enhance the environmental awareness of all employees and guide them to integrate green production concepts into their daily operations, jointly building a strong line of defense for corporate environmental protection. During the reporting period, the Company organized multiple environmental protection knowledge training sessions, focusing on core points such as environmental policy interpretation, environmental problem analysis, and environmental protection practice strategies, helping employees deeply understand the importance of environmental protection work and their own job responsibilities.

During the Reporting Period

The organization conducted **44** environmental protection training sessions, with a total of **1,312** participants and an accumulated training duration of **1,327.50** hours.

Green Office

The Company integrates resource conservation awareness into the details of the office environment and builds a sustainable office ecosystem with the participation of all employees. In public areas with high resource usage frequency, such as pantries, restrooms, and printing areas, the Company has posted standardized and visually unified resource conservation-themed icons and set up special recyclable beverage bottle recycling bins, continuously advocating green behaviors such as water conservation, power conservation, paper reduction, and waste classification to employees.



Save paper



Save water

Resource Utilization

The energy and resources used within the Company mainly include municipal water supply, purchased electricity, gasoline, paper, raw materials, etc. The Company strictly complies with the *Energy Conservation Law of the People's Republic of China* and other applicable laws and regulations, continuously optimizing energy management and improving resource utilization efficiency.

Resource Governance

The Company formulates rules and regulations such as the *Control Procedure for Energy and Resource Conservation*, the *Regulations on Domestic Electricity Management*, and the *Management Measures for the Air Conditioning System*, and implements refined management of energy and resource use across operational areas, such as production workshops, offices, warehouses, and employee dormitories, to improve resource utilization efficiency.

To ensure the effective implementation of resource governance, the Company delegates the energy management responsibilities and powers to the energy-consuming and maintenance management departments, including the Product R&D Department, the Human Resources Department, and the Procurement Department. An effective energy management system has been established to provide robust support for the efficient execution of energy management initiatives. The Company has also established a stringent supervision and performance evaluation mechanism, including an energy efficiency reward and punishment system, to encourage employees to proactively put forward energy conservation and emission reduction suggestions. This has fostered a company-wide culture of participation and joint advancement, thereby facilitating the achievement of the Company's energy management objectives. In addition, the Company has developed energy conservation training plans and regularly conducts energy conservation and carbon reduction training and awareness campaigns to further enhance employees' environmental awareness and commitment to energy conservation.

During the reporting period, the Company [obtained certification for the ISO 50001:2018 Energy Management System](#).



Resource Strategy

Risks				
Risk Type	Risk Description	Frequency	Potential Financial Impact	Response Measures
Extreme weather	Extreme storms or heavy precipitation may cause damage to energy-related facilities, thus leading to the interruption of energy supply	Low	Result in power outages or interruptions of energy supply, which may affect production	<ul style="list-style-type: none"> Strengthen equipment maintenance and overhaul to ensure the effective operation of equipment Formulate emergency procedures and conduct contingency drill training

Opportunities			
Opportunity Type	Opportunity Description	Potential Financial Impact	Response Measures
Resource Efficiency	Adopting an intelligent energy management system can efficiently improve energy management efficiency and standardize energy utilization procedures	Increase the development costs and reduce the energy expenses	<ul style="list-style-type: none"> Develop a digital energy management system to unify the Company's energy consumption management Implement water recycling practices and establish a reclaimed water reuse system
Energy Alternatives	Low-emission Energy Sources	Reduce energy expenses	<ul style="list-style-type: none"> Improve the production process to reduce energy consumption Promote the use of clean energy and independently invest in the development of energy-saving renovation projects

Management of Impacts, Risks and Opportunities

The management representative, together with the system management functional departments of the Company, is responsible for organizing relevant departments to conduct risk and opportunity review, monitoring the implementation and effectiveness of adopted measures, and ensuring effective risk control and appropriate management of opportunities through standardized procedures.

Metrics and Targets

To effectively conserve energy and resources and reduce waste, the Company has established energy consumption control metrics and targets based on its actual conditions and conducts regular monitoring to ensure effective implementation, thereby further enhancing its resource management performance.

Metrics	Target	Progress in 2025
 <p>Electricity Consumption</p>	≤ 35kWh * Output (KPCS) per month	26.04 kWh/KPCS
 <p>Water Consumption</p>	0.25t * Output (KPCS) per month	0.16 t/KPCS
 <p>Paper Consumption</p>	≤ 220 packs per month	211.75 packs

Energy Management

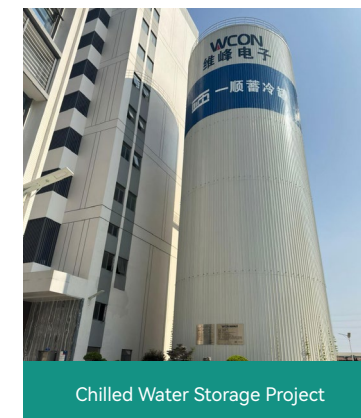
Energy-saving Project Renovation »»

Energy Storage Project

- The Company invests in the construction of a user-side energy storage project. The energy storage battery unit of the project employs nano-silicon solid lead batteries, which have the advantages of high safety, long service life, and recyclability and can effectively solve the industry pain point that electrochemical energy storage batteries are prone to fire and explosion. After being put into use, the project can fully utilize the peak-valley price difference in industrial electricity tariffs between day and night. The system automatically charges during off-peak nighttime periods and discharges to meet demand during peak daytime hours, effectively addressing the Company's instantaneous power load demand for electricity during the day, reducing its instantaneous power consumption, and lowering its base electricity costs.

Chilled Water Storage Project

- The project has been put into operation. It achieves **40%** peak-shaving and valley-filling energy savings annually, resulting in annual electricity cost savings of RMB **2.8** million. The project reduces peak load demand on thermal power generation, equivalent to an annual reduction of **2.41** million kilograms of carbon dioxide emissions, generating significant social and economic benefits.



Use of Clean Energy »

Photovoltaic Power Generation

Relying on the relatively abundant solar energy resources in Daning, Humen, the Company follows the consumption mode of “self-generation for self-use and surplus electricity fed into the grid” and has independently invested in and constructed a distributed photovoltaic power generation system on the rooftops of the No. 1 factory building, No. 2 factory building and No. 3 dormitory building at its factory complex, covering a total area of about 4,000 square meters.

After the project is implemented, it is expected to generate about **860,000**kWh of electricity annually, reducing carbon emissions by **857** tons. With clean energy accounting for **10%** of total usage, the initiative delivers significant economic and ecological benefits.



Recycling of Wastewater from the Kitchen Purified Water System

The kitchen purified water system generates 1.5T of wastewater every day. A stainless steel water tank has been installed to collect this wastewater for use in kitchen cleaning, which can save **547.5T** of water every year.



Digital Energy Management »

The Company has established a digital energy management platform. Based on unified data standards and an energy consumption analysis indicator model repository, the platform eliminates system barriers and, through a core indicator management system, enables centralized data aggregation, customized data presentation, integrated energy monitoring, and analytical decision-making, ensuring comprehensive visualization of energy consumption data.



Water Resource Utilization

Water Resource Management System »

The Company strictly complies with the *Water Law of the People's Republic of China* and other applicable laws and regulations. It has formulated the *Regulations on Domestic Water Management* to clarify responsibilities and operational requirements for the use, protection, and management of water resources, ensuring effective implementation of responsibilities.

Water Saving Measures »

Fully recognizing the scarcity and importance of water resources, the Company promotes the rational use of water resources through strengthened management of domestic water consumption and the implementation of water-saving retrofit projects, thereby preventing water waste. During the reporting period, the oil cooler was integrated with the water-cooling circulation system, achieving a water resource reuse rate of **90%** and realizing “zero waste heat discharge”.

Condensed Water Recovery Technology of the Central Air Conditioning System with Chilled Water Storage

A 12T stainless steel water tank is built in the factory area to collect the air conditioning condensed water through the pipe network. An automatic water level control system regulates the operation of the pressure pump, transferring the collected water to the central air conditioning cooling tower with chilled water storage as makeup water.

The daily collection amount of condensed water is about **21T**, resulting in annual water savings of about **7,665T**.



03

Driving Innovation, Creating Shared Value

WCON upholds the values of “Integrity-Driven Operations, Quality First, Innovation-Driven Growth, Collaboration for Win-Win Outcomes”. The Company adheres to innovation-driven development and continuously creates value for customers through high-quality products and services. Together with its supply chain partners, the Company is committed to building a sustainable ecosystem and jointly promoting the high-quality development of China’s connector industry and the advancement of new quality productive forces.



Responded
Topics

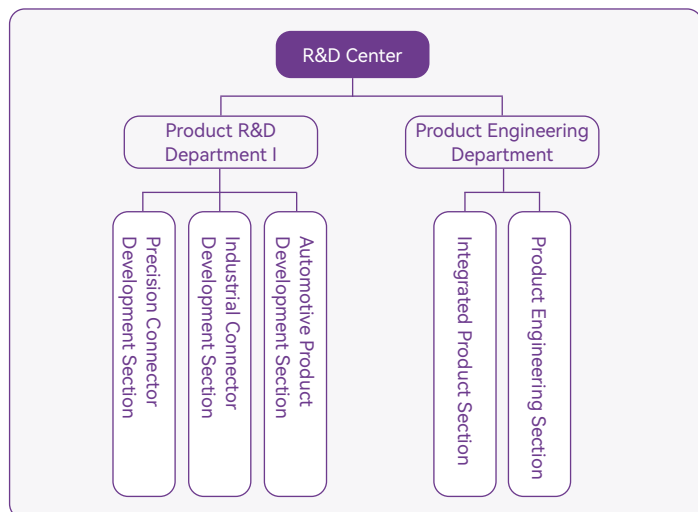
Innovation-Driven Growth
Product and Service Safety and Quality
Supply Chain Security

Innovation-Driven Growth

The Company has always regarded technology research and development as its core competitiveness. It has continuously stepped up efforts in key and core technology research, promoted the reform and innovation of the research and development system, and placed strong emphasis on the cultivation and incentive mechanisms for scientific and technological talents. By fully unleashing innovation potential, the Company drives high-quality development through the creation of technological value.

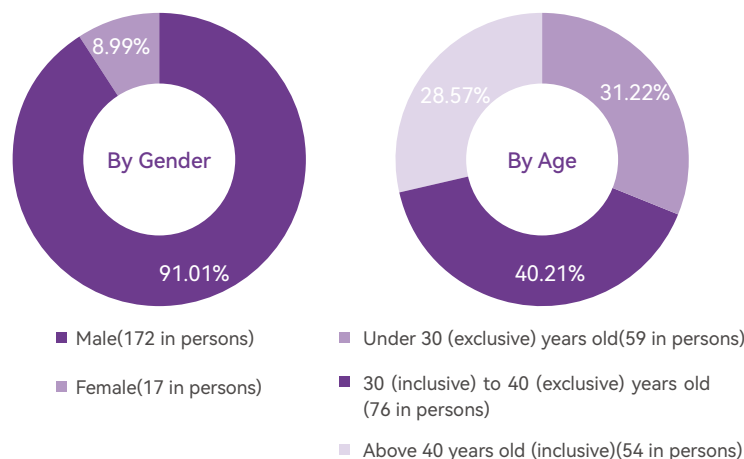
● Innovation Governance

The Company places great emphasis on product innovation and research and development. It has formulated regulations, including the *Measure for Management of Product Design and Development* and the *Project Management Control Procedure*, to improve its project R&D management system, strengthen regulation implementation and execution coverage, enhance R&D efficiency and team capabilities, and ensure the effective operation of the project management system. The Company has established an R&D center as the core department for technological innovation. Development planning may proceed only after the new product development list has been approved by the Chairman or an authorized representative. Through a clearly defined division of responsibilities and rigorous business process management, the Company effectively promotes the steady improvement of product innovation quality, providing solid support for its sustainable development. The Company's technology R&D platform has been officially recognized as the "Guangdong Provincial Engineering Technology Research Center" and the "Guangdong Provincial Enterprise Technology Center".

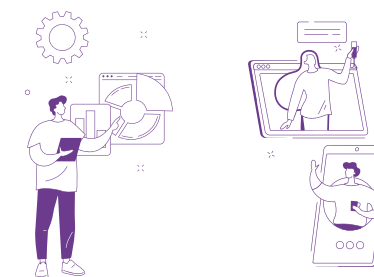


R&D Team Development and Optimization >>

The Company continues to transform its talent advantages into momentum for high-quality development. It has gathered a group of core technicians with rich industry experience who have solid professional qualities and long-term technical accumulation in product design, mold development, connector manufacturing process, and other areas.



In addition, the Company actively organized R&D empowerment training sessions and experience-sharing seminars, aiming to stimulate the initiative of R&D personnel and enhance their professional skills.



Innovation Incentive Measures >>

The Company continues to transform its talent advantages into a core driving force for high-quality development. To fully stimulate the enthusiasm of employees for technological innovation, the Company has formulated a series of incentive systems, such as the *Procedure of Employee Incentive and Authorization Control* and the *Measures for Patent & Copyright Management*. These systems encourage employees to actively engage in invention and innovation activities, drafting of technical standards, and filing of intellectual property applications, thereby further unleashing employees' independent innovation potential.

● Innovation Strategy

Risks					
Category		Description	Time Range	Potential Financial Impact	Response Measures
Technology Risks	Failure to keep pace with R&D advancements	<ul style="list-style-type: none"> Connectors are evolving toward high frequency and high speed, high voltage and high current, and miniaturization, with accelerated technological iteration. If R&D efforts do not keep pace, the Company may face the risk of being eliminated from the market. 	Medium and long-term	Missing market windows, resulting in a decline in operating income	<ul style="list-style-type: none"> Focus on frontier technologies and increase R&D investment; strengthen industry-university-research cooperation and introduce external technological resources; enhance intellectual property layout by actively applying for domestic and international patents to build technological barriers.
Market Risks	Market competition	<ul style="list-style-type: none"> The intelligent connectors launched by the Company may carry a unit price higher than that of traditional products, potentially leading customers to delay procurement. Meanwhile, competitors may launch similar products, resulting in heightened market competition. 	Medium and long-term	Inventory backlog, increased marketing expenses, and declining gross profit margins	<ul style="list-style-type: none"> Conduct customer demand research prior to R&D and carry out customized development; strengthen marketing efforts and showcase product advantages through industry exhibitions and other promotional channels.
Policy and Legal Risks	Intellectual property infringement risk	<ul style="list-style-type: none"> Certain enterprises in the industry may imitate patented technologies to reduce R&D costs. Following the launch of new products, the Company may face infringement risks. In addition, insufficient patent searches during the R&D process may result in inadvertent infringement disputes and legal proceedings. 	Short- to medium-term	Legal litigation costs, losses due to product sales bans, and damage to brand reputation	<ul style="list-style-type: none"> Sign confidentiality agreements with employees; strengthen intellectual property protection and training; expand independent patent layout.

Opportunities					
Category		Description	Time Range	Potential Financial Impact	Response Measures
Market Opportunities		<ul style="list-style-type: none"> The rapid development of emerging industries such as new energy vehicles, autonomous driving, data centers, artificial intelligence, and renewable energy has created substantial incremental demand for high-performance connectors. Amid a complex international environment, domestic downstream customers are accelerating the localization of core components to enhance supply chain security. 	Medium and long-term	Augmented operating income	<ul style="list-style-type: none"> Closely monitor technological pathways and customer demands in relevant sectors to conduct forward-looking product positioning and capacity planning. Actively engage with leading domestic customers and participate in their early-stage R&D projects, leveraging rapid response capabilities, cost advantages, and customized services to become their preferred domestic supplier.

Note: Short-term—Within 1 year; Medium-term—1–5 years; Long-term—Over 5 years

Management of Impacts, Risks and Opportunities

To ensure the efficient execution of R&D activities, the Company has formulated the *Control Procedure for Design Potential Failure Mode and Effects Analysis* and applies DFMEA analytical methodologies. During the product design and planning stage, each component of the product is systematically analyzed to proactively identify and evaluate potential failures and their consequences. Corresponding measures are developed in a timely manner to avoid or reduce such potential failures, thereby preventing risks and enhancing product quality.

Metrics and Targets

Each year, the Company formulates an annual R&D plan based on overall business performance and customer needs, and establishes a regular tracking mechanism to ensure the orderly advancement of R&D and innovation objectives. During the reporting period, The Company aims at connector miniaturization, integration, and intelligence development trends. Innovations in connectors are pursued in complex structure design, electrical performance simulation, precision mold design, and new material applications. These efforts accelerated the commercialization of R&D achievements, further enriched the Company's product portfolio, and met the customized needs of different customers.

Metrics	Goals for 2025	Achievements in 2025
Intellectual Property	File 35 patent applications	45 patent applications filed; patent commercialization rate > 90%
Standard Development	Formulate 2 group standards	2 national industry group standards are formulated
R&D Tasks	More than 40 R&D tasks were completed	85 new products developed; 15 new products successfully commercialized

Promoting the Development of New Quality Productive Forces

Benchmarking against leading international enterprises, the Company has invested in professional 3D design software, simulation testing systems, and high-end electrical and material testing equipment in the technical R&D stage, which effectively shortened the product R&D cycle, reduced the material consumption in the R&D stage of traditional connector products by leveraging the considerable data computing power for simulation testing, and effectively ensured the rapid delivery of new products, and met the customized needs of end customers.

Rooted in Dongguan, the Company has contributed to supplementing and improving the industrial chain of the information transmission cable industry in the region. It has further promoted the optimization and upgrading of Dongguan's electronic information manufacturing sector, facilitated the transformation and upgrading of the local connector manufacturing industry, and created a significant number of high-quality job opportunities for the manufacturing industry in the region.

Industry Collaboration

The Company actively participates in industry standardization initiatives and has made positive contributions to the improvement of industry's technological level by taking part in the drafting of multiple connector-related standards. To date, the Company has joined 9 industry-related organizations and associations, including the Electrical Connectors Branch of China Electronic Components Association, the Guangdong Association for Quality, the Shenzhen Robot Special Wire and Cable Industry Association, and the Shenzhen Connectors Industry Association.

During the reporting period, the Company actively participated in industry activities such as the Smart Production Solutions and ITES Exhibition, demonstrating the Company's latest technologies and achievements in the field of connectors. Through in-depth exchanges with on-site guests and industry experts, the Company further enhanced the market application capabilities of its products and continuously strengthened cooperative relationships in the industry, jointly promoting the advancement of the connector sector.



SNEC International Photovoltaic Power Generation and Smart Energy Exhibition & Conference (Shanghai)



Industrial Automation Show (IAS), China International Industry Fair 2025

● Protection of Intellectual Property Rights

Enhancing the level of intellectual property (IP) management is a key safeguard for strengthening the Company's independent innovation capabilities. In accordance with the national standard GB/T 29490-2023 *Code for Management of Intellectual Property Rights of Enterprises*, and taking into account its actual conditions, the Company has formulated a series of institutional and procedural documents, including the *Intellectual Property Management Manual* and the *Procedure for Control of Intellectual Property Acquisition*. The Company continuously improves its IP protection system, implements IP management in a scientific and standardized manner, and safeguards its legitimate rights and interests.



The General Manager serves as the primary person responsible for intellectual property management. Key responsibilities include formulating the Company's IP policies and objectives, ensuring the provision of an appropriate organizational structure to support IP management implementation, and presiding over management reviews of the IP management system, thereby maintaining its ongoing effectiveness.

The Company has obtained the certification of GB/T 29490-2013 intellectual property management system. There were no intellectual property disputes in 2025.

By the end of the reporting period

The Company had obtained **245** domestic patents, including **31** invention patents, **203** utility model patents and **11** design patents, as well as **1** overseas patent. In addition, the Company owned **2** computer software copyrights.



Project Initiation Stage	R&D Stage	Production Stage	Sales Stage
<p>The R&D Center uses intellectual property risk assessment and contingency planning as the basis for project initiation and budgeting.</p> 	<p>R&D achievements are evaluated and confirmed, ownership rights are clarified, and intellectual property rights are secured accordingly.</p> 	<p>The Manufacturing Center evaluates improvements and innovations, determines appropriate protection measures, and secures corresponding intellectual property rights.</p> 	<p>The Marketing Center monitors competitors' activities, collects information on potential infringements, and maintains relevant records.</p> 



Product and Service Safety and Quality

The Company regards product quality as the foundation of its long-term development. It consistently upholds the business philosophy of “Building Brand Reputation Through Quality, Gaining Market Trust Through Service, and Driving Growth Through Professionalism”. The Company fully implements its quality policy of “Quality First, Continuous Improvement, and Customer Satisfaction”, adheres to innovation-driven growth, deepens lean management practices, and continuously provides customers with more professional and efficient solutions. During the reporting period, the Company did not experience any significant quality or safety incidents for which it was held responsible.

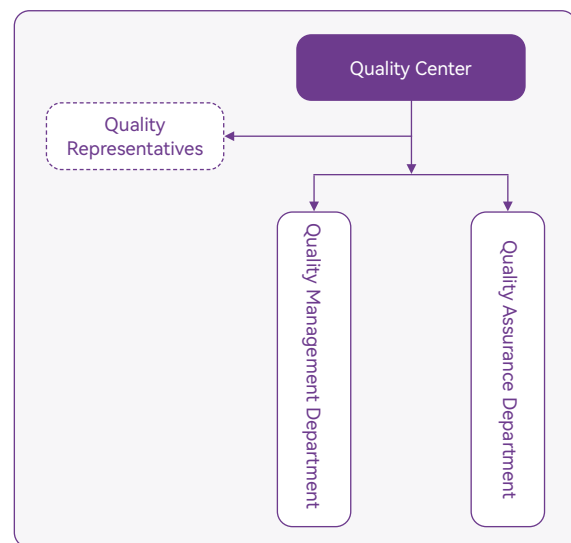
Quality Governance

The Company has established a rigorous quality assurance system based on its quality policy of “Quality First, Continuous Improvement, and Customer Satisfaction”. The Quality Center serves as the primary responsible department of the Company and comprises the Quality Management Department and the Quality Assurance Department. The Company has formulated management regulations, including the *Production Control Procedure*, the *Control Procedure for Finished Product Inspection*, and the *Nonconforming Product Control Procedure*, ensuring that quality control measures are implemented throughout the entire process from production to warehousing. Strict quality control measures are applied at each stage. The General Manager is responsible for approving the Company’s quality policy, objectives, indicators, and new product development.

The Company had obtained certifications for the IATF 16949:2016 Quality Management System, the ISO 9001:2015 Quality Management System, and the QC 080000:2017 Hazardous Substance Process Management System.

During the Reporting Period

24 quality training sessions were carried out, with a total of 153 participants and an accumulated duration of 1,738 hours.



Product and Service Organizational Structure



QC 080000:2017



Quality Training

Quality Strategy

Risks				
Risk Type	Trigger Probability	Risk Analysis	Potential Financial Impact	Response Measures
Policy and Legal Risks	Low	<ul style="list-style-type: none"> Updates to product-related regulations and standards, notably stricter restrictions on hazardous substance content limits and functional safety standards, may prohibit non-compliant products from entering target markets. 	<ul style="list-style-type: none"> Increased investment required for compliance upgrades and higher export costs. 	<ul style="list-style-type: none"> Regularly monitor domestic and international laws, regulations, standards, and industry codes, promptly revises its internal hazardous substance control standards, and strictly implements these updates; Sign the declarations on the non-use of hazardous substances with suppliers.
Supplier Risks	Low	<ul style="list-style-type: none"> Non-compliant supplier qualifications, fluctuations in material performance, or inadequate control during transportation may directly jeopardize final product quality. 	<ul style="list-style-type: none"> Product quality issues and delayed deliveries may damage brand reputation and reduce customer trust, leading to decreased sales revenue. 	<ul style="list-style-type: none"> Formulate procedure documents such as the <i>Supplier Control Procedure</i>, <i>Sample Control Procedure</i>, and packaging specifications; Sign quality and confidentiality agreements with suppliers.
Operational Risks	Medium	<ul style="list-style-type: none"> Rapid iteration of customer requirements may result in delivered products failing to meet the customer's requirements; Undetected batch defects in raw materials or failure to timely label and control defective products may lead to defective products being delivered to customers; Mixing of materials, or improper misplacement of conforming and non-conforming products, may affect product quality. 	<ul style="list-style-type: none"> Product quality problems may lead to increased customer product return rates and reduced sales revenue; The costs of handling complaints and compensation lead to increased costs. 	<ul style="list-style-type: none"> Formulate quality control systems and management measures to strengthen quality control in the production process; Strictly enforce the incoming and outgoing quality inspections of finished products; Formulate the <i>Product Identification and Traceability Control Procedure</i> to ensure clear labeling of material racks.

Opportunities		
Opportunity Type	Opportunity Description	Potential Financial Impact
Policy Opportunity	In terms of policy opportunities, national and local governments have in recent years continuously increased support for quality improvement and standard formulation, providing significant development momentum for high-tech enterprises.	<ul style="list-style-type: none"> Access to policy-based funding support, reduced costs of quality improvement, and enhanced brand recognition.
Market Demand Opportunity	Amid deepening economic development, market requirements for product quality continue to rise. This creates favorable conditions for enterprises to enhance brand reputation, expand market share, and improve economic benefit. It also provides development space for enriching product portfolios and optimizing product structures, thereby further enhancing overall profitability.	<ul style="list-style-type: none"> Expanded market share and increased operating income.

Management of Impacts, Risks and Opportunities

To safeguard product quality, the Company conducts potential risk identification in areas such as quality, hazardous substances, and non-conforming products in accordance with the *Risk and Opportunity Control Procedure*. Risk analysis is integrated throughout the entire process, including product design and development, production, and finished goods management, so as to mitigate potential quality risks.

Metrics and Targets

To ensure the effectiveness of quality management processes, maintain product quality compliance, fulfill customer expectations, and achieve quality objectives, the Company has formulated the *Objectives, Targets, and Implementation Management Procedures* to establish, monitor, and continuously improve Key Performance Indicators (KPIs) for processes related to the quality management system. Annually, the Company sets annual objectives and targets, cascaded down to specific departments. Adjustments are implemented promptly based on target achievement status.



Pursue zero defects and make WCON a byword for high quality in the connector industry.



HSF customer complaint rate - zero.

During the Reporting Period

The Company's product pass rate was **99.76%**.



Performance Indicators	2025 Target Values	2025 Actual Achievement Values
C3-2 Stamping Process Inspection Pass Rate (%)	≧ 99.3	99.68
C3-3 Molding Process Inspection Pass Rate (%)	≥ 99.5	99.80
C3-5 Assembly Process Inspection Pass Rate (%)	≥ 99.5	99.66
Cost of Poor Quality (COPQ) Loss Rate (%)	≤ 0.12	0.054
Number of Continuous Improvement Projects (Pieces)	5	5
Document Distribution Accuracy Rate (%)	100	100
Incoming Material Inspection Pass Rate (%)	≧ 98	99.25
Incoming Batch Missing Quantity (Pieces)	≦ 3	0.83
Assembly Batch Non-conforming Quantity (Pieces)	≦ 1	0.33
Customer Return PPM	770	547.91
Customer Acceptance Pass Rate (%)	≥ 99.6	99.80
HSF Incoming Inspection Pass Rate (%)	100	100
HSF Monthly Product Complaint Rate (%)	0	0

Quality Management Measures

Whole-Life-Cycle Management of Products »

The Company has implemented an integrated product whole-life-cycle management system covering every stage, from incoming material inspection, manufacturing processes, and finished product inspection. It also conducts full-process tracking of after-sales services. This end-to-end framework ensures precise quality monitoring at each phase, enabling systematic management and continuous product quality optimization, ensuring that product quality consistently meets customer requirements.



Dispose Non-conforming Products »

The Company has established and strictly implemented the *Non-conforming Product Control Procedure* and the *Defective Product & ROHS Disassembly Management Specification*, among other procedural documents, to ensure that non-conforming products are promptly controlled and handled throughout the entire process, including raw material input, production, product output, and service delivery. This prevents the mixing of non-conforming products with conforming products in subsequent processes or shipment. In addition, the Company standardizes the disassembly and processing workflow for defective products, conducts analysis and summarizes lessons learned, and provides solutions to address the root causes of quality abnormalities.

Product Recall Management »

The Company has established procedural documents such as the *Product Recall Control Procedure* and the *Corrective & Preventive Actions Control Procedure*. For products with serious environmental non-compliance or quality defects, including those posing safety hazards, the Company handles such cases in a timely manner in accordance with the requirements of the recall procedure to prevent adverse impacts on customers.

No products must be withheld or recalled during the reporting period due to health and safety concerns.

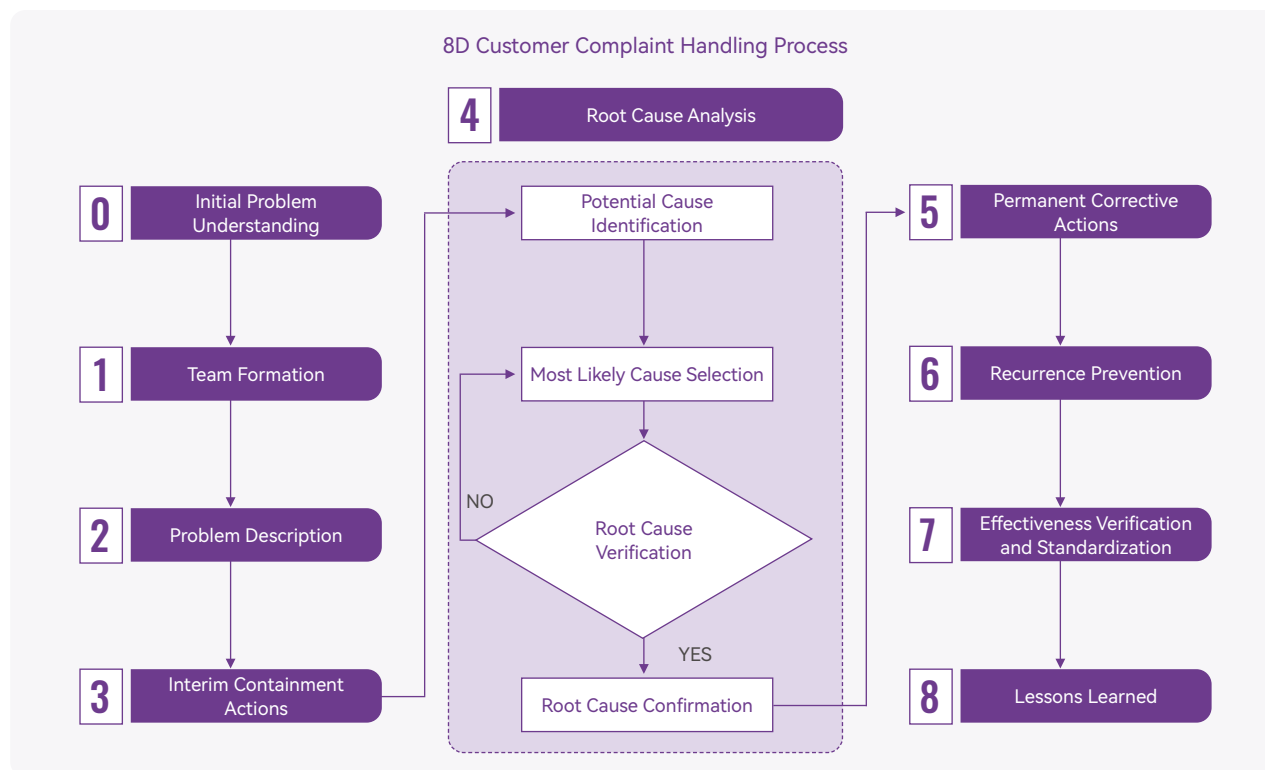


Customer Service Assurance

The Company provides professional services and high-quality products to meet the diverse needs of customers. Through the formulation of the *Sales Management Control Procedure*, it has systematically standardized the full-process control mechanism covering pre-sales, in-sales, and after-sales stages, improved internal customer service management, enhanced responsiveness to customer requirements, and remained committed to improving customer satisfaction.

Customer Complaint Handling »

The Company has established the *Customer Complaint Handling Control Procedure* and formed a dedicated complaint handling team to ensure timely response to customer complaints and the prompt and effective resolution of customer issues, thereby enhancing customer satisfaction. In addition, the Company has implemented the 8D problem-solving methodology to analyze and resolve customer complaints. It continuously monitors the implementation of corrective measures and tracks their effectiveness to ensure that issues are effectively resolved and prevented from recurring.



Customer Satisfaction Survey »

The Company has established the *Customer Satisfaction Management Procedures* to standardize survey methods, data collection, and evaluation criteria. The Marketing Center proactively monitors customer satisfaction on a monthly basis and conducts an annual customer satisfaction survey in the form of questionnaires. For automotive customers, business personnel collect customer scorecards or monthly performance assessment data on a monthly basis to collect and understand customer feedback regarding services, products, delivery timelines, quality, and management systems. The collected results are subject to internal statistical analysis and client-side feedback evaluation. In response to customer comments and suggestions, relevant departments implement corresponding improvement measures to continuously enhance products and services, thereby further improving customer satisfaction.

During the reporting period, the Company distributed **660** customer satisfaction survey questionnaires, with a response rate of **85.91%** and a customer satisfaction score of **95.79**.

Responsible Supply Chain

The Company is committed to building a sustainable supply chain. While ensuring procurement requirements are met and contractual obligations are fulfilled promptly it actively encourages suppliers to improve their sustainability performance and progressively integrates sustainability-related elements into full lifecycle supply chain management.

Supply Chain Governance

The Company has established internal systems, including the *Supplier Management Control Procedures* and the *Procurement Control Procedures*. These clarify a comprehensive set of supplier lifecycle management framework covering the entire process from supplier onboarding to supplier phase-out. This ensures the selection of compliant and high-quality partners and continuously safeguards the stable quality of raw materials and components, as well as reliable service delivery. The General Manager of the Company is responsible for approving qualified suppliers and making decisions on major issues arising during the procurement process. The Procurement Department is responsible for the development, evaluation, and management of new suppliers, conducting procurement negotiations and contract signing, as well as carrying out comprehensive supplier performance evaluations and providing guidance where necessary.

Supply Chain Strategy

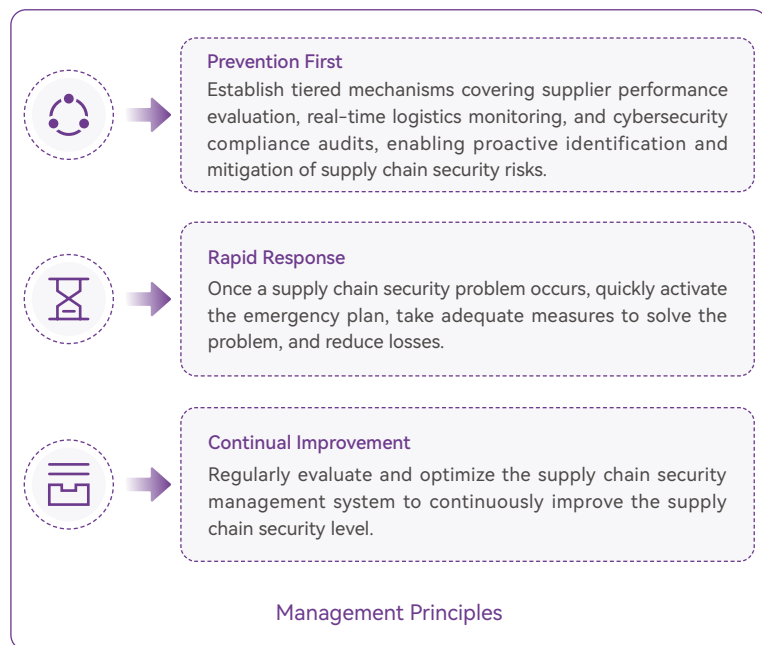
Risks				
Risk Type	Risk Description	Impact Time Duration	Potential Financial Impact	Response Measures
Supply Chain Disruption Risk	Insufficient supplier delivery capacity or disruptions in logistics and transportation may lead to delays in raw material delivery, affecting production schedules and resulting in delayed order fulfillment.	Short-term	Economic losses and customer order cancellations, leading to reduced operating income and increased additional procurement costs.	<ul style="list-style-type: none"> Strengthen full lifecycle supplier management, enhance supplier admission and evaluation mechanisms, and cultivate high-quality suppliers; Promote supply chain resilience by actively developing new supplier channels to reduce dependence on a single supply chain; Formulate the <i>Contingency Drill Plan for Externally Sourced Processes</i> and organize emergency drills to improve emergency response capabilities.
Political and Economic Risk	A complex and volatile international environment may affect the Company's import of raw materials and equipment in the future, potentially leading to increased procurement costs or delayed deliveries.	Medium-term	Economic losses and customer order cancellations, leading to reduced operating income and increased additional procurement costs.	<ul style="list-style-type: none"> Strengthen analysis of raw material price trends and flexibly adjust procurement cycles based on market dynamics while standardizing procurement planning management. Establish and maintain good partnerships with upstream suppliers to enhance price stability at the source. Reduce production material consumption by improving product value-added and optimizing production processes.
Price Fluctuation Risk	The Company's raw materials include metals and plastic materials. Significant fluctuations in market copper prices, precious metal prices, or international oil prices may lead to price fluctuation risks for raw materials.	Short- to medium-term	Price rises increase procurement costs.	<ul style="list-style-type: none"> Strengthen analysis of raw material price trends and flexibly adjust procurement cycles based on market dynamics while standardizing procurement planning management. Establish and maintain good partnerships with upstream suppliers to enhance price stability at the source. Reduce production material consumption by improving product value-added and optimizing production processes.

Opportunities			
Opportunity Type	Opportunity Description	Impact Time Duration	Potential Financial Impact
Green Supply Chain	The Company attracts environmentally conscious customers by promoting sustainable practices.	Medium and long-term	Enhanced brand image and increased sales revenue.
Supply Chain Digital Transformation	By integrating advanced information technologies such as the Internet of Things (IoT), big data, and artificial intelligence (AI), the Company enhances the intelligence and automation of supply chain management, thereby improving responsiveness, decision-making accuracy, and adaptability to market changes.	Medium and long-term	Optimized operational processes, streamlined management procedures, and reduced operating costs.

Note: Short-term—Within 1 year; Medium-term—1–5 years; Long-term—Over 5 years

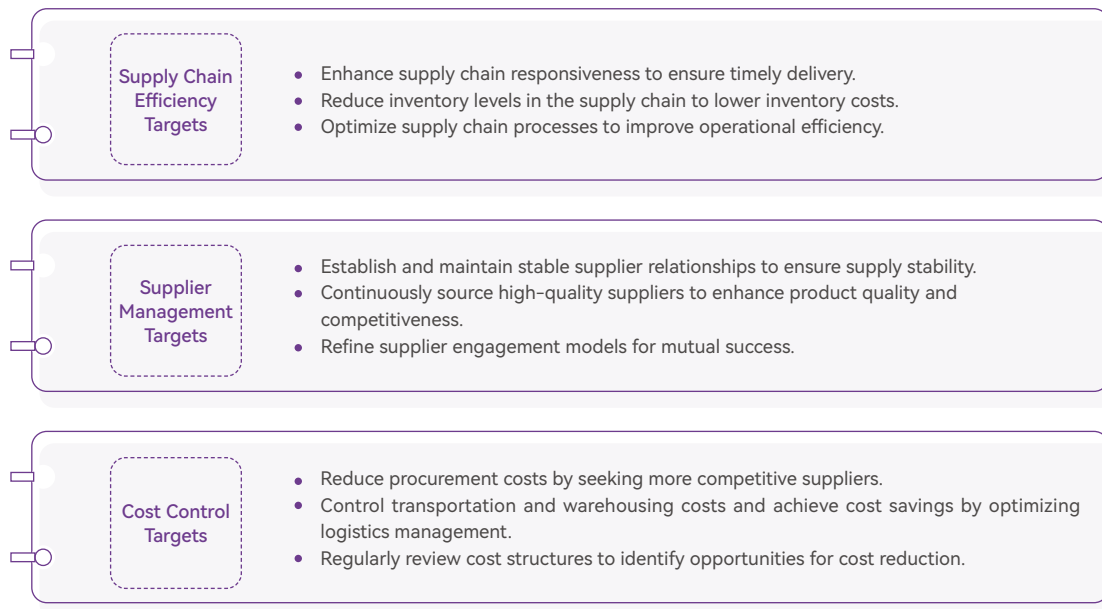
Management of Impacts, Risks and Opportunities

To ensure the security, stability, and sustainability of the supply chain, the Company proactively identifies potential risks, such as changes in the external environment and supplier performance issues, based on its business characteristics and supply chain realities. Risk analysis is integrated into every stage of supplier admission, evaluation, raw material procurement, and transportation. Through the management principle of “Prevention-Response-Continuous Improvement,” the Company promptly identifies and addresses various risks within the supply chain, continuously enhancing its resilience and sustainable development capabilities.



Metrics and Targets

The Company has clearly defined its targets and metrics in supply chain management, establishing corresponding measurement methods and monitoring plans. Through effective supply chain management, it aims to enhance operational efficiency, reduce costs, and deliver superior products and services.



Metrics	2025
Number of suppliers	42
Proportion of procurement expenditures from local suppliers	50%
Number of suppliers certified under quality management systems	40
Number of suppliers certified under environmental management systems	17
Number of suppliers certified under occupational health and safety management systems	2
Number of suppliers suspended due to non-compliance	0
Number of prospective suppliers rejected due to non-compliance	0
Percentage of suppliers that have signed the <i>Integrity Agreement</i>	100%

Note: The number of suppliers is counted based on the list of qualified suppliers. Local suppliers refer to enterprises registered within Guangdong Province.

Whole-Life-Cycle Management of Supplier

The Company continuously improves the supplier management system, which covers key links such as new supplier admission evaluation, assessment and regular on-site audits, and implements full-process closed-loop management to effectively ensure the controllable quality of suppliers and the security and stability of the supply chain.

Supplier admission »»

The Procurement Department of the Company identifies potential suppliers according to the material supply status, supplier evaluation and supplier development plan. After preliminarily determining that the suppliers meet the requirements, the suppliers need to complete the *Supplier Capital Information Form*, collect supplier information, preliminarily screen suppliers with strong comprehensive capabilities, cooperation commitment, and alignment with the Company's standards, and evaluate the suppliers from three aspects: supply chain reliability, technical expertise, and quality assurance systems.

To ensure the quality and compliance of materials used in automotive products, the Company explicitly prioritizes suppliers certified by IATF 16949, and systematically controls the purchased materials, processes and services to ensure that they fully comply with the current laws and regulations in the receiving country, the country of dispatch, and the country of destination determined by the customer. On this basis, all direct material suppliers are required to sign the following agreements with the Company: *Supplier Quality Assurance Agreement*, *Supplier Material PCN Agreement*, and *Supplier Environmental Compliance Agreement*. These contractual agreements reinforce quality responsibilities and environmental obligations, enabling the Company to continuously build a stable, reliable, and compliant supply chain system.

Supplier assessment »»

The Company operates a tiered supplier evaluation system, conducting periodic performance assessments for different types of appraisal objects. Assessments focus on four core performance metrics: quality compliance, quality performance, delivery reliability, and collaborative engagement. Based on cumulative evaluation scores, suppliers are classified into four tiers: Grade A, Grade B, Grade C, and Grade D. The Procurement Department aligns sourcing strategies with these ratings.

Grade A

90-100 points, grant prioritized procurement status with discretionary increases in purchase orders and manufacturing allocations.

Grade B

80-89 points, maintain the current order quantity, and the supplier should continue to improve.

Grade C

70-79 points, appropriately reduce purchase volumes or suspend procurement. For certain more serious issues, issue warnings and notify suppliers, requiring them to submit improvement plans within one week. Demand corrective actions for deficiencies and confirm the results of submitted measures. IQC shall conduct stricter inspections on materials from this manufacturer. A supplier rated as Grade C for over three consecutive months will be downgraded to Grade D.

Grade D

60-69 points, the Procurement Department notifies the supplier to attend on-site review meetings or receive technical guidance at its facility. If a supplier is rated as Grade D twice in a row, the Procurement Department will issue an official corrective action notice (CAR); if the supplier fails to improve within the rectification period, the supplier will be disqualified. If a supplier is rated as Grade D for three consecutive months and its production lines are halted due to environmental issues or customer complaints, its business will be terminated, and its qualification as an approved supplier will be cancelled.

Supplier Audit and Evaluation »»

The Company has set up an audit team composed of relevant personnel from the Quality Management Department, Procurement Department and R&D center, and conducts an annual audit once a year. For unqualified suppliers, a rectification period of four months can be given. After passing the re-review four months later, it can be included in the list of qualified suppliers again. Otherwise, it will be listed in the "Supplier Elimination Plan." Suppliers listed in the "Supplier Elimination Plan" or those without business transactions for two years shall undergo audit and evaluation according to the new supplier admission process to restart their business.

Empower with Digitalization »»

The Company uses the Supplier Relationship Management (SRM) system as the information management platform for supplier relationships. The system integrates various functions such as the procurement process, supplier evaluation, and cooperation and collaboration. This platform is used to effectively manage the entire life cycle of suppliers, from screening and admission to transaction cooperation, performance evaluation, and subsequent relationship maintenance, so as to realize transparency of procurement cost, process automation, enhance supply stability, realize information sharing and collaboration, ensure compliance of procurement transactions, and improve the overall quality and cooperation satisfaction of suppliers. At the same time, it can monitor supplier performance and risks in real-time, such as delivery delays, quality problems, etc., issue early warnings and take measures to reduce the risk of supply interruption.

● Supplier ESG management

Supplier ESG management is critical for companies to achieve sustainable development goals. To effectively implement ESG practices across supply chains, enterprises adopt a systematic approach encompassing the following measures: formulating clear ESG policies and standards, selecting ESG-compliant suppliers, establishing a regular communication mechanism, providing training and support, setting clear ESG improvement targets and metrics, conducting supervision and audits, and establishing an incentive mechanism. At the same time, the Company maintains a vigilant focus on market dynamics, regulatory updates, and internal growth trajectories. It continuously refines ESG management frameworks and standards for supplier networks, fostering a mutually beneficial ecosystem that drives collaborative development. This commitment ensures joint progress toward co-creating an eco-conscious, socially responsible, and sustainable future with supply chain partners.

Transparent Supply Chain

- The Company proactively pioneers a “Transparent Procurement” model, ensuring open, equitable, and transparent procedures that eliminate backdoor operations. The Company signs the *Integrity Agreement* with suppliers to strengthen oversight of anti-monopoly, anti-bribery, and anti-corruption practices, guaranteeing the fairness and transparency of their business activities. This safeguards the legitimate rights and interests of both parties and fosters the development of a healthy, trustworthy cooperative relationship between the Company and its suppliers.

Green Supply Chain

- In terms of environmental protection, the Company requires suppliers to take necessary environmental protection measures, such as reducing emissions, protecting resources, and recycling waste, to reduce the adverse impact on the environment. Suppliers are encouraged to use renewable energy and energy-saving factory technologies to reduce energy consumption and carbon emissions. Additionally, the Company manages suppliers' water usage by requiring them to take effective measures to reduce water withdrawal and to treat water and wastewater in an environmentally compatible manner.
- The Company has established the *Control Procedure for Energy Services, Products, Equipment, and Energy Procurement* to effectively manage the procurement processes for energy services, products, equipment, and energy. This procedure identifies qualified suppliers and ensures that procured energy services, products, and energy meet specified requirements, thereby enhancing energy performance and promoting efficient energy utilization.

Responsible Supply Chain

- In terms of human rights management in the supply chain, the Company require suppliers to respect and protect international human rights and not engage in acts that violate or infringe on human rights., prohibit suppliers from using child labor, forced labor or any form of compulsory labor to protect the legitimate rights and interests of employees, and is committed to encouraging suppliers to provide employees with a working environment that respects diversity and inclusiveness and advocates equal and fair business ethics.

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Conflict Minerals Management

The Company continuously refines its supply chain compliance management system by establishing the *Control Procedures for Prohibiting the Use of Conflict Minerals* and *Conflict Minerals Management Measures*. It publicly issues the *Commitment to Not Use Conflict Minerals*, which serves as a core requirement for supplier admission. The Company unequivocally pledges to neither support nor procure any mineral resources that directly or indirectly finance armed conflicts. Through systematic due diligence and end-to-end supply chain traceability, it rigorously ensures the compliance and ethical sourcing of raw materials.

In its management practices, the Company has established a conflict minerals prevention and control system that covers the entire process. Adhering to the relevant standards and frameworks of the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI), the Company conducts Reasonable Country of Origin Inquiries (RCOI) to identify risks within the supply chain. The Procurement Department, Quality Assurance Department, R&D Center, and Marketing Center of the Company have clearly defined management responsibilities and collaborate on prevention and control measures. They are committed to eliminating conflict minerals at the source, effectively fulfilling responsible procurement and corporate social responsibility.

Control Measures

If an investigation or testing have confirmed that conflict minerals originating from the Democratic Republic of the Congo and its adjacent regions have been used in the supplier's materials.



- ▶ Suspend procurement of materials from this supplier and issue a formal notice.



- ▶ Require the supplier to submit a written root cause analysis and immediately cease the use of conflict minerals.



- ▶ Require suppliers to re-sign commitment letters and submit rectification plans within the specified timeframe, including verifiable sources of compliance and specific preventive measures. The Company strictly verifies the rectification effect, and only after passing the review can it consider conditional resumption of procurement, otherwise the cooperation will be terminated and the supplier will be included in the high-risk list.





04

Uniting the Employees, Enriching the Society

WCON consistently regards talent as the core driving force of its development, continuously optimizes its human resources management system, effectively safeguards employees' legitimate rights and interests while establishing a work environment characterized by equality and respect. The Company focuses on tapping employees' potential, empowering each individual to achieve self-fulfillment and clarify their career development path. Simultaneously, it continuously refines its occupational health and safety management framework to comprehensively safeguard employees' physical and mental well-being and personal safety.

Responded Topics

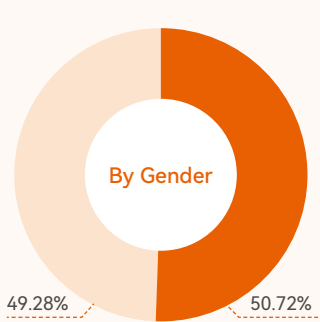
- Protection of Employees' Legal Rights and Interests
- Training and Development
- Occupational Health and Safety
- Contribution to Society

Safeguarding Employees' Rights

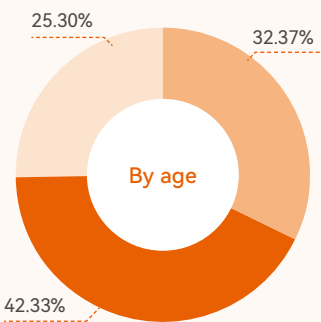
The Company places high importance on human rights protection and strictly adheres to laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. During the reporting period, it revised multiple human resources management systems, including the *Employee Handbook*, continuously improved the human resources management system framework, strengthened the systematic development of human rights protection mechanisms, and comprehensively safeguarded employees' lawful rights and interests.

As of the end of the Reporting Period

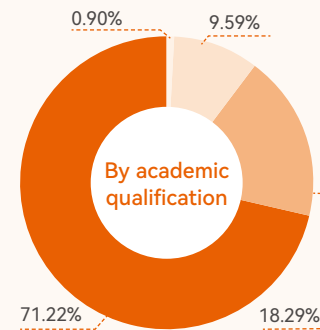
The Company had **1,668** employees.



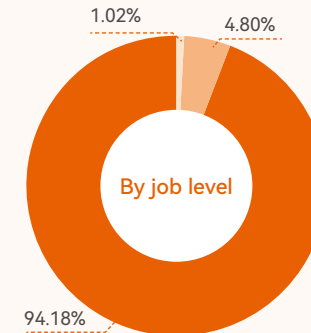
- Female (846 in persons)
- Male (822 in persons)



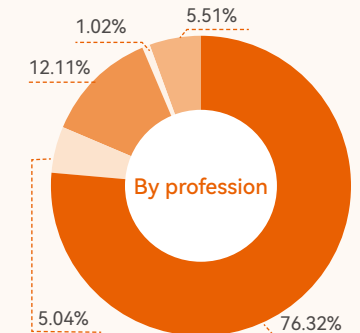
- Under 30 (exclusive) years old (540 in persons)
- 30 (inclusive) to 40 (exclusive) years old (706 in persons)
- 40 years old or above (422 in persons)



- Below college degree (1,188 in persons)
- College degree (305 in persons)
- Bachelor's degree (160 in persons)
- Master's degree or above (15 in persons)



- Non-managerial Staff (1,571 in persons)
- Middle management (80 in persons)
- Senior management (17 in persons)



- Production (1,273 in persons)
- Technology (202 in persons)
- Sales (84 in persons)
- Administration (92 in persons)
- Finance (17 in persons)

● Talent Attraction and Recruitment

Recruitment Management >>

During the reporting period, the Company revised the *Recruitment and Appointment Management Measures* to continuously standardize the recruitment and appointment process. This ensures that the procedures for interviews, evaluations, salary determination, background checks, and hiring for each position are legal and compliant, strictly mitigating risks associated with personnel recruitment. The Company prohibits all forms of discrimination. By implementing the *List of Prohibited Questions for Interviewers*, the Company rigorously ensures fairness and impartiality in the recruitment process. In 2025, no child labor or forced labor incidents occurred in the Company.

The Company continues to broaden its diverse recruitment channels to expand its talent pool and is committed to providing equal and inclusive employment opportunities for job seekers from all backgrounds.

Internal Recruitment

The Company has established the *Internal Referral and Selection Management Measures* to encourage employees to actively participate in internal referrals and selections based on position recruitment requirements. Rewards are granted according to established standards, based on the job level of the successfully hired candidate. Furthermore, the Company strictly enforces the recusal principle, explicitly requiring the referring employee to withdraw from the interview and decision-making process. This creates an institutional safeguard against conflicts of interest, ensuring the objectivity and fairness of the selection process.

During the reporting period, a total of **63** internal referral resumes were received, with **47** candidates successfully hired. Internal referral bonuses totaling RMB **17,000** were distributed, and the compliance rate of the recusal principle reached **100%**.

External Recruitment

Social recruitment: The Company collaborates with online recruitment platforms such as 51job, Zhitong Talent, and Lexun Headhunting to establish an efficient social recruitment channels, and effectively improve the precision of job-to-candidate matching.

On-campus recruitment: During the reporting period, the Company participated in **2** campus recruitment fairs, covering multiple disciplines including science and engineering, humanities & social sciences. The positions offered spanned technical R&D, securities affairs, and functional support, catering to the career needs of fresh graduates from diverse academic backgrounds. The recruitment infuses the Company with sustained innovative vitality and core human capital essential for long-term development.

During the Reporting Period

Number of new employees	Social recruitment	On-campus recruitment
900 persons	861 persons	39 persons



"Talents in South Guangdong" Spring Recruitment Campaign

● Diversity, Equality, and Inclusion

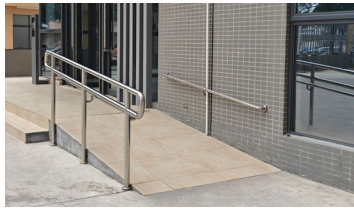
The Company has established policies, including the *Anti-Discrimination Policy*, *Management and Control Procedure*, and the *Human Rights Policy Statement*, to regulate employee management practices and to genuinely respect, protect, and promote human rights. Throughout all stages of employment, including employment, compensation, training, promotion, termination, and retirement, the Company prohibits discrimination based on race, social stratum, religion, disability, gender, sexual orientation, age, marital status, pregnancy, union membership, or political affiliation. The Company ensures all individuals enjoy fair, equitable, and reasonable employment opportunities while continuously fostering a diverse, equal, and inclusive workplace environment.

During the Reporting Period

The Company had **2** disabled employees, **170** ethnic minority employees, in which **4** in the management.

Case Construction of Accessibility Facilities

Upholding the people-oriented core value, the Company continuously optimizes its barrier-free environment to remove physical obstacles and ensure that employees with special needs can participate in work on an equal basis. Barrier-free ramps are installed at the main entrances and exits, and barrier-free elevators equipped with horizontal low-position buttons, braille signs, voice announcements and other functions are provided. The Company strives to build a more inclusive and caring workplace and public space, contributing to the development of a barrier-free society.



Protection of Rights and Interests of Female Employees

The Company consistently upholds the principle of respecting and supporting female employees, strictly adhering to internal requirements such as the *Special Provisions on the Labor Protection of Female Employees*. In workforce management, the Company ensures female employees receive equal compensation and fair career development and promotion opportunities alongside their male counterparts. The Company fully implements statutory leave policies such as maternity and parental leave, guaranteeing full pay during these periods. Furthermore, the Company expressly prohibits any wage reduction, dismissal, or termination of employment contracts on grounds of pregnancy, childbirth, or breastfeeding. These practices collectively safeguard the lawful rights and interests of female employees.

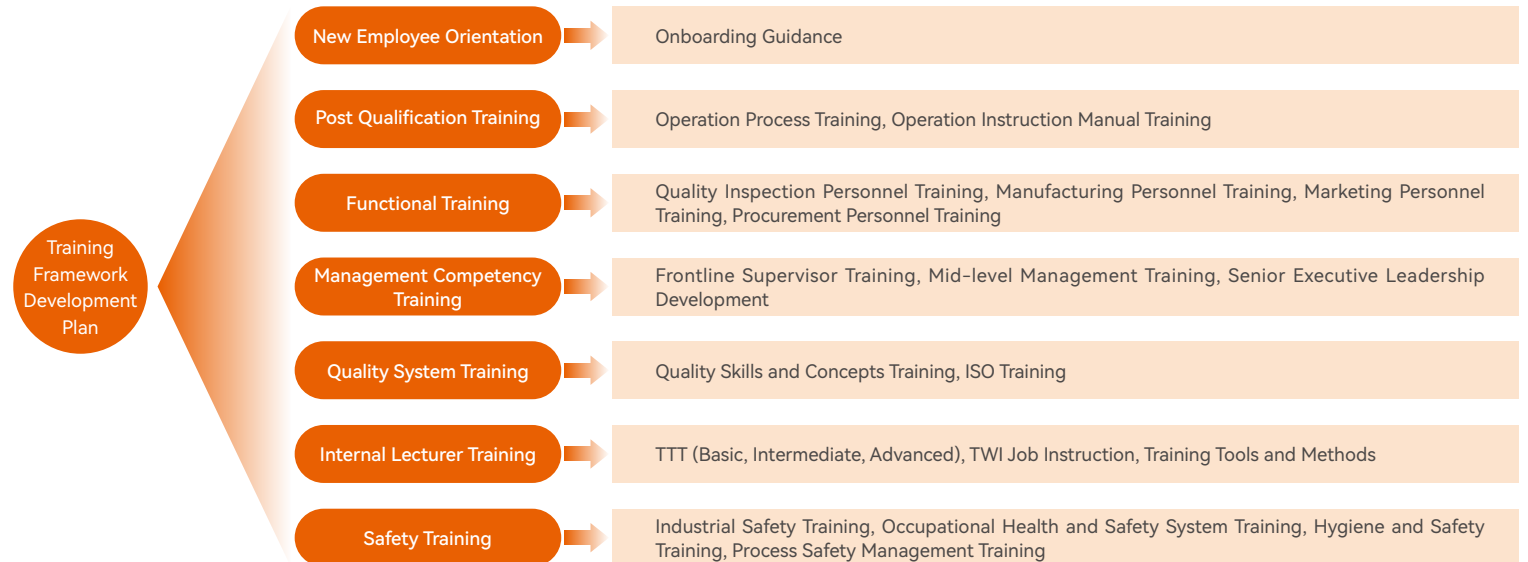
During the Reporting Period

18% of the Company's management were female, 3 employees enjoyed maternity leave, and 1 employees enjoyed parental leave.

Training and Development

Employee Training »»

The Company attaches great importance to talent cultivation, continues to promote the systematic construction of employee training, and builds a hierarchical and classified training structure to cover all-dimensional growth needs, such as new employee induction guidance, on-the-job skills improvement, management talent advancement, and internal curriculum creation. Building upon a standardized training framework, the Company has advanced its personalized learning approach. Training content and learning pathways are tailored to align with role-specific competency requirements, individual career development plans, and personal growth objectives. Training assessments are conducted to evaluate learning achievements.



Internal Training Mechanism

During the reporting period, the Company implemented the *Mentor Management Measures* as a core initiative for talent pipeline development, new employee induction, and professional skill transfer. Mentors received corresponding bonuses for assisting new employees in quickly familiarizing themselves with the Company's corporate culture, organizational structure, and business processes, thereby facilitating their smooth integration into the workplace and enhancing their job competency.

In 2025, a total of **297** participations were recorded under the Mentor Management Measures.

During the Reporting Period

491 internal training sessions were conducted, with a total of **14,392** participants and an accumulated training duration of **16,200** hours. The average training hours per employee per year were **14.59** hours, and the employee training coverage rate was **100%**.



New Employee Training

External Training Mechanism

The Company actively establishes external learning and development channels for employees to enhance their professional skills and broaden their knowledge horizons. The Company strictly implements external training in accordance with the *External Training Management Measures*. When formulating annual training plans, all departments shall simultaneously incorporate external training programs and corresponding budgets into their planning scope. Institutionalized management ensures the effectiveness of employee external training.

Career development »»

- ▶ The Company attaches great importance to the clear career development channel of employees and the improvement of the growth incentive mechanism, and has formulated the *Position Promotion Assessment System*. By establishing a fair, just and open competition and promotion mechanism, the Company further standardizes the full-process management of promotions, clarifies the promotion assessment standards, evaluation procedures and application rules of results, and provides a clear and accessible promotion path for employees at different levels and positions.
- ▶ The Company's promotion process strictly adheres to the principle of placing equal emphasis on ethics, capability, and performance. Promotion types encompass three major categories: regular promotions for positions at Levels 1 to 3, specialized promotions for technical apprentices and assistant engineers, and annual promotions for positions at Level 4 and above. Promotion criteria and evaluation standards are clearly defined, with the previous year's performance assessment results combined with the supervisor's comprehensive assessment serving as the core basis. The evaluation process is conducted in two sessions annually. Through this standardized and regular promotion assessment mechanism, the Company ensure fairness and transparency in talent development pathways.
- ▶ In alignment with its "people-oriented" development philosophy and to support employees in achieving long-term career growth, the Company formulated and implemented the *Personal Development Incentive Management Measures* during the reporting period. These measures encourage employees to independently pursue academic advancement or obtain professional skills certifications based on their own career paths and personalized learning needs. The Company provides corresponding rewards for such achievements, thereby enhancing employees' personal capabilities and career prospects, and injecting sustained momentum into employees' long-term development.
- ▶ During the reporting period, the Company launched its first "Employee Master's Degree Program Advancement Initiative" to help employees achieve breakthroughs in both educational attainment and capabilities. This initiative paves a sustainable path for their careers while providing solid support for the Company's medium-to-long-term talent pipeline development.

Performance Management

In 2025, the Company revised the *Performance Management Measures* and the *Communication and Grievance Management Measures*, establishing and implementing a scientific and robust performance management system. This initiative aims to continuously enhance the work performance of the Company, departments, and employees; support the optimization and upgrading of departmental operational efficiency; ensure the solid fulfillment of employee responsibilities; and fully unlock employee potential, thereby providing strong support for the Company's high-quality development.

Performance Assessment Mechanism »»

The Company has established a standardized performance assessment system founded on the core principles of fairness, transparency, and impartiality to evaluate employees' work performance in a scientifically rigorous and objective manner. Concurrently, the Company has established a dedicated KSF Management Team to oversee performance assessment activities across the organization. By providing target-setting tool templates, the team assists departmental managers in formulating performance targets and rigorously reviews the alignment of those targets with corporate strategy. This ensures the scientific rigor of the performance assessment mechanism and the fairness of the evaluation process, thereby enabling performance management to effectively enhance organizational effectiveness. The Company has established the *Outstanding Employee Selection and Management Measures* to recognize employees who demonstrate exceptional performance, innovative contributions, and proactive teamwork. This initiative combines material rewards with commendations to acknowledge and affirm outstanding employees, thereby enhancing their sense of professional honor and achievement.

During the reporting period, the Company selected a total of **62** annual outstanding employees and **160** quarterly outstanding employees. The selection process covered **13** departments across the Company, encompassing positions such as production, technical, operational, and functional roles.

Grievance and Feedback Mechanism »»

The Company integrates two-way communication between employees and their supervisors throughout the entire KSF assessment process, establishing a performance feedback and grievance mechanism that is both standardized and people-oriented. Following the assessment, supervisors shall provide employees with feedback on their assessment results and the basis for their assessment through a face-to-face meeting. Together, they should analyze shortcomings in achieving KSF and develop targeted plans for skill enhancement and performance improvement. If an employee has objections to the assessment results, they may submit a Performance Assessment Grievance Form to their department supervisor or file a grievance through online channels such as Feishu or email.

Compensation and Benefits Management

Compensation Management »»

In 2025, the Company revised the *Compensation Management Measures*, taking fairness and impartiality as the core principles, based on the essence of distribution according to work, to build a compensation system that is legal, fair, competitive and motivating, and comprehensively standardize the compensation structure, salary determination standards, adjustment mechanisms and salary distribution processes. The Company strictly adheres to the minimum wage standards in the region, providing employees with compensation that meets the minimum wage requirements stipulated by law or industry regulations.

Benefits »»

The Company places a high priority on enhancing employee well-being. It has established two core policies, the *Attendance and Leave Management Measures* and the *Employee Benefits Management Measures*, to build a standardized employee welfare system. These policies clearly define the leave application process and salary calculation standards, ensuring the full implementation of all legally mandated leave benefits. Through comprehensive welfare guarantees and humanistic care, the Company effectively motivates all employees and strengthens their sense of identity and belonging to the organization.

Employee Benefits

- Leave Entitlements** — Employees are entitled to legal holidays, paid annual leave, marriage leave, bereavement leave, maternity leave, and other holidays in accordance with the law.
- Living Security** — Pay the five social insurances and one housing fund in accordance with the law, and provide free accommodation and meals for on-the-job employees.
- Allowances** — Provide various allowances for employees who have completed at least one year of service with the organization, such as marriage congratulatory money, a funeral subsidy, a travel subsidy for visiting relatives, and an annual living allowance.
- Bonuses** — Employees are granted performance-based incentives, such as performance awards, full-attendance bonuses, and performance commissions, based on their job performance evaluations and attendance records.
- Team-building Interaction** — Regularly organize team dinners and company trips and provide birthday gifts to employees

Case 2024 Employee Stock Ownership Plan

To establish a robust mechanism for deeply integrating and sharing the interests of employees and shareholders, and to further enhance team cohesion and corporate growth momentum, the Company launched an Employee Stock Ownership Plan in 2024. Under this plan, 982,550 shares were granted to 80 incentive recipients. These shares were transferred to the dedicated securities account of the Employee Stock Ownership Plan via a non-trading transfer on January 22, 2025, at a transfer price of RMB 38.34 per share. As of the end of the reporting period, the Employee Stock Ownership Plan was still within its lock-up period. The number of employees incentivized by the plan accounted for 4.80% of the total number of employees of the Company.

● Labor Relations Management

Labor Dispute Management »

The Company has established management measures and handling procedures for labor dispute incidents in accordance with laws and regulations such as the *Labor Law of the People's Republic of China* and the *Law of the People's Republic of China on Mediation and Arbitration of Labor Disputes*. It has set up a Labor Dispute Mediation Committee to standardize the prevention, mediation, and resolution processes for labor disputes within the Company. This ensures the lawful rights and interests of both employees and the Company, maintains normal production and operational order, and fosters harmonious labor relations.

The Company actively implements preventive measures to minimize labor disputes. This includes refining human resources systems and policies, standardizing labor contract management, establishing regular communication channels, conducting periodic training for managers on labor laws and regulations, and performing compliance reviews on major decisions affecting employee interests.

In 2025, the Company did not experience any labor disputes.

Termination Management »

The Company strictly adheres to laws, regulations, and relevant institutional requirements by formulating the *Termination Management Measures*. This establishes a standardized termination management mechanism to safeguard the lawful rights and interests of separated employees, including salary settlement, benefit fulfillment, and labor compensation. Through humane and compliant termination management practices, the Company maintains sound labor-capital relations and upholds the principles of responsible employer conduct.

● Employee Care and Communication

Employee Activities »

The Company attaches importance to the balance between employees' work and life and encourages their participation in the diverse recreational and cultural activities organized by the Company. Through a wide variety of team-building, cultural, and leisure activities, the Company aims to help employees relieve work-related stress, enhance team cohesion and unity, and effectively improve their sense of happiness and belonging.



2025 All-Employee Summer Trip



Basketball Game

Employee Care »

The Company upholds a people-oriented philosophy of responsibility, providing employees with comprehensive care throughout their entire career journey.

Mental Health Care

The Company prioritizes the mental health needs of its employees. During the reporting period, it further developed and implemented the *Employee Mental Health Support Control Procedure* to attentively listen to employees' true inner feelings. The Company actively safeguards employees' mental well-being in the workplace through various means, including promoting mental health awareness, providing internal and external mental health assistance channels, and establishing an emergency psychological intervention mechanism.

Retired Employee Care

The Company thanks employees for their hard work and cares for retired employees. During the reporting period, the Company organized a farewell party for retired employees.



Physical Health Care

To care for the physical and mental health of employees, the Company has set up a gym equipped with professional fitness equipment, enabling staff to relax and improve their fitness after work. Employees are encouraged to arrange their time properly and take moderate exercise, so as to devote themselves to work and life with a healthier body and more energetic spirit, and jointly create a dynamic and positive workplace atmosphere.



Democratic Governance »

The Company respects and safeguards employees' rights to exercise democratic management. It has established a Labor Union Committee composed of employee representatives and an Employee Representative Congress. The Company continuously improves the employee democratic management system led by the Labor Union Committee of the Company and streamlines multi-dimensional communication channels. It ensures timely collection, processing, response, and reporting of employee feedback and suggestions. The Company advocates equality in dignity and obligations across all hierarchical levels, emphasizing that every employee is responsible for autonomously participating in corporate governance. The Company respects employees' rights to self-organize and form groups to collectively express, advance, pursue, and safeguard their shared interests, upholding their freedom of peaceful assembly and association. Simultaneously, it protects employees' freedom of speech by establishing platforms for diverse viewpoints and actively encouraging employees to contribute ideas for WCON's development.

During the Reporting Period

Members of the Company's Labor Union Committee accounted for **72.80%** of all active employees.

The Company convened **2** meetings of the Employee Representative Congress, during which **2** proposals were reviewed and approved.



Democratic Grievance Mechanism

The Company encourages employees to report on the Company's management drawbacks and employees' improper behaviors at work. Employees can submit written appeals to the human resources department or lodge appeals through official accounts, emails, telephone calls, etc. The persons responsible for corresponding to the channels will handle the appeals according to the process specifications and promptly respond to the complainants' demands. For complaints that do not require investigation and evidence collection, the investigation committee needs to reply to the complainants with the results within one working day. For complaints involving investigation and evidence collection, the investigation committee needs to reply to the complainants with the results within seven working days after clarifying the situation. The Company handles all reasonable demands from employees impartially and severely punishes false accusations such as taking credit for others' achievements and retaliation.

Employee Satisfaction

The Company attaches great importance to employees' demands and experiences. It has established a semi-annual employee satisfaction survey mechanism, using questionnaires to conduct satisfaction surveys. Through surveys, the Company extensively gathers employee opinions and suggestions on various aspects, including the work environment, behavioral etiquette, timeliness of salary payments, workload, rest and vacation time, methods to enhance recognition, internal promotions, training, daily management, and cafeteria satisfaction. Based on the survey results, the Company develops targeted improvement plans to ensure that reasonable employee concerns are addressed and implemented promptly. By continuously optimizing management practices, improving working conditions, and maintaining open communication channels, the Company has achieved a steady increase in employee satisfaction.

Working environment and working conditions **92.97%**

Timeliness and accuracy of salary payment **94.03%**

Cooperation and collaboration among colleagues **92.86%**

Personal protective equipment (PPE) and occupational health protection products provided by the Company **92.50%**

Items with High Employee Satisfaction

Occupational Health and Safety

Work Safety Management System

The Company deeply implements the *Law of the People's Republic of China on Work Safety* and other relevant laws and regulations, establishing a systematic work safety management system centered on the *Environmental/Occupational Health and Safety Manual*. The Company has established an EHS Committee to oversee its work safety management. The Manager of the Quality Management Department has been appointed as the safety management representative, and the General Manager has approved the occupational health and safety policy. The Company continuously strengthens safety supervision and risk control throughout the entire production process, regularly conducts training on occupational safety awareness, operational procedures, and emergency response skills, and comprehensively safeguards the personal safety and health rights and interests of employees during work.

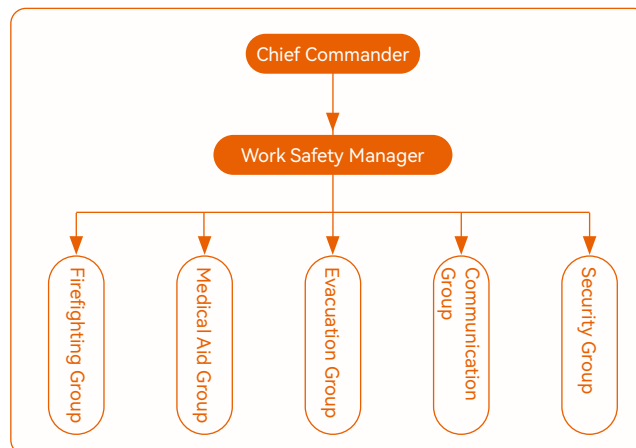
During the reporting period, the Company obtained ISO 45001:2018 Occupational Health and Safety Management System certification.



ISO 45001:2018 Occupational Health and Safety IQNET Certification



ISO 45001:2018 Occupational Health and Safety Management System Certification



2025 Work Safety Management Objectives	
Major safety incidents: 0	✓ Achieved
Food poisoning incidents: 0	✓ Achieved

Work Safety Risk Management

Hazard Assessment »

Relying on its EHS work safety management system, the Company conducts routine daily inspections, special investigations, and unscheduled spot checks, focusing on critical areas such as production equipment and facilities, the working environment, operational procedures, and fire-fighting equipment to comprehensively identify potential safety risks. The Company establishes a detailed ledger for any hazards identified during inspections, clearly defining the responsible parties for rectification, the corrective actions to be taken, and the completion deadlines, thereby ensuring that all rectification measures are fully implemented.

During the reporting period, the rectification rate of potential hazards was **100%**.

Emergency Management »

In accordance with the *Provisions on the Supervision and Administration of Occupational Health at Workplaces*, and adhering to the principle of “rapid response and proper management”, the Company has established the *Emergency Rescue and Management System for Occupational Disease Hazards* to strictly prevent the occurrence of sudden major occupational disease accidents. The Company continuously refines its emergency response plans, clearly defines accident response procedures and handling standards, and ensures timely control and efficient handling after an accident occurs, thereby minimizing the impact on employees’ health to the greatest extent possible.

During the reporting period, the Company organized a total of **6** emergency drills to effectively strengthen employees’ safety awareness and emergency response capabilities.



Fire Safety Drill

Daily Fire Inspection Record Form

Workshop Safety Inspection Record Form

Work Safety Management Measures

The Company strictly adheres to the relevant laws, regulations and internal management systems on work safety. It systematically promotes the safety management of all departments from multiple dimensions such as accident management, safety training, hazardous chemicals management and the safety of relevant parties, effectively building a robust defense for work safety and fully safeguarding the life and health rights of employees as well as the stable and orderly operation of the enterprise’s production and business activities.

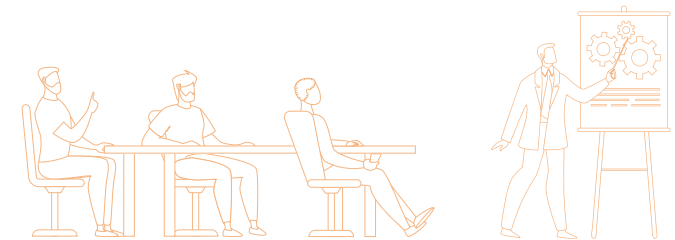
During the Reporting Period

Percentage of special operators licensed: **100%**

Total investment in work-related injury insurance was RMB **497,900**

Number of safety trainings: **103**

Total duration of safety education and training: **114** hours



Work Safety Management Measures

Safety Accident Management

- ▶ The Company formulates the *Control Procedure for Handling Work-related Injury Accidents* to clearly define the safety management responsibilities of each department, strengthen the awareness of safety responsibilities among all employees, and standardize the management process for safety accidents. Additionally, the Company provides work-related injury insurance for all employees.

Management of Employees Engaged in Special Types of Work

- ▶ The Company conducts pre-job training on relevant knowledge for each employee. Employees engaged in special types of work must undergo job skill training, pass the assessment, and hold valid certifications for their positions.

Safety Culture Construction

- ▶ The Company conducts safety training across multiple areas, including occupational safety knowledge, workplace safety protocols, and safety management competency development, to cultivate safety awareness among employees. Safety slogans are displayed throughout the factory premises to constantly remind employees to prioritize personal safety and avoid unsafe practices.

Safety Management for Related Parties

- ▶ The Company's main external services are security services and staff cafeteria operations. The Company has established the *Security Management Regulations* and the *Cafeteria Operating Procedures*, which explicitly allocate safety accountability to contractors. The Company conducts contractor-associated risk assessments through systematic hazard identification and control processes. Contractors must perform competency-based emergency response drills to enhance their emergency response capabilities.

Management of Hazardous Chemicals

- ▶ The Company has established the *Hazardous Chemicals Management Regulations* to define the inventory of hazardous chemicals, and designated relevant responsible departments to oversee chemical storage, daily supervision, and usage management. All hazardous chemicals are required to have standardized Material Safety Data Sheets (MSDS) documentation. Employees must strictly adhere to established procedures when handling hazardous chemicals, with designated supervisors monitoring operations to prevent violations. In the event of potential hazards, employees must immediately implement emergency protocols to eliminate or minimize workplace risks.

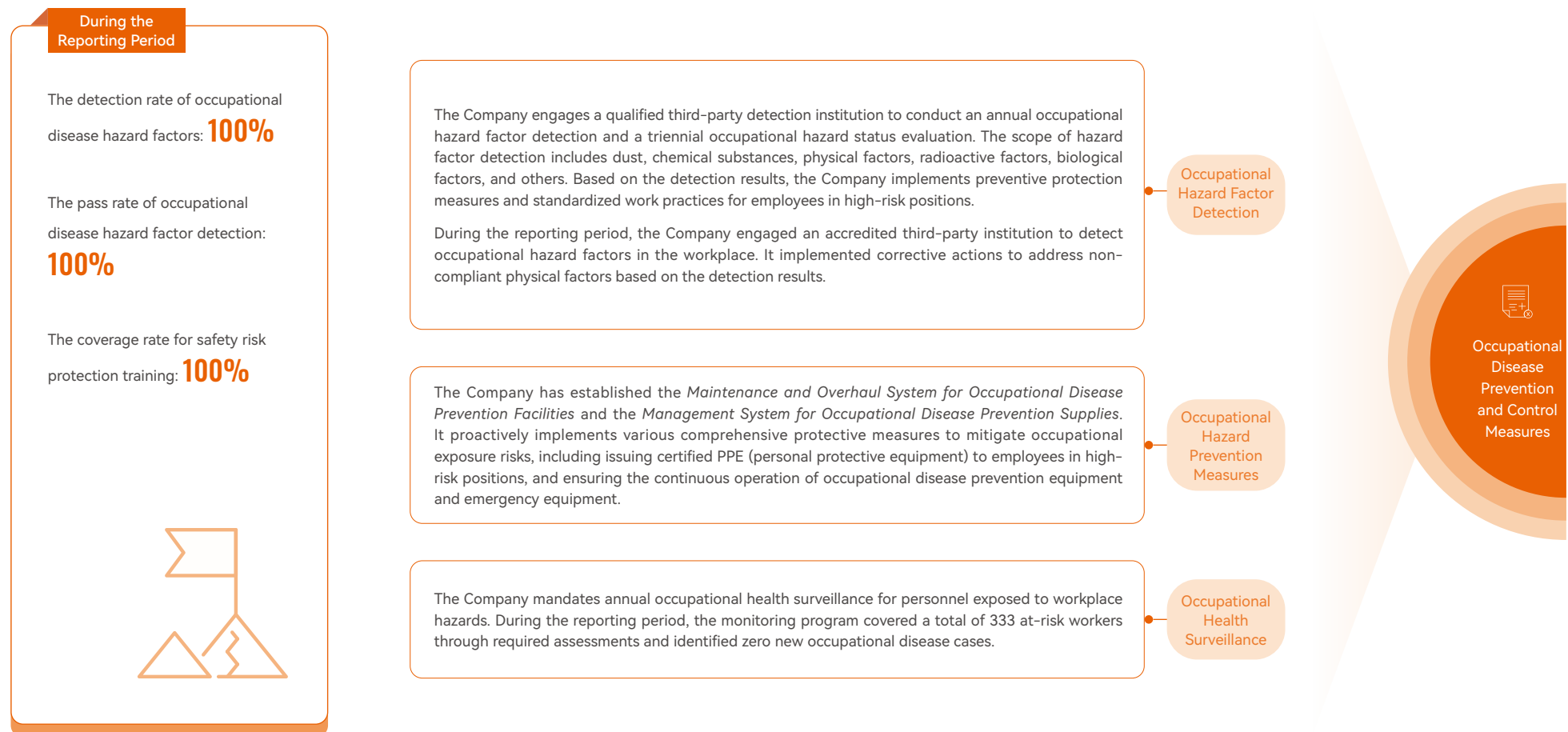


Case

In July 2025, the Company conducted environmental protection and occupational health and safety training to empower employees with a comprehensive understanding of the core principles of the Company's ESH system. The training centered on four key modules: regulatory framework analysis, risk management methodologies, review of case studies of best practices, and continuous improvement mechanisms, helping employees clarify compliance requirements for occupational health and safety.

Occupational Safety Guarantee

The Company has established an occupational disease prevention and control system based on 12 key occupational health institutional documents, including the *Occupational Disease Prevention and Control Responsibility System* and the *Occupational Health "Three Simultaneities" Management System for Construction Projects*. It assigned a dedicated occupational health management team to implement these prevention and control measures, aiming to control occupational diseases at their source, actively eliminate occupational hazards, and safeguard the health of every employee.



Community Public Welfare

The Company has established a comprehensive social responsibility vision centered on spearheading connector technology innovation, fueling regional economic growth, and broadly enhancing societal well-being. It actively engages in social services and charitable activities, striving to fulfill its responsibilities as a corporate citizen while pursuing economic benefits. By giving back to society through concrete actions, the Company demonstrates its commitment to corporate responsibility.

The Company upholds the core philosophy of innovation and social contribution by actively participating in public welfare initiatives, including poverty alleviation and the improvement of medical and health services. Closely aligning its core capabilities with societal needs, the Company is dedicated to creating broader and more substantial comprehensive value for all sectors of society. By enhancing overall social well-being, it aims to achieve the long-term goal of shared prosperity between the enterprise and the society. In 2025, the Company's total social contribution investment amounted to RMB 308,000.

Case Voluntary Blood Donation Charity Campaign

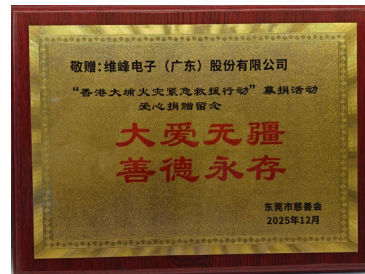
On May 7, 2025, the Company, in collaboration with the Health Office of Daning Community, Humen Town, Dongguan City, organized a public welfare event titled “Blood Donation, Dedication of Love”. More than 30 individuals participated in on-site blood tests, with 26 people ultimately successfully donating blood. The donated blood was used for clinical medical treatment, making a solid contribution to ensuring the public health blood supply and saving lives, thereby supporting the development of public health through corporate efforts.

During the reporting period, the Company was honored with the title of “2024 Advanced Organization for Blood Donation” by the Voluntary Blood Donation Working Committee of Humen Town, Dongguan City.



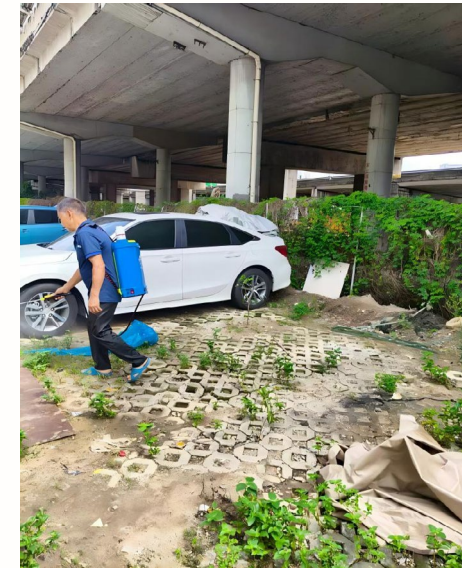
Case Donations for Hong Kong 11.26 Fire Victims

In response to the spirit of unity embodied in Guangdong-Hong Kong-Macao Greater Bay Area—“when disaster struck, help came from all sides”—the Company donated RMB 300,000 to support the victims affected by the “11.26” fire at Wang Fuk Court in Tai Po, Hong Kong. The funds were specifically allocated for emergency rescue, temporary shelter, medical assistance, and post-disaster reconstruction efforts. This contribution aimed to help the affected residents overcome their difficulties, rebuild their homes, and jointly foster a harmonious society.



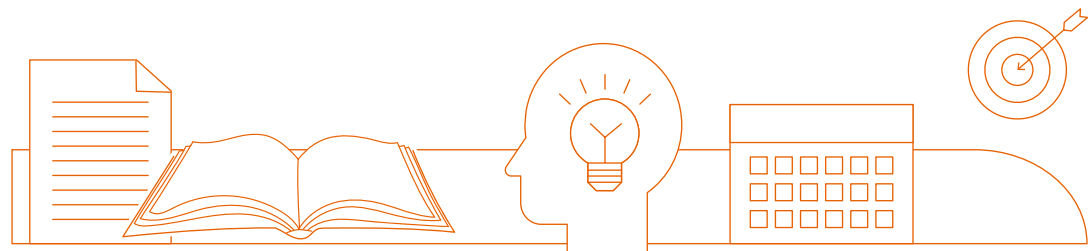
Case Participation in Community Epidemic Prevention

From August to October 2025, in response to the local Chikungunya fever epidemic prevention and control situation, Daning Community in Humen Town, Dongguan City, established a specialized community mosquito eradication team. The Company actively responded to the community's epidemic prevention call by organizing employee volunteers to join the team and deeply participate in the epidemic prevention and control efforts. They conducted comprehensive mosquito eradication operations in public areas of the community, cutting off the transmission routes of the epidemic at the source. Through concrete actions, the Company contributed to ensuring the health and safety of residents and building a harmonious and stable community environment.



Responding to “the Belt and Road Initiative”

In active response to “the Belt and Road Initiative”, the Company deeply recognizes both the responsibilities and opportunities it presents. Taking this as an opportunity, the Company fully leverages its strengths in connector manufacturing and technological research and development to deepen cooperation with countries and regions along the Belt and Road, providing global customers with more reliable and efficient connection support.



Case Invest in and Construct a Production Base in Thailand

The Company has invested in the construction of an overseas production base at the Rojana Industrial Park in Prachin Buri Province, Thailand. Through technology transfer and localized operations, it has optimized its overseas supply chain layout, achieving a precise alignment between Chinese connector manufacturing technology and the demands of the Southeast Asian market. At the level of policy coordination, Thailand's Eastern Economic Corridor (EEC) initiative is highly aligned with “the Belt and Road Initiative”. Combined with ASEAN's tax incentives and business-friendly environment, this provides a solid foundation for enterprises to reduce cross-border operational costs and expand into the Southeast Asian and global markets.



WCON ELECTRONICS (THAILAND) CO., LTD.

Address of the factory in Thailand:
334 Moo 12, Hua Wawa Subdistrict, Sri Maha Pho District, Prachinburi Province, 25140, Thailand

Annexes

Indexes

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

Dimension	Guidelines Topics	Corresponding Clauses	Corresponding Chapters in the Report
Environmental	Response to Climate Change	Articles 21 to 28	Response to Climate Change
	Pollutant Emissions	Article 30	Environmental Compliance Management
	Waste Disposal	Article 31	Environmental Compliance Management
	Ecosystem and Biodiversity Conservation	Article 32	Not Applicable
	Environmental Compliance Management	Article 33	Environmental Compliance Management
	Energy Utilization	Article 35	Resource Utilization
	Water Resource Utilization	Article 36	Resource Utilization
	Circular Economy	Article 37	Resource Utilization

Dimension	Guidelines Topics	Corresponding Clauses	Corresponding Chapters in the Report
Social	Rural Revitalization	Article 39	Community Public Welfare
	Contribution to Society	Article 40	Community Public Welfare
	Innovation-Driven Growth	Article 42	Innovation-Driven Growth
	Technology Ethics	Article 43	Not Applicable
	Supply Chain Security	Article 45	Responsible Supply Chain
	Equal Treatment of Small and Medium-sized Enterprises	Article 46	Not Applicable
	Product and Service Safety and Quality	Article 47	Product and Service Safety and Quality
	Data Security and Customer Privacy Protection	Article 48	Data Security and Privacy Protection
	Employees	Article 50	Safeguarding Employees' Rights Occupational Health and Safety
	Corporate Governance	Due Diligence	Article 52
Communications with Stakeholder		Article 53	Communications with Stakeholders

Dimension	Guidelines Topics	Corresponding Clauses	Corresponding Chapters in the Report
Corporate Governance	Anti-commercial Bribery and Anti-corruption	Article 55	Compliant Operations and Business Ethics
	Anti-unfair Competition	Article 56	Compliant Operations and Business Ethics
Topics Disclosed Independently by the Company	Protection of Shareholders' Rights and Interests	\	Investor Relations Management and Protection of Shareholders' Rights and Interests
	Corporate Governance Compliance	\	Corporate Governance
	Compliance and Risk Control	\	Risk Management Compliant Operations and Business Ethics
	ESG Governance	\	Sustainable Development Governance
	Conflict Minerals	\	Responsible Supply Chain

Index to the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards)

GRI Standard	Disclosure Item	Location
Part I: General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational Details	Company Profile
	2-2 Entities Included in the Organization's Sustainability Reporting	About the Report
	2-3 Reporting Period, Frequency and Contact Point	About the Report
	2-6 Activities, Value Chain and Other Business Relationships	Product Roadmap
	2-7 Employees	Safeguarding Employees' Rights
	2-8 Workers Who Are Not Employees	Annexes - Key Performance Form - Social Performance
	2-9 Governance Structure and Composition	Corporate Governance
	2-10 Nomination and Selection of the Highest Governance Body	Corporate Governance
	2-11 Chair of the Highest Governance Body	Corporate Governance
	2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	Corporate Governance
	2-13 Delegation of Responsibility for Managing Impacts	Corporate Governance



GRI Standard	Disclosure Item	Location
GRI 2: General Disclosures 2021	2-14 Role of the Highest Governance Body in Sustainability Reporting	Sustainable Development Governance Structure, Corporate Governance
	2-16 Communication of Critical Concerns	Communications with Stakeholders
	2-17 Collective Knowledge of the Highest Governance Body	Sustainable Development Governance Structure
	2-18 Evaluation of the Performance of the Highest Governance Body	Sustainable Development Governance Structure
	2-19 Remuneration Policies	Safeguarding Employees' Rights
	2-20 Process to Determine Remuneration	Corporate Governance
	2-21 Annual Total Compensation Ratio	Annexes - Key Performance Form - Social Performance
	2-22 Statement on Sustainable Development Strategy	Sustainable Development Goals and Vision
	2-23 Policy Commitments	Safeguarding Employees' Rights
	2-24 Embedding Policy Commitments	Compliant Operations and Business Ethics
	2-25 Processes to Remediate Negative Impacts	Compliant Operations and Business Ethics
	2-26 Mechanisms for Seeking Advice and Raising Concerns	Compliant Operations and Business Ethics

GRI Standard	Disclosure Item	Location
GRI 2: General Disclosures 2021	2-27 Compliance with Laws and Regulations	Disclosed in various chapters
	2-28 Membership Associations	Innovation-Driven Growth
	2-29 Approach to Stakeholder Engagement	Communications with Stakeholders
Part II: Material Topics		
GRI 3: Material Topics 2021	3-1 Process to Determine Material Topics	Management of Material Topics
	3-2 List of Material Topics	Management of Material Topics
	3-3 Management of Material Topics	Management of Material Topics
Economic Performance		
GRI 201: Economic Performance 2016	201-1 Direct Economic Value Generated and Distributed	Annexes - Key Performance Form - Economic Performance
	201-2 Financial Implications and Other Risks and Opportunities due to Climate Change	Response to Climate Change
	201-3 Defined Benefit Plan Obligations and Other Retirement Plans	Safeguarding Employees' Rights
Procurement Practices		
GRI 204: Procurement Practices 2016	204-1 Proportion of Procurement Expenditures From Local Suppliers	Annexes - Key Performance Form - Social Performance

GRI Standard	Disclosure Item	Location
Anti-corruption		
GRI 205: Anti-corruption 2016	205-1 Operations Assessed for Risks Related to Corruption	Compliant Operations and Business Ethics
	205-2 Communication and Training about Anti-corruption Policies and Procedures	Compliant Operations and Business Ethics Responsible Supply Chain
	205-3 Confirmed Incidents of Corruption and Actions Taken	Compliant Operations and Business Ethics
Anti-competitive Behavior		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal Actions for Anti-competitive Behavior, Anti-trust, and Monopoly Practices	Compliant Operations and Business Ethics
Energy		
GRI 302: Energy 2016	302-1 Energy Consumption Within the Organization	Annexes - Key Performance Form - Environmental Performance
	302-4 Reduction of Energy Consumption	Resource Utilization
Water and Effluents		
GRI 303: Water and Effluents 2018	303-2 Management of Water Discharge-related Impacts	Resource Utilization
	303-3 Water Withdrawal	Annexes - Key Performance Form - Environmental Performance
Emissions		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	Annexes - Key Performance Form - Environmental Performance

GRI Standard	Disclosure Item	Location
GRI 305: Emissions 2016	305-2 Energy Indirect (Scope 2) GHG Emissions	Annexes - Key Performance Form - Environmental Performance
	305-5 Reduction of GHG Emissions	Resource Utilization
Effluents and Waste		
GRI 306: Effluents and Waste 2016	306-3 Significant Spills	Environmental Compliance Management
Waste		
GRI 306: Waste 2020	306-1 Waste Generation and Significant Waste-related Impacts	Environmental Compliance Management
	306-2 Management of Significant Waste-related Impacts	Environmental Compliance Management
	306-3 Waste Generated	Annexes - Key Performance Form - Environmental Performance
	306-5 Waste Directed to Disposal	Environmental Compliance Management Annexes - Key Performance Form - Environmental Performance
Supplier Environmental Assessment		
GRI 308: Supplier Environmental Assessment 2016	308-1 New Suppliers that were Screened Using Environmental Criteria	Responsible Supply Chain
Employment		
GRI 401: Employment 2016	401-1 New Employee Hires and Employee Turnover	Annexes - Key Performance Form - Social Performance
	401-2 Benefits Provided to Full-time Employees that are not Provided to Temporary or Part-time Employees	Safeguarding Employees' Rights

GRI Standard	Disclosure Item	Location
GRI 401: Employment 2016	401-3 Parental Leave	Safeguarding Employees' Rights Annexes - Key Performance Form - Social Performance
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	Occupational Health and Safety
	403-2 Hazard Identification, Risk Assessment, and Incident Investigation	Occupational Health and Safety
	403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	Occupational Health and Safety
	403-5 Worker Training on Occupational Health and Safety	Occupational Health and Safety
	403-6 Promotion of Worker Health	Occupational Health and Safety
	403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	Occupational Health and Safety
	403-8 Workers Covered by An Occupational Health and Safety Management System	Occupational Health and Safety
	403-9 Work-related Injuries	Occupational Health and Safety Annexes - Key Performance Form - Social Performance
	403-10 Work-related Ill Health	Occupational Health and Safety Annexes - Key Performance Form - Social Performance

GRI Standard	Disclosure Item	Location
Training and Education		
GRI 404: Training and Education 2016	404-1 Average Hours of Training per Year per Employee	Annexes - Key Performance Form - Social Performance
	404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs	Safeguarding Employees' Rights
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of Governance Bodies and Employees	Safeguarding Employees' Rights Annexes - Key Performance Form - Social Performance
Child Labor		
GRI 408: Child Labor 2016	408-1 Operations and Suppliers at Significant Risk for Incidents of Child Labor	Safeguarding Employees' Rights Responsible Supply Chain
Forced or Compulsory Labor		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	Safeguarding Employees' Rights Responsible Supply Chain
Local Communities		
GRI 413: Local Communities 2016	413-1 Operations with Local Community Engagement, Impact Assessments, and Development Programs	Community Public Welfare
Supplier Social Assessment		
GRI 414: Supplier Social Assessment 2016	414-1 New Suppliers that were Screened Using Social Criteria	Responsible Supply Chain
	414-2 Negative Social Impacts in the Supply Chain and Actions Taken	Responsible Supply Chain

GRI Standard	Disclosure Item	Location
Customer Health and Safety		
GRI 416: Customer Health and Safety 2016	416-2 Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services	Product and Service Safety and Quality
Marketing and Labeling		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for Product and Service Information and Labeling	Product and Service Safety and Quality
	417-2 Incidents of Non-compliance Concerning Product and Service Information and Labeling	Product and Service Safety and Quality
	417-3 Incidents of Non-compliance Concerning Marketing Communications	Compliant Operations and Business Ethics
Customer Privacy		
GRI 418: Customer Privacy 2016	418-1 Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Data Security and Privacy Protection



Key Performance Indicators (KPIs) Form

Economic Performance

Metrics	Unit	2023	2024	2025
Total Operating Income	RMB 10,000	48,663.40	55,417.23	71,292.04
Net Profit Attributable to Shareholders of the Parent Company	RMB 10,000	13,035.46	8,546.64	9,882.92
Total Taxes	RMB 10,000	2,677.69	2,688.32	3,743.54

Governance Performance

Metrics	Unit	2023	2024	2025
Remuneration for directors, supervisors, and senior executives ¹	RMB 10,000	420.58	395.50	329.81
The amount involved in litigation or significant administrative penalties caused by the Company's unfair competition behavior during the Reporting Period	RMB 10,000	0	0	0
Signing rate of integrity and other related business ethics agreements	%	100	100	100
Total duration of anti-commercial bribery and anti-corruption training provided to board members	Hour	-	6	6
Total duration of anti-commercial bribery and anti-corruption training provided to the management	Hour	-	80	98
Total duration of anti-commercial bribery and anti-corruption training provided to employees	Hour	-	238	356

Metrics	Unit	2023	2024	2025
Total duration of anti-monopoly and fair competition training	Hour	-	-	73.50
Number of performance briefings held	Times	2	2	2
Number of company open days held ²	Times	2	1	4
Number of investors interactions at irm.cninfo.com.cn	Times	68	105	303
Reply rate on irm.cninfo.com.cn	%	98.53	100	100
Number of periodic reports disclosed externally	Copy	6	6	6
Number of interim announcements disclosed externally	Copy	61	54	53

Note 1: In 2025, the Company abolished the board of supervisors and supervisor positions due to organizational restructuring. Therefore, supervisors are not included in the scope of this year's remuneration statistics.

Note 2: Including collective investor engagement day initiatives, and corporate visitation programs

Environmental Performance

Metrics	Unit	2023	2024	2025
Total environmental investment	RMB 10,000	15.00	240.20	39.20
Compliance rate observed in pollutant monitoring	%	100	100	100
Synchronized operation rate of environmental facilities	%	100	100	100
The compliance rate of "three simultaneities" in environmental protection for construction projects	%	100	100	100

Metrics	Unit	2023	2024	2025
Number of environmental training sessions	Times	14	14	44
Number of participants in environmental training	Person-times	405	525	1,312
Total hours of environmental training	Hour	458	689.50	1,327.50
Gasoline	Ton	4.54	4.36	4.11
Total purchased electricity	kWh	6,993,354	8,069,948	9,526,065
Total GHG emissions ¹	tCO ₂ e	3,373.18	4,336.63	5,140.68
Direct GHG emissions (scope 1) ¹	tCO ₂ e	75.81	73.93	86.15
Indirect GHG emissions (scope 2) ¹	tCO ₂ e	3,297.37	4,262.71	5,054.53
Office paper expenses	RMB	-	-	50,400
Total water consumption	Ton	51,394	50,682	59,270
Wastewater discharges	Ton	63,508.30	76,748.79	76,808.40
Quantity of general waste generated	Ton	3	3	5

Metrics	Unit	2023	2024	2025
Recycling rate of general waste	%	50	50	50
Quantity of general waste disposed of	Ton	3	3	5
Quantity of hazardous waste generated	Ton	2	2	2
Quantity of hazardous waste disposed of	Ton	2	2	2
Waste disposal compliance rate	%	100	100	100
Waste engine oil	Ton	0.60	0.60	0.60
Waste oil drums	Ton	0.20	0.20	0.20
Domestic waste garbage	Ton	481.80	481.80	481.80

Note 1: Scope 1 GHG emissions are calculated based on default values of common fossil fuel characteristic parameters issued by the National Development and Reform Commission of the People's Republic of China; Scope 2 GHG emissions are calculated based on average carbon dioxide emission factors for China's regional power grids issued by the National Development and Reform Commission of the People's Republic of China.



Social Performance

Labor Relations Management »

Metrics	Unit	2023	2024	2025
Percentage of contract workers	%	100	100	100
Number of dispatched workers	Person	0	0	0
Number of part-time employees	Person	0	0	0
Total number of employees	Person	1,382	1,459	1,668
Including: By job level				
Senior management ¹	Person	17	17	17
Middle management ²	Person	68	78	80
Non-managerial Staff	Person	1,297	1,364	1,571
Including: By gender				
Female	Person	664	698	846
Male	Person	718	761	822
Including: By age				
Under 30 (exclusive) years old	Person	342	616	540
30 (inclusive) to 40 (exclusive) years old	Person	702	542	706
40 years old or above	Person	338	301	422

Metrics	Unit	2023	2024	2025
Including: By academic qualification				
Master's degree or above	Person	9	12	15
Bachelor's degree	Person	80	122	160
College degree	Person	227	260	305
Below college degree	Person	1,066	1,065	1,188
Including: By profession				
Production	Person	975	1,028	1,273
Sales	Person	64	78	84
Technology	Person	279	211	202
Finance	Person	17	16	17
Administration	Person	47	126	92
Number of employees with disabilities	Person	2	2	2
Number of employees of minority nationalities	Person	149	154	170
Number of employees of minority nationalities in the management ³	Person	3	4	4
Number of new employees	Person	976	1,003	900

Metrics	Unit	2023	2024	2025
Including: By recruitment channel				
Social recruitment	Person	957	982	861
On-campus recruitment	Person	19	21	39
The proportion of female managers	%	14.12	14.74	18
Number of employees on maternity leave	Person	7	4	3
Number of employees who took parental leave	Person	3	6	1
Social insurance coverage rate	%	97	97	97
Number of projects reviewed and approved by the Employee Congress	Item	1	1	2
Proportion of labor union members to in-service employees	%	30	71.10	72.80
Number of labor dispute cases	Item	0	0	0
Employee Satisfaction	%	80.15	85.30	91.16
Employee turnover rate	%	36.62	36.69	26.89
Including: By gender				
Female	%	57.89	52.11	47.75
Male	%	42.11	47.89	52.25

Metrics	Unit	2023	2024	2025
Including: By age				
Under 30 (exclusive) years old	%	45.61	45.37	48.33
30 (inclusive) to 40 (exclusive) years old	%	45.49	47.09	42.38
40 (inclusive) to 50 (exclusive) years old	%	8.27	6.63	8.85
50 years old or above	%	0.63	0.91	0.44

Note 1: Director level
 Note 2: Section Chief + Manager level
 Note 3: Deputy Section Chief level and above

Employee Development and Training »

Metrics	Unit	2023	2024	2025
Investment in employee training	RMB 10,000	-	16.34	9.63
Number of employee training sessions	Session	256	400	491

Metrics	Unit	2023	2024	2025
Total number of persons trained	Person	1,382	1,459	1,668
Total number of persons trained	Person-times	9,984	10,744	14,392
Employee training coverage	%	100	100	100
Total hours of employee training	Hour	11,669.50	14,129	16,200
Average training hours per employee per year	Hour	11.67	13.59	14.59
Number of employees having successfully transitioned or applied internally	Person	172	175	139
Proportion of internal transfers or applications by employees	%	17.20	16.83	12.52

Occupational Health and Safety »

Metrics	Unit	2023	2024	2025
Number of safety production accidents	Case	0	0	0
Number of work-related deaths	Person	0	0	0
Total number of work-related injuries	Person	0	0	0
Hidden danger investigation and rectification rate	%	100	100	100
Number of safety contingency drills	Times	2	2	6

Metrics	Unit	2023	2024	2025
Safety education and training sessions	Times	36	38	103
Number of participants in safety education and training sessions	Person-times	3,200	3,300	5,944
Total hours of safety education and training	Hour	47	41.50	114
Coverage rate of safety education and training	%	100	100	100
Coverage rate of safety risk protection training	%	100	100	100
Percentage of special operators licensed	%	100	100	100
Investment in work-related injury insurance	RMB 10,000	26.60	47.59	49.79
Coverage rate of work-related injury insurance for employees	%	100	100	100
Coverage rate of physical examinations for employees	%	100	100	100
The detection rate of occupational disease hazard factors	%	100	100	100
The pass rate of occupational disease hazard factor detection	%	100	100	100



Innovation-Driven Growth »»

Metrics	Unit	2023	2024	2025
R&D Investment	RMB	72,336,311.24	64,355,742.49	64,893,382.43
R&D investment as a percentage of primary business revenue	%	14.86	12.05	8.96
Total R&D team members	Person	267	210	189
Proportion of R&D personnel	%	19.32	13.60	11.33
Including: By age				
Under 30 (exclusive) years old	Person	81	62	59
30 (inclusive) to 40 (exclusive) years old	Person	131	107	76
Above 40 years old (inclusive)	Person	55	41	54
Including: By academic qualification				
Bachelor's degree or below	Person	232	176	147
Bachelor's degree	Person	31	32	38
Master's degree	Person	4	2	4
Total number of authorized patents	Item	167	201	245
Cumulative number of authorized invention patents	Item	11	21	31

Metrics	Unit	2023	2024	2025
Cumulative number of authorized utility model patents	Item	153	169	203
Cumulative number of granted design patents	Item	3	11	11
Number of valid patents per million yuan in revenue	Item	0.34	0.38	0.34

Product and Service Safety and Quality »»

Metrics	Unit	2023	2024	2025
Number of risk assessments conducted	Times	1	1	1
Product percent of pass	%	99.52	99.66	99.76
Times of annual quality internal audits	Times	1	1	1
Number of times third-party agencies were engaged for sampling	Times	1	1	1
Number of products that are required to be withdrawn and recalled for health and safety reasons	Case	0	0	0
Amount involved in accidents with significant safety or quality responsibilities related to products or services	RMB 10,000	0	0	0
Number of participants in quality training	Person-times	105	119	153
Total hours of quality training	Hour	2,520	2,737	1,738
Number of quality training sessions	Times	24	23	24

Protection of Customers' Rights and Interests »»

Metrics	Unit	2023	2024	2025
Customer complaint resolution rate	%	100	100	100
Number of participants in special training on responding to customer complaints	Person-times	230	192	130
Total hours of special training on customer complaint response	Hour	230	192	151.50
Number of sessions of special training on customer complaint response	Times	3	3	5
Total sessions of responsible marketing training	Times	32	38	59
Number of customer information leakage incidents	Case	0	0	0



Supply Chain Security and Sustainability »»

Metrics	Unit	2023	2024	2025
Number of suppliers	Units	41	41	42
Proportion of procurement expenditures from local suppliers	%	45.00	48.77	50.00
Number of suppliers certified under quality management systems	Units	39	39	40
Number of suppliers certified under environmental management systems	Units	15	15	17
Number of suppliers certified under occupational health and safety management systems	Units	2	2	2
Number of suppliers suspended due to non-compliance	Units	0	0	0
Number of prospective suppliers rejected due to non-compliance	Units	0	0	0
Percentage of suppliers that have signed the Integrity Agreement	%	100	100	100
The number of incidents with significant risks and impacts on the supply chain	Case	0	0	0

Note: The number of suppliers is counted based on the list of qualified suppliers. Local suppliers refer to enterprises registered within Guangdong Province.

Data Security and Privacy Protection »»

Metrics	Unit	2023	2024	2025
Number of training sessions carried out	Times	12	12	12
Number of participants in practice and training	Person	-	-	256
Coverage rate of employees engaged in practice and training	%	-	-	100
Total investment in data security	RMB 10,000	2.40	9.70	69.80
Number of incidents of information security and privacy protection violations	Times	0	0	0



Feedback

Dear readers,

Thank you for reading the Report. We greatly value and eagerly anticipate your opinions on the Report. Your opinions and suggestions are an important driving force for us to continuously improve the quality of ESG information disclosure and deepen ESG management and practice. We sincerely welcome and greatly appreciate your participation and support!

1. Your overall assessment of our ESG management and practice:

Excellent Good Average Below Average Poor

2. Your overall assessment of the Report:

Excellent Good Average Below Average Poor

3. How do you think we have performed in terms of communications with stakeholders?

Excellent Good Average Below Average Poor

4. How do you think we have performed in terms of corporate governance?

Excellent Good Average Below Average Poor

5. How do you think we have performed in terms of environmental protection, resource management, and response to climate change?

Excellent Good Average Below Average Poor

6. How do you think we have performed in terms of product quality management?

Excellent Good Average Below Average Poor

7. How do you think we have performed in terms of supply chain security management?

Excellent Good Average Below Average Poor

8. How do you think we have performed in terms of safeguarding employees' rights and managing occupational health?

Excellent Good Average Below Average Poor

9. What are your opinions and suggestions on our implementation of ESG and the Report?


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