

Shaping Better Life

2025

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE (ESG) REPORT

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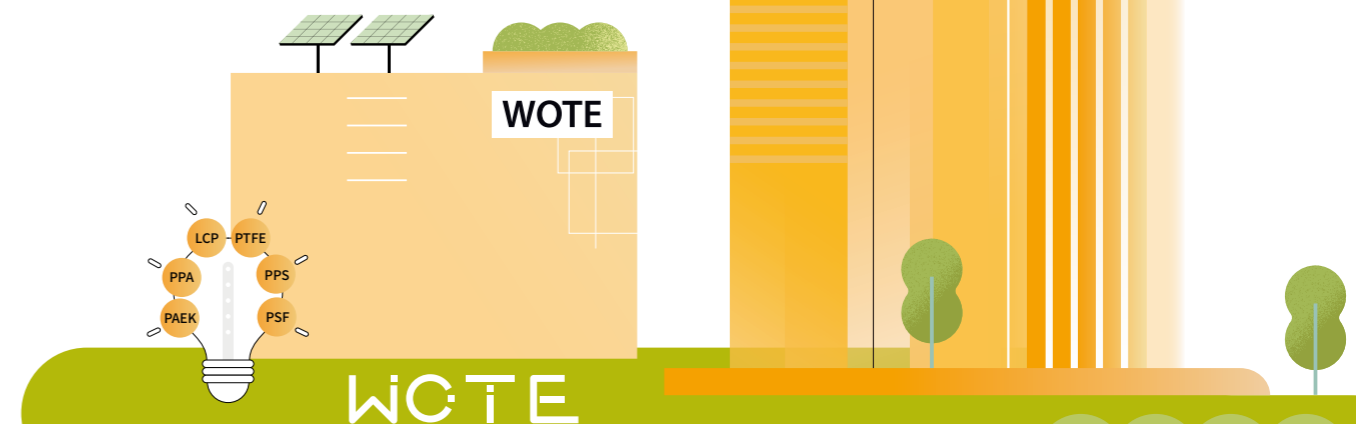
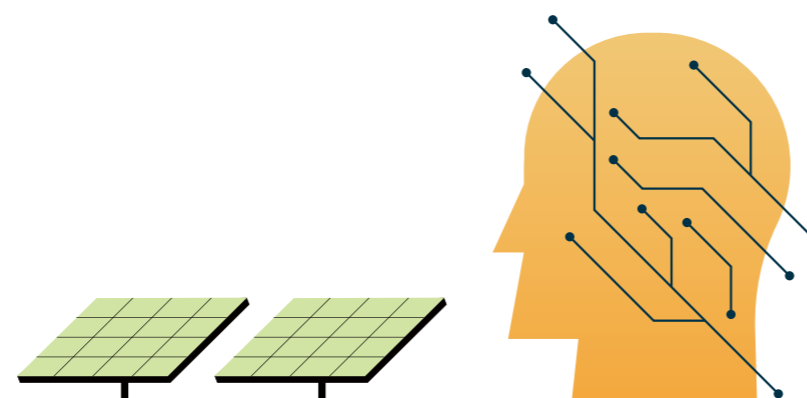
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Message from the Chairwoman



Chairwoman of Shenzhen WOTE Advanced Materials Co., Ltd.
Wu Xian

The year 2025 marks a pivotal milestone, representing both the successful conclusion of China's 14th Five-Year Plan and the key strategic planning phase for the 15th Five-Year Plan. It is also a critical year for the global advancement of sustainable development governance toward greater standardization and systematization. Against the backdrop of the global carbon peaking and carbon neutrality goals and the full implementation of the IFRS® Sustainability Disclosure Standards (issued by the ISSB), China has officially implemented the *Corporate Sustainability Disclosure Standards—Basic Standard (Trial)*. Meanwhile, the Development and Reform Commission of Shenzhen Municipality has released the *Work Plan for Promoting the ESG System Development in Shenzhen to Help Build a Pioneer City for Sustainable Development (2025-2027)*, providing clear direction for corporate sustainability practices. As a dedicated player in the field of high-performance polymer materials, WOTE remains committed to high-quality development and has steadily advanced on this path, being recognized among Shenzhen's first group of ESG Practice Pioneer Enterprises. We firmly believe that only by embedding sustainability into our core development philosophy can we achieve steady and long-term growth amid a rapidly evolving era.

We uphold excellence in governance, strengthening the foundation for sustainable development. We continuously improve our ESG top-level design and governance structure, standardize information disclosure, and have been awarded an "A" rating for information disclosure by the Shenzhen Stock Exchange for four consecutive years. We have further enhanced our risk management and internal control systems, strictly adhered to business ethics and compliance standards, and optimized information security and data protection frameworks, thereby safeguarding high-quality corporate development with robust governance capabilities.

We practice the green development philosophy and lead the low-carbon transformation of the industry. Actively responding to China's carbon peaking and carbon neutrality strategy, we have achieved breakthroughs in green technologies for polymer materials. Bio-based polyamide and post-consumer recycled (PCR) environmentally friendly materials have been applied at scale, while recycled carbon fiber materials are enabling carbon reduction in the robotics industry. Our Chongqing base continues to release green production capacity, with clean production processes implemented across all production lines to reduce carbon footprint at the source. Through full life-cycle environmental management of our products, we provide low-carbon solutions for downstream industries such as electronics, photovoltaics, semiconductors, communications, new energy vehicles, low-altitude aircraft, and robotics, contributing to the vision of building a "Beautiful China".

We adhere to innovation-driven development to energize industrial upgrading. Aligned with China's national innovation-driven development strategy and its broader agenda of becoming a manufacturing powerhouse, we implement a platform-based strategy for high-performance polymer materials. The LCP and PEEK projects have been initiated at Chongqing Base, and we have completed the full acquisition of Valqua Seals Products, further strengthening our presence across the semiconductor value chain. Our core products maintain a leading global position in terms of both production capacity and technological capability, achieving greater autonomy and control across the entire chain of "polymerization-compounding-processing and molding". In 2025, we invested RMB 0.12 billion in research and development, with a cumulative total of 434 patents. Seven subsidiaries have been recognized as High-tech Enterprises, and five subsidiaries as "Specialized, Refined, Distinctive and Innovative" enterprises. Leveraging four major innovation platforms, we deepen industry-university-research collaboration and overcome critical challenges in achieving autonomy and control of the supply chain for key materials for fields such as 5G and 6G communications, empowering the development of strategic emerging industries.

We embrace a philosophy of win-win cooperation to build a harmonious social ecosystem. We continuously improve our employee training system and career development channels, providing diverse development platforms so that WOTE employees can share in the Company's growth. We strictly uphold production safety standards, strengthen full-process safety management and control, and adopt rigorous measures to safeguard employees' safety and well-being as well as physical and psychological health. By actively participating in industry standard-setting and collaborating with partners to build a green supply chain, we promote coordinated industry development. Guided by our core value of "Be Unique for You", we fulfill our corporate citizenship responsibilities through public welfare initiatives, achieving a win-win outcome for both business and society.

At this new stage of development, WOTE will continue to deepen its platform-based strategy and accelerate green innovation and technological breakthroughs. With stronger resolve and a more pragmatic approach, we will continue to advance in the field of materials, steadily progressing toward our vision of becoming "a leading supplier". By doing so, we aim to contribute further to the high-quality development of China's manufacturing sector, support the overall national strategic landscape, and advance the achievement of sustainable development goals.

About WOTE

Company Profile

Shenzhen WOTE Advanced Materials Co., Ltd. (A-share Code: 002886 | WOTE Stock) was established in 2001. As a leading material supplier and material solutions provider in China, the Company is primarily engaged in the R&D, production, manufacturing, sales, and technical services of high-performance functional polymer materials, including their polymerization, compounding, and molded products. It is dedicated to delivering optimized new material solutions and value-added services to customers.

Our main products include high-performance and new engineering polymers, high-performance composite materials, carbon fiber / carbon nanotube composite materials, and fluorine-based polymer materials. These products are widely used in a broad range of strategic emerging industries and future-oriented sectors, ultimately enhancing the quality of life.

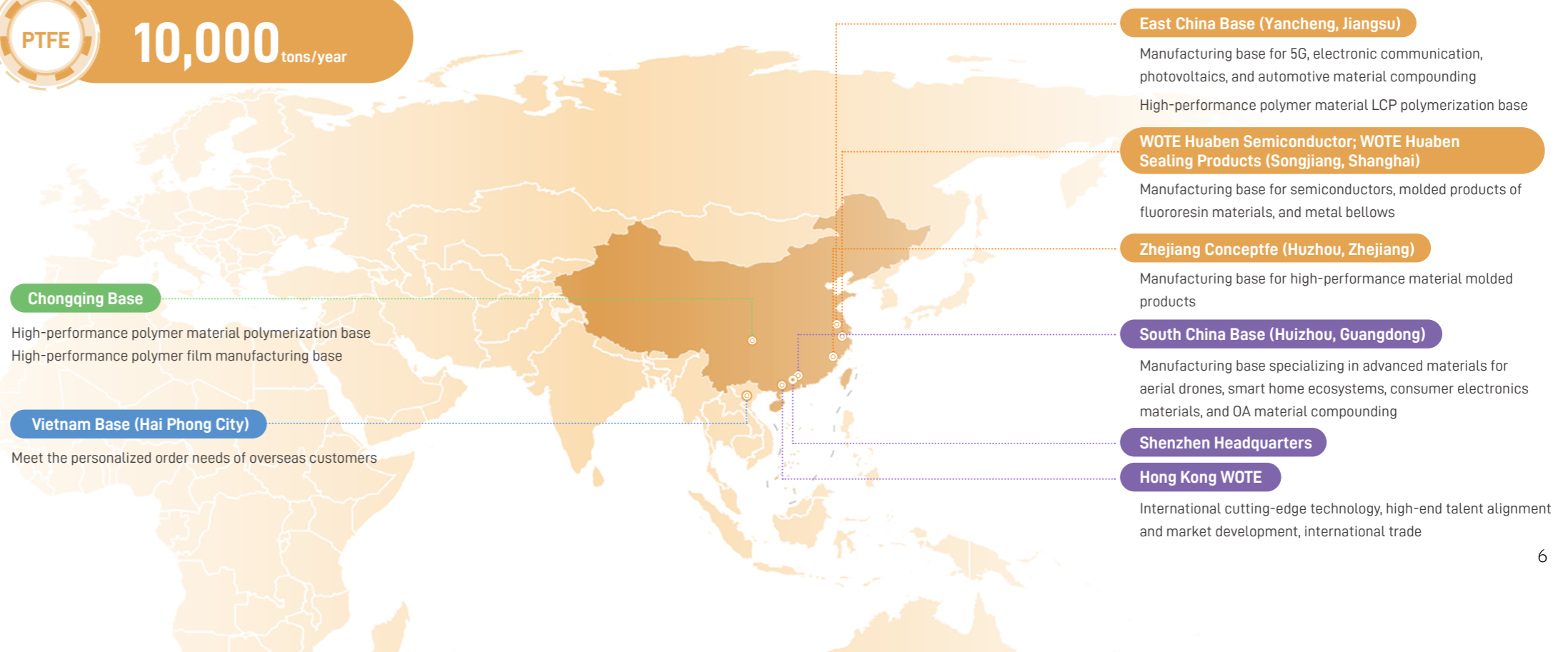
Company Capacity Planning



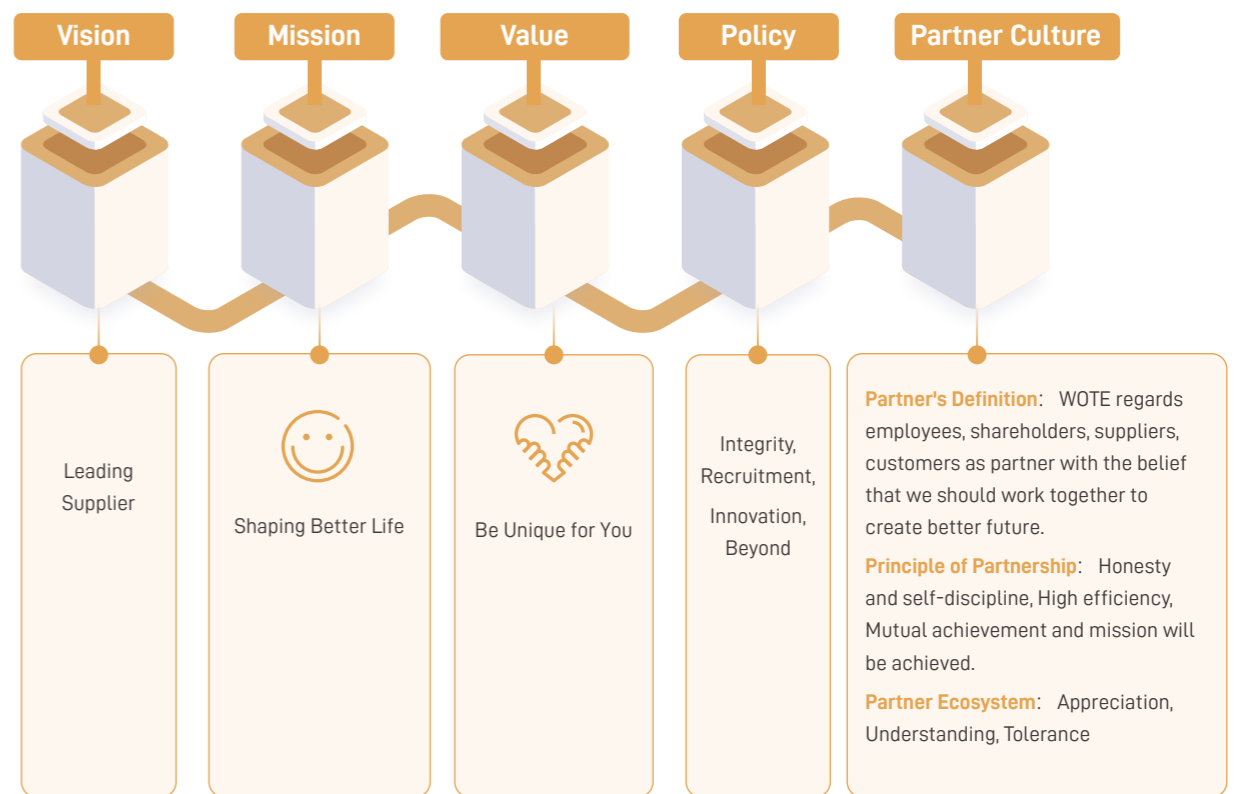
Global Layout

Headquartered in Shenzhen, the Company operates branches and subsidiaries across South China, East China, and Southwest China, with a subsidiary in Hong Kong and manufacturing factories established in Vietnam. Through our multi-regional bases and whole industrial chain capabilities, we deliver optimal polymer material solutions to customers.

- East China
- South China
- Southwest China
- Overseas



Corporate Culture



Responsibilities and Honors

Corporate Honors



- | | |
|---|---|
| National-level Specialized and New Key "Little Giant" Enterprise | "A" Rating for Information Disclosure by Shenzhen Stock Exchange (2024-2025), awarded for four consecutive years |
| "One-Stop" Demonstration Enterprise of High-Speed Connector Issued by the Ministry of Industry and Information Technology | "2025 ESG Practice Pioneer Enterprise Model Case" awarded by the Development and Reform Commission of Shenzhen Municipality |
| TOP 7 of China's Material Companies in Terms of Innovation | "Investor Education Pioneer—Eastmoney Securities Investor Education Base" awarded by the Shenzhen Securities Association |
| Top 10 Enterprises of High-performance Polymer Materials Industry in China | "2025 Best Practices of Board of Directors of Listed Companies" awarded by the China Association for Public Companies |
| National Model Case of Technological Innovation for Private Enterprises | "2025 Best Practices of Board of Directors Office of Listed Companies" awarded by the China Association for Public Companies |
| Excellent Brand Enterprise of Fluoroplastic Industry in China | "2025 Outstanding Sustainability Practices for Listed Companies" awarded by the China Association for Public Companies |
| "Top 50 Leading Enterprises" in Strategic Emerging Industries in Guangdong, Hong Kong and Macao | "Best Practices in 2024 Annual Report Performance Presentation of Listed Companies" awarded by the China Association for Public Companies |
| Guangdong Specialized New "Little Giant" Enterprise | Wind ESG Rating "A" (2025) |
| Top 100 Manufacturing Enterprises in Guangdong Province | 2025 Crystal Ball Award for Investor Relations of Listed Companies |
| Guangdong Province Enterprise of Observing Contract and Value Credit | 2025 Crystal Ball Award for Shareholder Returns of Listed Companies |
| Hidden Champion of Zhejiang Province | 2025 Crystal Ball Award for ESG of Listed Companies |
| Top 100 Shenzhen Industry Leaders | |
| Shenzhen Top 500 Enterprises | |
| Shenzhen Top 100 Quality Enterprises | |
| Top 70 Innovative Enterprises in Shenzhen | |
| Shenzhen Well-known Brand | |

Chairwoman—Ms. Wu Xian's Personal Honors

- | | |
|---|--|
| National Outstanding Entrepreneur | City of Quality Excellence in Shenzhen Gold Award |
| National Outstanding Female Entrepreneur | The First "Pioneer" of Strategic Emerging Industries in Guangdong, Hong Kong and Macao |
| Excellent Builder of Socialist Cause with Chinese Characteristics for Non-Public Economic Personnel in Guangdong Province | "One Hundred Innovators in Shenzhen" in the New Era |
| Guangdong Province March 8th Red Flag Bearer | Shenzhen Industry Leaders and Women's Role Models |
| Top 10 Outstanding Female Entrepreneurs in Shenzhen | Top 100 Industry Leaders in Shenzhen |
| "Top Ten Distinguished Women Entrepreneurs" on the 45th Anniversary of the Shenzhen Special Economic Zone | Person of the Year in Polymer Industry |
| Business Figures in Shenzhen | Meritorious Award for Polymer Industry |
| Shenzhen Most Influential Female Entrepreneur — Shenzhen Merchants Kapok Meritorious Award | |

Membership of Social Organization

Social Organization Joined by Ms. Wu Xian

- | | |
|--|--|
| Executive President of the Women Entrepreneurs Chamber of Commerce of All-China Federation of Industry and Commerce | Lifetime Honorary President and General Advisor of Shenzhen Polymer Industry Association |
| Vice Chairman of China Synthetic Resin Association (CSRA) and President of the High-performance Materials Branch of CSRA | Honorary President of Shenzhen Women Entrepreneurs Association |
| President of Guangdong-Hong Kong-Macao Greater Bay Area Strategic Emerging Industry Development Promotion Association | Executive Vice President of Shenzhen Federation of Social Organizations |
| President of Shenzhen Strategic Emerging Industry Development Promotion Association | Executive Chairwoman of the Alliance of Shenshang Advanced Material Industry |
| Standing Committee Member of Guangdong Federation of Industry & Commerce | Chairman of the Council of Shenzhen Women and Children's Development Foundation |
| Vice Chairman of Shenzhen Federation of Industry & Commerce | Director of the Management Committee of WOTE Public Welfare Fund |
| Member of the Shenzhen Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC) and Deputy Director of the Proposal Committee | Chairman of the Management Committee of the Women's Science and Technology Innovation Fund |
| Honor President of the Listed Companies Federation in Guangdong-Hong Kong-Macao Greater Bay Area | Member of Shenzhen Advisory and Supervisory Committee on Business Environment Optimization |

Sustainable Development Management

We integrate sustainable development principles into our corporate strategy, guided by the sustainable development philosophy of "Shaping Better Life". We improve our sustainable development governance framework, conduct ongoing stakeholder engagement and material topic analysis, and advance our sustainable development performance, working together with stakeholders to create a better life.

Sustainable Development Governance Structure

We have established a sustainable development management framework featuring coordinated decision-making by the Board of Directors, promotion led by the ESG Working Group, and implementation by various departments and subsidiaries. Responsibilities at each level are clearly defined, ensuring that ESG principles are integrated throughout the entire business and management processes. In alignment with international standards, we continuously enhance our ESG risk management and systematically advance the implementation of initiatives to support our sustainable development.

Board of Directors	As the core of ESG governance, the Board of Directors fully participates in ESG risk management and is overall responsible for decision-making and oversight of the Company's sustainable development-related matters. Its responsibilities include receiving regular reports from the ESG Working Group; deliberating internal documents such as ESG risks, ESG reports, major topics, key plans, and systems; reviewing and approving significant ESG topics; overseeing the achievement of ESG objectives; and ensuring the alignment between the Company's sustainable development philosophy and its business concept.
ESG Working Group	As a dedicated working mechanism involving senior management and headed by the Board of Directors Office, the ESG Working Group comprises senior executives as well as heads of key departments and subsidiaries. Its responsibilities include formulating annual ESG work plans and target breakdowns, clarifying job requirements for accountable parties, coordinating ESG risk management, leading risk identification, assessment, and response, and reviewing ESG reports to ensure the accuracy of disclosures.
All Departments and Subsidiaries	As the primary execution entities for ESG initiatives, all departments and subsidiaries establish management objectives and action plans in alignment with the Company's overarching principles based on their respective ESG responsibilities, and comprehensively advance the implementation of ESG topics to achieve tangible results. They are responsible for the routine management and control of ESG risks, as well as the collection and consolidation of ESG-related data and outcomes, which are reported to the ESG Working Group for information disclosure.

Sustainable Development Strategy

Our sustainable development philosophy is centered on the commitment to "shaping better life". We embrace ESG practices that focus on three key areas: harmony between technology and nature, shaping better life, and high-quality development foundation. Each year, we conduct in-depth research on both internal and external environmental shifts, dynamically updating the specific topics pertaining to these three domains. This approach ensures effective management of diverse ESG risks and opportunities, propelling us towards sustainable development.

ESG Risk Management

We systematically identify and disclose the key ESG risks related to environmental, social, and governance aspects based on our industry characteristics and operational practices. We have established a normalized mechanism for risk identification, assessment, response, and monitoring, enabling full-process management of ESG risks. The Board of Directors bears ultimate oversight responsibility for ESG risk management, regularly reviewing major ESG risk issues and control measures to ensure that risk management is integrated into corporate governance. Meanwhile, the Company has developed its ESG risk management system with reference to international standards such as the Task Force on Climate-related Financial Disclosures (TCFD), the Global Reporting Initiative (GRI), and the IFRS® Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), continuously enhancing the standardization and internationalization of its risk management.

We incorporate ESG indicators into the performance evaluation of senior managers, including but not limited to work safety, occupational health, energy conservation and environmental protection, product responsibility, intellectual property protection, and labor rights protection. By setting quantified evaluation objectives and weightings, we closely link key ESG performance outcomes with the compensation of senior managers. In the event of any zero-tolerance incident, a one-vote veto mechanism will be enforced to ensure the effective implementation of ESG governance.

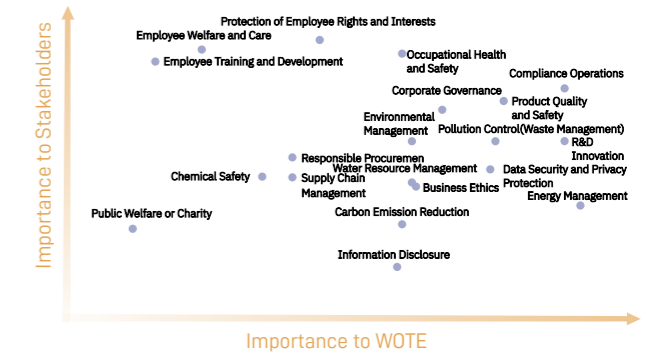
We actively respond to and abide by ESG-related initiatives such as the United Nations Global Compact and Responsible Business Conduct, embedding sustainable development principles throughout our operations and management. We have proactively joined relevant industry associations in sectors such as advanced materials and chemicals, including the China Synthetic Resin Association (CSRA), the High-performance Materials Branch of CSRA, and the Shenzhen Polymer Industry Association, to promote coordinated and sustainable industry development. Meanwhile, we actively participate in domestic ESG-related organizations and initiatives to continuously improve our ESG governance and information disclosure practices.

ESG Capacity Building

We conduct ESG special topic sharing sessions and training for management through a combination of online and offline channels, and actively participate in ESG-related training organized by industry associations to enhance the awareness and management capabilities of management at all levels and functional departments, and to promote the integration of ESG into daily operations. In 2025, we organized a dedicated training session on ESG reporting and ESG rating enhancement, with a total of 31 participants.








Significant Topics Assessment

Following the material topic analysis process, we survey internal and external stakeholders to understand their concerns about our sustainable development work. Consequently, we select 11 key material topics to emphasize in the Report.



Stakeholder Engagement

We actively engage in dialogue with stakeholders to understand and promptly respond to their concerns and expectations. This process offers vital references for identifying sustainable development risks and opportunities, devising relevant strategies, and enhancing the quality of information disclosure.

Key Stakeholders	Concerns and Expectations	Communication Channel
 Governments	<ul style="list-style-type: none"> Comply with the laws and regulations Respond to national development strategies Create employment opportunities Drive regional economic development Environmental protection 	<ul style="list-style-type: none"> Accept supervision Regular disclosure Ad-hoc reporting Participate in relevant meetings
 Shareholders	<ul style="list-style-type: none"> Prudent operation Investment returns Open and transparent information 	<ul style="list-style-type: none"> Regular/ad-hoc information disclosure General Meeting Investor communication activities Communication via phone and email
 Employees	<ul style="list-style-type: none"> Compensation and benefits Career development and advancement Safe and comfortable working environment Work-life balance 	<ul style="list-style-type: none"> Company Lark Group Internal email system All-hands meetings, department meetings, cross-department meetings Proposal mechanism
 Customers	<ul style="list-style-type: none"> R&D innovation Product quality Stable supply 	<ul style="list-style-type: none"> Multi-channel customer information collection Customer Manager full process service Customer communication and visits
 Suppliers	<ul style="list-style-type: none"> Win-win and mutual development Fairness and justice Integrity in business operations 	<ul style="list-style-type: none"> Supplier qualification investigation Supplier assessment and audit Supplier communication
 Communities	<ul style="list-style-type: none"> Support harmonious community development Actively engage in public welfare activities 	<ul style="list-style-type: none"> Information disclosure Communication via phone and email
 Media	<ul style="list-style-type: none"> Transparent communication Positive interactions 	<ul style="list-style-type: none"> Accept interviews Information disclosure Communication via phone and email

Excellence in Governance for High-Quality Development

WOTE consistently regards the enhancement of its modern governance system as a key foundation for achieving high-quality development. The Company continuously optimizes its governance structure, improves the scientific rigor and effectiveness of Board of Directors' decision-making, adheres to standards of business ethics, and fosters transparent, trust-based, and mutually-beneficial relationships with investors, thereby supporting the sustainable development and long-term value creation of the Company.



Related Topics



Our Actions

- Improve Governance
- Investor Relations Management
- Business Ethics Commitment
- Ensure Information Security

Our Performance

Convened 2 General Meetings 2	Convened 7 meetings for the Board of Directors 7	attendance rate of Board of Directors members 100%
Disclosed 4 periodic reports 4	Disclosed 141 ad hoc announcements 141	Female directors accounted for 29%

Contribution to the United Nations Sustainable Development Goals (SDGs):



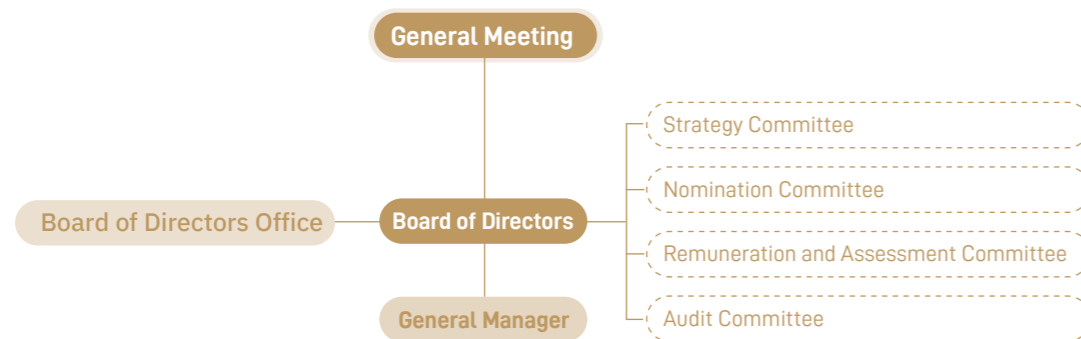
Improving Governance


We strictly comply with laws, regulations, and regulatory requirements, with a focus on optimizing our governance structure, strengthening the core functions of the Board of Directors, and enhancing the professional capabilities of directors. We continuously improve governance effectiveness to lay a solid foundation for our long-term development.


Strengthening the Governance System


We comply with applicable laws and regulations, including *the Company Law of the People's Republic of China*, *the Securities Law of the People's Republic of China*, and *the Code of Governance for Listed Companies*. We have established policies such as the *Articles of Association*, *Rules of Procedure for General Meeting*, *Rules of Procedure for Board of Directors*, and detailed working rules for specialized committees. We have built a governance structure comprising the General Meeting, the Board of Directors, and the management, forming a highly efficient governance mechanism characterized by clear rights and responsibilities, well-defined roles, checks and balances, and coordinated operations.


Governance Structure



 The General Meeting is the Company's highest authority of power, exercising the powers conferred by *the Articles of Association* in accordance with the law and safeguarding the legitimate rights and interests of the Company and all shareholders.

 The Board of Directors is the Company's decision-making body and is accountable to the General Meeting, exercising operational decision-making authority, and leading the establishment, improvement and effective implementation of the internal control system.


 The Board of Directors has four specialized committees: the Strategy Committee, the Nomination Committee, the Remuneration and Assessment Committee, and the Audit Committee. Rules of procedure are formulated for each committee to ensure standardized duty performance of each committee and to enhance the professionalism and scientific rigor of the Board of Directors' decision-making.

 The management functions as the executive body, responsible for implementing the Board of Directors' resolutions and coordinating to promote the Company's daily operations and specific internal control tasks.

Specialized Committees

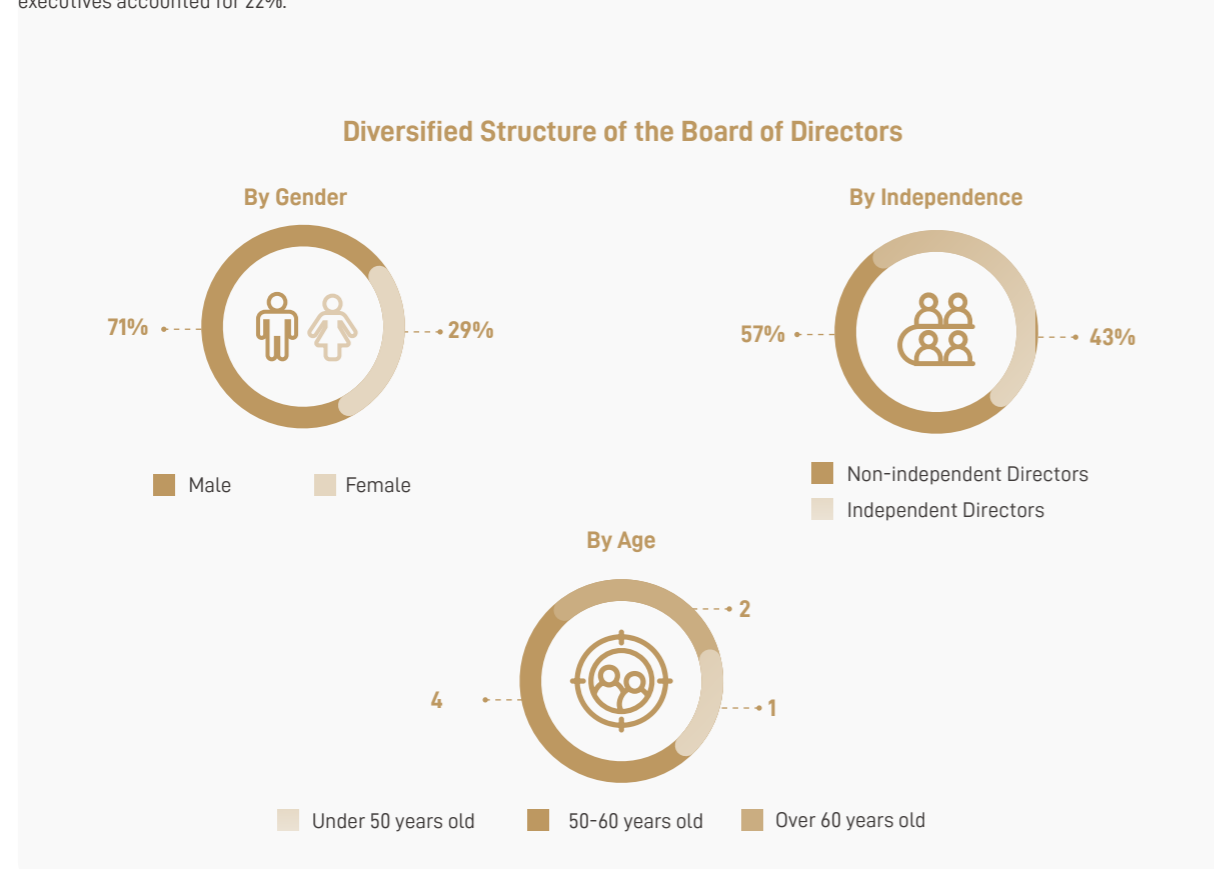


During the reporting period, the Company, in accordance with *the Guidelines for Articles of Association of Listed Companies*, *the Stock Listing Rules of the Shenzhen Stock Exchange*, and other relevant laws, regulations, and normative documents, and taking into account its actual circumstances, updated and revised 26 policies, including *the Articles of Association* and *the Rules of Procedure for the Board of Directors*. In addition, the Company newly formulated key policies such as *the Resignation Management System for Directors and Senior Management*, *the Market Value Management System*, *the Shareholder Return Plan for the Next Three Years (2025-2027)*, and *the Public Opinion Management System* to further strengthen the governance foundation, enhance the standardized operation and coordination efficiency of the Board of Directors and specialized committees, and continuously improve the Company's governance level.

		
Convened 2 General Meetings	Convened 7 meetings for the Board of Directors	100% attendance rate of members of the Board of Directors
2	7	100%

Diversification of Board of Directors

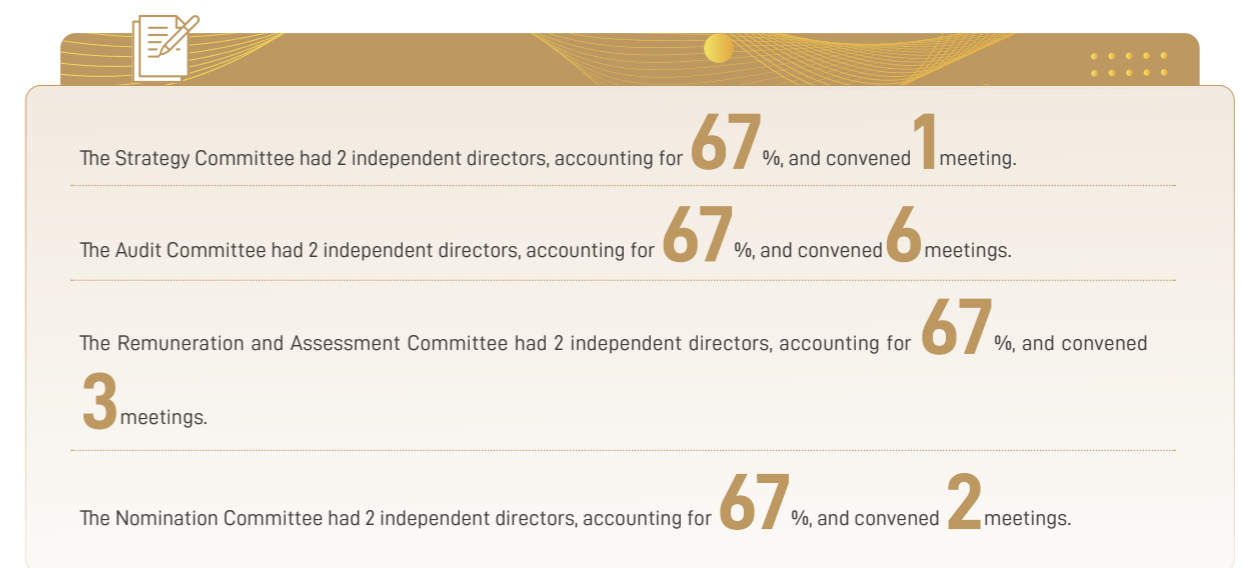
The Company has established documents such as *the Diversification Policy for Members of the Board of Directors*. In selecting directors, the Company takes a comprehensive approach in accordance with *the Articles of Association*, considering diversified factors such as professional experience, skills, knowledge, tenure, regional representation, cultural background, educational background, gender, and age, continuously optimizing the composition of the Board of Directors. Members of the Board of Directors possess diversified professional backgrounds aligned with the Company's strategic development. Their multidisciplinary specialized knowledge structure provides strong support for the Board of Directors to make professional and prudent judgments in areas such as governance, strategic planning, major investment and financing decisions, and compliance risk control. In addition, regarding management development, the Company continuously promotes the diversified development within its management. During the reporting period, female directors and senior executives accounted for 22%.



Independence of Board of Directors

We continuously improve the *Independent Directors Working System* and the *Special Meeting Working System for Independent Directors*, clarifying the qualifications and duty performance requirements for independent directors. It is stipulated that, in principle, independent directors may serve on no more than three domestic listed companies to ensure their independence and commitment to duty performance.

Independent directors perform their duties independently and objectively in accordance with regulations, attend meetings of the Board of Directors and General Meeting as required, supervise the implementation of internal controls, and provide professional opinions on matters affecting the interests of minority shareholders, such as related-party transactions, thereby safeguarding the legitimate rights and interests of all shareholders, particularly minority shareholders. The Company regularly or ad hoc convenes special meetings for independent directors, organizes site visits and case studies, and establishes a routine communication and empowerment platform. This enables independent directors to fully leverage their expertise and provide constructive suggestions for improving governance and supporting the Company's strategic development.

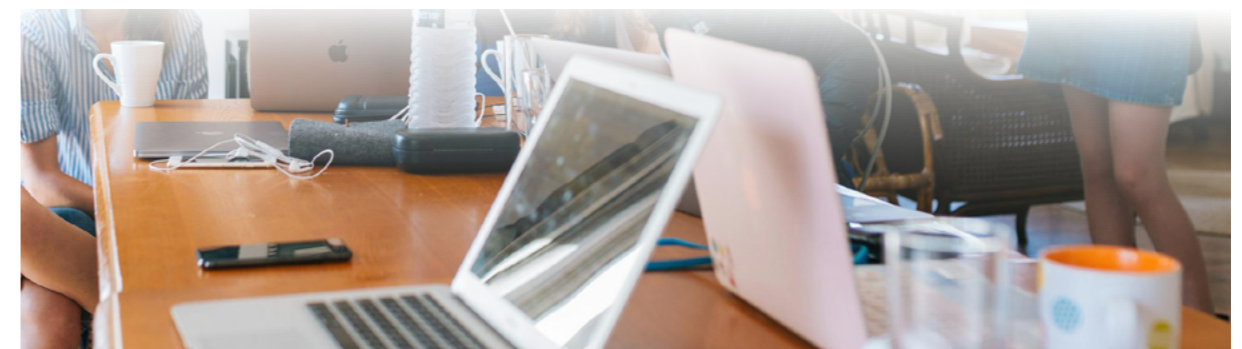


Effectiveness of the Board of Directors

We regard governance effectiveness as the cornerstone of steady development and conduct a comprehensive annual evaluation of the Board of Directors' standard operation and duty performance effectiveness to ensure efficient duty performance, strengthen core governance functions, and optimize the top-level institutional framework. The Remuneration and Assessment Committee performs its duties in strict accordance with *the Articles of Association and the Detailed Rules of Procedure for the Remuneration and Assessment Committee under the Board of Directors*, evaluating and assessing the duty performance of directors and senior management during the reporting period. During the reporting period, the Company completed the annual self-assessment for directors, evaluating the duty performance of all 7 directors.

Regarding the management of independent directors, we have established *the Independent Directors Working System*. Annual duty performance evaluations are conducted based on the quality of professional advice, risk anticipation ability, effectiveness of shareholder communication and other aspects. The results serve as an important reference for reappointment, promoting continuous improvement in independent directors' duty performance and providing strong support for the Board of Directors' informed decision-making. Additionally, independent directors conduct an annual self-assessment of independence and submit the results to the Board of Directors.

In addition, we continuously strengthen mechanisms to enhance the duty performance capabilities of directors and senior management. We regularly organize participation in compliance and special-topic training sessions offered by the Shenzhen Stock Exchange, the Securities Regulatory Bureau, and the Listed Companies Association, and complement these with internal specialized training conducted by invited professional institutions, including key topics such as governance, standardized operations, information disclosure, and ESG, to constantly enhance the professional capabilities in duty performance. We have established a closed-loop management system of "training-reminders-evaluation", integrating duty performance into the annual performance appraisal, thereby reinforcing learning outcomes and compliance awareness.

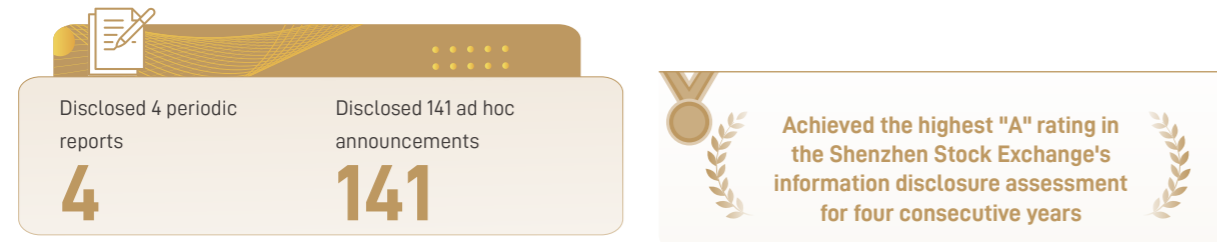


Investor Relations Management

We are committed to building transparent, trust-based and mutually beneficial relationships with investors through accurate and transparent information disclosure as well as diversified and accessible communication channels, thereby consolidating support for the Company's long-term development.

Transparent Information Disclosure

We strictly comply with relevant regulatory requirements for information disclosure, focusing on protecting shareholders' right to know, especially minority shareholders. We have established internal policies, including *the Information Disclosure Management Measures*, *the Information Disclosure Delay and Exemption Business Management System*, and *the Internal Reporting System for Material Information*, to ensure that all information required to be disclosed is communicated to the market in a timely, fair, and accurate manner. Meanwhile, minority shareholders can access the Company's strategy and operational information through multiple channels, such as the investor hotline, the Easy IR platform, performance briefings, and strategy meetings, collectively enhancing the Company's information transparency.



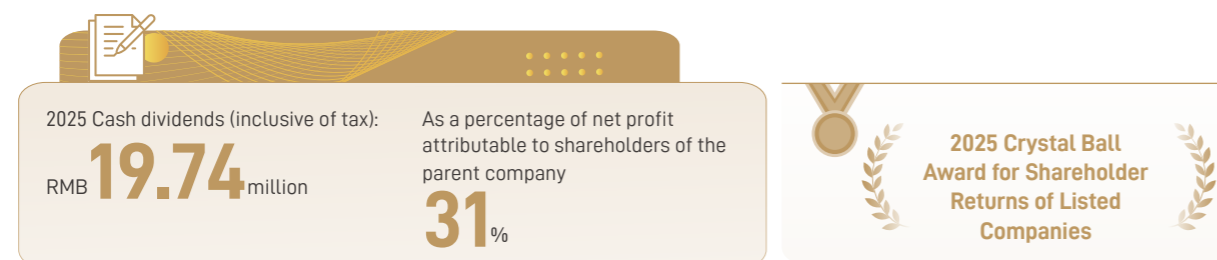
Smooth Communication Channels for Investor Relations

We place great importance on two-way communication with investors. For institutional investors, we conduct one-on-one surveys, private sessions, and specialized roadshows; for minority shareholders, we communicate with them through phone calls, online platforms and text-based Q&A; for overseas investors, we publish an English version of the ESG report to enhance international dissemination and understanding of information. We have also innovated our performance briefings by upgrading compliance disclosure sessions into a "technology-driven value communication platform" to improve the quality of information delivery.

In addition, the Company continuously updates its official website, WeChat official account, and WeChat Channels, and strengthens multi-channel communication with investors through media interviews, on-site visits, and other initiatives. During the reporting period, the Company responded to a total of 124 investor inquiries via the Interactive Platform.

Valuing Shareholder Returns

While advancing our own sustainable development, we provide shareholders with long-term and stable returns through cash dividends and share repurchase programs. During the reporting period, we formulated *the Shareholder Return Plan for the Future Three Years (2025-2027)*, establishing a sustainable, stable, and rational dividend return mechanism to share the benefits of WOTE's rapid growth with all shareholders. The Company's cumulative cash dividends for 2023-2025 accounted for 91.56% of its average annual net profit over the same period.



Business Ethics Commitment

We continuously regulate our business conduct, firmly resisting commercial bribery, corruption, and unfair competition, fostering a workplace of honesty, transparency, and integrity, while adhering to compliant operation and fair competition principles.

Anti-Corruption and Anti-Fraud

We fully integrate integrity culture into all aspects of operational management, emphasizing guidance and regulation for employees, suppliers, and other partners. During the reporting period, no significant cases of corruption or fraud occurred.

The Company's Audit Department serves as the dedicated department for anti-corruption management, responsible for promoting integrity and anti-corruption awareness, handling whistleblowing reports, following up on leads, conducting supervision and inspections, and coordinating daily management. Moreover, the Company has established a three-tier governance structure comprising oversight by the Board of Directors, overall coordination by senior management, and execution by the Audit Department and relevant functional departments. The Board of Directors performs its oversight duties, senior management is responsible for coordinating the advancement of anti-corruption efforts, and the Audit Department, together with relevant departments, is responsible for policy implementation, training and awareness programs, risk investigation, whistleblowing management, and follow-up on corrective actions. Members of the relevant governance bodies possess the necessary professional knowledge in audit supervision, compliance governance, internal control, and risk management, and continuously enhance their capabilities through specialized training and preventive education.

The Company has established a clear process for information collection and reporting. Relevant information is reported by departments, employees, and other stakeholders through daily management activities, internal communication, and whistleblowing channels. The Audit Department summarizes such information and reports it to senior management, with significant matters submitted to the Board of Directors in accordance with established procedures.



The Company obtains management information through a combination of regular reporting and ad hoc reports when necessary, and exercises ongoing oversight of anti-corruption management efforts by reviewing key matters, tracking the implementation of corrective actions, and monitoring compliance with relevant policies.

We have formulated *the Code of Integrity and Self-Discipline for WOTE Employees*, utilizing internal networks, bulletin boards, dedicated training sessions, warning-case studies and other carriers to promote integrity policies and transmit relevant values, encouraging all employees to consciously uphold the baseline of integrity.

For Employees

- All employees are required to receive integrity training upon onboarding and sign *the Letter of Commitment to Integrity in Professional Conduct*.
- Employees in high-risk positions, including procurement, sales, finance, and bidding, are required to participate in integrity risk prevention and legal compliance training, and procurement staff are required to sign *the Employee Integrity Commitment Pledges*.
- Managers at all levels are required to publicly commit to integrity in professional conduct and continuously reinforce integrity requirements in various meetings.

For Suppliers

- Suppliers are required to sign *the Integrity Commitment Pledges* according to the supplier admittance procedure. The Company also provides regular anti-corruption and integrity promotion training to suppliers to ensure that they deliver compliant products and services.
- The Company conducts ongoing oversight of suppliers' business ethics practices, including regular reviews, due diligence where necessary, project audits, and compliance inspections. Suppliers involved in serious violations will be placed on a blacklist and penalized in accordance with the Company's relevant policies.

Anti-unfair Competition Compliance

We strictly comply with the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and other applicable laws and regulations in the regions where we operate, adhere to the principles of fair competition and strictly prohibit violations such as monopoly agreements and abuse of market dominance, thereby maintaining a fair and orderly market environment. During the reporting period, the Company did not experience any serious violations of anti-monopoly or fair competition laws and regulations.

The Company has established a three-tier governance structure for anti-monopoly, fair competition and compliance governance, with clearly defined roles and responsibilities. The Board of Directors serves as the oversight body, responsible for supervising anti-monopoly and fair competition compliance. Senior management acts as the management layer, coordinating and advancing related compliance efforts. Relevant departments—including Legal, Procurement, Human Resources, and the Audit Department serve as the execution layer, responsible for policy implementation, risk identification, training and awareness programs, supervision and inspection, and information reporting. Members of these governance bodies possess the necessary professional knowledge in legal compliance, procurement management, internal control, audit oversight, and personnel management, and continuously enhance their capabilities through training and awareness programs.

The Company has established a process for information collection and reporting, whereby the execution layer collects and reports information, the lead department summarizes and analyzes it, senior management reviews it, and significant matters are submitted to the Board of Directors in accordance with established procedures. Management information is obtained through a combination of regular reporting and ad hoc reports on significant matters. Meanwhile, the Company conducts ongoing oversight of anti-monopoly, fair competition and compliance governance by reviewing key issues, tracking the progress of corrective actions, and monitoring compliance with relevant policies.

We have formulated a *Code of Conduct*, clearly prohibiting unfair competition, monopolistic practices, and infringement of trade secrets, and strictly forbidding employees from engaging in activities such as price manipulation, disruption of bidding processes, and exchange of sensitive information. We conduct in-depth analysis of our organizational structure and business processes to identify potential monopoly risk points; provide training on an ad hoc basis to enhance employees' compliance awareness; and regularly evaluate our compliance system, updating and improving measures in line with regulatory changes to ensure lawful and compliant operations and support sustainable development. We also organize regular training and awareness programs on anti-monopoly and fair competition. In 2025, a total of 3 such training sessions were conducted, with 61 participants.

Strengthening the Whistleblowing Mechanism

We have established the *Anti-Corruption Risk Prevention and Supervision System*, building accessible and secure whistleblowing channels, a robust whistleblower protection mechanism, and clear and fair handling procedures to ensure that all whistleblowing reports are responded to and addressed in a timely and effective manner.

Whistleblowing Channels

<p> Tel: 0755-26880862</p> <p> E-mail: lianjie@wotlon.com</p> <p> Fax: 0755-26880966</p> <p> Post code: 518055</p>	<p> Address: Room 3101, Block B, Building 9, Zone C, Phase III of Vanke Yuncheng, Liuxin 4th Road, Xili Community, Xili Subdistrict, Nanshan District, Shenzhen City (Room 3101, Block B, Building 7, International Innovation Valley)</p>
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Whistleblower Protection

- Strict Information Confidentiality**

The identity of whistleblowers and the content of whistleblowing reports are kept strictly confidential. Information is disclosed only to personnel involved in the investigation on a need-to-know basis, and both the content and source of whistleblowing reports are kept strictly confidential throughout the investigation process.
- Zero Tolerance for Retaliation**

Any form of retaliation against whistleblowers is strictly prohibited, including but not limited to demotion, dismissal, threats, or harassment. Such actions are classified as serious violations.

- Provision of Protection and Support**

Where whistleblowers face significant risks, the Company will, within the scope permitted by law, provide appropriate protection measures such as job reassignment and safety guidance.
- Strict Disciplinary Action for Violations**

Any act of disclosing whistleblower's information or engaging in retaliation, once verified, will be subject to strict disciplinary action, regardless of the individual involved, and may lead to legal liability.

Whistleblowing Handling Procedures

<p>Acceptance and Assessment</p> <p>All whistleblowing reports are registered in a timely manner, followed by a preliminary assessment of scope and verifiability; cases meeting the criteria are promptly accepted for investigation.</p>	<p>Investigation and Evidence Collection</p> <p>A cross-functional and/or external investigation team is established, with conflict-of-interest avoidance measures implemented. A preliminary report is generally completed within 15 working days; for complex cases, the timeline may be extended with regular reports for progress.</p>	<p>Resolution on Handling Whistleblowing</p> <p>Investigation reports and recommended handling actions are submitted according to the authority framework and decisions are made upon review. Depending on the severity, measures may include internal disciplinary actions, financial accountability, adjustment of business relationships, or referral to judicial authorities.</p>
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Ensuring Information Security

We place great importance on the information security of the Company and its customers. We strictly comply with applicable laws and regulations, including the *Data Security Law of the People's Republic of China*, and have established and implemented the *Information Security Management System*, clarifying the assignment of responsibilities, asset management, access permissions, daily operations and maintenance, and safety training, thereby strengthening our information security defenses. During the reporting period, the Company did not experience any serious information leakage or cybersecurity incidents.

- Define Clear Management Responsibilities**

Establish an information security management team under the unified oversight of the IT team within the AHR Management Center, with department heads serving as the primary responsible persons, forming a three-tier management structure with clearly defined roles and responsibilities.
- Control Access Permissions**

Sensitive data is encrypted, with access rights assigned based on roles and managed through tiered authorization in accordance with the principle of minimum and necessity, to effectively prevent unauthorized access and data leakage.
- Strengthen Technical Controls**

Deploy the IP-Guard information security platform, leveraging modules such as transparent document encryption, behavior auditing, and hierarchical authorization to build a proactive and efficient data leakage prevention system.
- Implement Routine Management and Protection**

Install antivirus software for all employees, require regular password updates, and perform multiple backups of server data. Clear procedures are established for monitoring, reporting, handling, and escalation of security incidents such as unauthorized intrusions.
- Enhance Security Awareness**

Incorporate information security into probation assessments for new employees and mandatory annual training for existing staff, and reinforce a company-wide security mindset through clearly defined disciplinary measures for violations.

Technology-Driven Coexistence for a Green Future

WOTE actively responds to China's carbon peaking and carbon neutrality goals, adheres to a path of green and high-quality development, and integrates environmental responsibility into its corporate strategy and operations. It sets rigorous targets based on the environmental impacts of its operations, systematically advances energy conservation, consumption reduction, and pollution prevention, proactively addresses climate change risks, and fosters a green corporate culture, contributing WOTE's efforts through concrete actions.



Related Topics



Our actions

- Respond to climate change
- Strengthen environmental management
- Innovate green products
- Reduce resource consumption
- Control pollution emissions
- Spread environmental protection concepts

Our Performance

Investment in Environmental protection:

RMB **4.7884** million

Total amount of harmless waste:

1,032.08 tons

Total amount of hazardous waste:

337.47 tons

Total amount of waste recycled and reused:

3,245.83 tons

Total photovoltaic power generation:

2,871,003 kWh

Contribution to the United Nations Sustainable Development Goals (SDGs):



Responding to Climate Change

We follow relevant international agreements, including the *United Nations Framework Convention on Climate Change*, and, in line with our business characteristics, continuously improve our climate change management system. We have formulated the *Climate Change Response Management Policy* and systematically conduct climate risk identification, assessment, and management, contributing to addressing global climate challenges and achieving China's carbon peaking and carbon neutrality goals.

Governance

We regard the carbon peaking and carbon neutrality goals and the climate change topic as one of the key strategies for sustainable development. We have established a climate governance structure with the Board of Directors as the highest decision-making and supervisory body, systematically integrating climate-related issues into our ESG governance framework, and promoting top-down implementation of oversight and management to form a management and oversight mechanism with clearly defined responsibilities and effective operation.



The Company organizes regular training programs on climate and carbon-related topics to strengthen the professional capabilities of employees in relevant roles, ensuring they are equipped to participate in the development and implementation of the Company's climate-related strategies. In 2025, specialized training sessions were conducted across all production bases, covering areas such as carbon accounting and carbon footprint.

The Company has established a bottom-up information reporting mechanism, whereby environmental management specialists at subsidiaries collect and compile relevant information and report it to the subsidiaries' Environmental Management or EHS Management Committee. The information is then summarized and submitted to senior management, with significant matters submitted to the Board of Directors in accordance with established procedures. The Company obtains management information through a combination of regular reporting and ad hoc reports when necessary, and exercises oversight of climate-related matters by receiving reports, reviewing key issues, and tracking work progress.



Strategy

We continuously monitor risks and opportunities arising from climate change, leveraging climate scenario analysis to assess their impacts on our business, strategy, and financial performance. These factors are integrated into strategic decision-making and top-level design to strengthen forward-looking planning and resilience management.



Climate Scenario Analysis

Guided by the TCFD (Task Force on Climate-related Financial Disclosures) framework covering governance, strategy, risk management, metrics, and targets, we identify and assess the impacts of risks and opportunities arising from climate change over the short term (1-2 years), medium term (3-5 years), and long term (6-10 years). We reference the scenario framework of Shared Socioeconomic Pathways (SSPs) developed by the UN Intergovernmental Panel on Climate Change (IPCC), selecting representative high-emission and low-emission scenarios (such as SSP 5-8.5 and SSP 1-2.6) for climate scenario analysis. Under the low-emission scenario, we explore transition impacts arising from policy, market, and technological changes, providing a basis for subsequent emissions reduction targets and pathways. Under the high-emission scenario, we focus on physical risks such as high temperatures, heavy rainfall, and typhoons, assessing their potential impacts on production operations and supply chains, and identifying directions for adaptation and resilience enhancement.

To further optimize resource allocation and enhance the management efficiency of risks and opportunities arising from climate change, we prioritize identified risks and opportunities based on dimensions such as likelihood, impact, and time horizon, thereby determining the priority of corresponding mitigation and response strategies.

The Company has not yet conducted quantitative analysis of climate-related risks. It will continue to monitor regulatory requirements, industry practices, and stakeholder priorities. Building on ongoing improvements in climate risk identification and data governance, the Company will assess, as appropriate, the necessity and feasibility of such analyses, and will progressively advance this work in line with changes in business impacts and external disclosure requirements.



Climate Change Risks Checklist and Response Measures

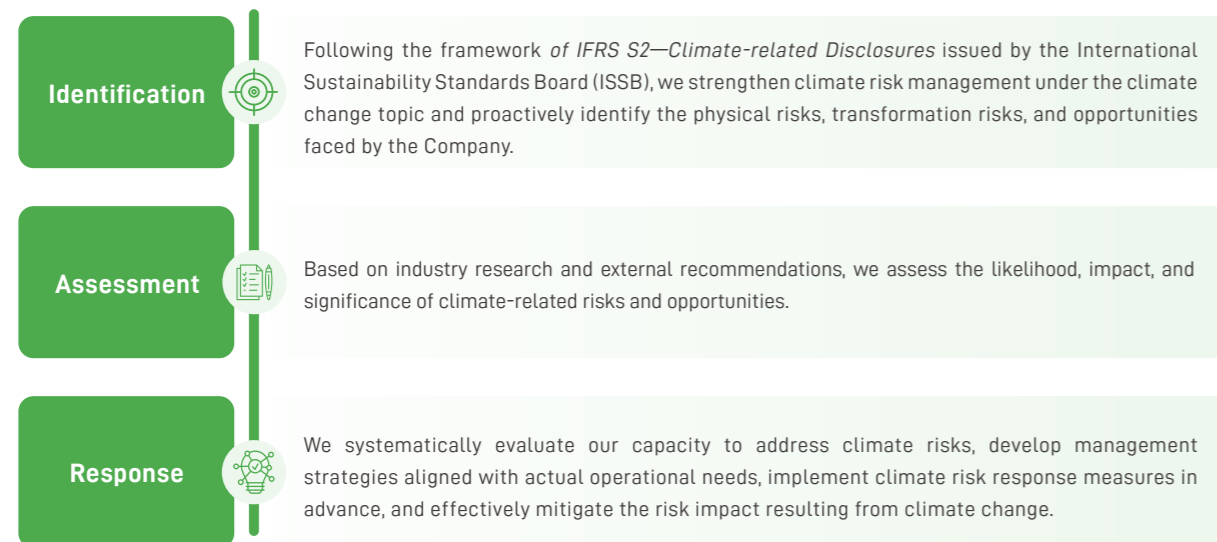
Risk Category	Risk Description and Potential Impacts	Impact Level	Time Horizon	Response Measures
Physical Risks	Acute Risks <ul style="list-style-type: none"> Coastal areas are prone to extreme weather events such as typhoons and heavy rainfall during summer. The increasing frequency and severity of typhoons, floods, and other extreme weather may lead to supply chain disruptions and production interruptions, thereby increasing operating costs and maintenance costs of assets and facilities. 	Medium	Short term	<ul style="list-style-type: none"> Strengthen monitoring and early warning systems for extreme weather, establish disaster emergency response plans, and conduct annual emergency drills and training for environmental incidents to enhance response capabilities for extreme weather. Prioritize the adoption of climate-resilient infrastructure in construction projects, such as seismic-resistant and flood-control designs.
	Chronic Risks <ul style="list-style-type: none"> Rising temperatures require enhanced ventilation and cooling measures at operational sites, leading to increased energy consumption and operating costs. Prolonged high temperatures may increase the risk of heatstroke and other acute heat-related illnesses among employees, thereby reducing productivity. 	Low	Long term	<ul style="list-style-type: none"> Incorporate natural ventilation into building design and install shading facilities to reduce reliance on artificial cooling. Install solar photovoltaic panels at operational sites to power cooling and ventilation equipment with renewable energy, reducing dependence on conventional energy sources. Conduct regular training on high temperature protection, enhance employees' awareness and response capabilities for high-temperature conditions, reasonably adjust working hours, and carry out periodic health check-ups for employees.
Transformation Risks	Regulatory Risks <ul style="list-style-type: none"> As China's carbon peaking and carbon neutrality strategy is gradually implemented, various regions have set clear plans for low-carbon energy structure transition and energy conservation and consumption reduction, which may require additional costs to meet compliance requirements. With the gradual expansion of the carbon trading market, and as business develops along with adjustments to government carbon quota mechanisms, the Company may be included in the carbon trading system in the future, potentially needing to purchase the quota, thereby increasing operating costs. 	Medium	Medium to long term	<ul style="list-style-type: none"> Monitor updates to climate change policies and timely adjust strategic planning. Strengthen communication with government and regulatory authorities, and proactively adjust carbon management strategies in response to policy changes. Focus on carbon asset management and development; participate in green electricity trading, renewable energy certificate trading, carbon emission quota, etc. Install solar photovoltaic panels at plant sites, utilize clean energy, and increase the proportion of renewable energy use.
	Technology Risks <ul style="list-style-type: none"> Excessive or insufficient investment in low-carbon product development may result in financial losses or missed opportunities. The research and development of low-carbon-related new technologies or products may fail, leading to resource wastage. 	Medium	Medium to long term	<ul style="list-style-type: none"> Increase R&D investment in energy-saving and low-carbon technologies to develop more efficient and environmentally friendly products. Evaluate different low-emission technologies and select the ones best suited to the Company's products and market demand, conducting detailed cost-benefit analyses to assess the relationship between transition costs and expected benefits. Develop a phased transition plan to gradually implement low-emission technologies.
	Market Risks <ul style="list-style-type: none"> Changes in customer demand for eco-friendly products may affect the Company's market share. Failure to complete the transition in time could lead to reduced competitiveness and a decline in market share. 	High	Medium to long term	<ul style="list-style-type: none"> Conduct regular market research to understand customer needs and market trends, adjust product strategies promptly, and increase R&D investment in green products to develop more environmentally friendly products. Strengthen brand building by promoting the company's environmental protection philosophy and product advantages to enhance brand recognition and customer loyalty. Demonstrate the company's proactive actions and achievements in responding to climate change through participation in industry exhibitions, publication of white papers, and other channels.
	Reputation Risks <ul style="list-style-type: none"> In the general context of responding to climate change, poor environmental protection performance of the Company may lead to public or media exposure, potentially triggering a reputational crisis and undermining the trust of stakeholders, investors, and partners. 	Medium	Medium to long term	<ul style="list-style-type: none"> Build a strong corporate environmental protection image, actively carry out environmental protection campaigns, disclose the Company's environmental protection initiatives and achievements, strengthen communication with the public and media, and respond promptly to societal concerns to protect the Company's reputation.

Climate Change Opportunities Checklist and Response Measures

Opportunity Category	Opportunity Description and Potential Impacts	Impact Level	Time Horizon	Response Measures
Products and Services	<ul style="list-style-type: none"> Governments widely promote technological improvements or innovations that facilitate the transition to a low-carbon economic system. Customers of the Company may increasingly prefer green and low-carbon products and services. To meet market demand, the Company will accelerate the delivery of products and services aligned with market demands and expectations, enabling long-term sustainable growth in both business and revenue. 	Medium	Long term	<ul style="list-style-type: none"> Implement energy management measures in production and operations, improve resource use efficiency, integrate green and environmentally friendly principles throughout the product lifecycle, and continuously develop low-carbon products to meet customer needs. Accelerate the delivery of products and services that meet market demands and expectations, promote the substitution of renewable energy for traditional energy, adopt energy efficiency improvement measures, and continuously enhance the Company's resilience to respond to climate change.
Resource Efficiency	<ul style="list-style-type: none"> By continuously promoting green operational practices through energy-saving technologies, purchasing green electricity, self-generated green electricity, and enhancing resource utilization efficiency, the Company can reduce resource consumption and waste generation in production and lower operational costs. 	Low	Medium term	<ul style="list-style-type: none"> Adopt advanced manufacturing technologies and technological processes to improve production efficiency and minimize resource waste. Install energy-saving equipment and renewable energy systems (e.g., solar photovoltaic panels) to reduce dependence on traditional energy sources.

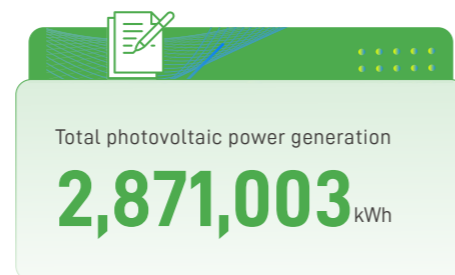
Risk and Opportunity Management

We integrate climate-related risk management into our environmental risk management process. Each subsidiary's Environmental Management or EHS Management Committee coordinates climate-related risk management, while Environmental Management Officers are responsible for implementing climate-related risk management at production sites, ensuring timely follow-up on imminent or potential crises and issues.



Indicators and Objectives

Our greenhouse gas (GHG) emissions primarily originate from direct emissions (Scope 1) generated by the consumption of gasoline, diesel, natural gas, etc., during production and operations, as well as indirect emissions (Scope 2) from the use of purchased electricity. The Company strictly monitors GHG emissions in accordance with industry-standard management guidelines and GHG calculation methodologies. During the reporting period, we identified GHG emission sources within the operational control boundary and calculated the 2025 GHG emissions data, laying the foundation for climate change mitigation and adaptation, as well as for formulating reasonable climate change response policies and emission reduction pathways.



We will conduct scientific studies based on our industry layout, development stage, energy usage structure, current carbon emission status, and strategic development plan, formulate phased and long-term carbon emission targets, steadily advance emission reduction and transition efforts, and strive to achieve carbon neutrality by 2060.

Climate Objective		Progress
Short-term Objective	In 2025, WOTE Huaben could reduce greenhouse gas emission intensity by 2% compared to 2024.	Achieved
Long-term Objective	Achieve carbon neutrality for Scope 1 and Scope 2 emissions at the operational level by 2060.	In Progress

Strengthening Environmental Management

We uphold the green development philosophy of "coexisting with nature through technology", and adhere to the core goal of reducing the environmental impact of our operations. We continuously improve our environmental management system, strengthen environmental risk control, conduct environmental protection training and awareness campaigns, constantly enhance environmental governance capabilities, and promote long-term harmonious coexistence between business operations and the natural environment.

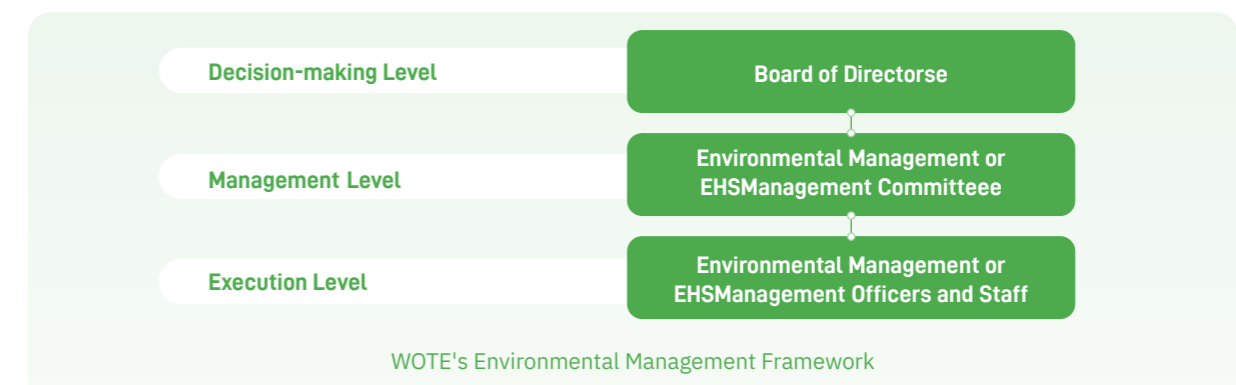
Environmental Management System

We strictly comply with *the Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations, adhering to the environmental policy of "complying with laws and regulations, preventing pollution, saving energy and reducing consumption, and making continuous improvement", and continuously enhance our environmental management system construction.

Establishing Management Organizations

The Board of Directors is responsible for formulating the environmental strategy, with senior management providing specific guidance on environmental topics. Each subsidiary establishes an Environmental Management or EHS Management Committee based on actual conditions, composed of company leaders and department heads, ensuring senior management's oversight of environmental affairs. The committees formulate environmental policies, objectives, and plans, and oversee implementation by relevant departments. The subordinate offices or working groups are responsible for specific execution, risk monitoring, and reporting. Departments and employees have clearly defined environmental responsibilities, develop governance plans in line with environmental policies and control procedures, and implement environmental governance tasks. This governance structure applies to the governance frameworks for water resources, energy, packaging, wastewater, waste gas, and waste management topics discussed in this chapter.

To ensure the effective management of environmental issues, the Company continuously enhances the capabilities of members of its environmental governance bodies through internal training and specialized exchanges. It has established an environmental management information reporting mechanism, whereby relevant information is collected by various departments, summarized by the office or designated working groups, and reported to the Environmental or EHS Management Committee before being submitted to senior management; significant matters are submitted to the Board of Directors in accordance with established procedures. The relevant governance bodies obtain management information through regularly receiving reports and ad hoc reports on significant matters, and exercise oversight of environmental management by reviewing key issues, tracking progress towards targets, and ensuring the implementation of corrective actions.



Improving Management System

We have established systems covering environmental protection planning, environmental protection management, construction project environmental management, operation and maintenance of environmental protection facilities and equipment, environmental monitoring and reporting, environmental governance management, environmental protection supervision and inspection, environmental protection publicity, education and training, environmental risk investigation and hidden danger rectification, environmental protection assessment, and emergency management of sudden environmental incidents, etc., to strictly regulate all environmental protection related work.

Strengthening Environmental Monitoring

In accordance with the *Technical Guidelines for Self-monitoring of Pollutant Discharging Units* and other relevant requirements, all of the Company's factories develop self-monitoring plans based on their operational conditions. Regular monitoring is conducted for wastewater, waste gas, and noise to ensure compliance with applicable standards. During the reporting period, all environmental monitoring results across the Company's factories met the relevant standards.

Promoting Cleaner Production

We implement clean production by establishing policies like the *Cleaner Production Management System* and *Resource Recycling Guidelines*, setting up a Clean Production Leading Group, conducting internal environmental audits for cleaner production, commissioning a third party to issue the *Cleaner Production Audit Reports*, and improving clean production implementation plans. Through a series of technological upgrades, such as investment and construction of photovoltaic power plants, replacement and upgrading of outdated motors, and upgrading of plastic extruding machine heating systems, we continuously promote green production processes.

Setting Environmental Goals

Each subsidiary sets environmental goals for water management, energy management, wastewater management, emissions and waste management, and greenhouse gas emission management according to its business development and operational status, and regularly tracks and evaluates the achievement of targets, continuously improving its environmental management capabilities. Environmental performance indicators are incorporated into the performance assessment system. An environmental protection assessment framework has been established to integrate these indicators into the performance assessment systems for departments and employees, with rewards provided to departments and employees who achieve outstanding environmental protection performance.

Total environmental protection investment :
RMB **4.7884** million,
accounting for **0.23** % of operating revenue.

Seven subsidiaries have passed ISO 14001:2015 Environmental Management System Certification



Certificate of Environmental Management System Certification

Environmental Goals	2025 Performance	Completion Status
100% compliance rate for wastewater discharge throughout the year	100%	✓
100% compliance rate for waste gas emissions throughout the year	100%	✓
100% compliance rate for solid waste treatment	100%	✓
100% compliance rate for hazardous waste treatment	100%	✓

Environmental Protection Training and Awareness Campaigns

We continuously implement environmental protection training and publicity campaigns, organizing regular centralized environmental protection training sessions. Subsidiaries conduct special-topic learning on environmental protection system requirements, pollutant discharge management and control, environmental risk identification, emergency management and other topics, thereby enhancing employees' environmental protection compliance awareness. Training methods consistently combine centralized learning with self-directed study, covering interpretation of environmental protection laws and regulations, energy conservation and emission reduction knowledge, and emergency response skills, strengthening employees' environmental literacy and practical capabilities. During the reporting period, the Company organized a total of 45 environmental training sessions, with 873 person-times in attendance.



Environmental Management System Certification Training



Environmental Laws and Regulations Training

Innovating Green Products

We are committed to integrating the concept of sustainable development into our R&D and product strategies by developing environmentally friendly high-performance polymer materials, providing customers with solutions that enhance environmental performance, helping the supply chain reduce carbon footprint, and promoting a circular green economy.

Development of Green Materials

In collaboration with the Shenzhen Institutes of Advanced Technology, Chinese Academy of Sciences, we established a Joint Innovation Center for Synthetic Biochemistry Applications. This is the only "Synthetic Biochemistry Applications" Joint Innovation Center jointly established by the Shenzhen Institutes of Advanced Technology with external partners. Up to now, the Company has achieved mass production and commercial-scale sales of a range of high-performance bio-based nylon materials using synthetic biology monomers.



Advancement of Green Material Certification

We are proactively establishing a materials environmental protection certification framework, having achieved Global Recycled Standard (GRS) certification and multiple PCR products grades. We actively seek out green raw materials and process externally sourced low-carbon emission polymer raw materials for customers, supporting low-carbon and environmental protection initiatives.



Expansion of Green Application Scenarios

We actively promote environmentally friendly alternatives, such as PCR materials, bio-based materials, and thermoplastic vulcanizates (TPV), across home appliances, consumer electronics, automotive, and container sectors. We also introduced a green solution for recycled aerospace carbon fiber, using proprietary surface treatment technology to regenerate waste fibers. The recycled material performance is close to that of virgin fibers, with a carbon footprint reduced by approximately 60% compared to the virgin material.



Case

Wouper® Bio-based Material Solutions—Making Wearables Lighter, More Breathable, and Low-Carbon

With annual global sales of smart wearable devices exceeding 500 million units, approximately 2 million tons of plastic waste is generated each year. The carbon emissions and plastic pollution associated with traditional petroleum-based materials have become increasingly serious. WOTE has launched the Wouper® bio-based material series in response to the wearable device requirements for "lightweight + high performance + low carbon", providing downstream customers with more sustainable material options through renewable raw materials and material innovation.

Wouper® Bio-based Transparent Polyamide

Contains over 60% bio-based content, with raw materials sourced from non-food crops such as castor oil; full life-cycle carbon emissions are reduced by 65% compared with petroleum-based PA6 (SGS certified).

Wouper® Bio-based Polyamide Elastomer

Replaces petroleum-based carbon with renewable bio-based carbon; in 3D-printed midsoles for sports shoes, energy return rate reaches 83% and carbon footprint is reduced by 62%.

Wouper® Bio-based Long-chain Polyamide

100% bio-based content, using renewable castor oil as raw material; SGS verification shows a full life-cycle carbon footprint reduction of 5.8 kg CO₂/kg compared with petroleum-based nylon.

Reducing Resource Consumption

We strictly comply with relevant national laws and regulations, implement the principle of prioritizing conservation and efficient use, and continuously improve the management capabilities of energy, water, and packaging materials to achieve both resource savings and environmental benefits.

Water Resource Management

We strictly adhere to the *Water Pollution Prevention and Control Law of the People's Republic of China* and the *Water Law of the People's Republic of China*, and have established the *Water Resource Management Control Procedure*. This aims to ensure the ecological safety of water sources in compliance with regulations while promoting intensive and efficient water use.

Water used in our production operations primarily comes from municipal tap water, supplemented by limited rainwater use. Water sourcing channels are stable and controllable, with no significant water withdrawal risks. Besides, the Company's operational sites are not located within drinking water source protection zones. At the same time, we continuously improve water source protection measures, supporting this with the construction and operation of wastewater treatment systems. Wastewater generated during production is collected and treated in accordance with standards, ensuring that water discharged into the municipal pipeline meets regulatory requirements and the impact on the surrounding environment has been minimized.



Freshwater Consumption:

347,299 tons

Total Water Recycled and Reused:

187,688 tons

Upgrade Water-Saving Equipment

- Fully adopt water-saving sanitary fixtures, faucets, and shower facilities to reduce domestic water consumption.
- Promote recirculating water cooling systems to achieve efficient reuse of cooling water.

Promote Water Recycling and Reuse

- Recycle and treat equipment cleaning wastewater for stepwise reuse in production water.
- Establish separate recirculating water and rainwater collection systems to achieve "rainwater and sewage separation", using rainwater for landscape irrigation and other non-production purposes, reducing freshwater consumption and improving water use efficiency.

Cultivate a Water-Saving Culture

- Post water-saving signs, strengthen daily publicity, and raise overall awareness among employees.
- Implement a water-saving incentive program to motivate proactive employee participation and foster a culture of water conservation.



Energy Management

The Company's energy consumption primarily arises from its production operations and office electricity use. We strictly comply with relevant laws and regulations, including *the Energy Conservation Law of the People's Republic of China*, and have established management documents such as *the Energy Resources Management Control Procedure*. Focusing on key energy-consuming equipment and processes in our core manufacturing operations, we continuously improve our energy management system, promote the use of clean energy, optimize production processes, and adjust our electricity consumption structure, continuously enhancing energy efficiency and achieving coordinated progress in energy conservation, cost reduction, and quality and efficiency improvement. During the reporting period, the Company's rooftop photovoltaic power generation projects produced a total of 2,871,003 kWh of electricity. All generated electricity was prioritized for use in production operations, reducing purchased electricity by 2,871,003 kWh, accounting for 4.14% of the Company's total electricity consumption.



Use Clean Energy

Implement rooftop photovoltaic power projects to gradually reduce dependence on purchased electricity in production processes and promote a transition of the electric power structure toward cleaner and lower-carbon power sources.

Install solar and air-source water heaters in employee dormitories to increase the proportion of clean energy used in daily operations.



Optimize Production Processes

Recover thermal energy from material drying tanks, achieving a 15% electricity savings.

Optimize mold heating systems to reduce inefficient heat loss, saving 16,800 kWh per piece of equipment annually.

Upgrade high-energy-consumption equipment such as plastic extruding machines to improve energy efficiency.



Market-Based Electricity Transactions

Sign electricity purchase and sales agreements with qualified electric power suppliers, participate in market-based electricity transactions, and conduct electricity procurement and settlement in accordance with market rules.



Certificate of Energy Management System Certification

Case: Rooftop Distributed Photovoltaic Project of Jiangsu Advanced Materials

To implement green operations, Jiangsu Advanced Materials Company has built a rooftop distributed photovoltaic power station with an installed capacity of 3 MW, fully utilizing the 26,000 m² factory rooftop area. By the end of the reporting period, the project had generated a cumulative 2.87 million kWh of electricity, saving RMB 590,000 in electricity costs, effectively reducing energy costs and carbon footprint, and achieving a balance between environmental and economic benefits.



Rooftop Distributed Photovoltaic Project of Jiangsu Advanced Materials

Packaging Material Management

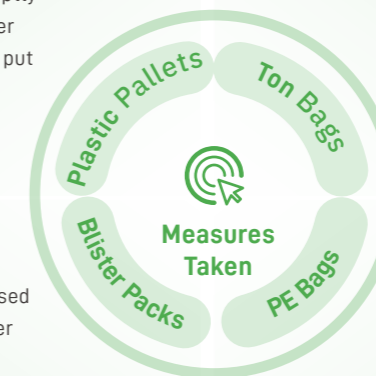
We strictly comply with the relevant requirements of *the Circular Economy Promotion Law of the People's Republic of China*. Appropriate control measures are implemented for different types of packaging materials in production and operations to enhance resource utilization efficiency and reduce waste.



The recycling rate of WOTE's high-performance pallets, ton bags, etc. reached **91%**

Implement a strict recycling mechanism. Track the flow of pallets through the management system to they are promptly recycled, cleaned, and maintained after transportation is completed, and then put into use for the next cycle, effectively reducing losses.

Adopt a recycling mechanism to allow multiple uses while ensuring quality and safety, reducing single-use frequency.



Encourage customers to return used blister boxes. The Company collects used blister boxes via reverse logistics. After undergoing professional cleaning and disinfection, these packs can be reused for product packaging to form a closed-loop cycle.

Collaborate with suppliers to collect, classify, and store PE bags used as raw material packaging upon arrival at the factory, enabling reuse in subsequent procurement and reducing the need for new packaging.



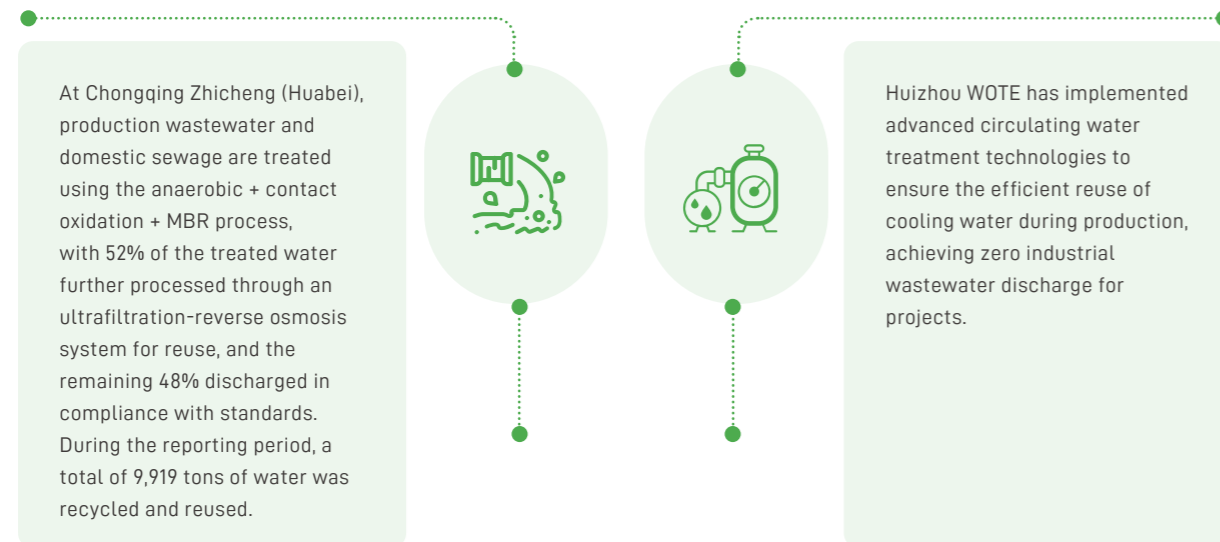
Controlling Pollution Emissions

We fully implement requirements for clean production and pollution prevention, systematically manage the "three wastes" (wastewater, waste gas, and solid waste), practically fulfill our environmental protection responsibilities, and contribute to green and sustainable development. During the reporting period, the Company did not experience any incidents of excessive wastewater or air emissions, or violations related to waste disposal.

Wastewater Management

We strictly comply with *the Water Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations, and have established management documents such as *the Wastewater Management Control Procedure and Wastewater Pollution Management System* to implement standardized full-process management of wastewater, ensuring that treatment and discharge meet national and local standards.

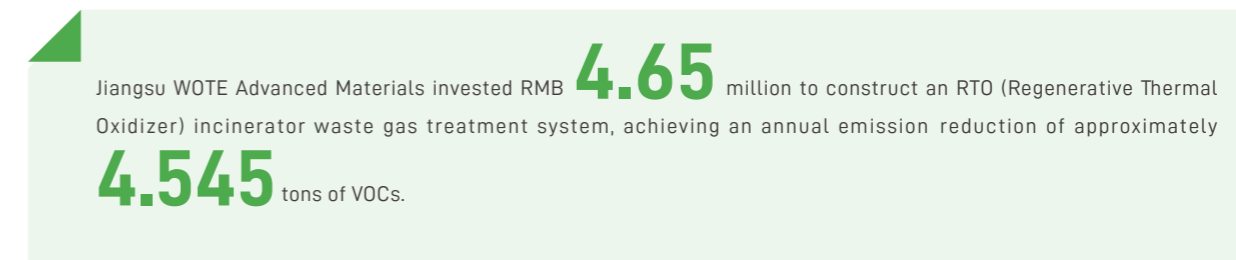
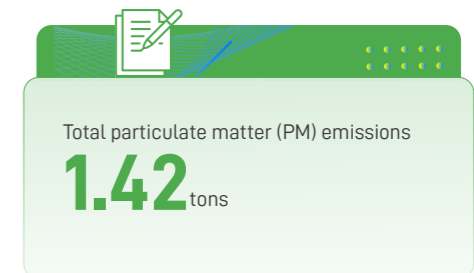
We establish dedicated drainage systems for production wastewater, domestic sewage, rainwater, and clean water, following a structured water management approach that separates rainwater from wastewater, distinguishes clean water from contaminated streams, segregates different types of wastewater, and applies graded control measures: production and domestic sewage are pretreated and then sent to the park sewage treatment station for advanced treatment to meet discharge standards; canteen wastewater is first separated from oil, then combined with domestic sewage before entering the municipal pipeline, where it is centrally treated to meet discharge standards by municipal sewage plants, with efforts made to promote reuse and recycling.



Air Emissions Management

We strictly comply with the Air Pollution Prevention and Control Law of the People's Republic of China and the Regulations on Air Pollution Prevention and Control, and have established the Air Emissions Management Control Procedure. In response to national targets for reducing waste gas emissions, we continuously upgrade our emission purification processes by installing advanced equipment such as cyclone spray towers, activated carbon adsorption units, and RTO (Regenerative Thermal Oxidizer) systems, thereby minimizing the generation and discharge of waste gas.

The Company's waste gas mainly includes production process waste gas and boiler exhaust. Process emissions are treated with activated carbon adsorption units before being discharged in compliance with standards, while boiler exhaust is purified to meet emission standards. In addition, we regularly engage professional and qualified testing institutions to monitor waste gas emissions at the plant boundary, prepare environmental monitoring reports, and implement air pollution control measures to ensure that all waste gas complies with required emissions standards.

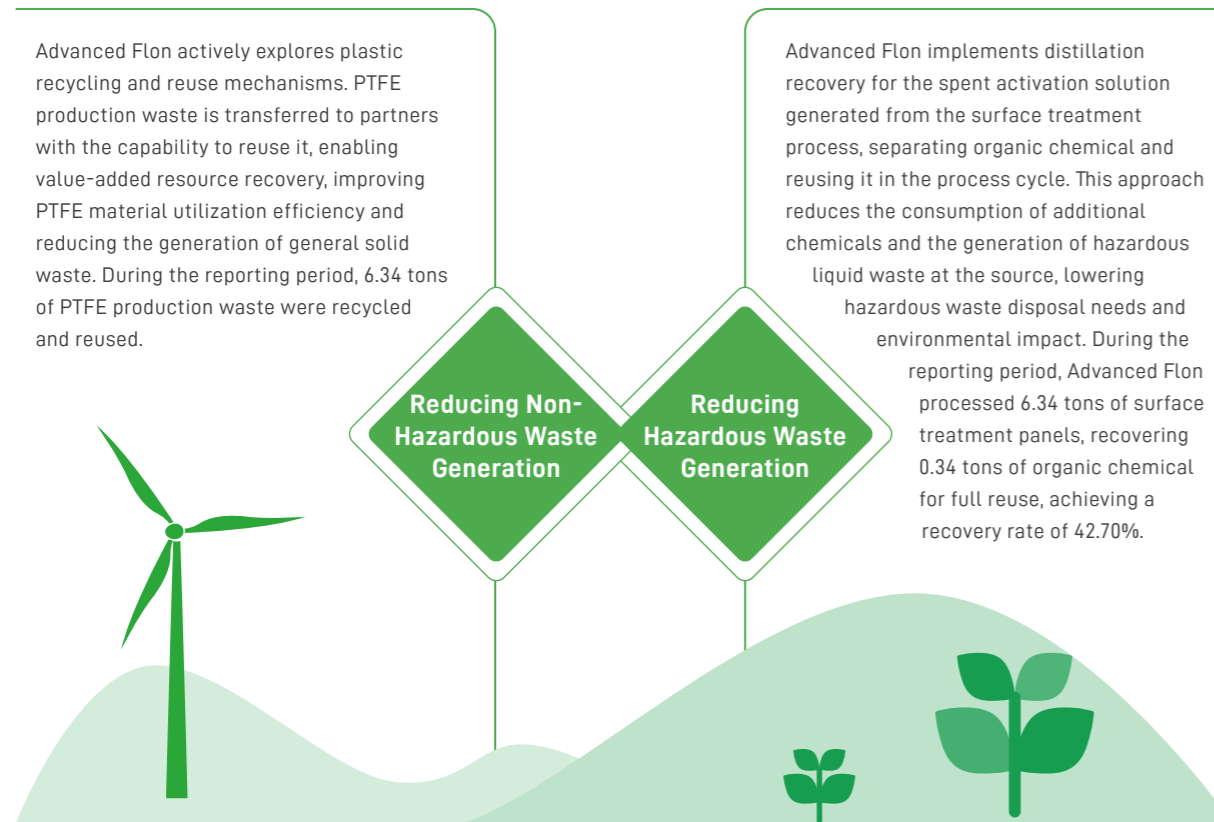


Waste Management

We strictly comply with *the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, adhering to the principle of reduction, harmlessness, and resource utilization. We have established *the Solid Waste Management Control Procedure*, clarifying departmental responsibilities and disposal workflows. Waste is classified and managed according to its nature, with differentiated treatment measures to improve overall resource utilization efficiency.

Recyclable general solid waste, such as scrap metals and waste plastics, is collected and processed by professional third-party companies for reuse. Non-recyclable general solid waste is delivered to and handled by environmental sanitation departments. For hazardous waste, a hazardous waste ledger is maintained in accordance with regulatory requirements, an annual hazardous waste management plan is prepared, and a centralized hazardous waste warehouse facility is established with appropriate safety and warning signs. Disposal is entrusted to third-party organizations qualified for hazardous waste treatment.





Spreading Environmental Protection Concepts

We place great importance on environmental protection by promoting green office practices and implementing biodiversity conservation initiatives, fostering a corporate culture of full employee participation and harmonious coexistence between humans and nature.

Advocating for Green Office

We actively implement green operation practices to create a healthy and environmentally friendly workplace. Through resource conservation education and daily awareness campaigns, we promote green office practices and jointly build a low-carbon, energy-efficient, and high-efficient office environment.

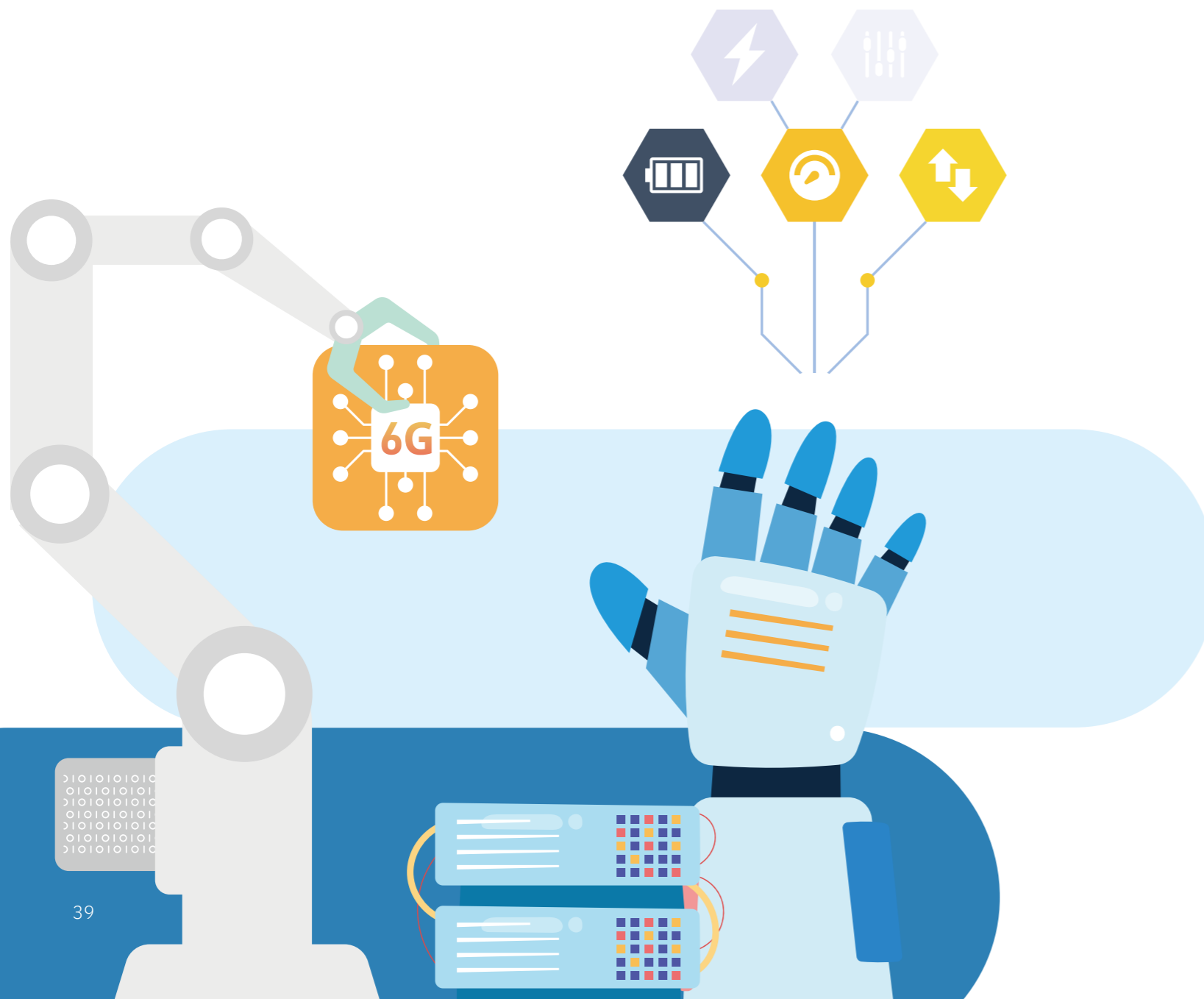


Biodiversity Conservation

We recognize the importance of protecting natural resources and biodiversity and strictly comply with national ecological protection requirements. During the project site selection stage, ecological impact assessments (EIA) are organized and conducted in accordance with relevant regulations, such as *the Technical Guidelines for Environmental Impact Assessment—Ecological Impact* (HJ 19-2022). This approach ensures that, from the early stages of project development, operations avoid involvement with special or important ecologically sensitive areas, such as national parks, nature reserves, and ecological redline zones. Effective measures are implemented to minimize environmental disturbance and protect biodiversity. During the reporting period, no major incidents causing damage to biodiversity occurred.

Innovation-Driven Development for Shaping New Industrial Landscapes

WOTE is aligned with the national innovation-driven development strategy, focusing on the frontier fields of high-performance polymer materials and continuously strengthening its full industry chain layout. The Company enhances quality control and customer service systems, reinforces R&D innovation and R&D results commercialization, and strives to achieve breakthroughs in key core technologies. By strengthening the resilience and security of the industrial and supply chains, WOTE not only supports high-quality industry development but also contributes to reinforcing and upgrading China's new materials industry chain, steadily advancing toward its vision of becoming "a leading supplier".



Related Topics



Our Actions

- Deepening Industrial Advantages
- Pursuing Excellent Quality
- Providing High-quality Services
- Innovation-Driven Development

Our Performance

Customer satisfaction score	Customer complaint resolution rate	R&D investment as a percentage of operating revenue
96.22	98.85%	6%
Total number of patents		
434		

Contribution to the United Nations Sustainable Development Goals (SDGs):



Deepening Industrial Advantages

We are committed to delivering high-quality products across the industrial chain and providing customers with world-class full industrial chain polymer material solutions, thereby supporting the high-quality development of the entire industry chain.

Enhancing Industrial Chain Layout

We continue to advance the integrated development of the industrial chain by deepening business integration and strategic collaboration, while strengthening platform-based development for high-performance polymer materials. The Company has achieved full industrial chain coverage of special engineering materials, including liquid crystal polymer (LCP), special nylon—polyphthalamide (PPA), polyphenylene sulfide (PPS), polyaryletherketone (PAEK), polysulfone (PSF), and polytetrafluoroethylene (PTFE). Through the development of high value-added products and the extension of the industrial chain, we are building a solid foundation for a high-end materials supply chain with greater autonomy and control, providing strong support for the development of high-end manufacturing industries.



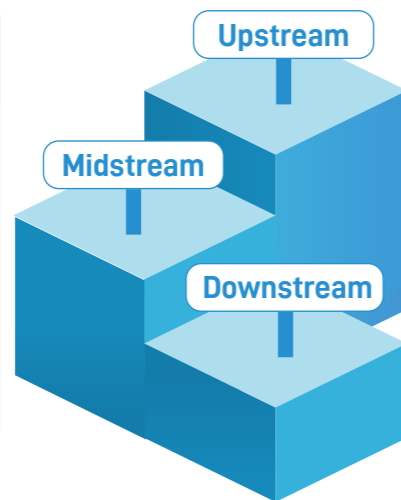
- All LCP products have obtained UL (Underwriters Laboratories) certification.
- LCP (KB40HF3) has obtained CQC (China Quality Certification Center) certification.
- PEEK has obtained IATF 16949 Quality Management System Certification
- The Company is the first enterprise in mainland China to obtain the EIS insulation system certification for LCP materials.
- Certified compliance with ISO 10993, NSF (National Sanitation Foundation), KTW (German Drinking Water Regulations), WRAS (UK Water Regulations Advisory Scheme), and ACS (French Health Ministry Drinking Water Contact Standards).

Upstream: Strengthening Foundations for Raw Material and Achieving Independence for Core Resin

The Company has established industrialized polymerization capabilities for special engineering resins such as LCP, PPA, PEEK, and PSF, enabling control over material quality and supply stability at the source. This reduces reliance on some imported high-end raw materials and lays a solid foundation for coordinated development across the entire industrial chain.

Midstream: Enhancing Processing Capabilities and Delivering Customized Solutions

Leveraging diverse material processing technologies, we provide downstream customers with material solutions tailored to various application needs, including high/low dielectric performance, anti-static properties, electromagnetic shielding, lightweight design, thin-wall applications, high strength, high toughness, conductivity, insulation, flame retardancy, thermal conductivity, magnetic properties, and wear resistance. We also offer corresponding simulation testing and customized processing service for such products.



Downstream: Expanding Product Forms to Meet Diverse End-Use Needs

We provide customers with LCP films, PTFE films and molded products, as well as PEEK molded products and thermoset carbon fiber composite products, addressing diverse application needs across industries. This enables the integration of the full industrial chain from polymerization and compounding to finished product manufacturing.

Case LCP and PEEK Projects Go into Operation in Chongqing Base, Reinforcing Core Materials Capacity Advantages

In May 2025, WOTE's Chongqing Base officially commenced production operations for its 20,000 tons/year LCP resin material project (Phase I & II) and 1,000 tons/year PEEK material project (Phase I). These developments not only reinforce the Company's leading position in the high-performance materials sector, but also provide strong momentum toward greater autonomy and control in high-performance materials.

In the LCP segment, the Company's actual LCP material production capacity has reached 20,000 tons per year, positioning it among the world's leading LCP suppliers and effectively supporting demand in a broad range of strategic emerging industries and future-oriented sectors. The Company has also achieved vertical integration for the LCP material—from polymerization and compounding to molding, enabling precise control over product performance and fully meeting the stringent requirements of downstream high-end scenarios. With outstanding technical capabilities and product competitiveness, the Company's LCP products have been included in the MIIT (Ministry of Industry and Information Technology) substitution catalog, strongly supporting leading enterprises in overcoming critical supply constraints and enhancing the autonomy and control of the supply chain in China's high-end manufacturing sector. In addition, the Company's LCP film project, supported by central government budget funding, successfully passed acceptance in 2025. This is expected to accelerate the industrialization of LCP films in high-end electronic devices and other fields, significantly enhancing the added value of products and strengthening technological barriers.

In the PEEK segment, the Company has overcome key technical barriers in continuous polymerization, achieving precise control over the molecular weight distribution of PEEK resins and continuously optimizing product performance. Leveraging its full industrial chain advantage from polymerization and compounding to finished product manufacturing, as well as coordinated breakthroughs in high-end applications such as semiconductors, the Company will further enhance the autonomy and control across the full chain of the PEEK industry.



Case " " Thermoset Carbon Fiber Composite Production Line is put into use in Huizhou, Expanding into High-Performance Materials Sector

Guided by China's "14th Five-Year Plan" for the development of the new materials industry and driven by the "carbon peaking and carbon neutrality" strategy, WOTE has actively expanded into the high-performance composites sector. The thermoset carbon fiber composite production line at its Huizhou special materials base has successfully commenced operations, meeting the needs of industries such as UAVs, electronics, and robotics, as well as downstream customers' demand for lightweight and high-strength sheet, panel, and pipe applications. This development not only creates a new business growth driver for the Company's operation, but also further strengthens its platform-based layout in high-performance materials and enhances its autonomy and control in the high-end materials supply chain.

Case " " Full Acquisition of Valqua Seals Products, Strengthening Semiconductor Industrial Chain Layout

In 2025, WOTE formally signed an agreement to acquire a 100% equity interest in Valqua Sealing Products (Shanghai) Co., Ltd., a subsidiary of Japan-based Valqua, Ltd. (now renamed Shanghai WOTE Huaben Sealing Products Co., Ltd.). This acquisition represents a key strategic move in advancing the Company's presence in high-end semiconductor materials and will further strengthen its integrated solutions capabilities in high-performance polymer materials. With its two semiconductor fluoropolymer manufacturing bases—Zhejiang Conceptfe and WOTE Huaben semiconductor, the Company integrates WOTE Huaben Sealing Products' technologies and customer resources in high-end sealing products, positioning itself to build a world-leading fluoropolymer products platform and develop one of the most comprehensive semiconductor component solution portfolios in the industry. This will further enhance its product and technological capabilities in high-end equipment sectors such as semiconductors and nuclear energy, while injecting strong momentum into the high-end upgrading of the industrial chain.



Shanghai WOTE Huaben Sealing Products Co., Ltd

Shaping Better Life

Leveraging our full industrial chain capabilities from polymerization and compounding to processing and molding, we continuously enhance our core competitiveness and expand production capacity. We have achieved ongoing breakthroughs in a broad range of strategic emerging industries and future-oriented sectors. By reinforcing and upgrading domestic supply of critical materials, we bring technologies closer to everyday life and build a solid foundation for better life through high-quality materials.

High-Frequency Communication and High-speed Computing Material Solutions

In the high-frequency and high-speed communication sector, our LCP materials have broken overseas monopolies, offering customers a range of dielectric constant material options across different communication frequencies with low high-frequency signal loss. We have become a material supplier to leading global electronics supply chain companies. Our PTFE films, developed over years of investment, have also gained recognition from high-frequency and high-speed PCB customers in China and the United States.

In the server segment, we offer one of the most comprehensive thermal management material solution portfolios in the industry, covering ultra-high-speed air-cooling scenarios and serving as key materials for high-speed computing. Materials for active cooling fans in smartphones have achieved mass production and are also applicable to scenarios such as robotic joints.

Low-Altitude Aircraft and Robotics Material Solutions

In the UAV flight control materials segment, we provide lightweight material solutions for various UAVs. Materials developed for low-altitude aircraft have entered mass production, while the newly launched carbon fiber composite production line supplies molded products such as propeller blades to meet high-load requirements.

In the field of robotic materials, in response to the requirements for miniaturization and lightweight design of rotary motors of robots, the Company has developed a high-flow motor stator encapsulation material, which effectively reduces the stator encapsulation thickness to 0.1 mm, achieving weight reductions of 30%-50%. These products have been recognized by customers across the robotics industrial chain.

Motor stator encapsulation materials can be applied in humanoid robots, reducing weight by **30% - 50%**

Semiconductor Material Solutions

In the semiconductor materials sector, following the acquisition of WOTE Huaben Semiconductor, the Company has achieved business integration and strategic collaboration. While maintaining stable supply to leading global semiconductor equipment manufacturers, it has successfully completed product development and qualification with major domestic semiconductor customers. In September 2025, the Company further acquired a 100% equity interest in Valqua Seals Products (Shanghai) Co., Ltd. which had been held by Japan-based Valqua, Ltd., completing the full industrial chain of semiconductor components and establishing one of the most comprehensive semiconductor component solution portfolios in the industry. This move also accelerates capacity expansion of the largest fluoropolymer manufacturing platform in the world.

Case WOTE PEEK—Transforming Robotics to Better Serve Everyday Life Through Material Innovation

As robots move beyond laboratories into factories and homes, robotic arms are evolving from repetitive tasks to precision applications such as surgery. WOTE's Durakraft™ PEEK, through material innovation, breaks traditional performance limits and is becoming a preferred material for critical joint components. It effectively addresses key pain points of robotic arms, enabling robots to better serve everyday life.

Lightweight Design and Extended Endurance for Diverse Application Scenarios



With a density of only **1.3** g/cm³, approximately **50%** lighter than aluminum alloys while offering mechanical strength comparable to that of metals, it improves endurance by **30%** and significantly reduces load-related energy consumption in robotic arms.

Exceptional Wear Resistance and Extended Service Life to Enhance Reliability and User Confidence



Featuring a low friction coefficient of **0.1**, it requires no additional lubrication. Gear life reaches **2** million cycles, far exceeding conventional nylon (**400,000** cycles) and metals (which are prone to corrosion), delivering a fivefold increase in service life, extending usage cycles and reducing maintenance costs.

High Temperature Resistance and Fatigue Durability for Harsh Environments



Maintains mechanical performance at temperatures up to 260°C, avoiding deformation risks associated with conventional materials under motor heat, enabling zero deformation in extreme conditions and expanding the operational boundaries of robotics applications.

Greater Autonomy and Control Across the Entire Industrial Chain, Tailored to Customer Needs



greater autonomy and control across the whole process—from PEEK resin polymerization, compounding and pelletizing to profile processing—shortens customization cycles by 70%. Conductive PEEK eliminates electrostatic adsorption, ensuring safe handling of precision electronic components. 3D-printable PEEK supports complex hollow structures, enabling robots to flexibly adapt to customized requirements and become truly personalized assistants in everyday life.

Pursuing Excellent Quality

Quality is the cornerstone of corporate development. We spare no effort in pursuing product quality by continuously strengthening quality management and control, optimizing and improving product quality, and earning recognition from customers and the market through outstanding quality standards.

Deepening Quality Management

We consistently place quality at the core of our development strategy, establishing a quality governance structure in which the Board of Directors is responsible, the General Manager serves as the senior executive responsible for quality management, and the Quality Department handles day-to-day operations. We have obtained ISO 9001, IATF 16949, and IECQ QC 080000 quality management system certifications, strictly complied with laws and regulations like *the Product Quality Law of the People's Republic of China*, and established quality management policies, including *the Quality Manual, Process Management Procedures, Product Inspection Control Procedures, and Nonconforming Product Control Procedures*. Annual quality objectives and achievement plans are set to strengthen the implementation of quality assessment and build a solid quality management foundation.

Constructing a "Three Lines of Defense" Quality Management Framework



Implementing Dynamic Quality Risk Control

Preventive measures and contingency plans

For medium- and high-risk items, specific preventive measures and emergency plans are formulated and implemented. Mistake-proofing technologies, process optimization, and redundant design are employed to reduce the probability and impact of quality risks.

Continuous monitoring and review

Key risk points are dynamically monitored. Quality risk review meetings are held regularly to update risk registers and control measures, forming a closed-loop management cycle.

Promoting Closed-loop Quality Complaints and Improvement

Accessible channels and rapid response

Customer hotlines and online platforms are set to provide multiple complaint channels, with commitments to respond within prescribed time limits. A rapid escalation and handling mechanism is established for major quality issues.

Root cause analysis and corrective/preventive actions

Each quality complaint undergoes in-depth root cause analysis through various tools, with effective corrective and preventive actions planned and implemented.

Information sharing and closed-loop verification

Issues identified and improvements made during complaint handling are shared with relevant internal departments for horizontal checks. The effectiveness of measures is tracked and verified to ensure closure and prevent recurrence.

Enhancing Product Quality

WOTE upholds the principles of "Quality First, Customer Foremost" and the quality policy of "Continuous Innovation, Pursuit of Zero Defects, and Customer Satisfaction". The Company strengthens quality inspection and control throughout the entire process, continuously optimizes production quality management measures, and standardizes the quality control management of raw materials, process control, and finished product delivery to ensure the provision of high-standard, high-quality, and high-value products to the market.

Design Source Control

At the product research and design stage, relevant tools are implemented to ensure that design outputs meet quality and reliability requirements.

Incoming Material Quality Control

Strict supplier admittance assessment and performance management are conducted. All critical materials undergo incoming inspection, and statistical techniques are applied to analyze quality data, ensuring material consistency from the source.

Process Quality Monitoring

Quality control points are set at each critical manufacturing step, combining operator self-inspection, patrol inspection, and specialized inspection.

Pre-shipment Finished Product Inspection

Before shipment, each batch of products undergoes comprehensive or sampling inspection according to internal control standards stricter than customer requirements, ensuring 100% conformity of delivered products.

Product Quality Improvement

Regular quality meetings are held to analyze root causes of product defects and formulate product improvement measures. Quality improvement activities are conducted periodically, with TOP improvement priorities summarized monthly. Quality improvement incentive program bonuses are established to encourage employees to propose practical improvement suggestions, promoting product quality enhancement.

Cultivating Quality Awareness

The Company actively fosters a quality culture through routine training and campaigns on quality awareness, creating an environment that emphasizes, pursues, and values quality, embedding a strong sense of "quality consciousness" throughout the organization.



Enhancing Quality Skills

Differentiated quality training programs are designed and implemented for management, quality professionals, and frontline employees, covering quality philosophy, tools and methods, and standards and procedures, to enhance professional skills and quality awareness of employees.



Fostering a Quality Culture

Through internal bulletin boards, Quality Month activities, quality knowledge competitions, and selection of "Quality Exemplars", the Company cultivates a strong culture of "Everyone values quality, everyone creates quality, and everyone enjoys quality".



Strengthening Quality Performance Evaluation

Senior managers regularly participate in quality review meetings, communicate quality commitments, lead by example, and integrate quality objectives into the performance evaluation systems of departments and employees.

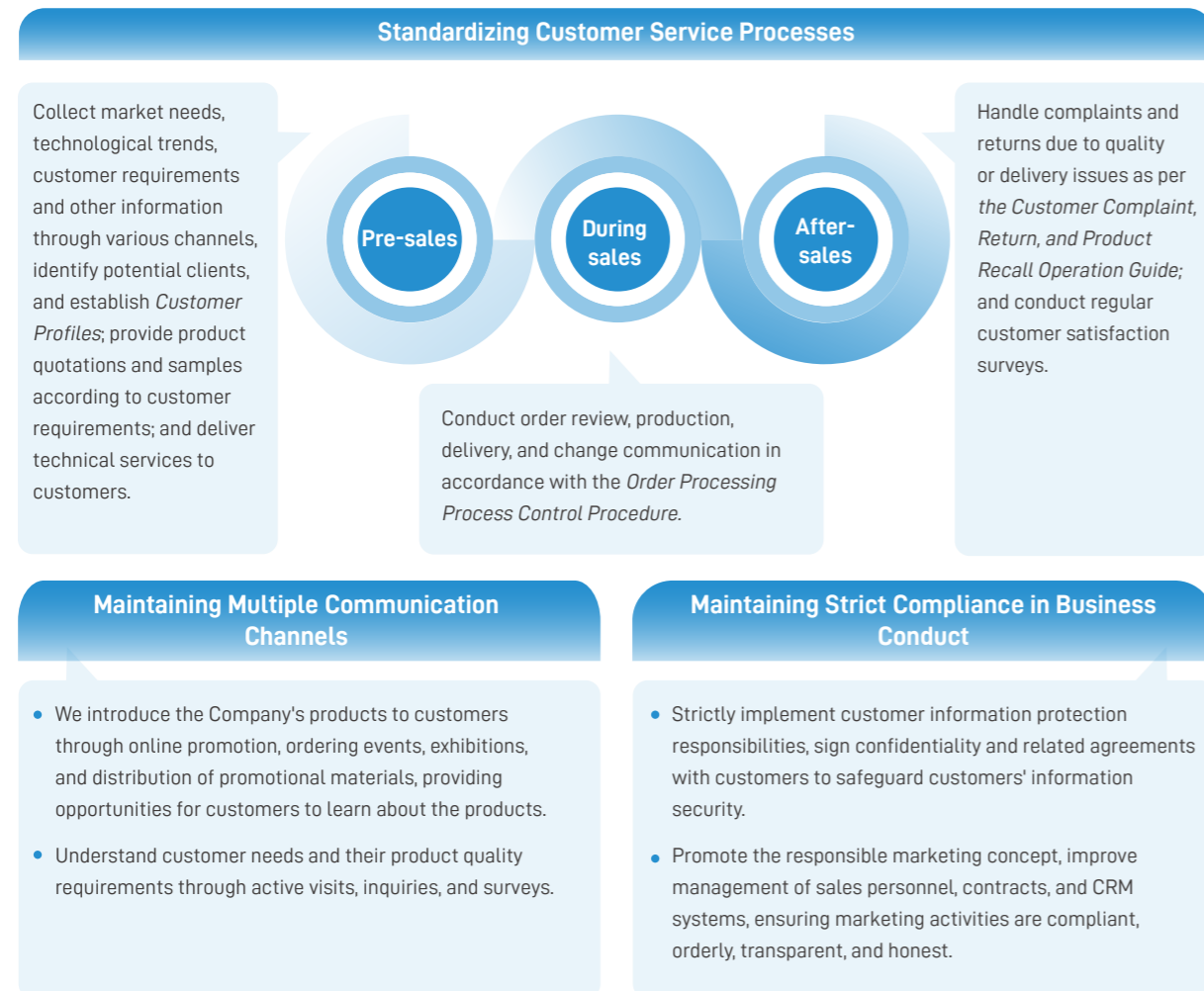


Providing High-quality Services

We uphold a service-first approach, continuously improving pre-sales, sales, and after-sales services along with customer satisfaction management mechanisms, deeply understanding and meeting the diverse needs and expectations of our customers, and returning the trust of customers and society with higher-quality products and services.

Improving Service Management

We continuously improve the customer service management system. Through procedures such as the *Customer-Related Process Control Procedure*, we clearly define standardized service processes for the pre-sales, sales, and after-sales stages, enhance the identification and assessment of marketing risks and opportunities, and maintain effective communication with customers in accordance with the *Information Communication Control Procedure* and strengthen customer relationships.



Handling Customer Complaints

We place high importance on customer complaints, returns, or product recalls arising from product quality issues. *The Customer Complaint, Return, and Product Recall Operation Guide* is implemented to standardize the relevant procedures and promote the implementation of corrective measures in response to customer complaints, safeguarding customer rights and interests while restoring customer trust through concrete actions.

Percentage of Total Sold or Shipped Products Recalled for Safety and Health Concerns (%)	0	0	0
Customer Complaint Resolution Rate (%)	98.50	98.65	98.85

Standardizing the Complaint Handling Process

Based on the non-conformities reported by customers, analyze the root causes of defects and establish temporary measures, fundamental measures, and preventive measures to resolve the issues.

For feedback that does not involve contractual quality requirements or the quality management system, the Marketing Department, together with relevant departments, determines the handling method and informs the customer. If the feedback from a customer directly involves product quality or the quality management system issues, it is handled in accordance with the Corrective and Preventive Actions Control Procedure.

Upon receiving a customer complaint, communicate with the customer for a nonconformance handling plan immediately, determine temporary measures within 24 hours, and provide a Quality Anomaly Improvement Report within five working days.

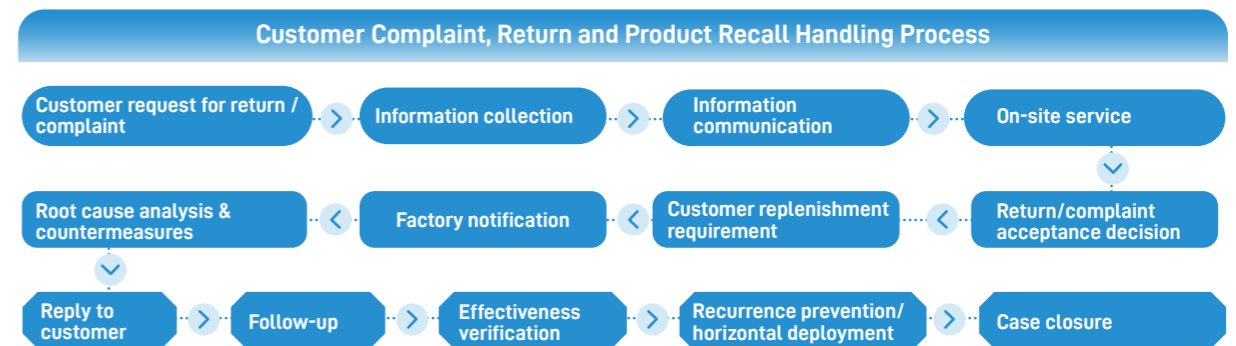
The initial response to a customer complaint must be completed within two working days. If the customer requests a product return or exchange, it is processed according to the Order Handling Control Procedure.

Return, Exchange, and Recall Processing

Return: Confirm the reason for the return, the quantity involved, and the condition of the returned goods (raw material or sprue material), and arrange for the return. Isolate returned products, re-inspect if necessary to confirm the quality, issue a *Nonconforming Product Review Report*, and relocate the returned items to the defective product zone.

Exchange: Handle according to the *Order Processing Procedure* and arrange replacement.

Recalls: For sold products that are confirmed to have quality issues through customer complaints or internal audits, perform a nonconforming product review for the items to be recalled, determine the quantity to be recalled, initiate recall procedures, and immediately arrange qualified products to meet customer needs.



Improving Customer Satisfaction

We conduct customer communication and satisfaction management in accordance with the *Customer Satisfaction Survey Control Procedure*, performing satisfaction survey per year. The survey evaluates product quality, delivery, engineering capability, and services of the Company. Results are promptly analyzed for statistics, and any dissatisfaction is addressed through follow-up improvements, aiming to continuously enhance brand strength and provide products and services that meet customer expectations.

	2023	2024	2025
Customer Satisfaction (Score)	95.36	95.85	96.22

Innovation-Driven Development

Innovation is the primary driving force for development. Guided by the mission of "Shaping Better Life", we continuously increase R&D investment, encourage independent innovation, and enhance the company's core technological competitiveness and sustainable development capabilities.

Improving the R&D System

Aiming to establish a leading "platform-based company for high-performance polymer materials" in the industry, we continuously improve our innovation and R&D mechanisms, always maintain high R&D investment, stimulate innovation vitality, and promote technological self-reliance and independence.

- Initiator of China's first 10,000-ton capacity PPE project
- National-level key specialized, refined, distinctive and innovative "Little Giant" enterprise
- Vice-chair unit of the China High-performance Resin Association
- President unit of the High-performance Materials Branch of the China Synthetic Resin Association
- National-level CNAS-accredited laboratory
- Undertaker of a national key research project
- National-level standard drafting unit
- Participant in the MIIT "one-stop" application demonstration for high-speed connectors



Annual R&D investment:
RMB **122.93** million

accounting for
6% of operating revenue



Number of R&D personnel
272

representing
18% of total employees

Set Clear R&D and Innovation Goals

- Focusing on platform-based high-performance polymer materials, the Company tackles key challenges in greater autonomy and control of critical materials, drives material innovation for cutting-edge application scenarios, and promotes low-carbon transformation across the entire industrial chain to become a leading supplier.
- WOTE Zhicheng has set a target of 100% product R&D approval rate and regularly monitors its progress. In 2025, the Company achieved its product R&D approval rate target.

Improve Innovation Management System

- The Company has established a robust organizational decision-making mechanism, with the Board of Directors and executive management responsible for top-level design and decisions on R&D innovation, while the R&D Center, as the responsible department, manages R&D project implementation and daily operations. The roles and responsibilities of the Board of Directors, senior management, and the execution-level departments within the three-tier governance structure have been clearly defined, creating a full closed loop featuring "decision-execution-control".



- We have strengthened the R&D system by establishing and improving innovation management measures, including the R&D Organization Management System, Scientific Research Innovation Management Regulations, Patent Management System, and Research Funding Management System.

- We have built a diversified innovation platform, featuring four core platforms: National CNAS Laboratory, Guangdong Engineering Technology Research Center, Guangdong Academician and Expert Workstation, and Jiangsu Foreign Experts Studio. At the same time, R&D centers have been deployed across our branch companies. Relying on the South China R&D Center, we have developed pilot plant platforms for nylon polymerization, carbon fiber composites, and high-temperature material compounding, wear-resistant materials testing, 5G dielectric materials evaluation, and structural fatigue. These platforms collectively cover the entire process from material research and development to testing and pilot-scale testing.



Strengthening R&D Team Development

- We have established an R&D team led by academicians, experts, and scholars in the field of materials, and have built a talent pool covering multiple-structured specialized disciplines, including polymer materials, chemical engineering, industrial design, materials science, analytical chemistry, and inorganic chemistry.
- We have also improved the training system for R&D personnel by selectively recruiting top talents from recent graduates as talent reserves and providing three years of systematic training to develop them into R&D engineers who meet our needs.

Optimizing R&D Innovation Incentives

The Company has implemented systems such as the *Technology Achievement Commercialization Implementation and Reward System*, establishing dedicated innovation incentives that motivate employees to participate in R&D innovation across multiple dimensions like achievement commercialization, technical breakthroughs, and innovation proposals. R&D activities are explicitly incorporated into the performance evaluation system, fully unleashing the team's innovation potential and injecting sustainable momentum for long-term corporate development.



On October 29, 2025, a survey delegation from the Counsellors' Office of the State Council visited WOTE to conduct a special survey on "Optimizing the Innovation Ecosystem for Private Tech Enterprises to Empower High-Quality Development of the Private Economy." The delegation gained in-depth insights into WOTE's development history, industrial layout, and technological innovation achievements. WOTE stated that only by focusing on core values and persisting in continuous innovation can sustainable development be achieved.

Abundant Innovation Achievements

We actively participate in the formulation of industry standards, take the initiative in tackling key core technology research projects and major national science and technology programs, and continuously promote the commercialization of scientific and technological achievements. We also continually strengthen patent protection for independent innovation outcomes to support high-quality industry development. The Jiangsu-specific project *Research and Development of Key Technologies for the Preparation and Film Forming of High-Performance Membrane-Grade Liquid Crystal Polymers* was successfully selected for the Jiangsu Frontier Technology R&D Program, making it the only project from Yancheng City to be included.



We own five "Specialized, Refined, Distinctive, and Innovative" enterprises

Cumulatively participated in the development of **76** national and other standards

We hold a total of **434** authorized patents, nearly half of which are international invention patents

Innovation Breakthroughs in Key Areas

Low-melting-point polyether ether ketone (LP-PEEK)

Designed for professional applications in SLS 3D printing, it delivers core advantages, such as excellent flowability, precise particle size, uniform morphology, and stable molding performance, enabling efficient transformation from design to manufacturing in high-end manufacturing.

New PPA6T/DT resin

With six core advantages, namely high temperature resistance, high precision, high strength, easy moldability, resistance to heat and humidity, and light weight properties, this new high-performance PPA resin redefines the application standards for specialty materials, specifically designed for high-temperature, high-precision, and high-load applications.

High-performance bio-based PA46 resin

Combining bio-based raw materials with outstanding performance under demanding operating conditions, it offers high strength, weather resistance, processability, and environmental benefits, making it suitable for high-end manufacturing components such as gears, transformers, and connectors.

Promoting Achievement Conversion

We actively advance the conversion of R&D patent projects. In 2025, we submitted multiple applications for the commercialization of R&D projects. The transformation achievements can be widely applied in electronics, specialized operating conditions, and automotive new energy industries, providing downstream customers with high-value patented technology support.

Intellectual Property Protection

We continuously improve our intellectual property (IP) protection system by establishing a management organizational structure led by senior management, with day-to-day implementation managed by R&D, Board of Directors Office etc. The Company has clearly defined the roles and responsibilities within a three-tier governance structure comprising the Board of Directors, senior management, and execution-level departments, and has implemented full-process standardized management covering the creation, application, maintenance, licensing, transfer, and disposal of intellectual property, continuously enhancing its IP governance and risk management capabilities.

We strictly comply with relevant laws and regulations, including the *Trademark Law of the People's Republic of China* and the *Patent Law of the People's Republic of China* and continuously improve our intellectual property management system. We have proactively formulated IP-related management systems covering patents, trademarks, trade secrets, etc., and implemented multiple protection measures such as IP risk prevention and trade secret management, ensuring full-chain standardized management and control. We actively collaborate with patent firms to promptly file patent applications to protect innovations arising in R&D, providing legal protection for core technologies and innovation achievements.

Participation in Industry Standards

Focusing on technological accumulation, we actively participate in the preparation of national, industry, and group standards, covering advanced fields such as bio-based materials, high-performance polymer materials, chip materials, and robotics materials. Through standard-setting, we promote standardized development and domestic production of the industry.

Participated in drafting the group standard *Bio-based Nylon (PA5X) Resins for Automotive Components*, promoting domestic production of high-temperature bio-based nylon and reducing carbon emissions.

Led the drafting of the group standard *Liquid Crystal Polymer Materials for the Chip Field*, aiming to fill the technical gap in LCP materials for chips and advance domestic substitution of key materials.

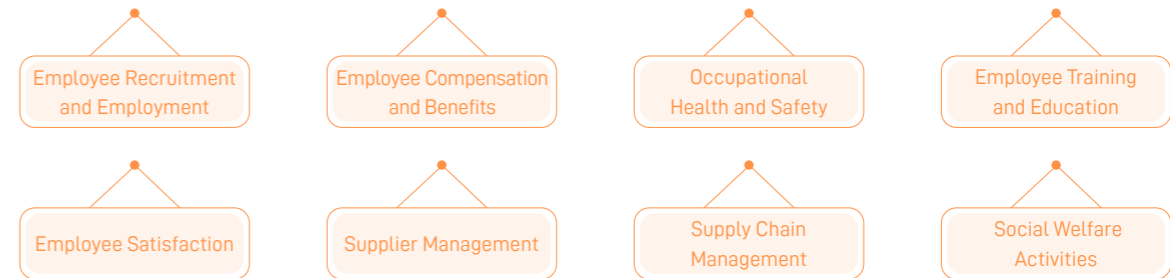
Participated in the national standard *Technical Specifications for the Grading of Recycled and Reprocessed Acrylonitrile-Butadiene-Styrene (ABS)*, promoting efficient recycling of waste materials.

Shaping Better Life Together

WOTE anchors its high-quality development with a strong sense of responsibility, fosters employee growth through a people-oriented approach, and strengthens its development foundation with robust safety management. By deepening supply chain collaboration and compliance governance, and giving back to society through public welfare and educational initiatives, WOTE comprehensively puts sustainable development into practice and works toward a better future where industry and society thrive together.



Related Topics



Our Actions

- Caring for Employee Growth
- Building a Strong Safety Defense
- Collaborating with the Industry for Mutual Success
- Actively Participating in Social Welfare

Our Performance

Total number of employees by post: Occupational disease incidence rate: Number of work-related fatalities:

1480 **0** **0**

Safety production investment as a percentage of operating revenue:

0.19%

Contribution to the United Nations Sustainable Development Goals (SDGs):

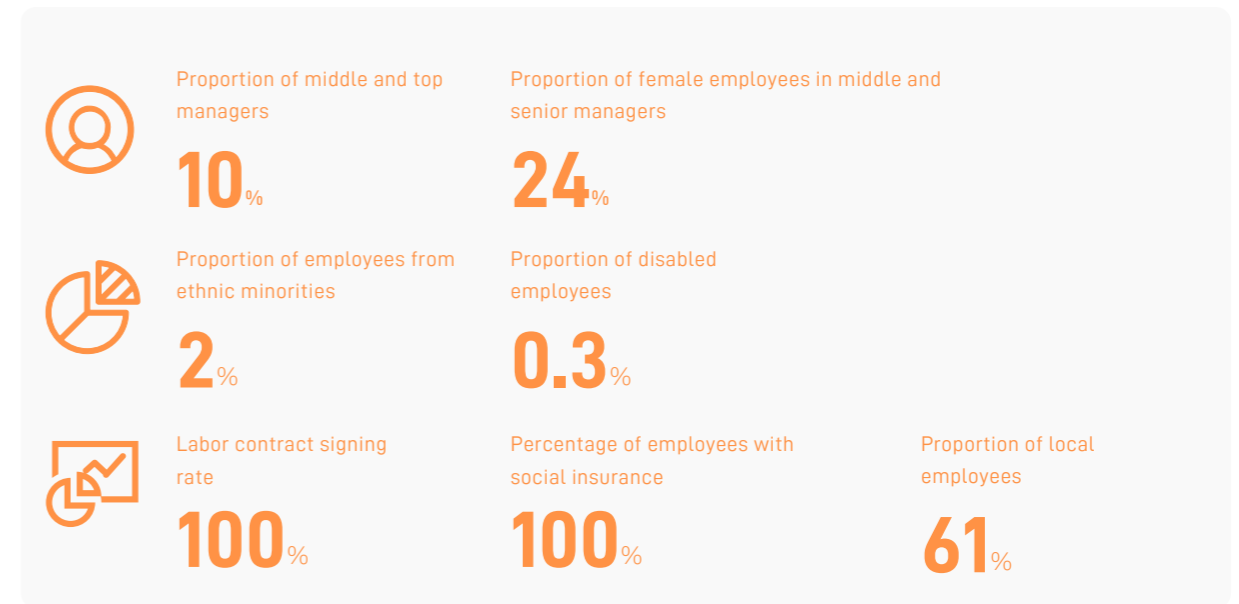
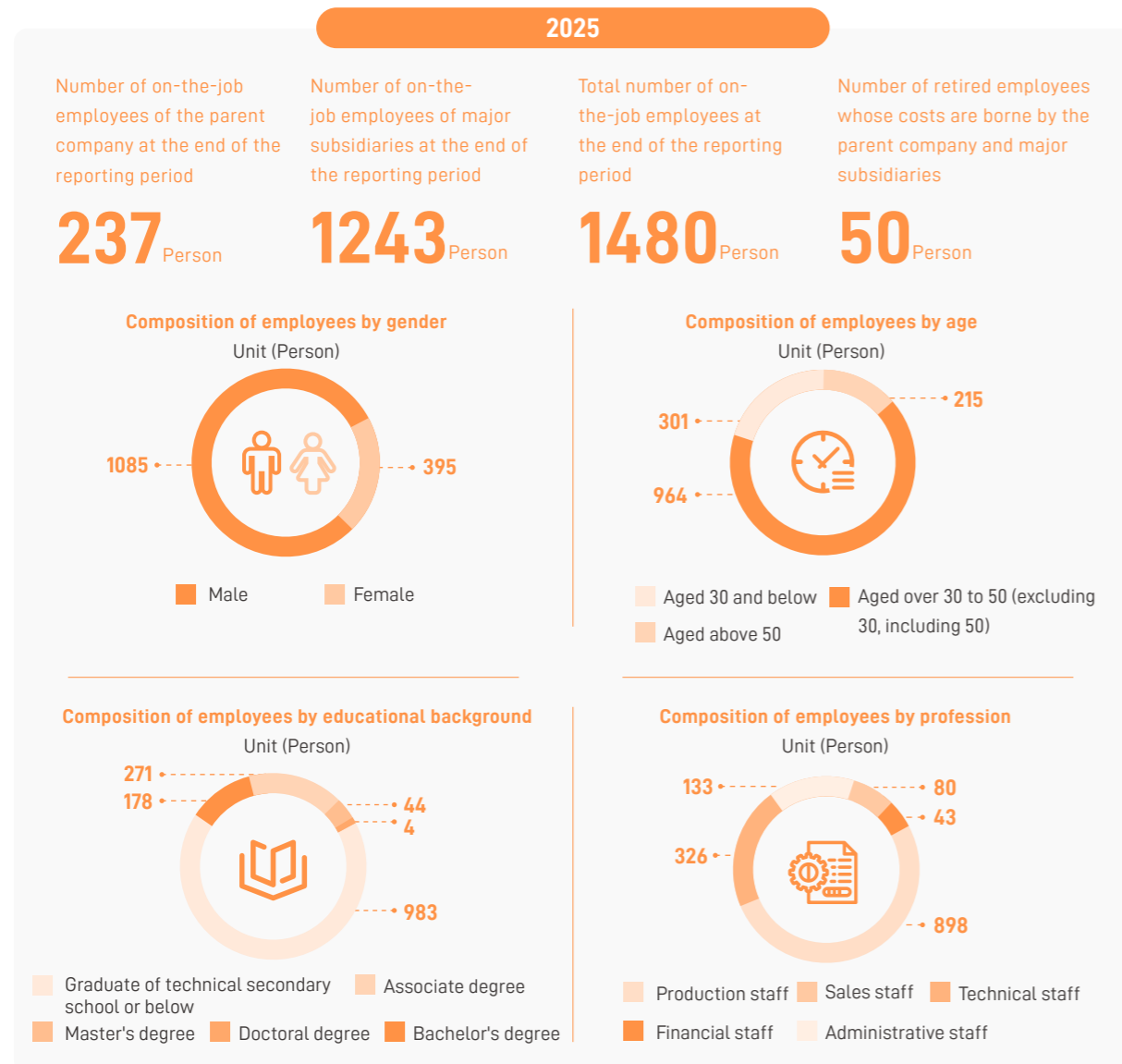


Caring for Employee Growth

We are committed to fostering an equal, inclusive, healthy, and comfortable workplace. Guided by an employment philosophy that leverages individual strengths and avoids shortcomings, we provide broad development platforms for employees, expand recruitment channels, and attract outstanding talents, thereby laying a solid foundation for both corporate and employee development.

Protecting Employee Rights and Interests

We strictly comply with laws and regulations, establishing institutional frameworks that include the *Human Resources Management System* and the *Employee Handbook*. Labor contracts are executed in accordance with the law to implement employment standards, ensuring non-discrimination in recruitment and workplace practices based on ethnicity, race, gender, or religious beliefs. Diversified employment opportunities are provided to safeguard the equal rights and interests of employees.



Implementing Labor Standards

We strictly comply with international conventions and domestic laws and regulations, and explicitly incorporate provisions prohibiting child labor and forced labor into our human resources policies and procedures.

We conduct regular reviews of our workforce, and in the event of any non-compliance involving child labor or forced labor, we immediately cease such practices and take necessary corrective measures.

Improving the Salary System

We have established a diversified compensation structure and continuously improved three core systems, namely the *Compensation Management System*, *Performance Evaluation and Management System*, and *Incentive Mechanisms*. Clear criteria for salary determination are defined to ensure both internal equity and external competitiveness of the remuneration system.

We have also implemented an annual salary adjustment mechanism, with a focus on high-performing employees, ensuring that compensation grows in line with employees' capabilities and performance contributions.

Implementing Democratic Management

We have established a labor union to facilitate communication channels, including staff and workers' representative congresses, staff assemblies, departmental morning meetings, suggestion boxes, and online feedback platforms. We have also implemented an incentive mechanism for rational proposals to encourage employee participation and promote coordinated development between the Company and our employees.

In addition, we have launched a dedicated Innovation Proposal System and regularly carry out the "Let's Innovate Together" initiative involving all employees, encouraging them to contribute innovative ideas based on their roles and empowering corporate development through employees' collective wisdom.



Award Ceremony for Rational Proposals

Supporting Employee Development

With a focus on empowering employee growth and building an equitable development ecosystem, we have established multi-dimensional talent management systems covering vocational capability development, promotion, and selection. These efforts enhance employees' job competency and sense of career security, optimize our talent structure, and provide strong talent support for the Company's high-quality development.



Employee training investment: RMB **630,300**

Implementing Certification Empowerment Program

- We have implemented a Certification Empowerment Program, encouraging employees to obtain professional certifications closely related to their roles (such as forklift operator certificates, fire facility operator certificates, safety management certificates, and high-voltage electrician certificates).
- Certification attainment is linked to job competency evaluation, promoting the simultaneous enhancement of employees' professional skills and role alignment.

Optimizing Talent Promotion Mechanism

- For key positions, promotions are conducted through a combination of open competition and competency assessment, with clear qualification criteria publicly communicated to all employees.
- Professional qualifications and job performance are incorporated into promotion evaluations to ensure fairness in the selection process and rationality of outcomes.

Establishing Clear Career Development Pathways

- We have established a fair, just, and open skill grading system for frontline employees, and developed learning pathways based on a qualification framework. Centered on capability development, we provide structured training and education programs and clearly define career progression paths from new employees to key contributors, supporting the dual enhancement of employees' professional skills and role alignment.

Enhancing Performance Management System

- We have established a management system centered on a target responsibility framework, holding regular target review meetings to define performance objectives and development directions at all levels. Annual target responsibility statements are signed by management to ensure effective decomposition and implementation of strategic goals.
- A closed-loop performance management system has been developed, with regular performance communication and review meetings to ensure transparency in the evaluation process and effectiveness of the evaluation results.
- We have also established performance appeal channels to safeguard employees' rights and interests and ensure fairness in assessments.

Establishing a Diversified Incentive System

- Establish an incentive system that combines immediate and long-term rewards. Provide instant recognition for project outcomes through honor-based mechanisms such as annual excellence awards and innovation proposal awards. Meanwhile, implement special rewards for outstanding cases, and regularly recognize excellent teams and individuals.
- In addition, we have improved the annual bonus distribution scheme and implemented an employee stock ownership plan, aligning employees' personal growth with the Company's long-term development and enabling shared value creation.



Caring for Employee Life

We focus on employees' living needs and emotional well-being and strive to create a better life for our employees by continuously enriching our welfare programs, strengthening people-oriented care, supporting employees in addressing practical challenges, enriching their leisure lives, fostering a strong family-like culture, and enhancing their sense of belonging and well-being.

Enhancing the Benefits System

We have established a comprehensive benefits system that integrates both material support and spiritual incentives. This includes specific benefits such as summer heat allowances, birthday gifts, and expatriate allowances. We also regularly organize team-building activities and themed social events, and design special festival benefit packages.



Annual team-building trip

Supporting Employees with Special Needs

We have established an employee care fund and support mechanisms to assist employees facing difficulties. For employees with serious illnesses, management takes the lead in organizing donations and providing support to help alleviate financial burdens.

We also provide compliant benefits for female employees during maternity, including maternity leave and post-return workplace support, effectively safeguarding their professional rights and interests.



Employee Birthday Party

Building a Strong Safety Defense

Safety is the lifeline of enterprise survival and development. We integrate safety principles throughout all aspects of our production operations and strictly comply with national laws and regulations, including the *Work Safety Law of the People's Republic of China*. We continuously improve our safety management system and strive to build an intrinsically safe enterprise.

Implementing Work Safety

We adhere to the work safety principle of "safety first, prevention-oriented, and comprehensive governance", focusing on risk prevention, hazard elimination, and accident control. We continuously advance the standardization of work safety and the effective implementation of the dual prevention mechanism, ensuring stable and orderly production and operations.

Work safety investment: RMB **3.99** million,
accounting for **0.19** % of operating revenue

Number of work-related fatalities: **0**

No major or above safety, environmental protection, or occupational health incidents occurred

Emergency response timeliness rate: **100** %

emergency drill coverage rate: **100** %

Huizhou WOTE was awarded the title of "Advanced Unit in Work Safety"



Enhancing the Work Safety Management System

- We have established a Work Safety Committee led by the Board of Directors and executive management, and set up a dedicated safety management department to oversee occupational health and safety operations. The roles and responsibilities of the Board of Directors, senior management, and execution-level departments are clearly defined, and personnel are required to possess professional skills and competencies in safety operations and occupational health. We have piloted an EHS (Environment, Health and Safety) management system at our production bases, and established a full lifecycle management mechanism for contractors. Contractors are integrated into the Company's unified safety management system, with safety agreements signed and standardized supervision and evaluation implemented.
- A comprehensive framework has been developed covering work safety assessment, work safety objective management, work safety investment, potential hazard identification, emergency response, and major danger source controls.
- We have fully revised and signed work safety responsibility statements across four levels—company, department, team, and position, strictly implementing the "one position, dual responsibilities" principle and clarifying the work safety responsibilities at all levels.
- Safety performance is incorporated into overall evaluations and linked to performance through quarterly assessments to ensure the effective implementation of work safety responsibilities.
- In accordance with *the Basic Norms for Work Safety Standardization of Enterprises* and relevant industry standards, we have established and operated an A-level standardization system, promoting standardized, systematic, and refined safety management.

- We identify and control process safety risks associated with hot work, confined space operations, and the storage and transfer of chemicals.
- Risk classification and control measures are continuously implemented, with updates to the Company's safety risk distribution map.
- Major danger sources are subject to daily inspections, real-time monitoring, and periodic safety assessments.



Strengthening Safety Risk Identification and Control



Improving Potential Hazard Identification and Rectification Mechanisms

- We consistently conduct various work safety inspections, including routine inspections, weekly checks, monthly comprehensive major inspections, and special inspections during holidays to identify potential safety hazards, achieving a 100% rectification rate for potential safety hazards.
- Major potential hazards are subject to a "designated supervision" mechanism to ensure the full implementation of corrective measures, responsibilities, funding, timelines, and contingency plans.

- We have revised and improved company-level comprehensive emergency response plans, specialized emergency response plans, and on-site response procedures.
- Practical scenario-based emergency drills, such as fires caused by hazardous chemical leakage, confined space incidents, and onsite electric shock injuries, are conducted to enhance employees' emergency response and self-rescue and mutual-rescue capabilities.
- Emergency supplies are regularly inspected and maintained to ensure adequate preparedness.



Strengthening Emergency Management System



Strictly Managing Equipment and Operational Safety

- We strengthen the regular inspection and maintenance of special equipment and their safety accessories, achieving a 100% regular inspection rate.
- A strict permit-to-work system is implemented for hazardous operations, with enhanced approval procedures and full-process supervision for various hazardous operations, contributing to zero operational safety incidents throughout the year.



Special Emergency Drill in Jiangsu

Ensuring Occupational Health

We always place the safety and health of our employees as our top priority. We strictly comply with relevant laws and regulations, including the *Work Safety Law of the People's Republic of China* and the *Law on the Prevention and Control of Occupational Diseases of the People's Republic of China*, as well as the requirements of the ISO 45001 Standard. We are committed to building a safe and healthy working environment and strengthening the protection of employees' occupational health.



Developing Occupational Health and Work Safety Objectives



Establish a "Zero Incident and Zero Occupational Disease" Target for occupational health issues and safety incidents, set up measurable safety performance indicators, and strictly implement the corresponding targets and management plans.

EHS activities are conducted regularly on a monthly basis to track progress toward targets. Through continuous monitoring, review, and improvement, operational risks are steadily reduced, employees' occupational health and safety are safeguarded, and all safety performance objectives are effectively implemented.

Enhancing Occupational Health Management System



We have established and optimized an occupational health and safety management system in compliance with ISO 45001 standards and obtained ISO 45001 certification.

Fundamental systems include responsibilities for occupational disease prevention, hazard warning notifications, project application, maintenance of occupational health protection facilities, management of personal protective equipment, occupational health monitoring and record-keeping, monitoring and assessment of occupational hazard factors, and accident emergency handling and reporting.

Strengthening Occupational Hazard Notification and Warning



Occupational hazard warning signs and Chinese-language warning sign descriptions are properly displayed at production sites.

Employees are informed of the occupational risks, potential consequences, and protective measures associated with their positions during labor contract signing.

Enhancing Occupational Health Promotion and Education



Occupational health training is conducted at multiple levels, including mandatory pre-job training for new employees and regular refresher training for existing staff. Knowledge on protective measures is disseminated through bulletin boards, pre- and post-shift meetings, and other channels to improve employees' awareness of occupational disease prevention.

Conducting Identification and Control of Occupational Hazard Factors



Occupational hazard factors are comprehensively identified and controlled. Regular monitoring of occupational hazard factors is conducted, and the *Occupational Hazard Status Assessment Report* is completed and submitted to ensure compliant and transparent occupational health management.

Occupational health assessments are performed. Certified institutions are engaged to conduct annual inspections of occupational hazard factors at production sites, covering all positions with exposure to dust, noise, or toxic and hazardous chemicals.

Implementing Occupational Health Protection and Monitoring



A full-cycle occupational health monitoring system is implemented.

Employee health monitoring files are established, compliant personal protective equipment is provided for positions exposed to dust or noise, and physical separation of work and living areas is enforced to reduce health risks for employees.

Improving Occupational Hazard Incident Emergency System



An *Emergency Response Plan for Occupational Hazard Incidents* has been established. Multiple comprehensive emergency drills, including scenarios such as fire and hazardous chemical leakage, are conducted annually. Emergency supplies are checked simultaneously, and drill effectiveness is assessed to enhance the capability to respond to emergencies.



Occupational Health Training in WOTE Huaben

Ensuring Chemical Safety

We always adhere to the core principle of "safety first, prevention-oriented, and comprehensive governance" in chemical management. We are committed to establishing a modern safety management system that leverages regulatory compliance, standardized procedures, information systems, and intelligent technologies to ensure that every stage related to chemicals, from procurement, storage, transportation, and use to disposal, is kept under control, safeguarding employee health, corporate property safety, and the sustainable development of the ecological environment.



No major chemical spills, fires, or poisoning incidents occurred in the past three years

Coverage rate of chemical safety training: **100%**

Strengthening Chemical Governance System

The subsidiary's EHS Committee or Environmental Management Committee is responsible for oversight and management.

Management systems and regulations have been established, including *Regulations on the Safe Management of Hazardous Chemicals*, *MSDS (Material Safety Data Sheet) Management System*, *Chemical Storage Management Regulations*.

Implementing Full-Process Risk Control

Access and Assessment

A pre-procurement approval procedure for new chemicals is established. The EHS (Environment, Health & Safety) department should conduct hazard assessments and alternative evaluations.

Hierarchical Classification and Control

Chemicals are classified, labeled, and marked in accordance with GHS (Globally Harmonized System of Classification and Labeling of Chemicals). Major risk sources and processes are subject to a "source-owner system" and special controls.

Work Permit Management

Operations such as hot work, confined space entry, and chemical repackaging strictly follow work permit approval and on-site supervision procedures.

Establishing a Modular Emergency Response System

Modular Emergency Facilities

Standardized emergency cabinets and accident containment pools are installed in critical areas.



"One-Minute" Emergency Response Mechanism

Job-specific emergency response cards are implemented, and team-level "one-minute" initial emergency response drills are conducted to ensure that leaks and other incidents are controlled at the earliest stage.

Cultivating a Safety Culture

Training is regarded as a foundational measure to enhance employees' safety, environmental protection, and health awareness and skills. A tiered and categorized training system has been established to improve safety literacy and skills of employees, cultivating a corporate culture where "everyone is responsible for safety".



Total safety training hours:

15,764 hours

Average safety training hours per employee:

11 hours

Employee safety training coverage:

100%

Implementing Regular Safety Education and Training



We fully implement the "three-level" safety education for new hires, with a 100% training pass rate.

Organize annual refresher training for on-the-job employees, covering safety rules and regulations, operating procedures, risk identification, emergency knowledge, environmental protection requirements, and occupational hazard protection.

Provide specialized safety training for employees transferring positions, ensuring full training coverage without omissions.

Enhancing Specialized and High-Risk Operations Training



Organize external certification training for company leaders and safety management personnel.

Only high-risk operation personnel (electricians, welders, forklift operators, etc.) with valid licenses can be employed, who should undergo periodic re-certification.

Conduct specialized training on hazardous waste management, confined space operation monitoring, and use of emergency rescue equipment.

Organize employees to participate in Red Cross special-topic external training and obtain on-site first aid personnel certification to enhance professional skills.

Promoting Safety Culture Propaganda and Construction



Organize employees to participate in chemical industry emergency skills competitions, fire safety themed activity week and other activities to foster a strong safety culture.

Implement "6S" initiatives, encouraging employees to engage in safety and environmental protection management, proactively report potential hazards and unsafe behaviors, and reward outstanding suggestions.

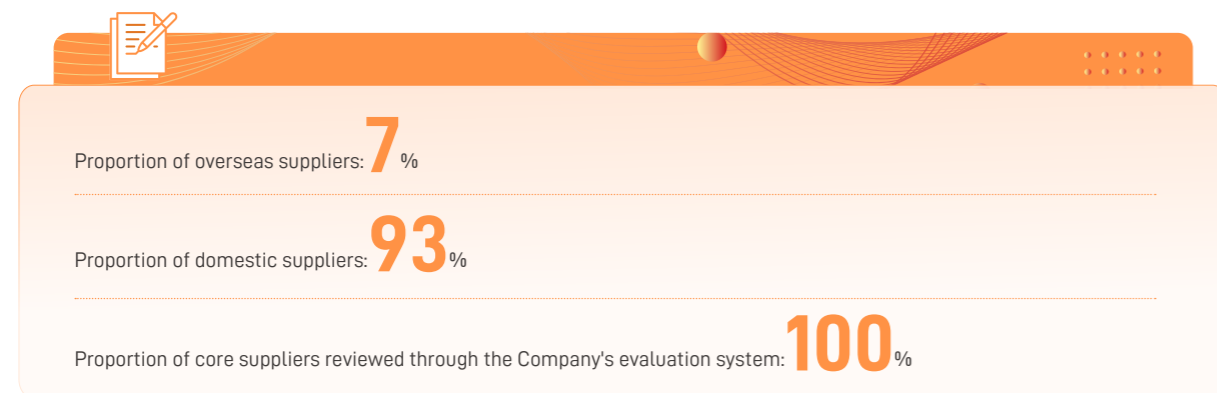
Conduct emergency skills and emergency plan reward activities, recognizing employees who demonstrate excellence in incident response and evacuation organization, thereby enhancing company-wide safety awareness.

Collaborating with the Industry for Mutual Success

We firmly believe that collaboration and sharing create positive value for the sustainable development of the Company, the industry, and society. We regard suppliers as close partners, practicing responsible supply chain management, engaging in in-depth communication with industry experts, and collaborating on research projects to guide industry development through technological innovation.

Supplier Lifecycle Management

We place great emphasis on building a supplier management system and continuously improve supplier lifecycle management. Through the *Supplier Management Control Procedure*, we establish a comprehensive lifecycle management mechanism covering development, admission, evaluation, and exit, deepening strategic cooperation with suppliers to ensure a stable supply chain and smooth production operations.



- ▲ New suppliers are developed based on project requirements. Information on potential suppliers is collected and evaluated, and assessments are conducted on samples, on-site operations, and management systems. In principle, suppliers to be introduced must hold ISO 9001, ISO 14001, and ISO 45001 certifications. Suppliers of raw materials for automotive products must additionally hold IATF 16949 certification. Preference is given to suppliers with QC 080000 or RBA system certification, and suppliers are actively encouraged to obtain relevant system certifications.
- ▲ To ensure that raw materials meet quality and environmental protection requirements, suppliers are required to provide raw material Hazardous Substance Free (HSF) reports and sign the *Quality Agreements, Quality Commitment Letters* and *Environmental Protection Agreements*.
- ▲ Suppliers of raw materials for electronic products are also required to sign the Responsible Business Alliance (RBA) Commitment Letter to ensure their suppliers' behaviors are in compliance with the Electronic Industry Citizenship Coalition (EICC) Code of Conduct.



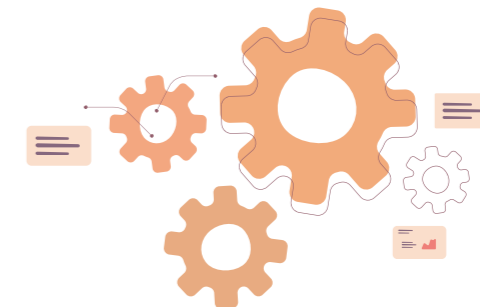
- ▲ According to the *Supplier Comprehensive Evaluation Criteria*, all cooperative suppliers are assessed semi-annually or annually.
- ▲ The assessment frequency is semi-annual and applies only to Category B suppliers. Suppliers with poor assessment results may have their procurement volume reduced or suspended, while management of such suppliers is strengthened.



- ▲ The *Supplier On-site Audit Checklist* is developed in accordance with the Supplier Management and Control Procedure each year, and on-site audits are conducted accordingly.
- ▲ For supplier on-site audits, a total score of ≥ 90 points results in a direct pass; a score between 70 and 90 points (inclusive of 70, exclusive of 90) results in conditional approval; a score below 70 points results in failure.



- ▲ Suppliers that fail to provide ISO 9001 certification, experience major batch quality issues in products delivered, or receive poor semi-annual or on-site audit results will be included in the *Annual Supplier Optimization Checklist*. Failure to achieve satisfactory improvement within specified timelines triggers exit procedures.
- ▲ Suppliers with two consecutive poor semi-annual audit results, or those without any cooperation for two consecutive years, will also enter the supplier exit procedures. Subsequent cooperation requires a full reintroduction process.



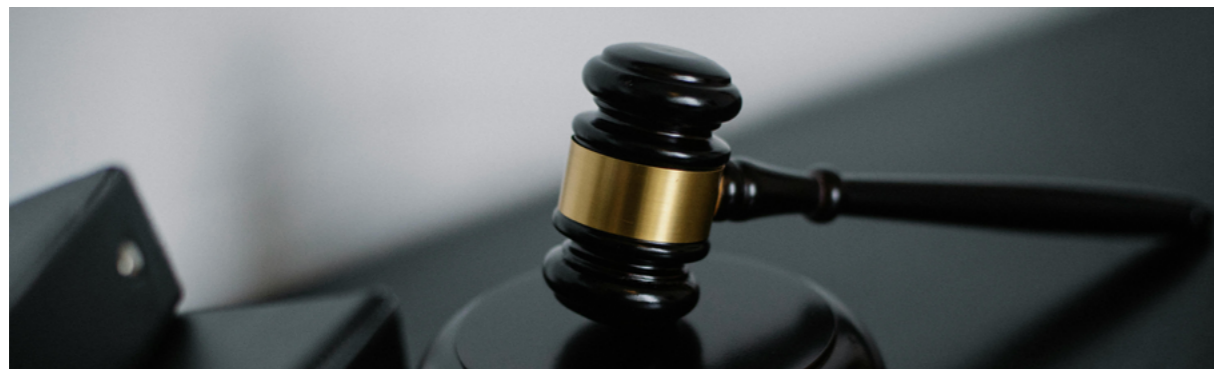
Supply Chain Risk Management

We manage ESG risks within our supply chain by actively identifying hazardous substance risks in materials and enhancing supply chain resilience, autonomy and control through the construction of a critical material backup supplier pool, domestic material substitution, and strategic partnership development, thereby ensuring operational stability.



Integrity-based and Compliant Procurement

We attach great importance to integrity-based and compliant supply chain construction. Suppliers are required to sign *the Integrity Agreement* or an anti-corruption policy letter, explicitly prohibiting commercial bribery and other illegal or non-compliant behaviors, creating a fair, transparent, and self-disciplined cooperative environment.



Active Participation in Social Welfare

Under the leadership of Chairwoman Wu Xian, we have long adhered to the core value of "Be Unique for You", continuously supporting and participating in educational initiatives. We have successively established the Shenzhen Charity Association—WOTE Public Welfare Fund, the WOTE Scholarship at Sichuan University, and the Innovation and Entrepreneurship Fund for Women, providing support ranging from funding for underprivileged students to school development. Through these efforts, we continuously contribute to technological innovation in the industry and the cultivation of high-quality talent.



Outlook for 2026

The year 2026 marks a critical point for WOTE building on the new starting point of the 15th Five-Year Plan and embracing the burgeoning wave of next-generation productive forces. In the face of profound transformations in computing power, low-altitude economy, and advanced manufacturing, we will steadfastly uphold the core value of "Be Unique for You", pursue our mission of "Shaping Better Life", and remain committed to realizing our vision of becoming "a leading supplier".

Driven by technological innovation, we will deepen our expertise in high-performance polymer materials, accelerate the research and development of green and high-performance products, and actively contribute to the national carbon peaking and carbon neutrality goals. By attracting and nurturing talent, we aim to consolidate global wisdom, build a world-class workforce, and inject sustained vitality into our long-term development. With integrity in business operations as our foundation, we will develop a green and transparent sustainable supply chain, maximizing value creation for our customers. Guided by the pursuit of surpassing limits, we will continuously push technological boundaries and consistently exceed customer expectations.

Looking ahead to 2026, WOTE will leverage more leading-edge material technologies and a more comprehensive industrial layout to effectively support the development of national strategic emerging industries. We aim to provide a solid material foundation for enhancing human well-being and to write a new chapter for WOTE on the path of sustainable development.

ESG Indicator Index

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

Dimension	Topic	Relevant Articles	Report Page No.
Report Page No.	Responding to Climate Change	Article 21-28	P23-27
	Pollutant Emission	Article 30	P35-36
	Waste Disposal	Article 31	P36-37
	Ecosystem and Biodiversity Conservation	Article 32	P38
	Environmental Compliance Management	Article 33	P28
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	Water Resources Utilization	Article 36	P32
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	Equal Treatment of SMEs	Article 46	/
	Product and Service Safety and Quality	Article 47	P46-50
	Data Security and Customer Privacy Protection	Article 48	P20
	Employees	Article 50	P57-66
Governance related to Sustainability Development	Due Diligence Investigation	Article 52	P18
	Stakeholder Engagement	Article 53	P10
	Anti-Commercial Bribery and Anti-Corruption	Article 55	P18
	Anti-unfair Competition	Article 56	P19

About this Report

This is the fourth Environmental, Social, and Governance (ESG) Report released by Shenzhen WOTE Advanced Materials Co., Ltd., holistically presenting the Company's principles, concepts, management approaches, and achievement performance in sustainable development. This Report is compiled in both Chinese and English. In case of any ambiguity in interpretation between the two texts, the Chinese version shall prevail.

Reporting Scope

As an annual report, this Report covers the period from January 1, 2025 to December 31, 2025 ("the Reporting Period") and may include some content pertaining to previous years or extend its scope into 2026. Unless otherwise stated, this Report covers Shenzhen WOTE Advanced Materials Co., Ltd. and its consolidated subsidiaries.

Preparation Basis

Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17—Sustainability Report (Trial)

Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards)

United Nations Sustainable Development Goals (SDGs)

Data Sources

The data used in this Report are derived from the Company's official documents, financial reports, or relevant public information. In case of minor discrepancies in the data, the annual financial report shall prevail. Financial data in the Report are presented in RMB.

Appellation Description

For ease of reading, throughout the Report, "Shenzhen WOTE Advanced Materials Co., Ltd." is also referred to as "WOTE", "the Company", "our company", or "we". "Zhejiang Conceptfe" refers to "Zhejiang Conceptfe New Material Technology Co., Ltd.", "WOTE Huaben Semiconductor" refers to "Shanghai WOTE Huaben Semiconductor Technology Co., Ltd.", "Advanced Flon" refers to "Advanced Flon Technologies (Shanghai) Co., Ltd.", "WOTE Huaben Sealing Products" refers to "Shanghai WOTE Huaben Sealing Products Co., Ltd.", "Chongqing Zhicheng (Huanan)" and "Chongqing Zhicheng (Huabei)" both refer to "Chongqing WOTE Zhicheng Advanced Material Technology Co., Ltd.", "Huizhou WOTE Advanced" refers to "Huizhou WOTE Advanced Materials Co., Ltd.", "Jiangsu High Performance" refers to "Jiangsu WOTE High Performance Materials Co., Ltd.", "Jiangsu Advanced Materials" refers to "Jiangsu WOTE Advanced Materials Technology Co., Ltd.", "Hong Kong WOTE" refers to "Hong Kong WOTE Co., Limited", and "Vietnam WOTE" refers to "Vietnam WOTE New Materials Co., Ltd".

Reliability Commitment

WOTE commits that the contents of the Report do not contain any false records, misleading statements, or material omissions. The Board of Directors of the Company assumes individual and joint responsibility for the truthfulness, accuracy, and completeness of the Report.

Report Access

This Report is available in both printed and electronic formats. The electronic version can be accessed on the CNINFO website (www.cninfo.com.cn).

Contact Information

WOTE encourages all stakeholders to provide suggestions or feedback on the Company's sustainable development. For any related matters, please contact stock@wotlon.com.

Feedback Form

Dear readers,

Thank you for reading *WOTE Environmental, Social, and Corporate Governance (ESG) Report 2025*. In order to gain a deeper understanding of your expectations and demands for our work, we sincerely delighted to listen to your comments and suggestions on the Report. Every suggestion you provide is helpful to us. We look forward to your generous guidance!

1. Your overall impression of this Report:

Best Better General Poor Extremely Poor

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

Best Better General Poor Extremely Poor

3. How do you think the structural arrangement of this Report is?

Best Better General Poor Extremely Poor

4. What do you think of the reading experience of this Report?

Best Better General Poor Extremely Poor

5. What do you think are the shortcomings of this Report?

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6. What content would you like to see disclosed regularly?

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7. What other suggestions do you have for the ESG work of WOTE?

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You can contact us through the following ways:

Tel: 0755-26880862	Letter address: Room 3101, Block B, Building 9, Zone C, Phase III of Vanke Yuncheng, Liuxin 4th Road, Xili Community, Xili Sub-district, Nanshan District, Shenzhen City (Room 3101, Block B, Building 7, International Innovation Valley)
E-mail: stock@wotlon.com	Postcode: 518052