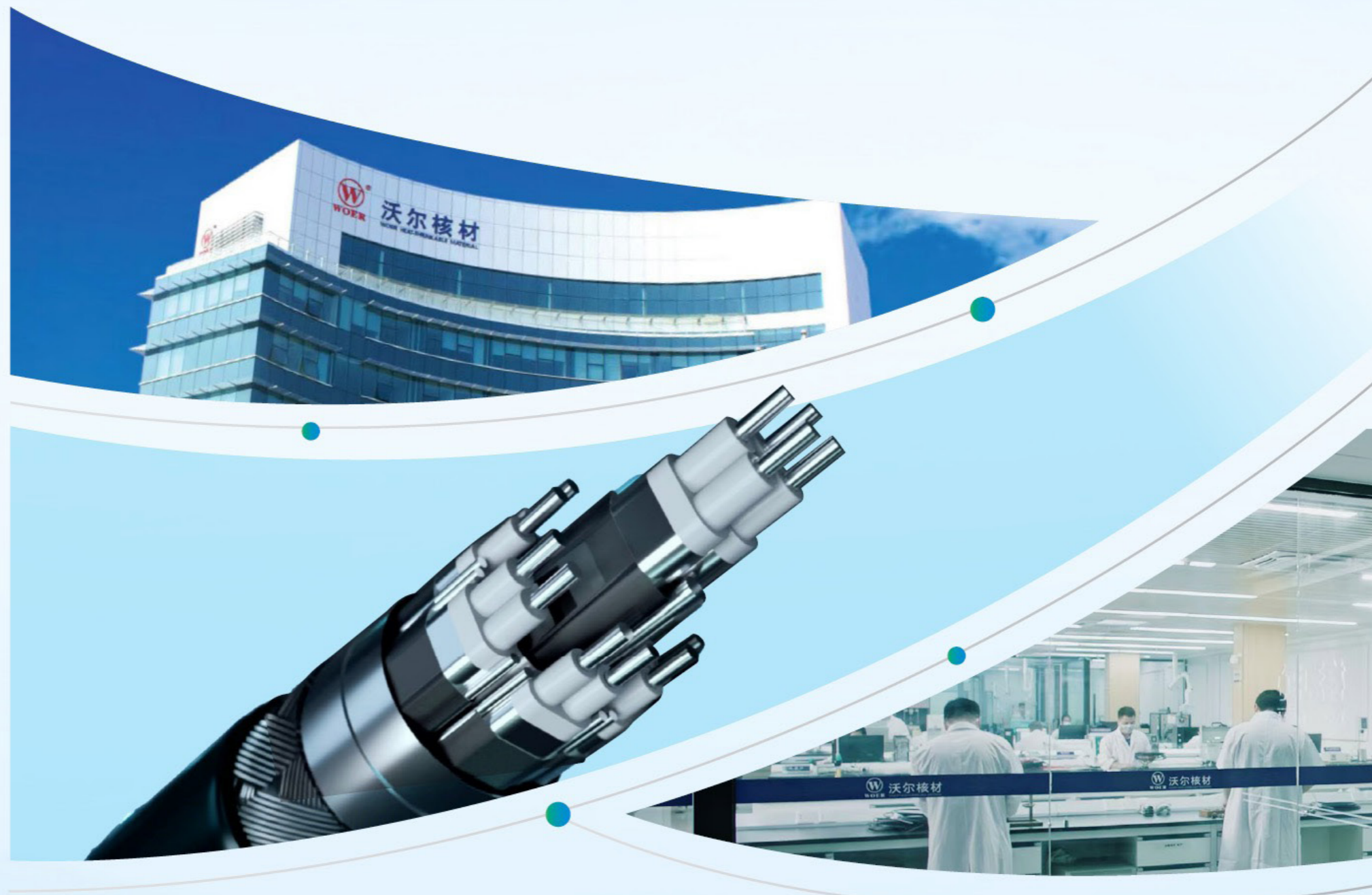


2025

Environmental, Social and Governance (ESG) Report

Shenzhen Woer Heat-Shrinkable Material Co., Ltd.



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About this Report

This report is the 2025 Environmental, Social and Governance (ESG) Report (hereinafter referred to as the "Report") of Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (hereinafter referred to as "WOER", the "Company", or "we"). It is also the first Environmental, Social and Governance report published by the Company. The Report comprehensively presents the Company's policies, measures, and performance on various ESG topics in 2025.

Reporting Scope

This report is an annual report covering the period from January 1, 2025 to December 31, 2025 (hereinafter referred to as the "Reporting Period"). To enhance comparability and forward-looking relevance, certain content extends beyond the reporting period where appropriate. Unless otherwise specified, the scope of disclosure in this report covers WOER and its subsidiaries.

Preparation Basis

This report has been prepared in accordance with the Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange — Sustainable Development Report (Trial) and the Environmental, Social and Governance Reporting Guide issued by the Hong Kong Exchanges and Clearing Limited (HKEX). At the same time, it also references the Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange — Preparation of Sustainable Development Report, the United Nations Sustainable Development Goals (SDGs), the GRI Standards issued by the Global Sustainability Standards Board (GSSB), the Sustainability Disclosure Standards for Business Enterprises: Basic Standard (Trial) issued by the Ministry of Finance of the People's Republic of China, as well as relevant requirements of mainstream ESG rating systems both domestically and internationally.

Information Statement and Assurance

The information and cases presented in this report are primarily derived from the Company's statistical reports and relevant internal documents. The Company guarantees that this report contains no false records or misleading statements, and assumes responsibility for the truthfulness, accuracy, and completeness of the contents of this report. Unless otherwise specified, all monetary amounts in this report are denominated in Renminbi (RMB).

Report Confirmation and Approval

This report was confirmed by the management and approved for release by the Board of Directors.

Reporting Principles

This report strictly follows the principles of materiality, quantitative, balance, and consistency as set out in Appendix C2 of the Listing Rules of the Hong Kong Stock Exchange, with the aim of ensuring the relevance, reliability, and transparency of the disclosed information and providing stakeholders with a fair and comparable overview of the Company's sustainability performance.



Materiality Principle

Through a systematic materiality assessment, we have identified and determined ESG issues that have a significant impact on the Company's business operations and internal and external stakeholders (including investors, customers, employees, suppliers, and communities). The disclosures in this report directly respond to the results of this assessment and focus on the most critical priority issues. The underlying data infrastructure is not yet complete, so disclosure is temporarily withheld.



Quantitative Principle

We are committed to disclosing measurable Key Performance Indicators (KPIs) and have established corresponding quantitative targets to track performance. The measurement standards, calculation methods, basic assumptions, and sources of conversion factors used for all environmental and social data in this report have been clearly specified to ensure the accuracy and verifiability of the data.

Balance Principle

This report objectively and impartially presents our practices, progress, and challenges in the areas of environment, society, and governance. The Report is clearly structured and aims to provide a fair representation of our overall ESG performance.



Consistency Principle

We adopt consistent statistical methods and reporting systems to ensure the comparability of ESG data across different reporting periods. If any changes occur in the methodology, key performance indicators, or any factors affecting data comparability in this reporting period, such changes will be clearly disclosed and explained in the relevant sections.

Report Access and Feedback

In response to environmental protection initiatives, we recommend giving priority to reading the electronic version. You may access it on the Company's official website www.woer.com, the Shenzhen Stock Exchange website www.szse.cn, and the Hong Kong Exchanges and Clearing website www.hkexnews.hk. We value the opinions of our stakeholders and welcome you to contact us through the following channels. Your suggestions will help us further improve this report and enhance the Company's overall ESG performance.

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Message from the Chairman



In 2025, against the backdrop of continued uncertainties in the macroeconomic environment and intensifying industry competition, the manufacturing sector still faced structural challenges amid recovery. The Company adhered to its core business as the foundation, took technological innovation as the driving force, and oriented itself toward market demand, focusing on the two major business segments of "electronic communication + new energy power". All core business segments advanced in parallel, and operating performance achieved steady growth.

Taking innovation as the core to strengthen technological barriers. As a national high-tech enterprise, the Company has consistently adhered to innovation as the core driving force, relying on the WOER Research Institute to build a full chain innovation system, achieving key technological breakthroughs and domestic substitution in high-end fields, and supporting product upgrading through solid innovation. As of the end of 2025, the Company had more than 2,000 valid patents in force. At the same time, the Company has endeavored to build a safe, resilient and sustainable supply chain system, laying a solid foundation for high-quality development.

Taking green development as the support to fulfill the "dual carbon" mission. The Company has deeply grasped the strategic opportunities of "dual carbon", incorporated climate change response into important development topics, continuously promoted the layout of clean energy, completed the rooftop photovoltaic project for employee dormitories, implemented multiple energy saving technological transformation projects, strictly controlled the discharge of "three wastes", and achieved 100% compliant disposal of hazardous waste. The Company has integrated the concept of green development into every link of production and operation, continuously reducing the environmental impact of production and operation through efficient resource utilization, reduction and recycling of packaging materials, and digital and smart transformation, and practicing the EHS policy of "health, safety, environmental protection" through co actions.

Taking people-oriented development as the foundation to activate talent momentum. The Company has always adhered to the concept of "people oriented", continuously improving the protection system for employee rights and interests in terms of compensation and benefits, career development and occupational health. By building characteristic development programs such as the "Sailor Training Camp" and establishing six major category ladder-based career development pathways, every employee is enabled to achieve growth and value on the Company's platform. At the same time, the Company has strengthened the occupational health and safety protection line and created a safe, healthy and reliable working environment for employees.

Taking governance as the outline to consolidate the foundation of compliance. In accordance with the latest regulatory requirements, the Company has optimized its governance structure, no longer establishing a supervisory board or supervisors, strengthened the supervisory functions of independent directors and specialized committees, built a scientific and efficient corporate governance system, enhanced information disclosure management, and conscientiously fulfilled information disclosure obligations. In terms of business ethics, the Company has improved the full process anti commercial bribery system and carried out in depth integrity building including anti-corruption and anti-commercial bribery.

Taking capital as the sail to embark on a new journey. In 2025, the Company advanced the issuance of H shares and was successfully listed on the Main Board of the Hong Kong Stock Exchange on February 13, 2026, achieving a phased transition from an A share listed company to an "A+H" dual listed company, and injecting new momentum into the Company's global development.



| About WOER



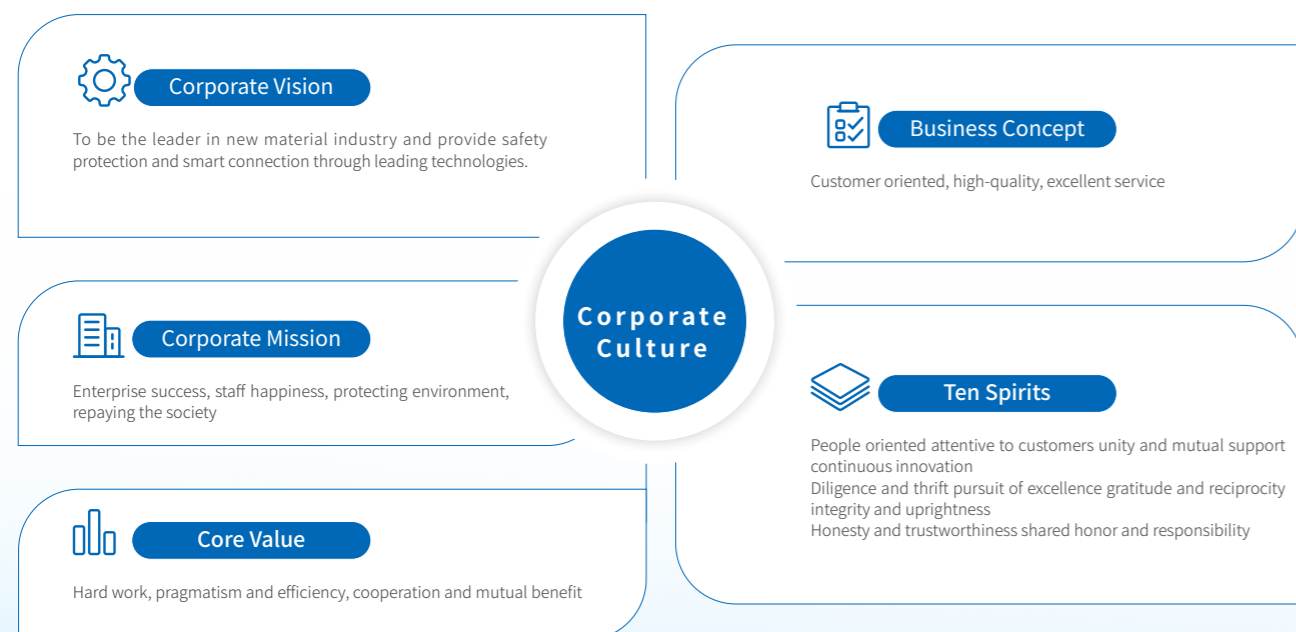
Company Profile

Shenzhen Woer Heat Shrinkable Material Co., Ltd. (stock code 002130) is a publicly held joint stock company listed on the Main Board of the Shenzhen Stock Exchange, with its headquarters located in Shenzhen, Guangdong Province, China. The Company was established in 1998, formerly known as Shenzhen Woer Heat Shrinkable Material Co., Ltd., and is now a national high-tech enterprise focusing on the electronic communication and new energy power industries. On this basis, the Company completed the issuance of H shares and was listed on the Main Board of the Hong Kong Stock Exchange on February 13, 2026, with stock code 9981, becoming a publicly held joint stock company listed in both the "A+H" markets.

The Company's business covers two major sectors, electronic communications and new energy power, with an operational network extending across major domestic and international markets. Within China, the Company has established a presence in multiple regions including South China, East China, Central China and North China. In foreign countries, the Company operates a production base in Vietnam and continues to actively expand into global markets.

WOER provides a full chain of products and services ranging from basic materials to terminal applications. Supported by continuous research and development and technological accumulation, the Company adheres to a global development strategy and is committed to becoming a leading enterprise in the new materials industry, providing integrated solutions for safety protection and smart connection in fields such as electronics, electric power, transportation and energy.

In addition, the Company actively responds to the national strategies of "Manufacturing Power" and "Dual Carbon", deeply participates in major national science and technology projects such as the "Guohe One" (CAP1400) demonstration project and is committed to building a leading customer ecosystem in the industry and advancing global expansion. With outstanding technology and quality, the Company has obtained qualifications including National High Tech Enterprise, National Enterprise Technology Center and China Green Factory, and has obtained multiple management system certifications including IATF 16949 and AS9100. The Company has also become the first manufacturer in the world to meet the K1 class nuclear grade cable accessory requirements of "Hualong One" (HPR1000).



Development History

Year	Major events
1998	Shenzhen Woer Heat Shrinkable Material Co., Ltd. was officially established on June 19
2004	Completed shareholding system reform and was renamed Shenzhen Woer Heat Shrinkable Material Co., Ltd.
2007	WOER was successfully listed on the Shenzhen Stock Exchange with stock code: 002130, leveraging the capital market to accelerate the Company's rapid development
2009	Established Woer Wind Electronics Company, seizing opportunities and ensuring cash flow while laying out the development of clean energy
2012	Jiangsu production base was completed and put into operation; Tianjin Woerfa Power Equipment Co., Ltd. was established to expand into East China and North China, optimizing the industrial chain and service network
2013	Wholly acquired Huizhou LTC Smart Connectivity Technology Co., Ltd., strengthening the industrial chain extension and optimizing the industrial system
2014	The holding subsidiary Shanghai Korte New Material Co., Ltd. was listed on the National Equities Exchange and Quotations with stock code 831474
2016	The holding subsidiary Shenzhen Woer New Energy Electric Co., Ltd. completed shareholding reform and acquired Shenzhen Hualei Xuntuo Technology Co., Ltd., actively aligning with emerging industry development strategies and expanding into the new energy vehicle and industrial informatization sectors
2018	Acquired 75% equity of Changyuan Electronics Group Co., Ltd., strengthening industrial chain integration and establishing absolute competitive advantages
2019	The Vietnam production base was completed and put into operation, expanding the Company's overseas production base
2020	The Company became the first enterprise in the heat shrink industry to obtain authorization as a "UL Witness Testing Laboratory"
2021	Phase I of the Huizhou Shuikou Industrial Park was completed and put into operation, optimizing the industrial structure in South China and leveraging the advantages of industrial intensification
2022	The Company's high voltage power testing hall was completed and put into operation
2023	The Company's radiation cross linked heat shrinkable material products were recognized as "Guangdong Province Manufacturing Industry Single Champion Product"; The Company was awarded the title of "National Intellectual Property Demonstration Enterprise"
2024	Phase I of the Wuhan Industrial Park at the Central China Base was completed and put into operation, strategically expanding into Central China and comprehensively enhancing service capabilities
2025	Initiated overseas listing preparations and was listed for trading on the Main Board of the Stock Exchange on February 13, 2026

Honors and Recognition

Corporate Honors

- Awarded "Guangdong Province Top 100 Independent Innovation Enterprises"
- Recognized as "National High Tech Enterprise"
- Awarded "Ten Year Achievement Award of National High Tech Industrialization"
- Recognized as "Shenzhen Municipal Research and Development Technology Center"
- Awarded "Shenzhen Intellectual Property Advantage Enterprise"
- The testing center successfully passed the CNAS on-site assessment
- Recognized as "2019 Guangdong Province Intellectual Property Demonstration Enterprise"
- Recognized as "Shenzhen Key Enterprise Research Institute"
- Awarded "National Intellectual Property Advantage Enterprise"
- Awarded "China Patent Excellence Award"
- Awarded "National Green Factory"
- Radiation cross linked heat shrinkable materials were recognized as "Guangdong Province Manufacturing Single Champion Product"
- Awarded "National Intellectual Property Demonstration Enterprise"
- Selected into "Top 100 Private Manufacturing Enterprises in Guangdong Province in 2025"
- Awarded "Pingshan District Digital and Smart Demonstration Production Line"
- Recognized as "Shenzhen Headquarters Enterprise"

Management and Certifications

- ISO 9001 Quality Management System
- ISO 14001 Environmental Management System
- IATF 16949 Automotive Quality Management System
- AS9100 Aerospace Quality Management System Certification
- CNAS Testing and Calibration Laboratory Competence Accreditation System
- ISO 45001 Occupational Health and Safety Management System
- COMAC Qualified Supplier of Commercial Aircraft Corporation of China
- Civil Nuclear Safety Equipment Design and Manufacturing License
- ISO 13485 Medical Device Quality Management System

Focus on 2025

WOER · Innovation — Innovation Driven by Core Technologies

- **Continuous increase in research and development investment:** The Company has more than 1,000 research and development personnel, and as of the end of 2025, the Company has a total of 13 high tech enterprises and was selected into "Top 100 Private Manufacturing Enterprises in Guangdong Province in 2025".
- **Fruitful intellectual property achievements:** As of the end of the reporting period, the Company has more than 2,100 valid patents, including more than 500 invention patents, and more than 900 valid registered trademarks, including more than 700 within China. During the reporting period, the Company obtained 235 newly authorized patents, including 56 invention patents, and added 163 newly registered trademarks. During the reporting period, the Company participated in the formulation of 7 national standards and 13 industry standards.
- **Outstanding product quality:** Customer satisfaction of major business units has met standards for many consecutive years. The number of product recalls was 0 and the customer complaint resolution rate reached 100%.
- **Enhanced supply chain resilience:** The total number of suppliers is more than 2,000.

WOER · Green Energy Creating the Future

- **Leading carbon management:** Obtained ISO 50001 Energy Management System Certification, Product Carbon Footprint Management System Certification and Five Star Green Supply Chain Management System Certification. The high voltage cable accessory product series completed carbon footprint verification.
- **Clean energy development:** Solar power generation reached 3,992 megawatt hours, wind power generation reached 283 million kilowatt-hours, and the application of renewable energy achieved remarkable results.
- **Environmental management compliance:** The total amount of significant fines for violations of environmental regulations was 0.
- **Efficient resource recycling:** Water resource recycling volume exceeded 110,000 tons; non-hazardous waste recycling volume exceeded 20,000 tons, and hazardous waste recycling volume exceeded 200 tons.

WOER · Talent Building the Foundation

- **Protection of employee rights and interests:** The total number of employees was 8,735. The labor contract signing rate was 100% and the return-to-work rate of employees after parental leave was 100%. The number of discrimination incidents during the reporting period was 0.
- **Occupational health and safety:** The number of occupational disease cases was 0 and the number of work-related deaths was 0. Investment in work safety amounted to RMB 25.82 million and investment in employee occupational health amounted to RMB 1.12 million. The completion rate of hazard rectification reached 100%.
- **Training empowerment and support:** The employee training coverage rate reached 100% with a total of 54,162 training hours.
- **Community public welfare practice:** Changzhou WOER donated 276 computers to the Guangdong Provincial Education Foundation and received an honorary certificate.

WOER · Governance Advancing Sustainable Development

- **Transparent information disclosure:** During the reporting period, 4 periodic reports and 182 temporary announcements were released. None of the announcements required correction or supplementary disclosure. The information disclosure assessment of the Shenzhen Stock Exchange was rated "B".
- **Zero tolerance for business ethics violations:** The number of confirmed corruption incidents was 0. The signing rate of the Anti-Commercial Bribery Agreement with suppliers reached 100% and the signing rate of the Anti-Commercial Bribery Self Discipline Commitment by employees reached 100%. A total of 41 anti-corruption training sessions were conducted with a coverage rate of 100%.
- **Reliable information security:** There were no confirmed incidents of leakage, theft or loss of customer information and the number of complaints regarding infringement of customer privacy was 0.

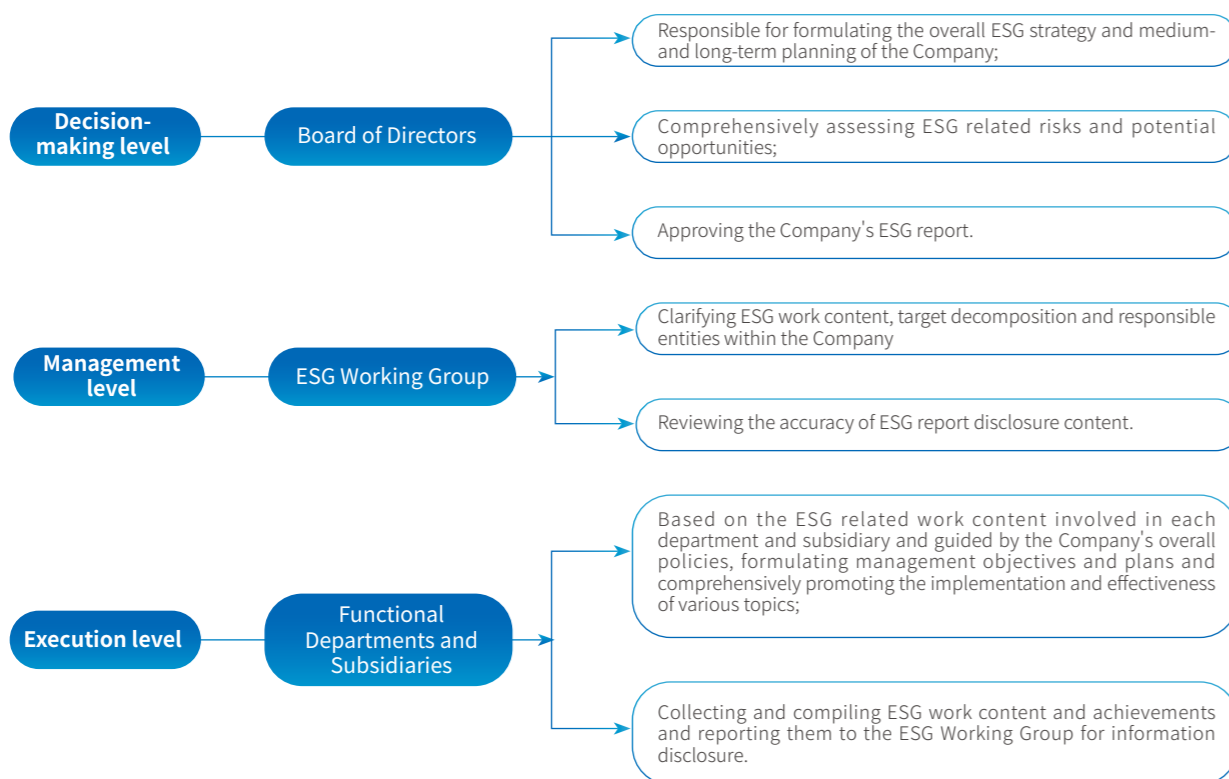
| ESG Management



ESG Governance

WOER attaches great importance to sustainable development. In accordance with relevant laws and regulations including the Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange — Preparation of Sustainable Development Report, the Company continuously improves its ESG governance structure and operational mechanisms and strengthens the supervision and management of ESG matters by the Board of Directors. The Company has established a "three in one" ESG governance structure comprising the decision-making level, the management level and the execution level, supporting the Company in steadily advancing on the path of sustainable development.

ESG governance structure of WOER



Stakeholder Communication

The Company places the needs and concerns of stakeholders at the core of its operations. Seven key stakeholder groups have been identified and the Company actively responds to their expectations and concerns. During the preparation of relevant reports, the Company actively incorporates related topics, striving to achieve balanced and maximized benefits while safeguarding the rights and interests of all parties, thereby laying a solid foundation for the Company's prosperity and development.

Stakeholder type	Key topics of concern	Communication channels and methods
Government and regulatory authorities	<ul style="list-style-type: none"> Compliant operations Quality and safety certification Environmental protection and energy management Protection of labor rights and interests Taxation and statistical reporting 	<ul style="list-style-type: none"> Reporting and declaration Acceptance of inspections and audits Policy seminars and project applications
Investors and shareholders	<ul style="list-style-type: none"> Corporate governance and compliance Financial performance and growth Long-term development strategy ESG performance and risk management Timely and transparent information disclosure 	<ul style="list-style-type: none"> Statutory information disclosure Investor relations management
Customers	<ul style="list-style-type: none"> Product pricing Product quality and reliability Delivery schedule and delivery stability After sales service and response speed Logistics and packaging New products and technical solutions 	<ul style="list-style-type: none"> Satisfaction surveys Daily business communication Complaint and feedback channels Product promotion Product manuals and service network
Employees	<ul style="list-style-type: none"> Compensation and benefits and equal pay for equal work Career development and training Health, safety and working environment Democratic management and feedback of opinions Diversity, fairness and inclusion Employee satisfaction and engagement 	<ul style="list-style-type: none"> Formal institutional channels Complaint and feedback channels Performance communication Internal publicity and meetings Satisfaction surveys
Suppliers and partners	<ul style="list-style-type: none"> Fair and transparent procurement process Stability of cooperation and long-term partnership Payment terms Quality and technical standard requirements Compliance and integrity requirements Transmission of sustainable development requirements 	<ul style="list-style-type: none"> Supplier management procedures Contracts and agreements Direct communication Training and exchange meetings
Communities and the public	<ul style="list-style-type: none"> Environmental protection Community contribution and public welfare Corporate citizenship image Public impact of product quality and safety 	<ul style="list-style-type: none"> Corporate publicity and cultural presentation Participation in public welfare activities Brand and product promotion
Industry and professional organizations	<ul style="list-style-type: none"> Technology research and development and innovation Formulation and participation in industry standards Industry reputation and awards 	<ul style="list-style-type: none"> Participation in industry activities Application for awards and certifications Joining associations and organizations

Materiality Analysis

The identification of material topics is the foundation for enterprises to identify key ESG issues, conduct effective management and carry out accurate information disclosure. To continuously improve ESG management effectiveness, we update and refine the assessment process each year in accordance with the latest regulations and standards. In 2025, we conducted an in depth analysis of national policies and industry trends and mainly referred to the latest domestic and international disclosure requirements including GRI 3, the Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange — Preparation of Sustainable Development Report and the International Financial Reporting Sustainability Disclosure Standard No. 1 General Requirements for Disclosure of Sustainability-related Financial Information(IFRS S1). In combination with the Company's own strategy, we comprehensively identified and analyzed the impacts, risks and opportunities of 26 ESG topics through interviews, questionnaire surveys and other approaches. Ultimately, upon review by the Board of Directors, 6 topics with double materiality were determined as the core disclosures of this report.

• Identification methods and process of material topics •

Understanding the background of the Company's activities and business relationships	<ul style="list-style-type: none"> Analyze the Company's internal activities and business relationships, including potential related impacts across the upstream and downstream of the value chain; Understand the external macro environment, including macro policies, industrial policies, regulatory requirements and industry hot topics in 2025, and identify potential impacts on the Company; Understand key stakeholders who may be significantly affected, including internal and external stakeholders, and conduct sorting and classification.
Establishing a topic list	<ul style="list-style-type: none"> Conduct a comprehensive assessment of domestic and international ESG standards, ESG ratings, international norms and initiatives that the Company commits to follow, key policies affecting the Company's development, market trends, and the Company's strategies and development needs, and identify and form a list of topics.
Assessment of topic materiality	<p>Impact materiality assessment</p> <ul style="list-style-type: none"> Based on interviews and questionnaire surveys, conduct a preliminary analysis of impacts related to sustainability topics; Carry out stakeholder communication to collect opinions from stakeholders regarding the nature of impacts (negative or positive) and whether the impacts occur (actual or potential), and invite stakeholders to score from two dimensions including "severity of impact" (scale of impact, scope of impact and irremediability) and "likelihood of impact"; Integrate the opinions of diverse stakeholders and refer to the opinions of internal and external experts to form the impact materiality assessment results for all topics. <p>Financial materiality assessment</p> <ul style="list-style-type: none"> Based on interviews and questionnaire surveys, conduct a preliminary analysis of impacts related to sustainability topics; Invite external shareholders, relevant senior executives and department heads to evaluate the financial materiality of topics from two dimensions including "likelihood of occurrence of impact" and "degree of financial impact", within three-time horizons including short term, medium term and long term (short term: within 1 year; medium term: 1 to 5 years; long term: more than 5 years); Integrate the opinions of external shareholders, relevant senior executives and department heads and refer to the recommendations of internal and external experts to form the financial materiality assessment results for all topics.
Topic review and confirmation	<ul style="list-style-type: none"> Based on the impact materiality and financial materiality assessment results of all topics, and in combination with the Company's operational and management capabilities, set materiality threshold standards to determine the list of topics with "materiality" and define the boundaries of the material topics; Form a double materiality analysis matrix to clearly present the assessment results.

• Results of material topic identification •

Dimension	No	Topic	Materiality description
Environment	1.	Climate change response	Double materiality
	2.	Pollutant emissions	Impact materiality
	3.	Waste treatment	Impact materiality
	4.	Ecosystem and biodiversity protection	Impact materiality
	5.	Environmental compliance management	Double materiality
	6.	Energy utilization	Impact materiality
	7.	Water resource utilization	Impact materiality
	8.	Circular economy	Impact materiality
Social	9.	Rural revitalization	Relevant
	10.	Social contribution	Relevant
	11.	Innovation driven development	Double materiality
	12.	Supply chain security	Double materiality
	13.	Product and service safety and quality	Double materiality
	14.	Data security and customer privacy protection	Impact materiality
	15.	Labor standards	Impact materiality
	16.	Employee employment and rights protection	Impact materiality
	17.	Employee development and training	Impact materiality
	18.	Occupational health and safety	Double materiality
	19.	Intellectual property protection	Impact materiality
	20.	Customer relationship management	Impact materiality
	21.	Responsible marketing	Impact materiality
Governance	22.	Corporate governance	Impact materiality
	23.	Compliance operations	Financial materiality
	24.	Risk management	Impact materiality
	25.	Anti commercial bribery and anti-corruption	Impact materiality
	26.	Anti unfair competition	Impact materiality

WOER · Innovation — Innovation Driven by Core Technologies

With "core" as the foundation and "innovation" as the driving force. WOER consistently stands at the technological forefront of Telecoms Cable Products and modified polymer radiation crosslinking materials, integrating technological innovation into the core of products, supply chain resilience and service value. From laboratories to production lines, from customer needs to industry standards, "WOER · Innovation" is not only a strategic slogan but also the underlying engine that drives industrial upgrading and empowers a green future.

Topics covered in this section

Innovation driven development, supply chain security, product and service safety and quality, data security and customer privacy protection, intellectual property protection, customer relationship management, responsible marketing

United Nations Sustainable Development Goals (SDGs) corresponding to this section



Adhering to Innovation Driven Development

Governance

The Company has established a dedicated "WOER Research Institute" as a specialized innovation institution, with subordinate departments including the Research and Development Management Department, Automation Research Institute, Materials Research Institute, Equipment Management Department, Testing Center, Process Technology Office, Intellectual Property Department and Digitalization Department, featuring a complete organizational structure and professional personnel allocation. At the same time, the Company has formulated a series of systems including the Management Measures for the Assessment of Research and Development Projects and the Regulations on the Management of Research and Development Efficiency Projects, thereby institutionalizing innovation incentives. Through methods such as allocating project reward coefficients in favor of projects with high innovation content, establishing annual awards such as the "Research and Development Project Innovation Award" and the "Patent Pioneer Award", and conducting comprehensive evaluations of technological innovation indicators, innovation is systematically encouraged.

Key Performance Indicator

The WOER Research Institute is staffed with more than **1000** professionals.

Strategy

Type	Description	Financial impact description	Degree of impact	Time range of impact	Impact on value chain links	Response strategy
Risk of insufficient technological iteration and innovation	The pace of technological innovation and upgrading in the electronic communication and new energy power industries continues to accelerate. If the Company fails to continuously keep up with the development trends of technologies and products or if the transformation of research and development achievements falls short of expectations in the future, it may face the risk of weakening technological leadership advantages in certain areas.	Lagging innovation will result in early-stage research and development investment becoming sunk costs. Existing products may experience erosion of market share and a decline in sales revenue due to technological backwardness. In the future the Company may also need to invest higher costs to catch up with technological gaps, which will significantly weaken profitability and market competitiveness.	High	Medium term and long term	Research and development, sales	Maintain strategic focus on research and development by prioritizing the allocation of resources to core sectors urgently needed at the national level and characterized by high barriers such as high speed communication, new energy vehicles and green materials. Build a technological barrier led by high value invention patents and ensure that innovation directions remain consistent with industry trends through a forward-
Risk of research and development achievement commercialization and market risk	Patents cannot be effectively industrialized, resulting in low return on research and development investment; high dependence on policy driven industries such as new energy vehicles, power grid construction and nuclear power, with industry cycles leading to performance fluctuations.	If research and development achievements cannot be industrialized, substantial research and development investment will not be converted into economic benefits. At the same time, excessive reliance on policy driven markets may lead to a decline in revenue from specific product lines once industry subsidies are reduced or demand cycles weaken, posing a risk of performance fluctuations.	Medium to High	Medium term	Research and development, sales	Promote an innovation transformation strategy featuring deep integration of "research, production and application". Guided by the needs of national strategic industries, ensure the large-scale application of innovative achievements in high barrier sectors such as nuclear power, ultra-high voltage power transmission and new energy through close cooperation with leading customers including China National Nuclear Corporation and China General Nuclear Power Group, thereby enhancing the certainty of commercialization.

Type	Description	Financial impact description	Degree of impact	Time range of impact	Impact on value chain links	Response strategy
Risk of loss of key talent and insufficient incentives	Loss of key research and development personnel may lead to project interruption or a decline in innovation capability.	The loss of key talent will not only generate explicit costs for recruitment and training but may also cause delays in research and development projects and the loss of market opportunities. If accompanied by a decline in innovation capability, it may also lead to long term competitive disadvantages and damage the foundation of corporate innovation.	Medium	Short term to medium term	Research and development	Implement a diversified innovation incentive system oriented toward value creation. Closely link intellectual property output and the effectiveness of achievement transformation with personal development and compensation returns. At the same time, promote a dual driving approach of legal constraints and cultural cohesion to build a research and development talent ecosystem characterized by high stability and strong vitality.
National strategy and industrial policy opportunities	The continuous advancement of key areas such as the "dual carbon" goals, the construction of new type power systems, the development of the new energy vehicle industry, and the markets for data centers and robotics continues to drive strong and stable demand for the Company's core business.	The continuous promotion of national strategies will significantly stimulate demand for the Company's high-end products in fields such as new energy, data centers, green materials and nuclear power, driving continuous growth in sales revenue and proportion of new products, helping the Company enter strategic markets with high barriers and high profitability and obtain stable premium returns. At the same time, the Company is expected to obtain government project funding support and preferential tax policies.	High	Long term	Market, research and development, sales	Firmly implement the strategy of focused positioning and coordinated execution, continuously and deterministically invest research and development resources in major national strategic directions, deepen "production research application" cooperation with core customers, and actively participate in the formulation of international and domestic standards, thereby strengthening industry influence and technological barriers through standard leadership.
Frontier technology integration and blue ocean market opportunities	The cross integration of new materials technology with frontier fields such as power electronics, communications, artificial intelligence and solid-state batteries is generating new product demand.	Cross domain technological integration will open entirely new high growth product lines and market opportunities. Enterprises that take the lead in achieving import substitution can obtain significant technology premiums and brand reputation. This will not only create incremental revenue but also optimize the product structure and enhance overall gross profit margins.	Medium to High	Medium term	Research and development, market, sales	Develop a forward looking open innovation ecosystem, proactively track and integrate into the evolving trends of cutting edge technologies such as AI, high power charging and ultra high voltage, actively advance independent research and development, and obtain source technologies through cooperation with domestic higher education institutions. At the same time, rely on strong pilot testing and inspection capabilities to accelerate the transformation of laboratory achievements into high value added products, thereby seizing market opportunities.

Impact, Risk and Opportunity Management

Identification, Prioritization and Monitoring

To effectively manage research and development innovation risks, the Company conducts regular identification and assessment of risks and opportunities based on its actual operating conditions. Through a comprehensive review of potential risk factors in research and development processes and through dynamic tracking and real time monitoring of major risk events, the Company seeks to achieve the dual objectives of minimizing risks and maximizing innovation.

Process	Management measures
Risk identification	Identify potential risk factors that may arise during research and development innovation through internal discussions, expert consultation and industry benchmarking, including risks related to technology, market, capital and talent.
Risk assessment	Assess the extent of the impact of risks on research and development objectives, project schedules, costs and quality.
Risk monitoring	Through regular inspections, data analysis and tracking of key indicators, monitor in real time the risk status in the research and development process, and adjust response measures according to actual circumstances to ensure the smooth progress of projects.
Risk management	<ul style="list-style-type: none"> Formulate research and development standards and procedures, clearly define risk control checkpoints, and reduce the probability of risk occurrence; Establish a risk management system, strengthen risk awareness among managers at all levels and implement risk management.

Industry Participation

In terms of standard formulation and industry ecosystem development, the Company promotes the common development of the industry through substantive participation. By participating in the formulation of multiple national standards such as Heat Shrinkable Tubing with Low Fire Hazard Flame Retardant Properties, the Company has transformed its long term technical accumulation and practical experience in fields such as insulating materials and flame retardant technologies into widely recognized industry technical specifications and testing methods. At the same time, the Company actively participates in professional organizations including the Shenzhen Polymer Industry Association and the National Standardization Technical Committees and maintains close contact with organizations such as the Shenzhen Robotics Association and the Shenzhen Machinery Association. Through these channels the Company keeps abreast of frontier developments in fields including materials technology and Smart manufacturing, thereby promoting cross sector technological exchange and industrial collaboration.

Key Performance Indicators

During the reporting period, the Company participated in the formulation of **7** national standards and **13** industry standards.

Innovation Cooperation

During the reporting period, the research and development achievements obtained by the Company in various business segments are as follows:

Electronic Material Products

First, in the medical field: the Company, focusing on interventional medical and endoscopic application scenarios, developed products such as MT CBU ultra-thin medical frosted TPU catheter and MT NKJ endoscopic medical heat shrinkable tube. The products have good biocompatibility, have passed customer verification and achieved stable mass delivery, and have been highly recognized by customers.

Second, in the automotive field: the self-developed high adhesion dual wall tube meets the requirements of adhesion, sealing and moisture resistance between corrugated pipes and large cross section cables. The product has been successfully applied to high voltage wiring harnesses of new energy buses, achieving domestic substitution and gaining customer recognition. The development of high-density orange braided self-wrapping tube has been completed, which is widely used in automotive motors and can achieve domestic substitution.

Telecoms Cable Products

First, in high-speed communication cables: multiple single channel 224G high speed communication cable products of the Company have been delivered steadily. New specification models matching different customer needs have been successfully developed successively. Such key products are at the forefront of the industry and can meet the stringent requirements of high-speed data transmission. The development of single channel 448G high speed communication cable samples has been completed and delivered to key customers for verification. The development of PCIe7.0 high speed communication cable products has been completed. The product features low performance attenuation and high reliability and has completed verification and is currently in small batch trial production.

Second, in automotive cables: the Company has completed the sample development of in vehicle 32G Ethernet cable. As a cutting edge communication product in the industry, this cable can be used for high speed data transmission between automotive ECU and sensors. The product is currently in the verification stage.

Third, in industrial cables: the Company focuses on the connection requirements of robot bodies and has completed the development of products such as lightweight high speed industrial robot body cables, humanoid robot internal power cables and signal cables for hands and feet, and composite cables for robot dog feet. The products have excellent bending resistance and torsion resistance and can be widely used in industrial automation production lines, smart manufacturing equipment and humanoid robots, providing high reliability, high durability and high precision connection support for industrial robots and embodied intelligent robots.

Electrical Cable Accessories Products

In nuclear power products: the Company has continuously improved its research and development level of nuclear safety grade cable accessories for nuclear power plants. During the reporting period, it completed the development of nuclear safety grade cable accessories for nuclear power plants with an 80-year service life, and passed the product achievement appraisal meeting organized by China Machinery Industry Federation. The product fills an international gap and is at an internationally advanced level.

In cable accessory products: the self-developed 750kV cable accessories have passed in plant testing, marking a further breakthrough in the Company's research and development level of cable accessories in the ultra-high voltage level field. The Company's 500kV cable accessories successfully won the bid for State Grid engineering projects, realizing the first application of the Company's ultra-high voltage cable accessory products in State Grid projects. The self-developed 4000A high current top expanded busbar was successfully put into operation in a 40.5kV 4000A large capacity gas insulated switchgear. As the highest current level top expanded busbar for 40.5kV gas insulated switchgear in China at present, it innovatively adopts an inner cone type top cabinet connection scheme, laying a foundation for the subsequent design and development of high current top cabinet connection busbars.

NEV Power Transmission Products

In charging guns: during the reporting period, the Company completed the development of MCS1500A high power liquid cooled charging gun and national standard COMBO interface 1600A liquid cooled charging gun, both of which have passed reliability testing and verification. The products have ultra large current carrying capacity and efficient heat dissipation performance and can be widely used in heavy duty trucks, mining trucks and other heavy duty special vehicles. The self-developed 400A air cooled direct current charging gun successfully obtained national compulsory certification and achieved mass sales, ensuring reliable high-power transmission in harsh environments. In addition, in the field of thermal runaway protection products for power batteries, the self-developed aerogel core material was successfully developed and achieved mass production during the reporting period.

Intellectual Property Protection

The Company has established Technical Secrets and the Regulations on the Management of Trade Secrets, which strengthen incentive and constraint mechanisms, rights protection guarantees and the protection of core intangible assets. The Company implements a strategy of "proactive defense and rights protection in accordance with the law". All employees are encouraged to participate in infringement monitoring and rewards are provided for valid leads. When infringement is identified, standardized legal rights protection procedures are promptly initiated. At the same time, intellectual property risk prevention and control is deeply embedded into key business processes including research and development, procurement, contracts, investment and human resources. The Company adheres to prevention oriented and closed loop management principles and integrates intellectual property awareness into organizational culture through regular training and linkage with performance evaluation.



Training on trade secret protection and judicial practice



Training on the preparation of patent technical disclosure documents

Indicators and Targets

The Company continues to increase research and development investment in core fields including Electronic Material Products, Telecoms Cable Products, Electrical Cable Accessories Products and NEV Power Transmission Products businesses. At the same time, it is committed to optimizing the intellectual property structure to obtain more high value invention patents and build solid technological barriers. The Company also pursues a relatively high implementation and commercialization rate of patents and a higher proportion of sales revenue from new products, ensuring that innovation achievements are effectively transformed into market competitiveness and ultimately serve strategic industries such as data centers, new energy, power grid construction and new materials.

Dimension	Contribution and outcomes
Environment	Support the low carbon transformation of downstream industries through the development of halogen free flame-retardant materials and through promoting manufacturing digitalization and product lightweighting.
Society	Safeguard the security of national critical infrastructure and ensure the autonomy and controllability of the supply chain while creating a large number of knowledge intensive employment opportunities.
Economy	Open new market growth opportunities, provide customers with high value domestic substitution solutions, and achieve win-win outcomes with stakeholders.

Key Performance Indicators

- Selected as one of the "2025 Top 100 Private Manufacturing Enterprises in Guangdong Province"
- Recognized as the "Digitalization and Smart Demonstration Production Line in Pingshan District"
- Became a "2025 Member Unit of the Shenzhen Robotics Association"
- Recognized as a "Shenzhen Headquarters Enterprise" (Shenzhen Development and Reform Commission)
- As of the end of 2025, the Company has a total of **13** high tech enterprises.
- Subsidiaries WOER Electric Power and WOER Heat Shrinkable passed the **Smart Manufacturing Capability Maturity Standard Conformity Certification**

Building High-Quality Products

Governance

The Company has established a matrix based three tier quality governance structure that combines centralized management at the headquarters with autonomous execution by subsidiaries/business units. The Company has built a quality management system characterized by comprehensive coverage and deep integration. The organizational scope covers the headquarters, all subsidiaries and production bases located throughout the country, and it is deeply integrated into the entire product life cycle from research and development, procurement and production to sales and service, as well as all supporting functions. The system incorporates globally recognized standards and forms a strong certification matrix. Based on ISO 9001, the Company has obtained specialized certifications including IATF 16949, AS9100D, ISO 13485, and HAF003 for stringent sectors such as automotive, aerospace, medical devices and nuclear power.

Level	Core organization	Core responsibilities
Group leadership and decision-making level	The Company's top management and the management representative of the quality management system	<p>Strategic leadership: Formulate and issue the overall quality policy and strategic objectives of the Company</p> <p>System approval: Approve programmatic documents such as the Quality Manual and establish the authority of the quality system.</p> <p>Resource assurance: Provide the necessary human, financial and technical resources required to achieve quality objectives.</p> <p>Management review: Preside over the annual management review, evaluate system performance and drive continuous improvement.</p>
Group quality coordination and supervision level	Group Quality Center	<p>System establishment and maintenance: Organize the preparation and revision of the Company's integrated "Quality Manual" and core procedural documents to ensure compliance with multiple standards such as ISO9001 and IATF16949.</p> <p>Group supervision and review: Conduct quality management reviews of the headquarters and subsidiaries to assess the effectiveness of quality work.</p> <p>Standardization promotion: Promote advanced quality tools such as Six Sigma, SPC, FMEA and APQP, and organize QC group activities.</p> <p>Major incident and trend management: Receive and manage fatal and severe quality incidents reported by subsidiaries, and carry out quality data analysis and experience feedback.</p>
Business unit execution level	Quality Departments of each subsidiary, each business division and each manufacturing base	<p>Localized execution: Implement the Group quality system requirements within each unit and formulate localized procedures and work instructions.</p> <p>Full process control: Be responsible for quality control throughout the entire process including IQC (incoming inspection), IPQC (in process inspection), FQC (final inspection) and OQC (outgoing inspection), as well as the handling of nonconforming products.</p> <p>Customer interface: Directly handle customer complaints and returns, lead the preparation of 8D reports, and conduct statistical analysis of customer complaints.</p> <p>Target achievement: Undertake and decompose the quality objectives of the Company headquarters, and report the achievement of local indicators to the headquarters quality center on a monthly basis.</p>

Strategy

Type	Description	Financial impact description	Degree of impact	Time range of impact	Impact on value chain links	Response strategy
Product safety risk	Products may contain excessive levels of hazardous substances (HS) that violate domestic and international environmental regulations such as RoHS and REACH.	Once excessive hazardous substances occur, the Company may face direct losses resulting from product recall, destruction or rework. At the same time the Company may bear customer compensation liabilities, regulatory penalties and market access restrictions. In the long-term damage to brand reputation may lead to order loss and continuously increase the costs associated with compliance testing, certification and supply chain audits.	High	Short term, medium term and long term	Procurement, research and development, production, quality control, sales	Establish a full process hazardous substance governance system centered on QC080000 (HSPM). Embed environmental compliance requirements into the full life cycle management of products. At the same time implement supplier tiered management and cultivate a companywide compliance culture to achieve the strategic objective of "zero HSF incidents".
Risk of noncompliance with regulatory and customer requirements	Failure to meet specific customer requirements or updates to laws and regulations, resulting in product nonconformity.	Non compliance of products with customer or regulatory requirements will lead to additional costs such as rectification, special processing and re certification, and may result in the loss of eligibility for new project bidding or existing orders, bringing significant operational risks.	Medium to high	Short term, medium term and long term	Sales, research and development, procurement, production, quality control	Establish an agile compliance strategy oriented toward customer requirements and regulatory developments. Through a multi standard integrated quality system, a forward-looking contract review mechanism and strict change control procedures, ensure product consistency and market access capability.
Market differentiation and brand enhancement (opportunity)	Against the background of increasingly homogeneous competition in global industrial products, the Company can successfully establish a distinctive brand image and build strong differentiation barriers and a market trust moat by leveraging systematic quality governance capabilities in high safety and high reliability fields, authoritative qualification certifications and endorsement from major engineering projects.	Successfully building a high-quality brand image will help achieve product premium pricing, expand market share, enhance customer loyalty, and obtain priority access to high-quality orders from high-end or strategic customers, thereby improving overall revenue quality and long-term profitability.	High	Long term	Research and development, marketing, sales	Implement a brand differentiation strategy supported by high-quality certification, customer satisfaction feedback and a culture of continuous improvement. Transform quality advantages into market influence and sustainable growth momentum.

Impact, Risk and Opportunity Management

Identification, Prioritization and Monitoring

The Company integrates quality impacts, risks and opportunities into daily operations, and systematically studies macro policies and regulations, customer specific requirements, internal operational performance data, customer feedback, and product design and development processes. Methods including potential failure mode and effects analysis, cross functional multi-party evaluation meetings, and regular management review and design review are applied to identify quality risks and opportunities. On this basis, comprehensive evaluation and prioritization are carried out according to multiple dimensions including the severity of risk event impact, the likelihood of occurrence, and the timeliness and scope of impact. This approach ensures that management resources are precisely allocated to the most critical areas, thereby enabling proactive risk prevention and effective capture of opportunities.

Quality Full Life Cycle Management

The Company has established a proactive management and risk prevention and control structure that covers the entire chain of innovation and manufacturing and integrates multiple management systems. This structure ensures that the entire process from product concept to market delivery remains under systematic, standardized and continuously optimized control.



Production and process control

In accordance with the "Production and Service Provision Process Control Procedure" and the "Nonconforming Product Control Procedure", standardized operations and real time monitoring are implemented. Operators perform tasks according to work instructions and error proofing devices are widely applied. A three-level inspection system of "operator self-inspection, team leader patrol inspection and dedicated quality inspection" is implemented, and key processes are monitored through SPC. Nonconforming products are immediately identified and isolated and are handled through cross functional review to ensure controlled processes and closed loop problem resolution.

Finished product verification and delivery

In accordance with the Product and Service Release Control Procedure, comprehensive performance testing is carried out for each batch of finished products, and high-end products undergo periodic full dimensional and functional testing. Products that have been released are periodically sampled for independent product audit. Packaging protection and batch identification are standardized to ensure that product quality is not compromised during logistics. Product release requires signature by authorized personnel, and any exceptional release requires formal concession approval.

After sales support and continuous improvement

In accordance with the Customer Complaint Handling Control Procedure and the Continuous Improvement Management Procedure, customer complaints initiate the 8D process, including containment, root cause analysis and verification of corrective measures. Returned failed products are analyzed in the laboratory. Quality data from the entire process are integrated and systematic improvement is driven through management review. All engineering changes must be evaluated, approved and communicated through the Engineering Change Management Procedure to ensure controlled implementation and the accumulation of organizational knowledge.



Quality salon activity of LTK Cable (Huizhou)

Hazardous Substance Management

The Company has established a closed loop hazardous substance risk management system covering the entire chain from front end design prevention, process physical isolation to back-end traceability monitoring, to ensure that products continuously comply with global environmental regulations throughout the full life cycle.



Hazardous substance environmental regulation training conference



QC080000 product hazardous substance process management system training

Front end prevention system

During the design stage the environmental protection design concept is followed, a strict material selection whitelist is established, and a material risk assessment and supplier risk assessment matrix are applied to classify materials into three levels of management. High-risk auxiliary materials must require suppliers to provide a material declaration for each batch together with a third-party test report.

Process absolute isolation

Independent storage areas and dedicated production equipment are established for key materials and production lines to prevent cross contamination. Nuclear power products and electronic consumer products are completely physically isolated in warehousing, irradiation and production lines.

Back-end traceability and monitoring

Through the identification and traceability management procedure, full process traceability of core products is achieved from raw material batch to final finished product. At the same time, a product environmental testing plan is formulated and implemented. According to the plan, periodic third-party spot testing is conducted on finished products in The Company inventory to ensure the objectivity and deterrent effect of testing.

Dynamic risk update

Specialized training such as hazardous substance environmental regulation training conferences is regularly participated in or organized, regulatory developments are updated in a timely manner, and the risk evaluation results of newly controlled substances are fed back to the design and procurement front end.

Indicators and Targets

The Company translates the policy of "customer oriented, high-quality, excellent service" into specific and measurable action guidelines at the company, department and position levels, and closely links them with performance management, thereby ensuring the effective operation and continuous optimization of The Company quality management system.

Key Performance Indicators

System certifications of ISO 9001 and IATF 16949 have been obtained and are continuously maintained

Customer satisfaction survey scores of major business units have reached or exceeded the target values for many consecutive years

Ensuring Stable Supply

Governance

The Company adopts a three-level matrix governance structure of "headquarters strategic coordination, functional collaborative execution and localized operational responsibility", realizing full chain integration of the supply chain from top level design to front line implementation. At the headquarters level, the procurement and distribution center take the lead in formulating unified supply chain strategies and core systems, coordinating centralized procurement of strategic materials, and establishing a headquarters level supplier admission, evaluation and elimination mechanism to ensure supply chain compliance, resilience and cost efficiency. Under the headquarters system framework, procurement, planning and logistics teams of each subsidiary and business division efficiently complete order execution, inventory management, local delivery and daily supplier relationship maintenance, and ensure supply continuity based on accurate demand planning. The Company ensures smooth information flow, coordinated decision making and rapid problem response among the three levels through regular supply chain coordination meetings, supplier performance evaluation mechanisms and digital system processes.



Supplier audit process training



Suppliers visit training

Strategy

Risk/opportunity name	Financial impact description	Degree of impact	Time range of impact	Impact on value chain links	Response strategy
Risk of supplier quality and compliance	Supplier quality issues will lead to internal rework, scrap and reduced production efficiency, and in severe cases may result in customer complaints and product recalls. If environmental or social responsibility violations are involved, it may also cause damage to brand reputation and termination of cooperation, resulting in direct economic losses and long term impairment of goodwill.	High	Short term, medium term and long term	Procurement, incoming inspection, production, legal affairs, brand	Implement a full life cycle supplier ESG and quality collaborative management strategy by embedding environmental protection, social responsibility and quality consistency requirements into the supplier admission, classification evaluation and performance assessment system. Strengthen third-party testing and traceability mechanisms for high-risk materials and promote the development of supplier compliance capabilities to control quality and compliance risks at the source.
Risk of raw material price fluctuations	Unexpected increases in raw material prices that cannot be transmitted downstream will directly compress product gross margins and erode overall profitability.	Medium	Short term and medium term	Procurement, production planning, delivery, finance, pricing	Promote a dual driven supply network optimization strategy of "efficiency + resilience", hedge cost fluctuations through a combination of centralized procurement, long term pricing agreements and financial instruments. At the same time, deepen digital collaboration, utilize SRM systems and bidding systems to enhance demand forecast sharing and delivery transparency, and prioritize the deployment of suppliers with efficient logistics and geographical proximity to shorten response cycles.
Opportunity of strategic cooperation and joint research and development	Through in-depth technical cooperation with core suppliers, the Company can accelerate the development of high performance and exclusive materials, establish product performance barriers and obtain market premium capabilities. At the same time, it can shorten the time to market for new products, seize opportunities in high-end markets and significantly enhance long-term profitability and technological barriers.	High	Long term	Research and development, procurement, market	Promote the strategy of supplier early involvement (ESI) and strategic partner cultivation by inviting key technology suppliers to participate in front end design. Through mechanisms such as capability co construction and joint development, build a strategic supply ecosystem characterized by high stickiness and high value.
Opportunity of digital and green transformation	Digitalization of the supply chain can reduce communication and operational costs and improve decision-making efficiency. The construction of a green supply chain system can also help obtain recognition from international customers and qualification for entry into high-end markets, enhance brand premium capability and create new growth momentum.	Medium to high	Long term	Entire value chain, brand	Implement a dual engine development strategy of "digital intelligence and green". Fully promote collaborative platforms such as SRM to realize online management throughout the entire process. At the same time, integrate green and low carbon requirements deeply into procurement standards and supplier evaluation systems, and build the green supply chain into a core competitive advantage and a differentiated market proposition.
Opportunity of global supply network optimization	By developing localized suppliers in regions close to markets or establishing multi source supply globally, logistics costs and delivery cycles can be effectively reduced. At the same time, dependence on a single region can be reduced and overall business resilience can be strengthened.	High	Long term	Procurement, logistics, production	Promote the supply network layout strategy of "localization + multiple sourcing". Build a regional qualified supplier ecosystem around major production bases and implement the configuration of 2 to 3 major suppliers for key materials on a global scale, dynamically balancing cost, efficiency and risk.

Impact, Risk and Opportunity Management

Identification, Prioritization and Monitoring

The Company comprehensively captures potential challenges and growth opportunities through systematic analysis of multiple inputs including national strategic orientation, customer ESG requirements, regulatory certification standards, supplier performance data, market cost fluctuations and historical incident reviews. The Company adopts tools such as supplier classification review, joint contract review, scenario simulation exercises and industry intelligence monitoring to proactively identify risks including supply interruption, compliance, quality and integrity, and to identify opportunities including technology cooperation, green transformation and localized layout. In determining priorities, the impact on customer delivery, strategic product assurance and brand reputation is taken as the core consideration. At the same time, likelihood of occurrence, urgency of response and financial impact are comprehensively assessed by cross functional teams and classified for management, ensuring that resources are precisely allocated to the most critical areas of risk prevention and value creation.

Supplier Full Process Management

The Company takes the Supplier Management Procedure as the core framework, covering the entire life cycle of suppliers from classification, sourcing and admission to cooperation, evaluation, risk control and exit. At the same time, through systems and tools such as the Procurement Business Management Measures, the Environmental Control Management Procedure and the Supplier Comprehensive Evaluation Form, requirements related to quality, environmental protection, social responsibility and business ethics are embedded as mandatory thresholds and quantitative indicators. Relying on performance assessment and annual reviews, the behavioral risks of suppliers are kept under effective control.

Supplier Admission

During the introduction of new suppliers, The Company has transformed environmental and social standards from "priority considerations" into "mandatory admission requirements". Through a four-layer mechanism of "agreement signing + report verification + questionnaire assessment + score linkage", a forward looking ESG risk firewall for the supply chain has been established to ensure that new supply chain partners meet The Company sustainable development and compliance values from the outset of cooperation.

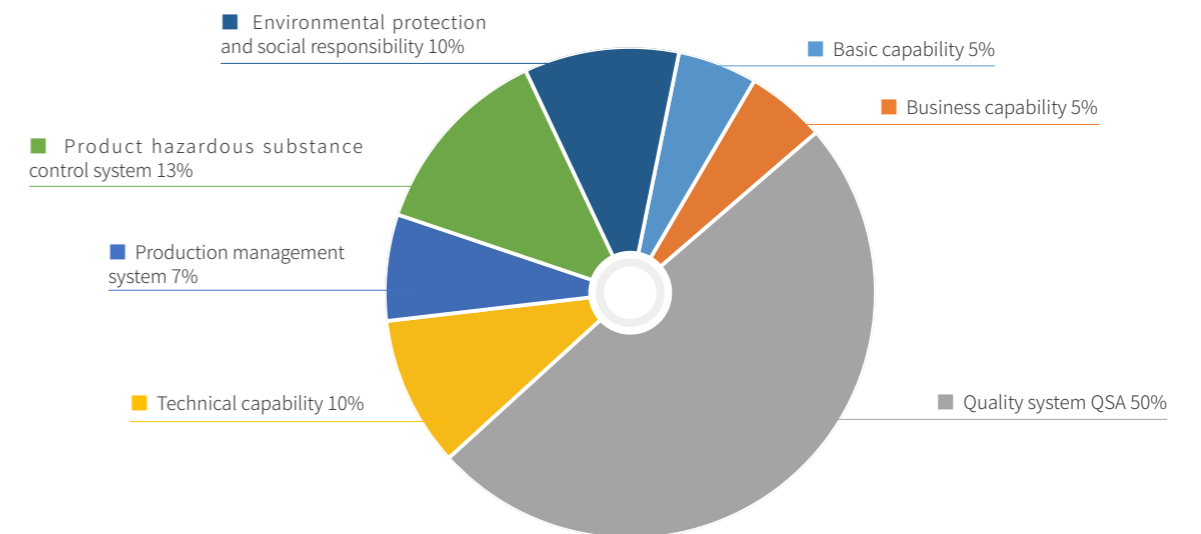
Screening stage	Core mandatory requirements
Qualification admission	Sign the Supplier Quality and Environmental Protection Agreement and other related agreements. Provide valid third-party environmental testing reports when applicable. Pass relevant management system certifications such as ISO 14001 and ISO 45001.
Risk assessment	The review must include examination of the hazardous substance control system. Practices such as child labor, forced labor and wage violations are strictly prohibited. Falsification of environmental protection data is strictly prohibited and regarded as a management red line.
Review decision	"Product hazardous substance control system" and "environmental protection and social responsibility" are included as independent modules in the overall scoring.

Supplier evaluation

The Company has established a multidimensional supplier evaluation system covering annual comprehensive review, regular performance assessment and ad hoc special review, ensuring continuous supervision and dynamic management of suppliers throughout the entire life cycle.

Evaluation item	Evaluation practices and methods	Frequency
Annual comprehensive review	Conducted according to the Supplier Comprehensive Evaluation Form. For category I suppliers (key materials), on-site audits are primarily adopted. For category II and category III suppliers, on-site review or document review is adopted according to procurement amount, material characteristics and other factors. The Supplier Comprehensive Evaluation Form includes independent modules for "product hazardous substance control system" and "environmental protection and social responsibility", containing more than 20 specific audit items such as prohibition of child labor, forced labor, illegal emissions and the provision of social insurance documentation.	At least once per year
Regular performance assessment	The Company conducts monthly or quarterly quantitative assessments of suppliers through the Supplier Performance Assessment Form, focusing on key operational performance indicators such as quality, delivery, cost and service response. Relevant data mainly come from transaction and quality records in the daily ERP and SRM systems.	Monthly/quarterly
Ad hoc review	When a supplier experiences major changes or issues, such as significant changes in business address, legal representative or organizational structure, major quality problems in products or services provided, or other circumstances approved by the head of the Procurement Management Department, a special evaluation activity will be triggered.	Event driven

Supplier evaluation dimensions and proportion



Supplier exit

For suppliers that fail to meet assessment requirements, The Company first promotes collaborative improvement by issuing nonconformity reports, requiring submission of an 8D corrective action plan and organizing expert guidance, and verifies the effectiveness of corrective actions. Cooperation can only be resumed after the supplier meets the required standards. If clear "red line" situations occur, such as counterfeit supply, falsification of environmental data, commercial bribery, serious violations of social responsibility, continuous failure to meet performance standards or loss of operational capability, the cooperation termination process will be initiated, and the approval procedure will be completed through the OA system.

Building Supply Chain Advantages

The Company focuses on the supply chain construction objective of "security, resilience, leadership and sustainability", and systematically promotes industrial chain integration, technological innovation, green and smart transformation and multi base collaboration. During the reporting period, various measures were implemented effectively, significantly enhancing the supply chain's independent controllability and core competitive advantages.

Industrial chain integration

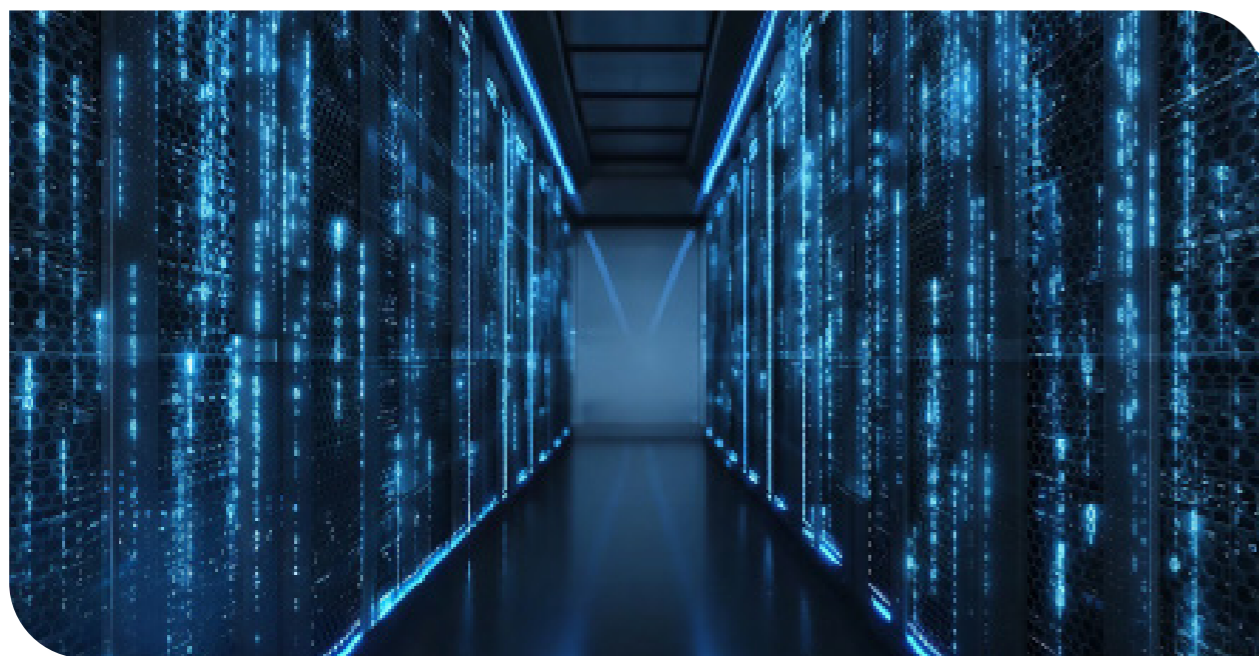
The Company extends upstream to master independent research and development and production capabilities of key raw materials and core processes, thereby building a complete industrial closed loop from polymer materials to end products and effectively avoiding external supply interruption risks. During the reporting period, the Company completed the integration of relevant assets of LTK Cable and Changyuan Electronics, connecting the entire chain of "materials, cables, connectors and charging terminals", and significantly enhancing integrated supply capability and delivery security in strategic sectors such as new energy vehicles.

Technological leadership

The Company adheres to increasing investment in research and development, focusing on high performance materials and high-end product innovation, achieving import substitution through technological breakthroughs and serving high reliability fields such as data centers, new energy, nuclear power and aerospace. During the reporting period, the research, development and certification of 400G and 800G high speed communication cables and 330kV and 500kV ultra high voltage cable accessories were successfully completed. This further strengthened technological barriers in the high-end communication and power markets and reduced dependence on external technologies.

Collaborative efficiency enhancement

The Company strengthens scale effects and regional responsiveness through multi base layout, providing customers with one stop solutions. During the reporting period, relying on production bases located in Shenzhen, Huizhou, Changzhou, Wuhan and Vietnam, The Company efficiently supported global customer demand. In sectors such as new energy vehicles and data centers, combined delivery from cables to terminal equipment was achieved, significantly improving customer loyalty and market share.



Indicators and Targets

The Company is committed to building a safe, continuous and stable supply chain system, strengthening risk prevention and emergency response capabilities to resist potential supply risks. At the same time, it deepens strategic cooperation with core suppliers, promotes technological collaboration and joint innovation, and continuously optimizes the supply chain to reduce total procurement costs, thereby systematically enhancing overall corporate competitiveness.

Key performance indicators		Unit	2025
Total number of suppliers		Units	3,279
By region	Suppliers in mainland China	Units	3,267
	Number of local suppliers (within Guangdong Province)	Units	929
	Suppliers in Hong Kong, Macao, Taiwan and overseas	Units	12

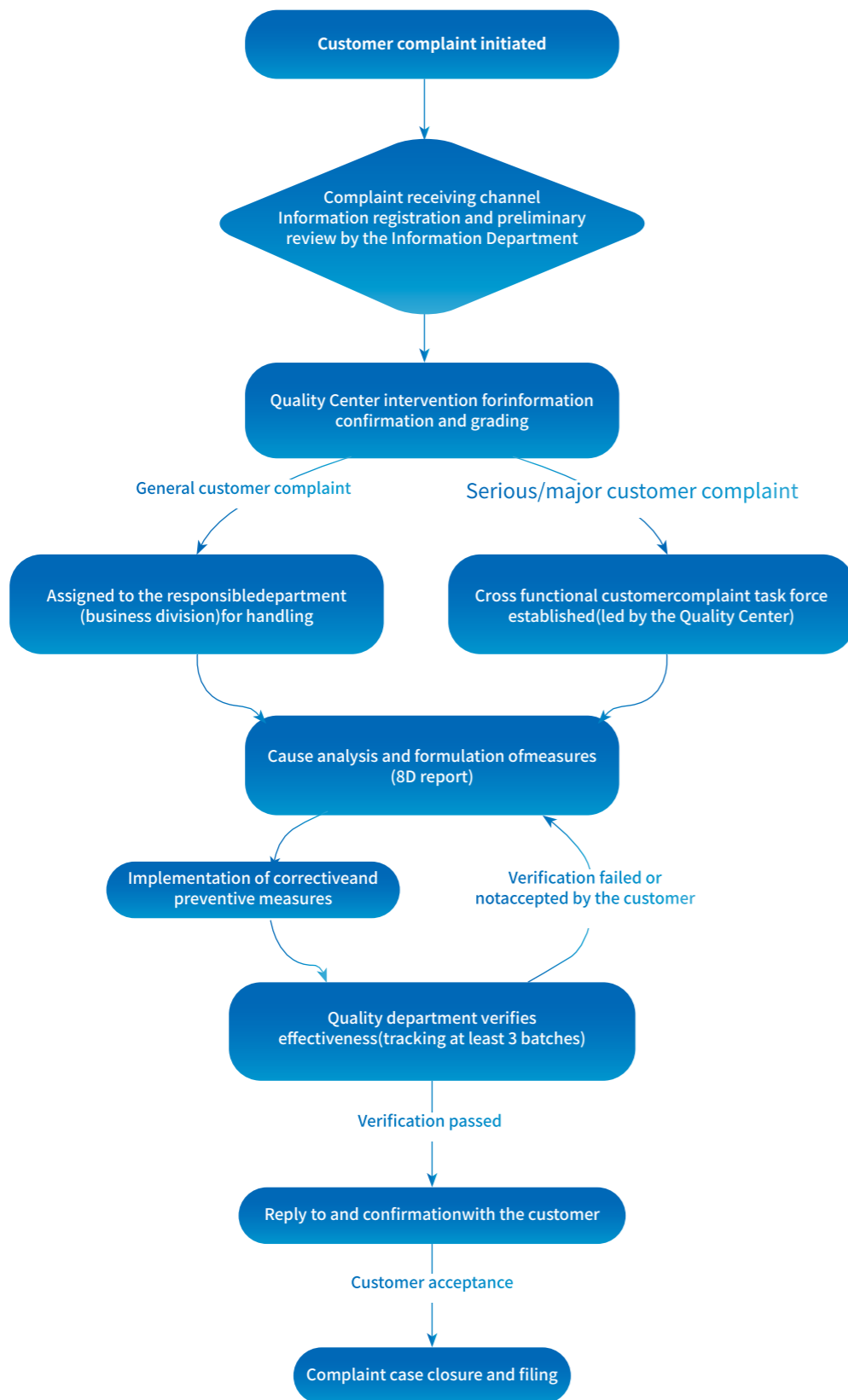
Delivering Excellent Services

Responsible Marketing

The Company takes the Employee Code of Conduct Management as the ethical foundation and has established specialized systems such as the Salesperson Management Measures and the Branch Management Measures. These systems regulate the entire process of customer development, order acquisition, price management and expense utilization for sales personnel and distributors. In daily operations, product technical parameters must be reviewed by the Research and Development Department to ensure that sales materials are consistent with actual product performance. At the same time, training for personnel from Sales Department on receiving inquiries and introducing products is strengthened to ensure that customers receive accurate and comprehensive information.

Customer Complaint Management

The Company has established a standardized and closed loop customer complaint handling mechanism in accordance with the Customer Complaint Handling Control Procedure. After customers initiate complaints through the Company's published hotline, email, website column, market or customer service channels, information entry and validity determination are completed in a timely manner, and complaints are classified into three levels, namely general, serious and major, based on indicators such as scrap amount and defect rate. General complaints are handled by the responsible business unit, while serious and major complaints are led by the quality center to establish a cross departmental team, which submits an 8D report within 3 working days (domestic) or 5 working days (overseas) and formulates and implements corrective and preventive measures. The Quality Department tracks the effectiveness of the measures for at least three batches of products. Cases can only be closed and archived after effectiveness is verified and the customer confirms acceptance. The entire process relies on the quality feedback system to achieve digital circulation and traceability. At the same time, processing timeliness and quality are incorporated into performance assessment to ensure rapid response and fundamental improvement.



Enhancing Customer Satisfaction

The Company always places customers at the center and provides customized and highly responsive service solutions based on industry characteristics and actual customer needs. Through multiple channels such as regular business communication, customer satisfaction surveys and performance scorecards, The Company proactively collects feedback and concerns from customers regarding product quality, delivery, service and pricing. Based on the survey results, cross departmental special meetings are organized to conduct in depth root cause analysis, formulate practical improvement plans and promptly communicate action plans and progress to customers to ensure closed loop resolution of issues. Through continuous optimization of product and service experience, the Company continuously deepens mutual trust and cooperation with customers, enhances satisfaction and cooperation stickiness, and achieves long term win-win results.

During the reporting period, for items with relatively low scores in the customer satisfaction survey, such as delivery issues reported by some customers, the Company immediately initiated special improvement actions, including strengthening value communication and optimizing delivery processes, and promoted resource allocation through management review to ensure that customer feedback is effectively translated into internal actions.



Training on wire manufacturing process for technical personnel of LuxshareTech to deepen customer understanding of wire processing technology

Customer Privacy Protection

The Company attaches great importance to customer privacy protection and has established a comprehensive customer privacy protection management system with sound policies, clear responsibilities and strict measures covering the entire chain, and continuously promotes its implementation. At the management level, the Company takes the compliance commitment in the Quality Manual as strategic guidance, formulates and implements multiple special systems, including the Customer Information Confidentiality System, the Trade Secret Management Regulations and the Intellectual Property Management System, clearly defining information such as customer lists, business details and marketing agreements as "core assets" or "trade secrets", and strictly defining the scope of protection, responsible entities and penalties for violations.

The Company adopts multiple protection measures to safeguard customer privacy: at the physical level, confidential materials are stored in dedicated filing cabinets, and copying or external provision requires approval from management, and a registration system for fax and copying is established. At the digital level, the Information Technology Department centrally manages the access, processing and secure destruction of electronic customer information. In terms of behavioral norms, the "three prohibitions" principle is implemented, which means not discussing customer information in private interactions, public places or through unauthorized channels, and training is conducted to strengthen confidentiality awareness among all employees. At the same time, an emergency response mechanism has been established requiring employees to take immediate remedial actions and report any potential or actual information leakage, ensuring full chain control of customer information. At the same time, by signing the Confidentiality Agreement with suppliers and partners, privacy protection obligations are extended to the supply chain, forming a broader protection network.

WOER · Green — Creating the Future through Energy Innovation

Green materials initiate the future and energy empowers the future. WOER integrates sustainable development into the entire product life cycle. From addressing climate change to resource recycling and utilization, we take green technology as the foundation, compliance management as the standard, and emission reduction and efficiency improvement as the focus, practicing the "zero carbon commitment" in every meter of cable and heat shrinkable tube. Not only meeting standards but pursuing excellence. Not only fulfilling responsibility, but also creating shared value.

Topics covered in this section

Addressing climate change, pollutant emissions, waste treatment, ecosystem and biodiversity protection, environmental compliance management, energy utilization, water resource utilization, circular economy

United Nations Sustainable Development Goals (SDGs) corresponding to this section



Addressing Climate Change

Governance

The Company has established a climate change governance structure with clear hierarchy, defined responsibilities and multi department collaboration, and has integrated related management responsibilities into the existing organizational system. This forms a closed loop management mechanism covering strategic planning, target management, specific implementation and cross department coordination with supervision and assessment, thereby systematically integrating climate change response into the overall operation and decision-making processes of the Company. At the same time, the Company has established internal management procedures through management systems such as ISO 50001 and ISO 14001 and has built a hierarchical and categorized personnel capability development system. For key positions such as energy managers, external professional qualification training is organized, and internal system document communication is carried out. For all employees, through training materials and behavioral inspection, energy saving practices in daily office work and production activities are continuously promoted. At the same time, senior management and ESG related personnel are encouraged to deepen their understanding of carbon neutrality policies and trends through management review and document study, thereby forming comprehensive capability support from professional competence to companywide awareness and from operational practice to strategic cognition.

Governance level	Institution/organization	Main responsibilities
Decision-making level	Board of directors/top management	Approve ESG report (including climate change related strategies and progress), and provide resource support for key low carbon projects.
Management level	Energy management leading group	Lead the operation of the ISO 50001 energy management system, formulate and supervise annual energy saving and carbon emission reduction targets, and review key projects related to "carbon neutrality".
Execution level	Equipment Management Department, energy saving and emission reduction project team, energy managers	Responsible for daily energy consumption monitoring, implementation of energy saving technology transformation, carbon emission data accounting and preparation for carbon asset management.
Coordination level	Quality Management, Procurement, research and development, each business division	Promote green design, green procurement and green production and extend low carbon requirements to the supply chain.

Strategy

Risk/opportunity type	Risk/opportunity name	Financial impact description	Degree of impact	Time range of impact	Impact on value chain links	Measures to be taken	Progress
Transition risk	Policy and regulatory compliance cost increase	If included in the carbon market in the future or if environmental protection standards become more stringent, capital investment will be required for technological transformation and quota purchase, increasing operating costs.	Medium to significant	Medium term to long term	Entire value chain (with emphasis on production and compliance)	Conduct Scope 1 and Scope 2 greenhouse gas accounting. Formulate a science-based target initiative (SBTi) roadmap. Integrate carbon management into investment decision-making processes.	An ISO 14001 environmental management system has been established and directional planning for carbon peaking has been carried out.

Risk/opportunity type	Risk/opportunity name	Financial impact description	Degree of impact	Time range of impact	Impact on value chain links	Measures to be taken	Progress
Transition risk	Changes in market access and financing conditions	If customer green procurement thresholds increase and investor ESG preferences strengthen, insufficient climate performance of the Company may lead to order loss, increased financing costs or exclusion from investment portfolios.	Medium to significant	Medium term to long term	Sales, financing, investor relations	Prepare and disclose climate related information in accordance with the Sustainability Disclosure Standards for Business Enterprises No. 1 – Climate. Regularly publish product carbon footprint data. Strengthen communication with ESG rating agencies.	Five-star green supply chain management system certification and ISO 50001 Energy Management System Certification have been obtained and ESG information collection has been carried out.
Transition risk	Technological pathway transformation and risk of stranded assets	Rapid technological iteration in downstream industries such as solid-state batteries and new type power systems may lead to shrinking demand for existing products and early retirement of dedicated equipment.	Medium	Long term	Research and development, production and manufacturing	Establish a technology trend monitoring mechanism. Evaluate the carbon intensity and technology life cycle of existing production lines. Give priority to investment in low carbon and highly compatible platform technologies.	As a national high-tech enterprise, the Company maintains high intensity investment in research and development and strategically focuses on the fields of new energy vehicles and clean energy.
Physical risk	Acute extreme weather events (such as typhoons and heavy rainfall)	Extreme weather may cause damage to plants, equipment or inventory, resulting in direct property losses and production interruption.	Medium	Short term	Production and manufacturing, warehousing and logistics	Regularly conduct drills and update climate related emergency plans. Carry out climate vulnerability assessments for key facilities. Explore insurance products related to climate risks such as business interruption insurance.	The Emergency Plan for Environmental Incidents has been formulated, including response measures for typhoons and heavy rainfall, and protection measures have been strengthened for key areas such as chemical warehouses.
Physical risk	Chronic climate change impacts (high temperature, changes in precipitation patterns)	Prolonged summer heat increases cooling energy consumption, and extended dry seasons may affect water supply. Long-term accumulation may increase operating costs and affect employee efficiency.	Minor to medium	Long term	Production operations, facility management	Incorporate chronic climate risks such as long-term temperature increase and water resource pressure into the ISO 14001 environmental factor identification and evaluation process. Embed climate adaptation design in new construction or renovation projects.	
Opportunity	Resource efficiency and energy efficiency improvement	Reduce unit energy consumption of products through energy saving technological transformation, directly reducing energy expenditure and improving profit margins.	Significant	Short term to medium term	Production and manufacturing, equipment management	Deepen the operation of the ISO 50001 energy management system. Set annual energy efficiency improvement KPI and link them with performance evaluation. Promote successful energy saving projects to all production bases.	The ISO 50001 Energy Management System has been established. Energy saving technological transformation projects such as high efficiency motors and waste heat recovery continue to be implemented, and energy saving quantities are quantified.
Opportunity	Renewable energy application	Construct distributed photovoltaic systems to replace part of grid electricity, reducing the risk of electricity price fluctuations and Scope 2 greenhouse gas emissions.	Medium	Medium term	Energy procurement, facility management	Accelerate the construction of phase two and phase three rooftop photovoltaic projects in the industrial park. Explore direct procurement of green electricity or PPA models. Incorporate the proportion of renewable energy into energy management targets.	Distributed photovoltaic projects have been completed on the rooftops of the Pingshan park and Dongguan park, and photovoltaic projects are being planned for production bases in Wuhan, Changzhou and Huizhou.

Risk/opportunity type	Risk/opportunity name	Financial impact description	Degree of impact	Time range of impact	Impact on value chain links	Measures to be taken	Progress
Opportunity	Expansion of green products and services	Provide high performance environmentally friendly materials for sectors such as new energy and smart grids, obtaining incremental market opportunities and brand premium.	Significant	Long term	Research and development, sales and marketing	Develop series of products with low carbon certification. Provide customers with material level carbon footprint reports. Participate in the formulation of industry green standards.	The Company strategy clearly focuses on new energy vehicles and clean energy and has formed a series of green product lines.
Opportunity	Enhancement of operational resilience	Improve emergency systems and green supply chains to reduce vulnerability to climate impacts and ensure business continuity.	Medium	Long term	Supply chain, risk management	Incorporate climate resilience indicators into the supplier evaluation system. Conduct cross department climate stress testing on a regular basis. Establish a climate risk dashboard for management decision making.	Acute climate risks have been incorporated into the EHS emergency system and green supply chain management has been implemented.

Impact, Risk and Opportunity Management

Identification, Prioritization and Monitoring

The Company identifies, prioritizes and continuously monitors climate related risks and opportunities based on a systematic approach to ensure management effectiveness and strategic alignment.

Identification

The Company systematically collects national "dual carbon" policies, customer green procurement requirements, industry technology trends and climate characteristics of locations where production bases are located. Combined with internal management systems such as ISO 14001 and ISO 50001, climate related risks and opportunities are identified. Classification is conducted according to the TCFD framework (transition risk, physical risk and opportunity). Through value chain mapping and qualitative assessment, systematic analysis is carried out using tools such as environmental factor identification, energy review and emergency plans.

Prioritization

Priorities are determined based on the magnitude of financial impact, urgency of occurrence timing and the degree of alignment with the Company strategy.

Monitoring

Monitoring is supported by the ISO 14001 environmental management system, ISO 50001 energy management system and the Emergency Plan for Environmental Incidents. Routine monitoring is carried out through methods such as monthly/annual energy data tracking, dynamic updates of compliance obligations, flood prevention and typhoon emergency drills and green supply chain performance evaluation.

Footprint Verification to Consolidate the Foundation

The Company engaged an independent third-party institution to conduct product carbon footprint verification for the high voltage cable accessory series products for 2024 in accordance with ISO 14067:2018 Greenhouse Gases Product Carbon Footprint Quantification Requirements and Guidelines and PAS 2050:2011 Specification for the Assessment of Greenhouse Gas Emissions of Goods and Services throughout the Life Cycle. The verification scope covered raw material acquisition, product manufacturing and internal plant transportation stages. The third-party institution verified activity level data such as electricity consumption and raw material usage through on-site visits, document review and data verification, and conducted calculations using emission factors from databases such as IPCC and CLCD. The verification results showed that carbon emissions from the raw material production stage accounted for 74.13% and the product manufacturing stage accounted for 24.62%. Based on the verification conclusions, the third-party institution issued the Product Carbon Footprint Management System Certification Certificate on January 21, 2025, confirming that the Company product carbon footprint management system complies with international standard requirements.



The high voltage cable accessory series products obtained the Product Carbon Footprint Management System Certification Certificate

Energy Conservation and Carbon Reduction to Improve Efficiency

The energy types used by the Company mainly include electricity, natural gas and gasoline. Specifically, electricity is mainly used for production equipment, auxiliary systems and office and research and development facilities. Natural gas is used for cooking in the employee canteen. Gasoline is used for official vehicles. The Company established an energy management leading group led by the vice president and appointed a dedicated management representative to comprehensively coordinate energy policy formulation, resource allocation and performance supervision. With this organizational support, the Company has obtained and effectively implemented ISO 50001:2018 Energy Management System Certification and has embedded energy management requirements into business processes including procurement, production and equipment maintenance to achieve standardized and systematic management. At the same time, the Energy Audit Report clearly proposes the planning objectives of "carbon peaking and carbon neutrality", taking the improvement of energy efficiency as the core pathway for achieving low carbon transformation and providing strategic guidance for subsequent energy saving technological transformation, renewable energy application and energy efficiency target decomposition.

Key Performance Indicators

The Company has obtained ISO 50001:2018 Energy Management System Certification

Key performance indicators	Unit	2025	Standard coal equivalent (tons)
Coal	Tons	9.10675	6.50
Gasoline	Tons	16.3428	24.05
Diesel	Tons	65.38842	95.28
Liquefied petroleum gas	Tons	24460.28	41,932

Key performance indicators	Unit	2025	Standard coal equivalent (tons)
Natural gas	Cubic meters	1,924,180	1,924,180
Direct energy consumption	Tons of standard coal	42,087	/
Electricity	Megawatt hours	273,540	33,618
Indirect energy consumption	Tons of standard coal	33,618	/
Total energy consumption	Tons of standard coal	75,705	/

Technical Transformation to Unlock Potential

The Company focuses on the overall objective of reducing energy consumption per unit of product and production costs and improving energy utilization efficiency, and continuously promotes energy saving technological transformation. A quantitative target of saving 50 tons of standard coal each year from 2024 to 2026 has been established. The plan is to promote upgrades of key energy consuming equipment, such as replacing traditional heating systems with high efficiency electromagnetic heating, upgrading hydraulic systems to servo control, and replacing motors with high efficiency models such as YE3 or permanent magnet synchronous motors. At the same time, a phase out plan for outdated high energy consuming equipment has been formulated and implemented to orderly replace equipment that does not meet energy efficiency standards.

Clean Energy to Optimize Structure

The Company focuses on optimizing the energy consumption structure, reducing dependence on fossil fuel electricity and reducing Scope 2 greenhouse gas emissions. By utilizing its own sites to develop clean electricity, the Company aims to lock in part of its long-term energy costs and respond to the strategic direction of "carbon neutrality". By the end of the reporting period, rooftop photovoltaic projects for employee dormitories in the Pingshan park and Dongguan Park have been completed and successfully put into operation, while other projects are under planning or construction. Upon full completion, the total installed capacity is expected to reach 20 megawatts. After all projects are put into operation, the annual power generation is expected to be approximately 20,000 megawatt hours, which can effectively replace part of externally purchased grid electricity.

Key Performance Indicators

During the reporting period, the photovoltaic project generated **3,992** megawatt hours of electricity

Refined Management to Improve Efficiency

The Company has established a closed loop energy management system covering monitoring, statistics, assessment and continuous improvement. Through institutionalized and digital management methods, energy saving potential in management is systematically explored and hidden energy waste such as leakage and inefficiencies is effectively controlled. Relying on the energy management information platform, the Company realizes online collection, statistics and analysis of major energy sources such as electricity and water, providing data support for refined management. At the same time, in strict accordance with the General Principles for the

Equipping and Management of Energy Measuring Instruments for Energy Using Units, the Company has improved the three-level measurement network and conducts regular calibration to ensure the accuracy of energy consumption data at the source. On this basis, an energy consumption quota system has been established, and relevant indicators are incorporated into the performance evaluation of departments and employees and linked with rewards and penalties to strengthen accountability. The Company also conducts regular energy saving inspections to promptly identify and rectify waste issues, and continuously enhances energy saving awareness and operational capabilities of all employees by organizing energy managers to participate in professional training and by promoting standards for the use of lighting and air conditioning to all employees. The Company has obtained ISO 50001 Energy Management System Certification.



High voltage energy management training



Heat shrinkable energy saving management training

Low Carbon Innovation to Enhance Value

The Company has incorporated addressing climate change and embracing the transformation toward a low carbon economy as a core direction. It clearly focuses on emerging low carbon sectors such as new energy vehicles, clean energy power generation and green power grids, which are regarded as key markets for future business growth. Research and development resources are correspondingly directed toward high performance, high reliability and environmentally friendly material solutions to meet the green upgrading needs of downstream customers in product safety, energy efficiency improvement and environmental friendliness.

The Company continuously promotes low carbon innovation in products and technologies, focusing on the development and promotion of environmentally friendly heat shrinkable materials and cable accessories featuring characteristics such as "halogen free flame retardant" and "low smoke and nontoxic". This reduces environmental impacts throughout the entire product life cycle and significantly decreases harmful gas emissions under extreme scenarios such as fire, meeting the dual requirements of safety and environmental protection in high-end markets. At the same time, the Company promotes the transition from providing single products to delivering customized solutions. In the new energy vehicle sector, specialized materials are developed to meet insulation protection requirements for high voltage connections and charging facilities. In the clean energy sector, highly weather resistant and reliable protection products are provided for key components such as photovoltaic connectors and wind power motors, enabling deep integration into customers' low carbon value chains.

In addition, the Company ensures strategic implementation through full process environmental management. The Environmental Control Management Procedure is strictly implemented to cover hazardous substance management throughout product design, raw material selection and production processes. Relying on the five-star green supply chain management system certification, environmental protection requirements are extended to upstream suppliers. All products comply with international environmental regulations such as the EU RoHS directive, ensuring global market access and systematically avoiding compliance risks.

Collaborative Carbon Reduction to Enhance Resilience

The Company takes collaborative supply chain carbon reduction as an objective and institutionalizes carbon reduction requirements throughout the upstream and downstream supply chain. Green and low carbon standards are embedded in product design, procurement, production, logistics and recycling processes. In the procurement process, the Company implements a green procurement policy, selecting suppliers of raw materials and components that meet environmental protection standards, and requiring procurement decisions to incorporate the evaluation of suppliers' environmental performance while balancing cost and quality; and requiring suppliers to sign the Supplier Product Hazardous Substance Control Agreement and the Supplier Quality and Environmental Protection Agreement. At the same time, the Company systematically incorporates green and low carbon indicators into the supplier evaluation system, promoting suppliers to improve energy efficiency, adopt environmentally friendly materials and reduce hazardous substances, and ensures consistency in implementation by relying on unified management procedure documents.



The Company has obtained five star (highest level) green supply chain management system certification

Indicators and Targets

The Company sets management targets for electricity consumption, renewable energy generation and greenhouse gas emissions to quantify the effectiveness of climate change response. By continuously strengthening climate change response measures, the Company enhances climate resilience and promotes the achievement of emission reduction targets.

Indicator name	Unit	2025 performance
Scope 1 carbon dioxide emissions	Metric tons CO ₂ e	3,326
Scope 2 carbon dioxide emissions	Metric tons CO ₂ e	18,882
Scope 3 carbon dioxide emissions	Metric tons CO ₂ e	5,346

Environmental Compliance Management

Environmental Management System

The Company has established the EHS policy of "health, safety, environmental protection", taking environmental protection as the fundamental premise of sustainable development, strictly complying with the Environmental Protection Law and the Regulations on the Safety Management of Hazardous Chemicals and other laws and regulations, adhering to the "zero tolerance" principle, setting annual environmental management targets, and emphasizing source prevention and whole process control to promote the implementation of green production methods.

In accordance with national and industry standards, the Company has established an environmental management system covering the entire chain to ensure that management is rule based and responsibilities are clearly assigned. Through the EHS Responsibility Letter System, environmental protection responsibilities of managers at all levels are clarified and incorporated into performance assessment. The Hazardous Chemicals EHS Management Regulation has been formulated to implement classified storage and dual custody, requiring procurement departments to provide MSDS documents and requiring temporary storage to obtain EHS approval. The Emergency Plan for Environmental Incidents has been prepared to define procedures for early warning, reporting, handling and termination and is supported by a list of emergency materials. The Risk Assessment Report for Environmental Incidents has also been prepared, identifying risk substances such as waste paint, waste ink and UV lamps and calculating the Q value to assess risk levels. At the same time, a five-category inspection mechanism including regular inspection, professional inspection, seasonal inspection, routine inspection and surprise inspection is implemented to strengthen daily supervision.

Each subsidiary has established a work safety and environmental protection committee to coordinate the promotion of environmental management. The EHS office is responsible for supervising the implementation of systems, organizing training and conducting compliance reviews. Responsibilities are clearly divided among departments. The Procurement Department ensures that suppliers provide compliant MSDS documents and safety labels. The Warehousing Department implements "dual receipt and issuance and dual custody" for hazardous chemicals. The Production Department strictly implements operating procedures to prevent illegal discharge or disposal. For external contractors, the External Construction Operation Management Agreement is signed to clarify environmental protection and safety requirements, and penalties are imposed for behaviors such as illegal dumping of hazardous waste to ensure that external operations are effectively controlled.

Environmental Risk Management

The Company has established a full process environmental incident management system covering identification, prevention, control and improvement to effectively prevent environmental pollution incidents and ensure compliant operations

Identification: The Company conducts environmental incident risk assessment and has prepared the Risk Assessment Report for Environmental Incidents. In accordance with the Method for Classification of Environmental Incident Risk Levels for Enterprises, environmental risk substances involved are identified and risk levels are determined to provide a basis for subsequent prevention and control.

Prevention: Based on identified risks, the Company has formulated the Emergency Plan for Environmental Incidents. An on-site command center and emergency working groups including rescue, monitoring, evacuation and logistics have been established. The full process response mechanism of "early warning, information reporting, emergency plan activation, preliminary handling, graded response, pollution control, emergency monitoring and response termination" is standardized. At the same time, emergency material lists and evacuation route maps are prepared to ensure that resources can be mobilized, and actions can be carried out in an orderly manner during emergencies.

应急救援预案演练记录			
预案名称	突发环境事件应急处置演练	演练地点	3-1,1 楼废水池
组织部门	沃尔核材有限公司 总指挥 李海腾	演练时间	2025年5月21日
参加部门和单位	细管扩张车间		
演练类别	<input checked="" type="checkbox"/> 实际演练 <input type="checkbox"/> 桌面演练 <input type="checkbox"/> 操理论式演练 <input type="checkbox"/> 全部预案 <input type="checkbox"/> 部分预案中		
物资准备和人员培训情况	参见人员：李海腾、陈晓明、卫东、刘岳飞、石少方、赵石江、黄景斌、陈当英、钟展华、钟文波、吕国茂 物资：警戒带 2 卷、胶手套 2 副、大桶 1 个、抽水泵 1 台、警戒线 2 卷、警戒服 2 件、手机 2 部、消防沙 1 板		
演练过程描述	1. 车间班长在经过废水处理池时发现水管漏水，立即打电话给池子负责班长。  2. 班长接到电话后立即带领班组成员赶到漏水现场。 		

Emergency response drill for environmental incidents in the WOER Heat Shrinkable expansion workshop

Control: In daily management, the Company establishes a five-category inspection mechanism through systems such as the EHS Management System, including regular inspection, professional inspection, seasonal inspection, routine inspection and surprise inspection to dynamically identify environmental hazards. Operating procedures are displayed at all workstations and violations are strictly prohibited to reduce abnormal discharge or leakage risks at the source. At the same time, targeted improvements are implemented for high-risk processes. For example, a dust isolation room has been constructed in the internal mixing workshop, an oil mist purifier has been installed in the oil expansion workshop and rigid environmentally friendly pipelines have been adopted to prevent exhaust leakage, and the extrusion process has been upgraded with an environmentally friendly collection system.

Drills and improvement: To verify the effectiveness of the prevention and control system, the Company regularly organizes practical drills. During the reporting period, WOER Heat Shrinkable conducted a hazardous chemical leakage emergency drill in the small tube packaging workshop. The scenario simulated an employee experiencing dizziness due to solvent leakage and the entire process was executed including "employee call for help, reporting to the team leader, activation of rescue and gas detection, gas concentration exceeding the standard, activation of the emergency plan, security warning and evacuation and medical rescue". Emergency materials including absorbent cotton, fire sand, N95 masks, gas detectors and medical kits were prepared. After the drill, conclusions identified issues such as "rescue and medical assistance must be carried out simultaneously" and "rescue equipment requires improvement", and these issues were incorporated into subsequent improvement plans.

Environmental Culture Development



Environmental protection training

Systematic Environmental Training

The Company has established a three-level environmental training system covering management, operational personnel and all employees, promoting comprehensive improvement of compliance capability, operational skills and environmental awareness through classified and hierarchical training.

Compliance and professional capability training: For management personnel and key positions including technology, quality control and procurement, hazardous substance environmental regulation training is organized to systematically explain regulatory requirements related to RoHS, REACH and POPs in China, the European Union and the United States. QC080000 system training is also conducted to cultivate internal compliance professionals.

Production and operational skills training: For team leaders, frontline operators and equipment maintenance personnel, energy saving operation standards for equipment such as air compressors, air conditioning systems and rubber injection machines are explained in detail. Special training on safe operation and emergency response is provided for operators of wastewater treatment stations and exhaust gas treatment facilities. Lectures on topics such as cleaner production, carbon emission accounting and green manufacturing are also organized.

Companywide awareness training: The Company environmental policy and energy conservation and environmental protection systems are incorporated into mandatory courses for new employee orientation. Each year thematic courses such as "product environmental protection knowledge training" are organized. Knowledge on emergency response such as fire protection, chemical leakage and hazardous waste disposal is widely promoted to achieve full coverage of environmental education.

Regular Communication and Guidance

The Company makes environmental culture tangible, understandable and actionable through concept communication, visual presentation and institutional guidance.

Concept communication: Energy saving, water saving, and waste sorting slogans and display boards are posted in office areas, workshops and public areas. In training materials, behavioral standards such as "turn off lights and air conditioners when leaving the office" are clearly illustrated with text and images to lower the threshold for understanding.

Institutional guidance: Energy saving and environmental protection requirements are incorporated into 7S management, and implementation is promoted through daily inspections. Rewards are given for behaviors such as proposals for energy saving improvement and identification of environmental hazards, while violations are subject to assessment, to drive habit formation through mechanisms.



Environmental protection publicity roll up banner

Environmental Performance Monitoring

The Company has established a quarterly environmental performance monitoring mechanism. With "data driven, closed loop management" as the core, environmental compliance requirements are embedded into the entire production and operation process. Under the monitoring system, the Company prepares a Testing Report on a quarterly basis to systematically track the generation volume, treatment volume and emission concentration of waste gas, wastewater, general solid waste and hazardous waste. By comparing measured concentrations with standard limits, the Company dynamically evaluates the operating effectiveness of treatment facilities to ensure ongoing compliance. Taking the 2025 practice of WOER Electric Power as an example, the Company completed special testing in all four quarters of the year, thereby obtaining real time information on waste gas and wastewater emissions, verifying the effectiveness of end of pipe treatment facilities and providing solid data support for achieving the 2025 environmental compliance target of "zero exceedance and zero penalties".



Four quarter special testing reports of WOER Electric Power in 2025

Strict Emissions Control

The Company has systematically established a full process control system covering pollutant generation, treatment and compliant disposal, and is committed to achieving zero wastewater discharge, effective waste gas treatment and standardized hazardous waste management, to effectively prevent environmental risks and ensure sustainable operations. The Company has formulated the Operation Management System for Pollution Treatment Facilities to ensure the normal operation of environmental protection facilities, regular inspections, proper maintenance and record keeping. The Company has also established the Environmental Monitoring and Measurement Control Procedure, under which annual monitoring plans, monitoring point layout plans and monitoring report filing systems are developed in accordance with national regulations and the ISO 14001 system requirements. The monitoring scope covers process waste gas, boundary noise, wastewater and possible emergency monitoring. The Company conducts daily monitoring through equipment operating parameters and regularly engages qualified third-party testing institutions to carry out compliance monitoring. All core operating locations of the Company have completed pollutant discharge permit or registration procedures in accordance with the law, and the relevant permits and registration certificates remain valid. The Company actively accepts routine supervision, inspection and monitoring by local ecological environment authorities and continuously verifies and improves the compliance level of environmental management.

Wastewater Management

The Company adheres to the principles of "separating clean water from contaminated water and separating rainwater from sewage", establishes the core objective of "zero external discharge" for production wastewater and reuses all treated wastewater. Domestic sewage and other wastewater are discharged into the pipeline network in strict accordance with national and local standards. Through whole process closed loop management and routine operation and maintenance, the Company achieves the recycling and reuse of production wastewater and completely eliminates industrial wastewater discharge.

Management measures

The Company strictly implements systems such as the Operating Procedures for Wastewater Treatment Facilities to standardize operating processes, sets up emergency collection facilities to prevent leakage risks and continuously carries out facility maintenance and technological transformation to ensure stable system operation.

Technical measures

Classified collection and dedicated line treatment are implemented. Different types of wastewater are deeply purified and reused through physical, chemical and membrane treatment processes. Wastewater classified as hazardous waste is entrusted to qualified entities for compliant disposal.

Waste Gas Management

The Company strictly implements national and local "dual strict control" standards to ensure that all waste gas emission outlets continuously and stably meet applicable standards. With a focus on controlling pollutants such as particulate matter, non-methane total hydrocarbons and volatile organic compounds, the Company achieves comprehensive and stable compliant emissions and effective control of fugitive emissions through upgrades to end of pipe treatment facilities, optimization of source processes and strict operational management.

Management measures

In accordance with systems such as the Operating Procedures for Waste Gas Treatment Facilities and the Energy Operation Control Procedure, the Company carries out daily inspections, regular maintenance and consumable replacement, formulates emergency plans and strengthens emission monitoring.

Technical measures

Following the principle of "classified collection and separate treatment by quality", the Company adopts combined purification processes such as spraying, electrostatic treatment, photolysis and adsorption for waste gas from different procedures. Process and equipment upgrades are implemented, such as adding condensation recovery devices, to reduce waste gas generation at the source.

Waste Management

Waste generated during the Company's production process mainly includes hazardous waste, general industrial solid waste and domestic waste. The main environmental risks lie in the possibility that leakage of liquid hazardous waste may contaminate soil and groundwater, flammable hazardous waste may create fire hazards and cause secondary water pollution, and volatile hazardous substances may pose potential threats to employee health. To effectively control the above impacts, the Company strictly complies with laws and regulations such as the Solid Waste Pollution Prevention and Control Law, the Environmental Protection Law and the Regulations on the Safety Management of Hazardous Chemicals and has established a full chain institutional system including the Hazardous Waste Management System, the Environmental Control Management Procedure and the Detailed Rules for Hazardous Waste Warehouse Management. During the reporting period, 100% of the Company's hazardous waste was legally transferred and harmlessly disposed of by companies holding valid Hazardous Waste Operation Permits, the implementation rate of hazardous waste electronic transfer manifests reached 100%, temporary storage warehouses complied with the requirements of GB 18597, and no safety accidents or environmental administrative penalties caused by improper waste management occurred in the past three years.

Waste pollution prevention and disposal

Waste category	Disposal method	Disposal method
Hazardous waste	<ul style="list-style-type: none"> The Hazardous Waste Management Plan is prepared and filed each year, clearly defining waste categories, codes, hazardous characteristics and estimated generation volumes. Standardized dedicated storage facilities are established, and different categories of hazardous waste are stored by classification and zone to ensure clear labels and complete ledger records. Compliant entities holding valid Hazardous Waste Operation Permits are strictly selected, and through implementation of the transfer manifest system, full process closed loop supervision from generation and storage to transfer and disposal is achieved. 	100% compliant disposal of hazardous waste is achieved, and illegal dumping, landfilling or discharge into the environment is eliminated, thereby safeguarding soil, water, and personnel safety.
Non-hazardous waste (general industrial solid waste)	<ul style="list-style-type: none"> Recyclable materials such as waste cartons, waste plastics, waste metals and offcuts are temporarily stored in designated areas by category and uniformly sold to compliant recyclers for resource utilization. Non-recyclable general solid waste is handled by municipal departments or compliant entities in accordance with applicable requirements. 	A stable process for classified recycling of recyclable materials has been established, and resource recycling and utilization has become routine.
Domestic waste	<ul style="list-style-type: none"> Waste is sorted and disposed of in accordance with municipal requirements and collected and transported by sanitation departments. 	—

Waste reduction

The Company has established the waste reduction policy of "source prevention, process reduction and resource utilization". Through green design, cleaner production and refined management, the Company continuously reduces the waste generation intensity per unit of product, decreases the generation of hazardous waste and improves the internal recycling and utilization rate of recyclable materials.

Green design and hazardous substance control

During the product development stage, in accordance with the Environmental Control Management Procedure (Q-COP52) and the requirements of the QC080000 system, hazardous substances restricted or substituted under regulations such as RoHS and REACH are controlled to reduce the potential generation of high-risk waste at the source.

Cleaner production is promoted by improving the operating parameters of oil expansion equipment to reduce glycerol consumption, optimizing printing procedures to reduce ink and solvent usage, and improving raw material utilization rates, thereby directly reducing the generation of hazardous waste such as waste glycerol and waste ink.

Process optimization and improvement of material efficiency

Refined control at production-sites

Through 7S management covering sort, set in order, shine, standardize, sustain, safety and saving, the storage and use of materials are standardized to reduce waste generation caused by leakage, expiration and mixing.

Environmental protection requirements are incorporated into the supplier evaluation system to encourage upstream suppliers to provide environmentally friendly packaging and low hazard materials, thereby indirectly reducing waste empty containers and hazardous residues.

Green supply chain collaboration

Efficient Use of Resources

Water Resource Management

During the production and operation of the Company, water resources are one of the main consumable raw materials and are mainly used in production cooling, auxiliary systems and office and living activities. The Company attaches great importance to water use efficiency and is committed to continuously reducing the intensity of resource consumption per unit of output value through management optimization and technological upgrading, thereby alleviating the pressure on water resource withdrawal. Guided by the ISO 50001 Energy Management System, the Company has established a three level metering and statistical system through the Energy Measuring Instruments Management System and the Energy Statistics Management Procedure, and implements operational control, assessment and incentives in accordance with the Energy Operation Control Procedure, the Energy Saving and Consumption Reduction Management System and the Departmental Energy Saving Assessment Measures, thus providing institutional support for water resource management.

The Company manages and assesses key performance indicators such as water consumption per unit of output value and promotes water saving practices throughout the Company from both "technological transformation" and "management optimization".

Engineering and technological transformation

Construction of recycling and reuse facilities: Dedicated advanced treatment facilities have been built to treat cooling wastewater from oil expansion processes and product cleaning wastewater, all of which is reused in production lines, thereby achieving zero external discharge of production wastewater.

Water saving transformation of process equipment: Electromagnetic heating transformation of extruders has been implemented to improve heating efficiency and indirectly reduce cooling water consumption. The operation of cooling towers has been optimized to improve the circulation efficiency of general cooling water.

Smart coordinated equipment control: Smart control systems have been installed on relevant equipment to enable operation on demand and reduce ineffective water consumption in auxiliary systems.

Management and behavioral optimization

Daily inspection and patrol: Regular energy saving inspections are carried out at water use points across the plant to promptly identify and repair "leakage, overflow and seepage".

Data driven management: Based on three level metering data, water use analysis and abnormality diagnosis are conducted to achieve precise management.

Companywide participation in water saving: Through institutional assessment and cultural communication, water saving is encouraged to become a conscious action of employees.

Packaging Material Management

The Company reduces the use of packaging materials and the generation of waste through three targeted measures: container recycling, packaging lightweighting and specification intensification.

Container recycling: Standardized iron frames and plastic crates are used to completely replace disposable cartons previously used for storing irradiated semi-finished products, achieving a transition from "one time consumption" to "long-term recycling and reuse". Wooden crates used by suppliers for deliveries are recovered, inspected and maintained, and then reused for internal storage and circulation of heat shrinkable protective tubing, thereby realizing the "re-valorization" of supplier packaging.

Packaging lightweighting: High performance thin materials are selected to replace traditional thick packaging, significantly reducing virgin plastic consumption under the same specifications.

Specification intensification: By optimizing the loading quantity per carton, packaging volume efficiency is improved, and the total number of outer cartons is reduced.

WOER · Talent — Cultivating the Foundation

Talent is the foundation of individuals, and a solid foundation ensures the stability of enterprises. WOER fully recognizes that breakthroughs in new products, new materials and new processes originate from human wisdom, and that the future of manufacturing depends on the inheritance of craftsmanship. Starting from compliance with labor standards, the Company safeguards the rights, interests and health of every employee. From empowering growth to community co development, the Company enables talent to take root, grow and flourish in fertile soil. "Nurturing the foundation" is not only a responsibility, but also the core engine that drives our continuous innovation and steady progress.

Topics covered in this section

Labor standards, employee employment and rights protection, employee development and training, occupational health and safety, rural revitalization, social contribution

United Nations Sustainable Development Goals (SDGs) corresponding to this section



Compliance with Labor Standards

The Company systematically integrates principles such as promoting diversity and equal opportunity, eliminating child labor and forced labor, and safeguarding freedom of association into its human resources management and supply chain governance systems, and strictly complies with applicable laws and regulations such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, with a commitment to building a workplace environment that respects human rights and is fair and inclusive.

Governance Structure

The Human Resources Department of the Company is responsible for formulating, updating and supervising the implementation of policies related to diversity, anti-discrimination and prohibition of forced labor; the human resources departments of each operating unit are responsible for local implementation of these policies; the Procurement Department clearly requires suppliers to assume social responsibility and comply with relevant labor laws in the Supplier Quality And Environmental Protection Agreement; the internal audit and supervision departments are responsible for handling employee reports and investigating violations.

Institutional System

The Company strictly complies with labor laws and regulations and has formulated core policies related to labor standards, including the Human Resources Management Procedures, the Recruitment Management Regulations, and the Management Measures for the Control of Child Labor and Underage Workers. The policies clearly define the guiding principles of "open recruitment, equal competition, merit based selection and hiring of the best candidates", and prohibit discrimination against applicants or employees based on factors unrelated to the position; the use of child labor under the age of 16 and any form of forced labor is strictly prohibited, and special protection is provided for underage workers aged 16 to 18, including prohibiting them from engaging in hazardous operations and not arranging night shifts..

Policy Implementation and Safeguards

To ensure effective implementation of policies, the Company implements standardized procedures in the recruitment process, including resume screening, interviews, medical examinations and hiring approval, and establishes a dual identity verification mechanism consisting of preliminary review by human resources and re verification by the Employing Department, and in case of mis recruitment, employment is immediately terminated; salary management implements salary principles through a unified job grade system and a performance linked mechanism to ensure fair distribution and stimulate work motivation; employees may file appeals through the OA system, the "WOER" official account, the founder's email or the internal audit and supervision hotline, and the Human Resources Department, in coordination with the internal audit and supervision departments, conducts independent investigations and provides feedback on the handling results within 5 working days.

2025 Employee composition

Total number of employees
8,735 Persons

By gender

Employee composition	Unit	2025
Male	Persons	6,143
Female	Persons	2,592

By age

Employee composition	Unit	2025
51 years old and above	Persons	341
41 to 50 years old	Persons	1,764
31 to 40 years old	Persons	3,779
30 years old and below	Persons	2,851

By educational background

Employee composition	Unit	2025
Bachelor's degree and above	Persons	1,666
Junior college	Persons	1,295
Technical secondary school and below	Persons	5,774

By professional category of employees

Employee composition	Unit	2025
Production personnel	Persons	6,153
Sales personnel	Persons	765
Technical personnel	Persons	1,061
Financial personnel	Persons	175
Administrative personnel	Persons	581

Key Performance Indicators

The total number of discrimination incidents during the reporting period was **0**

Safeguarding Employee Rights and Interests

Compensation and Benefits

Compensation Protection

The Company has established a compensation system centered on job value and performance, ensuring fairness and reasonableness in compensation distribution. In accordance with the Company Compensation Management Measures, the Company implements the principles of "grading based on position, compensation based on grade, matching people to positions, and adjusting compensation when positions change". A broadband compensation structure is adopted, with many salary grades and multiple salary levels, and salary adjustment, promotion and bonuses are closely linked to performance results. At the same time, through transparency of the compensation system, confidentiality of individual compensation information, together with review by the compensation committee, an employee appeal mechanism and multi-channel feedback channels, the objectivity, fairness and supervisability of compensation decisions are comprehensively safeguarded.

To ensure timely payment of compensation, the Company has formulated clear payment rules and standardized operating procedures. All wages, bonuses and benefits are uniformly paid to employees' personal accounts on the agreed date. Calculations are based on standardized data such as attendance and performance and are approved through dedicated procedures to ensure compliance and efficiency. Compensation settlement for resigned employees is carried out in strict accordance with the Resignation Management Standards and the Labor Law, ensuring lawful and timely settlement. In addition, the Company implements compensation budget management, jointly prepared and monitored by the human resources and finance departments, so as to ensure timely and full payment of compensation from the funding source.

Benefits Protection

The Company has established a comprehensive and well-structured employee benefits system. Relevant systems are incorporated into documents such as the Human Resources Management Procedure and the Compensation and Benefits Management System, forming a four in one protection mechanism of "statutory protection + corporate supplement + development support + humanistic care".

Statutory benefits

The Company strictly complies with national laws and regulations and contributes pension insurance, medical insurance, unemployment insurance, work related injury insurance, maternity insurance and housing provident fund for all employees in accordance with the law. In addition, group accident insurance is purchased as supplementary protection. At the same time, all types of paid leave, including annual leave, marriage leave, maternity leave and sick leave, are fully implemented to ensure that employees enjoy complete statutory rights and interests.

Corporate benefits

In addition to statutory benefits, the Company also provides a wide range of supplementary benefits, including position allowances, transportation and communication subsidies, and service year allowances. At the same time, a welfare fund has been established for team building and hardship assistance, supported by living services such as canteens, dormitories and cultural and sports facilities, to enhance employees' overall sense of gain.

Humanistic care

The Company attaches great importance to humanistic care, regularly organizes health checkups, holiday greetings and large scale cultural activities, provides employees with monetary gifts for marriage, childbirth and funerals, and arranges visits when employees are hospitalized due to illness; it has also specially established the "Chairman's Assistance Fund" to support the families of employees encountering major hardships, and has equipped some office bases with convenient facilities such as mother and baby rooms, so as to truly create a working environment that is warm, respectful and full of a sense of belonging.



Farewell ceremony for retired employees



Social networking and friendship activities

Democratic Participation

The Company has established a multi-level, institutionalized and online plus offline employee democratic participation system, deeply integrating democratic management into organizational governance and daily operations and effectively safeguarding employees' rights to know, express, participate and supervise.

Sound Organization

The Company has established a labor union in accordance with the law and elects labor union committee members through democratic election, clearly defining its 4 basic functions of protection, participation, development and education. At the same time, an employee representative congress system has been established as the core platform for employee participation in democratic management. The employee representative congress is convened as needed to deliberate on major matters involving the vital interests of employees, ensuring that the decision making process is open and transparent and that employee opinions are effectively incorporated.

Normalized Mechanisms

The Company embeds democratic communication into daily management processes and continuously collects, feeds back on and responds to employee concerns through regular companywide satisfaction surveys, face to face discussions between management and employees, performance interviews, departmental meetings and other forms. At the same time, at the institutional level, managers at all levels are required to proactively listen to voices from the front line, promote the timely resolution of issues at the grassroots level, and form a virtuous cycle of two-way interaction between "bottom up" and "top down".

In addition, the Company has established a normalized employee satisfaction monitoring mechanism. Through regular companywide questionnaire surveys, the Company accurately quantifies employee needs and experiences in areas such as compensation and benefits, career development, working environment and management communication, thereby forming a closed loop management system of data diagnosis, pain point identification and rectification implementation. During the reporting period, based on survey results, the Company established special rectification ledgers for core concerns that received high attention from employees, such as compensation and benefits, food and accommodation conditions and improvement of the working environment, and promoted the implementation of measures such as upgrading logistical support, improving workshop environments and optimizing the training system, thereby effectively transforming employee voices into momentum for management improvement and continuously enhancing organizational cohesion and employee well-being.

Unimpeded Channels

To ensure that employees dare to speak up and can defend their rights, the Company has established diversified, confidential and institutionally protected channels for feedback and appeals, including the "WOER People" official account, the OA system suggestion platform, the founder's dedicated mailbox and the hotlines of the internal audit and supervision departments. All channels provide an anonymous option and a time limited response mechanism, and any form of retaliation is explicitly prohibited to ensure that employee rights and interests are not infringed.

Cultural Integration

The Company advocates a participation culture in which "everyone is a manager", encouraging employees to actively participate in operational optimization through QC groups, TPM (Total Productive Maintenance), improvement proposals and internal innovation projects. In addition, the labor union, in coordination with the Human Resources Department, has established internal mediation procedures for labor disputes to resolve conflicts through consultation and, when necessary, guide lawful arbitration, thereby strengthening the foundation of harmonious labor relations.

Rights and Interests of Female Employees

The Company has systematically established a protection system for the rights and interests of female employees covering protection during the "four periods", fairness in career development and welfare care in accordance with institutional documents such as the Provisions on Labor Protection for Female Employees, the Employee Attendance Management System and the Employee Handbook, effectively supporting the physical and mental health of female employees and the realization of their professional value.

Health and Work Protection

The Company strictly complies with national provisions on labor protection for female employees and implements classified protection for female employees during menstruation, pregnancy, maternity and lactation periods. It is prohibited to arrange prohibited operations or high intensity and high-risk positions for them. From the 7th month of pregnancy, no overtime work or night shifts are arranged. During the lactation period, 1 hour of breastfeeding time is provided each day, and reasonable job adjustment for health needs is supported.

Leave and Compensation Protection

All leave related to the "four periods" including prenatal checkup leave, maternity leave, breastfeeding leave and parental leave is incorporated into the attendance system for unified management. The types of leave, duration and approval procedures are clearly defined, and salary payment is guaranteed in accordance with regulations to ensure that the economic rights and interests of female employees are not affected.

Welfare and Humanistic Support

Every year on International Women's Day (March 8), all female employees are arranged to take leave and are provided with holiday gifts. Employees may apply for the Company's childbirth allowance upon childbirth. Some bases such as Changzhou WOER have established mother and baby rooms equipped with tables and chairs, beds, refrigerators, microwave ovens and separate restrooms, providing private and convenient care space for lactating employees.

Fairness in Career Development

In recruitment, the Company adheres to the principles of "open recruitment, equal competition, both integrity and competence, and merit-based selection" and eliminates gender discrimination. Management positions are open to all employees through open competition, emphasizing that "everyone has opportunities, and success depends on hard work", and providing fair career development channels for female employees.

Empowering Employee Development

Employee Development

The Company takes the Training Management System and the Human Resources Management Procedures as the core policy basis and establishes a systematic training system that aims to support strategy implementation, drive business development and promote employee growth, covering all employees, spanning the entire career lifecycle and integrating multiple forms.

Training content

New employee training: Focusing on cultural integration and basic norms, helping new employees quickly assume their posts through centralized teaching, mentor guidance and production line practice.

In service professional skills training: Closely aligned with job capability requirements, carrying out normalized training around product knowledge, process flow, equipment operation, quality control and production safety.

Leadership development programs: Targeting high potential talents and the management pipeline, enhancing strategic thinking and team management capabilities through special training camps, job rotation and action learning.

Compliance and regulatory training: Covering key areas such as environmental protection, safety, data protection and anti-corruption, ensuring that the behavior of all employees complies with internal and external regulatory requirements.

Training implementation

In terms of implementation formats, the Company adopts various methods such as internal training courses, lectures by external experts, external advanced study, online learning platforms, self-study through books, workshops and practical projects, considering both standardized and personalized learning needs. All training is incorporated into unified credit management. Annual credit targets are set according to job grades, and completion is directly linked to performance evaluation and promotion eligibility, forming a closed loop mechanism of "learning, application, certification and development".

Safeguard mechanisms

To ensure the efficient operation of the system, the Company establishes a clear division of responsibilities: the human resources training center at the Company headquarters is responsible for overall planning, standard formulation, resource coordination and effectiveness evaluation. The human resources departments of each subsidiary formulate and implement annual training plans in combination with business rhythms. Business departments deeply participate in needs reporting, joint course development and cultivation of internal trainers, ensuring that content closely matches actual needs. While enjoying training rights, employees are also required to fulfill obligations of learning, sharing and transfer training, jointly creating an organizational atmosphere of continuous learning.

Case "Sailor Boot Camp" integrated onboarding and development program for fresh graduates

In order to systematically empower new generation talent, help them quickly integrate into the organization, and achieve a smooth transition from campus to the workplace, the Company has created the "Sailor Boot Camp" special training program. The program targets more than 100 fresh graduates recruited through campus recruitment each year and provides 3 to 4 weeks of integrated development in a concentrated period in July.

The program takes company systems, corporate culture, career development pathways and welfare policies as its core content to consolidate fundamental understanding; improves essential workplace skills through practical training in office software and application training of the OA system and business systems; invites senior technical instructors from various product lines to deliver lectures, systematically explaining product characteristics and application scenarios, and sets up on-site question and answer sessions to strengthen the understanding of professional knowledge; organizes trainees to enter production workshops for on-site practice, personally participating in the entire product manufacturing process and tempering the professional qualities of diligence and perseverance through practice.

During the training period, cultural integration activities such as basketball games, speech contests, team building and tea gatherings are carried out at the same time, creating a positive and upward looking learning atmosphere and enhancing employees' sense of belonging and team cohesion. Since the implementation of the program, it has effectively improved fresh graduates' understanding of and adaptability to their positions, significantly increased talent retention and job matching efficiency, and reserved high-quality young talent with both professional competence and cultural identification for the enterprise, becoming an important support for the Company's talent pipeline development.

Career Development

The Company has established a systematic and institutionalized talent development system. With the Employee Development Management System as the core guideline and supported by institutional documents such as the Promotion Management System, the Human Resources Management Procedure and the Internal Transfer Management Provisions, it has built a full cycle talent management system covering career pathways, promotion mechanisms, safeguard measures and transition support.

Career Development Pathways

The Company has established six major job categories. Each sequence is vertically structured into Grades 1 to 11, forming a clear step by step growth map. Employees may either achieve vertical promotion within their own sequence or make horizontal transfers according to their capabilities and interests, thus providing broad development space for diversified talent.

Employee Development Measures

Employee promotion is the main form of employee development. The Company's promotion practices follow four major principles: "equal emphasis on moral character, capability and performance, multi-channel development, open competition, and promotion and demotion based on merit". Management positions shall in principle be filled through open competition and defense, while promotion for professional and technical categories requires qualification certification or competency assessment. The process covers application, qualification screening, review or defense, resolution and OA system disclosure, ensuring a fair process and credible results.

At the same time, the Company proactively plans for future talent needs and implements a number of distinctive development initiatives. It carries out "developmental job rotation", under which high potential managers are assigned to cross functional training to enhance comprehensive vision and collaboration capability. It has established a "succession plan", requiring managers at all levels to cultivate successors to strengthen the talent pipeline foundation. It also conducts special development programs such as leadership training camps and qualification certification and, relying on the "credit bank" mechanism, transforms learning achievements into promotion capital. All management positions are open to all employees through competition, advocating a fair culture in which "everyone has opportunities, and success depends on hard work", and continuously stimulating the organization's endogenous momentum.

Career Transition Support

The Company pays attention to employees' adaptation and dignity during career changes and provides humanized transition support. Newly promoted employees receive pre job training and monthly coaching and complete a post confirmation assessment of "job person matching" within 6 months. Employees whose performance is rated D but who have potential are included in the performance improvement plan (PIP), their positions are retained, and opportunities for improvement are provided. Employees who have job contraindications for health reasons are mandatorily transferred to safe and suitable positions. Sensitive positions are subject to job rotation after 2 full years of service, considering both internal control compliance and employee development. For employees who do need to exit, the Company negotiates the termination of labor contracts in accordance with the law and provides career mindset counseling, reflecting organizational responsibility and humanistic care.

Key performance indicators		Unit	2025
Total number of employees receiving training		Persons	8,735
Total hours of training on labor rights policies or procedures in relation to labor rights		Hours	4,454
Percentage of employees receiving training on labor rights policies or procedures		%	100
By gender	Number of male employees receiving training	Persons	6,143
	Number of female employees receiving training	Persons	2,592
Total hours of employee training		Hours	54,162
Average hours of employee training		Hours	6.2
Percentage of total employees receiving regular performance and career development reviews		%	66
By gender	Total hours of training received by male employees	Hours	38,090
	Total hours of training received by female employees	Hours	16,072

Protecting Occupational Health

Governance

The Company adheres to the occupational health and safety policy of "safety first, continuous improvement, and safeguarding employee health", and places employees' life safety and physical and mental health at the core of operation and management. Through a sound three tier EHS governance structure, a strict regulatory compliance mechanism, and full coverage management system certification, the Company systematically prevents occupational hazards, eliminates the occurrence of occupational diseases, continuously improves the level of intrinsic safety, and creates a safe, healthy and reliable working environment for employees.

The Company strictly complies with national and local laws and regulations such as the Work Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and implements national standards such as Occupational Exposure Limits for Hazardous Agents in the Workplace and Technical Specifications for Occupational Health Surveillance. Through the Management System for Safety Production Laws and Regulations and Other Requirements, the Company has established a full chain compliance mechanism covering regulatory identification, translation, training, implementation and supervision.

Level	Institution/role	Main responsibilities
Leadership level	Principal person in charge of the enterprise	As the first person responsible for the Company's EHS and occupational disease prevention and control, comprehensively leads work safety and occupational health work; approves EHS policies, objectives and rules and regulations; ensures the input of necessary resources.
Management level	EHS Committee	Composed of the head of the safety committee office, full time EHS personnel and heads of various business units, it serves as the core coordination and decision making platform for the Company's EHS management; it is responsible for promoting the implementation of laws, regulations and Company requirements, improving the responsibility system and institutional framework, organizing the formulation of emergency plans and training programs, ensuring resource input, conducting supervision and inspections, and handling and reporting accidents in a timely manner.
Execution level	EHS Office/Safety Committee Office	As a dedicated standing body, it carries out daily EHS and occupational health management under the leadership of the head of the safety committee office; coordinates risk control and hidden hazard rectification, supervision of institutional implementation, safety training and emergency drills, occupational health surveillance, EHS management of related parties and compliance declaration, ensuring the effective implementation of all measures.

Key Performance Indicators

The Company and its important subsidiaries have obtained **ISO 45001:2018 Occupational Health and Safety Management System Certification**

Strategy

Risk/opportunity name	Financial impact description	Degree of impact	Time range of impact	Impact on value chain links	Response strategy
Compliance risk	Administrative penalties, litigation costs and project delays	Medium to high	Medium term	Entire value chain	Establish a dynamic regulatory identification and compliance self assessment mechanism
Operational safety risk (mechanical injury, work at height, etc.)	Casualty compensation, equipment damage, work stoppage and increased insurance premiums	Medium to high	Short term	Production manufacturing, equipment maintenance, infrastructure construction	Build a work permit and protection standards system based on risk classification, and promote the normalization of hidden hazard investigation and rectification and the standardization of employee behavior
Physical hazards (noise, high temperature, dust, etc.)	Medical compensation, insurance expenses and fines	Medium to high	Long term	Production manufacturing, research and development	Implement an engineering first source control strategy, strengthen closed loop management of personal protection and health surveillance, and establish a dynamic governance mechanism based on regular testing
Chemical hazards (leakage, poisoning, fire, etc.)	Accident losses, environmental remediation, legal compensation and production suspension	High	Short term	Warehousing, production manufacturing, transportation	Implement a low toxicity substitution and whole process risk control strategy, improve the emergency response and compliant storage system, and reinforce the safety responsibilities of related parties
Related party management risk	Joint compensation, production disruption and reputational damage	Medium	Short term	Supply chain, infrastructure construction, equipment maintenance	Establish a full cycle related party admission and performance supervision strategy, and embed EHS requirements into contract management and on-site supervision processes
Opportunity in management system certification and standardization	Reduce accident losses, expand into high-end markets, and improve efficiency	High	Long term	Entire value chain, market and sales	Deepen the integrated application of international standards such as ISO 45001, and use system certification to drive management standardization and brand value enhancement
Opportunity in digitalization and smart monitoring	Improve monitoring efficiency, reduce accident losses, and optimize resource allocation	Medium to high	Medium term	Production manufacturing, warehousing, safety management	Promote smart monitoring and data integration in high-risk areas, and build a risk early warning and emergency linkage mechanism featuring coordination between "technical prevention + human prevention"

Impact, Risk and Opportunity Management

Identification, Prioritization and Monitoring



The Company, considering legal and regulatory requirements, the characteristics of internal processes and equipment, historical accident data, changes in the external environment and the impacts of related parties, applies systematic tools such as JHA, SCL and LEC. Departments including EHS, process and equipment jointly organize the participation of all employees, covering "three temporal states, four conditions and seven aspects", to ensure that risk identification is comprehensive, dynamic and accurate.



The Company adopts the LEC method to conduct quantitative risk assessment. By comprehensively considering the likelihood of accident occurrence, the frequency of personnel exposure and the severity of consequences, it calculates risk values and, on this basis, classifies risks into four levels, serving as the basis for hierarchical control and the priority allocation of resources.



The Company has established a normalized monitoring mechanism by level and by category, including annual comprehensive assessments, quarterly special inspections, monthly comprehensive patrol inspections and routine daily checks by teams. Relying on technical means such as professional instrument testing, video monitoring and the Lark (Feishu) hidden hazard reporting system, and in combination with management reviews, internal audits and employee feedback, it has formed a three-level responsibility system of "Company headquarters, subsidiaries and workshops". Through electronic ledgers and long-term archive management, it ensures that risks are controllable, processes are traceable, and results are verifiable.

Work Safety Management

With "prevention first, closed loop control and full participation" as the core, the Company has built a full chain work safety management system covering engineering and technical control, institutional implementation, emergency response and hidden hazard rectification, effectively safeguarding employees' life safety and the stable operation of the enterprise.

Engineering and Technical Prevention and Control

The Company adheres to the principle of prioritizing "intrinsic safety". For dangerous parts of equipment involving rotation, transmission, high temperature and electrification, it mandatorily installs safety protective covers, interlocking devices, light curtains and emergency stop buttons that comply with national standards, and fully implements the LOTO (lockout tagout) control system, effectively preventing mechanical injuries caused by misoperation. In high risk areas such as hazardous chemical warehouses, painting workshops and internal mixing areas, deploy video monitoring, combustible and toxic gas concentration detectors, smoke and temperature alarms and automatic fire extinguishing devices to achieve 24 hour dynamic early warning and coordinated response. All new construction, reconstruction and expansion projects strictly implement the "three simultaneous" requirements for safety facilities, ensuring simultaneous design, construction and commissioning with the main project. At the same time, it regularly evaluates the safety conditions of old equipment and continuously promotes elimination, renewal and process optimization.

Operation Process Management

The Company has established a permit approval system covering high-risk operations such as hot work, work at height, confined space operations, lifting operations and temporary electricity use, and implements a "work permit" management approach. Before operations, job safety analysis must be completed, control measures must be clarified, and designated personnel must be assigned for full process supervision. Through the LEC method, risks are quantitatively assessed and classified into four levels of red, orange, yellow and blue, and the enterprise's "four color risk distribution map" is drawn, realizing risk visualization and hierarchical control. For external contractors, special EHS agreements are signed, qualifications and insurance are strictly reviewed, three level safety training and job risk notification are conducted, internal supervisors oversee the entire construction period, and the Safety Committee conducts irregular inspections, with violations

immediately stopped and accountability pursued. At the same time, the Company implements "three inspections per shift" (before the shift, during the shift and after the shift) and a three-level hidden hazard investigation mechanism at the company, workshop and team levels, ensuring early identification and early handling of risks.

Emergency Preparedness and Capability Building

The Company has established a three in one emergency system of "comprehensive plan, special plan and on-site disposal plan", covering typical scenarios such as fire, electric shock, mechanical injury and hazardous chemical leakage, and clearly defining reporting, disposal and external rescue processes. At least one comprehensive or special drill is organized every year, and on-site disposal drills are carried out every 6 months, with plans continuously optimized based on evaluation results. Firefighting equipment, positive pressure respirators, first aid kits, leakage emergency kits and other materials are equipped in accordance with standards, ledgers are established, and regular maintenance is carried out. Volunteer fire brigades and professional rescue teams are established to enhance initial response capability. During seasonal risk periods such as high temperature seasons and flood seasons, special emergency preparations are made in advance. In terms of safety training, new employees are required to complete no less than 24 class hours of three level safety education and pass the assessment before assuming their posts. Special operation personnel must work with valid certificates and undergo regular reexamination. Accident case warning education, special training for "four new" personnel and safety knowledge competitions are regularly carried out, continuously strengthening the safety literacy of all employees.

During the reporting period, the Company carried out, as planned, a number of on-site response drills or special emergency drills covering mechanical injuries, electric shock, falls from height, object strikes, fire evacuation, special equipment accidents, scald injuries, fires and explosions.

Hidden Hazard Investigation and Rectification

The Company implements a "three level, four categories" hidden hazard investigation system. The "three levels" refer to the three management levels of the Company headquarters, subsidiary and workshop or team, with responsibilities consolidated level by level. The "four categories" include routine patrol inspections, regular comprehensive inspections, special inspections, and seasonal or holiday inspections. Routine patrol inspections are carried out in real time during operations by team leaders and post employees, focusing on the identification of immediate risks such as equipment abnormalities, missing protection and illegal operations. Regular comprehensive inspections are led by the EHS Department, which organizes monthly cross departmental joint inspections covering all elements of personnel, machines, materials, methods and environment across the entire plant area. Special inspections focus on high-risk areas such as hazardous chemicals management, special equipment, electrical safety and firefighting facilities, and are implemented by professional technical personnel according to plan. Seasonal and holiday inspections are directed at special periods such as high temperatures, flood seasons, severe cold, and long holidays such as the Spring Festival and National Day, with prevention and control measures deployed in advance.

Hidden hazard information is submitted through an online system, realizing automatic assignment, rectification feedback and closed loop acceptance. Employees may submit hidden hazards anonymously or under their real names, stimulating the enthusiasm of all employees to participate. All hidden hazards are subject to classified management according to risk level. General hidden hazards are rectified by responsible departments within a prescribed time limit, while major hidden hazards are listed for supervision by the Company's Safety Committee, and the "five in place" requirements are implemented simultaneously, namely rectification measures, responsibilities, funds, time limits and plans. Rectification results are uniformly consolidated into the Hidden Hazard Rectification Ledger, incorporated into monthly EHS performance assessment, and used as important input for management reviews and risk reassessment, thereby forming a continuously optimized cycle of "investigation, rectification, verification and improvement".

Occupational Health Protection

The Company focuses on occupational health management and has systematically established a full cycle protection system covering source control, health surveillance and humanistic care, so as to effectively safeguard the physical and mental health of employees



- Low toxicity and low volatility raw materials are given priority in procurement, and suppliers are required to provide complete Chinese MSDS (Material Safety Data Sheets); on-site storage volume of hazardous chemicals is restricted, and the principle of "daily requisition and daily use" is implemented.
- For positions where noise exceeds standards, noise reduction engineering measures such as sound insulation walls, vibration damping bases and silencers are adopted; for areas with dust and welding fumes, local exhaust dust removal systems are installed; ventilation and cooling equipment is added in high temperature operation areas.
- Every year, the Company entrusts qualified occupational health technical service institutions to conduct comprehensive testing for all positions exposed to occupational disease hazard factors, and the results are disclosed on factory bulletin boards and incorporated into archive management.

Health surveillance and personal protection

- In accordance with the law, the Company organizes occupational health examinations for employees before taking posts, during employment and upon leaving posts, with a focus on indicators such as hearing, lung function, liver function and kidney function, and establishes occupational health surveillance archives for each employee.
- For employees exposed to hazards such as noise, dust, chemicals and electric welding arc light, the Company provides personal protective equipment meeting standards, including noise proof earplugs, KN95 masks, protective face shields and acid and alkali resistant gloves, and ensures standardized wearing through daily inspections by team leaders and random checks by EHS.
- For employees found through physical examinations to have suspected occupational diseases or occupational contraindications, the Company immediately transfers them from their original posts and arranges medical reexaminations, to eliminate working while ill.

Health promotion and humanistic care

- During periods of high summer temperatures, the Company provides heatstroke prevention medicines, cooling beverages and shaded rest shelters for employees working outdoors and in high temperature workshops; in winter, it provides thermal protection equipment for personnel working in cold environments.
- The Company regularly carries out activities such as "Occupational health publicity week", health lectures and mental health salons, popularizes knowledge on the prevention and control of occupational diseases, and gradually incorporates "psychological and physiological hazard factors" such as work stress, repetitive strain and psychological burden into the scope of risk identification.
- Through activities such as Safety culture month, EHS points rewards and Family open day, the Company integrates the concept of "safeguarding employee health" into corporate culture, enhancing employees' sense of belonging and happiness.

Indicators and Targets

Guided by "zero accidents, zero injuries and zero penalties", the Company, through the dual dimension indicator design of "results + process", and in combination with strict assessment accountability and institutional safeguards, has formed a closed loop management mechanism with clear targets, explicit responsibilities and strong execution.

Indicator name	Unit	Target value	2025
Number of production safety accidents of relatively major level and above	Cases	0	0
Number of fire accidents	Cases	0	0
Number of EHS related government administrative penalties	time	100	100
Employee EHS training coverage rate	%	100	100

Indicator name	Unit	Target value	2025
Hidden hazard rectification completion rate	%	100	100
Occupational health check rate for exposed employees	%	100	100

Supporting Community Development

The Company always regards "giving back to society" as one of its core corporate missions. Based on this philosophy, the Company has built a normalized public welfare practice system featuring "voluntary blood donation" as its brand and education donation and rural revitalization as its two wings. Through Party building leadership, professional collaboration and broad employee participation, it continuously creates shared value in areas such as life and health, educational equity and community integration.

Safeguarding Life and Health

The Company has long treated voluntary blood donation as a core volunteer service project, advocating the concept of "saving irreplaceable lives with renewable blood", and has formed an annual, organized and companywide public welfare tradition. During the reporting period, Changzhou WOER, together with the Blood Donation Office of Jintan District, Changzhou City, successfully organized the annual voluntary blood donation activity. A total of 16 employees actively participated, with cumulative blood donation reaching 5700 milliliters. The Company has for many consecutive years been awarded honors such as "Caring organization for voluntary blood donation" and "Caring enterprise for voluntary blood donation in Jintan District" by the Jintan District government.

Empowering Rural Education

Upholding the concept of "technology for good", the Company pays attention to the shortage of educational resources in remote areas and supports the informatization development of rural schools through targeted material donations. During the reporting period, the Company and its subsidiaries donated 276 computers to the Guangdong Provincial Education Foundation. After all equipment was refurbished by professional institutions entrusted by the foundation, it was distributed to rural schools that were unable to offer computer courses due to a lack of hardware, and a two-year warranty service was provided. This project not only filled the gap in teaching equipment, but also "opened a window to the digital world for rural students", helping them master modern information technology and broaden their horizons. The Company therefore received the Letter of Appreciation and the Honorary Certificate issued by the Guangdong Education Foundation.

Jointly Building Beautiful and Harmonious Villages

The Company adheres to the principle of "taking root locally and giving back to the community", and through cooperation with local charitable organizations, carries out targeted paired assistance to support improvements in rural infrastructure and people's livelihood development. Changzhou WOER has continued to provide designated support to villages in Jintan District. In January 2023 and January 2024 respectively, through the Charity Federation of Jintan District, Changzhou City, it made targeted donations to villages in Jintan District (Zhuangcheng Village and Changzhugeng Village), with each donation amounting to RMB 30,000, contributing to local development. The Company actively participates in activities supporting education, and in 2023 and 2024 respectively donated scholarships of RMB 50,000 to Shenzhen Pingshan Tongxin Foreign Language School.

WOER · Governance — Governance for Long-Term Success

Governance is built on rules, and long-term success is achieved through sound conduct. Shenzhen Woer Heat-Shrinkable Material Co., Ltd. fully recognizes that the Company's sustainable growth depends not only on technology and the market, but also on a solid governance foundation. Starting from improving the corporate governance structure, we have strengthened the bottom line of compliance, upheld business ethics, and reinforced the line of defense for information security, so that every decision can stand the test of time and every step forward can be steady and enduring. "Governance for long-term success" is not only a commitment, but also our core competitiveness in navigating cycles and earning trust.

Topics covered in this section

Corporate governance, compliance operations, risk management, anti-commercial bribery and anti-corruption, anti-unfair competition

United Nations Sustainable Development Goals (SDGs) corresponding to this section

16 和平、正义与强大机构



17 促进目标实现的伙伴关系



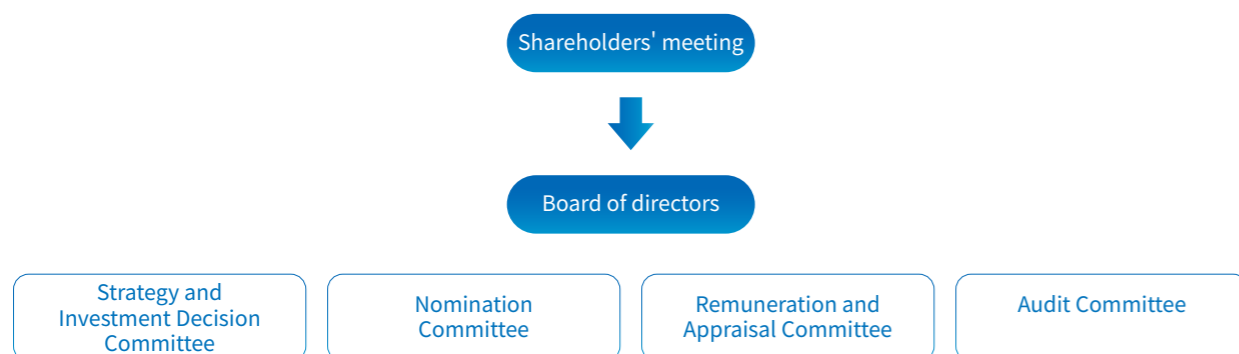
Improving Corporate Governance

Improving the Governance Structure

The Company strictly complies with the requirements of relevant laws, regulations, and normative documents, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The Company continues to optimize and improve the corporate governance structure and has established an efficient governance system in which the shareholders' meeting serves as the authority body, the board of directors serves as the decision-making center, senior management serves as the executive body, and the audit committee under the board of directors performs supervisory duties in accordance with the law, thereby ensuring sound decision making, strong execution, and effective supervision, and providing a solid governance guarantee for the Company's high-quality development.

The board of directors has established 4 specialized committees, namely the Strategy and Investment Decision Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Audit Committee. Each specialized committee is accountable to the board of directors and, in strict accordance with the Articles of Association of Shenzhen Woer Heat-Shrinkable Material Co., Ltd. and the relevant rules of procedure of each committee, performs its duties in a standardized manner within the scope authorized by the board of directors. These committees focus on key areas including the Company's long-term development strategy and major investments, the standards and procedures for the selection and appointment of directors and senior management, remuneration policies and performance appraisal systems, the review of financial information, and the supervision of internal control, thereby providing professional and systematic support for the board of directors in its decision making. Specifically, the audit committee consists of three directors who do not hold senior management positions in the Company, with independent directors accounting for the majority, and is convened by an accounting professional with relevant professional qualifications, thereby effectively strengthening the Company's capabilities in internal control supervision, risk prevention and control, and compliance governance.

The Company continues to improve its corporate governance system. In 2025, in light of the implementation of the new Company Law and its own governance practices, the Company systematically revised the Articles of Association, formally abolished the board of supervisors, and established a supervisory mechanism under which the Audit Committee under the board of directors exercises the original functions and powers of the board of supervisors in accordance with the law. At the same time, the Company formulated or revised more than 10 internal governance systems, including the Rules of Procedure for the Board of Directors, the Administrative Provisions on External Guarantees, the Fair Decision-Making System for Related Party Transactions, the Working System for Independent Directors, the Management System for Directors' Remuneration, and the rules of procedure of each specialized committee. This further clarified the boundaries of powers and responsibilities among the shareholders' meeting, the board of directors, the chairman of the board, and senior management, optimized the decision-making procedures and authorization system for major matters involving "three important matters and one major expenditure", strengthened the professional role of independent directors and specialized committees in strategy, nomination, remuneration, and financial supervision, and comprehensively enhanced the standardization, scientific basis, and operational efficiency of the Company's corporate governance.



Board Development

Board Diversity

Board diversity is an important foundation for improving the quality of corporate governance and enhancing the scientific basis and inclusiveness of strategic decision making. It helps integrate different backgrounds, expertise, and perspectives, effectively prevents groupthink, and promotes sustainable innovation and long-term value creation.

The Company strictly complies with the relevant requirements of laws and regulations, including the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, and the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, regarding the appointment of directors and governance structure, and systematically implements the concept of diversity in its internal systems. The Detailed Rules for the Work of the Nomination Committee revised in 2025 clearly stipulate that in the process of director nomination and selection, diversified dimensions such as gender, age, educational background, professional experience and the proportion of independent directors shall be comprehensively considered. At the same time, the Working System for Independent Directors emphasizes that independent directors shall cover professional backgrounds such as accounting, law, or industry technology, to ensure that specialized committees such as the Audit Committee, the Nomination Committee, and the Remuneration Committee possess multidimensional professional capabilities. At present, the board of directors of the Company consists of 9 directors, including 3 independent directors and 3 employee representative directors, with expertise covering materials science, financial management, business management, and the capital market, thus forming a governance team with complementary knowledge structures, diversified experience, and balanced gender representation.

The diversified board structure has effectively enhanced the Company's ability in strategic judgment, risk identification, and innovative decision-making efficiency in high technology fields such as Telecoms Cable Products and Electronic Material Products, providing solid support for the Company to seize opportunities arising from industrial transformation, optimize resource allocation, and strengthen compliance governance, and transforming these strengths into significant governance advantages and core competitiveness.

Board Independence

WOER places great importance on board independence and regards it as a fundamental cornerstone for ensuring the Company's sound decision making, effectively preventing governance risks, and safeguarding the lawful rights and interests of all shareholders, especially minority shareholders.

To consolidate this cornerstone, the Company strictly complies with core laws and regulations such as the Company Law of the People's Republic of China, the Administrative Measures for Independent Directors of Listed Companies, and the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange and has established a systematic internal institutional framework. Specifically, the Working System for Independent Directors, as a programmatic document, systematically creates an institutional environment in which independent directors "can act independently, dare to supervise, and are able to make a difference" through a full chain design covering qualification separation in advance, power allocation during the process, and performance support afterward. At the same time, the Rules of Procedure for the Audit Committee of the Board of Directors, the Rules of Procedure for the Nomination Committee of the Board of Directors and the Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors and other detailed rules further clarify the specific responsibilities and workflows of independent directors in key areas, providing solid institutional support for independent directors to perform their duties in accordance with the law, independently and efficiently. In terms of organizational structure, the Company ensures the effective implementation of the supervisory authority of independent directors through institutionalized design. Among the audit committee, nomination committee and remuneration and appraisal committee under the board of directors, independent directors account for the majority and serve as conveners, ensuring independent and objective supervision over core matters such as the Company's financial reporting, selection of senior management, remuneration incentives and internal control systems from the source.

Directors' Remuneration Policy

The Company formulates and implements the Remuneration Management System for Directors and Senior Management Personnel, follows the principles of "equivalence of responsibilities, powers and benefits", "consistency between income level and the Company's scale and performance", and "equal emphasis on incentives and constraints", establishes a scientific and transparent remuneration system and closely links directors' remuneration to the value of their positions, the effectiveness of their performance of duties, and the Company's long-term development.

To strengthen the binding force and compliance of remuneration management, the Company has established clear mechanisms for remuneration reduction, cancellation, and recovery. If a director violates laws and regulations such as the Company Law or internal management systems such as the Articles of Association during the term of office or commits acts that damage the interests of the Company, the Company has the right to remove the director from office and to reduce or cancel the director's allowance. For allowances already paid, the Company also has the right to recover them.

Information Disclosure

The Company adheres to the principles of truthful, accurate, complete, timely, and fair information disclosure, and has established a complete internal control system with the Information Disclosure Management System at its core, supported by the Internal Reporting System for Material Information and the Accountability System for Major Errors in Annual Report Information Disclosure. By clearly designating the chairman as the first person responsible for information disclosure and the board secretary as the principal responsible person, and requiring directors, senior management, and the persons in charge of various functional departments and subsidiaries to timely fulfill their internal reporting obligations to the board secretary upon becoming aware of material information, the Company has effectively ensured the timeliness, completeness, and accuracy of information disclosure at the source.

To strengthen accountability constraints, the Company has simultaneously established an accountability mechanism for major errors in annual report information disclosure, setting quantitative criteria for the identification of major errors in important documents such as annual reports, and clearly defining accountability measures including public criticism, economic penalties, position adjustment and even termination of labor contracts, effectively enhancing the compliance awareness and sense of responsibility of relevant personnel.

Investor Relations Management

The Company has established the Investor Relations Management System, which clearly provides that the board secretary, as the person in charge of investor relations management, takes the lead in overall coordination, while the Office of the Board Secretary, as the Functional Department, is responsible for the specific execution of investor communication. Through various channels such as performance briefings for periodic reports, the "Hudongyi" platform of Shenzhen Stock Exchange, the investor relations section on the Company's official website, reception of institutional investor research visits, telephone consultations, on-site visits, and roadshows, the Company maintains proactive, equal, and efficient regular communication with all types of investors.

In the communication process, the Company strictly follows the principles of fair disclosure, compliance and transparency, and equal opportunity, and focuses on explaining investor concerns regarding topics such as the Company's development strategy, operating conditions, financial performance, new product research and development, major investments, and corporate culture development. At the same time, the Company requires all specific target groups to sign a Commitment Letter before any research visit, strictly prohibits the disclosure or use of undisclosed material information and conducts strict review of investor questions and externally released manuscripts, thereby effectively preventing the risks of selective disclosure and insider trading and effectively safeguarding the fairness of the information environment in the capital market and the Company's reputation.

Strengthening Compliance Management

Compliance Management System

The Company has always regarded compliant operation as the bottom line of corporate operation. Guided by national laws and regulations, it has built a "three in one" governance system integrating risk control, compliance management and internal control development. Through normalized internal audits and a dynamic rectification mechanism, it ensures standardized operation throughout the entire business process.

Institutional support

Under the guidance of the Articles of Association, the Company has systematically established an institutional system covering strategy, finance, operations, information disclosure and other fields, clearly defining the compliance obligations and operating standards for directors, senior management and all employees.

Culture building

The Company strengthens organizational resilience and has established a training system on risk assessment and response covering all employees. It has also set up an internal whistleblowing mechanism to encourage employees to supervise violations, further consolidating the compliance culture.

Organizational safeguards

The Board of Directors assumes ultimate responsibility for compliance governance, and the Audit Committee under the Board leads supervision. As the dedicated execution body, the Internal Audit Department reports independently to the Audit Committee and implements normalized monitoring through regular audits, special inspections and a closed loop rectification mechanism.



Internal Risk Management

The Company adheres to the internal control system as its core management tool and has established a closed loop management mechanism of "risk early warning, process monitoring and effectiveness evaluation", effectively identifying and resolving operational risks.

Supervision mechanism

The Audit Department conducts special audits on an irregular basis, focusing on fund security, asset preservation, the authenticity of financial reporting and operational efficiency, while also collecting risk clues through internal whistleblowing channels.

External assurance

During the reporting period, the Company continued to engage a third-party accounting firm to conduct an independent evaluation of the effectiveness of internal control and issue the Internal Control Evaluation Report, ensuring the continuous effectiveness of the internal control system.

关键绩效

No material internal control deficiencies or material losses caused by internal control failure occurred during the reporting period.

Related Party Transaction Management

The Company has always adhered to the principles of fair pricing, lawful procedures and timely disclosure. In accordance with the Company Law, the Securities Law, the Stock Listing Rules of the Shenzhen Stock Exchange and the Articles of Association, it has formulated and strictly implemented the Fair Decision-Making System for Related Party Transactions.

Decision-making mechanism

The Company strictly implements a hierarchical review mechanism for related party transactions: transactions meeting the disclosure standards shall be submitted to the board of directors or the shareholders' meeting for deliberation only after being reviewed and approved by a majority of independent directors at a special meeting. Related directors and shareholders shall abstain from voting in accordance with the law.

Information disclosure

In accordance with the regulatory requirements of the Shenzhen Stock Exchange, the Company discloses in detail in ad hoc announcements the transaction overview, related party relationship, pricing policy and basis, main contents of the agreement, purpose and impact of the transaction, and the cumulative amount incurred during the year. It also discloses in periodic reports the actual performance of routine related party transactions, ensuring that all investors obtain information equally and adequately.

Ongoing supervision

As a special body under the Board of Directors, the Audit Committee is responsible for supervising the fairness and compliance of related party transactions. The Internal Audit Department includes related party transactions as a key focus of annual audits, paying particular attention to whether pricing deviates from independent third-party market standards, whether approval procedures are complete, and whether there are any transfers of benefits, to effectively safeguard the legitimate rights and interests of the Company and minority shareholders.

Upholding Business Ethics

Governance

The Company has established a governance structure with the Board of Directors and its Audit Committee as the governance core and the Internal Audit Department as the execution body. With the assistance of management, it supervises and manages business ethics and compliance matters. Specifically, the Board of Directors bears ultimate responsibility for business ethics compliance risks. The Audit Committee is responsible for supervising the effectiveness of the implementation of business ethics systems. As a dedicated body, the Internal Audit Department reports directly to the Audit Committee, independently carries out anti-fraud supervision, and forms closed loop management through promoting rectification and tracking implementation, effectively safeguarding the Company's compliance with business ethics.

Strategy

Guided by risk orientation, the Company has established an internal audit system covering the entire process and all areas, systematically preventing fraud and business ethics risks.

Audit Strategy

With the principle of risk orientation as the core, the Company comprehensively assesses whether there are fraud or business ethics risks in its existing business processes, including but not limited to procurement, sales, fund management and related party transactions. Audit work focuses on high-risk areas and key control links, with particular attention to potential risk points that may lead to transfer of benefits, financial fraud, irregular guarantees or improper related party transactions, and incorporates anti-fraud review as an important component of the annual audit plan.

Audit Methods

Within the scope of the Company's operations, irregular and special internal audits are conducted on high-risk business processes or departments (such as finance, procurement, sales and subsidiary management), and complaint information is collected as audit clues to achieve the combination of risk early warning and proactive investigation.

Audit Content

Effectiveness of internal control: Assess the compliance and efficiency of key business processes, such as ERP system operation, large amount fund payments, inventory counting and contract approval.

Business ethics and anti-fraud: Focus on examining whether employees engage in acts such as accepting or soliciting improper benefits from external related parties such as suppliers and customers, including gifts, cash gifts, banquets and travel; seeking illegal benefits for themselves or others by taking advantage of their positions; conducting related party transactions or providing external guarantees in violation of regulations without approval; manipulating financial reports or inflating or concealing performance data; and disclosing, using or leaking the Company's trade secrets and other sensitive information without authorization.

Compliance review: Examine whether the Company complies with laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and the Anti-Money Laundering Law of the People's Republic of China, as well as internal systems such as the Articles of Association, the Employee Handbook and the Anti-Commercial Bribery Agreement.

Impact, Risk and Opportunity Management

Identification, Prioritization and Monitoring

The Company proactively identifies potential fraudulent acts through regular audits conducted by the Internal Audit Department in high-risk areas and uses channels such as the investor relations section of its official website and whistleblowing mailboxes to collect relevant complaint information from employees, suppliers and customers, which serves as an important source of risk identification. On this basis, the Company prioritizes business ethics risks according to the likelihood of occurrence and the severity of possible losses, with a focus on acts that may lead to significant financial losses or regulatory penalties, acts that directly impair the security of the Company's assets, such as accepting bribes or misappropriating property, and acts that violate laws and regulations and trigger reputational risks, such as commercial bribery or leakage of trade secrets.

Full Process Risk Control

The Company has established a business ethics risk monitoring and institutional safeguard system with the Internal Audit Management System as the core and supported by the Anti-Commercial Bribery Self Discipline Letter, the Anti-Commercial Bribery Agreement, the Employee Handbook and the Recruitment Management Provisions. By clarifying the supervisory responsibilities of the Audit Committee under the Board of Directors, the independent review functions of the Internal Audit Department, and the collaborative responsibilities of relevant departments such as human resources and legal affairs, the Company embeds integrity requirements into key links such as recruitment screening, contractual constraints, business approval and regular audits, thereby forming a full chain compliance mechanism covering prior prevention, in process monitoring and post accountability, and ensuring that business ethics risks are identifiable, controllable and accountable.

Prior prevention

All employees sign the Anti-Commercial Bribery Self Discipline Letter; suppliers sign the Anti Commercial Bribery Agreement; background investigations and integrity tests are implemented in the recruitment process.

In process control

The Internal Audit Department conducts regular audits of high-risk businesses; approval authority control is strictly implemented, for example, large amount fund payments require multi-level approval.

Post accountability

The Anti-Commercial Bribery Agreement stipulates that the breaching party shall pay liquidated damages and bear legal liability; employee violations shall be handled in accordance with the WOER Penalty Regulations.



Business Ethics Compliance Training

Institutional Basis

The institutional basis for the Company's business ethics compliance training covers multiple management documents. Specifically, the Training Management System, as the top-level norm, incorporates business ethics, corporate culture and codes of conduct into the category of "attitude training", and clarifies the overall coordination responsibilities of the Human Resources Training Center and the requirements for credit management. The Employee Conduct Management and the Employee Handbook specifically define professional ethics red lines such as integrity and self-discipline, confidentiality, refusal to accept gifts and banquets, and prohibition of seeking private gain, becoming the core source of training content, and are linked with the WOER Penalty Regulations to strengthen constraints on the consequences of violations. In addition, the Quality Manual incorporates the anti-bribery policy and the employee code of conduct into the Company's responsibility policy, requiring that training ensure employees are aware of ethical requirements and consequences. The Anti-Commercial Bribery Agreement and the Employee Anti-Commercial Bribery Self Discipline Letter, as legally binding commitment documents, themselves serve as reinforcement education during the signing process, and their lists of prohibited acts also constitute key training content.

Management Measures

The Company ensures the effective implementation of business ethics compliance training through systematic management measures. The training system is designed in a layered and categorized manner for groups such as new employees and incumbent employees and treats business ethics training as a special project under attitude related training. In addition to classroom training, the Company also uses carriers such as meetings, display boards, the OA system and employee cards to achieve the day-to-day penetration of compliance awareness. In addition, through the Anti-Commercial Bribery Agreement, the Company requires suppliers to conduct training for their employees and incorporates "advocating business ethics" into the scope of supplier evaluation, thereby extending compliance management to the supply chain.

The Company's business ethics compliance training has achieved normalized and full coverage operation, and each subsidiary regularly carries out anti-corruption training every year.

Indicators and Targets

The core goal of the Company's business ethics compliance is to build a business environment of "zero corruption" and "full compliance". To this end, the Company formulates and manages key indicators and targets such as the number of corruption incidents to ensure the achievement of its goals.

Indicator name	Unit	Target	2025
Total number of confirmed corruption incidents	Cases	0	0
Signing rate of the Anti-Commercial Bribery Agreement by suppliers	%	100	100
Signing rate of the "Employee Self Discipline Commitment on Anti-Commercial Bribery"	%	100	100
Coverage rate of compliance and anti-corruption training	%	Full coverage of all employees or full coverage of key positions	100
Number of anti-corruption training sessions	Sessions	At least one company wide training session per year	41

Protecting Information Security

Information Security Management

All subsidiaries of the Company have established and implemented an information security management system in accordance with the ISO/IEC 27001:2022 standard and has simultaneously prepared the Information Security Management Manual. Approved and issued by the general manager of each subsidiary, the manual establishes the information security policy of "prevention first, sound management, continuous improvement and ensuring security", and clarifies the data security and privacy protection governance structure with the highest management level of the subsidiary as the decision-making core and the Information Department as the execution body. On this basis, the Company has also formulated supporting special systems such as the Customer Information Confidentiality System and the Network and Information Security Emergency Response Plan, ensuring that data confidentiality, privacy protection and emergency response are governed by clear rules and responsibilities, and providing solid support for continuously improving the level of information security management and meeting international standards and regulatory compliance requirements.

Risk Prevention and Emergency Response

Through systematic preventive control measures and supervision and response mechanisms, the Company has effectively integrated data security and customer privacy protection policies into daily operations and continuously strengthened the foundation of information security risk control.

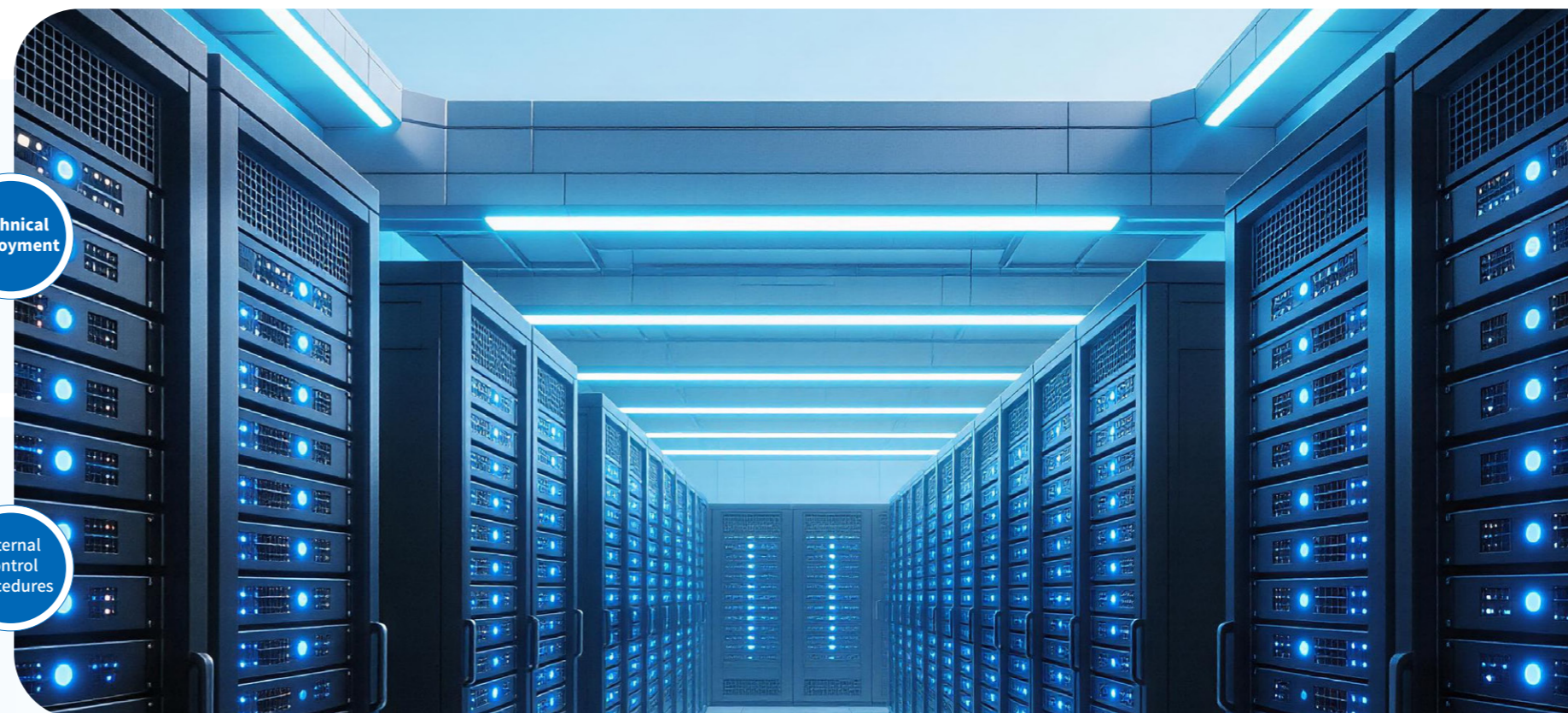
Preventive Control Measures

- Strict access rights management is implemented, and system accounts and operating permissions are assigned according to job responsibilities, ensuring the principle of "minimum necessity";
- Core business data and customer information are subject to classified and graded protection, sensitive information is stored in controlled environments, and a multimedia off site backup strategy is adopted to prevent data loss;
- Basic protection facilities such as firewalls and intrusion detection are deployed at network boundaries, and key systems regularly undergo vulnerability scanning and patch updates.

- All employees are required to receive information security awareness training upon entry and sign the Confidentiality Agreement, clearly defining their confidentiality obligations regarding customer information and Company secrets;
- Regular information security training is conducted for all employees, and the annual training coverage rate is not less than 99%;
- Background reviews are carried out during the recruitment stage for personnel in key positions involving the handling of customer information, strengthening risk prevention and control at the source;
- Physical control measures are implemented for customers' paper documents, including locked filing cabinets, copying only after approval and delivery by designated personnel.

Technical deployment

Internal control procedures



Routine Monitoring and Audit

The Company has established a normalized supervision mechanism under which the Information Department regularly reviews system logs and user operating behavior to identify potential threats such as abnormal logins or unauthorized access. At the same time, information security is incorporated into the scope of internal audit and management review, and the effectiveness of control measures is continuously assessed and optimized to ensure early identification and early handling of risks.

Emergency Plans and Drills

The Company has formulated the Network and Information Security Emergency Response Plan, covering typical scenarios such as hacker attacks, system failures, fires and power outages, and clarifying the response process after an incident occurs. After incident handling is completed, a summary report is prepared for the continuous improvement of the information security management system, providing institutional support for responding to emergencies quickly and effectively and safeguarding business continuity.

Key Performance Indicators

During the reporting period, the Company did not experience any confirmed incidents involving leakage, theft or loss of customer information.

During the reporting period, a total of 0 substantiated complaints concerning customer privacy infringement were received, including 0 complaints from external parties and 0 inquiries from regulatory authorities.

Appendix



Key Performance Indicators Table

Indicator	Category	2025
Environmental performance		
环境管理	Total value of significant fines for non-compliance with environmental laws and/or regulations	0
Air emissions	Nitrogen oxides (kg)	7,922,061
	Sulfur oxides (kg)	6,600
	Particulate matter (kg)	2,506
Wastewater	Total water consumption (tons)	568,285
	Recycling volume (tons)	197,044
Waste	Hazardous waste (kg)	285,878
	Non-hazardous waste (kg)	4,566,481
	Hazardous waste recycled (kg)	270,885
	Non-hazardous waste recycled (kg)	2,970,065
Self-generated electricity	Wind power generation (MWh)	273,540
	Solar power generation (MWh)	765,329

Indicator	Category	2025
Carbon emissions	Scope 1 (tCO ₂ e)	3,326
	Scope 2 (tCO ₂ e)	18,882
	Scope 3 (tCO ₂ e)	5,346
	Emissions intensity (tCO ₂ e/employee)	13.4
Social performance		
Employee rights and interests	Labor contract signing rate (%)	100
	Total number of employees entitled to parental leave (persons)	318
	Total number of employees who took parental leave (persons)	318
	Total number of employees who returned to work during the reporting period after parental leave ended (persons)	318
	Return to work rate of employees who took parental leave (%)	100
	Total number of employees who took maternity leave (persons)	58
Occupational health	Employee occupational health investment (RMB 10,000)	112
	Number of occupational disease cases (persons)	0
Work safety	Number of lost time injury incidents (cases)	28
	Total working hours (hours)	21,646,320
	Safety training hours (hours)	213,810
	Investment in work safety (RMB 10,000)	2,582
	Number of work-related fatalities (persons)	0
	Number of lost workdays due to work related injuries (days)	1,635
	Number of work-related injuries (persons)	29
	Number of work-related injury incidents (cases)	28

Indicator	Category	2025
Supply chain management	Total number of suppliers (suppliers)	2,332
	Suppliers in mainland China (suppliers)	2,325
	Suppliers in Hong Kong, Macao, Taiwan and overseas (suppliers)	7
	Number of local suppliers within Guangdong Province (suppliers)	619
	Number of suppliers with quality management system certification (suppliers)	164
	Number of suppliers with environmental management system certification (suppliers)	96
	Number of suppliers identified as having actual and potential significant negative social impacts (suppliers)	0
	Number of suppliers identified as having actual and potential significant negative environmental impacts (suppliers)	0
Governance performance		
Directors	Total number of directors (persons)	9
	Number of executive directors (persons)	5
	Number of independent non-executive directors (persons)	3
	Number of other non-executive directors (persons)	1
	Number of female directors (persons)	3
	Number of male directors (persons)	6
	Average attendance rate of board meetings (%)	100
Shareholder interests	Number of shareholders' meetings convened	3
	Number of periodic reports disclosed (person)	4
	Number of temporary announcements issued (times)	182

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Feedback Form

Dear reader,

Thank you very much for reading this report. We highly value and look forward to hearing your feedback on this report. Your comments and suggestions are an important basis for us to continuously improve the quality of the Company's ESG information disclosure and advance the Company's ESG management and practices. We welcome and sincerely appreciate your valuable feedback!

1.What is your overall evaluation of our ESG performance?

Excellent Good Fair Poor Very poor

2.What is your overall evaluation of this report?

Excellent Good Fair Poor Very poor

3.How do you think we have performed in stakeholder communication?

Excellent Good Fair Poor Very poor

4.How do you think we have performed in product responsibility?

Excellent Good Fair Poor Very poor

5.How do you think we have performed in environmental protection, safety and occupational health?

Excellent Good Fair Poor Very poor

6.How do you think we have performed in employee responsibility?

Excellent Good Fair Poor Very poor

7.How do you think we have performed in ESG?

Excellent Good Fair Poor Very poor

8. What comments or suggestions do you have regarding our ESG performance and this report?

You may contact us through the following channels:

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Contact number: 0755-28299020

Company website: www.woer.com