



Shenzhen WOTE Advanced Materials Co.,Ltd

Address: Room 3101, Block B, Building 9, Zone C, Phase III of Vanke Yuncheng,  
Liuxin 4th Road, Xili Community, Xili Sub-district, Nanshan District, Shenzhen City  
(Room 3101, Block B, Building 7, International Innovation Valley)  
Postal code: 518051  
Tel.: 0755 2688 0866  
Fax: 0755 2688 0966  
Website: www.wotlon.com

# About the Report

## Overview

This is the second *Environmental, Social, and Governance (ESG) Report* released by Shenzhen WOTE Advanced Materials Co., Ltd., holistically presenting the Company's principles, concepts, management approaches and achievement performance in sustainable development.

## Scope of the Report

As an annual report, the Report covers the period from January 1, 2023, to December 31, 2023 ("the Reporting Period") and may include some content pertaining to previous years or extend its scope into 2024. Unless otherwise stated, the scope of the Report aligns with the Company's annual report, encompassing Shenzhen WOTE Advanced Materials Co., Ltd. and its consolidated subsidiaries.

## Basis of Preparation

The Report has been prepared based on the relevant guidelines for social responsibility report issued by Shenzhen Stock Exchange (SZSE) and the GRI Sustainable Development Report Standards issued by the Global Sustainability Standards Board (GSSB). Additionally, the Report incorporates certain recommendations from the ISO 26000 Guidance on Social Responsibility.

## Data Description

The data, management mechanisms, and cases presented in the Report are derived from the Company's actual operational records or financial reports. Financial data in the Report is presented in RMB. In cases where financial data differs from the Company's annual financial report, the Report takes precedence.

## Appellation Description

For ease of reading, throughout the Report, "Shenzhen WOTE Advanced Materials Co., Ltd." is also referred to as "WOTE", "the Company", "our company", or "we".  
 "Conceptfe" refers to "Zhejiang Conceptfe New Material Technology Co., Ltd.", "WOTE Huaben" refers to "Shanghai WOTE Huaben Semiconductor Technology Co., Ltd.", "WOTE Zhicheng" refers to "Chongqing WOTE Zhicheng New Material Technology Co., Ltd.", "Huizhou WOTE" refers to "Huizhou WOTE Advanced Materials Co., Ltd.", "WOTE Special Material" refers to "Jiangsu WOTE Special Material Manufacturing Co., Ltd.", and "Jiangsu WOTE" refers to "Jiangsu WOTE Advanced Materials Technology Co., Ltd."

Company Name

Shenzhen WOTE Advanced Materials Co., Ltd.

Acronym of Company name

WOTE

Stock Code

002886.SZ

Head Office

Shenzhen City, Guangdong Province, China

## Reliability Commitment

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

## Report Access

This report is available in both printed and electronic formats. Printed copies are available at the Company's securities department.

The electronic version can be accessed on the Juchao Information website ([www.cninfo.com.cn](http://www.cninfo.com.cn)).

## Contact Information

WOTE encourages all stakeholders to provide suggestions or feedback on the Company's sustainable development and social responsibility management.

For any related matters, please contact [stock@wotlon.com](mailto:stock@wotlon.com).

# Message from Chairwoman



Chairwoman of  
Shenzhen WOTE Advanced Materials Co., Ltd.

Wu Xian

With the dream of "shaping better life", WOTE has always been at the forefront of exploring solutions to social, industry, and customer issues. Guided by the principles of sustainable development, we have gained a clearer understanding of our path forward. Our approach is anchored in the ESG framework, focusing on fulfilling our foundational responsibilities in environmental stewardship and governance. Building upon these pillars, we actively seek partnerships to achieve greater accomplishments and strive to contribute our strength in addressing customer needs, industry challenges, and societal issues. Based on this, we have identified four areas of sustainable development, including boosting industry development, protecting lucid waters and lush mountains, building a happy home together, and creating long-term value. In terms of specific topics, we consider various requirements and demands from laws and regulations, regulatory policies, customer expectations, and stakeholders' demand, we have strengthened our management and practices from policy guidelines, organisational structure, system requirements, process, and culture. Furthermore, WOTE always maintains the pursuit of excellence, continuous improvement, and dedication to maximising the effectiveness of each topic, making our ESG practices align with our vision to be a leading Chinese advanced materials company. In the past year, WOTE has achieved "four focuses, four breakthroughs" in ESG practices, further enhancing our sustainable development capabilities and giving us more confidence in the sustainable development.

## Focus on the core business to continuously strengthen customer service capabilities

We focus on the positioning of material suppliers and material solution providers to address social and industry challenges, expand product lines and capacity, and meet the demand for more high performance materials. With a focus on solving customer problems, we aim to become a "specialty high polymer materials platform". Through a well-established innovation R&D system and investment in R&D, we have developed more advanced materials and material solutions that align with societal orientations and customer demands. Our innovation capabilities have been recognised: during the reporting period, Jiangsu WOTE, WOTE Special Material, Conceptfe, and WOTE Zhicheng obtained high-tech enterprise certifications, and WOTE Special Material was successfully selected as the national-level specialised and new "key little giant" enterprise. We hold fast to quality excellence, gradually strengthen the control measures, maintain good communication with customers, and value customer experience at every step of the service, which have not only achieved high customer satisfaction but also received awards such as "Well-known Brand in Shenzhen".

## Focus on the environment to achieve an upgrade in green development

In the pursuit of growth, environment is a key concern for us. The Company strictly controls the environmental impact at all production bases according to the highest standard, and establishes an environmental management system. We implement target management by conducting comprehensive assessments, defining overall objectives, decomposing objectives, and developing clear implementation measures to maximise energy and water resource efficiency while minimizing environmental impact.

## Focus on excellence to comprehensively enhance employee capabilities

We believe that excellent talents make outstanding companies. With a mature and sound talent development system, standardised and all-round equity and promotion protection mechanisms, we keep attracting and developing talents. We work hard to strengthen cultural promotion and strive to build a highly capable team that supports the achievement of the Company's strategic goals. Besides, we promote the progress of employees through corporate development and drive the development of the Company through the progress of our employees. During the reporting period, we conducted activities such as "Founder's Office" and "GM Workshop", along with job-specific professional knowledge training. Additionally, we introduced the innovative Herrmann Brain Dominance Instrument (HBDI) for the whole-brain preference assessment, further deepening and refining our efforts in talent development and cultivation. Multiple branches of the Company promoted several managerial and supervisor-level partners, as well as six supervisor-level management partners. Moreover, we actively engage in social welfare, providing tuition support to underprivileged students through a public welfare foundation. We connect with more charitable organisations, leveraging our professional expertise for the well-being of disadvantaged groups.

## Focus on compliance to consolidate the ability for moving forward steadily

Regulatory compliance is the cornerstone for our sustainable development. We focus on corporate governance, business ethics, compliance operations, and information security. We strictly adhere to relevant laws and regulations, establish comprehensive control mechanisms horizontally and vertically, strengthen employee training and awareness, and ensure compliance in all four aspects through system constraints, cultural development, and regulatory controls, to safeguard the interests of stakeholders. During the reporting period, the Company did not experience any litigation related to corruption or unfair competition. Furthermore, we performed excellently in information disclosure, corporate governance mechanism building, and supervision training, obtaining an A-level rating in the evaluation of information disclosure work by SZSE for two consecutive years and receiving the honor of "Best Practice of Office of Board of Directors for Public Companies in 2023" awarded by China Association for Public Companies.

As we step into 2024, we will continue to uphold our core values of "be unique for you", transforming competitive pressures into opportunities for growth. Meanwhile, we will overcome challenges, push our boundaries, and consistently contribute our value to customers, our nation, and society.

# Contents

➤ About the Report

➤ Message from Chairwoman

➤ Company Overview

➤ Sustainable Development Management

Company Profile	01	Governance Structure for Sustainable Development	05
Corporate Culture	02	Sustainable Development Management Strategy	06
Corporate Honors	03	Stakeholder Engagement	07
Membership of Social Organization	04	Material Topics Analysis	08

➤ WOTE leads innovation, boosting industry development **09**

Deepening Industrial Advantages	11
Continuous Technological Innovation	14
Ensuring Product Quality	18
Providing High-quality Service	23
Promoting Industry Development	24

➤ WOTE is taking actions to protect lucid waters and lush mountains **27**

Strengthening Environmental Management	29
Enhancing Resource Efficiency	31
Environmental Pollution Control	34

➤ WOTE cares about people, building a happy homeland together **35**

Meeting Basic Needs	37
Enabling Value Realization	41
Ensuring Occupational Safety	45
Active Participation in Social Welfare	48

➤ WOTE is committed to building a strong foundation and creating long-term value **49**

Strengthening Corporate Governance	51
Compliance Management	54
Commitment to Business Ethics	55
Information Security Assurance	57

➤ Report Indicator Index 58

➤ Feedback Form 60



# Company Overview

## Company Profile

Shenzhen WOTE Advanced Materials Co., Ltd., a leading supplier and innovator of material solutions in China, specializes in polymerizing and modifying high-performance functional polymer materials, as well as the R&D, production, sales, and technical support of finished products. With a focus on delivering optimised advanced material solutions and value-added services, we strive to meet the needs of our customers. Our main products include specialty and innovative engineering polymers, high-performance composite materials, carbon fibre, carbon nanotube composites, and fluorinated polymer materials. These products have found widespread application in diverse downstream industries, including communication, 5G, photovoltaics, new energy vehicles, and medical health, thereby enhancing people's lives.

Headquartered in Shenzhen, WOTE sets up subsidiaries across South China, East China, and Southwest China, as well as in Hong Kong. Furthermore, the Company has invested in manufacturing factories in Vietnam. With a comprehensive network of bases spanning the entire industrial chain, WOTE strives to provide customers with optimal polymer material solutions. Our goal is to enhance and complement upstream and downstream supply chains, thereby contributing to the autonomy and high-quality development of China's supply chain.

### Industrial Distribution

#### East China Base (Dongtai City, Jiangsu Province)

Manufacturing base for 5G, electronic communication, photovoltaics, and automotive material modification LCP polymerization base

#### Chongqing Base

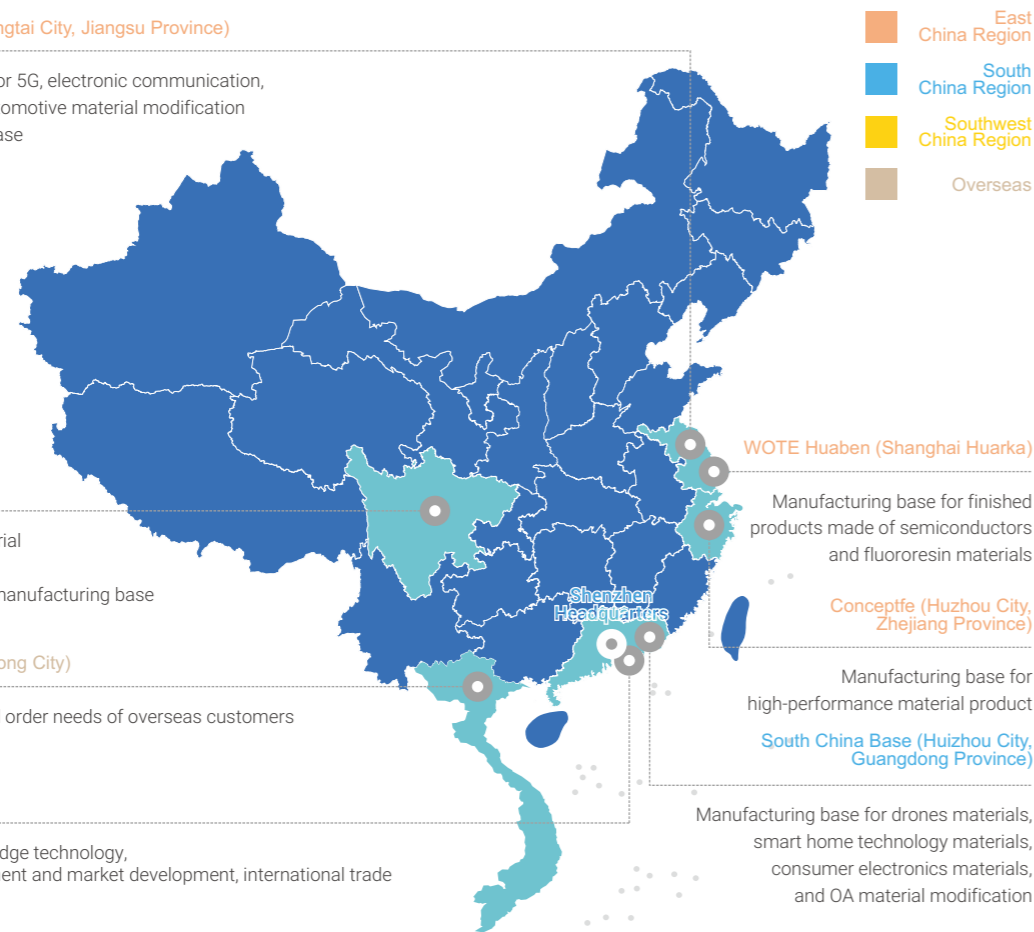
Special polymer material polymerization base  
Special polymer film manufacturing base

#### Vietnam Base (Haiphong City)

Meet the personalised order needs of overseas customers

#### Hong Kong WOTE

International cutting-edge technology, high-end talent alignment and market development, international trade



#### WOTE Huaben (Shanghai Huarka)

Manufacturing base for finished products made of semiconductors and fluororesin materials

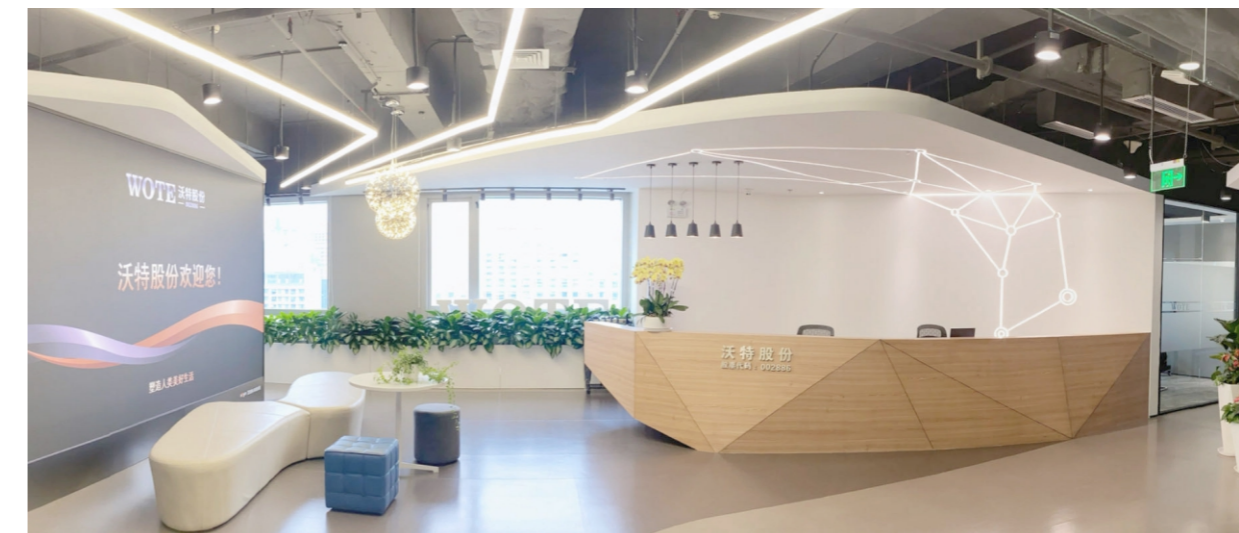
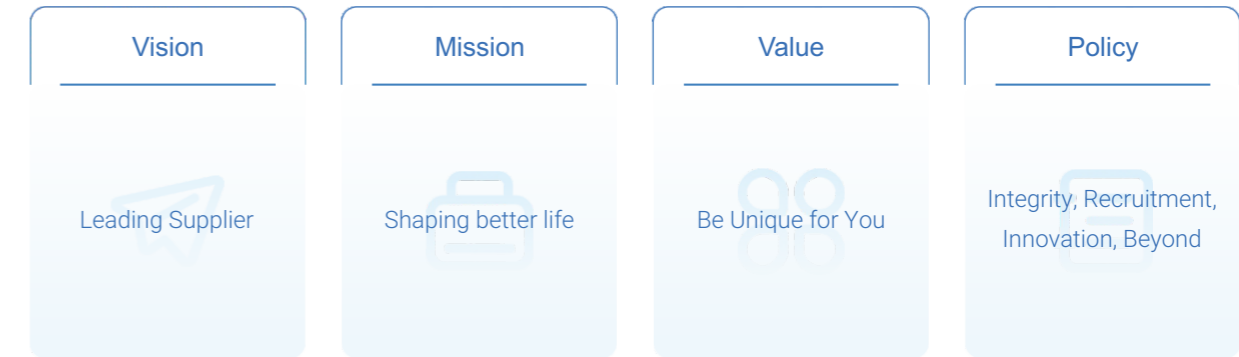
#### Conceptife (Huzhou City, Zhejiang Province)

Manufacturing base for high-performance material product

#### South China Base (Huizhou City, Guangdong Province)

Manufacturing base for drones materials, smart home technology materials, consumer electronics materials, and OA material modification

## Corporate Culture



## Corporate Honors

Corporate Honors	
"One-Stop" Demonstration Participant Unit of High-Speed Connector Issued by the Ministry of Industry and Information	Top 7 of China's Material Companies in Terms of Innovation
National-level Specialised and New "Key Little Giant" Enterprise	Top 10 Enterprises of Special Polymer Materials Industry in China
Outstanding Enterprise in the National Innovation and Entrepreneurship Competition	Excellent Brand Enterprise of Fluoroplastic Industry in China
100 Most Potential Brand Enterprises in China	Special Advanced "Little Giant" enterprise in Guangdong Province
Top 100 Manufacturing Enterprises in Guangdong Province	Enterprise of Observing Contract and Value Credit in Guangdong Province
Famous Brand Products in Guangdong Province	Hidden Champion of Zhejiang Province
Top 50 Leading Enterprises in Strategic Emerging Industries in Guangdong-Hong Kong-Macao Greater Bay	Ecological Co-build Flashing Institution in Shenzhen
Shenzhen Top 100 Quality Enterprises	Shenzhen Well-known Brand
Top 70 Innovative Enterprises in Shenzhen	Top 100 Shenzhen Industry Leaders
Shenzhen Top 500 Enterprises	Investor Relations Gold Award "IR Initiative Award"
"Excellent Practice of Office of Board of Directors for Public Companies in 2022" Awarded by China Association for Public Companies	Top 100 Most Popular Listed Companies by Tonghuashun
"2023 Most Socially Responsible (ESG) Listed Companies" Awarded by Capital Week	
"Best Practice of Office of Board of Directors for Public Companies in 2023" Awarded by China Association for Public Companies	

### Chairwoman-Ms. Wu Xian's Personal Honors

National Outstanding Entrepreneur	China Outstanding Women Entrepreneur
Outstanding Builder of Chinese Socialism with Distinctive Characteristics in Guangdong Province for Non-Public Economic Personnel	
March 8th Red Flag Bearer in Guangdong Province	Top 10 Outstanding Women Entrepreneurs in Shenzhen
Prominent Figure in Shenzhen Business Community	Most Influential Women Entrepreneur in Shenzhen-SGCC Cottonwood Meritorious Service Award
Pioneer of the First Guangdong-Hong Kong-Macao Greater Bay Area Strategic Emerging Industries	Top Hundred Innovative Strivers in the New Era
City of Quality Excellence in Shenzhen Gold Award	Exemplary Female Industry Leader in Shenzhen
Top 100 Industry Leaders in Shenzhen	Person of the Year in the Polymer Industry
Meritorious Service Award in the Polymer Industry	

## Membership of Social Organization

Social Organization Joined by Ms. Wu Xian	Title
Women Entrepreneurs Chamber of Commerce of All-China Federation of Industry and Commerce	Executive President
China Synthetic Resin Association	Vice President
China Synthetic Resin Association Special Engineering Plastics Sub-Association	President
Guangdong-Hong Kong-Macao Greater Bay Area Strategic Emerging Industries Development Promotion Association	President
Shenzhen Strategic Emerging Industries Development Promotion Association	President
Guangdong Federation of Industry & Commerce	Member of the Standing Committee
Shenzhen Federation of Industry & Commerce	Vice Chairwoman
CPPCC Shenzhen Committee	Committee Member
The Committee on Proposals of CPPCC Shenzhen Committee	Deputy Director
Shenzhen Industry Leader Corporate Development Promotion Association	President
Shenzhen Polymer Industry Association	Lifetime Honorary President, Chief Advisor
Shenzhen Women Entrepreneurs Association	Honorary President
ShenZhen Non-Governmental Organisation Federation	Executive Vice President
Alliance of Shenshang Advanced Material Industry	Executive Chairwoman
Shenzhen Women and Children's Development Foundation	Chairwoman
WOTE Charity Foundation	Director of the Management Committee
Women Innovation Entrepreneurship Foundation	Chairwoman of the Management Committee
Shenzhen Advisory and Supervisory Committee on Business Environment Optimization	Committee Member

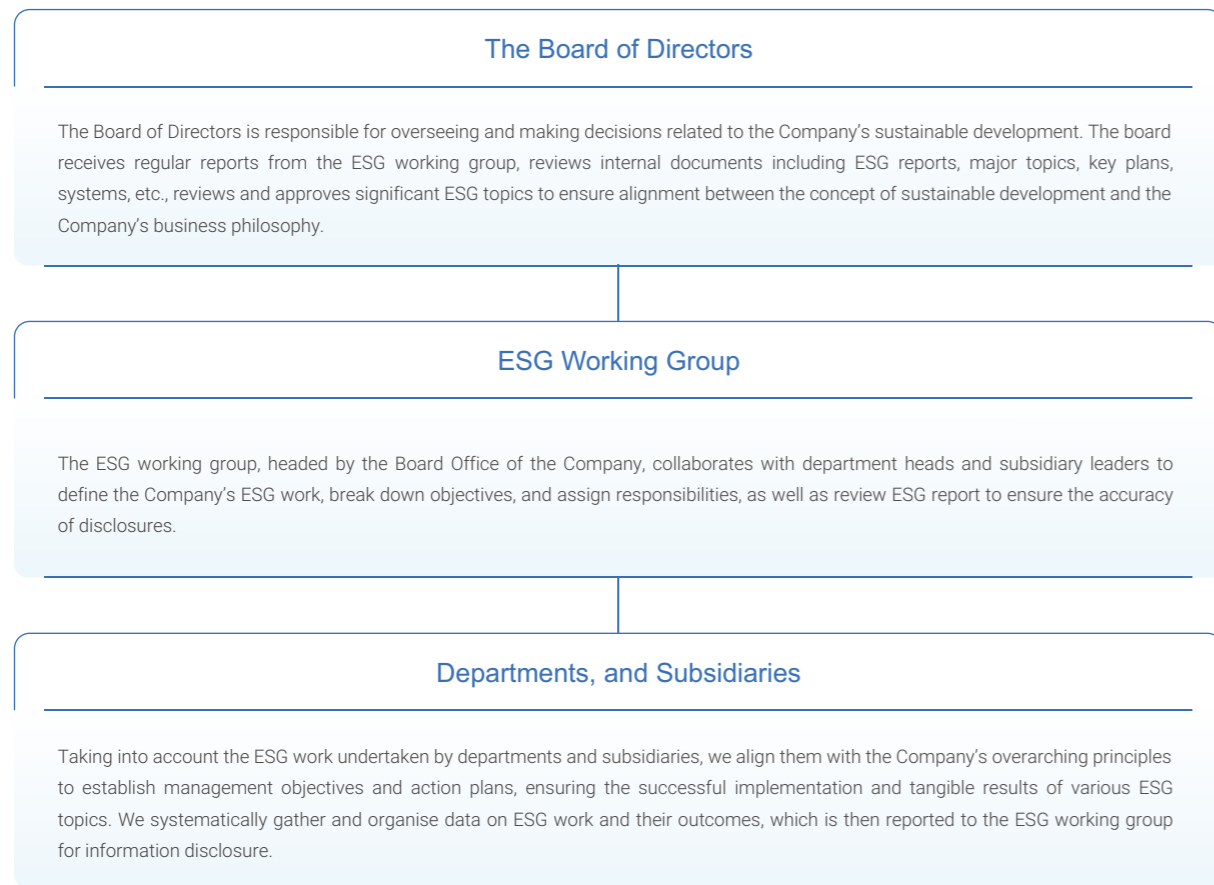


# Sustainable Development Management

WOTE integrates the concept of sustainable development into its corporate strategy, aiming to "shape better life". We have established a robust governance framework that is centered on a "four-in-one" management strategy. We maintain continuous engagement with stakeholders and conduct thorough analysis of material topics to elevate our sustainable development efforts. By collaborating with our stakeholders, we are committed to creating a better life.

## Governance Structure for Sustainable Development

To effectively implement the ESG work, we have established a sustainable development governance structure, consisting of the Board of Directors, an ESG working group, various departments, and subsidiaries, to ensure the systematic advancement of ESG initiatives, including information disclosure and communication.



# Sustainable Development Management Strategy

Our sustainable development philosophy is centered on the commitment to "shaping better life". We embrace ESG practices that revolve on four key areas: boosting industrial development, protecting lucid waters and lush mountains, fostering community well-being, and generating long-term value. Each year, we conduct in-depth research on both internal and external environmental shifts, dynamically updating the specific topics pertaining to these four domains. This approach ensures effective management of diverse ESG risks and opportunities, propelling us towards sustainable development.

**Boosting Industry Development**

With the goal of becoming a leading "specialised polymer materials platform" in the industry, we constantly advance in key core technologies, and actively undertake major scientific and technological projects to contribute to the high-quality development of the industry.

**Protecting Lucid Waters and Lush Mountains**

We implement the national green development strategy, promote green and low-carbon transformation, popularise green products and services, save energy and reduce emissions, to protect the lucid waters and lush mountains with practical actions.

**Building A Happy Home Together**

We value employees' basic demands, respect and protect their fundamental rights, build a career platform with broad prospects, provide ample warmth and care, striving to become a happy home for employees.

**Creating Long-Term Value**

We continuously improve the level of corporate governance, comply with various laws and regulations and business ethics standards, establish long-term relationships of mutual trust and mutual benefit with all stakeholders, to create lasting value.

# Stakeholder Engagement

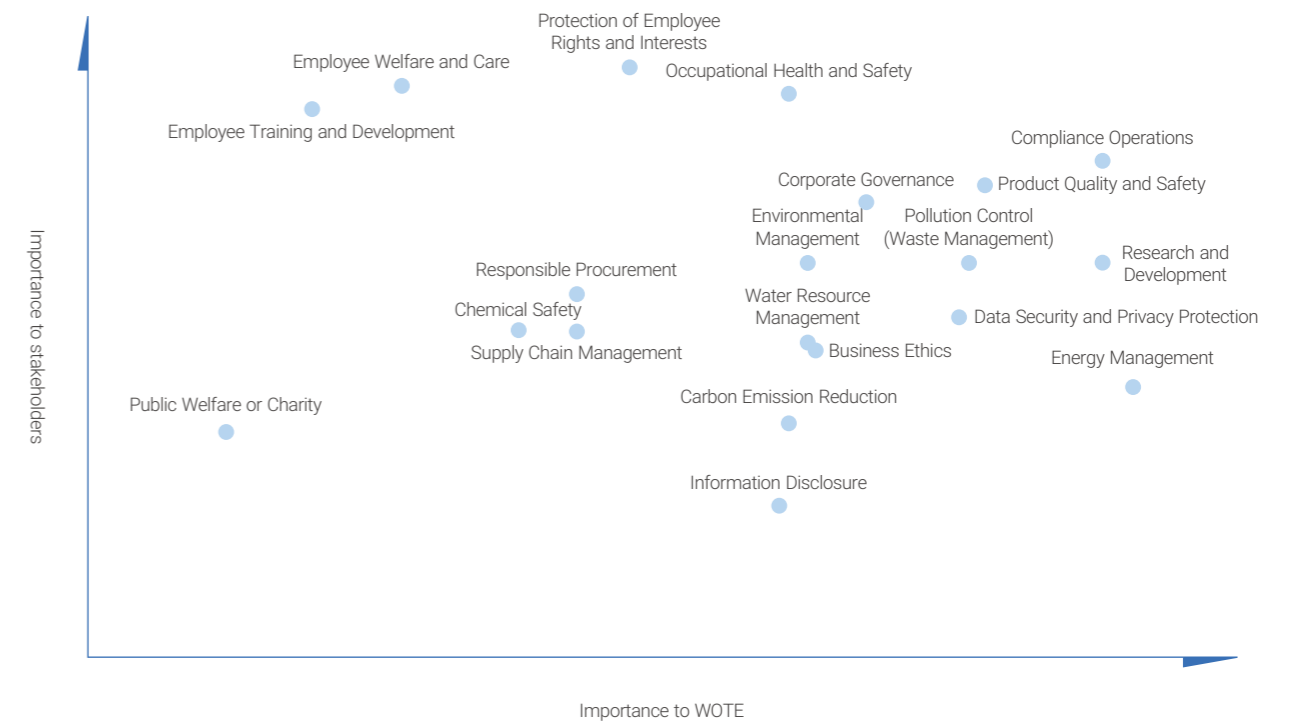
We actively engage and collaborate with our stakeholders, maintaining diverse communication channels and methods. We are committed to understanding and promptly addressing their concerns and expectations. This engagement provides us with a crucial reference in identifying sustainable development opportunities, enhancing our sustainability capabilities, and improving the quality of our information disclosure.

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

# Material Topics Analysis

We integrate ESG principles into our development strategy and business operations. Through rigorous research on domestic and international macro-environmental trends and policies, benchmarking against leading ESG disclosure frameworks, standards, and evaluation systems, and drawing insights from best practices, we have identified 20 key topics. We conducted questionnaires targeting eight diverse categories of internal and external stakeholders, zeroing in on these 20 topics. Based on these findings, we identified 11 highly important topics, 8 moderately important topics and 1 topic of general importance, thus shaping a matrix for material topics.

Creation of Material Topics Database	Survey	Analysis of Survey Results
<ul style="list-style-type: none"> <li>Domestic and international macro-environmental trends and policy developments</li> <li>Mainstream ESG disclosure frameworks, standards, and evaluation systems</li> <li>Best practices in ESG implementation by peer companies in the industry</li> <li>Stakeholder demands and expectations</li> <li>Company strategy</li> </ul>	<ul style="list-style-type: none"> <li>Conduct surveys targeting shareholders and investors, management, employees, government and regulatory authorities, customers, suppliers, community, public, and media</li> </ul>	<ul style="list-style-type: none"> <li>11 highly important topics</li> <li>8 moderately important topics</li> <li>1 generally important topic</li> </ul>





# WOTE leads innovation, boosting industry development



Committed to our core value of “being unique for you”, WOTE considers it our duty to address customers’ challenges and pain points while delivering valuable products to the industry chain. With a focus on our core business, WOTE consistently invests in R&D to foster innovation, enhances product quality, and optimizes customer service. Additionally, WOTE actively contributes to the industry’s growth, particularly in advancing the high-quality development of strategic emerging industries, represented by new materials.

## Deepening Industrial Advantages

WOTE is steadfastly dedicated to high-quality development and has implemented a platform strategy for special polymer materials. The platform is constantly being enhanced, with an ever-growing proportion of special polymer materials, meeting the diverse needs of customers. Through these endeavors, we consistently provide material solutions that contribute to "shaping better life".

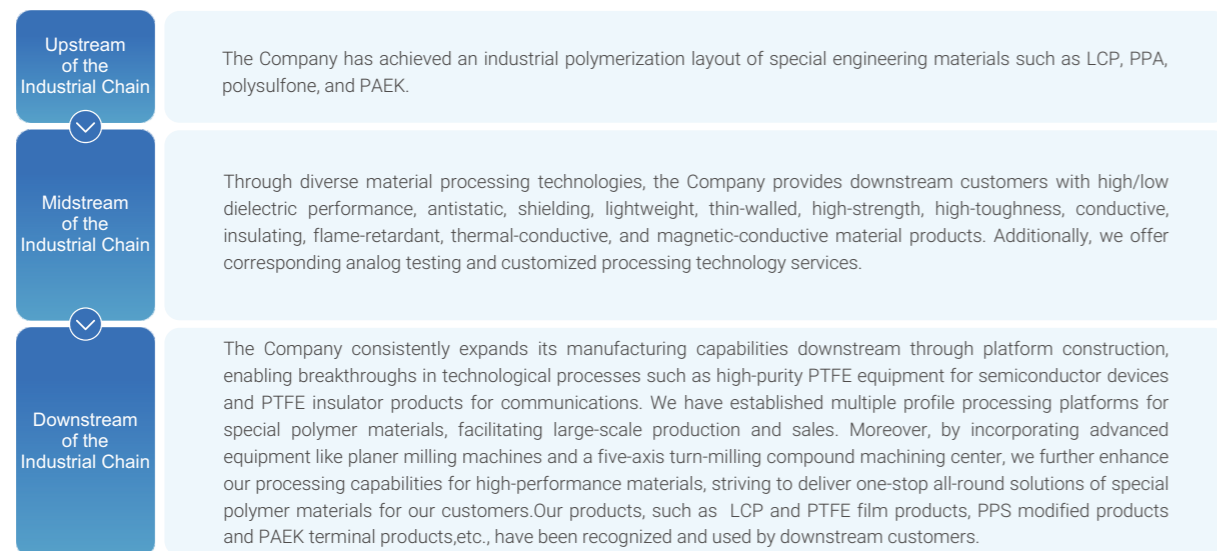
### Providing First-Class Material Solutions



WOTE consistently focuses on high value-added material products and the expansion of our industrial chain layout. We gradually enhance and broaden our platform to cover the entire industrial chain, encompassing the polymerization and modification of polymer materials, as well as the production of finished goods. By strengthening our capabilities in building the platform for special polymer materials, we aspire to become a world-class provider of material solutions.

During the reporting period, WOTE has completed the construction and installation of factory buildings, supporting facilities, and the initial production line for our 20,000-ton LCP resin material project. This will effectively fulfill the diverse high-end demands of our customers, and provide critical raw material support and material solution design for various industries, including high-frequency and high-speed communications, consumer electronics, automotive electronics, electrical automation, and drones. Meanwhile, we have been vigorously pursuing the second phase of our 5,000 tons/year high-performance polyphthalamide (PPA) resin and composite materials project. Upon completion, the capacity is expected to significantly meet our customer demands. Furthermore, by leveraging domestic fluorine material resources and integrating them with our existing businesses, WOTE ensures a reliable and independent supply chain of high-end fluorine materials for our clients. The 45,000-ton special polymer materials construction project is also progressing actively. Once completed, it will seamlessly align with our current high-performance functional polymer material system, enabling the strategic deployment of our specialty polymer material industry platform.

#### Platform Layout for the Entire Industrial Chain



### Key Performance

- LCP products have obtained the **UL** (Underwriters Laboratories) **certification**.
- LCP (KB40HF3) has obtained the **CQC** (China Quality Certification Centre) **certification**.
- The company is **the first enterprise** in mainland China to obtain EIS certification for LCP materials.
- Selected products are certified by **ISO 10993**, **NSF** (National Sanitation Foundation, USA), **KTW** (German Drinking Water Industry), **WRAS** (Water Regulations Approval Scheme, UK), and **ACS** (French Ministry of Health Drinking Water Contact).

### Helping Build a Low-carbon Society



The Company actively contributes to the clean transition by continuously advancing R&D, production, and application of products and solutions in areas such as lightweight and environmentally friendly structural components for automotive bodies, new energy vehicles, photovoltaics, and energy storage, contributing to the green and low-carbon development of society.

#### Lightweight and Environmentally Friendly Structural Components for Automotive Bodies

The Company has achieved mass production and supply of a variety of front grille, exterior pillar, and lower bumper trim materials in high-gloss black metallic colors that do not require paint coating.

#### New Energy Vehicles

The Company actively explores the application of PPS in insulation components for electric motors, power modules, speed sensors, electromagnetic coils, insulating sleeves, change gears, and brush handles, thus, establishing deep cooperative relationships with well-known automotive component manufacturers and capacitor manufacturers in the industry. Additionally, the Company has independently developed PPA materials with multiple specifications, which have been applied in power and electronic control systems for new energy vehicles. The Company's PPA materials have undergone testing and certification by multiple customers in the fields of thermal management and batteries, electric motors, and electronic control systems for new energy vehicles.

#### Photovoltaic Field

The Company has developed specialized polyphenyl ether materials for the photovoltaic industry which aligns with the requirements of connector development. These materials have been effectively integrated into the supply chain of component manufacturers, enabling mass production. As a result, the Company has successfully addressed the crucial need of photovoltaic industry customers for independent and controllable supply chains of key materials.

#### Energy Storage Field

The Company has developed a full range of material solutions for portable and safe mobile energy storage power sources, which have gained recognition from leading customers in the industry.

## Contributing to Better Life of Human Beings



The Company is dedicated to fulfilling the material requirements of products that contribute to a better life. With a proactive approach to R&D and innovation, we have successfully developed material solutions tailored for applications in areas such as drones, sports equipment, medical consumables, and robotics, enabling human beings to enjoy a better life.



Drones

The Company has established ourselves as a premier supplier to leading drone manufacturers. Additionally, we are continuously enhancing our technological expertise in drone materials. Our focus lies in providing safe and reliable polymer and carbon fiber composite material solutions for the consuming machine, equipment for plant protection, drones for express and food delivery industry. These solutions encompass various components, including fuselage, tripod head and flight propulsion systems.



Sports Equipment

The Company has introduced a series of carbon fiber and glass fiber reinforced engineering plastics, successfully applied to outdoor skiing and water-based electric surfing equipment.



Medical Consumables

The Company's medical consumables have obtained certifications from the U.S. Food and Drug Administration (FDA) and the US Pharmacopeia 6(USP6), achieving mass adoption by key customers.



Smart Devices

The Company has achieved designated certification as a primary supplier of smartwatches for a leading domestic communication customer in the field of smart wearables. Additionally, our materials have been used in automotive electrical components, and have been recognized and adopted by leading new energy vehicle manufacturers. Furthermore, our developed special dielectric materials have been successfully used in high-precision positioning antennas for smart vehicles, and this solution has been being promoted for use in multiple new energy vehicle models.



Robots

The Company provides material solutions including PAEK, LCP, PPS, PPA, and modified engineering plastics for components used in motor control, connectors, and body structural parts of robots. These materials are tailored to meet the requirements of lightweight, precision integration, and high-speed signal transmission in robotics. Among them, We have planned an annual production capacity of 1,000 tons for PAEK material.

## Continuous Technological Innovation

The Company places customer satisfaction as its fundamental priority, establishing an adaptive, efficient, and sustainable innovation R&D system to meet market demands. We strengthen our investment in innovation and the development of innovative talents, integrate internal and external R&D resources, and continuously enhance our independent innovation capabilities driven by customer demands, striving to build a leading special polymer materials platform in the industry.

### Improving R&D System



The Company has developed several regulations for technological innovation, including the *R&D Organization Management System, Implementation and Reward System for the Transformation of Scientific and Technological Achievements, and Regulations on Compensation Management of Technical and Management Positions in the R&D Center*. These regulations ensure a systematic and orderly approach to managing the generation of innovative ideas, the implementation of innovation activities, the fulfillment of innovative achievements, the innovative patent protection, and the incentives for innovation, serving as a solid institutional guarantee for innovation and R&D activities.

The Company has established a clear and well-defined R&D organizational structure. We have set up an R&D center responsible for developing and updating relevant regulations for technology innovation and protection, as well as promoting the normalization of technological process improvements. The R&D Center adopts a flat management approach and encourages employees to actively share ideas and make bold attempts in their daily work, which maximizes their autonomy and creativity, continuously improves the project implementation and conversion rate, and effectively supports the enhancement of product quality and the expansion of the product portfolio. Additionally, the Company has established product divisions to collaborate with the R&D Department in product development and marketing, thereby consolidating the Company's product advantages.



## R&D Team Building



The Company places great importance on building a strong R&D team and continuously optimizes the structure of its R&D personnel. We emphasize the recruitment and motivation of high-caliber talents with expertise in cutting-edge fields. Our goal is to create a well-structured team with diverse professional backgrounds that is not only willing to push boundaries but also courageous in innovation.

### Overview of the R&D Team

#### R&D Personnel Ratio

- As of the end of this report, the total number of R&D personnel in the Company was **234** person
- The proportion of R&D personnel in the total number of employees was **18.28%**

#### Education Background of R&D Personnel

- The Company has actively recruited highly educated talents, including people with doctoral and master's degrees, in order to strengthen its talent advantage.
- Among the R&D personnel, the percentage of people with a master's degree or above was **12.39%**

#### Disciplines of R&D Personnel

The Company has built a diverse and well-rounded talent team, covering disciplines such as polymer materials, chemical engineering, industrial design, materials science, analytical chemistry, and inorganic chemistry. Additionally, we have actively recruited professionals specializing in nanomaterials to capitalize on the development opportunities of nanomaterial applications in the field of polymer materials.

#### National-level Expert Talents

The Company has actively collaborated with renowned academicians, experts, and scholars in the field of materials, thereby continuously energizing our innovation and R&D activities.



## Ongoing R&D Investment



The Company maintains a continuous and substantial investment in R&D activities, both in terms of hardware and software resources, including financial support, equipment upgrades, establishment of innovative platforms, optimization of the R&D team structure, and professional skill training. These investments provide comprehensive and multidimensional support for technology R&D and product innovation.

### Capital Investment

- The Company continues to strengthen its investment in R&D to ensure sufficient financial support for innovation.

- In 2023, the Company's R&D expenses amounted to RMB **98.4515** million
- The proportion of R&D expenses in the operation income was **6.41%**
- Representing a year-on-year increase of **30.31%**

#### Equipment Investment

To ensure efficient R&D processes and high-quality testing, the Company consistently introduces advanced equipment. As of the end of 2023, we have acquired internationally leading experimental, analytical, and R&D equipment, including SEM, xenon aging chambers, vector network analyzers, and capillary rheometers. These state-of-the-art devices serve as the foundation for establishing a comprehensive R&D testing system for polymer materials analysis, testing, and environmental simulation.

#### R&D Platform

The Company has established a nationally accredited CNAS testing laboratory, the High-Frequency Communication Materials Laboratory, and the Guangdong Provincial Engineering Technology Research Centre. Equipped with high-frequency dielectric performance testing equipment, the High-Frequency Communication Materials Laboratory enables us to understand the dielectric characteristics and changing trends of different materials at high frequencies, to drive the application of our products in the 5G industry.

## Promoting R&D Collaborations



Relying on the Guangdong Provincial Academician Expert Enterprise Workstation and the Jiangsu Foreign Expert Studio, the Company has gathered a group of academicians, experts, and scholars in the field of materials. We actively engage in exchanges with external laboratories and educational institutions, conducting in-depth collaborations with testing institutions and universities, facilitating the exchange of cutting-edge technologies and the implementation of R&D outcomes. Additionally, we have established the Synthetic Biochemical Application Joint Innovation Center in partnership with the Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences. The Joint Innovation Center primarily focuses on the fields of bio-based polymers and animal and plant nutrition. It fosters collaboration across multiple dimensions, including cutting-edge technology research, new product development, establishment of technological platforms, and talent cultivation.

## Rich R&D Achievements



The Company has made remarkable achievements in product innovation, the product portfolio is increasingly perfect, has many invention patents, and realizes the patent coverage of the whole process, and its innovation ability has been highly recognized.

### Increasingly Improved Product Portfolio

Since our establishment, we has prioritized product innovation as a crucial strategic focus. Our product line now covers the entire industrial chain, spanning polymerization, modification, products, and finished goods, and we are steadily advancing towards our ambition of becoming a "specialized high-performance polymer materials platform".

### More R&D Achievements

As of the end of 2023, the Company holds more than 400 patents. These patents cover sales and utilization regions including mainland China, Taiwan, the US, EU, Japan, South Korea, and Vietnam, providing full process patent coverage of "polymerization-modification-finished products".

### Highly Recognized Innovation Capability

During the reporting period, Jiangsu WOTE, WOTE Special Material, Conceptfe, and WOTE Zhicheng received the *High-tech Enterprise Certificate*, issued by the local Departments of Science and Technology, Finance, and Tax Service. This certificate serves as a testament of our technological innovation strength. Furthermore, WOTE Special Material has been proudly recognized as a national-level specialized and new "little giant" enterprise.



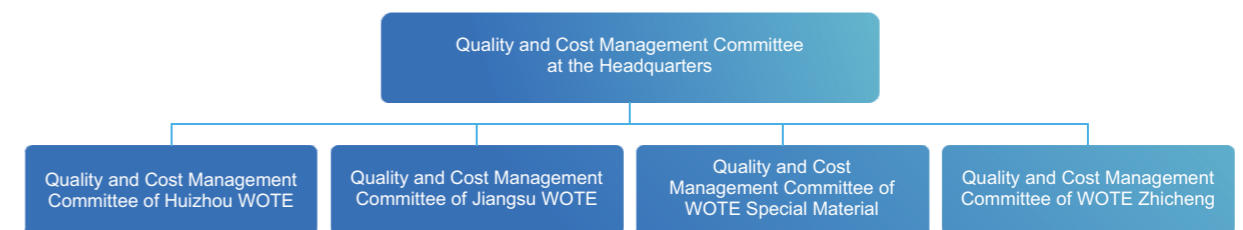
## Ensuring Product Quality

The Company has established the Quality and Cost Committee, with a view to developing comprehensive quality management principles and policies that guide our subsidiaries in ensuring top-notch quality control. We actively pursue certifications for our quality management systems, establish robust mechanisms for maintaining high standards, and strengthen supplier management to guarantee the quality and stability of raw materials. The Company strives to uphold stringent standards and rigorous management as the core principles, ensuring our top product quality.

## Strengthen Organizational Assurance



To enhance quality management, we have established the Quality and Cost Committee, which consists of the Quality and Cost Management Committees at both the headquarters level and the subsidiaries level. Additionally, we have developed the Measures for the *Management of Quality and Cost Management Committee*, which outlines the Company's quality management philosophy, the responsibilities of the quality management committee, and the mechanisms for quality management. This ensures comprehensive quality management oversight within the Company and promotes synergy in quality management among subsidiaries.



- Responsibilities of the Quality and Cost Management Committee at the Headquarters**
- Planning, organizing, and coordinating overall quality management work within the Company;
  - Developing the Company's quality policy and objectives and implementing comprehensive quality management work;
  - Coordinating training resources within the Company and organizing systematic training in quality management;
  - Facilitating the exchange of experience and methods in quality and cost management among subsidiaries, as well as sharing typical cases of quality and cost improvement;
  - Organizing the resolution of systemic quality issues across the Company and promoting improvement initiatives;
  - Providing recommendations about quality and cost management work for subsidiaries of the Company.

- Responsibilities of the Quality and Cost Management Committee of Subsidiaries**
- Ensuring compliance with quality and cost management requirements set by WOTE, and clarifying quality policies and objectives of subsidiaries;
  - Striving for continued improvement on an annual basis, actively promoting the development, dissemination, and learning of quality culture;
  - Establishing and maintaining a sound quality management system and quality control methods to ensure the sustained competitiveness of products;
  - Organizing continuous learning and development for team members, conducting internal training and dissemination of quality and cost management requirements, establishing a professional quality management team, and ensuring that all employees have cost awareness while key positions have clear quality cost control methods;
  - Conducting periodic summaries and reports on the Company's quality management and improvement work, exchanging and sharing experience and issues about quality management.

## Strengthening Quality Control



The Company adheres to legal and regulatory requirements and has established a rigorous product quality management system, including *Product Surveillance Measurement and Control Procedure*, *Identification and Traceability Control Procedure*, *Nonconforming Product Control Procedure*, and *Testing Process Management Procedure* to ensure that quality control activities are well-defined and structured. Relying on the quality management system certifications and full process quality control, the Company has established a stringent quality management system that effectively safeguards the products' quality.

### Quality Culture Construction

The Company sets annual quality objectives and strives to continually elevate standards. We hold quality meetings on a monthly basis, implement QCC projects, and maintain a consistent focus on quality management training and assessment, thereby strengthening overall quality coordination, enhancing the management skills of relevant personnel, and fostering a sense of responsibility towards quality. Moreover, we firmly adhere to the quality philosophy of "getting things right on the first attempt" and employ various strategies to reinforce its integration and mitigate quality risks. These strategies include consciousness cultivation, integration into our systems, intensified training, as well as regular summaries and improvements.

Consciousness Cultivation	<ul style="list-style-type: none"> <li>The concept of "getting things right on the first attempt" is delivered through morning meetings, monthly meetings, or displayed through on-site signage to foster an environment that embodies such principle. It is incorporated into the performance evaluation system to reinforce its importance.</li> </ul>
Integration into the System	<ul style="list-style-type: none"> <li>For work processes prone to errors, detailed standards or self-inspection requirements are established. Procedures and documents are revised to enhance system control and reduce error rates.</li> </ul>
Enhanced Training	<ul style="list-style-type: none"> <li>Training sessions are conducted to promote the concept of "getting things right on the first attempt" by providing examples tailored to different job positions.</li> </ul>
Summary and Improvement	<ul style="list-style-type: none"> <li>During monthly quality review meetings, reflections are made on instances where the principle was not adhered to. Corrective actions are taken, and the lessons learned are documented to ensure continuous improvement.</li> </ul>

### Quality System Certification



IATF 16949 Automotive Quality Management System Certification



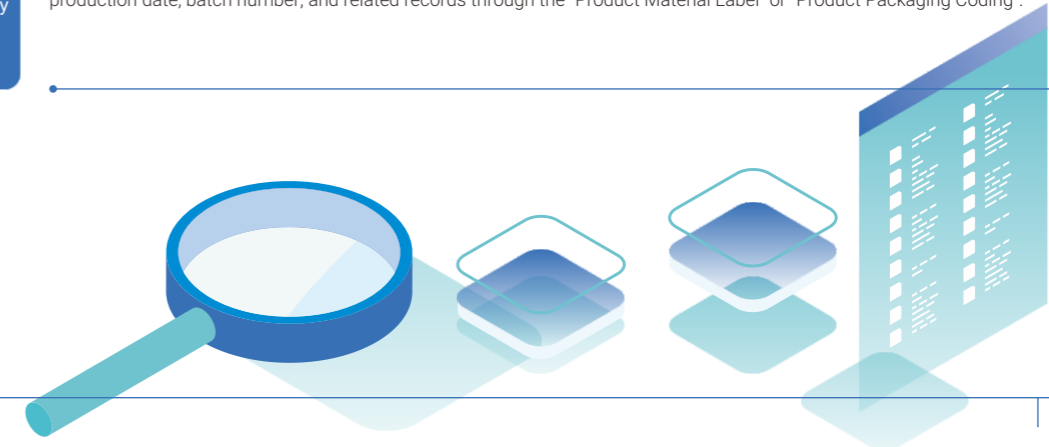
ISO 9001 Quality Management System Certification

Comprehensive system certifications allows us to provide customers with all-round quality assurance and service by providing a complete range of material analysis data and reliability assessments. The company adheres to high standards, having obtained ISO 9001 Quality Management System Certification and IATF 16949 Automotive Quality Management System Certification. Additionally, the Company is among the first in the country to implement EU RoHS and Reach quality standards, aimed at eliminating heavy metals and toxic organic substances from materials at the source, thus mitigating risks to human health and the environment and enhancing product quality assurance.

### Quality Control throughout the Process

The Company has established a rigorous product quality management process to ensure quality control throughout the entire production process. This is achieved through measures such as raw material control, standardized production, quality inspections, and product traceability.

Raw Material Control	<p>The Logistics Department inspects the packaging, product names, specifications, and quantities of purchased materials. The Quality Department conducts sampling inspections on the incoming materials for appearance, physical properties, and harmful substances. Non-conforming materials are identified and placed in the non-conforming materials area. Suppliers are contacted for return and corrective actions.</p>
Standardized Production	<p>Before the production of new products, the R&amp;D Department develops a <i>Product Formulation Sheet</i>, and the Process Department develops the <i>Extrusion Process Parameter Standards</i> based on the provided formulation and production conditions, in accordance with the <i>Process Department Work Specifications</i>. Training is provided to production personnel for compliance with the established standards.</p>
Quality Inspections	<p><b>First Article Inspection:</b> The Quality Department performs first article inspections during the production process, which include checks on appearance, color, physical properties, and harmful substances. Production can only proceed after the first article inspection is confirmed to be qualified.</p> <p><b>Finished Product Inspection:</b> The Quality Control Department conducts sampling inspections on finished products for appearance, physical properties, harmful substances, and package labels. The Color Department performs random inspections to monitor product color consistency, and the Process Department supervises critical and special processes.</p> <p><b>Shipment Inspection:</b> During the product shipment phase, inspections are conducted on PQC inspection labels, appearance, physical properties, harmful substances, package labels and marks, material tilt, pallets, and packaging integrity.</p> <p><b>Non-conforming Product Handling:</b> Non-conforming products identified through quality inspections are categorized based on appearance, color, physical and chemical properties, as well as type test results. They are then subjected to scrapping, or downgrading, based on the test results.</p>
Product Traceability	<p>Effective identification is applied to raw materials, semi-finished products, and finished products to meet traceability requirements. After customer order review approval, a product batch number is assigned during production planning, and this batch number is recorded throughout the entire production process. The final product can be traced back to its production date, batch number, and related records through the "Product Material Label" or "Product Packaging Coding".</p>



## Supplier Management



The Company has set the goal of "reducing procurement costs, improving product quality from the source, and driving continued improvement of suppliers". In line with the *Supplier Management and Control Procedure*, the Company implements standardized management for supplier development, evaluation, auditing, communication, and discontinuation, aiming to collaborate with suppliers for sustainable development.

### Full Lifecycle Management of Suppliers

#### Development

To identify suitable suppliers, the Company considers factors such as quality history, delivery performance, financial stability, complexity of procurement products, availability of resources, manufacturing capabilities, logistics processes, and customer service.

For newly developed suppliers, on-site assessments and management system evaluations are conducted. The management system evaluation includes certifications for ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, IATF 16949 Automotive Quality Management System, and QC 080000 Hazardous Substance Process Management System. The suppliers are also required to provide HSF reports for raw materials (RoHS, Reach, etc.).

Before formal acceptance, suppliers are required to sign *Quality Agreements*, *Environmental Agreements*, and *Quality Commitment Letters*, and for the electronics industry, raw material suppliers need to sign the *EICC Commitment Letter*. These agreements ensure that suppliers' behaviors align with the Company's quality and environmental requirements. Additionally, new quality and environmental requirements are periodically added based on customer demands.

#### Evaluation

Supplier evaluations are conducted semi-annually and annually, considering aspects such as quality, cost, delivery accuracy, payment term, and service compatibility. Suppliers with poor evaluation results may face reduced or suspended procurement policies, the purpose is to encourage continuous optimization and improvement of suppliers. Furthermore, 10 to 20 Class B suppliers are randomly selected each year for on-site audits according to the *Supplier On-Site Audit Checklist*. Suppliers scoring below 70 points are included in the *Annual Supplier Optimization List*, which strengthens control measures and requires inspection and management through labeling.

#### Communication

We maintain good communication with suppliers. For strategic suppliers, a supplier perception model is established, and the *WOTE Supplier Satisfaction Survey Questionnaire* is filled to optimize the cooperation between both parties.

#### Exit

In cases where suppliers cannot provide ISO 9001 certification, experience significant batch quality issues, or receive low evaluation or audit scores, they are included in the *Annual Supplier Optimization List*. If corrective actions are not taken within the specified timeframe, their supply qualifications will be canceled, and they will be in the exit process.

### Key Performance

- China's domestic suppliers accounted for **93.75%**
- While foreign suppliers accounted for **6.25%**
- Approximately **100%** of suppliers went through the Company's evaluation system review annually.


### Supplier Audit Content

- Quality Management System**: Audit the completeness of the supplier's quality management system, including whether they have obtained ISO 9001 and ISO 14001 certifications, whether they have established quality objectives, plans, and actual progress, whether they have established comprehensive environmental and RoHS operation instructions, and whether they implement internal quality management system and environmental audits, etc.
- Quality Management Process**: Audit the completeness of the supplier's quality management throughout the entire process, including the establishment and implementation of quality control systems for incoming inspection, instrument calibration, production control, shipment testing, etc.
- R&D Management**: Audit the standardization of supplier R&D work, including the establishment and implementation of design management systems and PCN management processes, as well as the establishment of specifications and standards for the import/transfer of new products.
- Customer Service**: Audit the establishment and implementation of the supplier's customer satisfaction survey and customer complaint handling system, including the system design and implementation of customer satisfaction surveys and improvements, customer complaint handling processes and response procedures.
- Employee Training**: Audit the supplier's employee training and assessment, including employees' annual technical knowledge, environmental knowledge training plans and implementation, as well as the establishment and implementation of the assessment system.
- Responsible Procurement**: Audit the establishment and implementation of a responsible procurement system of suppliers, including the development and implementation of access procedures for new suppliers, development, update and implementation of supplier review rules, environmental certification of raw materials, and inclusion of environmental audits in the supplier audit rules and their implementation.


## Providing High-quality Service

The Company operates with integrity and adheres to a customer service philosophy centered around "commitment, mission fulfillment, customer interest protection, high-quality deliverables, and unwavering dedication to promises". Prioritizing customer needs resolution and issue handling, we have established a sound customer service management system, and consistently seek opportunities to improve product and service quality.


### Customer Service Measures

  
 Direct Sales Model

- The Company primarily adopts a direct sales model, offering customers materials, design, processes, and post-usage services. Through comprehensive and end-to-end tracking services, we aim to closely align with customer needs and provide satisfactory products and services.

  
 Handling Customer Complaints

- Upon receiving customer complaints, our sales or technical personnel actively inquire about the specific details, while the Quality Control Department coordinates with other departments to analyze the root causes of the complaints.
- The Quality Control Department conducts inquiries into production and testing records to determine if the reported issues exist in-stock items, and if necessary, conducts retesting of the inventory.
- If the complaints are attributable to our company, our technical service personnel will communicate with the customer to assess whether on-site assistance is required. If necessary, the Quality Control Department and R&D Department may visit the customer's site together.
- Temporary measures are established within 24 hours of receiving a complaint, and a Quality Improvement Report addressing the abnormality is provided within 5 working days.

  
 Product Returns and Recalls

- Product Returns:** When a customer requests a return, our marketing or technical service personnel will confirm the reasons, quantity, and condition of the returned items. The returned items are segregated and subsequent handling procedures are determined based on their quality.
- Product Recalls:** For products that have been sold and are found to have quality issues either through customer complaints or internal inspections, the Quality Control Department organizes a review of non-conforming products. In parallel with the product recall process, the department provides customers with qualified products. Furthermore, the Quality Control Department will follow up on improvement measures taken by the responsible departments based on the *Corrective and Preventive Action Plan* to address the identified issues.

### Key Performance

The customer complaint resolution rate was	2021	2022	2023
	97.25%	98.23%	98.50%

## Promoting Industry Development

The Company actively engages in high-quality development in the industry and actively participates in formulating industry standards, contributing to the standardized development of the industry. Ms. Wu Xian, Chairwoman of the Company, holds positions in several social organizations such as China Synthetic Resin Association, China Synthetic Resin Association Special Engineering Plastics Sub-Association, the Committee on Proposals of CPPCC Shenzhen Committee, the Shenzhen Polymer Industry Association, and the Guangdong-Hong Kong-Macao Greater Bay Area Strategic Emerging Industry Development and Promotion Association. She provides valuable advice and suggestions for the development of Shenzhen city and strategic emerging industries. Ms. Wu Xian, as the leading initiator, established the Shenzhen Strategic Emerging Industry Development and Promotion Association, which effectively facilitates the formation of industry clusters and promotes coordinated development among various industries.

### Promoting the Development of the Polymer Materials Industry



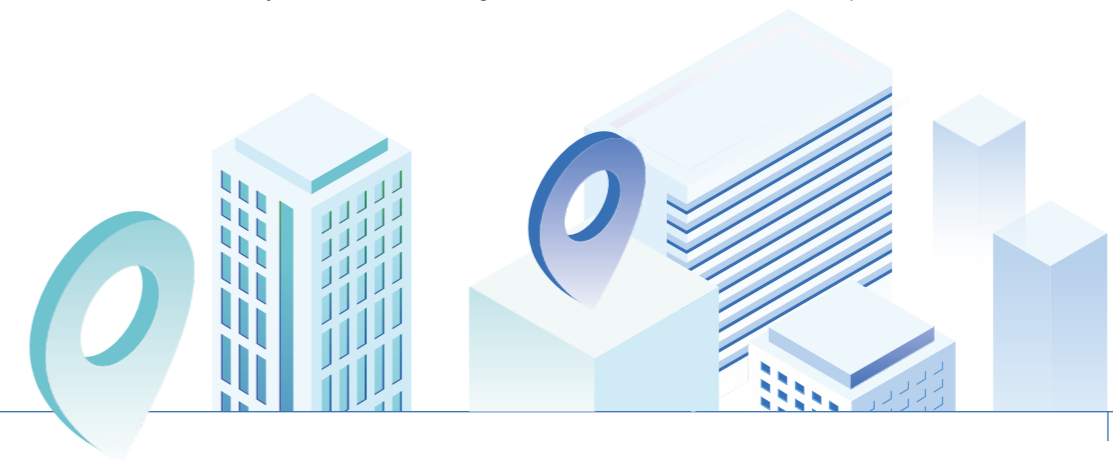
Ms. Wu Xian, Chairwoman of the Company, concurrently serves as the Vice President of China Synthetic Resin Association, President of China Synthetic Resin Association Special Engineering Plastics Sub-Association, Honorary Chairwoman and Chief Advisor of the Shenzhen Polymer Industry Association, Executive Chairwoman of the Alliance of Shenzhen Advanced Material, and President of the Guangdong-Hong Kong-Macao Greater Bay Area Strategic Emerging Industry Development and Promotion Association. She has contributed to the high-quality development of China's special polymer materials industry and strategic emerging industries.

The Company actively engages in the drafting and development of industry standards, particularly in the development of standards for specialty polymers, including LCP, PPA, and PEEK. Additionally, we have contributed to the creation of the national industry standard for *Technical Specification for the Classification of Recycled and Reworked Acrylonitrile-Butadiene-Styrene Copolymer (ABS)*, which aims to enhance the standardization level within the industry.

### Driving Synergistic Development of the Upstream and Downstream Industry Chain



Collaborative development of the industrial chain holds significant importance in improving industrial efficiency, promoting industrial upgrading, driving regional economic development, and enhancing the sustainability of industries. As a Vice-President Unit of the China Synthetic Resin Association and President Unit of the China Synthetic Resin Association Special Engineering Plastics Sub-Association, the Guangdong-Hong Kong-Macao Greater Bay Area Strategic Emerging Industries Development Promotion Association (referred to as "GBASEIDPA"), and the Shenzhen Strategic Emerging Industries Development Promotion Association (referred to as "SSEIDPA"), WOTE actively leverages its position as an industry leader to drive the collaborative development of upstream and downstream industrial chains through industry leadership, promotion of industrial collaboration, joint technology R&D and innovation, and providing suggestions for the government, as well as help the industry achieve more efficient, higher added value and more sustainable development.





**Building new business formats for the development of the Greater Bay Area to facilitate the high-quality development of strategic emerging industries in the Greater Bay Area**

GBASEIDPA is initiated by influential enterprises and individuals engaged in the "9+2" (9 cities in Guangdong Province plus 2 special administrative regions) urban strategic emerging industries in the Guangdong-Hong Kong-Macao Greater Bay Area, under the supervision of the Guangdong Federation of Industry & Commerce. With over 200 members encompassing enterprises, research institutions, investment organizations, and service providers, GBASEIDPA serves as a key platform for promoting the high-quality development of strategic emerging industries in the Greater Bay Area. By benchmarking against world-class bay areas and focusing on the Greater Bay Area, GBASEIDPA actively drives the high-quality development of China's strategic emerging industries.

In 2023, the Chairwoman of WOTE, Ms. Wu Xian, was elected as the President of the Greater Bay Area Innovation Association, and the Company took on the responsibilities of the Presidential unit of the GBASEIDPA. Looking ahead, we are committed to fulfilling our responsibilities as the President Unit and supporting GBASEIDPA in providing chain services to promote the collaborative development of the "9+2" city clusters in the Greater Bay Area. We strive to deliver top-notch services to the strategic emerging industries in the Greater Bay Area and work together with all members to foster new development formats, contributing more to the high-quality development of strategic emerging industries in the Guangdong-Hong Kong-Macao Greater Bay Area and Chinese path to modernization.

**Building a national-level ecosystem platform that fosters collaborative innovation and development of strategic emerging industries**

Ms. Wu Xian, the Chairwoman of WOTE, spearheads the establishment of SSEIDPA, with WOTE assuming the role of President Unit. SSEIDPA is firmly grounded in Shenzhen and has its sights set on the thriving Greater Bay Area, all while aligning its efforts with the national strategy. SSEIDPA functions as a pivotal industry platform, with service empowerment and capital empowerment as its dual foundations. It is driven by a mission to propel the development of China's strategic emerging industries, while placing a primary focus on promoting the integration of industry and urban development and empowering industry development. With unwavering dedication, SSEIDPA strives to build a national-level ecosystem platform that fosters collaborative innovation and the development of strategic emerging industries. Throughout operating for more than five years, SSEIDPA has established seven strategic emerging industry alliances, and has grown into a platform for the collaborative innovation and development of "20+8" industrial clusters, connecting over 3,000 industry leaders, champions in segment areas, and SRDI enterprises, making it an iconic social organization in Shenzhen. SSEIDPA has been recognized as an advanced social organization in Guangdong Province and a 5A-level social organization in Shenzhen.

**CASE**

**During the "Two Sessions" in Shenzhen, several SSEIDPA entrepreneurs provided suggestions and advice.**

On January 28 and January 30, 2024, the Fourth Session of the Seventh Shenzhen Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC) and the Fifth Session of the Seventh Shenzhen Municipal People's Congress were respectively convened, marking the commencement of the "Two Sessions" in Shenzhen. During the sessions, several SSEIDPA entrepreneurs put forward suggestions and advice regarding leveraging Shenzhen's advantages in the development of the strategic emerging industry chain, intensifying efforts to promote the transformation of scientific and technological achievements, solidly advancing high-quality development, and accelerating the release of new productive forces.

Among them, Ms. Wu Xian, member of the CPPCC Shenzhen Committee, Deputy Director of the Committee on Proposals of CPPCC Shenzhen Committee, and Chairwoman of WOTE, proposed addressing the issue of mismatched supply and demand in Shenzhen's strategic emerging industry. She suggested that the government introduce supportive policies for chain development, guide and encourage local industry chain leading enterprises in Shenzhen to provide rapid validation channels and supporting opportunities for new products of strategic emerging enterprises. She emphasized the need to guide market-oriented chain services to "find markets for enterprises", and create a new pattern of long-term, high-quality development and investment promotion. These constructive suggestions aim to ensure that the policy of "finding markets for enterprises" is implemented throughout the entire chain of strategic emerging industries, leveraging the closed-loop and high-quality development of the strategic emerging industry to support Shenzhen in becoming a model highland for high-quality development in the Greater Bay Area.



## WOTE is taking actions to protect lucid waters and lush mountains



WOTE places a strong emphasis on its responsibility to environmental protection, recognizing the impact of its business operations on the ecological environment. We employ rigorous environmental goals to ensure self-regulation and actively pursue opportunities to maximise the potential of environmental benefits. We are committed to deepening our efforts in carbon emissions, energy conservation, water resources management, and pollution control. By doing so, we align with the requirements of ecological civilization construction in the new era and contribute to protecting lucid waters and lush mountains.

## Strengthening Environmental Management

Upholding the environmental policy of "compliance with laws and regulations, pollution prevention, energy conservation, and continuous improvement", the Company strengthens the building of its environmental management system, establishes an environmental management organisation, and develops environmental management systems such as *Emergency Response Plan for Environmental Incidents* in strict accordance with the requirements of laws and regulations such as the *Environmental Protection Law of the People's Republic of China*. WOTE continuously improves its ISO 14001 environmental management system and comprehensively implements national and corporate environmental protection requirements.

### Key Performance

- No major environmental pollution accidents have occurred and no incidents penalties have been incurred for violations of national and local environmental protection laws and regulations in the past three years.

## Organisational Structure



Each subsidiary establishes an Environmental Management Committee or EHS Committee according to its specific circumstances. These committees consist of company leaders and department heads, ensuring that senior management is directly involved in environmental management. Each department clearly defines the Company's overall environmental objectives and departmental goals. The committees are responsible for developing the Company's environmental policies, objectives, and plans, as well as monitoring the implementation of environmental work in subordinate offices and departments. Office or working groups are established under the committees to facilitate the implementation and execution of specific plans, monitor risks, and report to higher authorities. All departments and employees have clearly defined environmental responsibilities. Each subsidiary and production base establishes goals and governance plans based on their own environmental policies, objectives, and control procedures, ensuring the implementation of environmental management tasks.

## System Development



To ensure that environmental management is effectively implemented and legally compliant, the Company establishes a set of systems covering environmental protection planning, environmental management, environmental management of construction projects, operation and maintenance of environmental protection facilities and equipment, environmental monitoring, environmental reporting, environmental governance management, environmental protection supervision and inspection, environmental protection publicity, education and training, environmental risk assessment and hidden danger rectification, environmental protection assessment, and emergency environmental management. These systems strictly regulate all aspects of environmental protection work. Additionally, the Company maintains regular cooperation and communication with environmental consulting agencies, seeking their advice on environmental risk prevention and control measures such as sealed packaging requirements for hazardous waste and anti-leakage measures for hazardous waste warehouses. This ensures the compliance and effectiveness of these measures, minimising environmental risks.

## System Certification



The Company actively seeks authoritative third-party certification for its environmental management system, and conducts regular internal and external audits of the management system. Internal audits aim to self-assess the effectiveness, compliance, and suitability of the Company's environmental management system. External audits involve engaging third-party organisations to assess the overall or partial compliance of the Company's environmental management system with standards, the achievement of expected objectives, and the fulfillment of customer requirements. Any issues identified during audits are addressed promptly through corrective and preventive measures to continuously improve the Company's environmental management system.

## Green Office Practices



The Company places great emphasis on green office practices, implementing measures to conserve energy, reduce paper usage, promote eco-friendly transportation, and procure green products. We have established a Green Office Convention to minimise energy consumption and mitigate our environmental impact in the workplace.

Energy conservation	<ul style="list-style-type: none"> <li>• Utilise energy-efficient light bulbs and install light sensors to reduce unnecessary lighting.</li> <li>• Procure office equipment, such as printers, copiers, and air conditioners with high energy efficiency ratings.</li> <li>• Implement strict controls on electricity usage for air conditioning, lighting, as well as monitoring the consumption of natural gas by cafeteria stoves and water heaters, ensuring their reasonable usage.</li> </ul>
Paper conservation	<ul style="list-style-type: none"> <li>• Promote paperless office practices by utilizing electronic systems such as OA system, ERP, Lark platform, and self-developed management systems to handle internal affairs, thereby minimising paper usage.</li> <li>• Encourage double-sided printing to increase paper utilization and reduce waste.</li> </ul>
Water conservation	<ul style="list-style-type: none"> <li>• Provide ongoing water conservation education to employees, turn off faucets in a timely manner, and reduce unnecessary water use.</li> </ul>
Green procurement of office supplies	<ul style="list-style-type: none"> <li>• Prioritise the procurement of office supplies made from environmentally friendly materials, such as biodegradable stationery and eco-friendly paper.</li> <li>• Use environmentally friendly cleaning products to minimise the use of chemical substances.</li> </ul>
Encouraging eco-friendly commuting	<ul style="list-style-type: none"> <li>• Encourage employees to use public transportation for commuting, thereby reducing the reliance on private vehicles.</li> <li>• Provide convenience for employees who choose to commute by cycling or walking, such as setting up bicycle parking spaces and changing rooms.</li> </ul>
Waste reduction	<ul style="list-style-type: none"> <li>• Implement proper meal planning in the canteen to minimise food waste and kitchen waste.</li> </ul>

# Enhancing Resource Efficiency

By closely following national and local laws and regulations, WOTE has established an energy conservation and waste reduction system to encourage its main production bases to set environmental objectives, which provides strong support for the Company's sustainable development by reducing energy consumption and lowering operational costs.

## Water Resource Management



The Company continuously optimises its water resource management and monitoring systems. WOTE has developed and implemented a *Water Conservation Management System*, which requires strict adherence to water-saving plans for production and domestic water usage. The system aims to eliminate wasteful water practices such as running, leaking, dripping, or any other form of water waste to continuously improve its water resource management.

### Water Conservation Measures

Water conservation assessment	<ul style="list-style-type: none"> <li>The Company compiles a <i>Water Conservation Assessment Report</i> and regularly invites third-party organisations to conduct professional evaluation and analysis. This helps the Company monitor water usage trends and develop improvement plans to enhance water use efficiency and conservation outcomes.</li> </ul>
Preventive monitoring	<ul style="list-style-type: none"> <li>The Company implements "visual" pipeline network design and applies anti-seepage measures in different zones. We also installed groundwater monitoring wells to continuously track groundwater quality, ensuring the efficient utilization of water resources.</li> <li>All departments install water meters to monitor water consumption and conduct regular inspections of water pipes to promptly repair any leaks, achieving precise resource management.</li> </ul>
Recycling	<ul style="list-style-type: none"> <li>The Company advocates and actively promotes the implementation of water recycling projects. During the reporting period, WOTE Zhicheng carried out a wastewater reuse project, while Jiangsu WOTE upgraded its water recycling system to enhance water reuse rates.</li> </ul>

### Key Performance

- **100%** of the water used for production in Jiangsu WOTE was recycled water
- Huizhou WOTE achieved a remarkable water reuse rate of **99.1%** for industrial purposes
- WOTE Special Material **100%** used recycled water from treated concentrated water for greening
- with a **99%** circulation rate for indirect cooling water

## Energy Management



WOTE remains steadfast in fostering a culture of "thriftiness is honorable, wastefulness is shameful". With a focus on source control and process improvement, the Company has established an efficient energy management system to reduce energy consumption in production and daily life.

### Energy Management System



### Energy Management Measures

Develop Production Plan	<ul style="list-style-type: none"> <li>The Company implements a well-structured production plan and optimises the scheduling of equipment operations to minimise the energy losses associated with frequent equipment start-ups and shutdowns.</li> </ul>
Upgrade Energy-Using Equipment	<ul style="list-style-type: none"> <li>Production Equipment: New frequency regulation devices for transformers are adopted in the factory area to reduce power losses. Outdated and energy-intensive equipment models are phased out to improve energy utilization efficiency.</li> <li>Living Facilities: Solar and air-source water heaters are installed in employee dormitories to provide hot water, maximising the utilization of clean energy sources.</li> </ul>
Promote Green Buildings	<ul style="list-style-type: none"> <li>The Company carries out double-glazed designs in its construction projects, allowing for ample natural light and reducing the need for artificial lighting to significantly decrease energy consumption for heating during winters and cooling during summers.</li> </ul>

### Key Performance

- During the reporting period, WOTE Special Material achieved the target of reducing electricity consumption per unit product by **1%**



## Environmental Pollution Control

WOTE prioritises pollution control, striving to ensure that our emissions align with the regulatory standards of each operating location. The Company is committed to minimising the release of pollutants to the greatest extent possible. Furthermore, WOTE actively implements a 5S management system at its production sites, conducting regular audits and assessments to maintain compliance. Through an integrated control mechanism encompassing the entire process from production to recycling, WOTE effectively minimises its environmental impact.

### Pollution Control Measures

#### Wastewater

The Company has established a wastewater treatment station and developed specific wastewater management procedures based on the types of wastewater. Domestic sewage undergoes pre-treatment before being discharged to third-party treatment facilities.

Huizhou WOTE has implemented a separate system for sewage diversion enabling the recycling of sewage to enhance its overall utilization efficiency.

#### Exhaust Gas

The Company has optimised its exhaust gas treatment processes. Each production base utilises various adsorption devices such as activated carbon and diatomaceous earth, depending on the nature of the operations. Regular maintenance and equipment replacement are carried out to ensure that annual inspections consistently meet compliance standards.

Jiangsu WOTE has introduced advanced RTO equipment to purify and treat organic exhaust gases, effectively reducing VOCs emissions.

Proactive measures have been taken by developing an *Emergency Preparedness and Response Procedure* to enhance the Company's ability to handle and respond swiftly to incidents of abnormal emissions.

#### Waste

Following the *Waste Management Regulations*, waste is classified, stored, and managed accordingly. WOTE has established a centralised warehouse for hazardous waste management, ensuring proper protective and warning signs are installed in place. Qualified third-party organisations are engaged for the collection and disposal of these waste materials.

During the reporting period, WOTE Huaben has developed a *Hazardous Waste Management Plan* with a focus on upgrading and improving production processes that generate large quantities of hazardous waste.

#### Noise

In the production areas, noise emission limits have been established in accordance with the *Environmental Noise Emission Standards for Industrial Enterprises*. This ensures that daytime noise levels do not exceed 60 or 65 dB, and nighttime levels do not exceed 50 or 55dB.

#### Dust

Leading treatment processes are employed to effectively collect over 70% of dust through gas hoods in Huizhou WOTE workshop, reducing potential safety hazards caused by dust dispersion.

### Key Performance

- During the reporting period, WOTE Huaben set targets for the generation of general industrial solid waste and successfully achieved the established goals.
- Huizhou WOTE recycles and treats domestic wastewater, achieving zero discharge throughout the entire facility.

# WOTE cares about people, building a happy homeland together



WOTE has fostered a unique culture of partnership, creating a supportive ecosystem based on appreciation, understanding, and tolerance. With the WOTE Academy's learning and training system, it has provided a platform and growth opportunities for international and diverse team. Guided by the mission to "shape better life", WOTE actively fulfills its social responsibilities by deeply ingraining them in its development path and continuously sharing its achievements with employees and communities.



## Meeting Basic Needs

The foundation of sustainable corporate growth lies in harmonious labour relations. WOTE is dedicated to creating a diversified, equal, harmonious, and progressive working environment. We genuinely protect the legitimate rights and interests of its employees, continuously enhance compensation and benefits, and strive to improve employee satisfaction and loyalty. At WOTE, we fully respect and ensure that employees' demands are satisfactorily addressed.

## Employee Rights



In strict accordance with laws and regulations such as the *Labour Law of the People's Republic of China*, *Labour Contract Law of the People's Republic of China*, and *Trade Union Law of the People's Republic of China*, WOTE has developed regulations and systems, including the *Human Resources Management System* and the *Employee Handbook*. The Company legally signs labour contracts with its employees and contributes to the "five social insurances and housing fund" as required by law. The Company has a strict policy against the use of child labour and forced labour, ensuring that employees are not subjected to discrimination based on factors such as ethnicity, race, gender, or religious beliefs during the recruitment and employment processes.

Number of Employees	Unit	2023
Number of employees in the parent company at the end of the reporting period	Person	230
Number of employees in major subsidiaries at the end of the reporting period	Person	1,050
Total number of working employees at the end of the reporting period	Person	1,280
Total number of employees receiving pay during the reporting period	Person	1,280
Number of retired employees whose parent company and major subsidiary are responsible for expenses	Person	52

Number of Employees by Post	Unit:Person	2023
Production Staff		767
Sales Staff		86
Technical Staff		285
Financial Staff		41
Administrative Staff		101

## Employee Compensation



The Company has established a compensation system based on "base salary + position salary + performance bonus", developed and continuously refined the *Compensation Management System* and *Performance Assessment and Reward System*, which clearly define the basis and scope of salary and provide employees with fair, reasonable, and competitive compensation. To enhance the transparency and effectiveness of performance evaluations, the Company regularly conducts performance communication meetings between supervisors and subordinates. Through face-to-face communication, both parties provide feedback, address issues, and make suggestions to improve the performance evaluation system, and clarify performance goals, and directions. Additionally, the Company has established a performance appeals channel, giving importance to employees' grievances and opinions, ensuring the fairness of performance assessments, and protecting employees' legal rights. Furthermore, the Company has implemented a stock ownership plan to encourage employees to focus on the long-term development of the Company and share its success with employees.

### Key Performance

- As of the end of 2023, the Company's stock ownership plan has covered **137** employees.



Conducts performance management training.

## Employee Benefits



The Company offers multiple benefits, such as health check-ups and summer heat subsidies, to enhance employee motivation and satisfaction in their work. Additionally, regular team-building activities and social gatherings are organised, along with provision of abundant holiday benefits, to foster a sense of belonging and happiness among employees.



Trade union distributes benefits

## Employee Communication



We value the voices of our employees and have established multiple communication channels to encourage them to provide feedback and suggestions regarding their own needs and the development of the Company, aiming to enhance employee engagement and a sense of belonging.

### > Diversified Communication Channels

Company Lark Group	<ul style="list-style-type: none"> <li>The Company utilises the Lark group to periodically share information regarding company policies, promote exemplary models, raise awareness about work safety, and extend holiday greetings, serving as a platform for employees to express their attitudes, preferences, thoughts, and suggestions.</li> </ul>
Internal Email System	<ul style="list-style-type: none"> <li>The internal email system ensures smooth and unobstructed formal communication channels, enabling prompt dissemination of critical information including updates of company policies and event announcements.</li> </ul>
All-hands Meeting	<ul style="list-style-type: none"> <li>Regular all-hands meetings are convened, where senior leaders report on the Company's strategic direction, key achievements, and major changes. These meetings also provide an opportunity for employees to ask questions and provide feedback.</li> </ul>
Department Meeting	<ul style="list-style-type: none"> <li>Regular department meetings are held to discuss specific work plans, monitor project progress, and address challenges encountered in the work process.</li> </ul>
Cross-Department Meeting	<ul style="list-style-type: none"> <li>Periodic or project-based cross-department coordination meetings are held to enhance information sharing and collaborative synergy among different teams.</li> </ul>
Proposal Mechanism	<ul style="list-style-type: none"> <li>Each subsidiary establishes a proposal mechanism to solicit suggestions regarding the Company's management system, process improvement, and potential key projects.</li> </ul>





# Enabling Value Realization

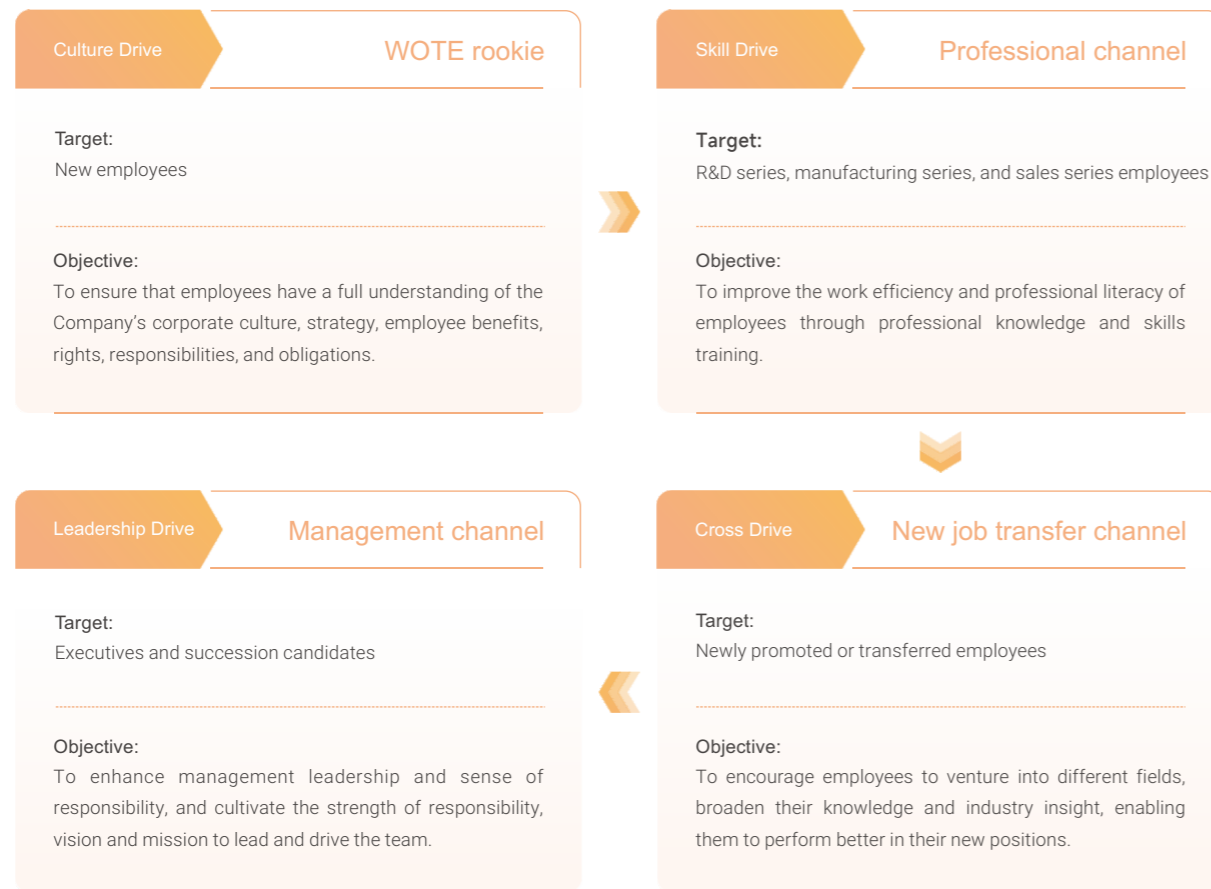
The Company is committed to the core talent philosophy of "Excellence, Value, Resources, and Collaboration". We have established a comprehensive talent development mechanism to cultivate a highly skilled and professional workforce and transform talents into a strategic asset for the Company, ensuring our sustained competitive advantage in the fiercely competitive market.

## Employee Training



The Company firmly believes that "excellent talents make outstanding organisations". Leveraging the resources of the WOTE Academy, the Company provides employees with four training systems covering the entire career lifecycle, including onboarding training, job skills training, industry-specific training, and job rotation training, to deepen employees' understanding of their roles and job responsibilities while equipping them with the necessary skills to excel in their positions. Additionally, for new employees, we provide a "Three Goals to Start, Seven Steps to Growth" training program to help new employees in their transition from students to professionals.

### Talent Cultivation System



### Innovative Training Formats

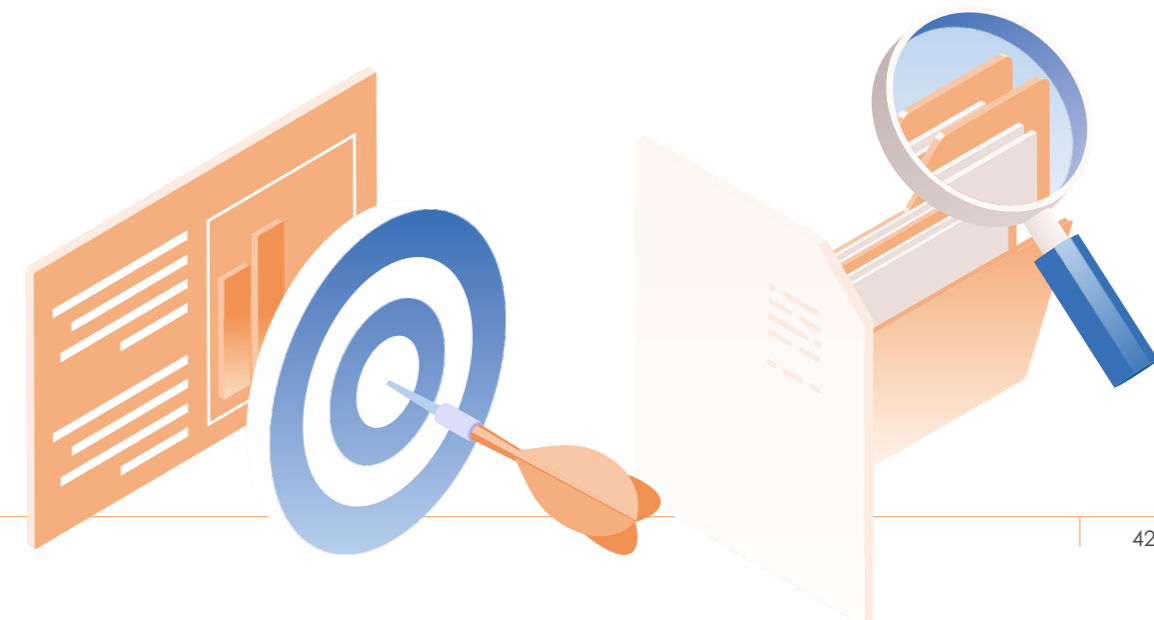
<b>Culture Drive Training</b> In 2023, the Company implemented innovative training formats as part of the "Culture Drive" program, including founder's office visits and factory site tours, to enhance the effectiveness of training for new employees.	<b>Skill Drive Training</b> In 2023, the "Skill Drive" training program was conducted by the Company, which included training sessions on topics such as <i>The Relationship between Procurement and Tax Burden</i> , <i>How to Plan a Business Communication Meeting</i> , and <i>WOTE Management Tool-PDCA</i> . These trainings were specifically designed to enhance employees' professional capabilities.	<b>Leadership Drive Training</b> In 2023, the Company organised the "Leadership Drive" training program in the format of General Manager Workshop. The program covered topics such as <i>Effective Business Analysis Meeting Facilitation</i> , <i>The Journey of Leadership from Beginning to End</i> , and <i>Developing Financial Acumen for Effective Management</i> . These training sessions aimed to enhance the leadership skills and management capabilities of the Company's executive team.
---	---	---



Internal Awards Incentive

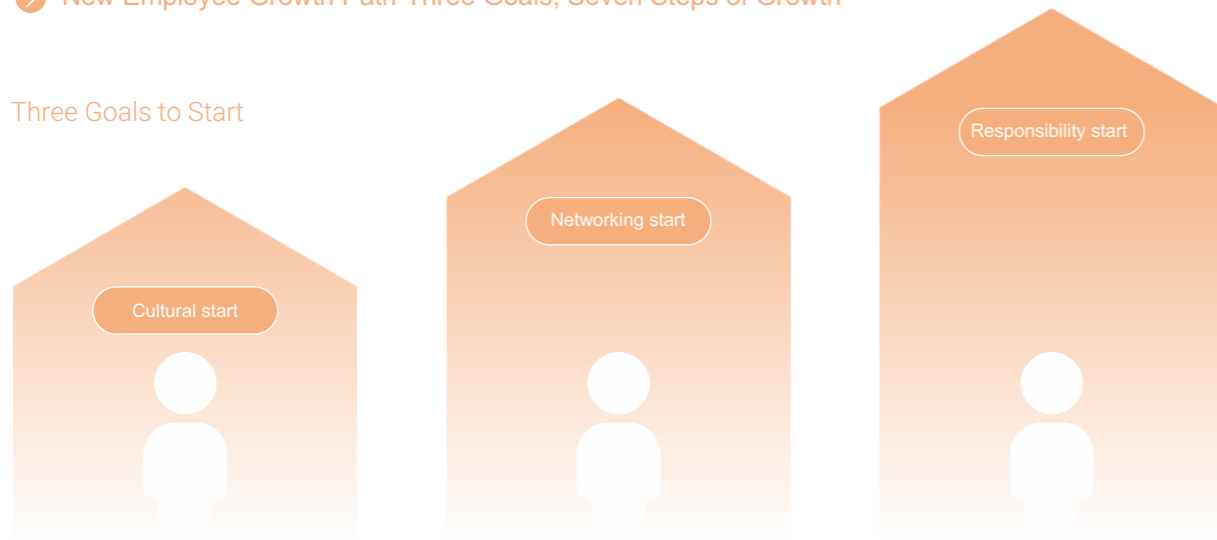


Factory Site Tours



> New Employee Growth Path-Three Goals, Seven Steps of Growth

Three Goals to Start



Seven Steps to Growth

<p>After accepting the offer</p>	>	Clarify the new employee's role based on the interview and background check
	>	Select and confirm a mentor for the new employee
	>	Initiate communication between the mentor and the new employee
<p>First day at WOTE</p>	>	Conduct onboarding training for the new employee
	>	Familiarise the new employee with the Company and team members
	>	Assign a mentor to accompany and guide the new employee
<p>First week at WOTE</p>	>	The mentor communicates and clarifies the role expectations for the new employee.
	>	The mentor and the new employee collaborate to develop a talent development plan, and define key measurable tasks and growth plans for the probationary period.
	>	
<p>First month at WOTE</p>	>	Conduct a visit to the production base
	>	
<p>First three months</p>	>	"Culture Drive-WOTE's First Lesson" training
	>	
<p>Throughout the probationary period</p>	>	The mentor provides continuous work supervision according to the <i>New Employee Development Plan</i> , completing stage assessments and planning for next month before the 5th of each month.
	>	HR conducts regular follow-up visits.
<p>Employment confirmation assessment</p>	>	Mentors conduct pre-confirmation assessments with new employees and assist in preparing the confirmation report.
	>	The HR department organises the confirmation assessment process.

To ensure the regularity of training activities, the Company has established a training management framework organised by the administration department and implemented by specific departments. This includes the development of a *Training Management System* that outlines the content, format, implementation procedures, regulations, submission and formulation of annual training plans, as well as the content and target audience for legal and regulatory training for corporate and executive staff. Each training session requires the completion of a *Sign-in Sheet* to ensure 100% participation of employees in training activities.

Employee Development



Talent acquisition and development are crucial aspects of the Company's talent management endeavors. The Company upholds the principle of assigning appropriate roles to the right people and establishes mechanisms for talent promotion and selection. Innovative talent assessment tools have been introduced to facilitate the mutual growth of employees and the Company.

Employee Promotion Mechanism

The Company values the contributions of each employee and provides promotion and development opportunities to those who demonstrate dedication, innovation, outstanding performance, and exceptional abilities. We have established a clear career development path for employees, and developed the *Personnel Selection and Appointment Management Regulations*. By following the principles of openness, fairness, and impartiality and through selection, probation, and competitive processes, suitable employees are promptly adjusted to appropriate positions, fostering their professional growth. In 2023, several branches of the Company promoted several managerial and director-level management partners, including six director-level management partners. Among them, the newly promoted Deputy General Manager and Quality Director of Huizhou WOTE have progressed from grassroots positions to core management roles since joining the company after graduating from university.

Talent Assessment Tools

In 2023, the Company introduced the Herrmann Brain Dominance Instrument (HBDI), a whole-brain preference assessment tool, which covers core management talents. HBDI evaluates individual thinking preferences based on the Whole Brain Thinking model proposed by Ned Herrmann. It assesses thinking styles from four dimensions: logical analysis, sequential control, interpersonal communication, and intuitive innovation. This tool helps managers of the Company gain a clear understanding of their thinking preferences, biases and blind spots in the decision-making process, and their comfort zones. It also assists in job matching and the development of training plans tailored to individual talent preferences, thereby facilitating talent growth and development.



## Ensuring Occupational Safety

Safety is the premise of development, and development is the guarantee of safety. The Company has implemented the EHS management system as a pilot in various production bases, clearly stating that all standards in the production and manufacturing process must comply with environmental, health, and safety requirements. The Company strictly implements the 15 hard measures for safety production stipulated by the State Council, continuously strengthens the identification of safety hazards, conducts safety emergency drills, promotes safety culture, and creates a safe, orderly, and harmonious production environment.

### Chemical Safety



The Company sticks to the principle of avoiding using hazardous substances whenever possible. If the use of hazardous substances is necessary, it requires permission through a safety review. The Company establishes hazardous substance control standards, implements a strict audit system, and effectively controls and handles hazardous substances during the production process to ensure that chemicals have no negative impact on customers, employees, and the environment.

#### Control of Hazardous Substances in Raw Materials

The Company strictly follows relevant laws, regulations, and customer requirements to develop and continuously revise the *Hazardous Substance Control Standard*. This standard is not only used for internal control of hazardous substance use but also forms part of the *Environmental Protection Agreement* with suppliers to control the standards of hazardous substances in raw materials. Additionally, a combination of internal and external testing methods is implemented. Internal testing is conducted based on the *IQC Operating Guidelines and Specification of Product Quality Standards*. For external testing, suppliers are required to provide annual qualified third-party testing reports, and incoming materials are subject to testing by third parties in case of anomalies. Regarding product testing, third-party testing organisations are hired each year based on material types and customer requirements to ensure compliance with hazardous substance control standards.

#### Chemical Safety Control during Production Processes

The management and supervision of hazardous chemicals within the Company are carried out by the subsidiary's EHS Committee or Environmental Management Committee. In accordance with relevant laws and regulations, the Company establishes control procedures such as the *Chemical Management Control Procedure* and *Emergency Response Plan for Hazardous Chemical Accidents*. These procedures clearly define the management standards for the entire process of chemical procurement, handling, storage, usage, emergency response, and waste disposal. Regular chemical leakage drills are conducted to enhance employees' emergency response capabilities and prevent accident risks.

Furthermore, the Company has initiated extensive collaboration with the Shenzhen Institute of Advanced Technology, the Chinese Academy of Sciences, in areas such as bio-based polymer materials and plant and animal nutrition. The collaboration encompasses cutting-edge technology research, new product development, establishment of technical platforms, and talent cultivation. The goal is to promote the use of bio-based polymer materials as substitutes for petrochemical materials and reduce the use of hazardous substances.

## Occupational Health and Safety



The Company has established a Safety Management Committee to focus on controlling various aspects of work safety. We comply with laws and regulations such as the *Law of the People's Republic of China on Work Safety* and the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*. We have developed the *Safety Management System*, *Occupational Disease Prevention Management System*, and *Occupational Health and Safety Management Manual* to effectively ensure the health and safety of employees at the institutional level. Additionally, we have established a mechanism for the allocation of responsibilities, rewards and penalties for safety accidents. Safety assessments are conducted in accordance with the work safety and management regulations, covering positions such as the General Manager, Deputy General Manager, Manager, Supervisor, and Team Leader, to enhance the importance of work safety among all levels of management. To strengthen employee safety awareness, the Company actively conducts work safety training and first aid knowledge training, and provide three levels of work safety education and training for new employees to enhance their work safety awareness and personal safety protection capabilities.

### Organisational Structure of the Safety Management Committee



### Key Performance

Indicator	Unit	2023
Total number of participants in occupational safety training	Person-Time	1,280
Number of safety emergency drills conducted	Time	8
Number of fatalities due to work-related injuries	Person	0
Number of new cases of occupational diseases	Person	0

Work Safety Management Measures

<b>Safety Management</b>	<ul style="list-style-type: none"> <li>Establish full-time safety officer and safety administrator positions, conduct daily inspections to ensure the implementation of safety management system.</li> </ul>
<b>Safety Education</b>	<ul style="list-style-type: none"> <li>Post safety slogans and set up safety bulletin boards in the factory</li> <li>Conduct emergency drills twice a year</li> <li>Carry out safety education for new employees and regular on-the-job training for front-line employees.</li> </ul>
<b>Safety Testing</b>	<ul style="list-style-type: none"> <li>Occupational disease monitoring: organise employees to participate in pre-employment, during-employment, and post-employment occupational disease examinations, including assessment of the current status of occupational diseases</li> <li>Equipment inspection: regularly inspect company equipment, including pressure gauges, safety valves, power cables, switch cabinets, etc.</li> </ul>
<b>Safety Assessment</b>	<ul style="list-style-type: none"> <li>Document review: assess whether subsidiary companies have established comprehensive safety management systems, including safety production responsibility systems, operational procedures, and accident emergency plans, and procedures for improving it.</li> <li>On-site inspections: conduct field visits to verify the effectiveness of safety production and occupational health measures implemented by subsidiary companies, as well as the integrity of their facilities</li> <li>Employee interviews: gather feedback from employees regarding their familiarity with safety production policies, regulations, and their participation in safety education and training programs</li> <li>Assessment and corrective actions: safety production is a key performance indicator in our institutional assessments. Based on the review results, we develop and implement corrective action plans within the specified timeline.</li> </ul>

CASE

Carry out special work safety campaigns comprehensively, enhance the work safety awareness and capabilities of all staff

From November to December 2023, WOTE's main manufacturing bases conducted a series of special work safety initiatives. Under the unified command of the Safety Management Committee, various activities were carried out to enhance the safety awareness and emergency response capabilities of all employees. These activities included training sessions, on-site drills, and dedicated inspections, with a particular emphasis on fire prevention, firefighting, and emergency rescue.



South China Base



East China Base



Southwest China Base



Overseas Base

Active Participation in Social Welfare

We actively engage in social welfare activities by establishing the WOTE Public Welfare Fund and collaborating with various social organisations and foundations, and participate in charitable activities that include industry talent development, improving the well-being of women and children, poverty alleviation, and assistance. We support social development and human progress, working together to create a harmonious and better living environment.



Help Impoverished Students

WOTE provided financial support to the "Qian Ai Yi Xing" poverty alleviation and education assistance project initiated by the Beijing Shenggen Kindness & Wisdom Foundation. This support helped three students from low-income households in Zongke Township, Rangtang County, Sichuan Province, to pay for their school fees. By the end of 2023, WOTE had consecutively donated funds to cover two years of tuition fees.



Earthquake Relief

In the immediate aftermath of the Gansu earthquake, the WOTE Foundation, in collaboration with the Shenzhen Women and Children's Development Foundation, mobilised resources to prepare and deliver 600 cold-weather supplies (including children's clothing, hats, scarves, etc.) to the frontline of the disaster-stricken area.



Help to Improve Children's Well-Being

On December 7, the inaugural Child Friendly Expo (hereinafter referred to as "CFE") was held at the Shenzhen Convention and Exhibition Centre. This expo, themed around child-friendliness, was the first large-scale event that combined philanthropy and industry to showcase outstanding cases and high-quality enterprises involved in the building of child-friendly cities, both domestically and internationally. It displayed the achievements and experiences of child-friendly city development in China. During the event, WOTE showcased the extensive application and technological innovation of WOTE's specialty polymer materials in areas including maternal and child health, child education, food safety, and quality living, aiming to contribute to creating a societal atmosphere that cares for children.



The Company Made Its Debut at the Inaugural Child Friendly Expo

# WOTE is committed to building a strong foundation and creating long-term value



WOTE is dedicated to continuously enhancing internal governance, implementing standardised operations, and strengthening risk management capabilities. We are committed to upholding business ethics and ensuring information security. These efforts are aimed at building a solid foundation to achieve our vision of being a world-class provider of material solutions while creating long-term and sustainable social value.

# Strengthening Corporate Governance

WOTE continuously enhances the corporate governance by improving institutional development and governance structures. We aim to enhance the quality of information disclosure and effectively address investor concerns, thus laying a solid foundation for the Company's sustainable development. In 2023, WOTE won the "Best Practice of Office of Board of Directors for Public Companies in 2023" awarded by China Association for Public Companies and obtaining an A-level rating in the evaluation of information disclosure work by SZSE for two consecutive years, recognising WOTE's achievements in information disclosure management, corporate governance mechanism development, investor relations management, formulation and revision of relevant systems, as well as supervision and training.



WOTE Won "The Best Practice of Office of Board of Directors for Public Companies in 2023"



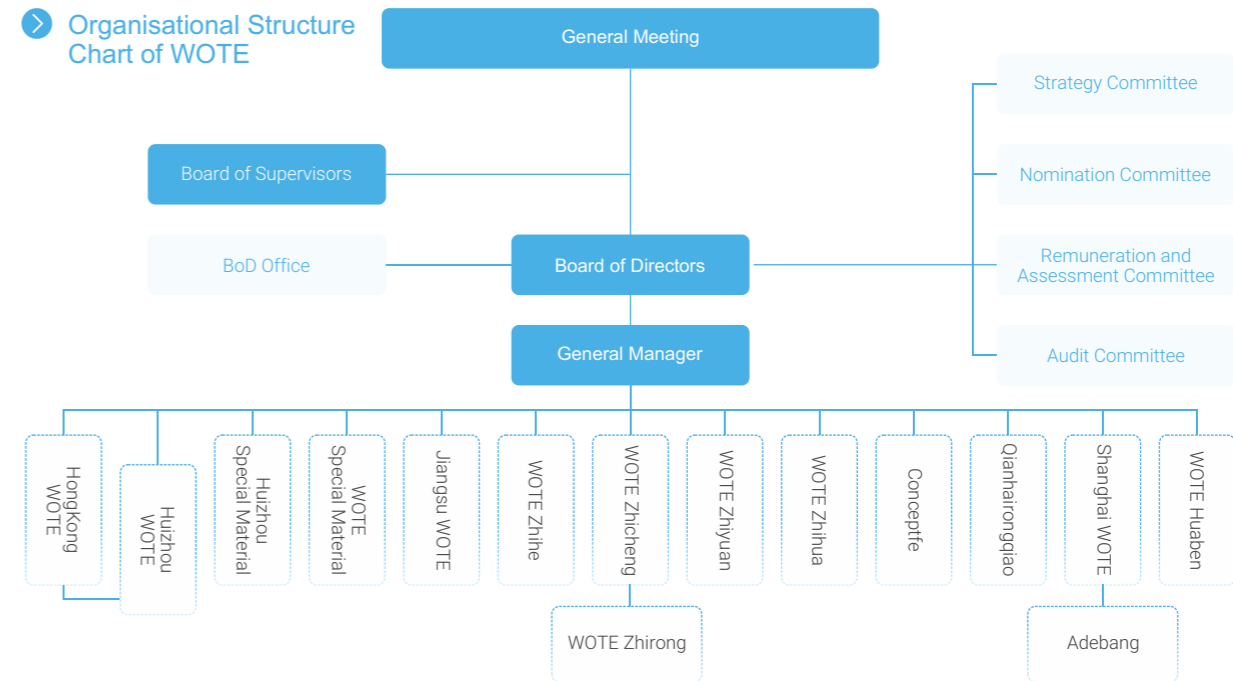
## Governance Structure



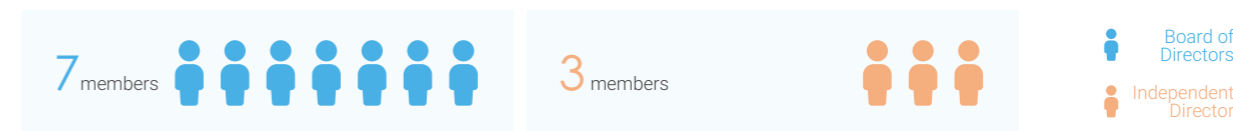
The Company strictly adheres to the requirements of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Listing Rules of Shenzhen Stock Exchange*, the *Guidelines for Standardized Operation of Listed Companies of Shenzhen Stock Exchange*, the Company's *Articles of Association* and other policies and regulations. WOTE has established a governance structure consisting of the General Meeting, the Board of Directors and special committees and the Board of Supervisors with general manager responsibility system under the leadership of the Board of Directors. The Strategy Committee, the Nomination Committee, the Audit Committee, and the Remuneration and Assessment Committee have been established under the Board of Directors to provide reasonable advice and strong support for the Board's standardised, scientific, and efficient decision-making.

In 2023, the Company revised certain provisions of the *Articles of Association* and the working rules of various committees of the Board of Directors, in accordance with relevant laws and regulations and based on the actual situation, to ensure the Company's standardised operations. We also formulated the *Independent Director Working System and Independent Director Special Meeting Working System* to strengthen the constraints and supervision of internal directors and management, ensuring that independent directors fulfill their compliance obligations.

## Organisational Structure Chart of WOTE



During the reporting period, the Board of Directors consisted of seven members, including three independent directors, accounting for 42.86% of the total board composition. These independent directors possess financial, legal, and extensive industry backgrounds. With their rich experience in independent directorship and diverse professional skills, they ensure the scientific and rational decision-making of the Company's strategic decision, thereby playing a crucial role in driving the Company's sustainable development.



## Key Performance

Meetings	Unit	2023
BoD Meetings	time (s)	10
Board of Supervisors Meetings	time (s)	7
General Meetings	time (s)	4
BoD Strategy Committee Meetings	time (s)	1
BoD Nomination Committee Meetings	time (s)	1
BoD Remuneration and Assessment Committee Meetings	time (s)	2
BoD Audit Committee Meetings	time (s)	6

## Information Disclosure and Investor Relations Management

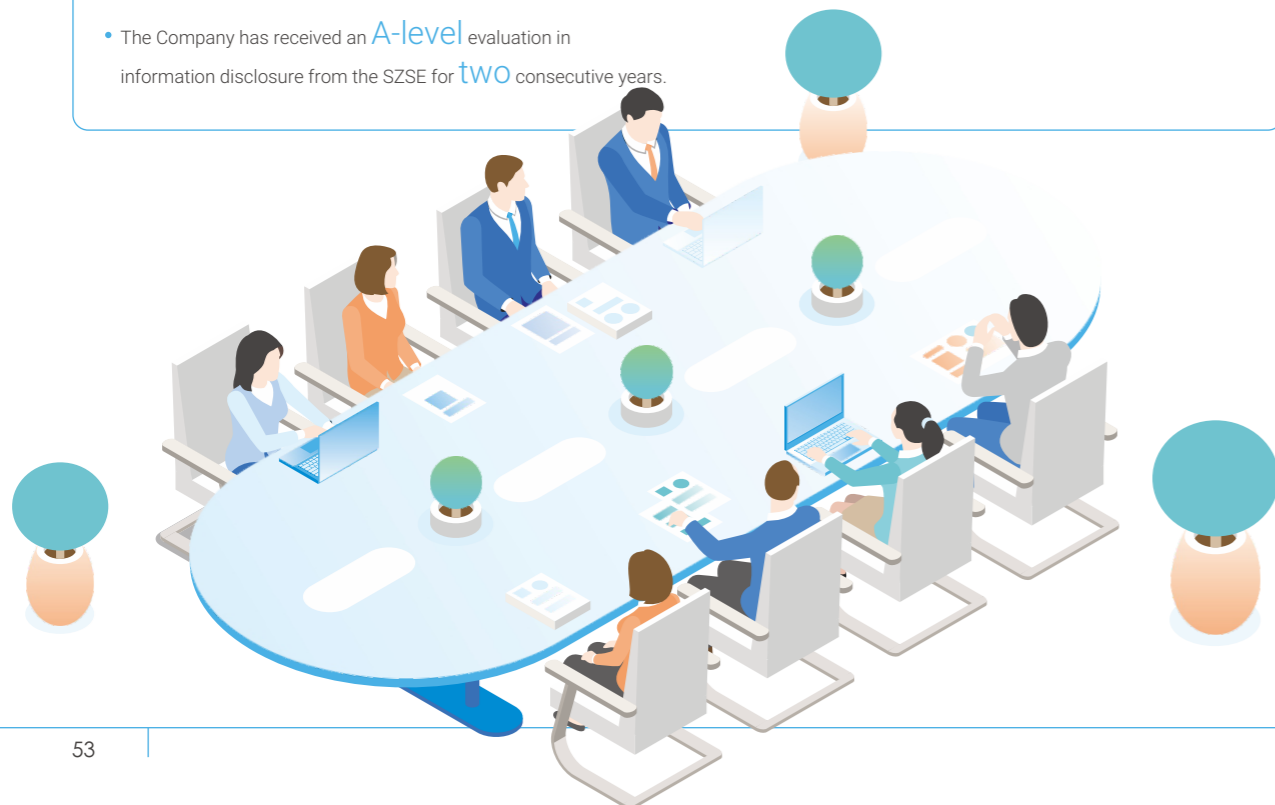


Highlighting the protection of shareholders' rights, particularly those of small and medium-sized investors, the Company strictly adheres to securities regulations and compliance requirements. In line with the *Guidelines for Fair Information Disclosure of Listed Companies* and other relevant regulations, the *Measures for the Administration of Information Disclosure* have been established. Company announcements are disclosed through official media channels, while our website and WeChat Official Account serve as primary platforms for providing authentic, timely, and comprehensive information on the Company's development. This ensures that all shareholders are well-informed and can exercise their rights of oversight, supervision, and participation, while safeguarding the legal interests of the Company, investors, creditors, and other stakeholders.

In order to strengthen the company's initiative in investor relations management and enhance investors' understanding and recognition of the Company, we carry out investor exchanges in accordance with applicable laws and regulations. A dedicated investor email address is in place, and personnel are assigned to promptly address investor inquiries through a dedicated hotline and reply to interactive questions. Additionally, active engagement with investors includes online investor communication sessions and research and exchange activities from time to time, aiming to meet investor needs, facilitate two-way communication with investors, and enhance investor confidence.

### Key Performance

- The total number of announcements disclosed through designated channels is **176**, including **172** interim announcements and **4** regular announcements
- 104** investor inquiries were responded to through Hudongyi
- The Company has received an **A-level** evaluation in information disclosure from the SZSE for **two** consecutive years.



## Compliance Management

WOTE attaches great importance to compliance management and has implemented a comprehensive compliance management system. Internal control policies, including the *Internal Audit Management System* and the *Internal Reporting System of Significant Information*, have been established. These systems enable proactive identification of potential issues and risks during operations, ensuring timely remediation and enhancing the Company's risk management capabilities, contributing to the Company's sustainable and high-quality development.

### Internal Control and Risk Management Measures

Strengthen Prevention Mechanisms	<ul style="list-style-type: none"> <li>Establish and improve risk assessment and prevention &amp; control mechanisms, as well as hold regular risk assessment meetings to enhance the ability of enterprises to prevent and withstand risks.</li> <li>The headquarters audit department is appointed to conduct business guidance, supervision and evaluation of the audit departments of each branch and subsidiary to strengthen the risk management capabilities of relevant personnel from the top down.</li> </ul>
Identify Risks Accurately	<ul style="list-style-type: none"> <li>Conduct annual audits to regularly sort out hidden business process risks.</li> <li>Conduct financial responsibility audits and special audits as appropriate, focusing on finance-related risks to avoid causing major losses to the Company's operations.</li> <li>Conduct regular internal control self-assessment work to review the internal control systems of the Company and affiliated units from the three levels of appropriateness, legality and effectiveness, and assess the risks faced in the Company's business processes.</li> <li>Engage a professional third-party agency to carry out external audit work to further strengthen the review.</li> </ul>
Supervise Optimization and Rectification	<ul style="list-style-type: none"> <li>When rules and regulations are updated and adjusted due to changes in the Company's operations and decisions, the internal audit department must ensure that the relevant departments implement the system revisions as soon as possible and further standardise the Company's management process.</li> <li>The Company carries out follow-up audits and supervision of issues discovered during the audit or review process, supervises and checks the adoption of audit opinions by the units involved, and continues to monitor the effects of their rectification.</li> </ul>

### Key Performance

Indicator	Unit	2023
Number of compliance trainings held	Time	4
Number of people participating in compliance training	Person-Time	122

## Commitment to Business Ethics

WOTE consistently upholds ethical business practices and strives to foster an atmosphere of integrity, transparency, and honesty. We encourage employees to cultivate a work style that is upright and incorruptible, and work together to remain true to the ethical bottom line of compliance and fair competition, ensuring that the Company's operations are conducted in a just and transparent manner.

### Anti-Corruption and Anti-Fraud



The Company is dedicated to conducting business with integrity, respecting the rights of customers, suppliers, and partners, and adhering to business ethics and market rules. We have established a robust mechanism for clean operations and have formulated the *WOTE Employee Code of Conduct*, which clearly defines the obligations and responsibilities of the Company and its employees in compliance, anti-corruption, and anti-fraud efforts.

#### Integrity Culture Building

The Company recognises the importance of instilling a sense of integrity among employees and places great value on their professional ethics and conduct and requires all employees to sign the *Commitment to Integrity*. Through strengthened supervision and specialised training, the Company enhances employees' awareness of integrity, fortifying their sense against impropriety. We internalise a culture of integrity, aligning it with our operations throughout the company, and create a work environment featured by transparency and integrity.

#### Key Performance

- We have organised anti-corruption and anti-fraud related training activities for

4 times

- The coverage rate of training activities for anti-fraud, anti-corruption, etc. among employees reached

100%

#### Reporting and Whistleblower Protection

We have established a dedicated reporting channel to receive reports of illegal, unethical, or violations of company rules and regulations. The internal audit department is designated to directly handle complaints or reports submitted by employees. The audit department is required to compile and report the complaint and whistleblower information regularly to the audit committee, ensuring effective oversight and guidance from the Board of Directors. The Company strictly maintains the confidentiality of the whistleblower's information and the reported content, and takes serious action against any breach of confidentiality or retaliatory behavior, ensuring the safety and protection of the whistleblower.

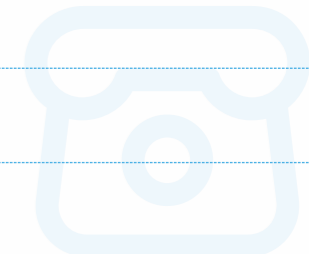
#### Reporting Channel

- Email: stock@wotlon.com

- Tel: 0755-26880862

- Fax: 0755-26880966

- Address: Room 3101, Block B, Building 9, Zone C, Phase III of Vanke Yuncheng, Liuxin 4th Road, Xili Community, Xili Sub-district, Nanshan District, Shenzhen City (Room 3101, Block B, Building 7, International Innovation Valley)  
Post Code: 518052



### Anti-Unfair Competition



The Company firmly opposes unfair competition and is committed to creating a fair competitive environment. We strictly adhere to laws and regulations such as the *Law of the People's Republic of China Against Unfair Competition*, the *Anti-monopoly Law of the People's Republic of China*, and the *Model Provisions on Protection against Unfair Competition*. We have established a mechanism for honest and fair competition and uphold the order of fair competition in the industry. During the reporting period, the Company did not have any litigation cases related to unfair competition.





# Information Security Assurance

Information security is of paramount importance to WOTE. We have implemented a comprehensive information security management system that strictly adheres to relevant laws and regulations, including the *Cybersecurity Law of the People's Republic of China*. Our unified standards and guidelines, outlined in the *Information Security Management System*, enable us to continuously enhance our information security management capabilities. By clearly defining responsibilities, implementing stringent controls over data storage and access permissions, and fostering employee awareness of information security, we are committed to achieving a comprehensive improvement in our information security standards.

## Information Security Management Measures

Dedicated Management	<ul style="list-style-type: none"> <li>The IT team of the AHR Management Centre is responsible for information security protection and has the authority to oversee information security within the Company. They have developed and implemented relevant management policies to accomplish the tasks of information security construction.</li> <li>Department leaders are responsible for approving special privilege requests and strictly controlling the use of information resources.</li> <li>Each employee adheres to the principle of "whoever uses is responsible" and follows standardised practices for using information resources.</li> </ul>
Confidential Storage	<ul style="list-style-type: none"> <li>All sensitive or confidential data were encrypted and securely stored through physical security measures, ensuring the confidentiality of backups. Additionally, we paid close attention to the physical security of storage media.</li> <li>Strict management was implemented for the allocation, transfer, disposal, or destruction of storage media to ensure the security and integrity of backup data.</li> </ul>
Strict Control of Permissions	<ul style="list-style-type: none"> <li>The IT team, the Finance Management Centre, and the R&amp;D Centre are responsible for allocating and setting relevant system permissions to ensure that employees' job scope aligns with their operational permissions.</li> <li>Computers handling sensitive information have their data transfer interfaces and non-essential network access permissions disabled.</li> <li>Company data is strictly prohibited from being shared with individuals or organisations without authorisation.</li> </ul>
Employee Training	<ul style="list-style-type: none"> <li>New employees are required to study the <i>Information Security Management System</i> upon joining the Company, and it serves as a basis for their confirmation assessment.</li> <li>Existing employees receive network security training at least once a year to enhance their awareness.</li> </ul>

### Key Performance

- **Zero** case of information leaked have occurred in 2023.
- **Zero** complaints relating to infringement of customer privacy and loss of customer data have been received in 2023.

# Report Indicator Index

<b>Instructions for use</b>	WOTE reported the information cited in this GRI Content Index with reference to GRI standards from January 1, 2023 to December 31, 2023.
<b>GRI 1 adopted</b>	GRI 1: Foundation 2021


Reporting Framework	GRI Standards
<b>About the Report</b>	GRI 2-2: Entities included in the organization's sustainability reporting GRI 2-3: Reporting period, frequency and contact point
<b>Message from Chairwoman</b>	
<b>Company Overview</b>	
<b>Company Profile</b>	GRI 2-1: Organizational details GRI 2-6: Activities, value chain and other business relationships
<b>Corporate Culture</b>	
<b>Corporate Honors</b>	
<b>Membership of the Social Organization</b>	GRI 2-28: Membership associations
<b>Sustainable Development Management</b>	
<b>Governance Structure for Sustainable Development</b>	GRI 2-12: Role of the highest governance body in overseeing the management of impacts GRI 2-13: Delegation of responsibility for managing impacts GRI 2-14: Role of the highest governance body in sustainability reporting
<b>Sustainable Development Management Strategy</b>	GRI 2-22: Statement on sustainable development strategy
<b>Stakeholder Engagement</b>	GRI 2-29: Approach to stakeholder engagement
<b>Material Topics Analysis</b>	GRI 3-2: List of material topics GRI 3-3: Management of material topics

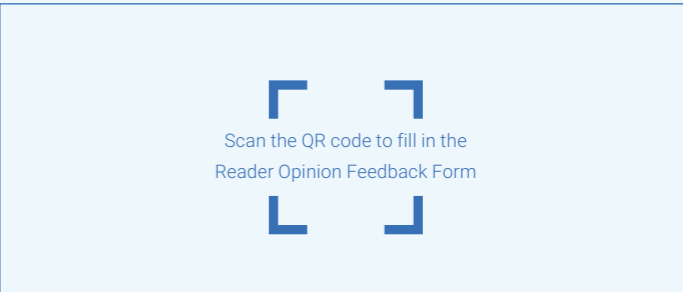
WOTE leads innovation, boosting industry development	
Deepening Industrial Advantages	
Continuous Technological Innovation	
Ensuring Product Quality	GRI 417-1: Requirements for product and service information and labeling
Providing High-quality Service	GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services
Promoting Industry Development	
WOTE is taking actions to protect lucid waters and lush mountains	
Strengthening Environmental Management	
Enhancing Resource Efficiency	GRI 302-1: Energy consumption within the organization
	GRI 302-3: Energy intensity
	GRI 302-4: Reduction of energy consumption
	GRI 302-5: Reductions in energy requirements of products and services
Environmental Pollution Control	GRI 305-7: Nitrogen oxides (Nox), sulfur oxides (SOx), and other significant air emissions
WOTE cares about people, building a happy homeland together	
Meeting Basic Needs	GRI 401-1: New employee hires and employee turnover
	GRI 401-2: Benefits provided to full-time employees that are not
	GRI 405-1: Diversity of governance bodies and employees
Enabling Value Realization	GRI 404-2: Programs for upgrading employee skills and transition assistance programs
Ensuring Occupational Safety	GRI 403-1: Occupational health and safety management system
	GRI 403-2: Hazard identification, risk assessment, and incident investigation
	GRI 403-5: Worker training on occupational health and safety
	GRI 403-6: Promotion of worker health
Active Participation in Social Welfare	GRI 403-8: Workers covered by an occupational health and safety management system

WOTE is committed to building a strong foundation and creating long-term value	
Strengthening Corporate Governance	GRI 2-9: Governance structure and composition
	GRI 2-12: Role of the highest governance body in overseeing the management of impacts
Compliance Management	GRI 205-1: Operations assessed for risks related to corruption
	GRI 205-3: Confirmed incidents of corruption and actions taken
Commitment to Business Ethics	GRI 205-2: Communication and training about anti-corruption policies and procedures
	GRI 206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
Information Security Assurance	GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data
Report Indicator Index	
Feedback Form	

## Feedback Form

Thank you for reading *WOTE Environmental, Social, and Corporate Governance (ESG) Report 2023*. In order to provide more valuable information to you and other stakeholders, and to enhance our company's capability and level in sustainable development management, we sincerely delighted to listen to your comments and suggestions on the report.





Scan the QR code to fill in the Reader Opinion Feedback Form