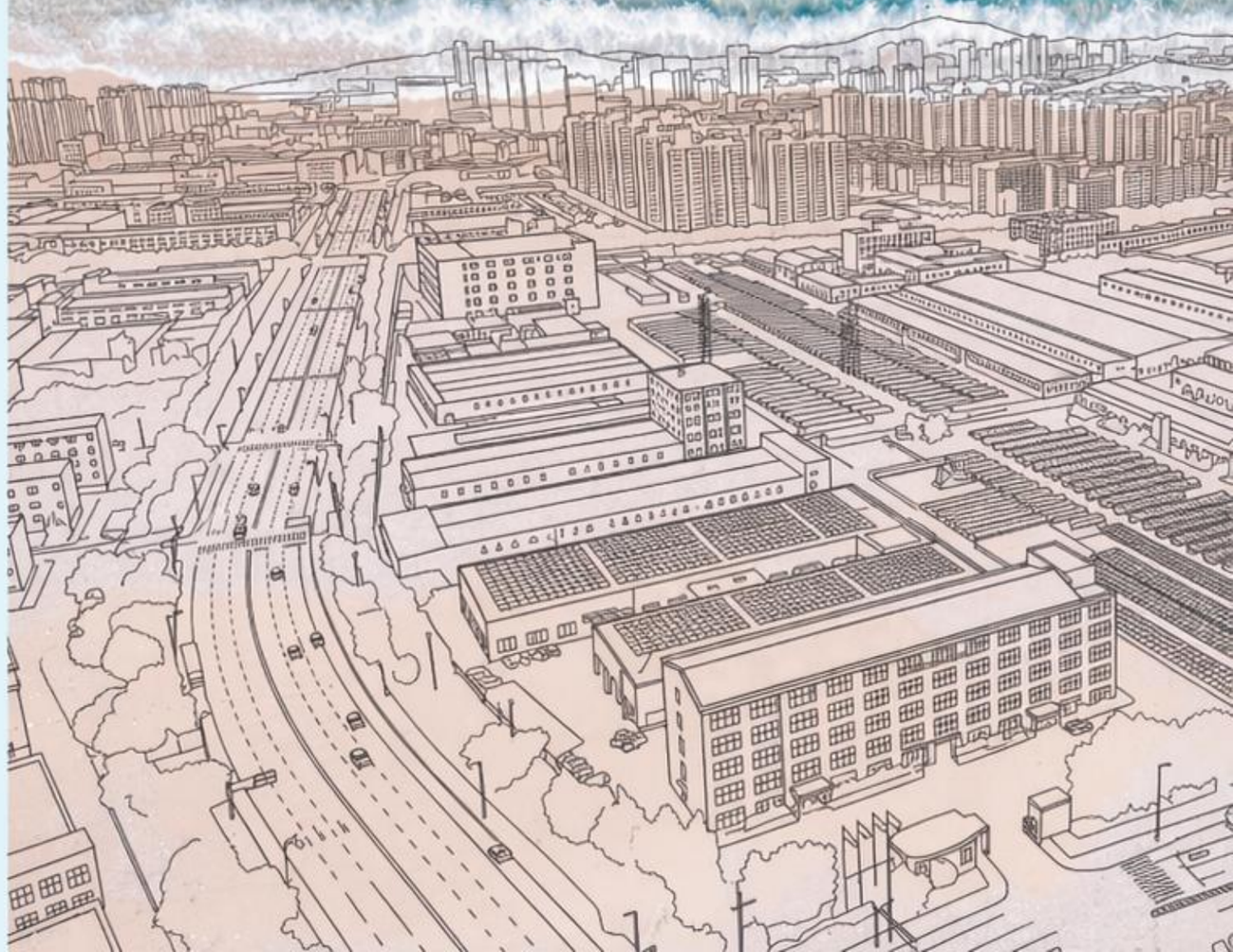
光威复材
GW COMPOS

# 2025
# Sustainability Report & Environmental, Social and Governance Report



**Pursuing the carbon fiber dream and leading the global advanced materials industry!**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# CATALOGS

# About This Report

The "2025 Sustainability Report and Environmental, Social and Governance Report of Weihai Guangwei Composites Co., Ltd." (hereinafter referred to as "this Report") is the first special report on sustainable development and environmental, social and governance (ESG) published by Weihai Guangwei Composites Co., Ltd. (hereinafter referred to as "GW COMPOS", "the Company", or "we").

This report systematically discloses core concepts, governance structure, strategic planning, and practical achievements of GW COMPOS in the ESG field. This report is not only an important reflection of the Company's commitment to sustainable development and fulfillment of its information disclosure obligations as a listed company, but also a self-examination and summary of the Company's efforts to improve its sustainable development capabilities. It facilitates stakeholders' understanding of relevant information and jointly promotes the steady implementation of sustainable development goals.

## Report Scope

This report covers all entities within the scope of the Company's consolidated financial statements. Any discrepancies in the scope of disclosure will be noted in the relevant section. For ease of expression and reading, the references to titles used in this report are shown in the table below:

| Abbreviated name | refer to | Full name |
|---|---|---|
| GW COMPOS, the Company, we, our Company | refer to | Weihai Guangwei Composites Co., Ltd. |
| Guangwei Group, Controlling Shareholder | refer to | Weihai Guangwei Group Co., Ltd. |
| Composite Materials Technology | refer to | Weihai Guangwei Composite Materials Technology Co., Ltd. |
| Guangwei Precise Machinery | refer to | Weihai Guangwei Precise Machinery Co., Ltd. |
| Tuozhan FIBER | refer to | Weihai Tuozhan FIBER Co., Ltd. |
| Advanced Energy Materials | refer to | Weihai Guangwei Advanced Energy Materials Co., Ltd. |
| Inner Mongolia Guangwei | refer to | Inner Mongolia Guangwei Carbon Fiber Co., Ltd. |
| Guangsheng Technology | refer to | Weihai Guangsheng Aerospace Technology Co., Ltd. |
| Beijing Lanke | refer to | Beijing Lanke Yingsheng Aviation Technology Co., Ltd. |

## Reporting Period

This report covers the period from January 1, 2025 to December 31, 2025 (hereinafter referred to as the "reporting period" or "this year"). This report adopts an annual report publication mechanism, consistent with financial reports. Unless otherwise specified, all data in this report are statistical data for the aforementioned period. To enhance the continuity and comparability of this report, some content extends beyond the above time frame as needed.



## Basis of Preparation

This report is prepared mainly in accordance with Self-Regulatory Guidelines No.2 for Companies Listed on Shenzhen Stock Exchange — Standardized Operation of ChiNext Listed Companies, Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange — Sustainability Report (Trial), and Self-Regulatory Guide No.3 for Listed Companies — Compilation of Sustainability Report of the Shenzhen Stock Exchange ChiNext.

Meanwhile, it refers to the Global Reporting Initiative (GRI) Standards of the Global Sustainability Standards Board (GSSB), the United Nations Sustainable Development Goals (UN SDGs), the IFRS Sustainability Disclosure Standards of the International Sustainability Standards Board (ISSB), Corporate Sustainability Disclosure Standards — Basic Standards (Trial), Application Guidance to the Corporate Sustainability Disclosure Standards—Basic Standards (Trial), and Corporate Sustainability Disclosure Standards No.1 – Climate (Trial) issued by the Ministry of Finance and eight other authorities, as well as the EU Corporate Sustainability Reporting Directive (CSRD), and European Sustainability Reporting Standards (ESRS), etc. Combined with industry-specific requirements, the Company continuously enhances the disclosure specifications of this report to fully respond to the expectations and demands of stakeholders.

## Information and Data Description

The data, cases, and related information used in this report are all derived from GW COMPOS' official documents, annual statistical reports, and valid records from daily operations. We guarantee that there are no false records, misleading statements, or material omissions. The Company's Board of Directors has reviewed and approved the content of this report and is responsible for the truthfulness, accuracy, and completeness of the information. Financial information in this report is measured in RMB, and environmental and other related performance indicators are disclosed using internationally accepted standards and units of measurement.

## Report Acquisition Methods and Contact Information

This report is published in both Simplified Chinese and English. The electronic version can be viewed or downloaded online from the Company's official website (https://gwcfc.com/). In the event of any discrepancy in interpretation between the Chinese and English versions, please refer to the Simplified Chinese version.

For any inquiries or feedback regarding this report, please contact us through the channels below:

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# Chairman's Statement

Time etches footprints, perseverance leads to extraordinary achievements

In 2025, all employees of GW COMPOS upheld the founding vision of Mr. Guangwei Chen to serve the nation through industry. Guided by the strategy of “advancing through innovation and pursuing quality-driven growth,” we continued to overcome key bottlenecks in carbon fiber and composite materials, making steady progress in technological innovation, green development, and corporate responsibility.

## Breakthroughs in technology to solidify the foundation of self-reliance in the carbon fiber industry

In 2025, we continued to place technological innovation at the core of our development, driving breakthroughs and industrial upgrading. Upholding a spirit of innovation and excellence, we achieved a series of landmark results in carbon fiber and composite materials. Tuozhan FIBER was recognized as a National Manufacturing Single Champion Enterprise and a Specialized and Sophisticated “ Little Giant ” Enterprise. High-strength, high-modulus carbon fiber was selected as one of the Top Ten Scientific and Technological Innovation Achievements in Shandong Province. The “Ultra-thin Carbon Fiber Prepreg and Its Production Process” received the 2025 SAMPE China Innovation Award, and the “High-Pressure Composite Structure Design and Application” project won the First Prize of the Science and Technology Progress Award from the Chinese Society for Composite Materials. These achievements reflect our continued commitment to independent control of core technologies and to breaking foreign technological monopolies.

## The commercialization of R&D achievements, empowering the low-altitude economy and high-end equipment with core materials

Aligned with national strategies for the low-altitude economy, the Company delivered strong results in 2025. We provided key material support for major domestic platforms, including the “Jiutian” UAV, the world’s first 6-ton tiltrotor aircraft Lan Ying R6000, and the RX4E four-seat electric aircraft, demonstrating the reliability of domestically produced carbon fiber. The AR-500 unmanned helicopter project received the First Prize of the Jiangxi Provincial Science and Technology Progress Award. Meanwhile, Guangwei Precise Machinery was awarded the Third Prize in the High-end Equipment Category at the 9th Shandong Provincial Science and Technology Workers Innovation Competition for its aerospace additive manufacturing integrated equipment. From advanced materials to equipment capabilities, GW COMPOS continues to support the upgrading of the low-altitude economy.

## Green symbiosis, fulfilling the mission of sustainable development

Carbon fiber and its composite materials possess numerous advantages, including lightweight and long lifespan, making them indispensable key materials for achieving lightweight and green low-carbon development across various fields. They can directly reduce energy consumption and greenhouse gas emissions in production and daily life. We have been committed to promoting the application of carbon fiber and its composite materials in the circular economy, hoping to provide new possibilities for building a green and sustainable industrial ecosystem. In 2025, the Company’s high-performance carbon fiber products were selected as an outstanding case in the hydrogen energy industry. Featuring core advantages such as lightweight, high strength, and design flexibility, these high-performance carbon fibers provide critical support for the industrialization of hydrogen energy, demonstrating the strong momentum generated by the integration of advanced materials and clean energy. Going forward, we will continue to focus on technological innovation and application scenarios of the carbon fiber and composite materials industry, with emphasis on key fields including new energy, high-end equipment, energy conservation and environmental protection. We will work with upstream and downstream partners to build a collaborative, innovative, green, and low-carbon industrial ecosystem, contributing more to achieve China's "Carbon Peaking and Carbon Neutrality Goals" and the high-quality development of the circular economy.

## Passing on the torch, empowering future development with responsibility

An enterprise cannot thrive without support from society. Only by shouldering responsibilities proactively and carrying forward its mission from generation to generation can it achieve sustainable development.The Company held the 9th "Guangwei Cup" Science and Technology Innovation Competition for University Students organized by the Chinese Society for Composite Materials, providing a fair platform for young students to compete and showcase their talents, guiding more young people to devote themselves to the materials industry, and cultivating new blood for the industry's development.Inner Mongolia Guangwei and the School of Materials Science and Engineering of Inner Mongolia University of Science and Technology jointly established a "University Student Internship and Training Base", further deepening university-enterprise cooperation and cultivating a fertile ground for practical talent development.

## People-oriented development, enabling strivers to shine brightly

This year, our employees continued to shine brightly in their respective roles. On November 28, 2025, the 2025 China National Textile and Apparel Council Science and Technology Awards Conference was held at the Great Hall of the People in Beijing, where organizations and individuals receiving the 2025 CNTAC Science and Technology Awards were ceremoniously honored. At the conference, Zongjie Cong, Chairman of Weihai Tuozhan Fiber Co., Ltd., was awarded the “China National Textile and Apparel Council Science and Technology Award – Sangma Scholar Award. Lei Zhang was awarded the honor of "Weihai Craftsman" in 2025 and selected into the list of " Weihai Technicians with Outstanding Contributions"; Pursuing the carbon fiber dream and leading the global advanced materials industry.

Dawei Gu was awarded the title of “National Model Worker” and, as the only invited model worker representative from Weihai, participated in the commemoration of the 80th anniversary of the victory of the Chinese People's War of Resistance Against Japanese Aggression and the World Anti-Fascist War, demonstrating the responsibility and glory of the Company’s employees.

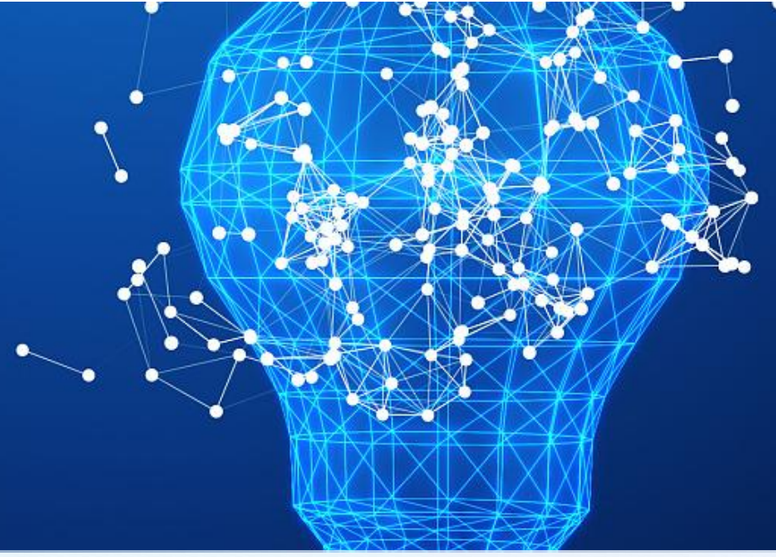
In the Company, employees are never just "cogs" on the production line, but stars with unlimited potential. To enable all employees to transform from "operators" to "leaders", the Company has paved a visible path for advancement for employees in different positions through a systematic training mechanism, tiered talent development, specialized skills competitions, and generous innovation rewards. Whether they are skilled workers dedicated to production or engineers devoted to research and development, all can stand out through internal promotion, project practice, competitions and other channels within the Company. In the future, we hope that every employee can realize their life value and career dreams on the platform of GW COMPOS, and illuminate the journey of building a great modern socialist country with the brilliance of GW COMPOS employees! Dear partners, every achievement in 2025 is inseparable from the trust and support of our clients, the steadfast companionship of our investors, and above all, the dedication and hard work of all employees. On behalf of the Company, I would like to express my sincerest gratitude to every partner who has walked alongside us.

Looking to the future, the Company will continue to uphold the core spirit of Mr. Guangwei Chen, adhere to the original aspiration of serving the country through industry, and strive to overcome more key technologies in the carbon fiber field, deepening technological innovation and the transformation of research results. We will promote green and low-carbon development with stricter standards, fulfill our social responsibilities with more concrete measures, deeply cultivate rural revitalization, strengthen our talent advantages, and strive to contribute more to the high-quality development of China's new materials industry, the quality improvement and efficiency enhancement of the low-altitude economy, and social progress. May all parties join hands in unity, embark on a new journey together, and write a new chapter of endeavor.

**Chairman of GW COMPOS**

**Zhaojun Lu**

# About GW COMPOS



As the first A-share listed company in China’s carbon fiber industry and a National Manufacturing Single Champion Enterprise, GW COMPOS has broken through foreign technological barriers and reshaped the global landscape of advanced materials.Over three decades,the Company has built a fully integrated industrial chain and aligned its development with national strategies, providing critical material support for national industrial upgrading and global sustainable development.

## Empowering national strategic capabilities through high-performance carbon fiber, laying the foundation for the industry

In the face of foreign technological barriers, our founder, Mr. Guangwei Chen, remained committed to his original aspiration of “serving the nation through industry.” Starting with limited resources, he persevered through sustained efforts with a cumulative investment of over RMB 4 billion. In 2005, the Company successfully developed China’s first domestically produced T300-grade carbon fiber, breaking through critical technological barriers, filling a key gap in the industry, achieving independent control over core equipment, technologies, and products, fundamentally reversing China’s long-standing reliance on foreign technologies in the carbon fiber sector.

We uphold the mission of **“serving the country through industry and adhering to the development of our main business”** and implement the **“621”** development strategy, striving to establish a leading position in the field of advanced composite materials in China.

### “621” Development Strategy

**6 Business Segments:** Carbon Fiber, General New Materials (prepregs), Energy New Materials (pultruded products such as carbon planks), Aerospace Advanced Composites, Astronautics Advanced Composites, and Precision Machinery (production equipment for carbon fiber and its composite materials, tooling and molds).

**2 National “Industry-University-Research-Application” R&D Platform Engines**: The National Industrial Design Center and the National Enterprise Technology Center.

**1 Competitive Full Industrial Chain**.

## A complete industry chain layout, building core barriers through technological innovation

GW COMPOS has grown into an industry-leading enterprise with total assets exceeding RMB 9 billion and a workforce of more than 2,200 employees. The Company has built an integrated full-industry-chain layout covering “precursor fiber - carbon fiber - fabrics - prepregs - composite material products - equipment manufacturing - testing and analysis - technical design,” with multiple business segments including Tuozhan FIBER, Carbon Fiber, General New Materials (prepregs), Advanced Energy Materials (pultruded products such as carbon planks), Aerospace Advanced Composites, Astronautics Advanced Composites, and Precision Machinery (production equipment for carbon fiber and its composite materials, tooling and molds) among other business segments. Through this layout, the Company has achieved 100% independent control over core technologies and equipment, becoming a leading enterprise in China’s carbon fiber industry with the most complete product portfolio, advanced technologies, and a fully integrated industrial chain.

Adhering to the core values of “taking technological innovation as the core and serving the country through industry as the guide,” the Company remains deeply committed to its main business of high-performance carbon fiber and composite materials. Its products are widely used in aerospace, wind turbine blades, photovoltaic thermal fields, high-pressure hydrogen storage, sports and leisure, and building reinforcement.

### 01 Technology Leadership

As a benchmark enterprise in China’s carbon fiber industry, the Company has presided over the drafting of two national standards, Polyacrylonitrile-Based Carbon Fiber and Carbon Fiber Prepregs. Leveraging the National Industrial Design Center and the National Enterprise Technology Center, the Company has opened up the entire innovation chain from basic research to industrial application, overcome the challenges of localization of core equipment, broken foreign technological monopolies, and built solid technological barriers.

### 02 Market Leadership

With superior product quality and reliable supply capability, the Company has become a core supplier in the aviation and aerospace sectors, safeguarding the security of national defense materials. At the same time, it has achieved large-scale applications in civilian fields such as wind power, new energy, and the low-altitude economy, seizing opportunities in emerging industries.

### 03 Ecosystem Building

As a leading enterprise, the Company has actively driven the development of the carbon fiber and composite materials industrial cluster in Weihai. Through the model of “leader-led, coordinated support,” it has built a complete industrial ecosystem and was recognized as a strategic emerging industry cluster in Shandong Province, laying a solid foundation for China's carbon fiber industry.

## Based in China, with the vision of a world of great harmony, benefiting global development

With the vision of “pursuing the carbon fiber dream and leading the global advanced materials industry,” we integrate our corporate development with the destiny of the nation and the well-being of humanity. Through three decades of steadfast commitment to innovation, we have not only reshaped the global industrial landscape, but also provided critical support to sectors such as national defense, new energy, and the low-altitude economy, contributing to sustainable development for humanity.

# Key Milestones of 2025

## January

On January 7th, Weihai Guangwei Composites Co., Ltd. passed the certification audit by the Aviation Special Process Evaluation Center, affirming its technical excellence and quality management capabilities in aerospace manufacturing.

On January 14th, the RX4E Ruixiang four-seat electric aircraft, independently developed by Liaoning General Aviation Academy of Shenyang Aerospace University, successfully obtained its Type Certificate (TC) from the Civil Aviation Administration of China, becoming China's first normal category electric aircraft to receive type approval. This milestone marks a breakthrough in China's development of new-energy electric aircraft technology. GW COMPOS played a key role in supplying the primary raw materials for the aircraft's certification process.

## April

On April 28th, Dawei Gu, the workshop director of GW COMPOS, was awarded the title of “National Model Worker”.

## June

On June 11th, GW COMPOS helped the AG600, a large amphibious aircraft independently developed by Aviation Industry Corporation of China, Ltd. (AVIC), obtain the production certificate (PC certificate) from the Civil Aviation Administration of China in Zhuhai, Guangdong.


## July

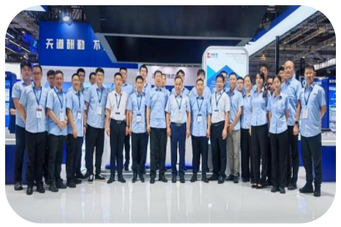
On July 29th, the 2025 Development Conference on FRP Composites in Civil Engineering, hosted by GW COMPOS, was successfully held.


## August

From August 2nd to 3rd, the Annual Meeting of the Rail Transit Composite Materials Committee of the Chinese Society for Composite Materials, co-organized by the Rail Transit Composite Materials Committee of the Chinese Society for Composite Materials, CRRC Qingdao Sifang Co., Ltd., and GW COMPOS, was successfully held in Baotou.

## September

From September 16th to 18th, GW COMPOS showcased a variety of products and innovative achievements at the 28th China International Composites Exhibition, exploring cutting-edge technologies and discussing development opportunities with industry peers.



On September 19th, the 2025 China State Shipbuilding Corporation Limited (CSSC) Industrial Chain and Supply Chain Conference was held in Jiangsu Province. At the conference, Tuozhan FIBER once again won the "Gold Supplier" honor from CSSC.


On September 29th, Mr.Wenyi Wang, General Manager of GW COMPOS, participated in the "New Momentum from the 'Chain'" special session of the "Shandong Good Brands on the Industrial Chain" press conference, hosted by the Information Office of the People's Government of Shandong Province.

## November

On November 11th, GW COMPOS held the 38th anniversary celebration, with employees gathering to participate in various fun competitions.

## December

On December 9th, Mr. Wenyi Wang, general manager of GW COMPOS, was appointed as the chairman of the presidium of the Low Altitude Economy Committee of the All-China Federation of Industry and Commerce.


On December 11th, the "Jiutian" Unmanned Aerial Vehicle （UAV）, for which GW COMPOS provided material support, successfully completed its maiden flight.

## Provincial and Ministerial-level Honors

### GW COMPOS

- First Prize of Jiangxi Provincial Science and Technology Progress Award (The People's Government of Jiangxi Province)
- Shandong Provincial Champion Enterprise in a Specific Field (Department of Industry and Information Technology of Shandong Province)
- Listed in the Cultivation Pool of Leading New Material Enterprises and Top 50 Leading New Material Enterprises in Shandong Province ( Department of Industry and Information Technology of Shandong Province)
- "Shandong Manufacturing, Qilu Excellence" (Department of Industry and Information Technology of Shandong Province)

### Advanced Energy Materials

- Shandong Provincial Champion Enterprise in a Specific Field (Department of Industry and Information Technology of Shandong Province)

### Composite Materials Technology

- Excellence Award in the Enterprise Group of the 10th "Maker in China" Low-Altitude Economy SME Innovation and Entrepreneurship Global Contest (Ministry of Industry and Information Technology of the People's Republic of China)

### Guangwei Precise Machinery

- Third Prize in the High-End Equipment Category of the Shandong Provincial Science and Technology Workers Innovation Competition (Shandong Association for Science and Technology)
- National Manufacturing Single Champion Enterprise (Ministry of Industry and Information Technology of the People's Republic of China)

### Tuozhan FIBER

- National Champion Manufacturing Enterprises (Ministry of Industry and Information Technology of the People's Republic of China)
- Nomination Award for Shandong Provincial Governor Quality Award (The People's Government of Shandong Province)
- 2024 Top 10 Scientific and Technological Innovation Achievements of Shandong Province (Department of Science & Technology of Shandong Province)

## Industry-level Honors

### GW COMPOS

- First Prize for Science and Technology Progress from the Chinese Society for Composite Materials (Chinese Society for Composite Materials)
- SAMPE China Innovation Award in Materials (SAMPE China Mainland Association)
- Top 500 Private Enterprises in China for Invention Patents (All-China Federation of Industry and Commerce)
- 2025 Top 100 Innovative Private Enterprises in Shandong Province (Shandong Provincial Federation of Industry and Commerce)

### Composite Materials Technology

- Third Prize for Science and Technology from the Shandong New Materials Industry Association (Shandong New Materials Industry Association)
- Third Prize, Enterprise Group, Innovation and Entrepreneurship Competition of Shandong New Materials Industry Association (Organizing Committee of the Shandong New Materials Industry Innovation and Entrepreneurship Competition)

## City-level Honors

### GW COMPOS

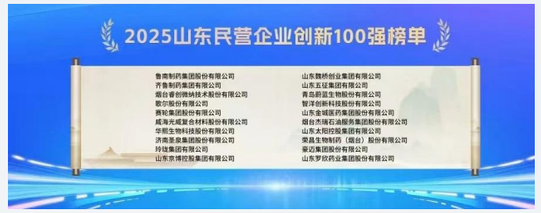
- 2024 Advanced Unit for Scientific and Technological Innovation in Weihai City(Weihai Municipal People's Government)
- 2024 Advanced Unit in Talent Work in Weihai City (Weihai Municipal People's Government)

# 2025 Awards


First Prize of Jiangxi Provincial Science and Technology Progress Award


Third Prize in the High-End Equipment Category of the Shandong Provincial Science and Technology Workers Innovation Competition


Third Prize, Enterprise Group, Innovation and Entrepreneurship Competition of Shandong New Materials Industry Association

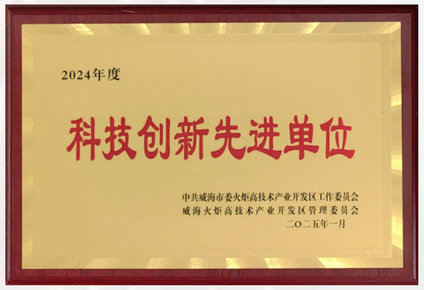



2025 Top 100 Innovative Private Enterprises in Shandong Province


SAMPE China Innovation Award in Materials


2024 Top 10 Scientific and Technological Innovation Achievements of Shandong Province


Third Prize for Science and Technology from the Shandong New Materials Industry Association




2024 Advanced Unit for Scientific and Technological Innovation in Weihai City


2024 Advanced Unit in Talent Work in Weihai City

# ESG Management

GW COMPOS deeply integrates the concepts of Environmental, Social and Governance (hereinafter referred to as “ESG”) into the entire process of corporate strategy and operations, establishing a systematic ESG management system. By anchoring to sustainable development goals, the Company comprehensively enhances its sustainable development capabilities and core competitiveness.

## ESG Governance Structure: Clear Authority and Responsibilities, Efficient Collaboration

The Company has established a four-level ESG governance structure linking the Board of Directors, ESG Working Leading Group, ESG Working Implementation Team, and various business units/subsidiaries. By clarifying the core responsibilities of each level, a closed-loop management mechanism of "decision-supervision-execution-implementation" has been formed.


ESG Governance Structure

**Board of Directors(Supreme Decision-Making and Oversight Body):**

①Review and approve ESG strategies, objectives, and major policies; ②Monitor ESG risk and opportunity management and evaluate ESG performance; ③Review the sustainability report and monitor the achievement of the goals.

**ESG Working Leading Group (Senior Executives + Heads of Core Departments):**

①Formulate the ESG strategic plan, objectives, and implementation plan; ②Review the ESG management system and coordinate the allocation of key resources; ③Monitor implementation progress and review the climate risk list; ④Internally review the Company's sustainability report; ⑤Promote ESG culture building and internal and external communication.

**ESG Working Implementation Team (Key Members of Functional Departments):**

①Formulate the ESG target implementation plans, coordinate daily operations, and prepare sustainability reports; ②Thoroughly understand and track domestic and international sustainable development policies, and respond accordingly based on the Company's situation; ③Regularly inspect the completion of the ESG strategic plan and objectives; ④Establish ESG management systems and propose optimization suggestions; ⑤Report recommendations for improving sustainability management to the ESG Working Leading Group.

**Business Units/Subsidiaries:**

①Execute ESG work in their respective domains and report progress regularly; ②Conduct communication with stakeholders in their respective business segments and areas of expertise; ③Carry out routine ESG management work; ④Regularly report the progress of ESG objectives to the ESG working group and cooperate in submitting relevant data and materials; ⑤Put forward suggestions for improving sustainable development management to the ESG Working Implementation Group based on actual implementation.

# Sustainability Strategy: Forward-looking Planning, Value-Driven

| E/S/G | Sustainable Development Goals | SDGs | Short-term goals (Until 2027) | Medium-term goals (Until 2030) | Long-term goals (Until 2035) | Key practices up to 2025 |
|---|---|---|---|---|---|---|
| Environmental | 1. Addressing climate change and achieving low-carbon operations |  | Establish a comprehensive carbon emission data accounting system and complete the carbon footprint assessment of major products | Further reduce the greenhouse gas emission intensity per unit of output value | Continuously deepen greenhouse gas emission reduction per unit of output value | 1. Established a leading group for emergency response to heavy air pollution, and incorporated climate change risks into corporate governance;<br>2. Completed the Greenhouse Gas (GHG) Accounting for Scopes 1 and 2, solidifying the foundational data for emission reduction efforts;<br>3. Distributed photovoltaic power generation were implemented, and green electricity supply capacity was improved. |
| | | | Steadily reduce the greenhouse gas emission intensity per unit of output value | Encourage core suppliers to conduct carbon emission checks | Explore and define emission reduction pathways that align with the Scientific Carbon Target (SBTi) | |
| | 2. Improve energy efficiency and expand the use of renewable energy |  | Steadily increase the proportion of renewable energy consumption, advance the implementation of green power projects, and enhance green power supply capacity | Significantly increase the proportion of renewable energy utilization, ensure stable operation of direct green power supply projects, and raise the absorption rate of green power | Continuously increase the proportion of renewable energy utilization | 1. The Company and certain subsidiaries have obtained ISO 50001 certification, standardizing energy management practices;<br>2. In 2025, renewable energy consumption increased by 50.51% year-on-year, with a marked increase in the proportion of green power;<br>3. Multiple energy-saving technological upgrades have been implemented, resulting in continuous optimization of energy consumption per unit of product. |
| | | | Complete energy-saving diagnostics and retrofitting of major high-energy-consuming equipment to reduce energy consumption per unit product | The proportion of direct green electricity supply has increased significantly | Establish demonstration sites for "zero-carbon factories" or "near-zero-carbon factories" | |
| | 3. Promote a circular economy and achieve efficient use of resources |  | Steadily improve the recycling rate of carbon fibers; establish ledgers for waste carbon fibers and composite materials | Further elevate the recycling rate of carbon fibers, establish demonstration production lines and realize commercial application | Establish demonstration sites for "zero-carbon factories" or "near-zero-carbon factories" | 1. Waste carbon fiber recycling technology won the first prize of Shandong Provincial Award for Circular Economy, reaching an industry-leading technical level;<br>2. In 2025, recycled water volume amounted to 316,200 tons; utilization rate was improved through condensate recovery and wastewater treatment;<br>3. The compliance disposal rate and harmless disposal rate of hazardous waste both remained at 100%. Specialized training on waste management is conducted on a regular basis. |
| | | | Improve the reuse rate of water resources | Continuously enhance the water reuse rate | Continuously enhance the water reuse rate | |
| | | | Reduce the generation intensity of general industrial solid waste | Further reduce the generation intensity of general industrial solid waste | Promote the resource utilization of by-products and further reduce the generation intensity of general industrial solid waste | |
| | | | Maintain a 100% harmless disposal rate for hazardous waste | Explore deposit-refund schemes for packaging materials or shared packaging models | Continuously explore deposit-refund schemes for packaging materials or shared packaging models | |
| | | | Sustain a high recovery rate for organic solvents | | | |

| E/S/G | Development Goals | SDGs | Short-term goals (Until 2027) | Medium-term goals (Until 2030) | Long-term goals (Until 2035) | Key practices up to 2025 |
|---|---|---|---|---|---|---|
| Social | 4. Innovation-driven advancement to tackle core key technologies |  | Maintain high-intensity R&D investment, achieve breakthroughs in key technologies in the field of high-end carbon fibers and composite materials; Lead or participate in formulating multiple national standards | To achieve complete independent control over aerospace-grade high-end carbon fiber and its composite materials | A national-level cutting-edge technology center for carbon fiber and composite materials has been established; Acquired a number of additional invention patents | 1. Domestically produced T800-grade carbon fiber has been put into batches, and high-strength, high-modulus carbon fiber has been selected as one of the Top Ten Scientific and Technological Innovation Achievements in Shandong Province;<br>2. By the end of 2025, the cumulative number of patents reached 1,094, with 174 new patents added during the year;<br>3. Joint laboratories have been established with multiple universities, and new cooperative projects such as T1000-grade carbon fiber have been launched to promote the transformation of scientific and technological achievements. |
| | | | | Acquired a number of additional invention patents | Continuously lead or participate in the formulation of national standards | |
| | 5. Ensure product safety and quality to win customer trust |  | Maintain high rates of first-pass product yield, on-time delivery and customer satisfaction | Establish a full-process quality traceability and intelligent testing system | To become a global benchmark enterprise for quality in the field of carbon fiber composite materials | 1. Held multiple certifications including AS9100 and IATF16949, and passed aviation special process certification in 2025;<br>2. Carbon beam non-destructive testing device, enabling real-time defect alarm;<br>3. The customer satisfaction rate reached 98.26% in 2025. The Company supported key national projects and was awarded the "Gold Supplier" title by China State Shipbuilding Corporation Limited. |
| | | | The main risks were effectively controlled at a rate of 100% | Maintain consistently high customer satisfaction | | |
| | 6. Build a responsible supply chain to achieve symbiotic and win-win results |  | Enhance supply chain resilience | Promote core suppliers to obtain multiple management system certifications | Build a green, resilient, and digital supply chain ecosystem | 1. Supplier admission covers multiple indicators across five major ESG modules, with 100% of core suppliers signing integrity commitment letters.<br>2. Attained EcoVadis Bronze Rating in 2025. |
| | | | Increase the signing rate of ESG agreements among newly admitted suppliers | Conduct on-site ESG audits of key suppliers | Obtain internationally recognized certification for sustainable supply chain management system | |
| | 7. People-oriented approach, empowering employee development |  | Maintain high employee satisfaction and achieve a zero rate of major workplace safety accidents | Continuously improve employee satisfaction and maintain zero major work safety accidents | Become one of the best employers in the new materials industry | 1. The employee satisfaction rate reached 99.07%, with zero major work safety accidents recorded;<br>2. 226 training sessions totaling 5,689 hours were held in 2025, achieving 100% safety training coverage;<br>3. Dawei Gu was awarded the title of National Model Worker, and his studio was selected as a national-level institution, training over 80 technical backbone personnel;<br>4. RMB 22.80 million was invested in work safety, with a 100% rectification rate for potential safety hazards. |
| | | | Enhance the coverage of employee training with a sustained increase in per capita training hours | Build a digital talent development platform and continuously develop a diversified talent system | | |

| E/S/G | Sustainable Development Goals | SDGs | Short-term goals (Until 2027) | Medium-term goals (Until 2030) | Long-term goals (Until 2035) | Key practices up to 2025 |
|---|---|---|---|---|---|---|
| Social | 8. Giving back to society and contributing to rural revitalization |  | Conduct ongoing public welfare initiatives such as agricultural procurement assistance and rural donations | Establish a stable and long-term mechanism for social welfare | To become a benchmark for practicing regional social responsibility | 1. Continue to carry out public welfare activities such as agricultural assistance procurement and rural donations;<br>2. Maintain employment support for disabled employees and veterans;<br>3. Donated equipment to sub-districts and sponsor community events. |
| | | | Maintain employment support for employees with disabilities and veterans | Drive employment and economic development of the local industrial chain | | |
| Governance | 9. Improve corporate governance and solidify the foundation of compliance |  | Maintain the Shenzhen Stock Exchange's A-level rating for information disclosure; Continuously improve the sustainable development governance framework | Promote the in-depth integration of ESG governance into business operations, and explore incorporating key ESG performance indicators into senior management assessment | Continuously strengthen the Company's compliance management and build a benchmark for corporate governance and compliant operation | 1. Rated Grade A in information disclosure by the Shenzhen Stock Exchange for four consecutive years;<br>2. Formulate integrity codes and sign anti-corruption agreements with customers and suppliers;<br>3. Continuously improved internal control systems; achieved zero litigation related to anti-monopoly and anti-unfair competition; attended six tax training sessions to ensure compliant operations. |
| | | | Anti-corruption training coverage reached 100%, and there were zero corruption incidents | Anti-corruption training coverage reached 100%, and there were zero corruption incidents | | |
| | 10. Strengthen data security and privacy protection |  | The core business systems have 100% data encryption coverage | Introduce privacy computing technology to realize the "usable but invisible" management of sensitive data | Build an intelligent data security management platform and continuously strengthen the management of information security and privacy protection | 1. 100% data encryption coverage in core business systems;<br>2. A data hierarchical management and control mechanism has been established, emergency drills have been conducted, and no information security incidents have occurred. |
| | | | Information security training coverage rate is 100% | Obtain professional certification for data security | | |

# ESG Management System and Risk Management: System as the Foundation, Risk Control as the Shield

## Management System

The Company has established a systematic internal ESG management system covering key areas such as environmental compliance, social responsibility, and governance standards, ensuring that ESG work is conducted in a structured manner with clear responsibilities.

The Company conducts regular internal reviews and updates its systems to ensure continuous alignment with internal and external changes, providing a solid foundation for strengthening management and fulfilling its strategic commitments.

## ESG Risk Management

The Company has established a closed-loop risk control system covering the entire process of "risk identification → risk analysis → risk assessment → risk response → monitoring and improvement" and systematically carries out ESG risk management. Taking into account industry characteristics such as fluctuations in the carbon fiber industry chain, technological iterations, and policy changes, the Company dynamically identifies risks and assesses their likelihood and impact through both qualitative and quantitative analysis, forming a graded ESG risk list categorized as high, medium, and low.

Based on the results of risk assessments, annual business plans, and the Company's risk tolerance, each functional department formulates targeted risk response strategies, including risk avoidance, mitigation, transfer, or acceptance. The ESG Working Implementation Team regularly tracks the effectiveness of these measures, dynamically updates the risk list, and continuously optimizes the risk management process in response to changes in the internal and external environment, ensuring that risks remain controllable and management is maintained in a closed loop.



## Closed-loop management system for ESG risk control throughout the entire process

**Risk identification**

ESG-related risks from four dimensions: industry, technology, policy, and social governance:

- Industry dimension: Focus on identifying risks such as the stability of the carbon fiber supply chain, fluctuations in international logistics, and changes in demand from downstream.
- Technology dimension: Addresses risks including the failure of high-performance carbon fiber R&D, the loss of core technical personnel, and patent infringement.
- Policy compliance dimension: Monitors risks associated with increasingly stringent regulations such as carbon emission policies under the "dual carbon" goals, environmental protection and export controls.
- Social and governance dimension: Identifies risks related to labor standards in the supply chain, community relationship management, data security, and business ethics.

**Risk Analysis**

- Qualitative analysis: Assess the likelihood of risks occurring, such as the frequency of policy changes and the frequency of supply chain disruptions.
- Quantitative analysis: Measure the impact of risks on the company's finances, reputation, and sustainable development goals, such as cost fluctuations caused by raw material price fluctuations and losses caused by technological research and development failures.

**Risk Assessment**

Based on the analysis results, the risks are divided into three levels: "high", "medium", and "low", and a comprehensive evaluation is conducted in conjunction with the company's risk tolerance.

- High risk: Directly threatens core business or compliance bottom line, requiring immediate activation of special response plan.
- Medium risk: Impact on business stability or reputation, requiring continuous monitoring and the development of mitigation measures.
- Low risk: Localized or short-term impact, to be incorporated into daily management and reviewed regularly.

**Risk Response**

For different levels of risk, each responsible department shall formulate and implement differentiated response strategies:

- High risk: Establish a special working group, formulate emergency plans, and clarify the responsible persons and completion deadlines.
- Medium risk: Establish a routine monitoring mechanism and formulate an annual improvement plan.
- Low risk: Incorporate into daily operations management and regularly assess changes in risk.

**Monitor and Improve**

- The ESG Working Implementation Team tracks and evaluates the effectiveness of risk management measures and dynamically updates the risk list. Every year, it conducts a comprehensive review and optimization of risk management processes and contingency plans based on changes in industry policies, business development, and stakeholder feedback to ensure the adaptability and effectiveness of the system.

# ESG Capability Development and Stakeholder Communication: Full Participation, Collaborative Win-Win

## ESG Training System

By establishing an ESG capability training system covering all departments, specialized training is conducted in a tiered and categorized manner.

**Core Management Team**

Conduct ESG policy training to deeply integrate low-carbon transformation and supply chain resilience with business objectives.

**Core technologies and production departments**

Organize specialized training programs on "ESG + Technology" and "ESG + Production" to guide proactive identification and mitigation of environmental and social risks in the research and development and production processes.

**All employees**

Through the Company's daily operations and management, we disseminate sustainable development awareness and embed the ESG philosophy as the default guiding principle for all routine work activities.

**ESG Capability Training System**

## Stakeholder Identification and Communication

The Company values the needs of all stakeholders, has established sound multi-dimensional communication channels to ensure smooth and efficient communication, timely response and feedback, and improved ESG governance transparency.

| Stakeholders categories | Key issues to focus on | Communication methods |
|---|---|---|
| Government and Regulatory Authorities | • Environmental compliance management<br>• Pollutant emissions<br>• Waste disposal<br>• Water resource utilization<br>• Energy utilization<br>• Data security and customer privacy protection<br>• Product and service safety and quality<br>• Anti-commercial bribery and anti-corruption | • Government-enterprise exchange meeting<br>• Government-enterprise symposium<br>• Research and inspection<br>• Information submission |
| **Shareholders/ Investors** | • Addressing climate change<br>• Environmental compliance management<br>• Circular economy<br>• Anti-commercial bribery and anti-corruption<br>• Supply chain security<br>• Product and service safety and quality<br>• Innovation-driven | • Shareholders' Meeting<br>• Earnings briefing<br>• Disclosure Announcement<br>• Roadshow events<br>• Online investor briefing day<br>• Investor hotline/email |
| **Staff** | • Staff | • Trade unions and employee representative assemblies<br>• Employee training<br>• Employee activities<br>• Employee performance appraisal and promotion<br>• Employee grievance channels<br>• Employee satisfaction survey |
| **Customers and Consumers** | • Product and service safety and quality<br>• Data security and customer privacy protection | • Official website/WeChat official account<br>• Customer service phone/email<br>• Contact visits/User communication meetings<br>• Customer satisfaction survey |
| **Suppliers** | • Equal treatment for SMEs<br>• Anti-commercial bribery and anti-corruption | • Supplier training<br>• Supplier evaluation and audit<br>• Supplier Conference<br>• Official website/WeChat official account<br>• Phone/Email<br>• Field visit |
| **ESG practitioners** | • Addressing climate change<br>• Energy utilization<br>• Water resource utilization<br>• Waste disposal<br>• Staff<br>• Supply chain security | • Official website/WeChat official account<br>• Phone/Email<br>• Field visit |
| **Industry associations/peers** | • Environmental compliance management<br>• Product and service safety and quality<br>• Anti-unfair competition | • Industry exchange meeting<br>• Industry standard setting<br>• Strategic project cooperation |
| **The general public, community and media** | • Pollutant emissions<br>• Rural revitalization<br>• Social contribution | • Public welfare and charity/volunteer activities<br>• Community activity support<br>• Energy conservation and emission reduction projects<br>• Regular information disclosure |

## Materiality Topics Matrix: Focusing on Core Issues and Achieving Closed-Loop Implementation

GW COMPOS has benchmarked against the requirements of Self-Regulatory Guide No.3 for Listed Companies — Compilation of Sustainability Report of the Shenzhen Stock Exchange ChiNext and referenced the guidelines issued by nine ministries including the Ministry of Finance and the concept of Double Materiality of the EU ESRS to establish a materiality topic identification system to provide a scientific basis for formulating sustainable development strategies.

The Company conducts its ESG materiality topic assessment with the core logic of "responding to regulatory requirements, aligning with industry characteristics, matching corporate development stages, and focusing on stakeholder concerns", and establishes our materiality topic matrix accordingly.

### ① Stakeholder Identification and Preliminary Topic Screening

The ESG working implementation team first outlined a stakeholder map, encompassing suppliers, downstream customers, employees, local communities, investors, regulatory authorities and other parties. Simultaneously, based on policy analysis, regulatory requirements, international reporting procedures, the SASB Standards and industry-specific analysis, the team identifies potential ESG factors, screens material sustainable development topics, and forms an ESG topic list.

### ② Questionnaire Survey with Multiple Participants

We invited key stakeholders to participate in an online assessment questionnaire, prioritized the topics by weight, and then collected and analyzed the questionnaires.

### ③ Materiality Ranking of ESG Topics

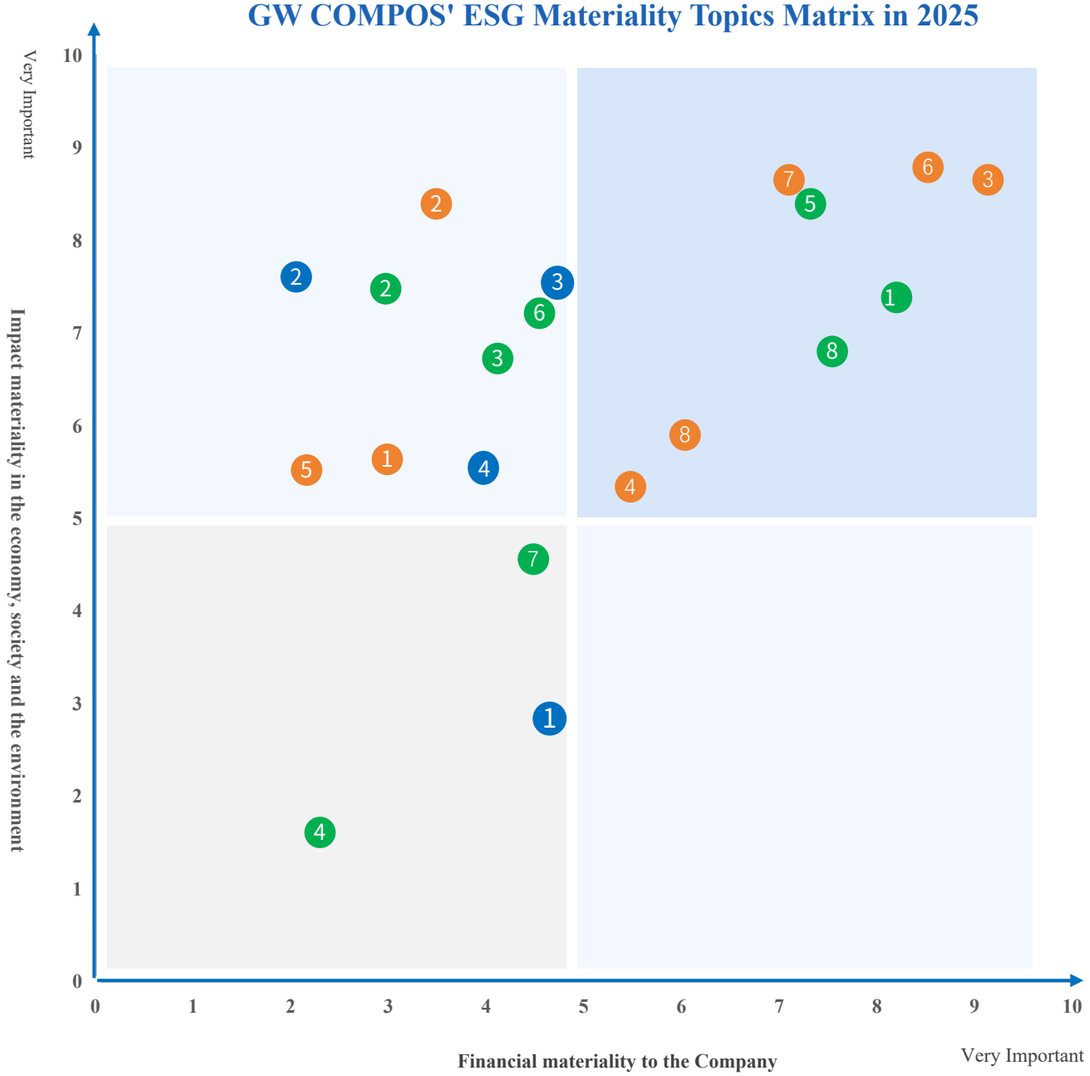
Based on the two dimensions of "financial materiality" and "impact materiality", the topics are evaluated qualitatively and quantitatively, and expert opinions are combined to assess and identify important IROs (impacts, risks and opportunities) related to ESG factors. The results of the materiality analysis of topics and ranking are formed through multi-dimensional comprehensive judgment.

### ④ Confirmation and Implementation of Material Topics

The Company's management conducts a final review of the assessment results to determine the matrix of materiality matrix. For financially material topics, the Company provides enhanced disclosure in this report in compliance with regulatory requirements, and incorporates such topics into the decomposition of annual strategic objectives. This ensures closed-loop management throughout the full process from identification to practical implementation of all material ESG topics.



### GW COMPOS' ESG Materiality Topics Matrix in 2025




**Environmental**

① Addressing climate change
② Pollutant emissions
③ Waste disposal
④ Ecosystems and biodiversity conservation
⑤ Environmental compliance management
⑥ Energy utilization
⑦ Water resource utilization
⑧ Circular economy

**Social**

① Rural revitalization
② Social contribution
③ Innovation-driven
④ Supply chain security
⑤ Equal treatment for SMEs
⑥ Product and service safety and quality
⑦ Data security and customer privacy protection
⑧ Staff

**Governance**

① Due diligence
② Stakeholder communication
③ Anti-commercial bribery and anti-corruption
④ Anti-unfair competition

# Analysis of The Impacts, Risks and Opportunities of Sustainable Development


To better respond to stakeholder concerns, we systematically organize the identified financially material topics. Focusing on their potential risks, development opportunities, financial impacts on the Company and corresponding management measures, detailed explanations are set forth below:

Note: In the table below, the number of stars (★) is used to quantify the financial impact of climate change related risks and opportunities. The more ★ there are, the greater the potential impact on the Company's financial performance.

| Dimension | Innovation-driven | Product and service safety and quality |
|---|---|---|
| **Risks and opportunities related to the issue – impact description** | Risk Description:<br>➢ **Risk of R&D Failure:** High-investment R&D projects may fail to meet expectations, leading to a waste of resources;<br>➢ **Technology Iteration Risk:** Competitors launch more advanced products, causing the competitiveness of existing R&D results to decline.<br><br>Opportunity Description:<br>➢ **Product Premium:** High-end carbon fiber products can obtain higher market pricing;;<br>➢ **Market Expansion:** New composite materials open up markets in emerging fields such as new energy. | Risk Description:<br>➢ **Quality Incident Risk:** Product defects may cause customer equipment malfunctions, leading to compensation claims and order loss;<br>➢ **Compliance Risk:** Products do not meet industry standards and face market access restrictions.<br><br>Opportunity Description:<br>➢ **Increased Customer Loyalty:** High-quality products and services enhance customer trust and promote long-term cooperation;<br>➢ **Brand Premium:** High-quality products and services can command prices higher than the industry average. |
| **Risks and opportunities related to the issue – financial impact** | ➢ Financial Impact of Risk: Medium and Long Term; Financial Impact ★★★★<br>➢ Financial Impact of Opportunity: Medium and Long Term; Financial Impact ★★★★★ | ➢ Financial Impact of Risk: Short and Medium Term; Financial impact ★★★★<br>➢ Financial Impact of Opportunity: Medium and Long Term; Financial Impact ★★★★ |
| **Response measures** | ➢ **R&D Planning:** Focusing on "bottleneck" technologies and emerging field needs, formulate phased R&D plans;<br>➢ **Industry-Academia-Research Collaboration:** Jointly building R&D platforms with universities and research institutions to reduce R&D risks;<br>➢ **Technology Transfer:** Establish a rapid transfer mechanism from R&D to pilot production to mass production to accelerate the commercial application of new technologies. | ➢ **Quality Control:** Strengthen raw material inspection, production process inspection, and finished product testing, and improve the quality traceability system;<br>➢ **System Certification:** Continuously maintain quality management system certification, track industry standard updates and optimize accordingly;<br>➢ **Customer Service:** Establish a rapid response mechanism for handling customer complaints and conduct regular customer satisfaction surveys. |

| Dimension | Addressing climate change | Circular economy |
|---|---|---|
| **Risks and opportunities related to the issue – impact description** | Risk Description:<br>➢ **Physical Risks:** extreme high temperatures and heavy rainfall may impair the power generation efficiency of photovoltaic power stations and the stability of on-site production facilities, disrupt plant operations, and cause delays in supply chain logistics;<br>➢ **Transformation Risks:** Tighter carbon emission standards may increase investment in environmental protection equipment, and the iteration of new energy technologies may lead to insufficient competitiveness of existing green electricity facilities.<br><br>Opportunity Description:<br>➢ **Revenue from Green Power Projects:** The distributed photovoltaic system, adopting the "self-consumption plus grid feed-in of surplus power" model, can reduce electricity costs and generate power sales income;<br>➢ **Premium for Low-carbon Products:** Compared with traditional materials, the Company's carbon fiber offers advantages such as high temperature resistance and lightweight, which can effectively reduce energy consumption in photovoltaic production and enhance equipment stability. The business is expected to further benefit from demand arising from photovoltaic capacity expansion and equipment upgrades. Green products such as carbon planks for wind power are aligned with the "Dual Carbon" goals and are expected to gain market premiums and incremental orders;<br>➢ **Policy Advantages Unleashed:** Under the 15th Five-Year Plan, which promotes the high-end, intelligent, green, and clustered development of the new materials industry, the Company will rely on its core technological barriers to accelerate the growth of its new materials business, making it a long-term growth driver. Meanwhile, increased policy support for clean energy sectors such as photovoltaic and wind power will help the Company expand its presence in clean energy. | Risk Description:<br>➢ **Insufficient Resource Recycling Technology:** Low recovery rates for waste resin, acetone, and dimethyl sulfoxide, along with increased hazardous waste disposal costs and rising raw material procurement costs.<br>➢ **Immature circular supply chain:** Insufficient capacity of upstream and downstream partners in processing recycled resources results in unstable recycling channels.<br><br>Opportunity Description:<br>➢ **Cost Savings:** Resource recycling reduces the amount of raw materials purchased and lowers hazardous waste disposal costs;<br>➢ **Green Brand Premium:** Circular economy practices enhance the Company's ESG image and increase customer willingness to cooperate. |
| **Risks and opportunities related to the issue – financial impact** | ➢ Financial Impact of Risk: Medium and Long Term; Financial Impact ★★<br>➢ Financial Impact of Opportunity: Medium and Long Term; Financial Impact ★★★★ | ➢ Financial Impact of Risk: Short and Medium Term; Financial Impact ★★<br>➢ Financial Impact of Opportunity: Medium and Long Term; Financial Impact ★★★ |
| **Response measures** | ➢ **Expanding Green Energy Projects:** Continuously promote the construction of distributed photovoltaic to improve the self-sufficiency rate of green energy;<br>➢ **Process Equipment Upgrade:** Optimize production processes and introduce low-energy intelligent equipment to reduce carbon emissions per unit of production capacity;<br>➢ **Accelerated Product Deployment:** Ensure the Company's development direction aligns with national strategies, seize policy opportunities such as equipment upgrade demands driven by photovoltaic technology iterations, and further promote the large-scale application of carbon fiber in photovoltaic manufacturing equipment;<br>➢ **Risk Response Enhancement:** Develop emergency plans for production and logistics in response to extreme weather conditions, and conduct regular safety inspections of photovoltaic and wind power facilities. | ➢ **Technological Upgrades:** Accelerate the research and development and application of new resin technologies to improve product recyclability; introduce explosion-proof solvent recovery machines, optimize waste resin recovery processes, and improve the purity of recovery rate;<br>➢ **Supply Chain Collaboration:** Prioritize suppliers with the ability to process recycled resources and establish stable cooperative channels for recycled materials;<br>➢ **Packaging Optimization:** Continuously promote the replacement of packaging materials with recyclable ones and establish a packaging recycling system. |

| Dimension | Environmental compliance management | Data security and customer privacy protection |
|---|---|---|
| **Risks and opportunities related to the issue – impact description** | Risk Description:<br>➢ **Compliance Penalty Risks:** Failure to meet environmental protection standards may result in regulatory measures such as fines and production restrictions;<br>➢ **Increased Compliance Costs:** The implementation of new environmental standards requires increased investment in environmental protection equipment and maintenance costs.<br><br>Opportunity Description:<br>➢ **Market Access advantage:** A good compliance record allows priority access to orders from downstream customers with high environmental protection requirements;<br>➢ **Enhanced Brand Trust:** Compliance practices enhance the Company's credibility among investors and the public. | Risk Description:<br>➢ **Data Breach Risk:** Internal management oversights or external attacks can lead to data breaches, resulting in customer claims and regulatory penalties;<br>➢ **Trust Crisis:** Leaks of privacy information may lead to customer loss and damage to the Company's brand image.<br>Opportunity Description:<br>➢ **Enhanced Customer Trust:** Robust data security measures increase customer willingness to cooperate;<br>➢ **Compliance Advantages:** Complies with data security regulations and can participate in projects with high privacy protection requirements. |
| **Risks and opportunities related to the issue – financial impact** | ➢ Financial Impact of Risk: Short and Medium term; Financial impact ★<br>➢ Financial Impact of Opportunity: Medium and Long term; Financial impact ★★★ | ➢ Financial Impact of Risk: Short and Medium Term; Financial Impact ★<br>➢ Financial Impact of Opportunity: Medium and Long Term; Financial Impact ★★★ |
| **Response measures** | ➢ **Strengthen Facility Operation and Maintenance:** Regularly inspect waste gas treatment and hazardous waste storage facilities to ensure stable compliance with standards;<br>➢ **Compliance Training:** Organize environmental management personnel to study the latest regulations and carry out environmental compliance publicity for all employees;<br>➢ **Hazard Identification:** Establish a mechanism for regular environmental hazard identification, promptly rectify problems, and follow up on implementation. | ➢ **System Development:** Establish data security and privacy protection management systems and clarify data management responsibilities;<br>➢ **Technical Protection:** Deploy security facilities such as data encryption and firewalls, and conduct regular data security testing;<br>➢ **Training and Promotion:** Organize employees to learn about data security regulations and operating procedures to raise their awareness of data protection. |



| Dimension | Staff | Supply chain security |
|---|---|---|
| **Risks and opportunities related to the issue – impact description** | Risk Description:<br>➢ **Talent Loss Risk:** The loss of key technical personnel may lead to the leakage of core technologies and high recruitment and replacement costs;<br>➢ **Employment Compliance Risk:** If labor practices, compensation and benefits, or occupational health management do not comply with the requirements of laws, regulations, and normative documents, there is a risk of legal proceedings, regulatory penalties, and reputational damage.<br><br>Opportunity Description:<br>➢ **Enhance Innovation Efficiency:** Build a comprehensive training system and promotion channels to stimulate employee innovation and accelerate breakthroughs in new product development and process optimization;<br>➢ **Enhanced Employer Branding:** Fostering an inclusive, safe, and caring corporate culture, increasing employee sense of belonging, attracting top talent in the industry, and reducing long-term human resource costs. | Risk Description:<br>➢ **Raw Material Supply Disruption Risk:** Insufficient production capacity and logistical disruptions from core raw material suppliers may lead to production stoppages.<br>➢ **Supplier Concentration Risk:** If a single supplier accounts for too much of the market, the supplier has weak bargaining power and may face price increases or supply instability.<br>➢ **Geopolitical Risks:** Imported raw materials are subject to trade policy restrictions, affecting supply channels.<br><br>Opportunity Description:<br>➢ **Self-Sufficiency and Controllability of the Supply Chain:** Successful localization of key raw materials reduces external dependence and enhances supply chain stability;<br>➢ **Cost Advantage:** Competition from multiple suppliers and strategic reserves can optimize procurement costs and enhance product price competitiveness. |
| **Risks and opportunities related to the issue – financial impact** | ➢ Financial Impact of Risk: Short and Medium Term; Financial impact ★★<br>➢ Financial Impact of Opportunity: Medium and Long Term; Financial Impact ★★ | ➢ Financial Impact of Risk: Short and Medium Term; Financial impact ★★<br>➢ Financial Impact of Opportunity: Medium and Long Term; Financial Impact★★ |
| **Response measures** | ➢ **Talent Pipeline:** Establish a multi-level training system that spans the entire career cycle of employees, enrich employee development paths, enhance employee loyalty, and reduce the risk of talent loss;<br>➢ **Rights Protection:** Strictly abide by labor laws and regulations, improve the salary and benefits system, establish an equal employment mechanism and anti-discrimination policies, and ensure the legitimate rights and interests of employees;<br>➢ **Care and Cohesion:** Regularly conduct diverse employee care activities to enhance organizational cohesion and employee sense of belonging. | ➢ **Supplier Diversification:** Expand the pool of potential suppliers for core raw materials and equipment, and establish a supplier evaluation and grading system;<br>➢ **Strategic Reserves:** Establish reasonable safety stock levels for core raw materials to cope with short-term supply fluctuations;<br>➢ **Domestic Substitution:** Increase efforts in the independent research and development/cooperative development of key raw materials and equipment, and promote the independent control of core resources;<br>➢ **Logistics Support:** Sign emergency transportation agreements with logistics service providers and establish multiple alternative transportation routes. |

# Strengthen the Foundation of Governance

- The Operation of "Shareholders' Meeting, Board of Directors and Senior Management"
- Information Disclosure Management
- Anti-commercial Bribery and Anti-corruption
- Internal Control
- Anti-unfair Competition
- Tax Compliance

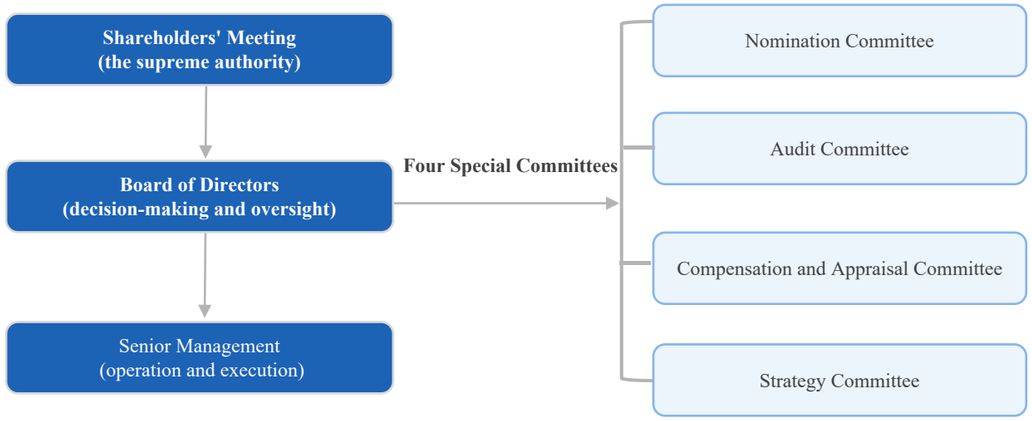
GW COMPOS has always regarded sound corporate governance as the core cornerstone of sustainable development, placing compliant operation and standardized governance at a strategic level, and constructing a governance system with clear responsibilities, coordinated operation, and effective checks and balances. In governance practice, the Company strictly regulates information disclosure, anti-commercial bribery, and anti-unfair competition work, taking multiple measures to safeguard the legitimate rights and interests of stakeholders, and building a solid line of defense for operational security through a comprehensive internal control and risk management system.

# The Operation of "Shareholders' Meeting, Board of Directors and Senior Management"

GW COMPOS is rooted in a scientifically standardized modern corporate governance system with clearly defined rights and responsibilities. The Company continuously improves its governance structure, standardizes the operation mechanism of the "Shareholders' Meeting, Board of Directors and Senior Management", ensures the independent operation, effective checks and balances, and efficient collaboration of each governance entity, and comprehensively enhances governance efficiency and business management level.

## Governance Structure

GW COMPOS strictly adheres to the requirements of the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, and other laws, regulations, and normative documents, as well as the Company's Articles of Association. It has constructed a governance structure with clearly defined powers and responsibilities under the "Shareholders' Meeting, Board of Directors and Senior Management" governance structure, consisting of the "Shareholders' Meeting - Board of Directors - Senior Management", forming a closed-loop governance system characterized by "scientific decision-making, robust oversight, and efficient execution."




"Shareholders' Meeting, Board of Directors and Senior Management" governance structure

**Shareholders' Meeting**

**The Company's highest authority**

- The Company strictly follows the rules and regulations such as the Articles of Association and the Rules of Procedure for Shareholders' Meetings to organize and convene Shareholders' Meetings, and legally and compliantly fulfills the entire process of meeting notice, proposal review, and voting to protect the legitimate rights and interests of shareholders and ensure transparency in decision-making.

**Board of Directors**

**The Company management decision-making body**

- It has Nomination Committee, Audit Committee, Compensation and Appraisal Committee, and Strategy Committee.
- The Company operates its Board of Directors efficiently and in accordance with the Articles of Association and the Rules of Procedure for the Board of Directors, strictly implements the authorization of the Shareholders' Meeting, and conducts major decision-making and management prudently to ensure the scientific and compliant nature of the Board's decisions.

**Senior Management**

**The Company management executive body**

- Senior management personnel are appointed by the Company's Board of Directors and, within the scope authorized by the Board, rely on the Company's governance system to efficiently implement the Board's resolutions and coordinate the promotion of daily production and operation activities.

The Company's"Shareholders' Meeting, Board of Directors and Senior Management" governance structure is deeply integrated with its ESG governance structure. The Board of Directors, as the core hub, incorporates ESG strategies and major policies into its review scope to ensure that the concept of sustainable development is in sync with the Company's overall business strategy. While promoting daily operations, senior management takes the lead in establishing an ESG working leading group to coordinate resources, ensuring the achievement of ESG goals. And each functional department serves as the execution carrier, specifically implementing the integration requirements of operation and ESG management, thus building an efficient and collaborative governance pattern.

**During the reporting period, the convening and review status of the Company's Shareholders' Meeting and Board of Directors are as follows:**

- Held **2** meetings (one annual and one extraordinary), deliberated and approved **9** proposals.
- Held **5** meetings, deliberated and approved **24** proposals; including **9** meetings of the Audit Committee, **1** meeting of the Nomination Committee, and **1** meeting of the Compensation and Appraisal Committee.

## Diversity, Independence, and Professionalism of the Board of Directors

**Diversification**

The Board of Directors maintains a diverse composition. The Company currently has 9 directors in total, including 3 independent directors and 1 employee representative director. There are 2 female directors, both of whom are independent directors, with female directors accounting for 22.22% and independent directors accounting for 33.33% of the Board. The independent directors possess expertise spanning multiple professional fields, including accounting, mechanics, and law with reasonable age group structure, creating complementary strengths.

**Independence**

Independent directors do not hold positions in the Company or its subsidiaries, hold shares of the Company, or have any affiliation with the controlling shareholder or actual controller that could impair their independent and objective judgment. The Audit Committee, Nomination Committee, and Compensation and Appraisal Committee are each chaired by an independent director, ensuring the independence and objectivity of the decision-making process.

**Professionalism**

The Company's directors have expertise in fields such as law, economics, and materials science, with approximately 33.33% hold doctoral degrees, and all have extensive relevant professional experience, providing a solid professional foundation for the Board to deeply analyze industry trends, make informed decisions on technological innovation, and oversee complex governance matters, thereby enhancing the scientific rigor and forward-looking nature of the Board's decision-making.

## Performance and Compensation Management for Senior Management

The Company has established a comprehensive performance and compensation management system for directors and senior management. The Compensation and Appraisal Committee, as a specialized body, is responsible for formulating the assessment criteria and compensation policies for directors and senior management, defining the compensation determination mechanism, decision-making process, and claw back arrangements. The compensation plan for the Company's directors is reviewed by the Compensation and Appraisal Committee of the Board of Directors, submitted to the Board for approval, and ultimately presented to the Shareholders' Meeting for deliberation.

The entire performance and compensation management system adheres to the principles of fairness and impartiality, ensuring that incentives are closely linked to the Company's overall performance and individual performance contributions, thereby safeguarding the effectiveness and reasonableness of the incentive mechanism.



## Investor Relations

GW COMPOS has always attached great importance to investor relations. The Company strictly follows the requirements of the Securities Law of the People's Republic of China and other laws, regulations and normative documents, and formulates and improves relevant internal systems for investor relations management in combination with its own governance practices. It has built an investor relations management system of "transparent disclosure, diversified communication, equal protection and long-term win-win", and effectively protects the legitimate rights and interests of the Company, all shareholders and other stakeholders.

### Shareholder Communication Management: Building an Omnichannel Interactive System

The Company has established a multi-dimensional and regular shareholder communication mechanism to ensure that investors can conveniently and efficiently obtain Company information and provide feedback:

#### Regular Communication Channels

The Company convenes Shareholders' Meeting and holds performance briefings every year. In 2025, the Company convened 2 Shareholders' Meetings and 1 annual performance briefing to fully explain the Company's operating performance, strategic planning and other core contents to shareholders. The Company actively participates in securities firm roadshows and investor research activities to proactively convey the Company's value to the market.

#### Daily Communication Channels

Relying on online channels such as investor hotline, dedicated email, and Shenzhen Stock Exchange “Interactive Easy” platform, a rapid response mechanism has been established to ensure that investor inquiries are "responded to and implemented in every matter"; an investor relations column has been set up on the Company's official website to centrally disclose corporate announcements, stock information, investor Q&A and other information for investors to access at any time.

#### Special Communication Initiative

For key events such as major events and changes in industry policies, we will promptly explain the potential impact to investors through special explanations and online exchanges, stabilize market expectations, and build a mutually trusting and win-win shareholder relationship.

## Protection of Small and Medium-Sized Investors: Strengthening the Rights Protection Mechanism

The Company attaches great importance to the protection of the rights and interests of small and medium-sized investors, ensuring that they enjoy equal rights to information, participation, and decision-making:

### Decision-making participation guarantee

The Shareholders' Meeting provides online voting options to facilitate remote participation and voting by small and medium-sized investors. When considering major matters that affect the interests of small and medium-sized investors, the votes cast by such investors are separately tallied, and the results are disclosed on a standalone basis, fully reflecting the will of small and medium-sized investors.

### Inquiry Response Protection

In investor relations management, the Company follows the principle of "equal response and priority handling" for inquiries and suggestions from small and medium-sized investors. Through “Interactive Easy” platform , telephone reception, Q&A sessions at performance briefings and other channels, the concerns of small and medium-sized investors are fully answered to ensure that their demands are fully expressed and reasonably responded to.

## Shareholder Returns: Implementing a Policy of Continuous and Stable Dividends

GW COMPOS has always adhered to the principles of prudent operation and sustainable development. Under the premise of ensuring the daily operating capital needs, ensuring medium and long-term development investment, and ensuring financial security, we strictly follow the regulatory requirements such as Self-Regulatory Guide No. 3 for Listed Companies—Cash Dividend Distribution of Listed Companies, and implement a continuous, stable and transparent differentiated cash dividend policy.

2025 Dividend Practice: On May 21, 2025, the Company implemented the 2024 profit distribution plan, distributing a cash dividend of RMB 5 per 10 shares (inclusive of tax), totaling RMB 412.5 million (inclusive of tax), effectively sharing the operating results with all shareholders and demonstrating the Company's commitment to long-term returns to shareholders.

During the reporting period, the Company achieved a **100%** response rate on the "Easy Interaction" platform for investor inquiries;

Hosted **2** sessions for external institutional investor interviews; and convened **2** Shareholders' Meetings and **1** performance briefing.



## Information Disclosure Management

GW COMPOS strictly adheres to laws and regulations such as the Measures for the Administration of Information Disclosure of Listed Companies and has established specific systems such as the Regulations on the Registration of Insider Information Recipient and the Internal Reporting System for Material Information to build a comprehensive and standardized information disclosure management framework, ensuring the authenticity, accuracy, and completeness of disclosures. Furthermore, the Company has formulated the Regulations on Accountability for Material Errors in Periodic Report Disclosures, under which individuals who fail to fulfill or improperly fulfill their duties—due to negligence, dereliction of duty, or other personal reasons—resulting in material errors or adverse impacts in periodic financial disclosures, shall be held accountable for administrative and economic liabilities.

The Company has maintained an A rating in Shenzhen Stock Exchange information disclosure assessments for 4 consecutive years, reflecting consistent recognition from regulators and the market.

## Anti-commercial Bribery and Anti-corruption

With "advocating integrity and practicing thrift" as the core, GW COMPOS has built a legacy-based system of integrity culture, continuously deepening the culture of integrity among our employees.

To effectively strengthen the prevention and control of corruption risks and standardize corporate operation and management, GW COMPOS has created a clean and upright development environment, established a robust system for anti-corruption risk control, and implemented regulations including the Code of Conduct for Ethical Business Interactions to strengthen the integrity safeguards. Through systematic measures, the Company has achieved anti-corruption risks that are preventable, controllable, and traceable.

### Internal Control and Integrity Management

Information access and usage are defined based on job responsibilities, and a multi-level approval mechanism is established. Simultaneously, the Company regularly conducts checks on the implementation of regulations and provides compliance training to strengthen employees' awareness of integrity.

### Procurement Integrity Management

GW COMPOS includes separate integrity clauses in its procurement contracts, regularly investigates supplier performance, and collects feedback from the Company employees and relevant departments. Suppliers are comprehensively evaluated based on their integrity performance, and the evaluation results are directly linked to future cooperation.

### Integrity Management in Client Partnerships

Integrity agreements or anti-corruption agreements are signed when establishing partnerships with clients. These clearly define the ethical conduct guidelines for business dealings between the Company and its clients, preventing commercial bribery, the transfer of benefits, and other violations.

**Case Study: The Company organized a special Party lecture on the spirit of the Party's eight-point frugality code to continuously enhance Party members' awareness of integrity and self-discipline**

In July 2025, the Company specially invited Professor Jincheng Li from the Party School of Weihai Municipal Party Committee to deliver a special Party lecture or all Party members on studying and implementing the spirit of the Party's eight-point frugality code, focusing on two core questions: "What is the spirit of the Party's eight-point frugality code?" and "How to implement the spirit of the Party's eight-point frugality code?" The lecture profoundly explained the connotation and significance of the spirit of the Party's eight-point frugality code to the Party members, promoted all Party members to put the spirit of the Party's eight-point frugality code into practice, and further strengthened the Party members' awareness of discipline and rules.


Scene of a special Party lecture on the spirit of the Party's eight-point frugality code

During the reporting period, there were **0** corruption incidents in the Company; and **0** employees were dismissed or disciplined for corruption.



# Internal Control

Based on the characteristics of the carbon fiber industry chain, which is characterized by its technology-intensive, capital-intensive, and compliance-critical nature, GW COMPOS has constructed a multi-level internal control management structure with "overall coordination at the governance level, support from professional committees, execution by management, and implementation by functional departments." With "sound system, standardized processes, and refined management" as the core, the Company deeply embeds internal control requirements into all aspects of its business management, forming an internal control management system that is "comprehensive, thorough, with clear responsibilities, and highly efficient", thus laying a solid foundation for the Company's compliant operation and sustainable development.

## Internal Control System

GW COMPOS has established an internal control system covering four dimensions: “governance decision-making, business operations, risk prevention and control, and compliance management”. We have formulated over 30 primary core systems and numerous specific regulations, which are dynamically optimized based on regulatory policy updates, industry developments, and the Company's business expansion to ensure the applicability and timeliness of the systems.

| Category of Systems | List of Core Systems and Regulations |
|---|---|
| Governance & Decision-Making | Covering top-level rules of corporate governance, such as the "Company Charter", "Shareholders' Meeting Rules", "Independent Director Work System", etc., clearly defining the company's decision-making structure and the boundaries of power and responsibilities. |
| Investment and Financing & Fund Management | Management System for External Guarantees, Management System for External Investments, Management System for Monetary Funds and Special Funds, Management System for Raised Funds, Internal Control System for Sale and Purchase of Forward Foreign Currencies Against RMB, Foreign Exchange Options and Swap Transactions. |
| Compliance & Information Disclosure | Management System for Information Disclosure, Management System for Registration of Insiders of Inside Information, Management System for Related-Party Transaction, Accountability System for Major Errors in Periodic Report Information Disclosure, Internal Reporting System for Material Information, and Management System for Public Opinion. |
| Operations Management | Management System for Subsidiaries, Management System for Inventory, Measures for the Administration of Disposal of Material Assets, Management System for Environmental Protection, and Management System for Seal. |

| Category of Systems | List of Core Systems and Regulations |
| --- | --- |
| Supervision & Audit | Management System for Internal Audit, Appointment System for the Selection of Accounting Firms |
| Personnel & Integrity Management | Management System for Changes in Shareholdings of Directors and Senior Management, Management System for the Departure of Directors and Senior Management, and Code of Conduct for Integrity and Compliance |
| Investor Relations | Management System for Investor Relations and Management System for Reception of Specific Targets |
| Party Building | System for the Work of Party Branches |

## Internal Control Supervision and Optimization

GW COMPOS has established an internal control supervision mechanism of "internal audit + special inspection + continuous optimization" to ensure the effective operation of the internal control system:

### Internal audit supervision

The internal audit department conducts regular audits on the implementation of internal controls in each business segment and subsidiary in accordance with the Management System for Internal Audit. The audit focuses on verifying the effectiveness of the system implementation and the compliance of the process, and forms an audit report and tracks the rectifications.

### Special inspection mechanism

Regular special inspections will be carried out in key areas such as investment and financing, related-party transactions, and information disclosure to promptly identify and rectify weak links in internal control.



### Dynamic optimization mechanism

Based on the updates of regulatory policies, industry changes, audit results and business development needs, the internal control system and processes are revised and improved regularly to continuously improve the adaptability and effectiveness of the internal control system.

## Anti-Unfair Competition

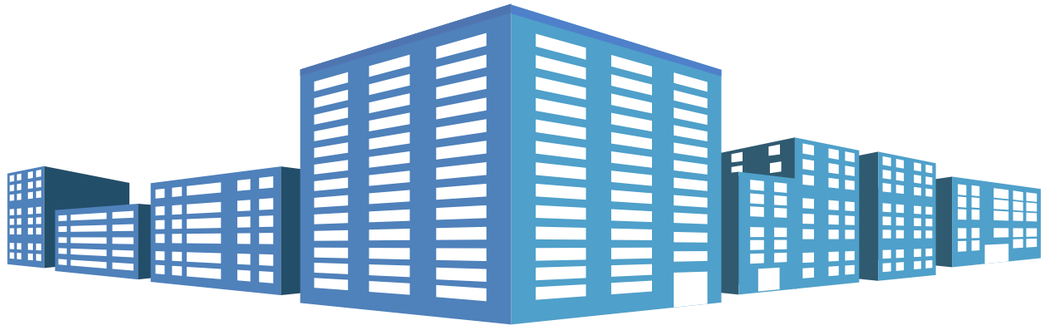
GW COMPOS strictly adheres to laws and regulations such as the Anti Unfair Competition Law of the People's Republic of China, and upholds fairness, impartiality, and integrity.

Remember to adhere to the bottom line of compliance. The company relies on technological innovation, product quality improvement, and high-quality services to participate in market competition, and resolutely prohibit false advertising, commercial defamation, and infringement of trade secrets. During the reporting period, the company conducted anti unfair competition themed training.

Train and strengthen the compliance awareness of all staff, strictly prohibit behaviors such as infringing on others' trade secrets and defaming competitors. Meanwhile, relying on the 'Public Opinion'.

Timely respond to false rumors.

During the reporting period, the Company received **0** complaints or penalties related to unfair competition.



# Tax Compliance

GW COMPOS adheres to the core principles of paying taxes in accordance with the law, controlling risks, and enabling targeted empowerment. It strictly abides by the Enterprise Income Tax Law of the People's Republic of China and other relevant tax laws and regulations, integrates tax compliance into its daily operations and internal financial control system, and continuously strengthens the foundation of tax management through three-dimensional efforts in system construction, process control, and capability enhancement. This ensures the legality and compliance of the Company's operations, while also proactively seizing tax policy dividends to provide solid tax support for the Company's high-quality development.

## Tax Compliance Management System

GW COMPOS has formed a trinity closed-loop tax compliance management mechanism, which integrates "system + organization + process" to ensure the standardized and regulated operation of tax work.

**Institutional safeguard**

Tax Management Business Process.

**Organizational division of labor**

The finance department takes the lead in tax management. The finance departments of branches and subsidiaries set up tax positions and clarified their responsibilities. Each link of tax management is subject to multi-level review and control by the finance department, forming an internal control system in which positions are mutually restrained to ensure that each link is standardized and orderly.

**Process control**

1. Declaration and Accounting: A multi-person review mechanism of "filling out - reviewing - approving" is implemented. Accounting strictly follows tax policies, and the processing of deferred tax items must be reviewed by the finance manager.
2. Invoice Archives: Designated personnel are responsible for the purchase, issuance, safekeeping, and authentication of invoices. Dedicated tax control equipment is provided, and tax-related archives are classified, archived, and destroyed in accordance with regulations.
3. Risk self-assessment: Actively cooperate with tax authorities inspections, and process inspection conclusions in a standardized manner after confirmation by relevant personnel.

Our Tax Management System

## Tax Policy Response and Capacity Building

GW COMPOS ensures the accurate implementation of tax policies and the continuous optimization of tax management efficiency by creating a forward-looking and proactive mechanism for responding to tax policies and enhancing professional capabilities.

1

**Policy tracking**

The Company's finance department has established a regular communication and learning mechanism, including communicating with tax authorities about policies, conducting special internal briefings and Q&A sessions on tax policies every quarter in conjunction with quarterly financial reports, and continuously monitoring the dynamics of tax incentives in areas such as environmental protection and emission reduction and waste resource utilization, laying the foundation for the accurate application of subsequent policies.

2

**Capacity building**

In 2025, the Company attended six tax-related training sessions, covering key policies such as VAT deductions for advanced manufacturing, enhancing the policy understanding and practical skills of finance and business personnel.

In March 2025, the Company employees participated in training on individual income tax, corporate income tax, property and behavior tax, and tax credit management

In September 2025, the Company employees participated in a seminar on the integration of law, finance, and taxation, as well as labor and employment knowledge

# Deepening Environmental Responsibility

- Energy Utilization, Conservation and Emission Reduction
- Circular Economy
- Water Resource Utilization
- Pollutant Emissions
- Waste Disposal
- Environmental Compliance Management
- Green Products
- Ecosystem and Biodiversity Conservation

GW COMPOS consistently adheres to the strategic policy of energy conservation and emission reduction, actively promoting a circular economy by deeply integrating environmental compliance with sustainable operations to fully implement its environmental responsibilities.

The Company strictly abides by *the Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations. It has established a comprehensive environmental management system covering all critical elements, including wastewater, exhaust gas, solid waste, and noise. Through measures such as stabilizing production processes, deploying supporting environmental protection facilities, promoting cleaner production technologies, and implementing classified and graded waste management, GW COMPOS ensures that all pollutant discharges consistently meet regulatory standards.

Furthermore, the Company continuously increases its environmental investment, conducts regular environmental training and emergency drills, and strengthens the environmental awareness of all employees. By establishing a long-term environmental compliance mechanism, GW COMPOS achieves coordinated development between industrial operations and ecological protection, actively contributing to the green transformation of the industry.

# Energy Utilization, Conservation and Emission Reduction

## Energy Regulation and Management

GW COMPOS strictly adheres to relevant national laws and regulations, including the *Energy Conservation Law of the People's Republic of China*. By refining internal policies such as the Energy Management System and incorporating them into periodic compliance reviews, the Company has established a three-tier energy governance structure—comprising "Leadership Guidance, Management Coordination, and Operational Execution." This framework ensures that energy management initiatives are implemented systematically with clearly defined accountability.

**General Manager (Leadership)**
- Approves energy strategies, annual targets, and major energy management decisions.

**EHS & Equipment Department (Management)**
- Coordinates policy formulation and execution;
- Conducts energy consumption statistics and monitoring;
- Drives energy-saving retrofits;
- Liaises with regulatory authorities.

**Production + R&D + Procurement Department (Execution)**
- Implements energy-saving and emission reduction tasks;
- Manages daily equipment energy use and maintenance;
- Executes production-level energy initiatives;
- Conducts energy awareness training.

The Company's Energy Management Organizational Structure

The Company integrates energy utilization optimization throughout the entire process by identifying energy-saving potential, implementing technical upgrades, and promoting clean energy. Leveraging initiatives such as cleaner production audits, digital management, and awareness programs, GW COMPOS has established a closed-loop energy management system, driving a continuous transition toward high-efficiency, clean, and sustainable energy utilization.

As of the end of the reporting period, GW COMPOS and its subsidiaries Tuozhan FIBER and Inner Mongolia Guangwei have all passed the GB/T23331-2020/ISO50001:2018 energy management system certification.


ISO 50001 Energy Management System Certification Certificates of the Company and Some Subsidiaries

## Energy Utilization Risks and Opportunities

Based on its business development, the Company systematically assesses risks and impacts related to energy utilization in its production and operations, actively identifies opportunities for green development, and promotes efficient energy utilization and sustainable operations.

| Type | Description | Time Horizon | Potential Financial Impact | Response Measures |
|---|---|---|---|---|
| Physical Risk | Extreme weather and natural environmental changes may damage energy infrastructure, disrupting core production processes and impacting delivery stability. | Short-to-Medium Term | Operating costs↑;<br>Potential revenue loss in high-impact scenarios. | Conduct regular maintenance; implement energy risk grading and redundant power solutions to minimize disruptions to production and delivery. |
| Transition Risk | **Policy & Legal Risks**: Under the national "Dual Control" mechanism for energy consumption, production bases face higher transition requirements. Non-compliance may increase environmental taxes or penalties. | Short-to-Medium Term | Operating costs↑ | Monitor national/local "Dual Control" policies; conduct compliance training and energy audits; establish energy ledgers to identify and rectify over-limit consumption. |
| | **Operational Risks**: As carbon fiber production is energy-intensive, continuous energy growth may lead to technical upgrade pressures or capacity constraints. | Short-to-Medium Term | Operating costs↑ | Explore clean energy; establish regular inspection mechanisms for high-energy equipment; advance the digitalization of energy management. |
| Opportunities | **Market Opportunities**: Amid the 15th Five-Year Plan's accelerated buildup of new energy systems, rising demand for green products creates significant market opportunities. | Medium-to-Long Term | Revenue↑;<br>R&D expenditure↑ | Enhance R&D for high-strength/high-modulus carbon fiber; empower wind power, hydrogen, and low-altitude economy sectors with high-performance lightweight materials. |
| | **Technological Opportunities**: Energy-saving technologies help reduce consumption and improve efficiency across both production and operational stages. | Medium-to-Long Term | Energy procurement costs↓;<br>Revenue↑;<br>Technical investment↑ | Implement automation retrofits and variable frequency controls; install power optimization and PV systems; apply carbon-reduction and lightweighting technologies. |
| | **Reputational Opportunities**: Efficient energy utilization and precision management enhance corporate image, strengthening customer trust, brand value, and industry influence. | Medium-to-Long Term | Revenue↑ | Leverage "National Green Factory" status to refine green manufacturing; communicate sustainable values to solidify brand reputation and competitive advantage. |

Energy Utilization-related Risks and Opportunities and Potential Financial Impacts

Note: The time horizon in the above classified as short-term (0-3 years), medium-term (3-10 years), and long-term (over 10 years).

## Energy Conservation and Consumption Reduction

The Company strictly adheres to the Environmental Factor Identification and Assessment Control Procedure to regulate its production and operations, identifying resource consumption and energy-saving potential as significant environmental factors. Meanwhile, through risk grading and assessments of high-energy-consuming equipment failures and supply fluctuations, the Company prioritizes operation, maintenance, and compliance management, formulating contingency plans to ensure energy stability.

In response to the energy utilization-related risks identified through the Environmental Factor Identification and Assessment Control Procedure, the Company has adopted the following measures:

**Equipment optimization**

- Regularly inspect and maintain equipment, strengthen the operation and maintenance of high-energy-consuming equipment, replace outdated equipment in a timely manner, and procure energy-efficient production equipment

**Technological improvement**

- Implement energy-saving technological transformation projects such as condensate recovery and reuse, shaping box equipment improvement, and upgrades to filter cleaning and circulation equipment
- Establish a steam waste heat recovery system to achieve cascaded energy utilization

**Data monitoring**

- In accordance with the Energy Monitoring and Measurement Control Procedures, energy consumption data is monitored on a dynamic basis, energy metering records are established, and data analysis is conducted regularly to promptly identify and rectify abnormal energy consumption issues

Measures to address risks in energy use

In 2025, through the continuous implementation of energy-saving technical retrofits and optimized operational management, GW COMPOS effectively controlled its total comprehensive energy consumption. Notably, total renewable energy consumption reached **3,218.37** tce, representing a year-on-year (YoY) increase of **50.51%** compared to 2024.

| Indicator | Unit | 2025 |
|---|---|---|
| Total energy consumption | Ton of standard coal | 47,630.99 |
| Of which: Total consumption of renewable energy | Ton of standard coal | 3,218.37 |
| Total energy intensity | Ton of standard coal / RMB ’000 of revenue | 0.02 |

Energy Consumption in 2025

## Clean Energy

The Company and its subsidiary, Tuozhan FIBER, have collaboratively deployed multiple distributed photovoltaic (PV) projects in response to the "Dual Carbon" strategy.

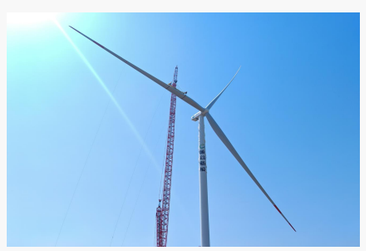
- GW COMPOS completed a distributed PV project with a total installed capacity of 6.5346 MWp.
- Its subsidiary, Tuozhan FIBER, completed a 10.3 MW rooftop and ground-mounted PV station, generating 11.85 million kWh in 2025. This initiative saved approximately RMB 1.66 million in electricity costs and reduced $CO_2$ emissions by 6,312 tons, achieving a win-win for resource conservation and energy efficiency.

Aerial view of the Company's photovoltaic power station

### Case Study: Tuozhan FIBER Participates in Weihai Carbon Fiber Industrial Park’s "Source-Grid-Load-Storage" Pilot to Drive Low-Carbon Transformation

GW COMPOS' subsidiary, Tuozhan FIBER, is deeply involved in the "Source-Grid-Load-Storage" Integration Pilot Project at the Weihai Carbon Fiber Industrial Park. This initiative is the first grid-connected project of its kind in Shandong Province and the first park-level pilot within the State Grid’s jurisdiction. By transitioning to a model of "Direct Green Power Supply + Energy Storage Peak Shaving + Dual-Grid Backup," the project significantly drives energy reduction and sustainable development.

Phase I achieved full-capacity grid connection in December 2025, supplying over 200 million kWh of green electricity annually. Upon full completion, the project will provide 450 million kWh of green power per year, saving 175,500 tons of standard coal and reducing $CO_2$ emissions by 468,600 tons annually.



Construction of the Source-Grid-Load-Storage Project

# Circular Economy

GW COMPOS strictly adheres to the *Circular Economy Promotion Law of the People's Republic of China* and other regulations, integrating the principles of "Reduction, Reuse, and Recycling" throughout the entire lifecycle from R&D and production to disposal. Leveraging technological innovation, the Company has achieved tangible results in solvent recovery and waste carbon fiber reuse. By reducing resource consumption and environmental impact, we enhance our core competitiveness through circular value creation, earnestly fulfilling our commitment to green and sustainable development.

## Circular Economy Management Measures and Achievements

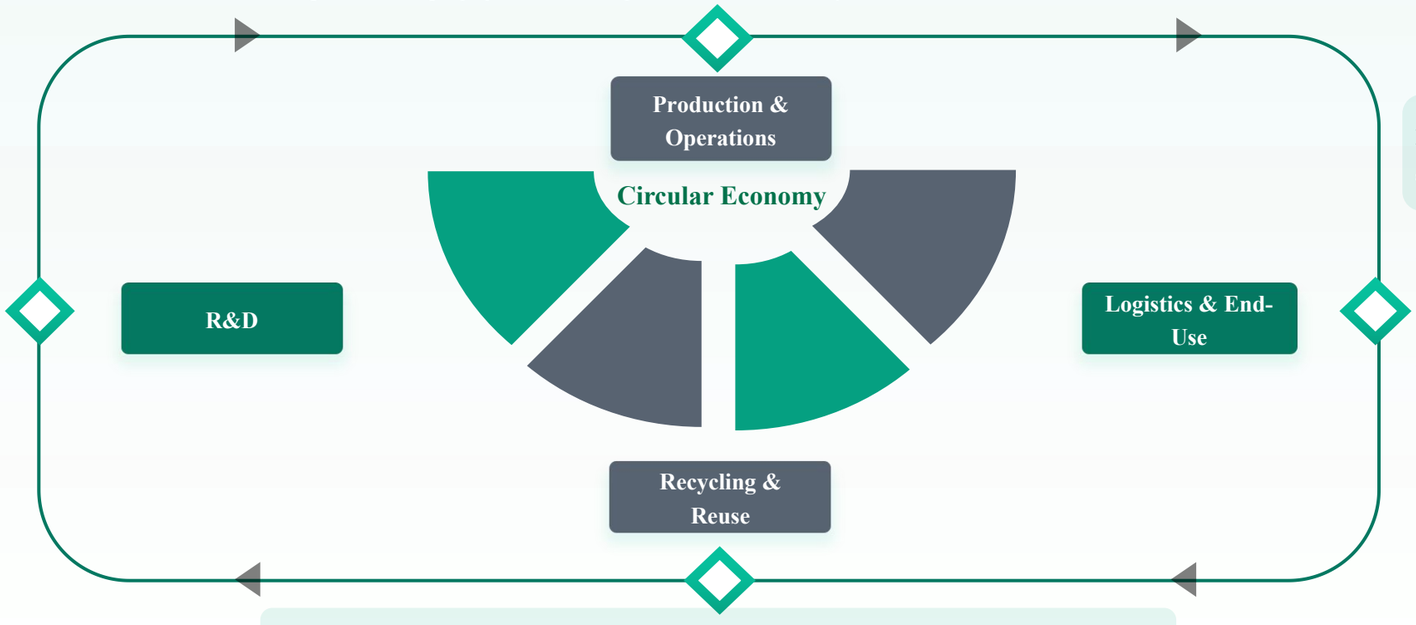
In response to the national circular economy development plan and "Carbon Peaking and Carbon Neutrality" goals, the Company deeply integrates circular concepts into all stages of production and operations. By systematically identifying compliance opportunities and leveraging process innovation and management upgrades, GW COMPOS improves resource recycling rates and builds a circular development model tailored to the carbon fiber industry, striving to become a leading industry benchmark for the circular economy.

### Production & Operations Phase: Driving Resource Efficiency and Process Decarbonization

- Resource Precision Management: Implementing real-time monitoring of energy and water consumption through digital metering and dynamic control systems.
- Process Circularity Enhancement: Optimizing manufacturing workflows to increase resource reuse rates.
- Clean Production Advancement: Adopting closed-system design, ordered emission control, and pollution prevention at source.
- Waste Valorization: Internal recycling of process scrap + external collaboration to resourceize trimmings and non-conforming products.
- Energy Structure Decarbonization: Scaling distributed photovoltaics and other renewables; actively participating in integrated “source-grid-load-storage” projects to achieve operational carbon neutrality.

### Product R&D Phase: Embedding Circularity from Design Inception

- Lightweighting Innovation: Leveraging carbon fiber ’ s exceptional strength-to-weight ratio to deliver lightweight solutions for wind turbine blades, marine equipment, aerospace components, and low-altitude economy applications—reducing embodied energy and lifecycle emissions at source.
- Sustainable Material Development: Prioritizing eco-friendly material selection, structural optimization, and design-for-recycling to enhance end-of-life recoverability and minimize environmental impact.




### Logistics & End-Use Phase: Enabling Green Supply Chains and Downstream Decarbonization

- Green Logistics Implementation: Promoting JIT delivery, reusable packaging, and biodegradable/recyclable packaging solutions.
- Client Carbon Abatement Enablement: Core composite products serve as critical enablers—significantly reducing downstream and end-user emissions.

### Recycling & Reuse Phase: Building a Closed-Loop Recovery Ecosystem

- Actively developing thermal depolymerization (pyrolysis) technologies for carbon fiber recovery;
- Expanding collection and reprocessing capacity for carbon fiber-reinforced polymer (CFRP) waste;
- Establishing a circular value chain: Resources → Products → End-of-Life Waste → Regenerated Raw Materials.

GW COMPOS incorporates a circular economy concept throughout the entire process

In 2025, GW COMPOS' specific circular economy management measures are as follows:

| | |
|---|---|
| **Reduction** | • Developing PV power stations and advancing energy-saving retrofits, including dipping process improvements and cold storage upgrades.<br>• Installing water-saving fixtures and optimizing pipeline networks to achieve the recovery and reuse of steam condensate from production. |
| **Reuse** | • Material Circularity: The Company reuses waste carbon fiber composites generated during production through an innovative "Downcycling + Shredding & Regeneration" dual-track model. Additionally, the Company has implemented projects including coagulant recovery, solvent distillation, and improved filter cleaning circulation systems. |
| **Resource Recovery** | • Repurposing general industrial solid waste and waste resin; processing chopped carbon fibers and other scraps through shredding for use as high-performance reinforcement materials.<br>• Strengthening R&D and university-enterprise collaborations to optimize carbon fiber recycling technologies. |

GW COMPOS' circular economy management measures

## Circular Economy Management Objectives

GW COMPOS has established medium-to-long-term circular development goals and detailed accountability metrics to ensure the effective implementation of its initiatives. In alignment with the specific characteristics of carbon fiber composite production, the Company plans to achieve the following targets between 2026 and 2030:

| | |
|---|---|
| **During the R&D and Design Phase** | • Expand R&D investment in green product technologies and accelerate the development of advanced resin (e.g., thermoplastic resins like PEEK) prepreg technologies to enhance recycling and utilization rates. |
| **During the Production and Operation Phase:** | • Continuously optimize the production process<br>• Explore the expansion of photovoltaic power stations |

Circular Economy Management Objectives

In addition, the Company has formulated a Special Improvement Plan, which clearly states the goals to be achieved in stages within 1-3 years: implementing solvent recycling, reducing solvent volatilization, enhancing the performance of environmental protection equipment, and increasing emission treatment rates.

## Case Study: Research on the Engineering Application of Carbon Fiber Composites in Wing Sail Propulsion Systems for Large Vessels to Drive Emission Reductions

GW COMPOS' subsidiary, Guangsheng Technology, is conducting the project "Research on the Engineering Application of Carbon Fiber Composites in Wing Sail Propulsion Systems for Large Vessels." Using waste carbon planks as the core raw material, the project achieves the recycling and reuse of carbon fiber from the main structure after the sail blades' lifespan.

This project achieves a weight reduction of over 35% compared to traditional steel structures. Equipping a single vessel with 4 sets of sail blades can reduce carbon emissions by 2,970 tons annually (totaling 29,700 tons over 10 years) and save 934 tons of fuel per year, resulting in fuel cost savings of RMB 50 million and carbon tax savings of RMB 52.52 million over 10 years, supporting the circular application of high-end composites and carbon reduction in industrial sectors.


Guangsheng Technology won the 2024 Shandong Provincial Science and Technology Award for Circular Economy


Guangsheng Technology won the 2024 Shandong Provincial Circular Economy Innovation Achievement Award


Scene of the award ceremony for the Shandong Provincial Circular Economy Innovation Achievement Award of Guangsheng Technology

# Water Resource Utilization

GW COMPOS attaches great importance to water conservation and recycling, strictly adhering to laws, regulations, and standards such as the *Water Law of the People's Republic of China* and the *Evaluation Standard for Water-Saving Enterprises. Leveraging the Water Conservation Management System* and other internal policies, the Company defines responsibilities for water recycling and requirements for consumption reduction. Water conservation is integrated throughout the entire production and operation process, achieving full employee participation and end-to-end control.

01

### Water Consumption Control

Continuously improving sub-metering and energy measurement ledgers to achieve granular water resource management.

02

### Water-Saving Technologies and Resource Recycling

Enhancing recycling rates and reducing unit consumption through diverse measures, including water-saving fixtures, process optimization, advanced wastewater treatment and reuse, and the cascade utilization of recovered steam and thermal condensate.

03

### Cultivating Water Conservation Awareness

Strengthening water conservation awareness through training and advocacy to foster water-saving behaviors across the workforce.

To further ensure efficient and scientific water use in its production and operations, the Company systematically assesses water-related risks and opportunities. By actively identifying potential for conservation and efficiency gains, GW COMPOS promotes high-efficiency water resource utilization and sustainable operations.

| Type | Description | Time Horizon | Potential Financial Impact | Response Measures |
|---|---|---|---|---|
| Physical Risk | Natural environmental changes such as extreme weather and shifts in water quality may disrupt water supply for production and operations. | Short-to-Medium Term | Operating costs↑ | • Establish water management ledgers for granular control<br>• Optimize processes to reduce high-water-consumption stages<br>• Conduct water-saving training |
| Transition Risk | **Policy & Legal Risk:** Under China's modern water-saving industrial system, policies adjusting water allocation or restricting usage could impact operations. | Short-to-Medium Term | Operating costs↑ | • Continuously track water policies<br>• Upgrade and promote water treatment and recycling facilities and technologies |
| | **Technology Risk:** Iteration of water-intensive technologies may render existing high-water-consumption processes obsolete. | Medium-to-Long Term | Capital expenditure for R&D and retrofits↑ | • Invest in R&D for water-saving processes and reserve low-water-consumption technologies<br>• Phase in water-saving retrofits for production lines |
| Opportunities | **Policy Opportunity:** Accessing green finance and policy-based funding (e.g., energy-saving subsidies, green credits). | Short-to-Medium Term | • Financing costs↓;<br>• Subsidies boosting profit↑ | • Actively apply for policy subsidies for water-saving retrofits and Green Factories<br>• Apply for green credits |
| | **Reputational Opportunity:** Enhancing water conservation performance to build sustainable management capabilities and gain customer loyalty. | Medium-to-Long Term | Revenue↑ | • Participate in regional collaborative water governance to enhance corporate social image |

Risks and Opportunities Related to Water Resource Utilization and Potential Financial Impacts



In 2025, the Company and its subsidiaries achieved a total recycled water volume of **316,174** tons and a total water savings of **600,056** tons, representing year-on-year increases of **56.46%** and **41.56%**, respectively. The detailed performance is as follows:

| Indicator | Unit | 2025 |
|---|---|---|
| Total water consumption | Tons (t) | 2,100,428.05 |
| Total water consumption intensity | Tons (t) / RMB '000 of revenue | 0.735 |
| Total water saving | Tons (t) | 600,056.00 |
| Total water saving intensity | Tons (t) / RMB '000 of revenue | 0.21 |

Water consumption and saving performance in 2025

### Water conservation target

To enhance water efficiency and circularity, the Company has set the following water conservation goals for 2026-2030:

- Strive for a continuous reduction in per capita domestic water consumption.
- Explore wastewater and rainwater recovery technologies to increase resource recycling rates.
- Strive to be recognized as a "Water-Saving Enterprise" at or above the provincial level, benchmarking against industry-leading standards.
- Improve the digital monitoring system to achieve real-time tracking and anomaly alerts for wastewater discharge.

# Pollutant Emissions

GW COMPOS strictly complies with national and local regulations, including the *Cleaner Production Promotion Law of the People's Republic of China,* the *Air Pollution Prevention and Control Law of the People's Republic of China*, the Water Pollution Prevention and *Control Law of the People's Republic of China*, and the *Environmental Protection Regulations of Shandong Province*. The Company has formulated and regularly updates internal policies such as the Emergency Response and Emission Reduction Plan for Heavy Pollution Weather, achieving end-to-end control from environmental factor identification to emergency response.

The Company's production activities primarily involve the R&D and manufacturing of carbon fiber precursor, carbon fiber, prepreg, and composite products, with waste gas and wastewater as the main pollutants. GW COMPOS and its subsidiaries—Tuozhan FIBER, Guangwei Precise Machinery, Advanced Energy Materials, and Inner Mongolia Guangwei—have all obtained pollution discharge permits and conduct all discharge activities strictly within the licensed scope.

In 2025, the Company and its subsidiaries, including Guangwei Precise Machinery, Guangsheng Technology, and Composite Materials Technology, regularly commissioned external agencies to test wastewater, waste gas, and noise.

All the emissions in the exhaust gas are below the permitted emission concentration limits, and the emission results comply with the requirements of national and local regulations.

**Organized Waste Gas**

After being collected through gas hoods and pipelines, the exhaust gas is treated by pollution control facilities including regularly replaced activated carbon, water spray scrubbing, and a regenerative thermal oxidizer (RTO), before being discharged through an elevated exhaust stack.

**Unorganized Waste Gas**

Emissions are controlled through negative-pressure collection in enclosed workshop areas and ventilation-based dilution.

During the reporting period, GW COMPOS and its subsidiaries discharged a total of **1,513.92** million cubic meters of waste gas.

Of the total, Tuozhan Fiber accounted for **619.3** million cubic meters, while Inner Mongolia Guangwei accounted for **85.32** million cubic meters.

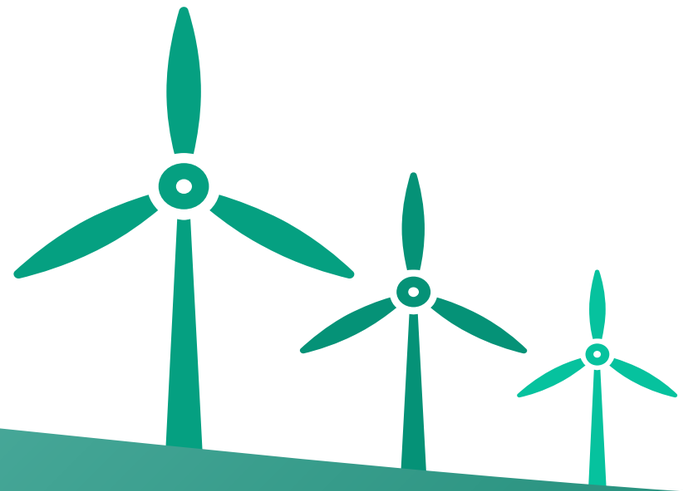


## Waste Gas

The Company's waste gas is mainly generated during the polymerization, carbonization, and pre-oxidation processes of carbon fiber production. The primary pollutants include Volatile Organic Compounds (VOCs), particulate matter, and nitrogen oxides.

| Indicator | Unit | GW COMPOS | Tuozhan FIBER | Inner Mongolia Guangwei |
|---|---|---|---|---|
| VOCs | Tonnes | 17.53 | 15.33 | - |
| Particulate matter | Tonnes | 0.60 | - | 0.16 |

Waste gas pollutant emissions of the Company and key subsidiaries in 2025



## Wastewater

GW COMPOS utilizes a hierarchical treatment model of "In-plant Pre-treatment + Municipal Wastewater Treatment Plant (WWTP) Advanced Treatment" to regulate wastewater. Production wastewater is primarily generated during carbon fiber production; it is pre-treated at self-built wastewater treatment stations and, upon reaching discharge standards, is discharged into the Weihai Lingang District Wastewater Treatment Plant. Wastewater treatment facilities operate in synchronization with production lines, with weekly inspections conducted to ensure consistent compliance.

Additionally, the Company strictly implements a rain-sewage diversion system, supported by independent pipeline networks and regular maintenance.

The Company strengthens wastewater monitoring and management in its operations, commissioning third-party agencies annually to ensure stable and compliant discharge, while reporting discharge data to environmental authorities as required. Certain subsidiaries have further increased monitoring frequencies, conducting high-frequency testing of industrial and domestic wastewater on a weekly, monthly, and quarterly basis.

During the reporting period, the total wastewater discharge of GW COMPOS was **999,600** tons, a decrease of **8.49%** compared to 2024. Of this, the total industrial wastewater discharge was **861,900** tons, a decrease of **7.22%** Compared to 2024.

Of the total wastewater discharged by the company, the total volume of wastewater discharged from the expansion fiber was **559,300** tons, and that from Inner Mongolia Guangwei was **351,200** tons.

All discharge indicators were below the permitted discharge concentration limits, meeting the permit requirements, and there were no exceedances throughout the year.


| Wastewater Pollutant | Unit | GW COMPOS | Tuozhan FIBER | Inner Mongolia Guangwei |
|---|---|---|---|---|
| COD | Tonnes | 34.14 | 28.10 | 1.15 |
| Ammonia nitrogen (NH3-N) | Tonnes | 16.14 | 9.64 | 6.39 |
| Total nitrogen | Tonnes | 5.17 | 4.83 | - |
| Total phosphorus | Tonnes | 0.27 | 0.25 | - |
| suspended solids | Tonnes | 23.80 | 22.04 | - |
| BOD5 | mg/L | 25.69 | 25.69 | - |

Wastewater pollutant emissions of the Company and key subsidiaries in 2025

## Pollutant emission-related risks, opportunities, and potential financial impacts

To ensure environmental compliance across the entire production and operation process, GW COMPOS consistently integrates requirements such as pollutant emission control into its daily operations and production management. This ensures that environmental management measures can precisely respond to actual risks and regulatory changes.

| Type | Description | Time Horizon | Potential Financial Impact | Mitigation & Adaptation Measures |
|---|---|---|---|---|
| **Physical Risk** | Sudden pollutant discharge events damaging the surrounding environment, leading to risks such as impaired clean production environments. | Short-to-Medium Term | Operating costs↑ | • Regularly monitor discharge and increase testing frequency to ensure comprehensive pollutant compliance. |
| **Transition Risk** | **Policy & Legal Risk:** Stricter total emission control policies; risks of fines or administrative penalties if discharge is non-compliant. | Medium-to-Long Term | Operating costs↑ | • Increase investment in environmental retrofits to reduce pollutants at the source;<br>• Track policies and strengthen employee awareness through training. |
| | **Reputational Risk:** Non-compliance issues may trigger negative evaluations from the public, consumers, or investors, damaging brand image. | Medium-to-Long Term | Revenue↓ | • Regularly publish ESG reports to disclose emission data and governance results;<br>• Strengthen communication with stakeholders to promote green achievements. |
| | **Technology Risk:** Immature management technologies or obsolete equipment leading to rising costs or non-compliant discharge. | Medium-to-Long Term | Operating costs↑;<br>Impairment loss of existing equipment↓;<br>Capital expenditures arise from technological upgrading and transformation↑ | • Regularly assessing the technological advancement of existing equipment, phasing out obsolete facilities, and introducing high-efficiency, eco-friendly equipment.<br>• Tracking cutting-edge environmental governance technologies and promptly adopting mature industry solutions. |
| **Opportunities** | **Tech & Market Opportunity:** Adopting synergistic pollution and carbon reduction technologies; collaborating with the industry chain for co-disposal. | Medium-to-Long Term | Capital expenditures arise from technological upgrading and transformation↑;<br>Operating costs↓ | • Promoting synergistic technologies for pollution reduction and carbon mitigation.<br>• Establishing collaborative pollutant disposal mechanisms with upstream and downstream partners. |
| | **Policy Opportunity:** Accessing green finance and low-cost funding; exploring additional revenue through emission rights trading. | Short-to-Medium Term | Government subsidies and income from pollution discharge rights trading↑ | • Systematically identifying national and local environmental subsidy policies and actively applying for relevant special-purpose funding projects.<br>• Leveraging environmental management performance to apply for green credits and secure low-cost financing.<br>• Monitoring regional emission rights trading market dynamics and strategically planning transactions. |
| | **Reputational Opportunity:** Enhancing governance performance to build a responsible green image and increase stakeholder trust. | Medium-to-Long Term | Revenue↑ | • Continuously upgrading pollutant treatment facilities and optimizing technologies for source reduction.<br>• Regularly publishing ESG reports to proactively disclose pollutant emission data and convey a transparent, compliant philosophy of green development. |

## Pollutant emission management objectives

| | |
|---|---|
| **Emission reduction targets** | Strictly abide by national and local environmental protection regulations, as well as pollution discharge permits and regional total quantity control requirements, to ensure that the total emissions of major pollutants remain stable and meet the standards. |
| **Active reduction targets** | Guided by green development, we will continuously reduce the intensity of major pollutant emissions and continuously enhance the levels of clean production and environmental performance. |

# Waste Disposal

GW COMPOS strictly adheres to laws and regulations such as the Solid Waste Pollution Prevention and Control Law of the People's Republic of China and the Measures for the Administration of Hazardous Waste Transfer Manifests. The Company has formulated more than ten regulations, such as the Hazardous Waste Management System and the Responsibility System for the Prevention and Control of Solid Waste Pollution, which define the management standards and division of responsibilities for waste in all links including classification, collection, temporary storage, transfer and disposal, fully covering the prevention and control of pollution from hazardous waste and solid waste.

The Company regularly identifies and updates regulatory requirements and conducts internal compliance evaluations to ensure the efficient operation of its management system and standardize the entire waste treatment process. Furthermore, waste management topics, including "Laws, Regulations, and Standards," "Operating Procedures," and "Emergency Response Measures," are integrated into regular training sessions to enhance disposal capabilities.

Waste generated by the Company is categorized into three types: domestic waste, general industrial solid waste, and hazardous waste. The specific disposal procedures are as follows:

**Domestic waste**
(Primarily generated by employees' daily activities)

Set up waste cans in a reasonable manner within the factory area to collect domestic waste in a centralized manner. → We entrust an external third party to regularly transport the waste to the Weihai Municipal Waste Disposal Plant for harmless treatment, ensuring daily collection and disposal, and preventing waste accumulation.

**General industrial solid waste**
(Mainly includes waste precursor, waste packaging materials, etc.)

**A management model of "categorized collection - recycling - compliant disposal" is adopted for control, and relevant ledgers are established :**

After waste is sorted and collected, it is stored in a specially constructed temporary storage warehouse, which is managed by designated personnel. →

Secondary use of selected production waste

- Waste packaging materials are regularly collected and transported by licensed recycling companies, with a recycling rate of ≥90%.
- The boiler ash is recycled by a local building materials factory for the production of aerated concrete blocks.

→ The remaining waste will be disposed of in compliance with regulations by the company through a "General Solid Waste Disposal Contract" signed with qualified entities.

**Hazardous waste**
(Mainly includes waste resin, waste engine oil, waste testing reagents, waste paint, etc.)

**A hazardous waste management system covering the entire chain of "temporary storage – internal transfer and record-keeping – external transfer and disposal – supervision and emergency response" has been established for management and control.**

**Temporary storage**: Hazardous waste is sorted, collected, sealed and stored temporarily in a special hazardous waste warehouse. Standardized hazardous waste warning signs and labels are set up, and important information such as waste name, main components, and weight are strictly marked . Safety exit route maps are also drawn up. →

**Internal transfer and recording**: In accordance with the principle of "The producer is responsible for recycling", the production workshop shall be responsible for collecting and packaging hazardous waste and transporting it to the hazardous waste warehouse and establishing a hazardous waste management ledger to record information such as the name, quantity, entry and exit time of the waste and the person in charge. →

**External transfer and recording** : The company submits transfer applications to the Ecology and Environment Bureau, and contacts qualified units for transfer after approval; the transfer process strictly follows the "Regulations on the Management of Hazardous Waste Transfer Manifests" and fills in relevant record information truthfully.

Waste categories and treatment processes

GW COMPOS incorporates waste reduction into its green development strategy. In alignment with national "Green Factory" requirements, the Company continuously optimizes production processes to reduce waste generation at the source while strengthening monitoring and management across the entire waste disposal lifecycle. By implementing measures such as regular maintenance of waste gas treatment facilities, optimization of raw material ratios, and the enhancement of production automation, the Company further reduces its waste emissions.

**Case Study: Standardized Hazardous Waste Management Training to Enhance Compliance Awareness**

In June 2025, the Company's general new materials division organized a special training session on the standardized management of hazardous waste. The training covered employees and key positions in multiple production and functional departments. It adopted a combination of legal publicity, case warnings, practical process explanations, and emergency plan simulation discussions to clarify the core requirements and work processes of the hazardous waste management system.

This training included a joint assessment of employees to ensure they fully grasped relevant regulations and the Company's internal management systems regarding hazardous waste, clearly understood the operational procedures for key processes such as classification, collection, transportation, and temporary storage, and were proficient in the core procedures of the emergency response plan. This effectively improved the standardized management capabilities of employees in various positions, laying a solid foundation for the Company's compliant disposal of hazardous waste throughout the entire process and helping to reduce environmental risks.


On-site Specialized Training on Standardized Waste Management Practices



- During the reporting period, the Company generated a total of **1,074.36** tons of general waste. Among them, the Tuozhan FIBER was **264.10** tons and Inner Mongolia Guangwei was **680.44** tons.
- The total amount of hazardous waste generated was **1,095.06** tons, representing a year-on-year increase of **62.70%**, mainly due to changes in the Company's production capacity and output. Of this total, Tuozhan FIBER accounted for **455.09** tons and Inner Mongolia Guangwei accounted for **273.60** tons.
- In 2025, the Company achieved a **100%** compliance rate and a **100%** harmless disposal rate for hazardous waste disposal;
- No incidents of hazardous waste loss, leakage, or illegal disposal occurred.



## Environmental Compliance Management

GW COMPOS has production bases located in Weihai, Shandong Province, and Baotou, Inner Mongolia Autonomous Region.

- The Company is designated as an enterprise subject to mandatory cleaner production audits in the High-tech District of Weihai, Shandong Province.
- Its subsidiary, Advanced Energy Materials, is designated both as an enterprise subject to mandatory cleaner production audits and as a key entity for environmental risk control in the High-tech District of Weihai, Shandong Province.
- Its subsidiary, Tuozhan FIBER, is designated in the Lingang District of Weihai, Shandong Province as a key pollutant-discharging entity, a key water environment entity, a key soil pollution supervision entity, a key entity for environmental risk control, and an enterprise subject to mandatory cleaner production audits.
- Its subsidiary, Inner Mongolia Guangwei, is classified as a key atmospheric environment supervision entity in Baotou, Inner Mongolia Autonomous Region.

These entities regularly engage third-party institutions to conduct cleaner production audits, while key pollutant-discharging and supervised entities perform environmental monitoring and publicly disclose data in accordance with relevant regulations. During the reporting period, no major environmental incidents occurred at GW COMPOS or its subsidiaries.

GW COMPOS strictly complies with national laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, and adheres to the environmental management policy of "Environmental Protection for All, Compliance and Law Abidance, Pollution Prevention, Energy Conservation and Consumption Reduction, and Continuous Improvement."

The Company has established a standardized environmental management system and formulated specialized internal policies such as the Environmental Protection Management System and Environmental Protection Standardization Documents. By integrating environmental protection into the entire production and operation process and regularly conducting compliance evaluations, the Company ensures the effective and continuous operation of its environmental management system.

# Environmental Risk Management

## Environmental risk assessment

GW COMPOS has established a normalized environmental risk assessment mechanism. In accordance with the Risk Classification Method for Emergency Environmental Incidents of Enterprises, we conduct comprehensive risk assessments across three dimensions: substances, facilities, and regional environment, to clarify risk levels and key prevention and control priorities.

Environmental risk sources include hazardous substances used in production, leakage from production facilities, failures of environmental protection equipment, and hazardous waste leaks. GW COMPOS determines its risk level for sudden environmental incidents through quantitative analysis of the ratio between hazardous substance quantities and their threshold quantities, the level of process control, and the sensitivity of environmental receptors.

## Risk prevention and management measures

Adhering to the principle of "Prevention First," GW COMPOS has constructed a comprehensive risk prevention and control system across three dimensions—source, process, and management—to minimize the probability of environmental risks.

**Hazardous material storage**

Chemicals are stored in categories, the warehouse is staffed with professional managers, safety warning signs are set up, and emergency supplies are provided for each position.

**Production process**

The production workshop is equipped with fire extinguishers, fire hydrants and first aid kits. Safety valves, pressure gauges and other facilities are regularly inspected. Explosion-proof electrical facilities are used, and safety warning signs are set up for toxic substances and equipment.

**Management and operational aspects**

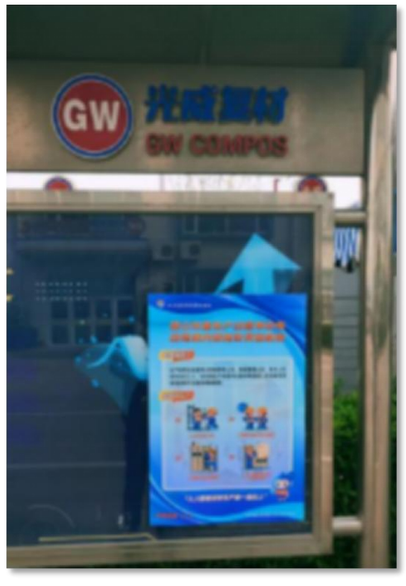
Staff strictly follow procedures, wear personal protective equipment, implement a patrol inspection system, regularly investigate environmental hazards, and maintain records. During production, operating procedures are strictly followed to prevent leaks and spills. During maintenance, pollutants are properly collected and cleaned to prevent secondary pollution.

Environmental risk prevention and management measures

## Emergency Response Plan for Sudden Environmental Incidents

GW COMPOS has constructed a three-tiered emergency response system, strengthened its emergency organization and response mechanisms, and enhanced emergency capacity building to solidify the defense line for ecological and environmental safety.

- Three-Tiered Emergency Response System: By formulating the Emergency Response Plan for Sudden Environmental Incidents, the Company has established a framework comprising "1 Comprehensive Emergency Plan + 1 On-site Disposal Plan + 1 Special Emergency Plan for Hazardous Waste Disposal." This system clearly defines the emergency organization, early warning, response, and disposal procedures.
- Emergency Organization and Response Mechanisms: An Emergency Rescue Command Center has been established, with the General Manager serving as the Commander-in-Chief. It oversees specialized groups including Emergency Rescue, Cordon and Evacuation, Medical Aid, Communications, and Logistics Support, with clearly defined responsibilities to ensure the rapid transmission of instructions. Emergency responses are classified into three levels based on the incident's scope and severity, with specific disposal steps outlined for hazardous chemical leaks.
- Emergency Capacity Building: The Company maintains reserves of emergency supplies, such as fire extinguishers and gas masks, with regular inspections and maintenance. A 24-hour emergency hotline ensures uninterrupted communication. Furthermore, GW COMPOS requires at least one emergency drill annually to continuously enhance employees' response capabilities.
- Hazard Identification and Incentive Mechanism: The Company has established a mechanism for identifying environmental incident hazards, conducting both regular special inspections and daily routine checks. Additionally, an internal reward system for hazard identification has been implemented to encourage proactive risk reporting.




Internal Hazard Investigation Reward Announcement

During the reporting period, the Company strictly implemented relevant environmental protection laws and regulations and internal management systems. No environmental emergencies occurred. No administrative penalties, rectification notices, or environmental complaints from the ecological and environmental authorities.

## Environmental Protection Training

GW COMPOS integrates environmental protection training into its routine employee education. By establishing the Personnel Education and Training System, the Company implements a three-tiered training framework (Company-level, Workshop-level, and Team-level) that covers new hires, current employees, and internally transferred personnel. The training curriculum includes laws, regulations, and standards for hazardous waste management, fundamental knowledge, internal management systems and operating procedures, the use of protective equipment, and emergency response measures.

Furthermore, GW COMPOS utilizes diverse channels such as bulletin boards, internal broadcasts, and training manuals to disseminate information regarding the hazardous characteristics of waste and pollution prevention knowledge, employing multiple measures to continuously enhance employees' environmental awareness.

During the reporting period, GW COMPOS organized **10** environmental knowledge competitions and training sessions, reaching **1,830** person-times. Additionally, the Company conducted **9** environment-related emergency drills with a total of **269** participants, significantly enhancing employees' environmental awareness and response capabilities.

## Green Office Practices

GW COMPOS systematically advances its environmental management through three key pillars: energy conservation and consumption reduction, resource recycling, and green procurement, actively practicing the philosophy of sustainable development.

**01**

### Energy conservation and emission reduction measures

LED energy-saving lighting fixtures are adopted in office areas, and unnecessary electrical appliances are turned off during non-working hours. The Company promotes paperless office work, and prioritizes the circulation of internal documents through the OA system. For official vehicles, new energy vehicles are selected as the priority, with reasonable route planning to reduce fuel consumption and carbon emissions.

**02**

### Resource recycling

Office waste is collected through classified recycling, and recyclables such as waste paper and cartons are handed over to waste recycling companies for disposal.

**03**

### Green procurement

Prioritize the procurement of environmentally certified products, such as low-VOCs office supplies and biodegradable garbage bags, to reduce the environmental impact of office processes.

Green office practices



## Green Production

GW COMPOS adheres to the concept of green production and clean manufacturing, and continuously deepens environmental governance from three aspects: process optimization, efficient use of resources, and reduction of pollutants at the source.

### Process optimization

The resin production process uses closed mixing and grinding equipment to reduce the fugitive emissions of particulate matter and VOCs ; in the production of composite materials, the PE film is reused multiple times before being disposed of as general industrial solid waste.

### Resource utilization

- General industrial solid waste generated during production, such as waste packaging materials (e.g., waste cartons, paper tubes) and waste PE film, is entirely handed over to waste recycling companies for recovery and reuse.
- R&D wastewater, following pre-treatment, is reused for workshop floor cleaning.

### Pollutant reduction

- By optimizing raw material ratios and enhancing the efficiency of environmental protection facilities.
- Hazardous waste is managed through classified collection and source reduction, then entrusted to qualified third-party agencies for disposal. The disposal rate reached 100%, with no illegal transfer of hazardous waste occurring.

Green production practices

During the reporting period, the Company's total investment in environmental protection reached RMB **10.7** million.

# Green Products

GW COMPOS integrates green product promotion into its core development strategy. Closely aligning with the national "Carbon Peaking and Carbon Neutrality" goals, the Company is building a green product matrix spanning wind power, new energy vehicles, hydrogen energy, and other sectors. Guided by the principles of "Technology Empowerment, Customer Collaboration, and Full-chain Carbon Reduction," the Company scales up its low-carbon product offerings to assist downstream industries in achieving energy conservation and carbon reduction for their terminal products.

## Core Green Product System and Promotion Progress

| Product Category | Product Features | Promotion Progress | Supply Chain Collaboration |
|---|---|---|---|
| Pultruded carbon planks | High modulus, lightweight, and fatigue-resistant; certified by DNV. | In 2025, selected for the "Shandong Manufacturing · Qilu Fine Products" list. Through dual breakthroughs in materials and processing, the Company achieved reductions in both blade weight and cost, driving the global wind power industry toward large-scale and high-efficiency upgrades. | Deeply integrated with global wind power giants to respond rapidly to market demands, accelerating the development of global wind power blades. |
| Photovoltaic Prepreg | GE21B high-transparency resin system, featuring light transmittance >90% and UV-resistant/anti-yellowing properties. | Successfully applied in mass production for high-efficiency photovoltaic module frames and brackets. | Applications span outdoor facilities, building roofs, mobile power supplies, new energy RVs, and 3C electronics. By enhancing the power generation efficiency throughout the PV module's lifecycle and extending equipment service life, the Company maximizes the comprehensive value and market competitiveness of PV applications. |
| Low-Altitude/Aerospace Composites | Extreme lightweight, high strength, and high modulus; supporting electrified flight. | Empowered the maiden flight of the "Jiu Tian" UAV and assisted the RX4E electric aircraft in obtaining its TC (Type Certificate); supplied key materials for the Lanying R6000. | By optimizing composite material selection and structural design, the Company reduces aircraft weight, enabling longer endurance and lower energy consumption for electric aircraft, thereby driving the transition of aviation energy structures from fuel to electricity. |



## Empowering Downstream Customers with Energy Conservation and Carbon Reduction via Green Products

Leveraging the lightweight advantages of carbon fiber materials, GW COMPOS products have generated significant indirect emission reduction benefits at the downstream application end.

### Green Shipping

Following the installation of the wing-sail propulsion system on a single Very Large Crude Carrier (VLCC), an average of 934 tons of fuel is saved annually, reducing carbon emissions by 2,970 tons. Over a 10-year period, the cumulative carbon reduction for a single vessel reaches nearly 30,000 tons, saving over 100 million RMB in fuel costs and carbon taxes.

### Wind Power Energy

Wind turbine carbon planks facilitate the upsizing and lightweighting of wind turbine blades, and promote the long-term replacement of fossil fuels with clean energy.

### Low-altitude & Aviation

Composite materials for new energy vehicles and electric aircraft assist in reducing vehicle weight by more than 20%, which corresponds to a 10% increase in endurance mileage and a reduction in energy consumption per unit of transport turnover.

### Photovoltaics & Construction

High-transparency photovoltaic prepregs enhance the power generation efficiency of modules. Additionally, carbon fiber reinforcement plates for buildings serve as an alternative to traditional steel, significantly reducing the embodied carbon emissions associated with the production of construction materials.

## Future Plans and Objectives for Green Product Promotion

- **By 2030**: Continuously deepening material applications and market presence across sectors including green shipping, wind power energy, low-altitude and aviation, as well as photovoltaics and construction, effectively empowering downstream industries to achieve significant indirect carbon emission reduction benefits.
- **By 2035**: Driving a leapfrog breakthrough in cumulative carbon emission reductions across the entire industry chain, utilizing high-performance composite materials to empower low-carbon transformation and sustainable development in various sectors.

# Ecosystem and Biodiversity Conservation

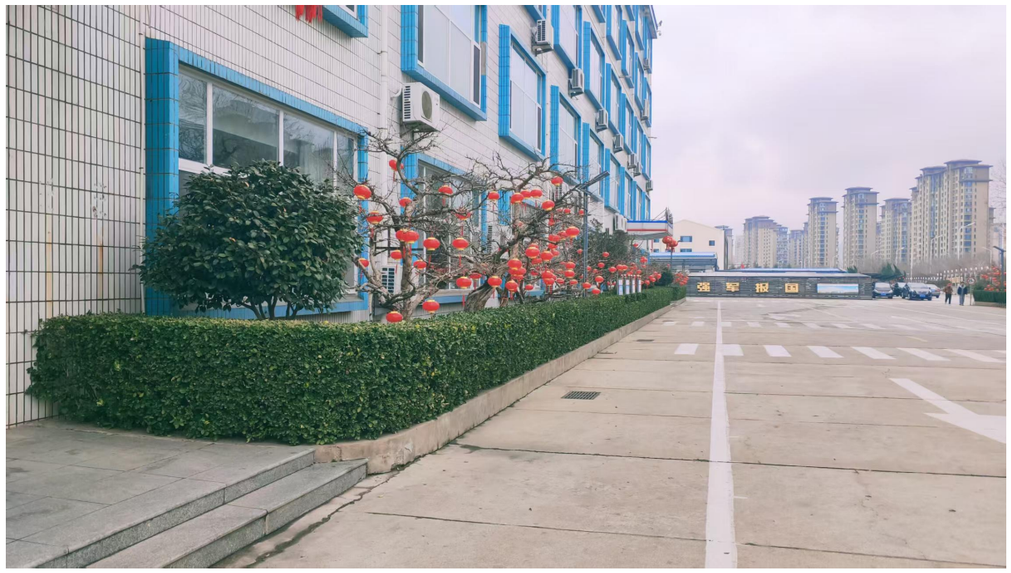
GW COMPOS integrates biodiversity conservation into the entire lifecycle of its business development, minimizing the impact of production activities on ecosystems and promoting sustainable coexistence between the Company and the natural environment.

The Company strictly adheres to the *Environmental Protection Law of the People's Republic of China* and the *Convention on Biological Diversity (CBD)*. We have established internal control procedures, such as the Environmental Factor Identification and Assessment Control Procedure, and leveraged our environmental management system to build a risk assessment mechanism covering biodiversity, ensuring our operations remain eco-friendly.

None of GW COMPOS's operating sites are located within ecological protection red lines. Our production and operations are concentrated within industrial parks, avoiding core ecological protection areas and ecologically sensitive zones such as forests, wetlands, water source protection areas, and nature reserves. For processes that could potentially affect the surrounding environment, we implement pollution prevention facilities and optimize production layouts to prevent adverse impacts on local ecosystems.

Within our factory premises, we prioritize greening initiatives; permeable outdoor surfaces account for at least 30% of the total outdoor area. We prioritize planting resilient, weather-resistant species to improve the site environment and provide habitats for local flora and fauna.

During the reporting period, there were no instances of habitat destruction or negative impacts on biological species caused by the production activities of GW COMPOS or its subsidiaries. The regional ecosystems remained stable, achieving a harmonious balance between industrial operations and ecological protection.



Company's factory area

# Addressing Climate Change

- Climate change response management system
- Identification and Management of Climate Change Risks and Opportunities

Against the backdrop of accelerated global climate governance and the deepening implementation of "Carbon Peaking and Carbon Neutrality" goals, addressing climate change has become a core issue for the green transformation of the manufacturing industry. GW COMPOS, as a leading enterprise in the carbon fiber and composite materials field, deeply understands its responsibility in the low-carbon development of the industrial chain and consistently integrates climate change response into its corporate strategic planning and daily operations. The Company actively researches and promotes green and low-carbon products to help upstream and downstream industries save energy and reduce carbon emissions. While reducing our own carbon emission intensity, we proactively assume corporate responsibility for addressing climate change and promote the green and low-carbon transformation of the economy and society.

# Addressing Climate Change

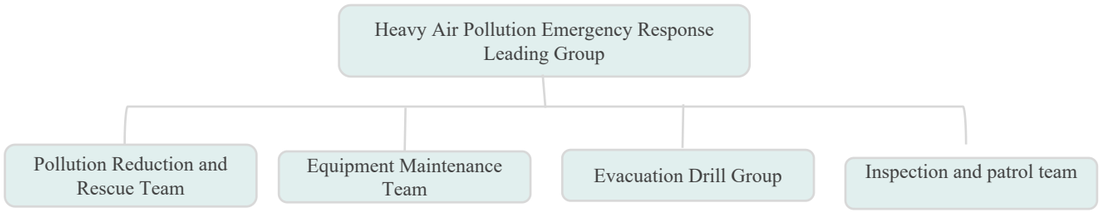
GW COMPOS sets the optimization of its energy structure, reduction of carbon emission intensity, and enhancement of environmental performance as its core objectives. Adhering to the strategic positioning of "Empowering the Composite Materials Industry with Low-Carbon Solutions and Assisting Customers in Lifecycle Carbon Reduction," the Company deeply integrates climate change response with its long-term development. This has culminated in a dual-drive model: "Decarbonization of Internal Operations + Product-enabled Decarbonization for Customers."

## Climate Change Response Management System

GW COMPOS has established a well-structured climate change response management system with clearly defined responsibilities, providing a solid organizational and institutional foundation for addressing climate change.

The Company has established the Heavy Pollution Weather Emergency Response Leading Group, headed by the General Manager, to ensure the efficient execution of emergency measures during periods of heavy pollution. Under this leadership, specialized subgroups—including Pollution Reduction & Rescue, Equipment Maintenance, Evacuation Drills, and Inspection—operate with clearly defined mandates to ensure rapid implementation of emission reduction and maintenance protocols.

A permanent Heavy Pollution Weather Emergency Response Office has been set up within the EHS & Equipment Management Department to liaise with government authorities and promptly communicate instructions regarding the activation and termination of early warnings. Additionally, dedicated management units carry out routine monitoring, facility maintenance, and training related to climate change, ensuring that all response measures are effectively executed and yield tangible results.




Management Structure of the Company's Heavy Air Pollution Emergency Response Leading Group

In addition, GW COMPOS has formulated an emergency emission reduction plan for heavy pollution weather. Based on yellow, orange, and red alert levels, the Company implements specific production restrictions of 20%, 30%, and 40%, respectively. By clearly defining emission reduction measures and execution workflows for each alert level, the Company has established a governance framework characterized by "Unified Leadership, Collaborative Division of Labor, and Standardized Operations."

## Identification and Management of Climate Change Risks and Opportunities

GW COMPOS prioritizes the precise identification of climate-related risks and opportunities, which defines the core direction and implementation priorities for the Company's greenhouse gas (GHG) emission management. This proactive approach not only solidifies the Company's own climate resilience but also drives low-carbon upgrades for downstream customers through carbon reduction across the entire industry chain. By amplifying the climate-response value of carbon fiber materials at a societal level, GW COMPOS is positioned to seize green development opportunities amidst the industry's low-carbon transition, achieving a synergistic empowerment of climate risk management and sustainable value creation.

| Risk Category | Risk Sub-category | Specific Risk Scenarios | Risk Impacts | Response Measures |
|---|---|---|---|---|
| Physical Risks | Acute Risk | Extreme Weather | Impact of extreme weather events such as high temperatures, heavy rain, and strong winds on factory production and logistics. | Reinforce facilities, improve disaster warning systems, optimize production and supply chain layouts and emergency plans, and stockpile flood prevention and heatstroke relief supplies. |
| | Chronic Risk | Long-term Climate Pattern Changes | Rising demand for cooling in offices and factory areas due to global warming, and potential yield decreases or price fluctuations of certain chemical raw materials. | Promote the application of renewable energy, and establish early warning mechanisms for raw material inventory and diversified sourcing. |

Climate Change Risks and Countermeasures

| Risk Category | Risk Sub-category | Risk Scenario | Risk Impacts | Response Measures |
|---|---|---|---|---|
| Transition Risks | Policy & Legal Risk | Tightening Environmental Standards | Carbon emission intensity of existing production processes may fail to meet new standards, requiring increased investment in environmental equipment and leading to higher compliance costs. | Proactively invest in the R&D of low-carbon processes and continuously upgrade energy-saving and carbon-reduction modules for production equipment. |
| | Market Risk | Raw Material Price Fluctuations | Rising raw material prices squeeze profit margins; customers increasingly demand low-carbon material solutions from suppliers. | Establish diversified raw material procurement channels and sign long-term price stability agreements with suppliers to mitigate the impact of price volatility. |
| | Technology Risk | New Technology Iteration | Competitors adopting more advanced technologies, leading to a decline in product competitiveness. | Increase R&D investment in green technologies, deepen industry-university-research cooperation, and accelerate the intelligent and green upgrading of existing production lines to maintain technological leadership. |
| | Reputational Risk | Brand Image | Rising stakeholder concern regarding the Company's climate performance; major environmental non-compliance incidents could lead to negative public opinion and damage corporate reputation. | Establish mechanisms for environmental public opinion monitoring and response, and regularly publish sustainability reports to enhance communication with stakeholders. |

Climate Change Risks and Countermeasures

## Climate Change Opportunity Identification and Management

### The demand for low-carbon materials and products is growing

Driven by the global goal of carbon neutrality, the demand for high-performance carbon fiber and composite materials from low-carbon industries such as wind power and new energy vehicles continues to expand. The company can leverage its technological advantages to expand its market share in areas such as wind turbine blades and lightweight structural components.

### Green manufacturing and energy efficiency improvement first-mover advantage

The company's continued investment in renewable energy applications and energy conservation and carbon reduction in production processes will make it easier to obtain green credits, low-carbon certifications and policy subsidies, while meeting the stringent requirements of downstream customers for a low-carbon supply chain and improving its order acquisition capabilities.

### The business value of carbon management capabilities

By building a comprehensive carbon accounting and management system, the company can participate in innovative mechanisms such as green finance to transform emission reduction results into economic benefits; at the same time, leading climate performance will enhance investor confidence, improve ESG rating, and broaden financing channels.

### Opportunities for technological innovation and industrial upgrading

The technological iterations driven by climate change have provided direction for the company's R&D breakthroughs in areas such as carbon fiber preparation and recycling. The results can form new intellectual property rights and business growth points, consolidating the company's leading position in the industry.

Opportunities arising from climate change

During the reporting period, GW COMPOS experienced no significant business or financial impact resulting from climate-related risks. There were no related litigations, nor were any compliance costs incurred due to climate-related incidents.

In 2025, the Company's total greenhouse gas (GHG) emissions amounted to **81,551.05** tons of $CO_2$ equivalent ($tCO_2e$), . The GHG emission intensity was **0.029** $tCO_2e$/ RMB ' 000 of revenue. Representing a year-on-year decrease of **10.68%**. Specifically, Scope 1 emissions totaled **30,959.06** $tCO_2e$, while Scope 2 emissions totaled **50,594.99** $tCO_2e$.

# Quality Manufacturing

# Industry Benchmark

- Innovation-driven
- Product and service safety and quality
- Customer-centric
- Responsible Marketing
- Chemical safety management
- Digitalization construction

GW COMPOS is committed to becoming a benchmark for high-quality development in the manufacturing industry, with "innovation-driven, quality-oriented" as its core principles. In terms of innovation, the Company focuses on the field of carbon fiber and composite materials, improving R&D management and incentive mechanisms, increasing R&D investment, deepening industry-university-research cooperation, focusing on tackling core technologies and transforming research results, strengthening patent and standard layout, cultivating new productivity, and enhancing core competitiveness. Regarding quality, the Company has built a comprehensive quality management system covering R&D, production, inspection, and after-sales service, strictly controlling key links, improving traceability and customer service mechanisms, continuously improving product reliability, meeting market demands with meticulous manufacturing, and establishing a high-quality brand image.

# Innovation-driven

GW COMPOS' innovation and R&D strategy is positioned for "three highs" development—high performance, high quality, and high-end applications. Based on the carbon fiber and composite materials industry, the Company promotes independent control of core technologies and builds collaborative innovation advantages across the entire industry chain. The Company possesses two national-level scientific research platforms and, as a drafter of national carbon fiber standards, has presided over the drafting of two national standards.

### Two National-Level "Industry-University-Research-Application" Research Platforms

- National Industrial Design Center
- National Enterprise Technology Center

### Two National Standards

- Polyacrylonitrile-Based Carbon Fiber
- Carbon Fiber Prepreg

▲ Development of national-level scientific research platforms and national standards

Based on its " 621" development strategy, the Company has made carbon fiber R&D a core business segment, establishing a full range of carbon fiber products and a product development pattern of "developing one generation, producing one generation, and reserving one generation." It also works in synergy with sectors such as general new materials and precision machinery to build a full-chain innovation ecosystem spanning from basic materials to end products.

Meanwhile, the Company has built a full-chain carbon fiber R&D system characterized by "clear architecture, platform support, institutional guarantees, and incentive empowerment." Internally, it has formulated full-process R&D management documents, including the Core Technology and Key Technology Management System. Through incentive measures such as a special project reward mechanism and participation of R&D personnel in internal and external training, the Company continues to stimulate innovation vitality and drive industrial upgrading through breakthroughs in core technologies.

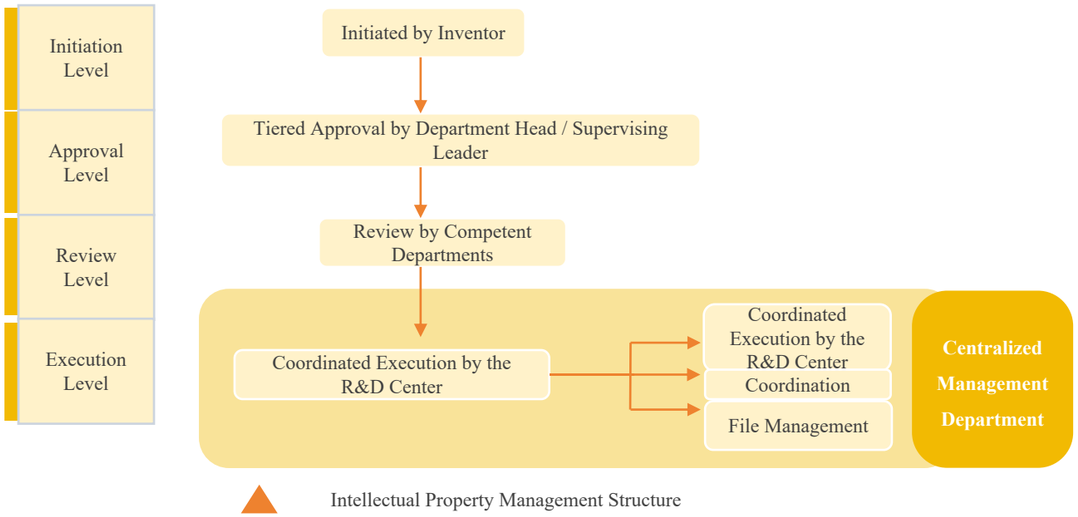
- During the reporting period, the Company's total R&D investment was RMB **219,516,000**, representing a year-on-year increase of **27.10%**.
- As of the end of the reporting period, the Company had a total of **70** R&D projects, of which **31** were newly added in 2025.R&D Personnel: **322** employees, accounting for **14.23%** of the total workforce. Expert consultants: **38** individuals.



## Intellectual Property Protection

GW COMPOS strictly complies with the requirements of the *Patent Law of the People's Republic of China* , the *Interim Measures for the Administration of Special Funds for Patent Development in Shandong Province* , and other relevant regulations. Internally, it has formulated the"Intellectual Property Management System"to strengthen its intellectual property management.The Company's R&D Center serves as the centralized department for intellectual property management and assumes primary responsibility for such management. All business segments and departments cooperate in carrying out intellectual property-related work, while designated personnel from the R&D Center are responsible for communicating inquiry comments and following up on responses during the intellectual property application process.

The Company implements standardized process management for intellectual property applications. Key procedures are subject to approval through the OA system, ensuring that the entire intellectual property management process is compliant and controllable.




▲ Intellectual Property Management Structure

As of the end of the reporting period, the Company had **1,094** patents, including **88** invention patents; **174** new patents were added in 2025, including **29** new invention patents; the Company had **20** software copyrights, including **6** new software copyrights in 2025.

## Technological Breakthroughs and Results Transformation

GW COMPOS adheres to a diversified innovation strategy, continuously tackling key core technologies in the industry and promoting the transformation of technical achievements into real productivity.

Guided by market demand and industrial trends, the Company focused its 2025 efforts on upgrading high-end carbon fiber models and R&D across the entire industry chain. Key layouts include core areas such as high-end carbon fiber, thermoplastic prepregs, composite products, and automated equipment. Simultaneously, the Company has established forward-looking layouts for the R&D of materials and systems in emerging application scenarios such as humanoid robots, the low-altitude economy, and commercial aerospace, achieving breakthrough progress in several key technologies.

### Tuozhan FIBER

The Company's subsidiary, Tuozhan FIBER, has undertaken several major national-level research projects driven by application demands, focusing on sectors such as large aircraft, commercial aerospace, marine vessels, and the low-altitude economy. It has advanced specialized R&D for the simultaneous improvement of fibers and composite materials to effectively meet the customized and specialized application needs of high-end users for carbon fiber.The subsidiary continues to drive the engineering preparation of high-performance carbon fibers, including T800 grade, T1100 grade, and T1200 grade. Specifically, T800 grade and T1100 grade have completed 1,000-ton line verification and 100-ton mass production respectively, ensuring a stable supply of products. Furthermore, T1100 grade carbon fiber has passed application verification in high-end fields such as aerospace and has commenced small-batch supply.During the reporting period, based on project planning and national strategic needs, the Company is conducting research on a new type of T1200 grade carbon fiber characterized by large diameter, high strength, high modulus, and high elongation, balancing both fiber and composite performance,establish a solid technical foundation for subsequent engineering R&D. Additionally, the "high-strength and high-modulus carbon fiber" developed by Tuozhan FIBER was awarded the title of "Single Champion" by the Ministry of Industry and Information Technology during the reporting period.

### Guangwei Advanced Energy Materials

Its Type 200 carbon planks received certification from international brand customers and secured orders. Additionally, composite material products for new energy vehicles obtained orders from well-known customers.

### Composite Materials Technology

It broke through key technologies for the industrialization of 3C electronics carbon fiber composite structural components. Products such as aircraft wheel chocks and various types of composite missile bodies have gradually entered mass production.



### General New Materials segment

The Company’s General New Materials segment has actively promoted the iterative upgrade of key matrix materials, such as epoxy resins and specialty resins. Multiple new materials have achieved industrial application and import substitution, fully meeting the application requirements of high-end sectors including aviation, aerospace, marine vessels, and the low-altitude economy. Simultaneously, the segment has continued to strengthen its independent R&D capabilities for high-end equipment, completing technical upgrades for key machinery such as filament winding equipment. Related hardware and software products have achieved engineering application in key research institutes.On this basis, the Company has simultaneously pushed to convert fiber performance into superior composite materials performance, continuously reinforcing its technical achievement transformation and large-scale production capabilities. Various structural components and molded parts have completed verification and achieved mass production and delivery, effectively enhancing the application value of products in terminal scenarios.

During the reporting period, the General New Materials segment developed 15 new materials that reached batch application, with 5 additional materials passing original equipment manufacturer (OEM) reviews. The GE2401 medium-temperature epoxy resin filled the Company's gap in resins with high Compression After Impact (CAI) performance, laying a foundation for the future promotion of high-performance medium-temperature materials.GC235 resin completed installation review, becoming the only domestic composite material product capable of replacing imports for application in high-temperature thermal insulation sleeves.

### Guangsheng Technology

It tackled key technologies for the interchangeability of large-scale airframe components and the wing co-curing molding process, achieving mass production and delivery.

### Guangwei Precise Machinery

Its high-end filament winding equipment continues to undergo iterative upgrades, and relevant software products have been implemented in aerospace research institutes.

Through continuous technological accumulation and industrialization breakthroughs, the Company's innovation capabilities have gained high recognition from the government and society, winning numerous important honors including "National Manufacturing Individual Champion Enterprise"," Top 500 Private Enterprises with Invention Patents Nationwide", "Top 50 Leading New Materials Enterprises in Shandong Province ", " SAMPE China Innovation Award in Materials, " and "Shandong Province Single Champion Enterprise."

As of the end of the reporting period, its subsidiaries, Composite Materials Technology, Guangsheng Technology, Advanced Energy Materials, Tuozhan FIBER, and Guangwei Precise Machinery and Beijing Lanke obtained High-Tech Enterprise certificates, while its subsidiaries Guangwei Precise Machinery and Tuozhan FIBER received the honor of being "Little Giant" enterprises specializing in specialized and innovative technologies.

# Product Safety and Quality

GW COMPOS regards superior product safety and quality as its core competitiveness and strategic cornerstone. With the core strategy of “building high-quality advantages across the entire industrial chain and upholding the bottom line of product safety”, the Company strictly follows national laws, regulations, and industry requirements such as the *Product Quality Law of the People's Republic of China*. The Company's Quality Management Department serves as the overall management department for product safety and quality, coordinating the construction of the quality system, inspection and testing, risk control, and other work, forming a management pattern of "quality department coordination, business department execution, and full participation." Each subsidiary simultaneously establishes a corresponding quality control structure to ensure the effective implementation of the Company's quality standards.

The Company has established a comprehensive quality management system covering the entire process. Core systems include 44 procedural documents such as the Management Manual and the Core Technology and Key Technology Management System. Specific systems have also been developed for specific aspects such as laboratory management, resin formulation, and technical documentation to ensure product traceability and quality control. Furthermore, the Company conducts regular internal audits, management reviews, and performance evaluations to create a closed-loop monitoring system for product safety and quality management. It also continuously increases investment in quality control resources, equipping itself with advanced testing equipment and intelligent testing systems.

The Company holds a range of professional management system certifications, including AS9100, IRIS, and IATF 16949. Its products are widely used in high-precision and high-tech fields such as aerospace, wind power, rail transportation, and automotive.


GW COMPOS AS Civil Aerospace System Certificate


GW COMPOS Automotive System Certificate

## Quality Risk Management

GW COMPOS has established documents such as the Quality Management System and the Risk and Opportunity Control Procedure, requiring each functional department to identify risks and opportunities covering the entire product lifecycle within its business scope. The Company uses a semi-quantitative method to assess risks, calculating risk values based on "frequency of occurrence" and "severity", and classifying them into three levels: "low", "medium", and "high."

In response to the identified risks, GW COMPOS has developed specific prevention and control measures and integrated them into its existing quality management processes:

| Risk Type | Countermeasures |
| --- | --- |
| Customer Standards | Strengthen standard communication with customers, unify testing methods, and actively explore the market. |
| Production Process Fluctuations | • **Control System**: Managed in accordance with the Production Management Process Control Procedure and the Process Audit Control Procedure.<br>• **Technical Monitoring**: Apply Statistical Process Control (SPC) technology to ensure the Process Capability Index (CpK) is greater than 1.33.<br>• **Abnormal Response:** Immediately initiate a reaction plan when the process is unstable, including production stoppage, 100% full inspection, and development of corrective actions.<br>• **Process Audit**: Conduct annual full-coverage audits, and dynamically increase audit frequency when quality fluctuations occur. |
| Post-Delivery Quality Issues | Managed through the Nonconforming Product Control Procedure and the Product Delivery Control Procedure. Any nonconformity discovered after delivery must initiate a review process, obtain customer approval when necessary, and take traceability, recall, or remedial measures. |

Risk Response Measures of GW COMPOS

The Company accurately identified industry development opportunities, formulated and implemented targeted action plans, and ensured that these opportunities were transformed into growth momentum. In 2025, through full-chain quality control analysis and daily quality meetings, the Company focused on and improved representative quality issues in each segment, providing a guarantee for achieving the above objectives.

No major quality issues occurred throughout the year, and the external audit pass rate for all management systems was 100%.

**Case Study: Advanced Energy Materials Develops Automated Non-Destructive Testing System for Carbon Planks, Strengthening Quality Defenses and Achieving "Zero Defect Complaints"**

As of the end of the reporting period, the Company's subsidiary, Advanced Energy Materials, had deployed five automated non-destructive testing (NDT) devices for carbon planks, which were placed in five workshops and were capable of fully covering the NDT scanning tasks for existing carbon beam models in the workshops. After the devices were put into use, they could effectively handle alarms for defects detected during the rewinding process, efficiently implement real-time online inspection to assess product status and exercise effective control to prevent the outflow of non-conforming products.

Automated Non-destructive Testing System for Carbon Planks

## Quality Activities

### Intelligent Support

The Company has built a smart workshop featuring "automated material distribution, streamlined packaging and processing, online information identification, and intelligent system scheduling." By leveraging autonomous mobile robots (AMRs), automated packaging and labeling equipment, and a robotic control system (RCS) scheduling platform, the company has established an integrated, flexible, and schedulable intelligent production logistics system, along with a full-process digital traceability system. These advancements lay the hardware and data foundation for the company's transition toward "Industry 4.0".

Upon completion of the Company's smart workshop renovation project, comprehensive packaging material costs are expected to decrease by 10%–15%, labor costs associated with material handling, loading/unloading, and repetitive packaging tasks are projected to be reduced by over 50%, 24-hour continuous operation will be achieved, overall logistics efficiency is anticipated to increase by 40%–60%, and product quality and traceability will be comprehensively enhanced.

### Process Optimization

Improve the "measure formulation – verification and review" loop, and establish a "Quality Knowledge Base" to prevent recurrence of issues.



### Workforce Competency Development

The company and its subsidiaries have established a multi-tiered, targeted quality management training system. Each entity conducts specialized training based on its specific business characteristics, ensuring that training covers all links across the entire industry chain.

**Case Study: The Company conducts specialized quality training to continuously enhance its quality management level**

In 2025, the Company organized a comprehensive quality training program for top management and all personnel with an impact on product and service quality. The training covered basic quality concepts, the organizational environment, quality management principles, leadership, planning, and support. A total of 538 people participated in the training， effectively strengthening the quality theory foundation of all employees, enhancing their awareness of quality responsibility and compliance, and providing strong support for the continuous improvement of product and service quality as well as for consolidating the foundation for high-quality development.

On-site quality training session

During the reporting period, there were 0 product recalls.

To further ensure the safety and quality of products throughout their full life cycle, the Company has established quantitative performance targets that include first-time-through rates, delivery punctuality, customer satisfaction index, and risk management effectiveness. Through systematic data monitoring and analysis, it drives the continuous improvement of product safety and quality.

## Customer-centric

GW COMPOS adheres to the customer-first customer service philosophy and has systematically built a comprehensive customer relationship management system that includes a professional service system, closed-loop complaint management, and routine satisfaction tracking. Through institutionalized service guarantees, source-based quality control, and a routine communication and feedback mechanism, the Company is committed to providing customers with reliable products and high-quality services, continuously improving customer experience, and consolidating and deepening long-term mutual trust with customers.

## Customer Service

GW COMPOS is guided by customer needs fulfillment and value creation. The sales center serves as a unified sales window, responsible for the sales and after-sales service of products such as carbon fiber, prepreg, composite materials, and machinery. Based on a flat management structure, the Company has established a three-tiered rapid response mechanism: "Sales Personnel - Department Heads - Company Management." Key matters can be reported directly to the Sales General Manager (Deputy General Manager ) and the General Manager, ensuring efficient communication and execution of service instructions.

The Company's customer service adopts a full-process service management mechanism, covering pre-sales, sales and after-sales customer service.

| Pre-sales Coordination | In-sales Management & Control | Post-sales Guarantee |
|---|---|---|
| Precise Requirement Matching | Transparent & Efficient Fulfillment | Closed-loop Service Optimization |
| • Form a cross-departmental evaluation team (Production, Technology, Quality, Finance, etc.)<br>• Comprehensive evaluation: Technical requirements + Quality standards + Delivery timeline + Payment terms<br>• Output service solutions to ensure alignment | • Implement the "Same-day Planning & Dispatch" mechanism<br>• Real-time production tracking and dynamic synchronization with customers<br>• Establish customized dedicated communication channels for precise implementation | • 24/7 on-call system for sales/business personnel<br>• Rapid response to customer inquiries and issues<br>• Establish customer service archives and conduct regular follow-ups to create a "Requirement - Execution - Feedback - Optimization" closed loop |

Full-process Service Management Mechanism

In addition, the Company has established a regular training system, ensuring training effectiveness through diversified assessment methods such as examinations and on-site questioning. In 2025, the Company and its subsidiaries conducted a total of 12 customer service-related training sessions, covering key areas such as the application of carbon fiber composite materials, precision plate processes, contract review, and quality management, continuously improving the professional skills and service awareness of business personnel.

Regarding customer complaint management, GW COMPOS has established and improved a comprehensive customer complaint control mechanism, clarifying standardized processes for complaint reception, registration, investigation, processing, feedback, and review. "Zero customer complaints" has been set as a long-term quality goal and incorporated into the core performance indicators of the sales center. Through a flat management structure and rapid response mechanism, potential service risks are anticipated in advance, customer concerns are addressed promptly, and complaints are prevented from occurring at the source.



| | |
|---|---|
| Processing Procedure | All customer feedback information is immediately entered into the Quality Management Department for processing. The Company maintains a standardized complaint log and tracks and manages complaints. Once a quality issue arises, a closed-loop process of "initiation-analysis-zeroing" is initiated, with a designated person in charge coordinating and following up to ensure that measures are implemented effectively |
| Supervision Mechanism | The relevant supervision work is coordinated by the Company's audit department, which receives feedback through channels such as the Company-level complaint mailbox, forming a closed-loop management system |

## Customer Satisfaction Tracking and Optimization

GW COMPOS focuses on high-end customers through a standardized customer satisfaction survey mechanism. The statistical method of returning stamped confirmations ensures the authenticity and validity of the results. The survey is conducted every six months to form a normalized tracking and evaluation mechanism.

The Company compiles customer satisfaction survey results into a "Special Customer Satisfaction Analysis Report", systematically sorting out potential needs and optimization suggestions from customer feedback. This information is incorporated into product development, service process optimization, and capability enhancement as important bases, constructing a closed-loop management system of "survey-analysis-improvement-enhancement" to drive continuous iteration and upgrading of customer service quality.

In 2025, **12** customer service training sessions were organized, with a **100%** pass rate.

During the reporting period, there were **0** customer complaints, **0** non-compliance reports (NCRs) from overseas customers, and no product recalls.

Customer satisfaction reached **98.26%** by 2025.

## Customer Information Security and Rights Protection

GW COMPOS places great importance on customer information and privacy protection, and has established a comprehensive information security management system. By setting up dedicated customer information positions, the Company implements unified code management for customer information. Customer codes are used to replace specific information in all business processes, including contract review, production planning, product manufacturing, warehousing, and logistics, strictly controlling the scope of customer information access and eliminating the risk of information leakage through process design.

During the reporting period, the Company did not experience any incidents of customer information leakage or information security-related disputes, demonstrating significant effectiveness in protecting customer rights.

# Responsible Marketing

GW COMPOS adheres to the marketing philosophy of "integrity and compliance, value co-creation, and transparency", deeply integrating sustainable development requirements into the entire marketing process， improving its compliance system and strengthening execution, GW COMPOS achieves the coordinated enhancement of commercial value and social responsibility.

The Company strictly adheres to relevant national laws and regulations such as the *Advertising Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, conducting marketing activities with legality and compliance as the bottom line, ensuring that marketing activities comply with legal norms and industry standards. The Company has formulated relevant measures such as the Regulations on Customer Classification, ensuring that different types of customers receive fair and high-quality service resources by standardizing customer classification management.

**In contract management**

establish a contract compliance mechanism. Before signing a contract, the Company organizes multiple departments to conduct a comprehensive assessment of product technology, quality, delivery schedule, payment terms, and other relevant matters. The specific contents become effective only after review by lawyers, the Intellectual Property Office, and the audit department, thereby ensuring that marketing contracts are lawful and compliant.

**During the marketing process**

adheres to the principle of authenticity and truthfully introduces to customers such information as product features, performance indicators, delivery schedules, and pricing structure. In addition, the Company's Sales Center regularly organizes training for business personnel to continuously strengthen the sales team's awareness of responsible marketing.

In 2025, there were **0** violations involving product and service information and labeling; there were **0** illegal or irregular marketing incidents

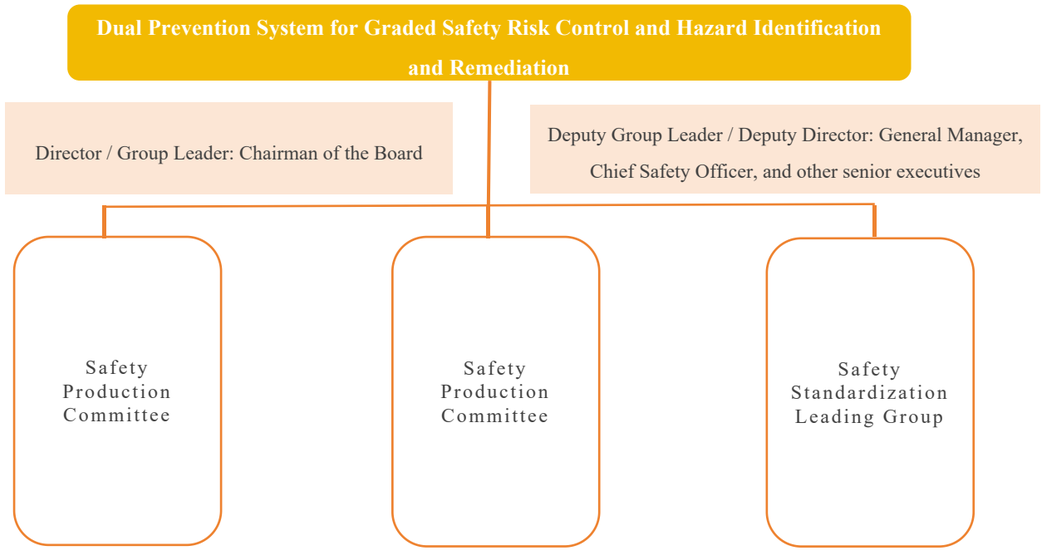


# Chemical Safety Management

GW COMPOS emphasizes the principles of "source prevention and full-process control" and has established a chemical safety management system featuring full-process coverage, all-factor control, and company-wide participation. Based on relevant laws and regulations such as *the Regulations on the Safety Management of Hazardous Chemicals* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and in accordance with the *Strategic Approach to International Chemicals Management*, the Company has formulated more than ten chemical safety management policies and systems, including the "Hazardous Chemicals Management System" and the "Safety Management Standards for Acetone and Alcohol." These measures enable standardized control throughout the full process and entire life cycle of chemicals, including procurement, warehousing, storage, use, and waste disposal.

The Company has established a "dual prevention system" for the full life cycle of chemicals, integrating graded safety risk control with hazard identification and remediation. This strengthens coordinated leadership over the full-process management of hazardous chemicals at the decision-making level and effectively promotes the coordinated implementation of graded risk control, hazard identification and remediation, and emergency management.

The Safety and Environmental Equipment Department is the department serves as the centralized department responsible for the relevant work and is staffed with full-time personnel holding Registered Safety Engineer Certificates and Safety Training Qualification Certificates to coordinate chemical safety management. Relying on comprehensive and full-factor safety assurance measures, we will uphold the bottom line of chemical safety and protect the health of employees and the stable operation of the enterprise.




Dual Prevention System for Graded Safety Risk Control and Hazard Identification and Remediation

### 01 Full lifecycle compliance management

Strictly adhere to national and local laws and regulations related to chemical safety, establish a standardized management system, clarify operational procedures and responsibility boundaries for each stage, and ensure that chemical management is legal and compliant throughout the entire process.

### 02 Risk classification and precise prevention and control

"risk identification - assessment - control - hazard management" has been established to implement special management of key chemicals such as acetone and alcohol, and differentiated prevention and control measures have been adopted for different risk levels to reduce safety risks from the source.

### 03 Upgrade of facilities and technical support

Equip facilities with explosion-proof storage facilities, ventilation and dust removal systems, emergency rescue equipment, and other safety hardware; promote safe and efficient chemical handling technologies and tools; and improve the level of inherent safety.

### 04 Comprehensive Improvement of Employees' Capabilities

Establish a hierarchical and classified chemical safety training system, strengthen employees' safety awareness and operational skills, ensure that personnel in key positions hold valid certificates to take up their posts, and form a cultural atmosphere where "everyone understands safety and everything emphasizes safety."

### 05 Emergency Response and Efficient Handling

Develop specific emergency response plans and conduct regular drills, improve emergency material reserves and response procedures, enhance the ability to quickly handle emergencies such as chemical leaks and fires, and minimize accident losses.

▲ Key Strategic Initiatives for Chemical Safety

During the reporting period, GW COMPOS and its subsidiaries were not subject to administrative penalties by emergency management departments or environmental protection departments, and no production safety accidents or hazardous chemical safety accidents occurred. The Company and its subsidiaries' chemical safety management indicators and future targets are as follows:

| Indicator | Unit | Objectives | Progress by 2025 |
|---|---|---|---|
| Chemical safety compliance rate | % | 100 | Completed |
| Coverage of special management system for key chemicals | % | 100 | Completed |
| Chemical safety training coverage | % | 100 | Completed |
| Chemical safety facility integrity rate | % | ≥98 | Completed |
| Frequency of risk identification and hazard investigation | Times/Year | ≥4 | Completed |
| Frequency of emergency response drills | Times/Year | ≥1 | Completed |
| Chemical safety accident incidence | % | 0 | Completed |
| Hazardous waste standardized disposal rate | % | 100 | Completed |

▲ Chemical Safety Control Objectives and 2025 Completion Status

**SHORT-TERM GOALS（THE NEXT 1-2 YEARS）**

- Consolidate the achievements of full life-cycle compliance management; the incidence of chemical safety violations is 0
- The upgrade of safety facilities for key chemicals has been completed at a 100% completion rate, resulting in a significant improvement in the level of intrinsic safety
- The pass rate for employee chemical safety knowledge assessment is ≥ 98%, and emergency response capabilities fully meet the standards

**MEDIUM AND LONG-TERM GOALS（THE NEXT 3-5 YEARS）**

- Build an intelligent chemical safety management system to achieve dynamic risk monitoring and early warning
- To establish a replicable and scalable chemical safety management model, becoming a benchmark for the industry
- Breakthroughs have been achieved in the innovation and application of chemical safety-related technologies, improving risk prevention and control efficiency by more than 30%
- We will maintain a zero-accident record for chemical safety incidents and achieve coordinated development of safety and efficiency

# Digitalization and Intelligentization Construction

GW COMPOS has established an intelligent end-to-end operating system covering R&D, procurement, production, management, and services, and is committed to advancing the transformation toward lean digitalized management and lean intelligent manufacturing. As of the end of the reporting period, the Company had obtained the Assessment Certificate for the Integration of Informatization and Industrialization Management System. Its subsidiary Tuozhan Fiber was recognized as a Shandong Province Intelligent Manufacturing Pilot Demonstration Project and a Shandong Province Digital Economy "Morning Star Factory," among other honors. The Company's achievements in digital and intelligent development have received high recognition from both the industry and regulatory authorities.

## Construction of a Digital and Intelligent Management System

GW COMPOS has established an integrated and intelligent internal management system to continuously improve the Company's digital and intelligent operational capabilities. The core architecture of this system is as follows:

**Intelligent Manufacturing Management Platform**

An intelligent production system centered on an "order-driven intelligent collaborative operation manufacturing scenario" has been constructed. This system integrates sales order management, production order management, and intelligent production scheduling and dispatching system, realizing full-process automation and visualization from customer demand to production delivery

**Production Execution and Monitoring System**

Through the deep integration of Manufacturing Execution System ( MES ) and Enterprise Resource Planning System ( ERP ), real-time monitoring, precise traceability, and remote management of equipment status of the production process are achieved

**Intelligent warehousing and logistics system**

By applying a smart warehouse management system ( WMS ) and automated guided vehicle ( AGV ), the automated storage, retrieval, handling, and distribution of raw materials, semi-finished products, and finished products have been achieved, significantly improving the efficiency and accuracy of warehousing operations

**Integrated Operation and Management Platform**

We have created "one center and three platforms" (namely, the carbon fiber prepreg management and control center, the production supervision platform, the operation management platform, and the data mining and analysis platform), which enables centralized collection, analysis, and intelligent decision support of production data, operation data, and market data

**Collaborative office and supply chain systems**

OA system and a digital procurement (NC) system were deployed. The OA system enabled the online and standardized processing of processes such as contract and price approval; the NC procurement system has real-time inventory monitoring and early warning functions, and is integrated with the production system to support the formulation of rolling procurement plans based on sales forecasts, thereby improving the responsiveness and resilience of the supply chain

▲ GW COMPOS Internal Management System

GW COMPOS and its subsidiaries have established an integrated digital and intelligent management system, forming a development model of two-way empowerment between top-level design and grassroots practice. This has enabled each subsidiary to deepen the application of digital and intelligent technologies based on its business characteristics. Among them, Tuozhan Fiber has taken the lead in achieving digital and intelligent upgrades across management, production, and safety, and its benchmark practices have provided an important model for the Group's overall transformation, as detailed below:

| | | | |
|---|---|---|---|
| **Management Digitalization** | Centered on ERP, OA, and ECM systems, it achieves the standardization and automation of management processes such as procurement, finance, and documentation, significantly enhancing cross-departmental synergy and providing precise data support for resource allocation and strategic decision-making | Achieve Fine-grained Management & Control | • System synergy across ERP, OA, and ECM<br>• Process standardization + automated approval<br>• Precise resource allocation + data-backed decision making |
| **Intelligent Manufacturing** | Through the deep integration of DCS and MES systems, it enables real-time monitoring and precise regulation of the entire carbon fiber production process, significantly improving the control precision of key process parameters to guarantee product quality stability and production efficiency | Build a Benchmark for Smart Manufacturing | • DCS + MES system integration<br>• Real-time production monitoring + precise parameter control<br>• End-to-end digital management system of Tuozhan FIBER |
| **Data Security** | Relying on the IP-Guard encryption system, it builds a full-lifecycle data security barrier, achieving encrypted storage of core business data, full-process traceability of operational behaviors, and early warnings for anomalies to comprehensively safeguard corporate data assets | Strengthen Full-lifecycle Protection Barriers | • IP-Guard intranet behavior management system<br>• Encrypted data storage + full-process operation auditing<br>• Three-in-one defense: "Protection, Monitoring, and Auditing" |

▲ Expanding the End-to-End Digital Management & Control System for Fiber

## Achievements of Digital Transformation

We focus on three core dimensions: "efficiency, quality, and compliance", and through end-to-end digital empowerment and system collaboration, we achieve simultaneous improvement in operational efficiency, product quality, and compliance levels.





### 01 Significant Optimization of Operational Efficiency

- Process standardization + automation to reduce manual intervention
- Multi-system synergy (ERP/OA/DCS/MES)
- Cost reduction and efficiency gains; improved resource allocation and scheduling efficiency

### 02 Sustained Stability of Product Quality

- Real-time production monitoring + precise regulation
- Improved precision of key process parameters to minimize quality fluctuations
- Data traceability and analysis for rapid optimization of potential issues

### 03 Effective Control of Compliance Risks

- Standardized and traceable process management and quality control
- Data security protection to prevent information leakage
- Transparent operational compliance to strengthen the foundation for development

▲ Results of the digital and intelligent transformation

Looking ahead, the Company will continue to deepen its digital transformation strategy, further increasing investment in areas such as artificial intelligence, big data analytics, and the industrial internet, and promoting the upgrading of digital systems towards intelligence, integration, and flexibility. Key initiatives will include advancing the construction of digital twins for the entire production process, optimizing data analysis models, and promoting cross-industry chain data collaboration. The Company will also continuously strengthen its data security capabilities, using digitalization to empower technological innovation, production upgrades, and management optimization, thereby enhancing its core competitiveness and injecting lasting momentum into achieving high-quality development.

- During the reporting period, no major data security incidents occurred, and the core data security protection coverage rate was **100%**. The Company invested RMB **4.02** million in digitalization construction projects, which were used for the construction of intelligent warehousing, production management systems, and internal control management systems. After the implementation of digitalization construction projects, the Company's cross-departmental collaboration efficiency improved, and the average time of approval processes was effectively shortened.
- According to a third-party assessment, the Company's intelligent manufacturing capability maturity has reached Level 3 (integrated optimization level), surpassing nearly **95%** of companies in the same industry nationwide.

# Practicing the People-Oriented Philosophy

- Compliant Employment
- Occupational health and safety
- Employee rights protection
- Empowering employee  development

GW COMPOS deeply values a people-oriented management culture, firmly believing that only by prioritizing people can the Company solidify its foundation. The Company has established and continuously improves a comprehensive human resource management system covering recruitment, compensation and benefits, training and development, occupational health and safety, and rights protection. This system effectively safeguards the legitimate rights and interests of every employee, promotes their all-round development, and builds core human resources for the Company's high-quality development. While strengthening its talent base, the Company also promotes mutually beneficial growth with society.

# Compliant Employment

GW COMPOS upholds the core value of "people-oriented" and regards employees as the core asset for its sustainable development. It has established a full-cycle human resources management system covering recruitment, compensation and benefits, occupational health and safety, rights and interests protection, and employee development, effectively safeguarding employees' legitimate rights and interests and consolidating strong human capital support for high-quality development.

## Standardize employment practices

The Company strictly complies with laws and regulations such as the *Labor Law of the People's Republic of Chin*a and the *Labor Contract Law of the People's Republic of China*, as well as relevant initiatives of the International Labour Organization. Guided by the principles of "openness, equality, competition, and merit-based selection,"the Company ensures that the entire employment process is compliant and transparent.

### Institutional safeguards and employment standards

01

**Improve the system**

Formulate special systems such as the Employee Relations Management System , Recruitment and Resignation Management System and Labor and Human Rights Policy to clarify the management requirements for the entire process of recruitment, hiring, contract signing and resignation, and eliminate illegal practices such as child labor and forced labor.

02

**Standardize contract management:**

All employees sign labor contracts in accordance with the law within 30 days of onboarding, with a labor contract signing rate of 100%.

03

**Fair recruitment mechanism**

The employment needs are subject to multi-level approval. The recruitment process distinguishes between industrial workers and administrative and technical personnel. Both go through standardized procedures such as interviews, approvals, and hiring. A probationary period includes a formal evaluation process to ensure a good match between people and positions.

04

**Prohibition of forced labor and child labor**

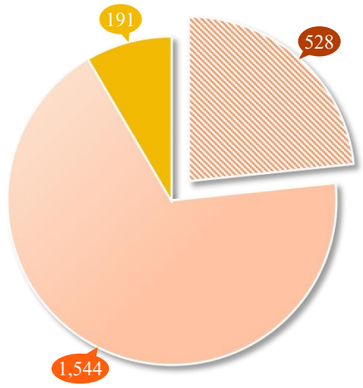
The Company strictly abides by laws and regulations such as the *Provisions on the Prohibition of Using Child Labor* and has an internal Labor and Human Rights Policy. It conducts rigorous screening of applicants and strictly prohibits the recruitment and use of children under the age of 18. All Company management systems resolutely oppose any form of forced or coerced labor.

During the reporting period, the Company's labor contract signing rate was **100%**; the number of cases involving child labor was **0**; and the number of cases involving forced labor was **0**.

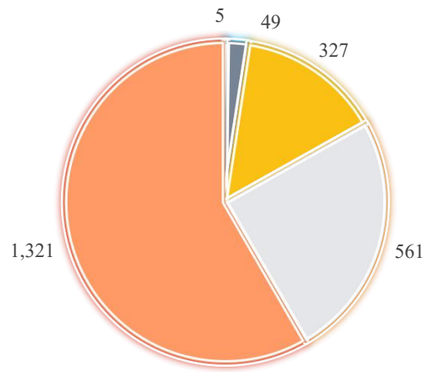
### Employee structure and stability

The Company has established a workforce system with a stable scale and a diverse structure, forming a "foundational support + professional advancement" workforce layout centered on young and middle-aged employees and supported by a well-balanced educational profile. At the same time, the Company emphasizes inclusive employment by providing job opportunities for employees with disabilities and military veterans.

By age




By education level




In 2025，number of employees: **2,263**

proportion of disabled persons: **3.54%**；proportion of veterans: **2.52%**

GW COMPOS is committed to creating a work environment of equality, respect, diversity, and inclusion for female employees, with a focus on institutional safeguards, rights and interests protection, and development empowerment.In 2025, women accounted for 26.90% of the total workforce，female representation stood at 26.30% in the management track and 22.40% in the professional track.

During the reporting period, the company maintained a stable workforce, with the local hiring rate remaining at a high level of 78%. While contributing to regional employment, the Company further enhanced workforce stability and team cohesion, thereby strengthening the human resources foundation for its long-term development.

| Indicator | Unit | 2025-year |
|---|---|---|
| New employees | person | 206 |
| Local employment rate | % | 78.00 |
| Total employee turnover rate | % | 5.90 |

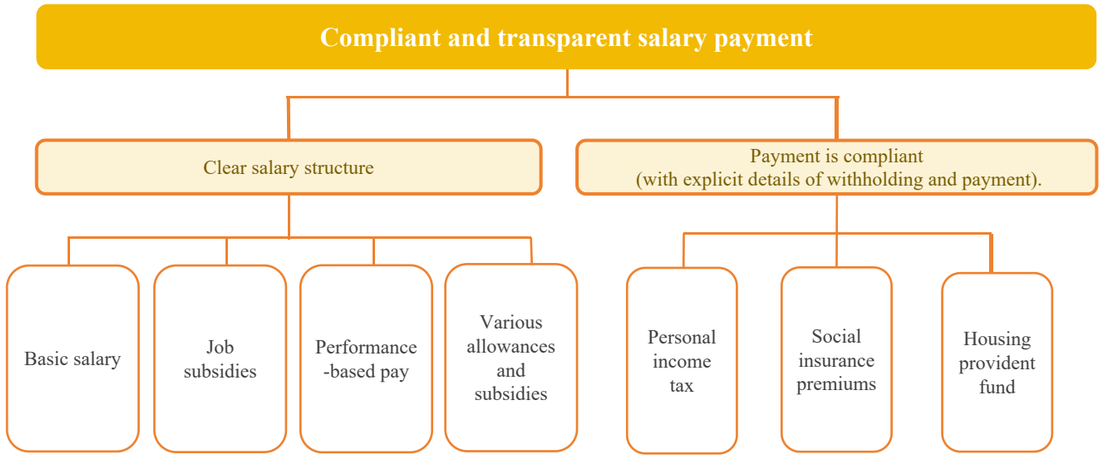
Employee turnover at GW COMPOS in 2025

## Safeguarding welfare and ensuring compliant payments

GW COMPOS believes that competitive compensation and comprehensive benefits are crucial sources of employee satisfaction, happiness, and security. Upholding the principles of fairness, incentive orientation, and basic protection, the Company has established, in accordance with the Compensation and Benefits Management System, a compensation system covering all job categories and balancing short-term incentives with long-term development. It has also built a multidimensional and people-oriented benefits framework to stimulate employees' motivation for value creation and promote the coordinated development of employees and the Company.

### Compensation and performance are compliant and transparent

The Company has established a hierarchical, categorized, transparent, and scientifically designed compensation system that ensures alignment between job responsibilities and remuneration, as well as linkage between performance and pay. Executive compensation is linked to annual targets, while all employees are covered by a standardized grading system to safeguard internal fairness. In accordance with the Performance Evaluation Management System, the Company has strengthened the linkage between performance and compensation, and has also established an"Incentive Management Assessment"mechanism to reward special contributions.




GW COMPOS' salary and payment system



## A comprehensive welfare system fosters care

The Company has established a comprehensive benefits system that goes beyond statutory requirements, integrating employee care into daily management and continuously enhancing employees' sense of well-being and belonging.

| Statutory extended benefits | Traditional festival benefits | Special care and welfare | Employee Care Initiatives |
|---|---|---|---|
| • Seniority pay<br>• Professional title / skill certificate subsidies<br>• Heatstroke prevention and cooling expenses<br>• Overseas allowance | • Distribute cash or in-kind benefits during festivals such as Spring Festival,Dragon Boat Festival,and Mid-Autumn Festival. | • Birthday cake voucher<br>• We provide female employees with benefits and paid holidays on International Women's Day.<br>• On International Day of Persons with Disabilities and the International Day of Persons with Disabilities, special gifts or activities are provided for employees with special needs. | • Visit and comfort sick employees, and provide material and emotional support when employees or their families encounter major difficulties. |

GW COMPOS Welfare System

**More favourable than the statutory leave scheme**

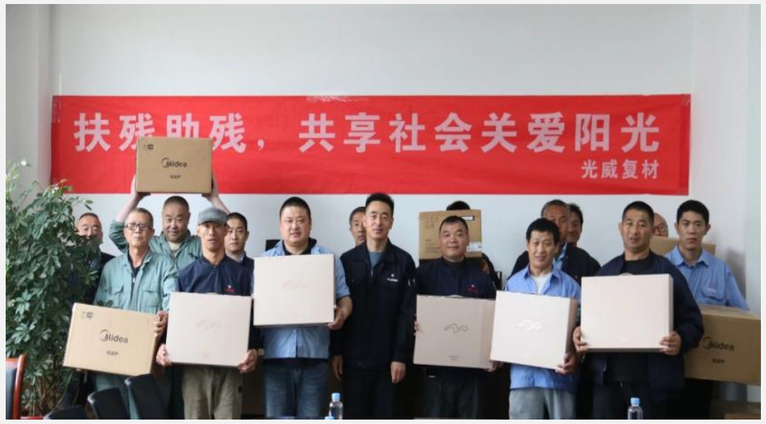
Female employees are entitled to 158 days of maternity leave, while male employees are entitled to 15 days of paternity leave, which is extended to 25 days in Baotou. Clear payroll calculation standards are in place for marriage leave, bereavement leave, sick leave, and work-related injury leave, ensuring that employees receive financial support during special periods

**In terms of care for special groups**

Provide annual living gifts to employees with disabilities on the National Day for Helping the Disabled and the International Day of Persons with Disabilities, as well as free accommodation, meals, and household appliances. It also implements a flexible working system for pregnant employees and new mothers

**Case Study: The Company fulfills its responsibility to help people with disabilities and creates an equal, diverse, and inclusive employment environment.**

In May 2025, GW COMPOS held a ceremony for the distribution of support supplies for employees with disabilities, during which the Chairman of the Labor Union extended sincere greetings and expressed gratitude to disabled employees. Based on the physical conditions and actual needs of employees with disabilities, the Company provides diverse job opportunities, fair compensation, and promotion channels, while also offering free accommodation and meals, accessible facilities, skills training, and psychological care. Through these measures, GW COMPOS has established a caring support system for growth and created a warmer and more inclusive environment for employees with disabilities.




Group photo at the GW COMPOS' event to support and assist people with disabilities.

In addition, to further enhance team cohesion and enrich employees' lives, the Company regularly organizes team-building activities, such as basketball games, factory anniversary celebrations, and annual meetings, to create a harmonious working atmosphere and enhance employees' sense of happiness and belonging.


Scene of Women's Day activities

Scene of a basketball game



### A comprehensive subsidy system

The Company provides employees with a comprehensive and considerate subsidy support system. These various subsidies collectively contribute to the Company's people-oriented culture that focuses on employee well-being and growth.

**Living and working environment allowance**

- Heatstroke prevention and cooling expenses
- Regional subsidies for working in remote factory areas
- Night shift allowance

**Growth incentive subsidies**

- Seniority pay (increases with length of service)
- Professional title / skill certificate subsidies

GW COMPOS Subsidy System

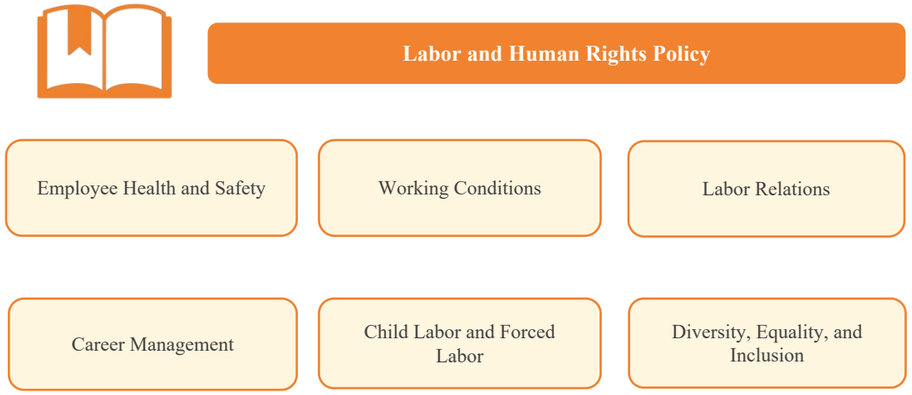
During the reporting period, the Company's social insurance coverage rate reached **100%**; the cumulative amount of work-related injury compensation was **RMB 56,735**, a decrease of more than **50%** year-on-year; and **RMB 851,886.74** of government living allowances were applied for for university graduate employees.

## Protection of Employee Rights

GW COMPOS understands that a sound system is the fundamental guarantee for the protection of employees' rights. The Company has formulated and refined specialized management policies and systems, including the Employee Relations Management System and the Labor and Human Rights Policy , thereby building a multidimensional and standardized framework that provides solid institutional support for the protection of employees' rights and interests.

In terms of employee relations management, GW COMPOS has established standardized procedures for the renewal and termination of labor contracts, as well as for the negotiation of contract terms. The Company has also put in place a three-tier progressive grievance mechanism—consisting of the direct supervisor, department head, and supervising vice general manager—to resolve conflicts. At the same time, GW COMPOS has built a communication network that combines formal and informal channels, including the General Manager's mailbox and dedicated reporting hotlines with both named and anonymous options. All feedback is handled with strict confidentiality and through closed-loop management.

*The Labor and Human Rights Policy* defines six core policy directions, providing comprehensive protection for employee rights and interests.




The Administrative Management Department is responsible for organizing and coordinating policy drafting, while relevant functional departments are responsible for implementation. The Board of Directors and the General Manager are responsible for oversight and supervision, forming a working framework with clear responsibilities and coordinated advancement. In addition, GW COMPOS has established an annual policy review and revision mechanism to ensure the timeliness and applicability of its policies.

- During the reporting period, a total of **3** employee satisfaction surveys were conducted; a total of **1,650** employees participated in the surveys; and the employee satisfaction rate was **99.07%**.

- During the reporting period, the Company had **0** incidents of workplace discrimination, bullying, or harassment that infringed upon employee rights;**1** labor dispute occurred, a decrease of **66.67%** year-on-year, with a total compensation amount of **RMB 13,600**. There were no strikes or work stoppages.



# Occupational Health and Safety

GW COMPOS adheres to the principle of "safety first, prevention foremost, and comprehensive management", and has established a systematic and standardized occupational health and safety management system to comprehensively protect the life safety and physical health of its employees.

## Construction of Occupational Health and Safety Management System

The Company strictly abides by the *Law of the People's Republic of China on Work Safety* , the Law of the *People's Republic of China on the Prevention and Control of Occupational Diseases* and other relevant laws and regulations, as well as the *Regulations of Shandong Province on Work Safety* and other relevant requirements, and has established a clear occupational health and safety governance structure and strategic management system.

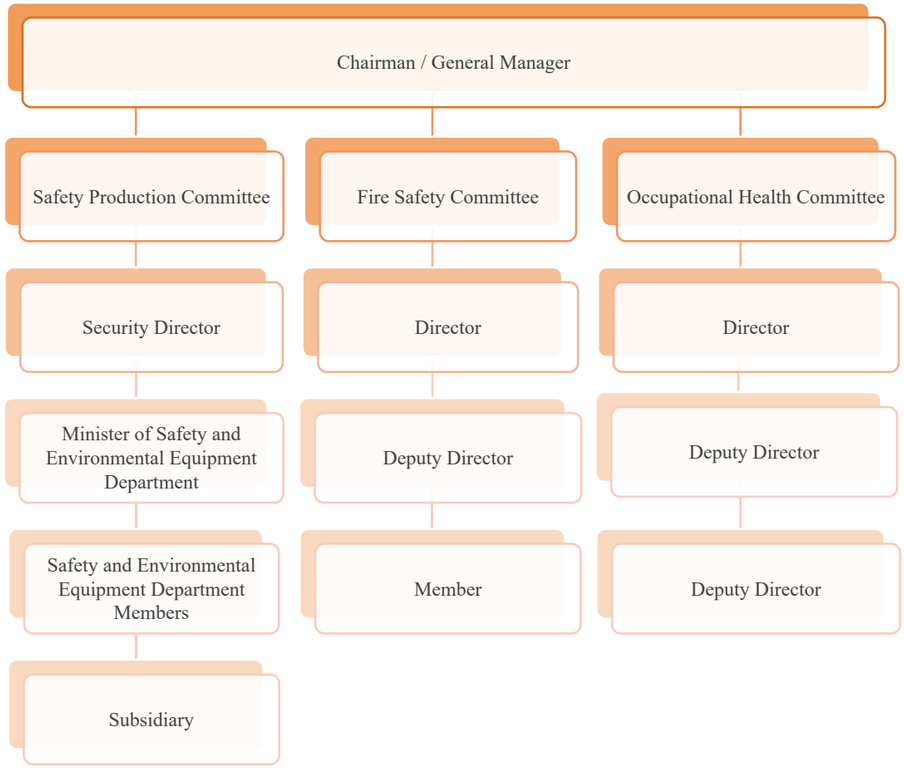
### Management System Construction

The Company has established an occupational health and safety management system covering the entire business chain and all functional departments, ensuring that all work is governed by clear rules and procedures. Supported by a series of policies and systems, including the Safety Risk Assessment Management System, the Occupational Disease Prevention and Control Responsibility System, the Hazard Identification and Remediation System, and the Work Safety Management System,the Company ensures that all management activities are carried out in a well-regulated and compliant manner.

### Organization and Responsibility

The Company has established a Safety Production Committee, a Fire Safety Committee, and an Occupational Health Committee, which are directly led by the chairman or general manager and cover key areas such as risk control, hazard investigation, emergency response, and occupational disease prevention to ensure the effective operation of the occupational health and safety management system.

The Company has designated the Safety and Environmental Equipment Department as the responsible department for occupational health and safety management, and has assigned dedicated management personnel to oversee, coordinate, and implement daily operations. A three-tiered management responsibility system — Company-workshop-team — has been established, decomposing occupational health and safety responsibilities layer by layer to each department and position, forming a management structure where all employees participate and are responsible.




Information on the Company's Occupational Health and Safety Management Committee

## Occupational Health Protection

### Hazard control

The Company regularly commissions qualified third-party organizations to conduct occupational hazard factor testing in the workplace. Comprehensive testing was conducted on chemical hazards such as total dust, carbon monoxide, and nitrogen oxides, as well as physical factors such as ultraviolet radiation and power frequency electric fields in the Company's workplace. According to the test results, all factors meet national occupational health standards.

### Health Monitoring

The Company strictly implements pre-employment, on-the-job, and post-employment occupational health examinations, provides employees with protective equipment such as safety shoes, safety helmets, and gas masks, supervises their proper use, and establishes occupational health records for employees.



In 2025, the coverage rate of occupational health check-ups reached **100%**.

And the coverage rate of employee check-ups was **92.40%**.

The Company actively promotes the construction of a healthy enterprise, and many employees have won awards in the provincial and municipal "Occupational Health Expert" selection. The Company itself has also been awarded the title of "Weihai Healthy Enterprise" and continues to deepen its practice in occupational health promotion.


The Company and its five subsidiaries have obtained ISO 45001 Occupational Health and Safety Management System certification.

## Safety Production Guarantee

GW COMPOS has built a safety production guarantee network covering the entire process and all elements. Through the working mechanism of safety risk classification and control and hidden danger investigation and management dual prevention system, it achieves advanced control of safety risks. The Company has formulated a series of safety production management systems, such as Safety Production Responsibility System, Emergency Plan for Production Safety Accidents, Management System for Production Safety Accidents or Major Events, and Emergency Rescue Management System.

## Safety Facility Construction

The "three simultaneous" system is strictly implemented during production project construction to ensure that safety facilities are designed, constructed, and put into use simultaneously with the main project. The Company conducts regular maintenance and inspection of production equipment, firefighting facilities, and safety protection devices to ensure that they remain in good operating condition at all times.

## Risk Classification and Control

In accordance with the"Safety Risk Assessment Management System,"GW COMPOS routinely uses methods such as Job Hazard Analysis (JHA) and the Safety Checklist (SCL) to identify and assess risks, and formulates dedicated lists of control measures for major risks.

## Emergency Management

A comprehensive emergency response plan system for production safety accidents has been established, including a general plan, specific plans, and on-site handling procedures. The plans cover major accident types such as hazardous chemical leaks, fires, and mechanical injuries. A combined full-time and part-time emergency rescue team has been established, equipped with sufficient emergency supplies and equipment, and a 24-hour emergency alarm hotline is available to ensure rapid response and effective handling of emergencies.

## Safety Investment and Incentives

In 2025, we have invested **RMB 22,797,100** in safety production, which will be used for designated purposes only; activities such as safety knowledge competitions will be carried out, and cash rewards will be given to the winners to motivate employees to participate in safety production.

During the reporting period, the total number of employees who suffered serious work-related injuries or deaths was 0.



▲ Scene from the 2025 Safety Knowledge Competition

## Emergency Drills and Safety Training

GW COMPOS attaches great importance to improving emergency response capabilities and employee safety awareness. Through routine emergency drills and systematic safety training, it has built a solid "soft power" defense line for safe production.

### Systematic Training

- Systems and Coverage: In accordance with the Safety Education and Training System, the company implements comprehensive safety training.
- Traning Requirements: New employees must receive safety training at three levels: company, workshop, and work team, with a total training time of no less than 24 hours. On-the-job employees receive retraining annually, and 100% of special operations personnel hold validcertificates.
- Content and Form: Training content includes laws and regulations on safe production, rules and regulations, emergency knowledge, and occupational disease prevention. Training methods include centralized training, on-site practical exercises, knowledge competitions, and mentorship programs to ensure training effectiveness.

### Routine Drills

- Contingency Plan Framework:The company regards emergency drills as a key means to test contingency plans and train its workforce, and has developed specific emergency plans for fires and explosions, hazardous chemical leaks, lifting injuries, machinery injuries, electric shocks, and confined spaces.
- Frequency of Drills: We organize at least one comprehensive or specialized emergency plan drill annually, and all on-site response plans are practiced at least once a year.
- Continuous Improvement:After each drill, an evaluation and summary are conducted, and the plans are revised in a timely manner to ensure their relevance and operability, effectively improving employees' emergency response capabilities and collaborative capabilities.

**Case Study: The Company conducts full-scenario, realistic safety emergency drills to effectively improve employees' emergency management capabilities**

In June 2025, The Company carried out a safety emergency drill, establishing an emergency rescue command headquarters and six specialized working groups. Team leaders and machine operators served as the core participants, and the drill covered seven types of scenarios, including hazardous chemical leakage and poisoning, electric shock, and lifting injuries. Through three specialized drills and three on-site response drills, the Company completed the full process of simulated accident reporting, on-site response, casualty rescue, and personnel evacuation.

The drill effectively enhanced employees' emergency response and coordination capabilities, with fire evacuation completed in just 1 minute and 34 seconds. Following the drill, the Company promptly conducted evaluation and review activities, and optimized emergency plans and response procedures based on the issues identified, ensuring the continuous improvement of its emergency response mechanism.


Emergency drill scene

Through the systematic implementation of the aforementioned emergency drills and safety training measures, the Company and its subsidiaries achieved significant results in both safety production management and safety training performance in 2025, as detailed below:

In 2025, the Safety, Environmental Protection and Equipment Department had **41** full-time safety management personnel. The signing rate of safety production target responsibility agreements at the manager level and above was **100%**. The investment in safety production amounted to RMB **22.7971** million. The coverage rate of safety training for employees involved was **100%**.



## Safety Hazard Investigation

GW COMPOS has established a comprehensive safety hazard investigation mechanism to promptly identify and eliminate safety risks and prevent accidents from occurring.

Normalization of the Identification Mechanism

**Safety Hazard Identification Mechanism**

A multi-level hazard identification system has been established at the post, team, workshop, and Company levels, with clear responsibilities and standards covering dimensions such as equipment, environment, and operations, so as to ensure that hazard identification has no blind spots or gaps.

For identified safety hazards, the Company establishes a hazard ledger, defines responsibilities and deadlines, and implements closed-loop management featuring " identification-registration-rectification-review-closure. " At the same time, channels such as the General Manager's mailbox and reporting hotlines remain open to encourage employee feedback.

Closed-loop Hazard Handling

The Company regularly compiles and analyzes the results of hazard identification and investigation, identifies high-frequency hazards and high-risk processes, and formulates improvement measures in areas such as systems, procedures, equipment, and training. Through these efforts, the Company continues to reduce safety risks and further optimize the work safety environment.

The general manager of the company and the general manager of the General New Materials Division conducted a site inspection in person

During the reporting period, a total of over **2,000** safety hazards were identified and rectified, achieving a **100%** rectification rate, with no major safety risks materializing.

In the course of hazard identification activities, **120** rationalization proposals were collected, involving over **100** participant occurrences. Teams that demonstrated outstanding performance across various divisions received monetary rewards commensurate with their level of contribution.

# Empowering Employee Development

GW COMPOS regards talent development as its core, and has built a multi-level training system that runs through the entire career cycle of its employees. Through systematic training, diversified development channels, and comprehensive incentive mechanisms, it empowers employees to achieve synergistic growth in personal value and corporate development.

## Talent Cultivation System

The Company has established a multi-level and systematic development system covering employees' entire career life cycle. The Company has defined a clear three-tier training organizational structure, under which the heads of each department and subsidiary serve as the primary persons responsible, supported by dedicated training administrators. As the centralized coordinating function, the human resources management department is responsible for overall planning and supervision, forming an integrated development network featuring coordinated linkage among the Company, departments, and mentors.

**New employee training**

- A tiered training mechanism is implemented. All new employees must receive company-wide culture introduction and rules and regulations training upon joining the company. Subsequently, their respective departments will provide targeted training on job skills, process knowledge, and safety regulations. Only those who pass the examination are allowed to start work.
- For administrative and professional technical personnel, a "mentorship" system is implemented, where experienced employees provide one-on-one guidance and supervision to accelerate their integration and growth.

**Employee development**

- The company encourages and supports employees' continuous learning and self-improvement. We have established a diverse range of training categories, including regular and ad hoc company-wide general skills training, departmental professional skills training, external specialized training, and support for academic education and national vocational qualification certification.
- For eligible academic upgrading and important external training, the company can cover the relevant costs and sign service agreements with employees to jointly invest in long-term development.

**Practice and job rotation**

- The company has established a standardized internal transfer mechanism to support the orderly movement of employees between departments and subsidiaries. This initiative aims to "make the best use of everyone's talents and abilities," providing employees with cross-disciplinary and multi-positional practical opportunities, broadening their career horizons, and cultivating versatile skills.

| Training | Unit | 2025-year |
|---|---|---|
| Total employee training hours | Hour | 5,689 |
| Total investment in employee training | RMB '000 | 224 |
| Total number of training sessions organized | Session(s) | 226 |

Overview of Employee Training in 2025

The Company's training session



## Case Study: Cultivating a Strong Talent Ecosystem and Building a Benchmark Through Development Platforms

At GW COMPOS, every employee is regarded as a star with unlimited potential. Through a systematic training system, tiered talent pipeline development, specialized skills competitions, and innovation incentive mechanisms, the Company has established clear career development pathways for employees in all positions, enabling them to fully demonstrate their talents and grow on the Company's development platform.

Gu Dawei, Director of the Machining Workshop at GW COMPOS, is one such example. Having remained dedicated to the front line of production for nearly 30 years, he has grown from an ordinary worker into a National Model Worker and a Great Country Craftsman through persistent study and continuous breakthroughs, supported by the Company's systematic training, skills competitions, and innovation incentives. By taking Gu Dawei as a role model, GW COMPOS encourages employees to transform the spirit of honor into motivation for innovation in their own positions, driving technical breakthroughs and talent development. This fully reflects the Company's corporate culture of valuing talent development and helping employees realize their personal value.


In April 2025, GW COMPOS employee Gu Dawei was awarded the title of "National Model Worker" by the State Council

## Strengthen the talent cultivation mechanism

To ensure the effectiveness and vitality of talent development, the Company has established a performance-oriented training mechanism that emphasizes both incentives and evaluation, creating a proactive and innovative organizational atmosphere.

**Performance-oriented dynamic management**

Implement a comprehensive performance appraisal system covering dimensions such as product quality, process execution, and safe production. The appraisal results are directly linked to salary and promotion. Adhere to the principle of "the capable rise and the mediocre fall" to optimize the vitality of the management team.

**A comprehensive incentive system**

Establish diversified incentive methods to recognize outstanding employees and advanced teams; provide subsidies to employees with long tenure; and provide faster development channels and advanced rewards for employees who have made achievements in research and innovation.

**Innovation and Contribution Awards**

- Cash rewards ranging from 2,000 to RMB 20,000 for authorized invention patents, utility models, etc.
- New employees who propose effective process improvements, technological innovations, or help the company recover losses will be offered the opportunity to be promoted or given early promotion.

**Skills and Job Incentives**

- Employees who excel in professional skills, team management, and special positions are recognized through various means such as skills competition subsidies, team leader allowances, and special process subsidies.

GW COMPOS Employee Incentive System

## Establish a talent reserve system

Guangwei Composites is committed to establishing an open, transparent and resilient talent pool and selection system, while continuously strengthening the development of talent hierarchies to provide sustained talent support for technological innovation and sustainable development.



**Employee Promotion and Selection**

The Company consistently adheres to the principles of "openness, equality, competition, and merit-based selection" in recruitment and promotion, and clearly stipulates that internal selection and promotion will be given priority when vacancies arise. The Company has established a dual-track promotion system with both management and technical tracks, respecting and supporting the career choices of employees with different characteristics.

01

**Talent assessment and mobility**

Internal Talent Market: By linking the Internal Transfer Management System with the Recruitment and Departure Management System, a cross-departmental and cross-subsidiary talent allocation mechanism has been established. The Human Resources Department can revitalize human resources across the Company, promote the orderly flow of key talent, and optimize their allocation.

Talent pipeline development: For administrative and professional technical personnel, an internal selection and allocation mechanism at the head office level has been established to consciously cultivate and reserve reserve cadres. For industrial workers, the team assessment and team leader subsidy mechanism in the "Performance Management System" are used to identify and cultivate front-line management backbone.

02

GW COMPOS Talent Reserve and Selection System

| Talent Assessment and Promotion Overview | Unit | 2025 |
|---|---|---|
| Employee year-end performance evaluation coverage | % | 96.40 |
| Number of employees promoted internally | person | 11 |
| Number of outstanding individuals selected | person | 121 |
| Number of Advanced Groups to be Selected | person | 8 |

The Company's Talent Assessment and Promotion in 2025

# Partners working together for mutual benefit

- Treat Small and Medium-sized Enterprises Equally
- Data Security and Customer Privacy Protection
- Responsible Supply Chain
- Multi-party Joint Construction
- Social Contribution and Rural Revitalization

GW COMPOS adheres to the cooperative philosophy of openness, collaboration, symbiosis and mutual benefit. With responsibility as the bond and value as the guide, it integrates ESG requirements throughout the entire industrial chain. Together with the government, customers, suppliers, industry partners and all sectors of society, it builds a sustainable ecosystem of "equal cooperation, safety and compliance, green collaboration and common development." Through practical actions of enterprise-local government linkage and industrial collaboration, it fulfills its corporate mission and social responsibility.

# Treat Small and Medium-sized Enterprises Equally

The Company regards SMEs as core partners in the value chain, adheres to the cooperation principles of "fairness, transparency and inclusiveness", and helps SMEs develop steadily and achieve win-win results through policy support, standardized performance and capability empowerment.

01

**Fair cooperation and policy support**

- No Size-Based Discrimination: GW COMPOS does not impose size-based discrimination in supplier admission and evaluation. Small and medium-sized enterprises (SMEs) and large enterprises are subject to the same evaluation standards.
- Priority for Innovators: Under the same conditions, GW COMPOS gives priority to SMEs with innovation potential.
- Financial Support: In response to the short-term cash flow needs of SMEs, GW COMPOS optimizes payment procedures and provides reasonable payment support under controllable risk conditions, thereby helping to ease their financial pressure.

02

**Contract performance and payment management**

- Balanced Rights and Responsibilities: Procurement contracts are subject to multi-department review and clearly define key terms such as quality standards, delivery schedules, and payment terms.
- Zero Overdue Payment Commitment: GW COMPOS implements a monthly settlement reporting and cross-department review mechanism, and makes payments strictly in accordance with contractual terms, striving to achieve a zero overdue payment ratio.

03

**Capacity building and development support**

- Collaborative Advancement: Through technology empowerment, support for green transformation, and collaborative evaluation mechanisms, GW COMPOS helps SMEs enhance their overall competitiveness.
- Capability Building: For SME suppliers, GW COMPOS regularly provides technical and management training. During supplier admission and annual evaluations, the Company also offers practical training in areas such as production processes and quality inspection, helping SMEs improve their technical capabilities and compliance in operations.



# Data Security and Customer Privacy Protection

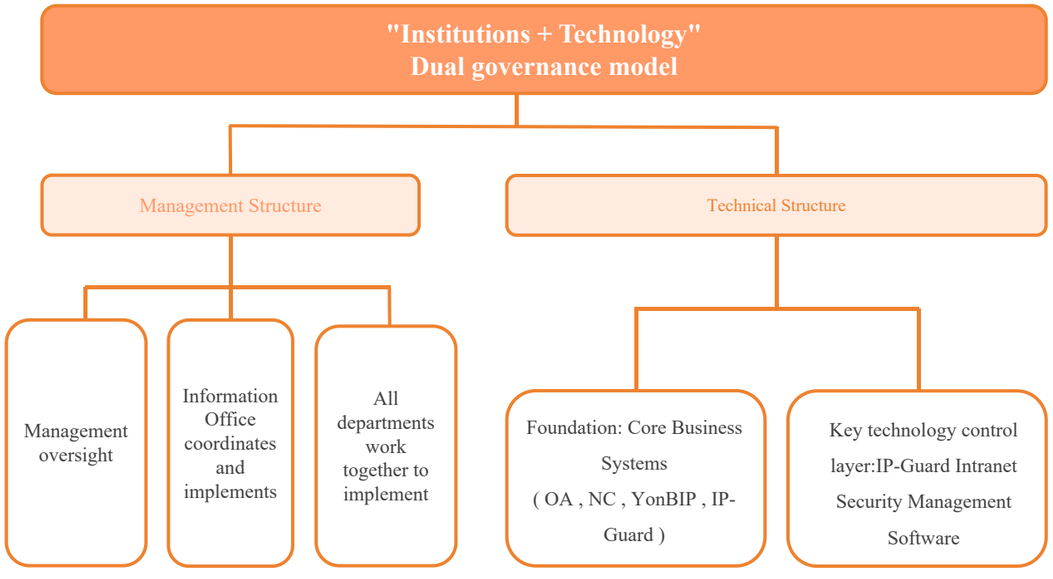
GW COMPOS strictly abides by laws and regulations such as the *Data Security Law of the People's Republic of China* and the *Cybersecurity Law of the People's Republic of China*. The Company established a three-in-one, full-lifecycle protection system integrating systems, technology, and management. The Company ensures that data processing is compliant and transparent, and continuously safeguards its core data assets and customers' privacy rights and interests.

## Governance Structure and Institutional System

**Multi-level governance responsibility**

The Company has established a governance model of "management coordination - information office execution - departmental collaboration - full employee participation":

- Management: Responsible for reviewing and approving strategies and major decisions.
- Information Office (dedicated function): Responsible for taking the lead in systems development, operation and maintenance, risk control, and incident response.
- Business Departments: Responsible for fulfilling localized accountability and designating data specialists.
- All Employees: Responsible for complying with operating procedures and fulfilling confidentiality obligations.




GW COMPOS' Data/Information Security Governance Model

### Full-process system and hierarchical management

The Company has established a specialized policy framework centered on the Computer Network Information System Security Management System and the Data Import and Export Management System, covering the entire process of data collection, storage, use, transmission, and destruction.

For customer information, the Company has formulated the Special System for Customer Information Protection to regulate the scope and purpose of information collection. By adopting a management approach based on classification and graded protection according to importance and sensitivity, the Company implements targeted measures for different categories of data. During the reporting period, no violations such as data leakage or privacy infringement occurred.

| Data level | Control measures |
|---|---|
| Commercial Data (customer orders / technical solutions) | Classified access permissions, encrypted transmission, and role-based authorization for access scope. |
| Personal Information (customer privacy / employee information) | Collection on a minimum necessary basis, desensitized storage and code substitution, with any unauthorized disclosure strictly prohibited. |
| Work Secrets (matters not falling into the above categories but unsuitable for external disclosure) | Personal computers are prohibited, unauthorized device connections are strictly forbidden, accounts must be assigned to designated individuals on a one-person-one-account basis, and externally transferred data must be rendered unrecoverable. |

▲ Data Hierarchical Control Measures

## Full-process security protection system

GW COMPOS has established a dual data security barrier of "technical protection + process control." Through multi-level technical measures, the Company has built a robust defense-in-depth system, while using full-process standardized controls to prevent data security risks.

**At the technical level**

GW COMPOS has implemented encrypted protection and traceability across all stages involving sensitive data, including storage, access, transmission, and endpoints.

**At the process level**

GW COMPOS has standardized full-lifecycle management of data flows and regularly carries out risk inspections and emergency drills.



01

**Technical protection: a defense-in-depth barrier**

- Storage security: Sensitive data is encrypted throughout its entire lifecycle, and core business systems have 100% encryption coverage; distributed storage and backup mechanisms are adopted, and recovery drills are conducted regularly;
- Access control: Access permissions are configured based on "least privileges + role-based authorization." Access to critical data requires secondary verification, and operation logs are kept throughout the entire process.
- Transmission security: Secure channels are established through VPN and encryption protocols, and sensitive data transmission is encrypted throughout the entire process;
- Endpoint protection: Deploy an endpoint security management system to control office equipment and network access, and prevent data leakage.

02

**Process protection: risk management and handling**

Data flow:

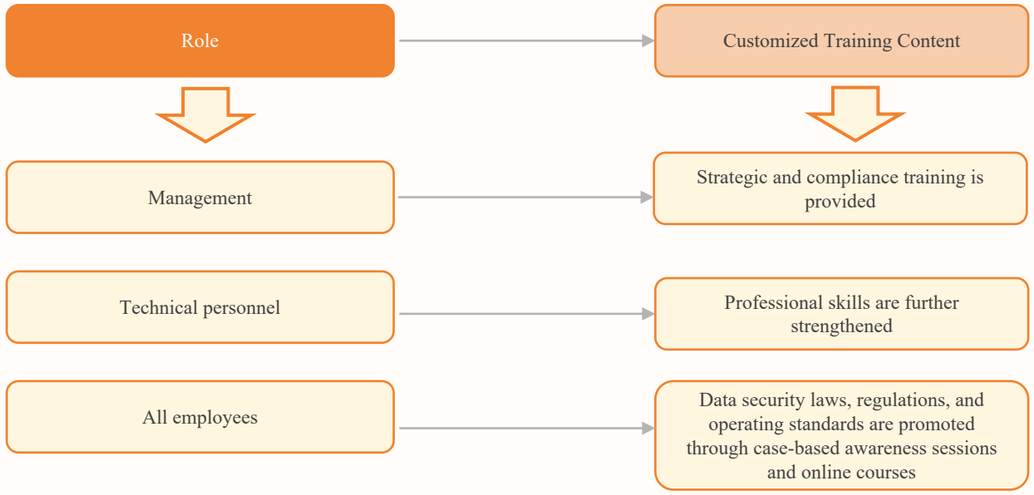
- Customer information is accessed only upon authorization, with internal use employing codes as substitutes for identifiable data.
- Expired data and discarded media are destroyed in accordance with established specifications and subsequently filed for record. External collaborations are conducted only upon signing a confidentiality agreement.

Risk Control:

- Weekly security inspections are carried out, accompanied by real-time auditing using the IP-Guard system.
- Regular network security scans and penetration tests are performed, with a vulnerability register maintained and timely rectifications implemented.
- In 2025, a company-wide phishing email attack emergency drill was organized to optimize emergency response procedures and protective measures.

## Capacity Building and Strategy Optimization

Targeted Training for All Employees: Customized training content is provided for different roles. In 2025, the training coverage rate for key positions reached 100%, while the overall coverage rate reached 24%.




Customized Training Content for Different Roles

To further enhance the development of the company's information security capabilities, the company has established the following objectives:

| Target type | Core Objectives |
|---|---|
| Short-term goals (1-2 years) | Encryption coverage of core business systems is 100%; training coverage is ≥98%; there have been no major data security incidents. |
| Medium-term goals (3-5 years) | Introducing privacy-preserving computing technology to achieve "data usable but not visible" across departments; passing military data security special certification. |
| Long-term goals (5 years or more) | Build an intelligent data security management platform; participate in the formulation of industry standards. |

During the reporting period, GW COMPOS recorded zero information security incidents and 0 related financial losses, achieving its goal of "zero incidents" and incurring no operational losses or compliance risks arising from data security issues.

The data encryption coverage rate of core business systems reached 100%. From external collaboration to internal core data, the Company has built a comprehensive security protection network with no blind spots, meeting data compliance requirements.



| Indicator | Unit | 2025-year |
|---|---|---|
| Information security maintenance investment | RMB '000 | 760 |
| Percentage of business partners who have signed confidentiality agreements | % | 100 |
| Number of information security training sessions conducted | Person-time | 21 |
| Information security training employee coverage | % | 100 |

Company Information Security Investment Performance



## Responsible Supply Chain

GW COMPOS has established a supply chain management framework that combines "centralized procurement + independent procurement by business segment." Through systems such as the "Control Procedures for Externally Provided Processes, Products and Services," the Company defines the responsibilities of each department and the coordination mechanisms among them, thereby ensuring the efficient operation of the supply chain.

**Procurement Center (dedicated team)**: Responsible for the centralized procurement of strategically important materials under the Company's key control, such as carbon fiber and resin.

**Six business segments (each equipped with procurement personnel)**: Responsible for the independent procurement of non-strategic materials for their respective business segments.


Cross-departmental collaboration status

## Supply Chain Management Practices and Processes

The Company has built a standardized supply chain management process around the entire lifecycle management of suppliers, covering key aspects such as access, daily management, and procurement execution, to ensure that the management process is standardized and efficient.

### Supplier Access Management Process

**01. Supplier Screening**

Through channels such as online searches, peer recommendations, and customer referrals, the Company identifies high-quality enterprises across multiple channels, giving priority to potential suppliers that are leaders in new materials and the chemical industry, so as to ensure the quality of supply chain resources.

**02. Assessment and Review**

The technology, procurement, quality, and other departments jointly carry out on-site audits, focusing on key dimensions such as operating qualifications, production and supporting capabilities, staffing, economic performance, and financial position.

**03. Verification and Evaluation**

For suppliers that pass the preliminary review, the Company conducts sample verification in small batches. The procurement department completes the Supplier Registration Form, which is jointly approved by relevant departments before the supplier is included in the List of Qualified Suppliers.

**04. Contract Signing**

The Company signs contracts with suppliers to clearly define core terms such as quality, delivery schedule, pricing clauses, confidentiality requirements, and anti-corruption responsibilities, thereby providing legal protection for cooperation.

Supplier Onboarding Management Flowchart

### Daily Management and Exit Mechanism

| Management process | Key initiatives |
| --- | --- |
| Dynamic grading | Conduct an annual comprehensive evaluation of qualified suppliers and assigns them A, B, or C ratings based on dimensions such as quality, delivery performance, and after-sales service, thereby implementing differentiated management |
| Change management | When suppliers make changes to their production sites, key processes, or equipment, they must notify the supplier in advance and obtain review and approval from the technical department to ensure that the changes do not affect product quality and supply stability |
| Continuous improvement | Suppliers whose products fail to meet quality standards or whose delivery is delayed will be given suggestions for improvement. Those who fail to improve will be warned, and those who still fail to improve will have their supply suspended or their qualified supplier status revoked |
| Exit Mechanism | We immediately terminates cooperation with suppliers rated C or those involved in major compliance risks or quality incidents |

## Supply Chain Resilience and Domestic Substitution

The Company continuously optimizes its procurement strategies, actively cultivates high-quality supply chain resources, and establishes long-term and stable cooperative relationships with core suppliers, thereby continuously enhancing supporting capabilities across the industrial chain and the level of supply assurance. At the same time, the Company continues to strengthen the collaborative responsiveness of its supply chain, comprehensively improving supply chain resilience, security, and stable operations to support its long-term and steady development.

## Supply Chain Risk Management

The Company has fully incorporated ESG requirements into the core indicators of supplier access, evaluation, and assessment, and has built a systematic ESG management system.

- **Assessment System**: GW COMPOS uses the Supplier On-site Audit Evaluation Form and adopts a combination of on-site audits and document reviews, covering 73 specific indicators across five modules: quality management, R&D and process technology, production and manufacturing, business management, and ESG.
- **Certification Requirements**: GW COMPOS gives priority to suppliers certified under ISO 14001 and ISO 45001, while Class A suppliers are required to obtain ISO 9001 certification.
- **Risk Identification and Control**: GW COMPOS regularly conducts comprehensive risk identification for qualified suppliers across dimensions such as supply stability, price fluctuations, quality compliance, and ESG compliance, supported by four core control measures.

**Core Control Measures**

| Tiered Control | Inventory Control | Supplier Development | Counterfeit Prevention |
|---|---|---|---|
| The Company applies differentiated management and control measures based on different risk levels and supplier risk categories, enabling precise identification of potential supply chain risks, optimizing resource allocation, and improving management efficiency | Through the NC digital system, the Company monitors inventory dynamics in real time, sets safety stock levels, and dynamically adjusts procurement plans and inventory levels based on demand forecasts to address supply fluctuation risks | For suppliers that currently have shortcomings but demonstrate improvement potential, the procurement department, together with the technical department, puts forward improvement suggestions and provides technical guidance and training support to help them enhance key capabilities such as quality control and delivery management | The Company strictly implements supplier admission standards, requires suppliers to provide qualification documents and relevant materials, and conducts on-site inspections of Class A producers to verify production capacity and quality management processes. It also regularly evaluates supplier performance to prevent counterfeit components from entering the supply chain |

Four Core Control Measures



## Supply Chain Sustainable Development Actions

Measures:

- GW COMPOS promotes the adoption of green materials by suppliers, such as recyclable packaging and water-based paints.
- GW COMPOS has signed integrity commitment letters with 100% of its core suppliers. Anti-corruption clauses are incorporated into procurement contracts, and supervision is strengthened through annual audits and irregular random audits to ensure clean and transparent procurement.
- Results: GW COMPOS' achievements in sustainable supply chain management have received international recognition. In 2025, the Company was awarded the EcoVadis Bronze Medal.


**In 2025, the Company won the ECOVADIS Bronze Medal.**

| Indicator | Unit | 2025 |
|---|---|---|
| Number of suppliers | unit | 151 |
| Number of key suppliers | unit | 15 |
| Percentage of transaction expenditures with key suppliers | % | 71 |
| New supplier introduction and onboarding assessment coverage | % | 100 |
| Supplier comprehensive assessment coverage | % | 100 |
| Localization rate | % | 56 |
| Number of suppliers participating in capacity building | unit | 151 |
| The proportion of key suppliers involved in capacity building | % | 100 |
| The proportion of suppliers who signed the Integrity Agreement | % | 100 |
| The proportion of suppliers using environmentally friendly and recyclable packaging materials | % | 100 |
| The proportion of suppliers conducting environmental impact assessments | % | 100 |
| Percentage of new suppliers screened using environmental assessment dimensions | % | 100 |

Company Supplier Management

Note: The supplier count is based on the number of long-term suppliers that have cooperated over the past three years

# Multi-party Collaboration

Guided by open collaboration and value coexistence, the company takes “industry leadership and resource sharing” as its core. It incorporates ESG coordinated development requirements into the full process of university-enterprise and industrial interaction. Through standard formulation, joint technological innovation and platform co-building, we cultivate an industrial ecosystem driven by “university empowerment and industrial linkage”, advance the high-quality development of the composite materials industry, and realize multi-party win-win cooperation.

## University-Enterprise Co-development: Integrating Industry, Academia, Research, and Application for Two-Way Empowerment

The Company focuses on technological innovation and talent cultivation, and has built a long-term and stable university-enterprise cooperation system.

### Joint Technology Innovation

GW COMPOS has established joint laboratories with leading universities such as Beijing University of Chemical Technology, Harbin Institute of Technology, Shandong University, and Donghua University. Focusing on frontier fields such as the development of domestically produced large-tow T1000-grade carbon fiber and the engineering application of thermoplastic composites, the Company carries out specialized research to accelerate the commercialization of scientific research results

### Joint Talent Development

GW COMPOS has jointly organized the “Guangwei Cup” with multiple institutions, providing university students with opportunities to showcase their capabilities. Through talent programs such as the “Taishan Scholar” initiative, the Company has introduced leading university professors. It has also jointly established internship and practical training bases for university students with institutions such as the School of Materials Science and Engineering of Inner Mongolia University of Science and Technology, providing students with practical platforms while building a pipeline of high-quality talent for the Company

### Resource Sharing

Relying on its two national-level scientific research platforms—the National Industrial Design Centre and the National Enterprise Technology Center—GW COMPOS shares experimental equipment and scientific research data with universities, forming a closed-loop cooperation model in which universities generate research outcomes, the Company commercializes them, and the market validates their effectiveness



**Case Study: Inner Mongolia Guangwei and Inner Mongolia University of Technology jointly establish an internship and training base**

In September 2025, Inner Mongolia Guangwei, a subsidiary of GW COMPOS, jointly established a “University Student Internship and Practical Training Base” with Inner Mongolia University of Technology. Based on in-depth cooperation in the field of materials, Inner Mongolia Guangwei opened its advanced equipment, technologies, and industrial resources to the School of Light Industry and Textile.

This cooperation has enabled the enterprise to participate more deeply in talent cultivation, promoted the integration of professional theory with practical application, continuously injected new talent into the carbon fiber industry, and accelerated the transformation of scientific research results into productive forces.


Photo of the unveiling ceremony for the university student training base

## Industry Collaboration: Standards-Driven Development, Ecosystem Prosperity

### Standards Development:

Core technical personnel are employed as members of the National Carbon Fiber Standardization Technical Committee and the National Defense Science and Technology Industry Materials Professional Standardization Technical Committee, deeply involved in the formulation, revision and technical review of national and provincial industry standards, and leading the drafting of national standards such as Polyacrylonitrile-based Carbon Fiber and Carbon Fiber Prepreg, guiding the upgrading of industry technical specifications

### Platform co-construction

Hosting the 2025 Civil Engineering Fiber Reinforced Composite Materials Development Conference, participating in industry events such as the 28th China International Composites Exhibition and the World Unmanned Aerial Vehicle Conference, and exploring cutting-edge technologies and discussing development opportunities with upstream and downstream enterprises and industry partners

### Association Qualifications

As a Vice Chairman Unit of the China Composites Industry Association, a member of the Chinese Society for Composite Materials, and a Vice Chairman Unit of the Shandong Advanced Materials Industry Association, among others, GW COMPOS actively participates in industry governance and industrial collaboration

### Resource synergy

Leverage its advantages across the entire industry chain to establish technology-sharing mechanisms with upstream and downstream partners, jointly promoting industrial upgrading



**Case Study: The 9th "Guangwei Cup" College Student Science and Technology Innovation Competition provides a platform for college students to showcase their talents.**

In October 2025, the final of the 9th “Guangwei Cup” China Composite Materials Society Undergraduate Science and Technology Innovation Competition was held in Chengdu, Sichuan. A total of 360 entries from universities across China were received, covering fields such as aerospace, new energy, artificial intelligence, green and low-carbon development, intelligent manufacturing, and biomedicine.

Since its official launch in 2017, the competition has been held for nine consecutive years, attracting nearly 400 universities, 3,000 teams, and more than 12,000 students nationwide, with cumulative investment exceeding RMB 10 million. It has generated broad influence among universities offering programs in materials, mechanics, chemistry, engineering, and other related disciplines, and has become one of the most influential top-tier science and technology innovation competitions in China’s composite materials discipline.

Through its university-enterprise collaborative competition model, the “Guangwei Cup” has built a bridge connecting university talent cultivation with industrial development, helping young students showcase their innovative achievements while continuously building a talent pipeline and promoting innovation in high-performance composite materials, especially in the field of carbon fiber.


On-site photo of the 9th "Guangwei Cup" China Composites Society Undergraduate Science and Technology Innovation Competition

# Social Contribution and Rural Revitalization

The Company actively fulfills its social responsibilities, deeply integrates into national strategies, gives back to society through charitable actions, and supports rural revitalization with concrete measures, thereby achieving coordinated development between the enterprise and society.

The Company makes multi-dimensional efforts to practice social responsibility and builds a diversified public welfare system:

## 01

### Ecological protection

Adhering to the concept of green development, the Company organizes environmental protection(public welfare activities) such as tree planting and beach cleanups.

## 02

### Community Co-building

Deepening community engagement and resource sharing with local areas, the Company has donated carbon fiber sports equipment, firefighting equipment, and landscape facilities to subdistrict communities, and sponsored public wellbeing activities such as fitness walking events. In recognition of these efforts, the Company has been awarded the honorary title of "Most Admired Partner."

The Company focuses on improving people's livelihoods and increasing economic income, implementing a coordinated set of targeted assistance measures. Through an integrated model encompassing consumption assistance, material assistance, and employment assistance, the Company steadily advances rural revitalization.

**Consumption Assistance**

Through consumption assistance, the Company facilitates the sale of agricultural products by smoothing production and sales channels. In 2025, it procured local farmers' specialty products such as apples and sweet potatoes in bulk, providing agricultural assistance amounting to approximately RMB 300,000.

**Material Assistance**

Through material donations, the Company improves villagers' living conditions. It donated approximately RMB 70,000 worth of daily necessities including rice, flour, meat, and fish to assisted villages, benefiting all 375 households in the villages.

**Employment Assistance**

Through employment assistance, the Company activates the endogenous driving force for rural development. It actively recruits rural labor and provides professional skills training, driving income growth through stable employment.



**Case Study: Spring Festival greetings warm hearts, jointly painting a new picture of rural life.**

In January 2025, the Party Committee of GW COMPOS entrusted its Administrative Party Branch to visit Dianliyuan Village in Weihai City and carry out a Spring Festival outreach activity, delivering holiday goods such as rice and pork ribs to 375 households. In appreciation, the villagers presented the Company with a silk banner inscribed with the words: “The Company offers caring support and stays close to the people like one family.”


Scene of rural revitalization activities in Dianliyuan Village, Weihai City

In 2025, the Company's social welfare investment exceeded RMB 1,000,000, including RMB 4,100 in sponsoring community activity materials, RMB 300,000 in purchasing agricultural assistance materials, and over RMB 70,000 in rural donations; it also helped more than 80 disabled people find employment and distributed assistance materials to the disabled, demonstrating its social responsibility.

# ESG Performance Table

## Environmental Performance

### Climate Change

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| Greenhouse Gas (GHG) Emissions | Total greenhouse gas emissions (Scope 1 + Scope 2) | $tCO_2e$ | 81,551.05 | 78,228.44 | 49,935.61 |
| | Total greenhouse gas emission intensity (Scope 1 + Scope 2) | $tCO_2e$ / RMB ’000 of revenue | 0.03 | 0.03 | 0.02 |
| | of which: Greenhouse gas emissions (Scope 1) | $tCO_2e$ | 30,959.06 | 30,601.96 | 14,904.38 |
| | Greenhouse gas emission intensity(Scope 1) | $tCO_2e$/ RMB ’000 of revenue | 0.01 | 0.01 | 0.01 |
| | of which: Greenhouse gas emissions (Scope 2) | $tCO_2e$ | 50,594.99 | 47,626.48 | 35,031.23 |
| | Greenhouse gas emission intensity (Scope 2) | $tCO_2e$/ RMB ’000 of revenue | 0.02 | 0.02 | 0.01 |

### Energy and Resource Consumption

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| Water Resources | Total water intake | Tonnes | 1,691,235.05 | 1,503,532.38 | 962,838.78 |
| | Total water consumption | Tonnes | 2,100,428.05 | 1,736,618.38 | 1,139,057.78 |
| | Water consumption intensity | Tonnes/ RMB ’000 of revenue | 0.735 | 0.709 | 0.452 |
| | Classified by different water usage purposes | | | | |
| | Industrial water consumption | Tonnes | 1,995,550.05 | 1,639,720.38 | 1,046,867.78 |
| | Domestic water consumption | Tonnes | 104,878.00 | 96,898.00 | 92,190.00 |
| | Total water saving | Tonnes | 600,056.00 | 423,881.00 | 227,012.00 |
| | Water reuse and recycling | Tonnes | 409,193.00 | 233,086.00 | 176,219.00 |
| | Optimization-based water savings in industrial water systems | Tonnes | 190,863.00 | 190,795.00 | 50,793.00 |



### Energy and Resource Consumption

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| | Total energy consumption | Tons of Standard Coal Equivalent (tSCE) | 47,630.99 | 45,681.00 | 35,908.04 |
| | Energy consumption intensity | Tons of Standard Coal Equivalent (tSCE) / RMB ’000 of revenue | 0.02 | 0.02 | 0.014 |
| | Total consumption of non-renewable energy | Tons of Standard Coal Equivalent (tSCE) | 11,638.74 | 11,504.49 | 5,603.15 |
| | Non-renewable energy consumption intensity | Tons of Standard Coal Equivalent (tSCE) / RMB ’000 of revenue | 0.004 | 0.005 | 0.002 |
| | of which: Gasoline | Tons of Standard Coal Equivalent (tSCE) | 3.41 | 3.52 | 3.63 |
| | Diesel fuel | Tons of Standard Coal Equivalent (tSCE) | 134.46 | 139.70 | 169.24 |
| | Fuel oil | Tons of Standard Coal Equivalent (tSCE) | 24.40 | 15.10 | 23.96 |
| | Natural gas | Tons of Standard Coal Equivalent (tSCE) | 11,476.47 | 19,536.86 | 5,406.32 |
| Energy | Total consumption of renewable energy | Tons of Standard Coal Equivalent (tSCE) | 3,218.37 | 2,138.39 | 2,114.82 |
| | Renewable energy consumption intensity | Tons of Standard Coal Equivalent (tSCE) / RMB ’000 of revenue | 0.001 | 0.001 | 0.001 |
| | of which: Wind power | Tons of Standard Coal Equivalent (tSCE) | 995.24 | 0.00 | 0.00 |
| | Photovoltaics | Tons of Standard Coal Equivalent (tSCE) | 2,223.13 | 2,138.39 | 2,114.82 |
| | Total external energy purchases | Tons of Standard Coal Equivalent (tSCE) | 32,773.88 | 32,038.12 | 28,190.07 |
| | of which: Purchased Electricity | Tons of Standard Coal Equivalent (tSCE) | 31,818.85 | 30,886.89 | 27,558.90 |
| | Purchased steam | Tons of Standard Coal Equivalent (tSCE) | 58,514.63 | 53,972.92 | 34,759.97 |
| | Purchased heat | Tons of Standard Coal Equivalent (tSCE) | 533.95 | 676.25 | 596.41 |
| | Renewable energy utilization ratio | % | 5.50 | 3.97 | 5.89 |

## Wastewater, Waste Gas and Pollutants Management

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| | Number of times administrative warnings or penalties were issued for failing to meet standards for waste and pollutant emissions | No. | 0 | 0 | 0 |
| | Major leak incident | No. | 0 | 0 | 0 |
| Exhaust Gas | Total exhaust emissions | m³ | 1,513,924,815.00 | 1,595,732,192.00 | 1,472,849,780.00 |
| | Exhaust gas emission intensity | m³/ RMB ’000 of revenue | 529.43 | 558.04 | 515.07 |
| | Particulate matter emissions | Tonnes | 0.60 | 0.57 | 0.43 |
| | Nitrogen Oxides (NOx) emissions | Tonnes | 18.10 | 11.80 | 9.46 |
| | VOCs (Volatile Organic Compounds) emissions | Tonnes | 17.53 | 15.10 | 9.36 |
| | Total wastewater discharge | Tonnes | 999,646.30 | 921,450.30 | 465,088.50 |
| | Wastewater discharge intensity | Tonnes/ RMB ’000 of revenue | 0.35 | 0.376 | 0.185 |
| | of which:Total industrial wastewater discharge | Tonnes | 861,909.00 | 803,907.00 | 343,412.00 |
| | Total amount of domestic wastewater discharged | Tonnes | 137,737.30 | 117,543.30 | 121,676.50 |
| Waste-water | Wastewater discharge volume - Chemical oxygen demand (COD) | Tonnes | 34.14 | 36.89 | 63.40 |
| | Wastewater discharge - ammonia nitrogen (NH3-N) | Tonnes | 16.14 | 11.83 | 6.77 |
| | Wastewater discharge - Total nitrogen (as N) | Tonnes | 5.17 | 6.25 | 8.91 |
| | Wastewater discharge - Total phosphorus (as P) | Tonnes | 0.27 | 0.18 | 0.28 |
| | Wastewater discharge - suspended solids (SS) | Tonnes | 23.80 | 38.84 | 20.84 |
| | Wastewater discharge - 5-day Biochemical Oxygen Demand | Tonnes | 25.69 | 21.53 | 13.91 |



## Wastewater, Waste Gas and Pollutants Management

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| | Total amount of solid waste generated | Tonnes | 2,169.42 | 1,692.84 | 1,244.58 |
| | Solid waste generation intensity | Tonnes/ RMB ’000 of revenue | 0.0008 | 0.0007 | 0.0005 |
| | of which:Total amount of general waste generated | Tonnes | 1,074.36 | 1,019.79 | 620.30 |
| Solid Waste | Total amount of hazardous waste generated | Tonnes | 1,095.06 | 673.05 | 624.28 |
| | Total amount of solid waste disposal | Tonnes | 2,168.99 | 1,692.84 | 1,244.58 |
| | of which:General waste disposal volume | Tonnes | 1,074.36 | 1,019.79 | 620.30 |
| | Hazardous waste disposal volume | Tonnes | 1,094.63 | 673.05 | 624.28 |
| | Non-hazardous Waste Recycling Rate | % | 12.08 | 33.46 | 7.18 |
| Noise | Noise level (daytime) | dB | 58.00 | 55.00 | 57.50 |
| | Noise level (nighttime) | dB | 45.00 | 45.00 | 49.75 |

## Environmental Management

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| Environmental Investment | Environmental protection investment | RMB ’000 | 10,703.1 | 11,734.4 | 3,900.1 |
| Environmental Compliance | Environmental violations | No. | 0 | 0 | 0 |

# Social Performance

## Labor Situation

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| Employee Recruitment and Employment | Labor contract signing rate | % | 100 | 100 | 100 |
| | Number of disabled people | Persons | 80 | 81 | 84 |
| | Proportion of disabled persons | % | 3.54 | 3.62 | 3.90 |
| | Female employee ratio | % | 26.90 | 27.10 | 27.80 |
| | Female ratio in management positions | % | 26.30 | 24.00 | 20.00 |
| | Female ratio in professional channels | % | 22.40 | 22.90 | 21.40 |
| | New employees | Persons | 206 | 327 | 299 |
| | Local employment rate | % | 78.00 | 78.00 | 76.00 |
| | Total employee turnover rate | % | 5.90 | 10.50 | 10.40 |

## Sustainable Supply Chain

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| Supplier Management | Number of suppliers | No. | 151 | 212 | 179 |
| | Number of key suppliers | No. | 15 | 15 | 15 |
| | Percentage of transaction expenditures with key suppliers | % | 71 | 61 | 52 |
| | New supplier introduction and onboarding assessment coverage | % | 100 | 100 | 100 |
| | Supplier comprehensive assessment coverage | % | 100 | 100 | 100 |
| | Localization procurement rate | % | 56 | 54 | 55 |

## Labor Situation

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| Employee Satisfaction | Employee satisfaction results | % | 99.07 | 97.27 | 96.86 |

## Occupational Safety and Health

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| Employee Health Check | Coverage of employee health check | % | 92.40 | 89.00 | 88.30 |
| Safety Production Management | Total number of safety hazards discovered | No. | 2,271 | 2,072 | 1,386 |
| | Total closed-loop rate of safety hazard rectification | % | 100 | 100 | 100 |
| | Total number of workplace accidents involving employees | No. | 20 | 15 | 18 |
| | Year-on-year change in number of accidents | % | 5 | 3 | 4 |
| | Total number of employees injured on the job | Persons | 26 | 21 | 21 |
| | Lost working hours due to safety accidents | Hours | 12,696 | 16,988 | 12,680 |

## Public Welfare

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| Public Welfare | Public welfare investment | RMB ’000 | 1,000 | 2,200 | 1,700 |

# Governance Performance

## Economic Performance

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| Economic Performance | Operating revenue | RMB ’000 | 2,859,519.7 | 2,449,934.9 | 2,517,697.3 |
| | Net profit attributable to equity shareholders of the listed company | RMB ’000 | 603,403.1 | 741,184.3 | 873,168.5 |
| | Basic earnings per share | RMB/share | 0.73 | 0.90 | 1.05 |
| | Cash dividend amount (including tax) | RMB ’000 | 412,500 | 412,500 | 412,500 |

## Board Governance

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| Board of Directors | Number of board members | Persons | 9 | 7 | 7 |
| | Independent Director Ratio | % | 33.33 | 42.86 | 42.86 |
| | Percentage of Female Directors | % | 22.22 | 28.57 | 14.29 |
| Governance Structure | Number of Board Meetings | No. | 5 | 6 | 9 |
| | Board of Directors Attendance Rate | % | 100 | 100 | 100 |
| | Number of topics considered at board meetings | No. | 24 | 41 | 42 |
| | Percentage of ESG-related proposals | % | 4.17 | 2.44 | 2.38 |
| | Number of Shareholders' Meetings | No. | 2 | 3 | 2 |
| | Shareholder participation rate | % | 41.04 | 42.72 | 42.60 |
| | Number of committees under the board of directors | No. | 4 | 4 | 4 |

## Compliance Governance

| | Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|---|
| Information Disclosure | Shenzhen Stock Exchange Information Disclosure Assessment | Rating | A | A | A |
| Internal Control System | Number of times the Company conducts internal control self-assessments | No. | 4 | 4 | 2 |
| | Number of business processes involved in internal control evaluation | No. | 12 | 12 | 12 |

# Indicator Index

(1) Index to Self-Regulatory Guide No.3 for Listed Companies — Compilation of Sustainability Report of the Shenzhen Stock Exchange ChiNext.

| No. | Disclosure requirements | Corresponding chapter of this report |
|---|---|---|
| Environmental | | |
| 1 | Climate Change Response | Climate Change Response |
| 2 | Pollutant Emissions | Pollutant Emissions |
| 3 | Waste Disposal | Waste Disposal |
| 4 | Ecosystem and Biodiversity Conservation | Ecosystem and Biodiversity Conservation |
| 5 | Environmental Compliance Management | Environmental Compliance Management |
| 6 | Energy Utilization | Energy Utilization, Conservation and Emission Reduction |
| 7 | Water Resource Utilization | Water Resource Utilization |
| 8 | Circular Economy | Circular Economy |
| Social | | |
| 9 | Rural Revitalization | Social Contribution and Rural Revitalization |
| 10 | Social Contribution | Social Contribution and Rural Revitalization |
| 11 | Innovation-Driven Development | Innovation-Driven Development |
| 12 | Technology Ethics | Not applicable. The Company's business does not involve scientific research or technological development in ethically sensitive fields such as life sciences and artificial intelligence. |
| 13 | Supply Chain Security | Responsible Supply Chain |
| 14 | Ensure Fair Treatment of Small and Medium-sized Enterprises | Ensure Fair Treatment of Small and Medium-sized Enterprises |
| 15 | Product Safety and Quality | Product Safety and Quality |
| 16 | Data Security and Customer Privacy Protection | Data Security and Customer Privacy Protection |
| 17 | Employee | Practicing the People-Oriented Philosophy |
| Sustainable Development Related Governance | | |
| 18 | Due Diligence | Internal Control |
| 19 | Stakeholder Communication | ESG Management |
| 20 | Anti-commercial Bribery and Anti-corruption | Anti-commercial Bribery and Anti-corruption |
| 21 | Anti-unfair Competition | Anti-unfair Competition |



(2) GRI Index

| Disclosure Items | Disclosure of issues | Corresponding Chapters |
|---|---|---|
| General Standard | | |
| GRI 1: Foundation 2021 | | |
| GRI 2: General Disclosure 2021 | | |
| Organizations and Practices | | |
| 2-1 | Organizational details | About GW COMPOS |
| 2-2 | Entities included in the organization's sustainability report | About This Report |
| 2-3 | Reporting period, reporting frequency and contact person | About This Report |
| 2-4 | Restatements of information | ESG Performance Table |
| Activities and Workers | | |
| 2-6 | Activities, value chain and other business relationships | About GW COMPOS |
| 2-7 | Employees | Practicing the People-Oriented Philosophy |
| Governance | | |
| 2-9 | Governance structure and composition | The Operation of "Shareholders' Meeting, Board of Directors and Senior Management" |
| 2-10 | Nomination and selection of the highest governance body | The Operation of "Shareholders' Meeting, Board of Directors and Senior Management" |
| 2-11 | Chair of the highest governance body | The Operation of "Shareholders' Meeting, Board of Directors and Senior Management" |
| 2-12 | Role of the highest governing body in sustainability reporting | The Operation of "Shareholders' Meeting, Board of Directors and Senior Management" |
| 2-13 | Delegation of responsibility for managing impacts | The Operation of "Shareholders' Meeting, Board of Directors and Senior Management" |
| 2-14 | Role of the highest governing body in sustainability reporting | The Operation of "Shareholders' Meeting, Board of Directors and Senior Management"; ESG governance architecture |
| 2-15 | Conflicts of interest | The Operation of "Shareholders' Meeting, Board of Directors and Senior Management" |
| 2-16 | Communication of critical concerns | ESG Capacity Building and Stakeholder Communication |
| 2-17 | Collective knowledge of the highest governance body | The Operation of "Shareholders' Meeting, Board of Directors and Senior Management" |
| 2-18 | Evaluation of the performance of the highest governance body | The Operation of "Shareholders' Meeting, Board of Directors and Senior Management" |
| 2-19 | Remuneration policies | The Operation of "Shareholders' Meeting, Board of Directors and Senior Management" |
| 2-20 | Procedure for determining remuneration | The Operation of "Shareholders' Meeting, Board of Directors and Senior Management" |

| Disclosure Items | Disclosure of issues | Corresponding Chapters |
|---|---|---|
| Strategy, Policy and Practice | | |
| 2-22 | Statement on sustainable development strategy | Sustainable Development Strategy |
| 2-23 | Policy commitments | ESG Management |
| 2-24 | Embedding policy commitments | ESG Management |
| 2-25 | Procedures for remedying negative impacts | Product Safety and Quality |
| 2-26 | Mechanisms for seeking advice and raising concerns | ESG capacity building and stakeholder communication; practicing a people-centered approach |
| 2-27 | Compliance with laws and regulations | Strengthening the Foundation of Corporate Governance |
| 2-28 | Membership associations | Multi-party collaboration; major domestic associations and organizations involved |
| Stakeholder Participation | | |
| 2-29 | Approach to stakeholder engagement | ESG Capacity Building and Stakeholder Communication |
| GRI 3: Substantive Issues 2021 | | |
| 3-1 | Process to determine material topics | ESG Capacity Building and Stakeholder Communication |
| 3-2 | List of material topics | ESG Capacity Building and Stakeholder Communication |
| 3-3 | Management of material topics | ESG Capacity Building and Stakeholder Communication |
| GRI 201: Economic Performance 2016 | | |
| 201-1 | Direct economic value generated and distributed | ESG Performance Table |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Climate Change Response; ESG capacity building and stakeholder communication |
| 201-3 | Defined benefit plan obligations and other retirement plans | Compliant Employment |
| 201-4 | Financial assistance received from government | Refer to the Company's annual report |
| GRI 203: Indirect Economic Impacts 2016 | | |
| 203-1 | Infrastructure investments and services supported | Social Contribution and Rural Revitalization |
| GRI 205: Anti-corruption 2016 | | |
| 205-1 | Operations assessed for risks related to corruption | Anti-commercial Bribery and Anti-corruption |
| 205-2 | Communication and training about anti-corruption policies and procedures | Anti-commercial Bribery and Anti-corruption |
| 205-3 | Confirmed incidents of corruption and actions taken | Anti-commercial Bribery and Anti-corruption |



| Disclosure Items | Disclosure of issues | Corresponding Chapters |
|---|---|---|
| GRI 206: Anti-competitive Behavior 2016 | | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Anti-unfair Competition |
| GRI 207: Tax 2019 | | |
| 207-1 | Approach to tax | Tax Compliance |
| 207-2 | Tax governance, control, and risk management | Tax Compliance |
| 207-3 | Stakeholder(related to tax) engagement and management | Tax Compliance |
| GRI 301: Materials 2016 | | |
| 301-1 | Materials used by weight or volume | Circular Economy |
| 301-2 | Recycled input materials used | Circular Economy |
| 301-3 | Reclaimed products and their packaging materials | Circular Economy; Green Products |
| GRI 302: Energy 2016 | | |
| 302-1 | Energy consumption within the organization | Energy Utilization, Conservation and Emission Reduction; ESG Performance Table |
| 302-2 | Energy consumption outside of the organization | Energy Utilization, Conservation and Emission Reduction |
| 302-3 | Energy intensity | Energy Utilization, Conservation and Emission Reduction; ESG Performance Table |
| 302-4 | Reduction of energy consumption | Energy Utilization, Conservation and Emission Reduction |
| 302-5 | Reductions in energy requirements of products and services | Energy Utilization, Conservation and Emission Reduction |
| GRI 303: Water and Effluents 2018 | | |
| 303-1 | Interactions with water as a shared resource | Water Resource Utilization |
| 303-2 | Management of water discharge-related impacts | Water Resource Utilization |
| 303-3 | Water withdrawal | Water Resource Utilization; ESG Performance Table |
| 303-4 | Water discharge | Water Resource Utilization |
| 303-5 | Water consumption | Water Resource Utilization; ESG Performance Table |
| GRI 304: Biodiversity 2016 | | |
| 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Ecosystem and Biodiversity Conservation |
| 304-2 | Significant impacts of activities, products and services on biodiversity | Ecosystem and Biodiversity Conservation |

| Disclosure Items | Disclosure of issues | Corresponding Chapters |
|---|---|---|
| GRI 305: Emissions 2016 | | |
| 305-1 | Direct (Scope 1) GHG emissions | Climate Change Response; ESG Performance Table |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Climate Change Response; ESG Performance Table |
| 305-4 | GHG emissions intensity | Identification and Management of Climate Change Risks and Opportunities; ESG Performance Table |
| 305-5 | Reduction of GHG emissions | Identification and Management of Climate Change Risks and Opportunities; ESG Performance Table |
| 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Pollutant Emissions; ESG Performance Table |
| GRI 306: Waste 2020 | | |
| 306-1 | Waste generation and significant waste-related impacts | Waste Disposal |
| 306-2 | Management of significant waste-related impacts | Waste Disposal |
| 306-3 | Waste generated | Waste Disposal |
| 306-4 | Waste diverted from disposal | Waste Disposal |
| 306-5 | Waste directed to disposal | Waste Disposal |
| GRI 308: Supplier Environmental Assessment 2016 | | |
| 308-1 | New suppliers that were screened using environmental criteria | Responsible Supply Chain |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | Responsible Supply Chain |
| GRI 401: Hiring 2016 | | |
| 401-1 | New employee hires and employee turnover | Compliant Hiring; ESG Performance Table |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Compliant Employment |
| 401-3 | Parental leave | Compliant Employment |



| Disclosure Items | Disclosure of issues | Corresponding Chapters |
|---|---|---|
| GRI 403: Occupational Health and Safety 2018 | | |
| 403-1 | Occupational Health and Safety management system | Occupational Health and Safety |
| 403-2 | Hazard identification, risk assessment, and incident investigation | Occupational Health and Safety |
| 403-3 | Occupational health services | Occupational Health and Safety |
| 403-4 | Occupational health and safety matters: worker participation, consultation and communication | Occupational Health and Safety |
| 403-5 | Worker training on occupational health and safety | Occupational Health and Safety |
| 403-6 | Promotion of worker health | Occupational Health and Safety |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Occupational Health and Safety |
| 403-8 | Workers covered by an occupational health and safety management system | Occupational Health and Safety |
| 403-9 | Work-related injuries | Occupational Health and Safety; ESG Performance Table |
| 403-10 | Work-related health issues | Occupational Health and Safety |
| GR1 404: Training and Education 2016 | | |
| 404-1 | Average hours of training per year per employee | Empowering Employee Development; ESG Performance Table |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Empowering Employee Development |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | Empowering Employee Development; ESG Performance Table |
| GR1 405: Diversity and Equal Opportunity 2016 | | |
| 405-1 | Diversity of governance bodies and employees | Compliant Employment |
| GR1 406: Non-discrimination 2016 | | |
| 406-1 | Incidents of discrimination and corrective actions taken | Employee Rights Protection |

| Disclosure Items | Disclosure of issues | Corresponding Chapters |
|---|---|---|
| GR1 408: Child Labor 2016 | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | Compliant Hiring; Employee Rights Protection; Responsible Supply Chain |
| GR1 409: Forced or Compulsory Labor 2016 | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | Compliant Hiring; Employee Rights Protection; Responsible Supply Chain |
| GR1 413: Local Communities 2016 | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Social Contribution and Rural Revitalization |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | Social Contribution and Rural Revitalization |
| GRI 414: Supplier Social Assessment 2016 | | |
| 414-1 | New suppliers that were screened using social criteria | Responsible Supply Chain |
| 414-2 | Negative social impacts in the supply chain and actions taken | Responsible Supply Chain |
| GRI 416: Customer Health and Safety 2016 | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | Product Safety and Quality |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Product Safety and Quality |
| GRI 417: Marketing and Signage 2016 | | |
| 417-1 | Requirements for product and service information and labeling | Responsible Marketing |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | Responsible Marketing |
| 417-3 | Incidents of non-compliance concerning marketing communications | Responsible Marketing |
| GRI 418: Customer Privacy 2016 | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Data Security and Customer Privacy Protection; Customer-centric |



## IFRS S2 Climate-related Disclosures

| Disclosure requirements | | Corresponding Chapters |
|---|---|---|
| Gover-nance | Disclose the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. | Climate Change Response; ESG governance framework; ESG management systems and risk management |
| | Disclose management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, | Climate Change Response; ESG governance framework; ESG management systems and risk management |
| Strategy | Disclose the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. | Climate Change Response |
| | Disclose the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain. | Climate Change Response; ESG capacity building and stakeholder communication |
| | Disclose the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan. | Climate Change Response |
| | Disclose the impact of climate-related risks and opportunities on the enterprise's financial position, financial performance and cash flows, as well as their expected impact in the short, medium and long term, taking into account how climate-related risks and opportunities have been incorporated into the enterprise's financial planning. | Climate Change Response; ESG capacity building and stakeholder communication |
| | Disclose the climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. | Climate Change Response; ESG capacity building and stakeholder communication |
| Risk Manage ment | Disclose the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks. | Climate Change Response; ESG management systems and risk management |
| | Disclose the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities. | Climate Change Response; ESG management systems and risk management |
| | Disclosure the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process. | Climate Change Response; ESG management systems and risk management |
| Metrics and Targets | Disclose information relevant to the cross-industry metric categories. | ESG Performance Table |
| | Disclose industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry. | ESG Performance Table |
| | Disclose targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets. | Sustainable Development Strategy |

# Key Domestic Associations and Organizations Participated in

| Entity | Association / Organization | Role |
|---|---|---|
| GW COMPOS | China Association for Public Companies | Council Member |
| | China Society for Composite Materials | Council Member |
| | China Composite Materials Industry Association | Vice President Member |
| | Shandong Association for Public Companies | Council Member |
| | Shandong New Materials Industry Association | Vice President Member |
| | Shandong Provincial Industrial Design Association | Vice President Member |
| | Shandong Provincial Circular Economy Association | Member |
| | Shandong Low-Altitude Economy Association | Member |
| | Shandong Provincial Marine Industry Association | Member |
| | Weihai Industrial Design Association | President |
| | Weihai Carbon Fiber and Composite Materials Industry Chain Alliance | Chairman |

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# Report Recommendations and Feedback

Dear Readers,

Thank you for your interest in the "2025 Sustainability Report and Environmental, Social and Governance Report of Weihai Guangwei Composites Co., Ltd.". To continuously improve the quality of this report and deliver more in-depth and decision-useful ESG information, we sincerely invite you to share your valuable opinions and suggestions. Your feedback will provide important guidance for the Company to deepen its sustainable development practices.

You may return the completed questionnaire to us by mail or email, or you can directly provide your specific feedback. We will strictly protect the confidentiality of your feedback and used solely for ESG report improvement and related enhancements, not for any other commercial purposes. Thank you for your support and cooperation!

1. Please indicate your stakeholder category of GW COMPOS:
☐ Shareholders/Investors ☐ Employees ☐ Suppliers ☐ Customers ☐ Government and regulatory authorities ☐ Industry Associations/Peers ☐ General Public, Community and Media ☐ Sustainability/ESG Industry Practitioners ☐ Other (Please specify)

2. Your overall evaluation of this report:
☐Excellent ☐Good ☐Average ☐Fair ☐Poor

3. Your evaluation of the clarity, accuracy, and completeness of the information and data disclosed in this report:
☐Excellent ☐Good ☐Average ☐Fair ☐Poor

4. Your assessment of the Company's performance in fulfilling its responsibilities as reflected in this report:

- Environmental responsibility: ☐ Excellent ☐ Good ☐ Average ☐Fair ☐Poor
- Social responsibility: ☐ Excellent ☐ Good ☐ Average ☐Fair ☐Poor
- Governance responsibility: ☐ Excellent ☐ Good ☐ Average ☐Fair ☐Poor

5. What are your thoughts on the content layout and design of this report?
☐Excellent ☐Good ☐Average ☐Fair ☐ Poor

6. To what extent do you believe the information disclosed in this report addresses your concerns about the Company?
☐ Excellent ☐ Good ☐ Average ☐ Fair ☐ Poor

7. What information would you like to see disclosed that is currently missing?
_____

8. Your comments and suggestions regarding our Company's environmental, social, and governance (ESG) work and reporting. Please provide: _____