

Shenzhen WOTE Advanced Materials Co.,Ltd

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2024

**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE (ESG) REPORT**

Contents

Message from the Chairwoman	03
About WOTE	05
Sustainable Development Management	09

Outlook for 2025	65
Indicator Index	66
About this Report	67
Feedback Form	68

11



Advancing Green:
Coexisting with Technology
and Nature

Responding to Climate Change	13
Strengthening Environmental Management	15
Innovating Green Products	16
Reducing Resource Consumption	17
Controlling Pollution Emissions	21
Spreading Environmental Protection Concepts	24

25



Shaping Better Life Together

Deepening Industrial Advantages	27
Pursuing Excellent Quality	30
Providing High-quality Services	33
Promoting Technological Innovation	37
Building a Strong Security Line	42
Collaborating with the Industry for Mutual Success	47
Caring for Employee Growth	49
Active Participation in Social Welfare	56

57



Transparent Governance:
Building a Solid Foundation
for High-Quality
Development

Improving Corporate Governance	59
Preventing Compliance Risks	61
Protecting Investors' Rights and Interests	61
Business Ethics Commitment	63
Ensuring Information Security	64



Message from the Chairwoman

In 2024, we have entered a year replete with opportunities and challenges. The rapid advancement of global technologies, particularly the booming development of 5G/6G infrastructure, low-altitude economy, robotics, new energy, artificial intelligence (AI) and semiconductor industries, has driven explosive growth in market demand for high-performance materials. This trend has presented unprecedented opportunities for the special polymer materials industry in which we operate. However, the world today is undergoing profound transformations unseen in a century. Enduring and emerging challenges, coupled with complex contradictions are superimposed, colliding, and fermenting. This has poses challenges to our adaptability and strategic decision-making capabilities.

In the face of these opportunities and challenges, we have always adhered to independent innovation, explored green and low-carbon development paths while efficiently advancing our platform-based strategy for polymer materials. Our persistent efforts are dedicated to achieving high-quality and sustainable corporate development.

Green Leadership: Advancing Low-carbon Transformation. We actively implement green development principles, continuously strengthening climate resilience, enhancing environmental management systems, upgrading production facilities, streamlining manufacturing processes, and reducing emissions. Through the implementation of rooftop photovoltaic power generation initiatives, we are incorporating clean energy sources and reducing reliance on conventional energy. By actively developing green and eco-friendly polymer material products, we deliver more sustainable solutions to customers, advancing the "carbon peaking and carbon neutrality goals" through practical actions.

Empowering Society and Creating Beautiful Values Together. To fulfill the mission of "shaping better life," we drive the strategic transformation of high-performance materials and promote the integration of controllable, strengthened industrial chains. We are committed to continuously improving product quality and technological core competitiveness, achieving comprehensive

development in high-performance materials businesses including Liquid Crystal Polymer (LCP), High Performance Polyamide(PPA), and Polyphenylene Sulfide (PPS). This enables us to advance sustainable development across industrial chains in low-altitude economy, high-frequency communications, new energy vehicles, and artificial intelligence (AI). We adhere to people-oriented principles, creating a diverse, inclusive, and equitable working environment. Our goal is to build a highland for industrial talents and attract/retain outstanding professionals. By strengthening supply chain management and cooperating closely with suppliers, we promote the sustainable development of the whole industrial chain. Meanwhile, we actively participate in social welfare, making continuous efforts in industrial chain construction, education empowerment, and poverty alleviation. Our involvement in various public welfare activities has received widespread recognition from society.

Enhancing Governance and Fortifying Development Foundations. We adhere to the corporate tenet of "Honesty and Self-Discipline, High Efficiency," continuously refining our governance framework while establishing a comprehensive sustainable management system. Through strengthened internal controls and risk management mechanisms, we aim to enhance the Company's resilience in addressing emerging challenges. We elevate standards for regulatory compliance in information disclosure and streamline investor communication channels. By promptly sharing the Company's developmental milestones, we bolster investor confidence continuously..

Moving forward, we will remain anchored to our core values of "Be Unique for You", deepening our sustainable development strategy to enhance core competitiveness. Aligned with our vision of becoming "a leading supplier", we are committed to creating enduring value for stakeholders—including employees, shareholders, suppliers, and customers.



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

About WOTE

Company Profile

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

Our main products include high-performance and new engineering polymers, high-performance composite materials, carbon fiber / carbon nanotube composite materials, and fluoropolymers. These products are widely used in 5G/6G infrastructure, low-altitude economy, robotics, new energy, artificial intelligence (AI), semiconductors, electrical and electronic components, and medical/healthcare sectors, ultimately enhancing the quality of life.



Company Capacity Planning of High-performance Materials

LCP: **25,000** tons/year, ranking first in the world

PPA: **10,000** tons/year

PPS: **20,000** tons/year

PAEK: **1,000** tons/year

PSF: **10,000** tons/year

PTFE: **10,000** tons/year

Global Layout

Headquartered in Shenzhen, the Company operates branches and subsidiaries across South China, East China, and Southwest China, with a subsidiary in Hong Kong and manufacturing factories established in Vietnam. Through our multi-regional bases and whole industrial chain capabilities, we deliver optimal polymer material solutions to customers. These efforts strengthen and complement upstream and downstream industrial chain linkages, achieve supply chain autonomy and controllability, and contribute to the nation's high-quality development.

● East China

● South China

● Southwest China

● Overseas

Chongqing Base

Special polymer material polymerization base
Special polymer film manufacturing base

Vietnam Base (Hai Phong City)

Meet the personalized order needs of overseas customers

East China Base (Yancheng, Jiangsu)

Manufacturing base for 5G, electronic communication, photovoltaics, and automotive material compounding
Special polymer material LCP polymerization base

WOTE Huaben (Shanghai Valqua)

Manufacturing base for molded products made of semiconductors and fluororesin materials

Zhejiang Conceptfe (Huzhou, Zhejiang)

Manufacturing base for high-performance material molded products

South China Base (Huizhou, Guangdong)

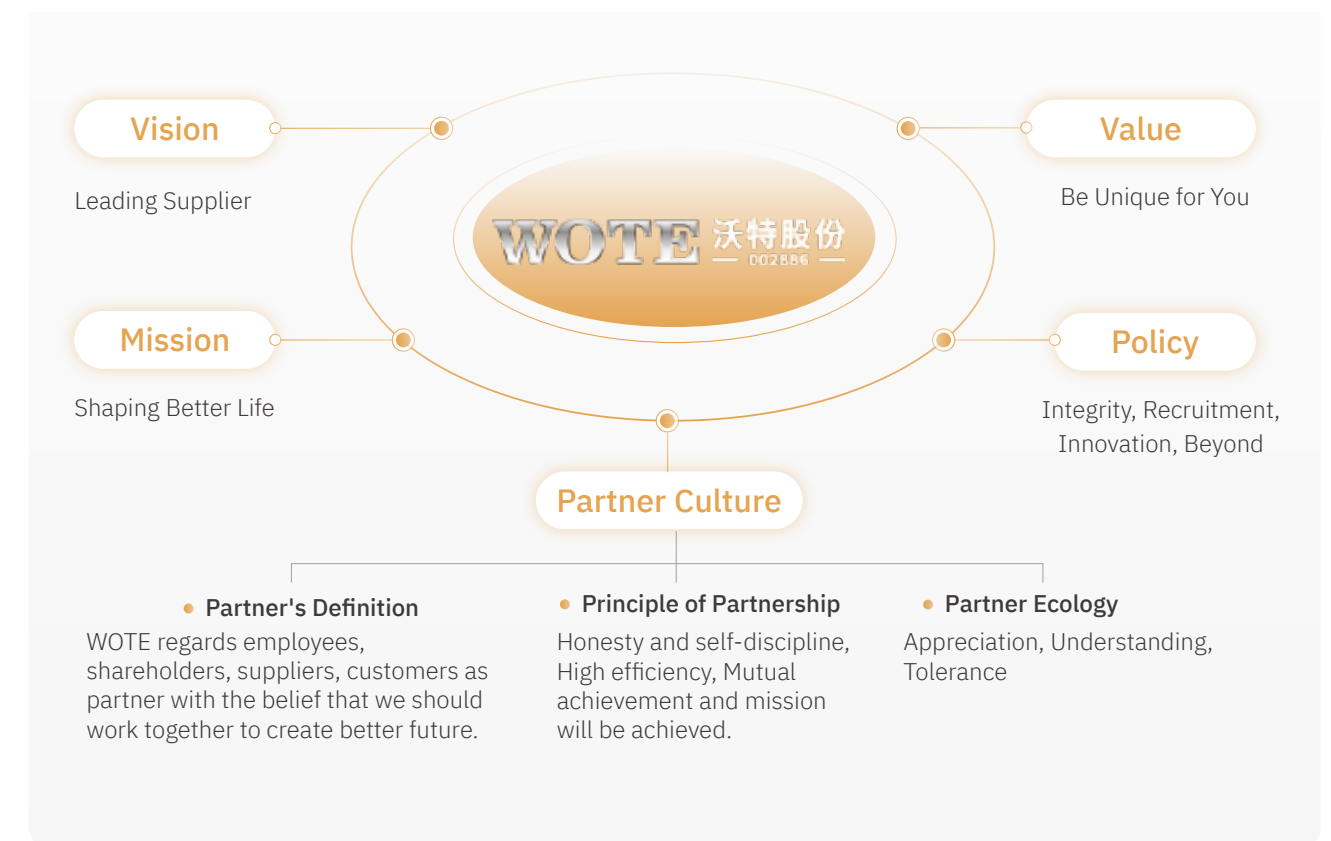
Manufacturing base specializing in advanced materials for aerial drones, smart home ecosystems, consumer electronics materials, and OA material compounding

Shenzhen Headquarters

Hongkong WOTE

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

Corporate Culture



Responsibilities and Honors



Corporate Honors

- "One-Stop" Demonstration Enterprise Unit of High-Speed Connector Issued by the Ministry of Industry and Information Technology
- Top 7 of China's Material Companies in Terms of Innovation
- National-level Specialized and New "Key Little Giant" Enterprise
- Top 10 Enterprises of Special Polymer Materials Industry in China
- "National Model Case of Technological Innovation for Private Enterprises" by the All-China Federation of Industry and Commerce
- Excellent Brand Enterprise of Fluoroplastic Industry in China
- 100 Most Potential Brand Enterprises in China
- China Green Product-Certified Enterprise
- Advanced Enterprise for Standard Innovation Contribution
- Guangdong Specialized New "Little Giant" Enterprise
- Top 100 Manufacturing Enterprises in Guangdong Province
- Guangdong Province Enterprise of Observing Contract and Value Credit
- Famous Brand Products in Guangdong Province
- Zhejiang Provincial Green and Low-Carbon Factory
- Hidden Champion of Zhejiang Province
- Zhejiang Provincial Digitalized Workshop
- "Top 50 Leading Enterprises" in Strategic Emerging Industries in Guangdong, Hong Kong and Macao
- Ecological Co-build Flashing Institution in Shenzhen
- Shenzhen Top 100 Quality Enterprises
- Shenzhen Well-known Brand
- Top 70 Innovative Enterprises in Shenzhen
- Top 100 Shenzhen Industry Leaders
- Shenzhen Top 500 Enterprises
- Industrial Enterprise Technological Innovation Award by Jiangsu Dongtai Economic Development Zone
- Investor Relations Gold Award "IR Initiative Award"
- "Grade A" in Information Disclosure for Three Consecutive Years by Shenzhen Stock Exchange
- "Best Practice Case for the Board of Directors" Awarded by China Association for Public Companies
- "Best Practice Case of BoD Office" Awarded by China Association for Public Companies
- "Outstanding Sustainability Practice Case for Listed Companies" Awarded by China Association for Public Companies
- 2024 Crystal Ball Award for Best ESG Management Listed Companies
- 2024 Crystal Ball Award for Best Investor Relations Management Listed Companies
- Top 100 Most Popular Listed Companies by Tonghuashun

Chairwoman—Ms. Wu Xian's Personal Honors

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

Membership of Social Organization

Social Organization Joined by Ms. Wu Xian

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

Sustainable Development Management

Sustainable Development Governance Structure

We've set up a sustainable development governance framework, consisting of the Board of Directors (BoD), ESG Working Group, departments, and subsidiaries to systematically promote ESG work and ensure information disclosure and communication.

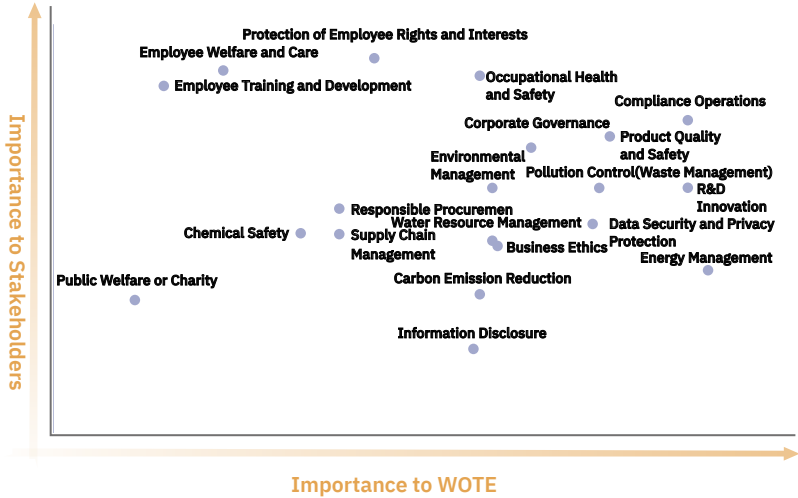
Board of Directors	The Board of Directors is responsible for overseeing and making decisions related to the Company's sustainable development. It receives regular reports from the ESG Working Group, deliberates internal documents including ESG reports, major topics, key plans and systems, reviews and approves significant ESG topics to ensure alignment between sustainable development philosophy and the Company's business concept.
ESG Working Group	The ESG Working Group, headed by the BoD Office of the Company, collaborates with department heads and subsidiary leaders to define the Company's ESG work, break down objectives, and assign responsibilities, as well as review ESG report to ensure the accuracy of disclosures.
Departments and Subsidiaries	Taking into account the ESG work undertaken by departments and subsidiaries, we align them with the Company's overarching principles to establish management objectives and action plans, ensuring the successful implementation and tangible results of various ESG topics. We systematically gather and organize data on ESG work and their outcomes, which is then reported to the ESG Working Group for information disclosure.

Sustainable Development Strategy

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

Significant Topic Analysis

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



Stakeholder Engagement

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

Key Stakeholders	Concerns and Expectations	Communication Channel
 Governments	<ul style="list-style-type: none">Comply with the laws and regulationsRespond to national development strategiesCreate employment opportunitiesDrive regional economic developmentEnvironmental protection	<ul style="list-style-type: none">Accept supervisionRegular disclosureAd-hoc reportingParticipate in relevant meetings
 Shareholders	<ul style="list-style-type: none">Prudent operationInvestment returnsOpen and transparent information	<ul style="list-style-type: none">Regular/ad-hoc information disclosureGeneral MeetingInvestor communication activitiesCommunication via phone and email
 Employees	<ul style="list-style-type: none">Compensation and benefitsCareer development and advancementSafe and comfortable working environmentWork-life balance	<ul style="list-style-type: none">Company Lark groupInternal email systemAll-hands meetings, department meetings, cross-department meetingsProposal mechanism
 Customers	<ul style="list-style-type: none">R&D innovationProduct qualityStable supply	<ul style="list-style-type: none">Multi-channel customer information collectionCustomer Manager full process serviceCustomer communication and visits
 Suppliers	<ul style="list-style-type: none">Win-win and mutual developmentFairness and justiceIntegrity in business operations	<ul style="list-style-type: none">Supplier qualification investigationSupplier assessment and auditSupplier communication
 Communities	<ul style="list-style-type: none">Support harmonious community developmentActively engage in public welfare activities	<ul style="list-style-type: none">Information disclosureCommunication via phone and email
 Media	<ul style="list-style-type: none">Transparent communicationPositive interactions	<ul style="list-style-type: none">Accept interviewsInformation disclosureCommunication via phone and email

Advancing Green: Coexisting with Technology and Nature

WOTE continually explores innovative technologies to fulfill societal aspirations for improved quality of life, upholding green and high-quality development principles. The Company fulfills its environmental protection obligations and implements self-imposed rigorous ecological targets regarding operational impacts on the environment. It proactively addresses climate change, fosters a green corporate culture, and takes concrete actions to help tackle global climate challenges while advancing the "carbon peaking and carbon neutrality" goals.

Related Topics

Environmental Management, Pollution Control, Energy Management, Water Resource Management, and Carbon Emission Reduction

Our actions

- Respond to Climate Change
- Strengthen Environmental Management
- Innovate Green Products
- Reduce Resource Consumption
- Control Pollution Emissions
- Spread Environmental Protection Concepts

Our performance

Investment in environmental protection

CNY **5.836** million

Total discharge of industrial wastewater

32,725.7 tons

Total amount of harmless waste

709.2 tons

Total amount of hazardous waste

248.5 tons

Hazardous waste disposal rate

100%

Total amount of recycled waste

2,693.4 tons

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



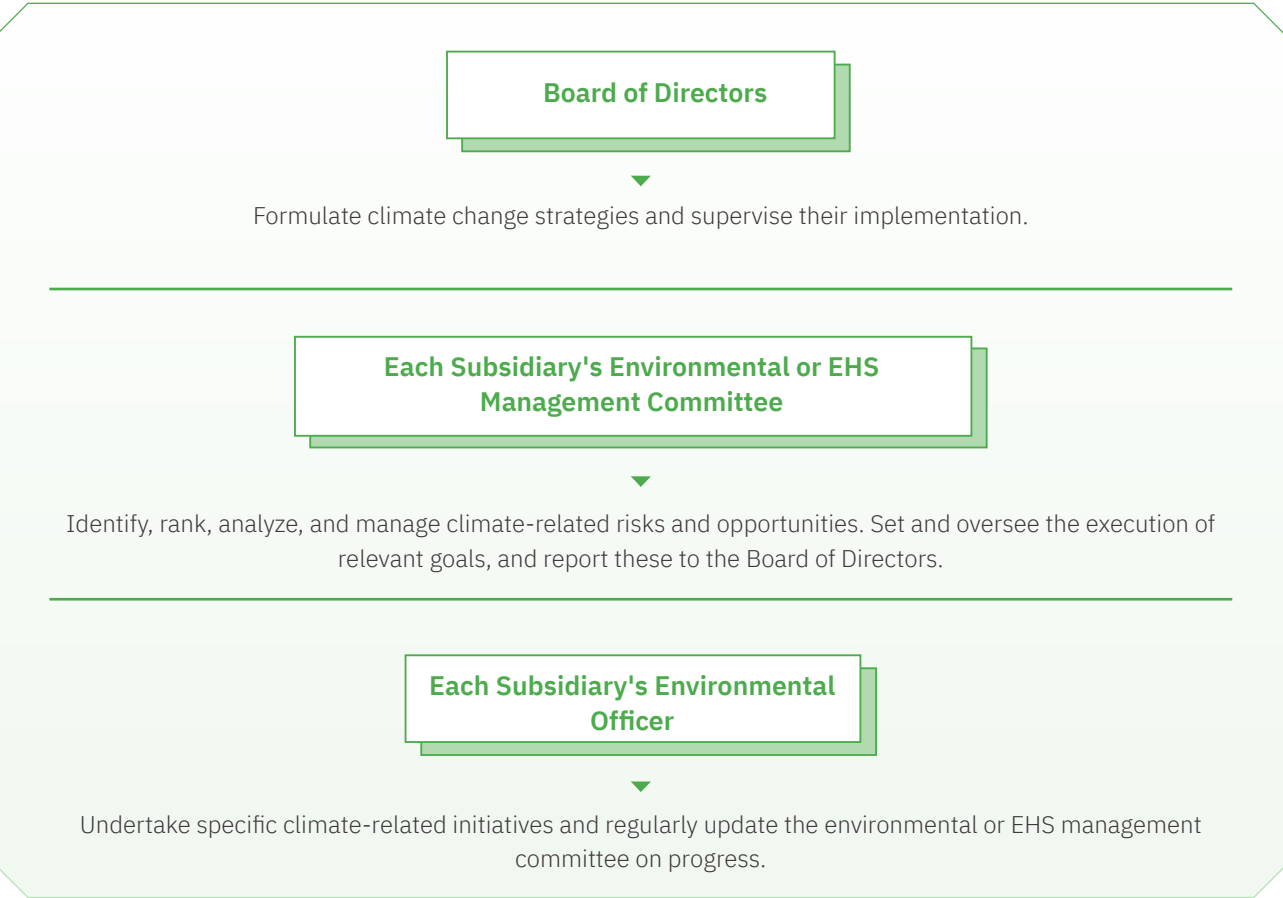
Responding to Climate Change

Global climate change not only threatens human existence and socioeconomic progress but also significantly impacts corporate operational stability. Addressing climate risks has become imperative for all businesses. Through strategic planning frameworks, we continuously focus on climate change, utilizing our distinctive operational strengths and expertise to identify climate-related risks and opportunities, supporting global climate mitigation and adaptation initiatives.



Governance

We recognize climate change as a core strategic topic, and have set up an environmental management framework for greenhouse gas emissions and climate change response. This enables effective governance of climate-related topics.



Environmental Management Framework for Climate Change



Strategy

To actively address climate change and enhance our climate risk prevention and early warning capabilities, we identify the potential impacts of climate-related risks and opportunities on our operations in line with our industry's characteristics and actual conditions.

	Potential Impact	Response Policy
Physical Risk	<ul style="list-style-type: none">Climate change may cause more severe extreme weather, such as frequent storms, typhoons, and floods. These can damage our power / water supply facilities for production, disrupt the supply chain, and potentially increase operational and maintenance costs.	<ul style="list-style-type: none">Identify the climate vulnerability of production base locations and gradually build climate change response capabilities.Monitor and warn of extreme weather, develop disaster emergency plans, conduct annual emergency drills and training for sudden environmental incidents, and enhance extreme weather response abilities.In construction projects, prioritize climate-resilient infrastructure, such as seismic and flood control designs.
Transformation Risk	<ul style="list-style-type: none">China's goals of achieving carbon dioxide peaking by 2030 and carbon neutrality by 2060, along with new low-carbon transition policies, are exerting pressure on high-emission economic activities and increasing the R&D costs for green production.Brand customers' requirements for low-carbon products are getting stricter, forcing the Company to invest more in R&D, technology, and equipment, leading to cost increases.	<ul style="list-style-type: none">Actively develop green and eco-friendly materials to meet customers' low-carbon demands.Install photovoltaic panels in factory areas, utilize clean energy, and boost the share of renewable energy.Implement multiple environmental technology upgrade projects, replace old equipment, enhance energy efficiency, and incorporate green concepts into all product lifecycle stages.
Opportunities	<ul style="list-style-type: none">The government advocates technological improvements or innovations for a low-carbon economic system transition, and corporate customers may prefer green and low-carbon products and services.To meet market demands, the Company speeds up providing products and services that satisfy the market, achieving long-term sustainable business and revenue growth.	<ul style="list-style-type: none">Actively implement energy management at the production and operation end to boost resource efficiency; incorporate green concepts into all product lifecycle stages, develop low-carbon products continuously to meet customer needs.Speed up providing products and services that meet market demands, promote renewable energy replacing traditional energy, and take energy-efficiency improving measures to continuously enhance climate change resilience.



Risks Management

We've integrated climate-related risks management into our environmental risk process. Each subsidiary's environmental or EHS management committee oversees this work. The base's environmental officer is tasked with implementing climate risk management and following up on emerging or potential crises / issues.



Metrics and Targets

We have established environmental targets for GHG emissions management, implementing clean production initiatives and developing photovoltaic projects to maximize energy utilization efficiency while minimizing GHG emissions throughout the production lifecycle.

Annual photovoltaic power generation of Zhejiang Conceptfe **2,276,000** kWh

Strengthening Environmental Management

A robust environmental management system is key to effective ecological preservation. We strictly abide by the laws and regulations such as the Environmental Protection Law of the People's Republic of China, adhere to the environmental policy of "compliance with laws and regulations, prevention of pollution, energy conservation and consumption reduction, and continuous improvement", and continuously improve the development of the environmental management system.

Establishing management organizations

Each subsidiary has established an environmental or EHS management committee as needed, comprising company leaders and department heads, to ensure senior managers' involvement in environmental affairs. The committee has formulated environmental policies, goals, and plans, and oversees their implementation by departments. A dedicated office or working group has been established for implementation, risk monitoring, and reporting. Each department and employee clarifies their environmental responsibilities, has developed governance plans in accordance with environmental policies and control procedures, and executed environmental governance tasks.

Setting environmental goals

Each subsidiary has set environmental goals for water resource management, energy management, toxic emissions and waste management, and greenhouse gas emission management based on business development and operational status, continuously improving their own environmental management level.

Conducting environmental protection training

WOTE regularly conducts centralized environmental protection training and publicity campaigns. Each subsidiary holds regular environmental protection training sessions in accordance with the annual plan and conducts specialized training on environmental protection systems, emergency management, pollutant emissions, etc., to enhance employees' environmental awareness.

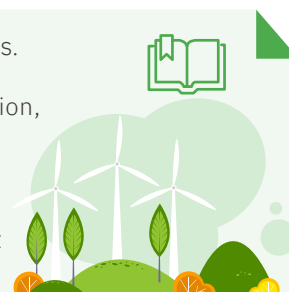
Improving the management system

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

Implementing performance evaluation

WOTE has incorporated environmental indicators into its performance evaluation system, established an environmental assessment framework, and integrated these indicators into the performance evaluations of both departments and employees.

- During the reporting period, there were no major environmental pollution accidents.
- The total investment in environmental protection was CNY **5.836** million, representing **0.31** % of the operating revenue.
- 5** subsidiaries has passed ISO 14001:2015 environmental management system certification.



Innovating Green Products

We actively promote the R&D of eco-friendly special polymer materials, offering customers greener and more sustainable solutions. This reduces the carbon footprint of downstream products and advances the development of a green, low-carbon, and circular economy.



Localization of green products

We participated in the creation of the group standard for *Bio-based Nylon (PA5X) Resin for Automotive Components*, thereby accelerating the domestication of bio-based high-temperature nylon. This material, derived from renewable resources, reduces pollutant emissions during production and offers advantages such as environmental friendliness and the use of renewable raw materials.



Development of eco-friendly materials

We developed innovative WOTLON® biobased polyamide applications for wearable technology to promote sustainable industry development. We also designed specialized materials using recycled carbon fiber for robotic exoskeletons and mechanical arms to significantly reduce carbon footprint.



Green certification of materials

We have obtained the Global Recycled Standard (GRS) certification for 18 post-consumer recycled (PCR) product grades. We seek green raw materials, process low-carbon polymer materials, and sell them to customers to support low-carbon environmental protection.



Promotion of low-carbon materials

We promote PCR materials in home appliances and consumer electronics based on customer needs. We have applied low-carbon PCR materials in multiple domestic and international automakers. Additionally, we collaborate with a leading domestic container company to replace traditional EPDM materials with thermoplastic TPV materials for container sealing strips. This advances the green economy and reduces carbon emissions.

Reducing Resource Consumption

We strictly adhere to national and local laws, implement regulations such as the *Energy Resource Management Control Procedure*, and continuously improve our resource management to promote efficient and circular use of resources.

Energy Management

By establishing an energy management system, we enhance the measurement and monitoring of energy consumption, ensuring efficient and energy-saving use.

- Zhejiang Conceptfe has passed ISO 50001 energy management system certification.



Case Zhejiang Conceptfe: awarded as a provincial-level green factory

In order to meet the industry's green development requirements, WOTE places great emphasis on green factory construction. Through a series of measures such as land-intensive use, harmless raw materials, clean production, low-carbon energy, and waste resource utilization, the Company actively builds green and low-carbon factories. In November 2024, the subsidiary Zhejiang Conceptfe successfully passed the assessment of Zhejiang Provincial Green Manufacturing Demonstration Project and was awarded the title of Provincial Green Factory. Looking ahead, Zhejiang Conceptfe will continue to increase investment in technological innovation, constantly upgrade its efficient, clean, low-carbon, and circular green manufacturing system, and strive to become a green leader in the industry.



Rooftop Photovoltaic Project of Zhejiang Conceptfe

Using Clean Energy



WOTE undertakes rooftop photovoltaic power generation projects to gradually reduce the use of purchased electricity in the production process, thereby promoting the clean and low-carbon use of electricity. In employee dormitories, solar and air source water heaters are adopted to supply hot water, fully utilizing clean energy.

Preferred Energy-saving Equipment



WOTE eliminates old equipment with high energy consumption and low efficiency, introduces new equipment with higher energy efficiency levels, and improves energy utilization efficiency in the production process. Additionally, WOTE comprehensively adopts energy-efficient lighting systems to further reduce energy consumption.

Green Building Design



The energy-saving design of buildings meets the requirements of national and local energy-saving regulations. The design of workshops and office buildings includes a large number of glass windows to fully utilize natural light and reduce dependence on artificial lighting. A double-layer glass design is also adopted to effectively reduce the demand for heating in winter and cooling in summer.

Optimized Production Process



WOTE improves heating technology to enhance energy utilization efficiency, and reduce the occurrence of product defects, thereby avoiding energy waste caused by rework and supplementary production.



Water Resource Management

The water used in our production and operation processes primarily comes from municipal tap water, with a small portion sourced from rainwater. This ensures that we face no risks related to water source selection or water use. We reduce water waste by fostering a water-saving culture, reusing production water, deploying water-saving equipment, and implementing rainwater harvesting, among other measures.

> Fostering a Water-saving Culture

Post "Save Water" signs at water usage points, promote water-saving awareness to employees on a daily basis, and ensure that faucets are promptly turned off after use, thereby creating an atmosphere where everyone values and conserves water.

Establish a water-saving reward mechanism to encourage employees to actively participate in water-saving actions, and commend and reward departments and individuals who achieve significant water-saving results.

> Reusing Production Water

Recycle and reuse equipment cleaning wastewater.

Introduce a circulating water cooling system, where the cooling water is collected by a cooling tower and reused to achieve efficient utilization of water resources.

> Using Water-saving Equipment

Widely adopt water-saving equipment, such as water-saving toilet flushing equipment, faucets, and shower facilities, effectively reducing daily water usage.

> Carrying Out Rainwater Collection

Establish rainwater collection areas and pools, and use the collected rainwater for non-production water needs such as landscaping and irrigation after simple treatment.



Packaging Material Management

We implement comprehensive management systems for packaging materials, including the *Raw Material and Packaging Material Management System*, *Product Protection Control Procedures*, *Pallet Management Regulations*, and *Packaging Operation Procedures*. Defined packaging material management objectives have been established, and we actively pursue the recycling of production waste and packaging materials to minimize unnecessary losses and resource waste.

The recycling rate of WOTE special pallets, ton bags, etc. reached

90 %

Packaging material

Actions taken



Pallet

Set up a strict plastic pallet recycling mechanism, track the flow of pallets through a management system, ensuring they are promptly recycled, cleaned, and maintained after transportation is completed, and then put into use for the next cycle. .



Ton Bag

Recycle.



Blister Pack

Encourage customers to collect used blister packs and return them to the Company via reverse logistics. After undergoing professional cleaning and disinfection, these packs can be reused for product packaging.



PE Bag

Cooperate with suppliers to promptly collect, classify, and store PE (Polyethylene) bags used for raw material packaging upon arrival at the factory, so they can be reused in the next procurement cycle.

Controlling Pollution Emissions

We always adhere to the concept of green development, implement clean production, and have established corresponding management systems for "waste water, waste gas, and solid waste" (the "three wastes"). We also commission third-party to issue Clean Production Audit Reports. By comprehensively strengthening the strict management of pollutants generated in the production process, we address clean production at the source and continuously reduce the environmental impact of our production activities. During the reporting period, WOTE did not receive any administrative penalties for environmental issues.



Waste Gas Treatment

We strictly comply with laws and regulations such as the *Integrated Emission Standard of Air Pollutants* (GB 16297-1996) and the *Standard for Fugitive Emission of Volatile Organic Compounds* (GB 37822-2019). We have also developed the *Waste Gas Management and Control Procedure*. By installing advanced equipment such as cyclone spray towers, activated carbon adsorption systems, and RTO (Regenerative Thermal Oxidizer) thermal storage combustion systems, we continuously upgrade our purification processes to reduce the generation and emission of waste gas.

In addition, we regularly engage professional and qualified testing institutions to conduct monitoring of waste gas emissions from our factories. These institutions prepare environmental monitoring reports and help us implement air pollution prevention and control measures, ensuring that all waste gases meet the required emission standards.

Case Jiangsu WOTE introduced an advanced waste gas treatment system, effectively reducing volatile organic compounds (VOCs)

To effectively reduce the emission of VOCs from the factory, Jiangsu WOTE invested CNY 2.3 million in zeolite molecular sieve adsorption-desorption system + RTO (Regenerative Thermal Oxidizer) system. After pre-treatment, the organic waste gas is adsorbed and concentrated by zeolite molecular sieves before entering the RTO system. There, it is decomposed into CO₂ and H₂O through high-temperature oxidation, significantly reducing waste gas emissions. The heat generated is stored in the regenerative heat storage medium to preheat incoming organic waste gas, thereby saving fuel consumption and reducing operating costs.



Wastewater Treatment

We always prioritize environmental protection and strictly abide by relevant laws and regulations, such as the *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *Regulations on the Administration of Emission Permit*. We have formulated management documents such as the *Wastewater Management Control Procedure* and the *Wastewater Pollution Management System* to ensure that wastewater discharge meets national and local standards.

Domestic Wastewater Treatment

The canteen wastewater, after undergoing oil-water separation treatment, is combined with other domestic sewage. It is then treated by water treatment facilities to meet discharge standards before being released into the municipal sewage network. From there, it is conveyed to the municipal sewage treatment plant for centralized treatment. After meeting the required treatment standards, it is discharged into natural water bodies for recycling.



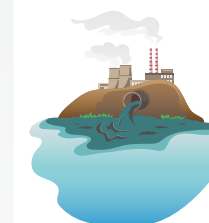
Production Wastewater Treatment

The production wastewater is either reused or discharged into the municipal sewage network after being classified by the wastewater collection system and treated in compliance with the municipal sewage network standards.

Industrial Wastewater Treatment

Huizhou WOTE ensures the efficient recycling of cooling water during the production process by introducing advanced circulating water treatment technology. This achieves zero discharge of industrial wastewater from the projects.

Chongqing WOTE classifies and treats industrial wastewater to maximize water recycling efficiency and reduce wastewater discharge. For wastewater containing a high amount of flocculants, the sedimentation method is used. After sedimentation, the flocculants are transferred to the subsequent sewage treatment process. For organic wastewater, the advanced MBR (Membrane Bio-Reactor) biological treatment method is applied, which decomposes organic matter into harmless substances through microbial metabolism.



Total discharge of industrial wastewater

32,725.7 tons

Established a green production line for sodium treatment, achieving the recycling of wastewater



Waste Disposal

We adhere to the three principles of "reduction, harmlessness, and resource utilization" for solid waste management. We have developed the *Solid Waste Management Control Procedure* to clarify key waste management measures and processing procedures. We scientifically store, transport, and dispose of waste, focusing on reducing waste emissions, ensuring long-term compliance with regulatory standards, and continuously improving resource utilization efficiency.

Harmless Waste Treatment

For general solid waste that can be recycled and reused, such as scrap metal and plastic, we entrust professional third-party companies to handle the recycling and reuse. Non-recyclable general solid waste is handed over to the environmental sanitation department for proper disposal.

Hazardous Waste Disposal

For hazardous waste, we establish a detailed ledger, prepare an annual management plan, and set up a centralized management warehouse equipped with warning signs. We then entrust qualified third-party organizations to handle the disposal.



Total amount of harmless waste:

709.2 tons



Hazardous waste disposal rate:

100 %

Total amount of hazardous waste:

248.5 tons

Total amount of recycled waste:

2,693.4 tons



Spreading Environmental Protection Concepts

We demonstrate our commitment to environmental protection by promoting green office practices and conserving biodiversity, thereby showcasing our social responsibility and our dedication to green development.



Advocating for Green Office

We actively implement green operations, foster a healthy work environment, and strengthen education on resource conservation to promote and embed the concept of conservation.



Energy conservation

We prioritize the procurement of green products and phase out high-energy-consuming office equipment. We use air conditioning and lighting systems judiciously to reduce standby energy consumption. Additionally, we promote the use of energy-saving lights and air conditioners.



Saving paper

We promote a paperless office environment, encourage computer-based document editing, and reduce the issuance of paper documents.



Reducing waste

We advocate the use of reusable office supplies and strictly enforce the sorting and collection of recyclable and hazardous waste for standardized disposal. Additionally, we prohibit the use of disposable utensils in the canteens.



Biodiversity Conservation

We recognize the importance of protecting natural resources and biodiversity and strictly adhere to national ecological preservation requirements. During the project site selection phase, we conduct ecological impact assessments (EIA) in compliance with the *Technical Guidelines for Environmental Impact Assessment – Ecological Impact* (HJ 19-2022). This ensures that, from the early stages of construction, projects avoid involvement with special or important ecological sensitive areas such as national parks, nature reserves, and ecological preservation redlines. We also implement effective measures to minimize disturbance to the ecological environment and protect biodiversity. During the reporting period, no major incidents damaging biodiversity occurred.

Shaping Better Life Together

WOTE is committed to shaping better life by delivering high-quality products and services across the whole industrial chain, driving industry progress, fostering partner growth, sharing development outcomes with communities, and promoting high-quality industry development.



Related Topics

Product Safety and Quality, Customer Service and Rights, Innovative Development, Supplier Management, Supply Chain Management, Social Welfare Activities, Employee Recruitment and Employment, Employee Compensation and Benefits, Employee Health and Safety, Employee Development and Training, Employee Satisfaction



Our actions

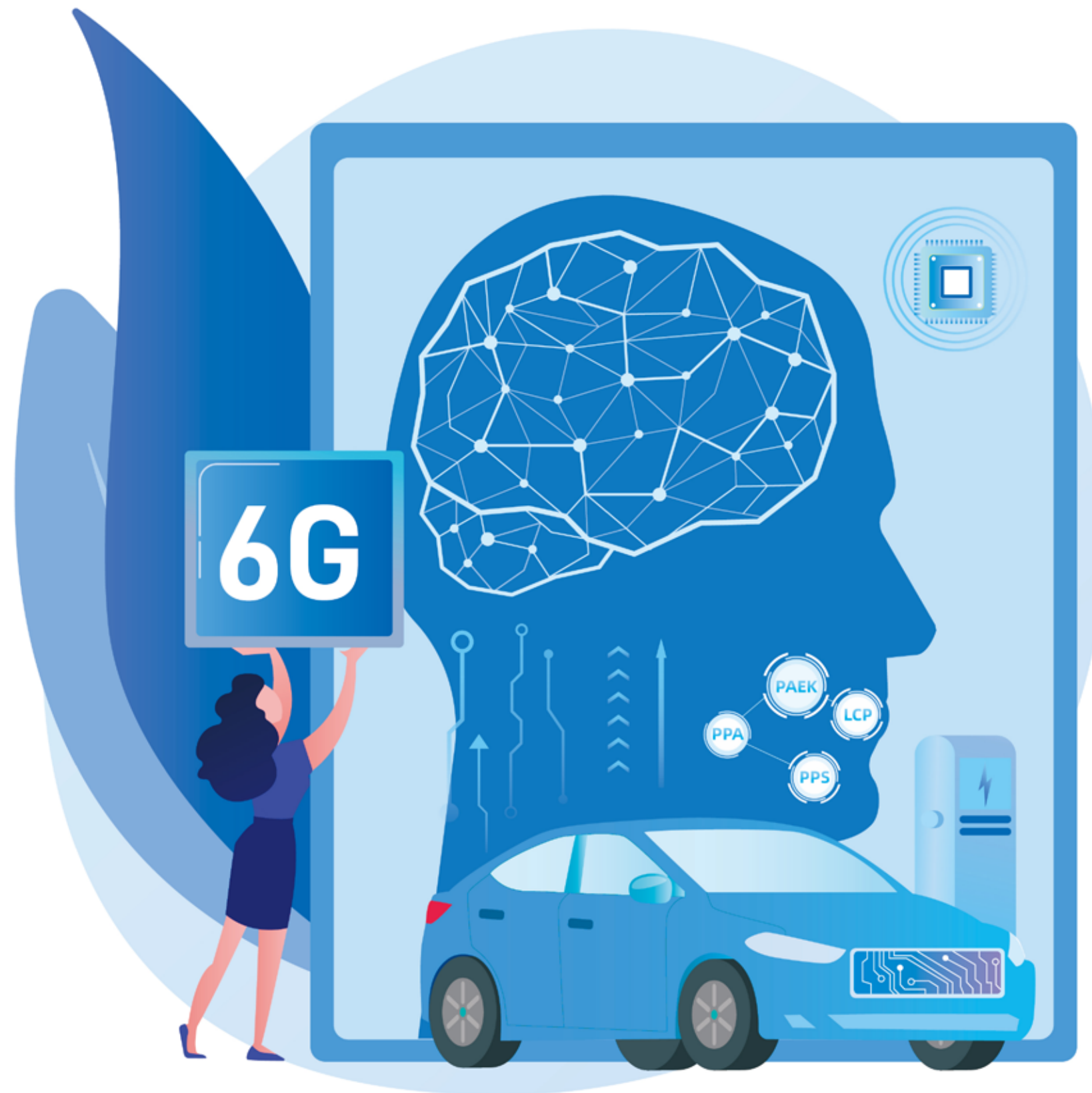
- Deepening Industrial Advantages
- Promoting Technological Innovation
- Caring for Employee Growth
- Pursuing Excellent Quality
- Building a Strong Security Line
- Active Participation in Social Welfare
- Providing High-quality Services
- Collaborating with the Industry for Mutual Successline



Our performance

Customer satisfaction score	Customer complaint resolution rate	Proportion of R&D investment to operating revenue
95.85 points	98.65 %	6.10 %
Total number of patents	Number of work-related fatalities	
416	0	
Total number of employees by post	Occupational disease incidence rate	
1,429	0	

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



Deepening Industrial Advantages

We are dedicated to providing world-class polymer material solutions that drive high-quality development across the whole industrial chain.



Improving the Product Matrix

Through a multi-pronged platform strategy, we have established an industrial framework for special polymer material, including liquid crystal polymer (LCP), high performance polyamide (PPA), polyphenylene sulfide (PPS), polysulfone (PSF), polyaromatic ether ketone (PAEK), and fluoropolymers (PTFE), while continuously expanding our specialized production capacities.

Self-developed Special Engineering Materials—LCP

Faced with the dilemma of domestic high-performance polymer materials being dominated by others, the Company has acquired foreign LCP production lines and promoted the complete localization of LCP materials, thereby facilitating the localization and integration of 5G/6G and AI server materials. With the ongoing expansion of its Chongqing Production Base, the Company will reach an annual capacity of 25,000 tons of LCP polymerized resin, positioning it as the world's largest supplier of new, commercially viable LCP capacity.



Self-developed Special Engineering Materials—PPA

The Company has realized the industrial chain layout of PPA material polymerization and compounding. The first phase of the Chongqing base has a production capacity of 5,000 tons of PPA, and the second phase of the 5,000 tons/year high-performance PPA project is under construction. The Company can independently develop multi-specification PPA materials, which have been applied in the powertrain and electronic control systems of new energy vehicles, as well as in precision connectors, Type C, and other scenarios in the communication electronics industry, achieving coverage in the fields of electronics and electrical, new energy vehicle components, and metal substitution.



Self-developed Special Engineering Materials—PPS

With the rapid development of industries such as 5G communication, new energy vehicles, and consumer electronics, the demand for PPS in the market continues to grow. The Company actively extends our layout towards high value-added PPS products through independent research and development, and expands our PPS production line to meet customers' diverse product needs. In 2024, the Company's PPS project entered the commercial application stage, and PPS materials were delivered in bulk.



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



Self-developed Special Engineering Materials—PAEK

With the rapid development of high-end manufacturing industries such as new energy vehicles, 5G communication, aerospace, robotics and medical equipment, the demand for PAEK continues to grow. The Company further expands its high-performance material product line and plans to build a PAEK polymerized resin production capacity of 1,000 tons. The first phase of the production line has entered the trial production stage. Zhejiang Conceptfe has the production and processing capability for 100 tons of PEEK profiles, and is ready for the arrival of the mature stage of AI.



Self-developed Special Engineering Materials—PSF

PSF materials have become a critical choice in medical devices, aerospace, and other high-end manufacturing sectors due to their superior properties. As the Company enhances its expertise in special polymer production and advances manufacturing technologies, it is actively optimizing PSF production processes to integrate ESG principles across its operations.



Improving the layout of Special Engineering Materials—Fluoropolymers

By acquiring Shanghai WOTE Huaben Semiconductor Technology Co., Ltd., the Company has improved the independent and controllable supply chain of high-performance fluorinated materials and accelerated the application and promotion of special polymer materials in the semiconductor and ultra-high voltage fields. Zhejiang Conceptfe has the ability to produce 8,000 tons high-performance new materials annually, as well as 5G communication and semiconductor equipment.



Empowering the Development of the Industrial Chain

We continue to enhance our research, development, production, and application of special polymer material solutions, driving high-quality transformation, upgrading, and sustainable development across application fields in industrial chains such as 5G/6G communications, low-altitude economy, new energy vehicles, computing servers, robotics, and semiconductors.



5G/6G & Communication Applications

We are promoting the application of LCP materials in 5G base stations, millimeter-wave radomes, electromagnetic shielding, high-speed copper cables, and Internet of Things (IoT) signal transmission stations.



Applications in the Low-Altitude Economy

We are capturing development opportunities in the low-altitude economy by providing material solutions for core components, including aircraft fuselages, gimbals, and flight propulsion systems.



New Energy Vehicle Applications

We have successfully developed eco-friendly spray-free interior materials and automotive antimicrobial materials, while deploying PPS and PPA applications in new energy vehicle powertrain and electronic control systems to advance industry development.



AI Computing Applications

We are enhancing thermal management solutions for GPU/CPU and AI servers, effectively improving the dimensional stability of AI optical modules under operational conditions.



Robotics Applications

We are delivering solutions for robot skeletons and motor materials to meet customer requirements in terms of strength, heat resistance, lightweighting, and fatigue resistance.



Semiconductor Applications

We are providing material and process support for semiconductor devices, including components such as cleaning chambers, piping, valves, and nozzles in semiconductor cleaning equipment, to enable efficient, stable, and innovative semiconductor manufacturing.

Pursuing Excellent Quality

Quality is the cornerstone of corporate development. We spare no effort in pursuing product quality by continuously enhancing quality management and control, optimizing product quality, and earning customer and market recognition through superior quality standards.



Deepening Quality Management

We uphold the quality objective of "making WOTE a byword for leading supplier," implementing comprehensive quality management systems and control methodologies. We strengthen end-to-end quality control while continuously elevating product quality and competitive capabilities.

- WOTE has obtained ISO 9001 Quality Management System Certification and IATF 16949 Automotive Quality Management System Certification.



Improving the quality management system

- Establish corporate headquarters and subsidiary-level Quality & Cost Management Committees to develop robust quality management systems, control methodologies, and product quality management protocols, including *Process Management Procedures*, *Product Inspection Control Procedures*, and *Nonconforming Product Control Procedures*.
- Annually set quality objectives with implementation plans and reinforce quality performance evaluations.

Developing quality control plans

- Develop quality control plans prior to project execution and maintain thorough documentation of quality control processes during implementation. Through standardized project management, we ensure quality across all phases, including project initiation, technical specifications, quality control, and supervision.



Strengthening product quality improvement

- Conduct monthly quality review meetings to analyze product defect root causes and implement corrective actions. Perform regular quality enhancement initiatives spanning R&D, production, procurement, sales, and after-sales services, with monthly prioritization of TOP improvement initiatives.
- Implement quality improvement incentive programs to encourage employee participation in submitting optimization proposals and driving continuous advancements in product quality and manufacturing processes.

Implementing full process quality management

New Product Quality Management

- Develop new product development workflows and quality control methodologies. Formulate new product testing plans under the *Management Measures of the Quality & Cost Management Committee*, conducting reliability testing, analysis, and evaluation reports for new technologies, materials, and processes.

Supplier Quality Management

- Implement supplier performance evaluation systems, raw material qualification assessments, and continuous improvement programs. Require suppliers to submit HSF (Hazardous Substance Free) compliance reports and execute binding Quality Agreements, *Environmental Compliance Agreements*, and *Quality Commitment Letters*.

Production Quality Management

- Standardize manufacturing processes and operational controls with ongoing site improvements. Utilize advanced production equipment and precision testing instruments to ensure manufacturing quality.

After-Sales Service Management

- Maintain structured customer complaint resolution procedures and corrective/preventive action processes. Deliver responsive customer support with prompt verification of improvement measure effectiveness.



Cultivating Quality Awareness

To foster an environment that values, pursues, and emphasizes quality, we actively cultivate a quality culture through regular "Quality Month" initiatives, enhanced quality management training, and the deep-rooted dissemination of "quality awareness" across the organization.

Creating a Culture of Quality

Quality policies

Continuous innovation targeting zero defects; a customer-focused approach ensuring satisfaction.

Quality objectives

Make WOTE a byword for leading supplier.

Quality strategy

Develop a comprehensive quality management system that employs scientific methodologies and standardized processes. Engage all employees in quality goal attainment throughout product lifecycles to deliver customer-satisfying outcomes.

Quality Training and Learning

- Annual "Quality Month" activities strengthen quality consciousness through lectures, seminars, and workshops.
- Structured quality training programs systematically upgrade staff competencies and instill a quality mindset.



Cultivating Quality Awareness



Quality Management Conference

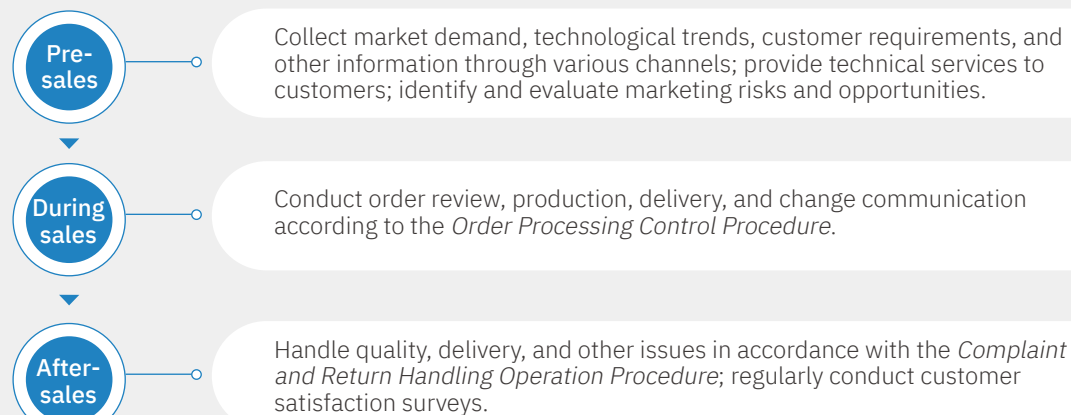
Providing High-quality Services

We prioritize service excellence through continuous refinement of customer engagement mechanisms spanning pre-sales, sales, and post-sales phases. Our commitment lies in building mutually beneficial partnerships through a profound understanding of diverse client needs and consistent delivery of exceptional experiences.

Improving Service Management

We continuously improve our service management by clearly defining the standardized service processes for pre-sales, sales, and after-sales through procedures such as Customer-Related Process Control Procedure. This helps us maintain effective communication and strengthen our client partnerships.

Standardizing Service Processes

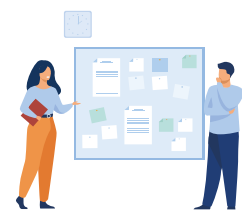


Smooth Communication Channels

Introduce information about the Company's products to customers through online promotion, ordering events, exhibitions, and distribution of promotional materials, providing opportunities for customers to understand the products.

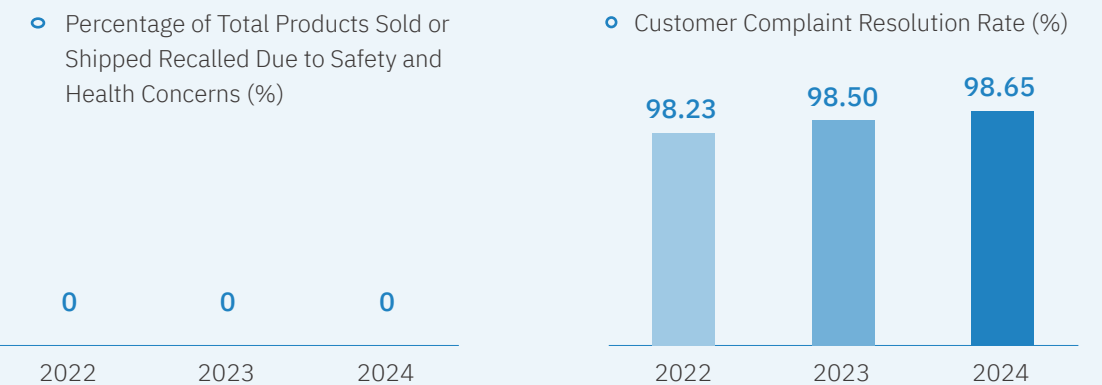


Understand customer needs and their product quality requirements through active visits, inquiries, and surveys.



Customer Complaint Handling

We place high priority on and promptly address customer feedback. The *Customer Complaint, Return, and Product Recall Operation Procedure* has been established to standardize handling procedures for customer complaints, returns, replacements, and product recalls. This ensures concrete actions to safeguard customer rights while continuously enhancing satisfaction and loyalty.



Standardizing the Complaint Handling Process

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



Upon receiving a customer complaint, immediately communicate an exception handling plan with the customer. Containment measures shall be determined within 24 hours, and a *Quality Anomaly Improvement Report* shall be submitted within 5 working days.



If customer feedback involves product quality or quality management system issues, implement the *Corrective and Preventive Actions Control Procedure*.



The initial response to customer complaints must be completed within 2 working days. Product return/exchange requests shall be processed in accordance with the *Order Handling Control Procedure*.



Return, Exchange, Recall Processing



Return

Confirm the reason for return, quantity, and product status (raw materials / sprue materials). Implement quarantine of returned goods, conduct re-inspection if required, issue a *Nonconforming Product Review Report*, and relocate items to the defective product zone.



Exchange

Execute through the *Order Handling Procedure* and arrange replacement.

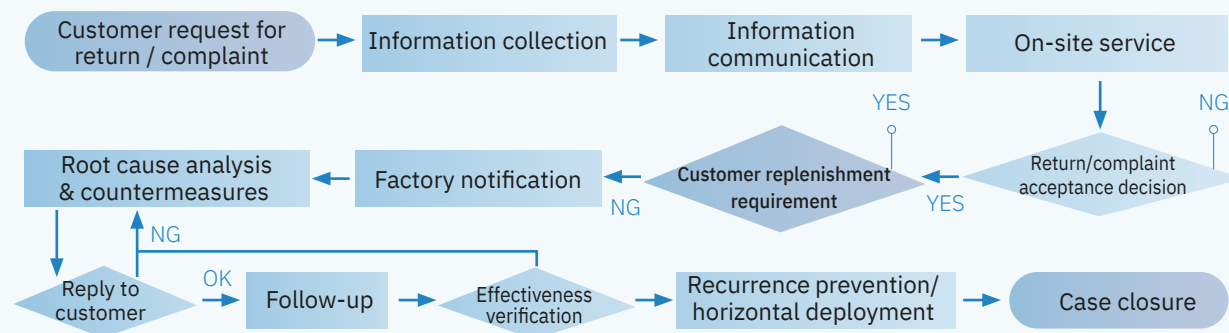


Recall

For sold products with confirmed quality issues (via customer complaints or internal audits), initiate recall procedures and promptly supply conforming products to meet customer needs.



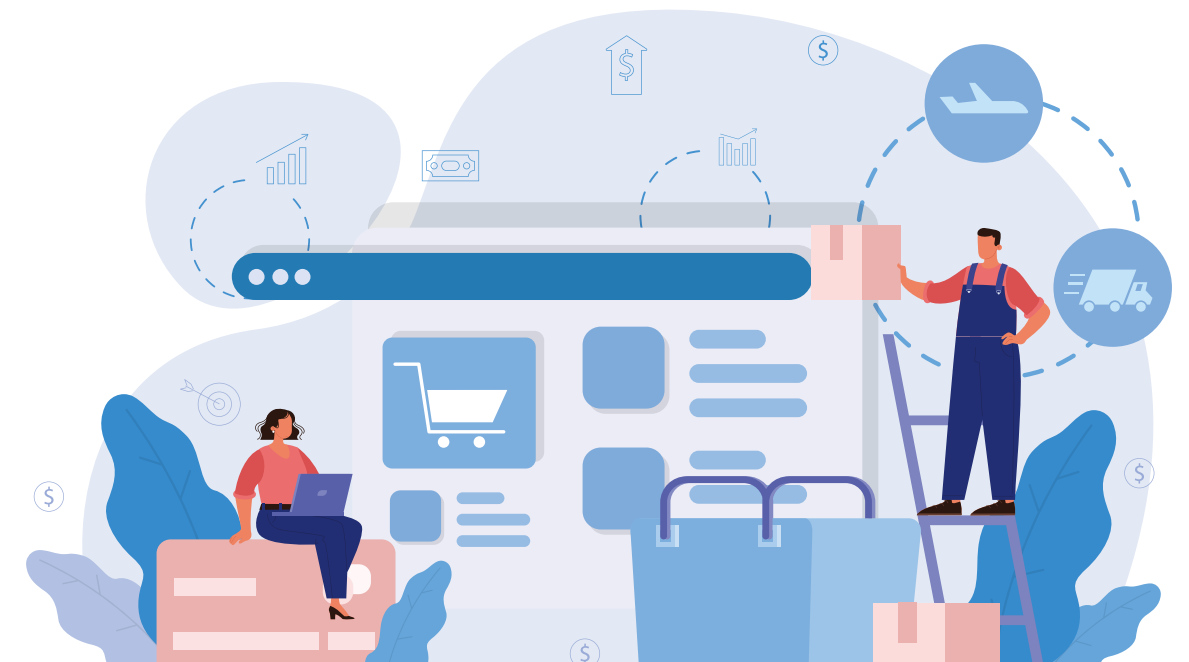
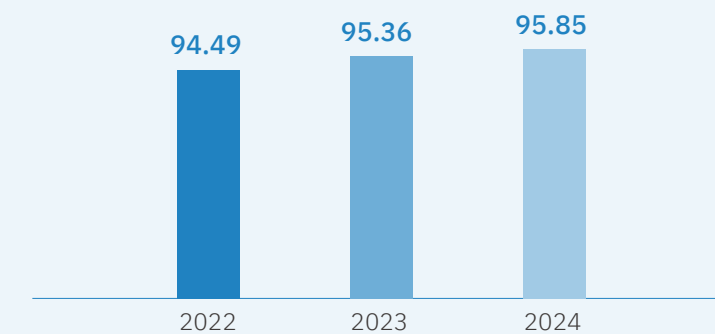
Customer Complaint, Return and Product Recall Handling Process



Improving Customer Satisfaction

We maintain proactive customer communication through the *Customer Satisfaction Survey Control Procedure*, conducting annual satisfaction surveys. For dissatisfied feedback, immediate root cause analysis and improvement plans will be implemented to ensure customer satisfaction.

Customer satisfaction (score)

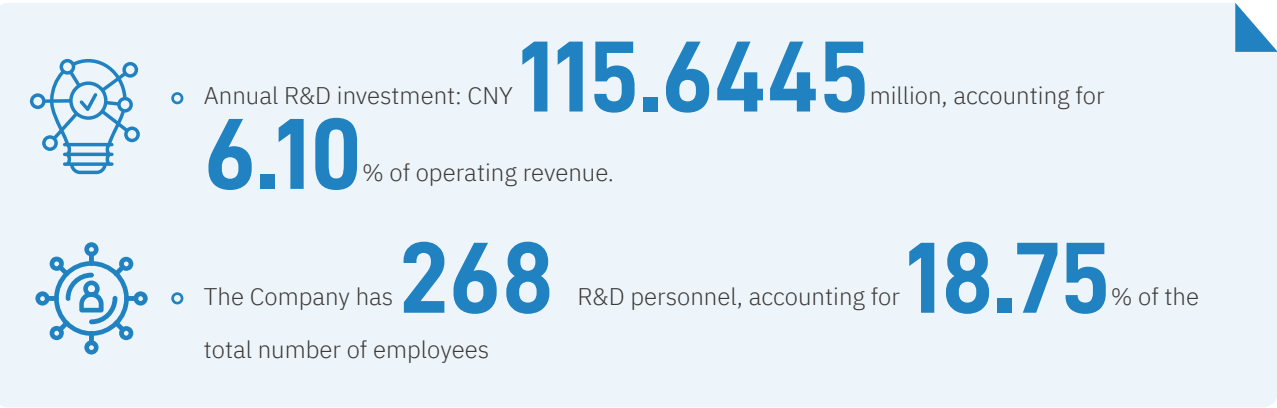


Promoting Technological Innovation

Innovation is the primary driving force for development. We have thoroughly implemented an innovation-driven development strategy, improved our R&D system, encouraged independent innovation, and continuously enhanced the Company's sustainable development capabilities and core competitiveness.

Improving the R&D System

We aim to establish a leading "special polymer materials platform-based company" in the industry by continuously improving innovation mechanisms, increasing R&D investment, strengthening staff development, stimulating innovative vitality, and advancing technological self-reliance and self-strengthening.



Research and Development Goals

In developing eco-conscious product solutions, we focus on three key aspects: (1) enhancing environmental compatibility by restricting substances of concern (SoC), (2) improving product recyclability, and (3) ensuring full compliance with the Global Automotive Declarable Substance List (GADSL) and other relevant industry standards.

Our energy efficiency initiatives emphasize production process optimization through four strategic approaches: (1) reducing energy consumption, (2) minimizing carbon emissions, (3) maximizing material efficiency, and (4) mitigating manufacturing waste streams.

In material science innovation, we specialize in modified plastics and polymer materials development, and promote the R&D of new materials such as lightweight, high-temperature-resistant, and high-strength materials to meet the high-performance requirements of the automotive and home appliance industries.

R&D strategy

A customer-centered approach drives end-to-end material development based on customer requirements, addressing critical customer needs to realize commercial value.

R&D system

We have established comprehensive management frameworks, including the *R&D Organization Management System*, *Scientific Research Innovation Management Regulations*, *Patent Management System*, *Research Funding Management System*, and *Implementation and Reward System for the Transformation of Scientific and Technological Achievements*.

R&D platform

We maintain four national/provincial-level technological innovation platforms—National CNAS Laboratory, Guangdong Engineering Technology Research Center, Guangdong Academician Expert Workstation, and Jiangsu Foreign Experts Studio—complemented by subsidiary R&D centers. We operate specialized R&D centers and pilot platforms for nylon polymerization, carbon fiber composites, high-temperature material compounding, wear-resistant materials testing, 5G dielectric materials evaluation, and structural fatigue analysis.

R&D team

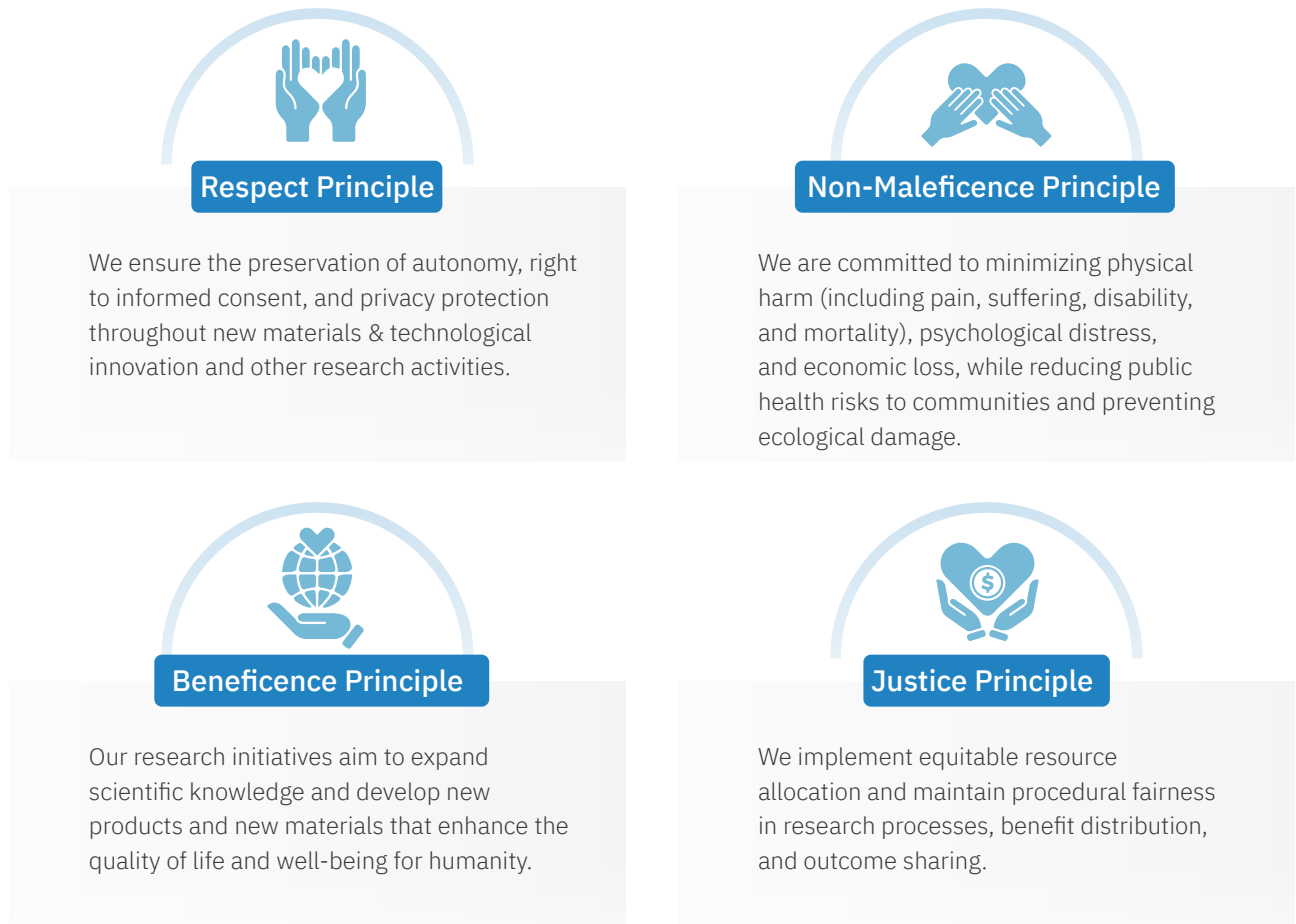
Our team comprises renowned academicians, experts, and scholars in materials science, supported by multidisciplinary professionals in polymer materials, chemical engineering, industrial design, materials science, analytical chemistry, and inorganic chemistry. This strategically structured team combines balanced age distribution, comprehensive expertise, and strong innovation capacity. We are proactively developing nanotechnology capabilities for future polymer applications through specialist recruitment.

Incentive mechanism

We encourage free exploration and innovation through dedicated recognition programs that reward team members achieving breakthrough innovations.

Adhering to Scientific Ethics

In our scientific research endeavors, we enhance governance over ethical norms and rigorously uphold the four fundamental ethical principles: Respect, Non-maleficence, Beneficence, and Justice. This commitment fosters a healthy, equitable, and well-regulated research ecosystem that advances the sustainability of scientific endeavors.



Abundant Innovation Achievements

We actively participate in formulating industry standards, proactively undertake key core technology research projects and national major science and technology programs, consistently promote the commercialization of scientific innovation achievements, steadily improve patent protection for independent innovation outcomes, and contribute to high-quality industry development.

- Obtained **6** high-tech enterprise certifications
- Having **5** specialized and innovative enterprises
- Total number of patents: **416**
- Undertaking national, provincial and municipal major technology research projects.

- Innovation breakthroughs**: We have achieved technological breakthroughs in core components for LED lighting, optical fiber communication, semiconductor packaging, lithium battery packaging, and drone applications.
- Achievement conversion**: We encourage innovative thinking, actively conduct innovation proposal campaigns, and vigorously advance the practical application of specialized R&D project outcomes.
- Patent protection**: We cooperate with patent agencies to file patent applications for innovative discoveries during R&D. In 2024, we were granted **18** authorized invention patents and **6** utility model patents.



High-Frequency Transmission Dielectrically Controllable LCP Project



Addressed diverse material requirements of customers through innovative formula design and improved dielectrically controllable materials.

Battery Component Project



Entered the automotive new energy battery sector by achieving breakthroughs in insulating LCP, helping customers enhance product yield rates.

Building a Strong Security Line

Security serves as the prerequisite for development, while development provides the safeguard for security. We consistently uphold the principle of "safety first," strictly comply with national laws and regulations, including the *Work Safety Law*, continuously refine our safety management system, cultivate a safety culture, and safeguard the safety lifeline.



Implementing Work Safety

We consider safety as our cornerstone by intensifying work safety management, establishing sound work safety rules and regulations, enhancing the identification and remediation of major risks and potential hazards in work safety, optimizing work safety conditions, and ensuring work safety operations.



During the reporting period, the number of work-related fatalities was

0

WOTE Huaben has completed the three-level review of work safety standardization.



Establishing a safety management framework

We have established a Safety Management Committee to rigorously implement work safety management. The EHS (Environment, Health, and Safety) management system has been piloted at production bases with defined assessment objectives, requiring full compliance with environmental, health, and safety standards throughout manufacturing processes.

Improving safety regulations and systems

A comprehensive framework has been developed, encompassing work safety evaluations, objective management, resource allocation, hazard identification, emergency response protocols, and major danger source controls. All safety operation procedures and emergency plans have been systematically updated. A safety accountability system has been implemented with clearly defined responsibilities and designated personnel, supported by multi-level safety commitment agreements that assign individual safety responsibilities.



Company R&D team

Strengthening safety inspections and hidden danger screening

A structured safety inspection plan has been prepared, featuring quarterly workshop inspections led by the General Manager and monthly factory-wide inspections conducted by the Safety Management Department. A hazard identification and resolution mechanism has been established with active employee participation in hazard detection processes.

Conducting security risk assessment

Workplace safety risk assessments have been conducted with particular emphasis on water and electrical installations. WOTE Huaben has successfully completed the archival filing of its *Risk Classification and Control Evaluation Report*.

Regularly maintaining safety facilities

Safety infrastructure development has been enhanced through the implementation of rigorous facility maintenance protocols. Dedicated personnel have been assigned for daily inspections and maintenance of safety equipment, complemented by periodic testing of fire alarm systems and fire suppression apparatus.



Ensuring Chemical Safety

We strengthen the safety management of hazardous chemicals by ensuring chemical safety across all processes, including procurement, storage, usage, transportation, and disposal, thereby safeguarding production facilities and personnel safety.

- The implementation is supervised by subsidiaries' EHS Committees or Environmental Management Committees. We have established control systems such as the *Chemical Management Control Procedure* and *Emergency Response Plan for Hazardous Chemical Accidents*. We strictly refrain from purchasing or using chemicals listed in *China's List of Strictly Restricted Toxic Chemicals* or substances prohibited/restricted by customer requirements. All chemical procurement, transportation, storage, and usage activities strictly comply with national chemical regulatory requirements.
- Regular chemical spill drills are conducted to enhance staff emergency response capabilities and mitigate accident risks.



Cultivating a Safety Culture

Ensuring work safety fundamentally relies on human factors. We have implemented a comprehensive safety training system, organizing various activities, including safety education programs, emergency drills, and "Work Safety Month" campaigns, to embed a safety culture, improve employees' safety awareness and competencies, and collectively maintain a safe, orderly, and harmonious production environment.

Safety training throughout the year

21,676.2 hours

Average duration of safety training per person

14.68 hours

Employee safety training coverage rate

100 %



Safety Publicity and Education

New employees undergo three-tiered safety education and training. Prior to assuming duties, all new hires must complete at least 72 hours of safety training covering corporate safety culture, fundamental safety knowledge, and job-specific safety operation procedures.

Regular operational safety training is provided to employees, supplemented by plant-level safety and environmental education sessions with periodic assessments to reinforce work safety awareness and personal protective capabilities.

Safety Emergency Drills

We have improved emergency plans by developing specific response measures for various accident scenarios, including fires, explosions, and mechanical injuries. These measures clearly define emergency response organizations' responsibilities, operational procedures, and resource allocation requirements.

Specialized emergency drills are conducted enterprise-wide, covering fire evacuation, seasonal fire prevention, gas leak response, confined space operations, radiation leaks, and special equipment handling. Participation in emergency skills competitions further enhances staff emergency response and incident management capabilities.



Huizhou WOTE Fire Drill



Vietnam WOTE Fire Drill



Ensuring Occupational Health

We have always prioritized the health and safety of our employees, committing to providing comprehensive health and safety protections while creating a healthy and secure working environment.

Employee work-related injury insurance coverage rate

100 %

Occupational disease incidence rate

0

Detection rate of occupational hazards in the workplace

100 %

Establishment rate of employee occupational health monitoring records

100 %

Occupational health examination rate for employees exposed to occupational hazards

100 %

Developing occupational health and work safety management objectives

We have set annual and monthly targets, implementing controls aligned with established indicators and management plans. Through regular monthly EHS activities, inspections, and indicator verification, we systematically reduce risks while ensuring employee health and safety.

Improving the occupational health management system

We strictly implement occupational health and safety management in compliance with ISO 45001 requirements, establishing a robust occupational health management system. This system includes the *Safety Management Regulations*, *Occupational Health Check-up Regulations*, *Occupational Disease Prevention Guidelines*, *Occupational Hazard Disclosure Policy*, and *Occupational Health Surveillance Archives Management Regulations*, ensuring institutional safeguards for employee health and safety.

Organizing occupational health promotion and education

- New employees receive pre-employment occupational health training followed by regular refresher sessions during employment to strengthen occupational disease prevention awareness.
- Annual specialized occupational health training is conducted, supplemented by knowledge dissemination through internal workshops, informational posters, and educational brochures.

Carrying out identification and control of occupational hazard factors

- Workplace hazard identification and control processes designate dust, noise, and chemical toxins as primary occupational disease hazards, with corresponding mitigation measures implemented.
- Regular third-party testing of occupational hazard levels is conducted in work places, with appropriate personal protective equipment provided to all employees.

Implementing occupational health monitoring

Employees undergo mandatory occupational health examinations at three stages: pre-employment, during employment, and post-employment. We maintain individual occupational health monitoring files documenting examination results, occupational hazard exposure history, and related information for each employee.

Establishing emergency response plans for occupational disease hazard accidents

A comprehensive emergency response plan for occupational hazard incidents has been established, specifying emergency procedures, rescue protocols, and personnel responsibilities to minimize health impacts on employees.



Collaborating with the Industry for Mutual Success

We firmly believe that cooperation and knowledge sharing drive sustainable development for enterprises, industries, and society. Treating suppliers as strategic partners, we implement responsible supply chain management. Through deep collaboration with industry experts and joint research initiatives, we advance technological innovation to guide industry development.



Building a Responsible Supply Chain

We continuously improve the supplier lifecycle management system, defining supplier development, qualification, evaluation, and exit procedures through the Supplier Management Control Procedure. We prioritize building a robust supplier management framework, establishing strategic partnerships with suppliers to ensure stable production operations.



Proportion of overseas suppliers

5.53%



Proportion of domestic suppliers

94.47%



Proportion of core key suppliers evaluated by the Company's evaluation system

100%

Enhancing the resilience of the supply chain

- We continuously optimize the supply chain structure by establishing an alternative supplier database for critical materials, and progressively implementing domestic substitution of imported materials to reduce procurement risks and ensure supply chain independence and controllability.
- We strengthen supply chain risk identification and management by developing the Harmful Substance Identification and Risk Assessment Procedure to mitigate material risks, while conducting risk assessments and audits for critical suppliers to prevent supplier-related risks.
- We establish framework agreements with key strategic suppliers to form long-term collaborative partnerships, implement regular visitation and communication mechanisms with suppliers, and enhance their compliance capabilities.

Strengthening supplier management



Supplier Development and Selection

- Continuously optimize the supplier database through evaluation of potential suppliers. Selected suppliers must, in principle, obtain ISO 9001, ISO 14001, and ISO 45001 certifications. Automotive material suppliers must additionally obtain IATF 16949 certification. Priority is given to suppliers holding QC 080000 and RBA certifications, with active encouragement for suppliers to pursue relevant system certifications.
- To ensure raw material compliance with quality and environmental requirements, suppliers must provide Hazardous Substance Free (HSF) reports and *execute Quality Agreements, Environmental Protection Agreements, and Quality Commitment Letters*. Electronics industry material suppliers must additionally sign the Responsible Business Alliance (RBA) Code of Conduct Commitment Letter.



Supplier Performance Evaluation

- Conduct semi-annual or annual assessments for all active *suppliers according to the Supplier Comprehensive Evaluation Criteria*.
- Suppliers in Category B undergo semi-annual evaluations. Those with subpar results face procurement reduction/suspension and enhanced oversight.
- Annually select 10-20 Category B suppliers for on-site audits using the *Supplier Site Audit Checklist*. Suppliers with unsatisfactory audit results are added to the *Annual Supplier Optimization List* and required to implement corrective actions.



Supplier Exit Mechanism

- Suppliers failing to maintain ISO 9001 certification, experiencing major batch quality issues, or demonstrating poor performance in semi-annual/annual audits are listed in the *Annual Supplier Optimization List*. Failure to achieve satisfactory improvement within specified timelines triggers exit procedures.
- Suppliers with no business activity for two consecutive years enter exit procedures. Subsequent cooperation requires a full reintroduction process.



Deepening Cooperation and Communication

We actively engage in strategic cooperation and communication with partners including universities, research institutions, and industry experts, working together to build sustainable partnerships.

○

We collaborate with leading research institutions, including the National Innovation Center for Advanced Medical Devices, Jilin University, and Shenzhen University, to advance material innovation and support the Company's high-quality growth.

○

We collaborate with Beijing University of Aeronautics and Astronautics on cooperation related to ESG initiatives and corporate social responsibility. Our joint research aims to develop strategies that promote sustainable enterprise growth in the new materials sector by: aligning with national industrial development strategies and enhancing corporate social responsibility. These efforts will provide actionable insights for new materials enterprises to formulate sustainable development strategies.

Caring for Employee Growth

We adhere to the "people-oriented" principle, committed to creating an equal and inclusive workplace environment, improving compensation and benefits systems, establishing comprehensive talent development platforms, expanding recruitment channels, and attracting exceptional talents. Simultaneously, we provide employees with healthy and comfortable working conditions, laying a solid foundation for both enterprise and employee development.

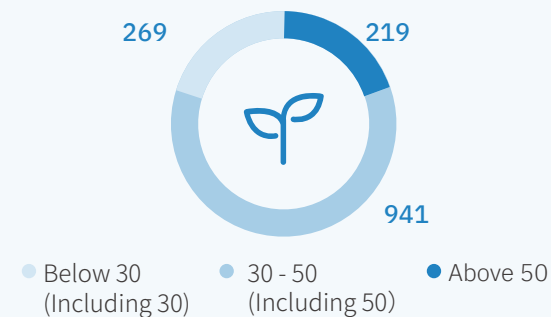


Protecting Employee Rights and Interests

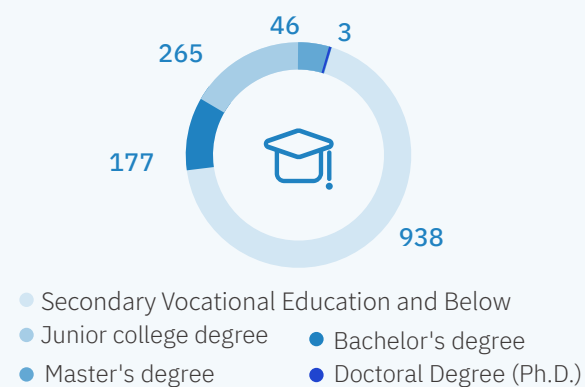
We strictly comply with laws and regulations, establishing institutional frameworks that include the *Human Resources Management System* and *the Employee Handbook*. Labor contracts are executed in accordance with the law to implement employment standards, ensuring non-discrimination in recruitment and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



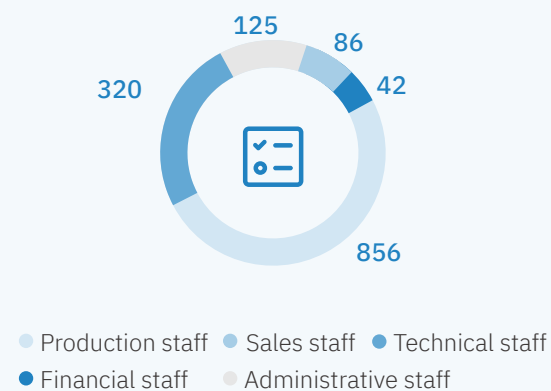
Composition of employees by age



Composition of employees by educational background



Composition of employees by profession



Proportion of middle and top managers

12%



Number of women in middle and top managers

16



Proportion of employees from ethnic minorities

2%



Proportion of disabled employees

0.2%



Labor contract signing rate

100%



Percentage of employees with social insurance

100%



Proportion of local employees

62%



Implementing labor standards

- We rigorously comply with international conventions and domestic legislation, explicitly prohibiting child labor and forced labor. Regular employee verifications are conducted, with immediate cessation and corrective actions taken upon identifying any violations.



Promoting flexible employment

- Employment opportunities are provided to retired employees through a re-employment system, and internship opportunities are offered to recent university graduates to lay the foundation for their career development.



Improving the salary system

- We continuously optimize the *Compensation Management System, Performance Evaluation and Management System, Notification on Supplementary Explanations and Bonus Point Rules for the Performance Management System, Incentive Mechanisms*, to ensure salary growth aligned with employee capabilities and achievements. Annual salary adjustment principles are established accordingly.
- We have developed a scientifically structured and equitable compensation system that ensures employees receive rewards commensurate with their contributions, professional competencies, and market value through multidimensional value assessment. Concurrently, we have established a dual-driven model integrating short-term performance incentives with long-term developmental rewards, thereby continuously enhancing organizational talent attractiveness and sustaining workforce vitality.



Implementing democratic management

- A trade union facilitates communication channels, including staff and workers' representative congress, staff assemblies, departmental meetings, and suggestion boxes. Employee suggestions are collected quarterly and feedback is provided in a timely manner, creating favorable conditions for staff participation.
- Leadership-employee communication is enhanced through improved chairman liaison mechanisms, utilizing forums, office meetings, and surveys to collect feedback and ensure the protection of employees' rights to information, participation, expression, and oversight.
- An employee proposal system encourages staff participation in factory management through the "I Contribute a Strategy to WOTE" initiative, fostering a sense of ownership in democratic governance.



Supporting Employee Development

We attach great importance to the development of a talent echelon, consistently intensify talent cultivation efforts, and strive to build a high-caliber talent team. We streamline employee promotion channels, stimulate talent vitality, and achieve the organic integration and mutual reinforcement between individual career growth and corporate development.



Employee training expenses

CNY **839,600**

Employee training coverage rate

87 %

Number of employee training sessions

318

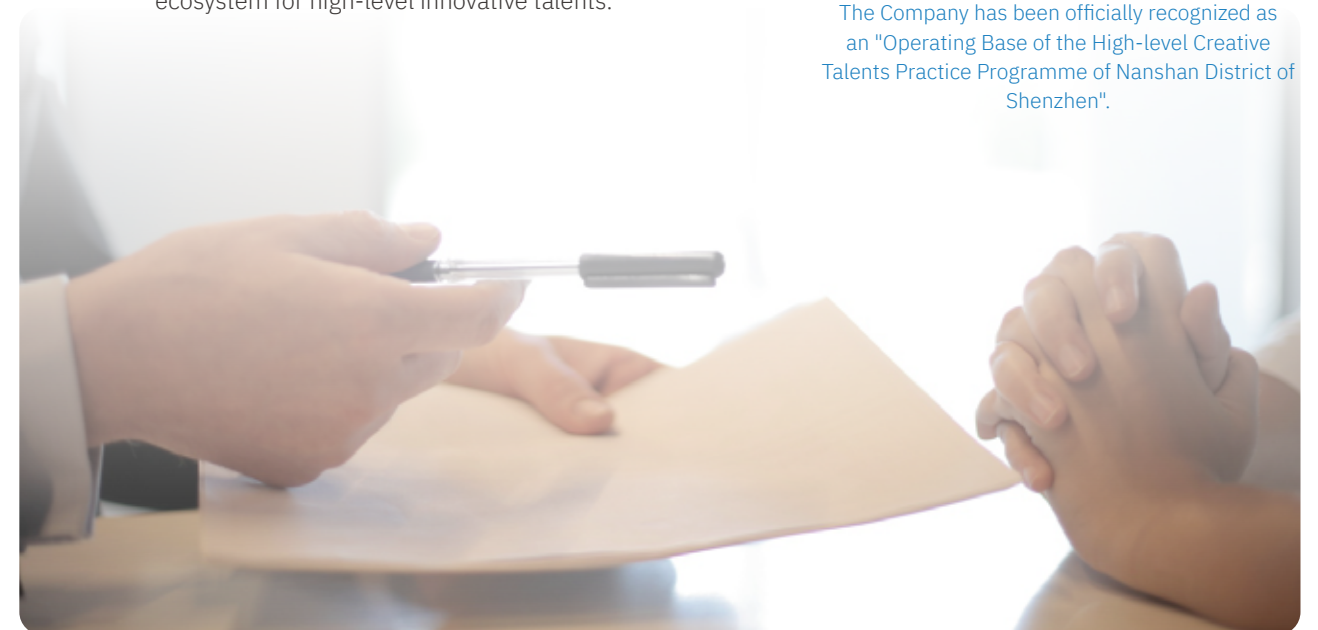
Implementing the strategy of prioritizing talent development



Having successfully obtained the designation as an "Operating Base of the High-level Creative Talents Practice Programme of Nanshan District of Shenzhen," we vigorously implement the talent-priority development strategy. This initiative strengthens talent recruitment and cultivation in key enterprises and research institutions within strategic emerging industries, future industries, modern service sectors, and other critical fields, while fostering a favorable ecosystem for high-level innovative talents.



The Company has been officially recognized as an "Operating Base of the High-level Creative Talents Practice Programme of Nanshan District of Shenzhen".



Improving the training system

We continuously refine our training framework, providing employees with a comprehensive career-long education system that encompasses onboarding training, job-specific skill development, industry certifications, and cross-functional transition programs. This ensures that employees acquire the competencies essential for role proficiency.

For new hires, we implement customized development plans to facilitate their swift transition from academia to professional practice.



Chairwoman Wu Xian's Management Empowerment Training

Building a learning path



We have established a fair, just, and transparent skill grading system for frontline employees and constructed learning pathways based on the job qualification standards. With capability development as the main axis, we provide a range of training and learning opportunities. This enables employees to visualize the skills required at each stage of their career progression, from new hires to proficient workers and key business personnel, thereby promoting employee learning and development.

Strengthening performance evaluation

Conducting Regular Target Review Sessions

Performance targets and directions are clarified. The management team signs annual target responsibility agreements and decomposes the targets hierarchically.

Improving Performance Evaluation System

We conduct regular performance dialogue sessions between leadership and employees, organize performance review meetings, and validate the effectiveness of performance outcomes.

Setting Performance Appeal Channels

We value employees' appeals and ensure the fairness of performance appraisal.

Strengthening talent incentives



With clearly defined incentive principles, we have optimized annual bonus schemes to ensure appropriate recognition for top performers. During the reporting period, the Company implemented an employee share ownership plan, which fully mobilized the enthusiasm and creativity of the company's managers and employees.



Multi-dimensional Project Management Training



Strategic Thinking and Execution Training

Caring for Employee Life

We strive to create a better life for our employees by continuously enriching welfare programs, providing humanized care, assisting in resolving practical difficulties, enriching cultural activities during leisure time, fostering a strong "family" culture atmosphere, and enhancing overall cohesion and centripetal force.

Jiangsu WOTE's employee satisfaction rate for

99.8%

Improving employees' benefits



We have established a diversified welfare system, including summer heat subsidies, birthday benefits, expatriate allowances, and holiday bonuses. Employees enjoy access to freshly ground coffee machines, daily herbal tea selections, and seasonal specialty beverages to boost workplace motivation and satisfaction.



Through the WOTE Love Fund, we support employees facing life difficulties. A systematic condolence allowance policy has been implemented, providing financial assistance and compassionate leave for weddings and funerals involving employees and their families.

Enriching employees' lives



Facilities include dedicated reading rooms and table tennis areas. Regular birthday celebrations, team-building events, and social gatherings are organized, complemented by annual staff travel programs to strengthen a sense of belonging and happiness.



Company Annual Meeting



International Rubber and Plastic Exhibition

Active Participation in Social Welfare

Rooting corporate social responsibility in our DNA, we practice the corporate spirit of "Kindness, Harmony, Dedication," driving sustainable business initiatives. Our philanthropic efforts span industrial chain development, education support, and poverty alleviation.

In 2024, a public welfare and charity donation of CNY

1,294,000

"I have always maintained that championing compassion holds vital significance for enterprises. We aspire to unite partners who share congruent values to forge shared paths. Therefore, WOTE consistently advocates cultivating benevolence and implementing ethical actions within our sphere of influence."

—Chairwoman Wu Xian

In 2019, we co-established the Shenzhen Charity Association · WOTE Public Welfare Fund, sustaining material donations for societal betterment. In 2022, we partnered with the CAS Shenzhen Institutes of Advanced Technology alongside three other enterprises to establish the Women's Science Innovation Fund. We also actively participated in various public welfare initiatives, providing substantial support throughout these activities. Contributions to Shenzhen Women & Children's Foundation, and the "WOTE Scholarship" program cultivate high-caliber talents.

For three consecutive years, we supported the "Thousand Love Actions" and "Poverty Alleviation" education initiative by Beijing Shenggen Kindness & Wisdom Foundation.

In October 2024, to strengthen autonomous control over raw materials for our special polymer products and bolster ongoing development of new technologies and products, we donated CNY 1 million via the HIT Education Development Foundation to bolster organic polymer material research and development at HIT (Shenzhen).

Chairwoman Wu Xian Advocates for the "Southern China Caring Mothers" Public Welfare Project, Jointly Supporting Women and Children



Transparent Governance: Building a Solid Foundation for High-Quality Development

Sound corporate governance forms the cornerstone of enterprise development. Adhering to our corporate tenet of "Honesty and Self-Discipline, High Efficiency," WOTE continuously refines the governance system, strengthens compliance management capabilities, enhances investor relations practices, and steadfastly safeguards the interests of the Company and all shareholders.



Related Topics

Corporate Governance, Risk Compliance, Stakeholder Management, Business Ethics

Our actions

- Improving Corporate Governance
- Preventing Compliance Risks
- Protecting Investors' Rights and Interests
- Business Ethics Commitment
- Ensuring Information Security



Our performance

Convened **9** BoD Meetings and deliberated **48** proposals

Convened **8** BoS Meetings and deliberated **27** proposals

Convened **4** General Meetings and deliberated **23** proposals

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

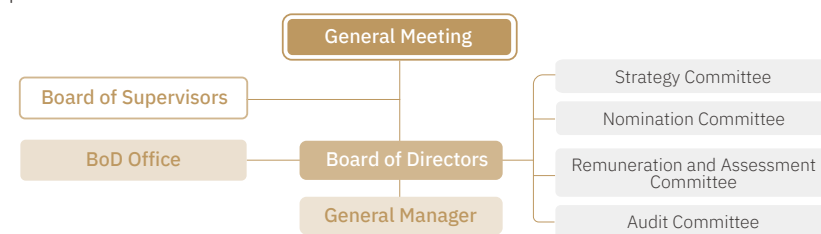


Improving Corporate Governance

Scientific and modernized governance serves as the cornerstone for efficient and stable corporate operations. We persistently optimize our governance system by improving the modern enterprise framework with Chinese characteristics, grounded in the Articles of Association, to elevate governance standards.

Corporate Governance System

In strict compliance with relevant laws and regulations, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Code of Corporate Governance for Listed Companies*, we have established a well-defined corporate governance structure. This structure comprises the General Meeting, the Board of Directors (BoD), the Board of Supervisors (BoS), and the Executive Management, ensuring standardized operations with clearly delineated responsibilities.



Corporate Governance Structure Chart

The Board of Directors oversees four specialized committees: the Strategy Committee, the Nomination Committee, the Remuneration and Assessment Committee, and the Audit Committee. Independent directors chair the Audit, Nomination, and Remuneration and Assessment Committees and constitute the majority of each committee's membership. Each committee rigorously fulfills its duties in accordance with the *Articles of Association*, *Rules of Procedure*, and operational guidelines, providing professional recommendations to support the BoD's informed decision-making.

During the reporting period, we improved key governance documents, including the *Articles of Association* and the *Board of Directors' Rules of Procedure*, to align with evolving regulatory requirements and operational practices. These enhancements further improved the operational efficiency and procedural rigor of the BoD and its committees, strengthening overall governance efficacy.

We remain committed to optimizing the BoD's composition and ensuring compliance in the BoD and the BoS succession planning, thereby maintaining governance continuity and stability. In 2024, the Company successfully completed the re-election of the BoD and the BoS, along with executive appointments, ensuring a seamless transition and sustained orderly operations of the corporate governance structure.

- Convened **9** BoD Meetings and deliberated **48** proposals
- Convened **8** BoS Meetings and deliberated **27** proposals
- Convened **4** General Meetings and deliberated **23** proposals



Effectiveness of the Board of Directors

We nominate and elect Directors in compliance with the Company's Articles of Association, fostering a diversified BoD composition that delivers comprehensive perspectives and professional excellence. The BoD maintains the requisite independence to ensure objective judgment and scientific decision-making in researching and deliberating major topics.

Independent Directors

The Company has established the *Special Meeting Procedures for Independent Directors* and has correspondingly amended the *Independent Director Work System*. These regulations stipulate that Independent Directors may serve on the boards of up to three domestic listed companies. As of the reporting period, the BoD comprises 7 members, including 3 Independent Directors (42.86%), satisfying regulatory requirements for independent oversight.

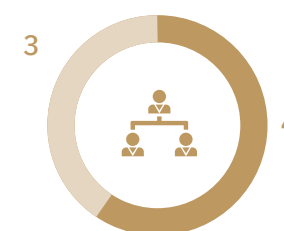
Diversification of Directors

In accordance with the *Articles of Association*, BoD diversity is evaluated across multiple dimensions, including professional expertise, skills, and knowledge, tenure, regional representation, cultural background, educational qualifications, gender, and age. Currently, female representation stands at 14.29%, with one female Director.

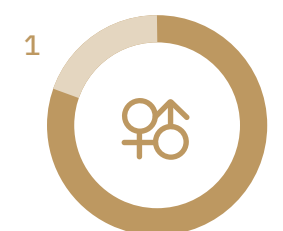
Professional nature of directors

The current BoD demonstrates multidisciplinary excellence in business administration, materials science, economics, accounting, and legal affairs. Over 50% hold postgraduate qualifications, with Independent Directors being renowned experts in their respective fields. This composition ensures informed decision-making grounded in professional rigor.

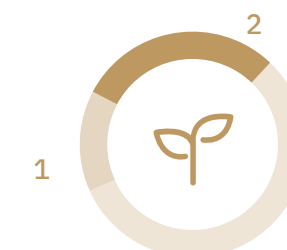
BoD Composition



● Director ● Independent Director



● Male ● Female



● Below 50 ● 50-60 ● Above 60



Professional Capability Enhancement

We prioritize continuous professional development for directors, supervisors, and senior managers through regular training programs organized by securities regulatory bureaus, stock exchanges, industry associations, and external institutions. These initiatives enhance governance capabilities and regulatory compliance.

In addition, to enhance the professional knowledge and performance capabilities of directors, senior managers, and relevant department staff in ESG, we regularly conduct specialized training sessions facilitated by external experts, covering ESG development trends, implementation strategies, and best practices from leading companies, continuously improving the Company's ESG management level. During the reporting period, 26 professional training sessions were completed for directors, supervisors, and senior managers.

Preventing Compliance Risks

We maintain rigorous compliance governance by establishing comprehensive management systems, including the *Internal Audit Management System* and the *Major Information Internal Reporting System*. These systems enable us to proactively identify potential issues and risks in our operations and to promptly implement rectification actions. By doing so, we enhance the company's ability to respond to risks, thereby supporting our stable operation and high-quality development.

Strengthening Prevention Mechanisms

- Establish and improve risk assessment and prevention mechanisms, and regularly hold risk assessment meetings to enhance the Company's ability to prevent and resist risks.
- Delegate the headquarters audit department to provide business guidance and supervision evaluation to each subsidiary, and strengthen the risk management capabilities of relevant personnel from top to bottom.

Identifying Risks Accurately

- Conduct independent audits on the internal controls, financial information, and operational efficiency of subsidiaries in accordance with national regulations and corporate policies, ensuring compliance and asset security.
- Regularly conduct internal control self-assessment work, reviewing the internal control system of the Company and our affiliated units from three aspects: appropriateness, legality, and effectiveness, and assessing the risks faced in the Company's business processes.
- Hire professional third-party organizations to conduct external audits and further increase the intensity of review.

Supervising Optimization and Rectification

- Conduct follow-up audit supervision on issues discovered during the audit or review process, supervise and inspect the adoption of audit opinions by relevant units, and continuously monitor the effectiveness of their rectification.



Training on Integrity and Risk Control at WOTE

Protecting Investors' Rights and Interests

We safeguard investors' right to information through institutional mechanisms, maintain open communication channels with investors, continuously enhance the quality and transparency of information disclosure, and effectively protect the legitimate rights and interests of investors.

Compliance Information Disclosure

In strict compliance with laws and regulations, including the *Securities Law of the People's Republic of China* and the *Administrative Measures for Information Disclosure of Listed Companies*, we have established governance frameworks such as the *Information Disclosure Management System* and the *Information Disclosure Suspension & Exemption Management System*. Adhering to the principles of fairness, openness, and impartiality, we present comprehensive corporate information to investors in an objective, truthful, and accurate manner.

During the reporting period, we disclosed 145 regulatory announcements and supporting documents, none of which required corrections or prompted inquiries from regulatory bodies, including the China Securities Regulatory Commission, Shenzhen Securities Regulatory Bureau, and Shenzhen Stock Exchange.

We have maintained the highest "A" (Excellent) rating in Shenzhen Stock Exchange's information disclosure assessment for three consecutive years.



Smooth Communication Channels

Through multi-channel investor engagement via our corporate website, dedicated hotline, email communications, CNINFO information network, Shenzhen Stock Exchange Interactive Platform, Investor Open Day events, and performance briefings, we actively manage investor relations to foster sustainable partnerships.



"Best Practice Case of BoD Office for Listed Company" for two consecutive years by China Association for Public Companies



5A rating in the BoD Secretary Performance Evaluation for listed companies

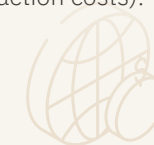


Valuing Shareholder Returns

We are keenly aware that listed companies serve as the cornerstone of capital market development. It remains the fundamental responsibility of listed companies to provide investors with reasonable investment returns and opportunities to share in the fruits of economic growth. While ensuring sustainable development, we provide consistent and stable returns to shareholders through cash dividends and share repurchases.

Share Repurchase

We implemented a share repurchase plan in 2024 to boost investor confidence. During the reporting period, a total of 2.2147 million shares of the Company were repurchased, with a total amount of funds used of CNY 29,996,043 (excluding transaction costs).



Cash Dividends

We have maintained uninterrupted cash dividend distributions for eight consecutive years. Under the 2024 profit allocation proposal, the Company plans to distribute CNY 0.42 per 10 shares (tax inclusive). The cash dividends and share repurchases are equivalent to approximately 112.17% of the Company's 2024 net profits attributable to listed company shareholders.

Business Ethics Commitment

Upholding business ethics constitutes a fundamental obligation and social responsibility for corporates. We consistently regulate business conduct, cultivate a workplace culture of integrity and transparency, and strictly adhere to the ethical baselines of compliance and fair competition.



Business Ethics Management

Anti-Corruption & Anti-Fraud

All employees are required to strictly comply with applicable laws and internal governance documents, including the *Employee Handbook* and *WOTE Employee Integrity Compliance Code*, with explicit prohibitions against bribery, embezzlement, extortion, or fund misappropriation. Procurement staff must execute Employee Integrity Pledges, while suppliers are contractually bound by *Vendor Integrity Agreements* to ensure ethical operations.

Anti-unfair Competition Compliance

In full alignment with the *Anti-Unfair Competition Law* and *Anti-Monopoly Law of the People's Republic of China*, we implement equitable competition mechanisms that foster win-win collaboration across whole industrial chains.

Conflict of Interest Management

Senior executives (Director-level and above) must proactively disclose actual or potential conflicts of interest, following established compliance procedures. Employees are prohibited from placing immediate family members in positions at partner organizations.

Integrity Education Program

Designated as an annual disciplinary education initiative from August to September, this mandatory training reinforces anti-corruption awareness among Party member executives through systematic integrity cultivation.



Anti-monopoly Training by Huizhou WOTE



Organized anti-corruption training sessions

6

Coverage rate of employee business ethics training

100%



Reporting and Whistleblower Protection

Multiple reporting channels (email, hotline, fax, mail) enable employees and business partners to submit real-name or anonymous disclosures of suspected violations to Internal Audit. All reports receive prompt investigation with stringent enforcement against ethical breaches.

We ensure: Impartial case handling in accordance with regulatory requirements and due process; Strict confidentiality of reporter identities and case details; Legally mandated protections against retaliation.

E-mail: lianjie@wotlon.com

Tel: 0755-26880862

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

Postcode: 518052



Ensuring Information Security

We strictly comply with laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, establishing and improving an information security management system, consistently enhancing information security capabilities, and elevating information security standards. In 2024, no information leakage incidents occurred.



Strengthened Institutional Management

We have formulated the *Information Security Management System*, covering aspects such as hardware management, software management, network management, data security management, email management, and access control, establishing unified information security norms and standards.



Defined Management Responsibilities

We have established a dedicated information security management team. The IT Group of the AHR Management Center is tasked with information security protection and has been granted corporate information security oversight authority. Department heads are accountable for reviewing special access requests and enforcing strict controls on information usage. All employees follow the "Accountability of Users" principle to ensure standardized utilization of information resources.



Access Control

We implement encryption for sensitive data and hierarchical access controls based on security clearance levels, restricting critical data exclusively to authorized personnel. Network access requires prior authorization, prohibiting unauthorized external network connections or resource sharing to mitigate information leakage and unauthorized access.



Security Awareness Cultivation

We conduct regular employee cybersecurity training, mandating strict compliance with established protocols for information protection and explicitly prohibiting the disclosure, trading, or misuse of confidential data.

Outlook for 2025

2025 marks the concluding year of the 14th Five-Year Plan and the preparatory phase for the 15th Five-Year Plan. Amidst global transformations, emerging technologies such as 5.5G/6G communications, robotics, new energy, and AI are propelling human advancement.

Navigating this era, we will align with global trends, adhere to our core values of "Be Unique for You," and pursue our mission of "Shaping Better Life". By seizing opportunities and advancing the integration of technology and industry, we will accelerate our transformation through the "Industrial and Supply Chains" strategy. Focusing on high-tech special polymer materials and centering on customer needs, we aim to enhance our core competitiveness, deliver technological innovations, expand market frontiers, fuel high-quality corporate development, provide cutting-edge material solutions, and generate sustained value for investors.

Indicator Index

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

Dimension	Topic	Report Page No.
Environment	Climate response	P13-14
	Pollutant discharge	P21-23
	Waste disposal	P23
	Ecosystem and biodiversity protection	P24
	Environmental compliance management	P15
	Energy utilization	P17-18
	Water resources utilization	P19
	Circular economy	P20、 P24
Community	Rural revitalization	---
	Social contributions	P56
	Innovation	P27-29、 P37-41
	Ethics of science and technology	P39
	Supply chain security	P47-48
	Equal treatment of SMEs	P48
	Product and service safety and quality	P30-36
	Data security and customer privacy	P64
	Employees	P42-46、 P49-55
Sustainability-related governance	Due diligence	P61
	Stakeholder engagement	P10
	Anti-commercial bribery and anti-corruption	P63-64
	Fair competition	P63



About this Report

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

Reporting Scope

As an annual report, this Report covers the period from January 1, 2024 to December 31, 2024 ("the Reporting Period") and may include some content pertaining to previous years or extend its scope into 2025. Unless otherwise stated, this Report covers Shenzhen WOTE New Materials Co., Ltd. and our consolidated subsidiaries.

Preparation Basis

- Self-Discipline Supervision Guidance No. 17 for Listed Companies - Sustainability Report (Trial) by Shenzhen Stock Exchange
- Sustainability Reporting Standards by the Global Reporting Initiative (GRI Standards)
- United Nations Sustainable Development Goals (SDGs)

Data Sources

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

Appellation Description

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

Reliability Commitment

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

Report Access

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

Contact Information

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

Feedback Form

Dear readers,

Thank you for reading WOTE Environmental, Social, and Corporate Governance (ESG) Report 2024. In order to gain a deeper understanding of your expectations and demands for our work, we sincerely delighted to listen to your comments and suggestions on the Report. Every suggestion you provide is helpful to us. We look forward to your generous guidance!

1. Your overall impression of this Report:

☐ Best ☐ Better ☐ General ☐ Poor ☐ Extremely Poor

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

☐ Best ☐ Better ☐ General ☐ Poor ☐ Extremely Poor

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

☐ Best ☐ Better ☐ General ☐ Poor ☐ Extremely Poor

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

☐ Best ☐ Better ☐ General ☐ Poor ☐ Extremely Poor

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

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

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

You can contact us through the following ways:

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